

## **4.0 Environmental Impact Analysis**

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### **4.11 Utilities and Service Systems—Energy Infrastructure**

#### **4.11.1 Introduction**

This section of the Draft EIR analyzes the Project’s potential impacts on electricity and natural gas infrastructure. The information presented herein is based, in part, on the *Energy Calculations for the Cheval Blanc Project* prepared by Eyestone Environmental, which is included as Appendix E of this Draft EIR.

The Project’s potential impacts regarding water, wastewater treatment, stormwater drainage, and telecommunications facilities were fully evaluated in the Initial Study prepared for the Project, included in Appendix A of this Draft EIR, and found to be less than significant.

#### **4.11.2 Environmental Setting**

##### **4.11.2.1 Regulatory Framework**

###### **4.11.2.1.1 Senate Bill 1389**

Senate Bill (SB) 1389 (Public Resources Code Sections 25300–25323), adopted in 2002, requires the development of an integrated plan for electricity, natural gas, and transportation fuels. Under the bill, the California Energy Commission (CEC) must adopt and transmit to the Governor and Legislature an Integrated Energy Policy Report every two years. In 2018, the CEC decided to write the Integrated Energy Policy Report in two volumes. Volume I, which was published on August 1, 2018, highlights the implementation of California’s innovative policies and the role they have played in moving toward a clean energy economy. Volume II, which was adopted in February 2019, identifies several key energy issues and actions to address these issues and ensure the reliability of energy resources.<sup>1</sup>

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<sup>1</sup> California Energy Commission, *2018 Integrated Energy Policy Report Update, Volume II, February 2019*.

#### **4.11.2.1.2 Regional**

There are no regional regulations with respect to electricity and natural gas infrastructure. For a discussion of regional regulations pertaining to energy conservation, refer to Section 4.4, Energy, of this Draft EIR.

#### **4.11.2.1.3 Local**

There are no local regulations with respect to electricity and natural gas infrastructure. For a discussion of local regulations pertaining to energy conservation, refer to Section 4.4, Energy, of this Draft EIR.

### **4.11.2.2 Existing Conditions**

#### **4.11.2.2.1 Electricity**

Electricity, a consumptive utility, is a man-made resource. The production of electricity requires the consumption or conversion of energy resources, including water, wind, oil, gas, coal, solar, geothermal, and nuclear resources, into energy. The delivery of electricity involves a number of system components, including substations and transformers that lower transmission line power (voltage) to a level appropriate for on-site distribution and use. The electricity generated is distributed through a network of transmission and distribution lines commonly called a power grid. Conveyance of electricity through transmission lines is typically responsive to market demands.

Energy capacity, or electrical power, is generally measured in watts (W) while energy use is measured in watt-hours (Wh). For example, if a light bulb has a capacity rating of 100 W, the energy required to keep the bulb on for 1 hour would be 100 Wh. If ten 100 W bulbs were on for 1 hour, the energy required would be 1,000 Wh or 1 kilowatt-hour (kWh). On a utility scale, a generator's capacity is typically rated in megawatts (MW), which is one million watts, while energy usage is measured in megawatt-hours (MWh) or gigawatt-hours (GWh), which is one billion watt-hours.

Southern California Edison (SCE) provides electricity throughout the City of Beverly Hills. SCE generates power from a variety of energy sources, including hydropower, coal, gas, nuclear sources, and renewable resources, such as wind, solar, and geothermal sources. According to the California Energy Demand Forecast, SCE is expected to have an annual electricity demand of 123,600 GWh and a peak demand of 22,638 MW in 2026.<sup>2</sup> Approximately 48 percent of SCE's 2019 electricity purchases were from renewable

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<sup>2</sup> California Energy Commission, *California Energy Demand, 2018–2028 Preliminary Forecast*, Table 12.

sources, which is greater than the 32 percent statewide percentage of electricity purchases from renewable sources.<sup>3</sup>

Southern California Edison supplies electrical power to the Project Site from electrical service lines located in the Project Site vicinity. Existing electricity usage was estimated based on the same methodology contained in the GHG analysis included in Section 4.6, Greenhouse Gas Emissions, of this Draft EIR (California Emissions Estimator Model [CalEEMod] Version 2016.3.2). It is estimated that existing uses on the Project Site currently consume approximately 446,576 kWh of electricity per year.<sup>4</sup>

It is noted that the City participates in the Clean Power Alliance, a Los Angeles and Ventura County community choice aggregation program, which provides customers with an option to source all or a portion of their electricity from cleaner power sources, including 36 percent, 50 percent, or 100 percent renewable energy content. The default renewable energy content provided to Beverly Hills residents is 50 percent. As such, it may be possible that the Project would be served by the Clean Power Alliance. However, it is assumed in this Draft EIR that SCE would supply electricity as SCE's electricity is more GHG-intensive on a per megawatt-hour basis.

#### 4.11.2.2.2 Natural Gas

Natural gas is a combustible mixture of simple hydrocarbon compounds (primarily methane) that is used as a fuel source. Natural gas consumed in California is obtained from naturally occurring reservoirs, mainly located outside the State, and delivered through high-pressure transmission pipelines. The natural gas transportation system is a nationwide network, and, therefore, resource availability is typically not an issue. Natural gas provides almost one-third of the state's total energy requirements and is used in electricity generation, space heating, cooking, water heating, industrial processes, and as a transportation fuel. Natural gas is measured in terms of cubic feet (cf).

Natural gas is provided to the Project Site by the Southern California Gas Company (SoCalGas). SoCalGas is the principal distributor of natural gas in Southern California, serving residential, commercial, and industrial markets. SoCalGas serves approximately 21.8 million customers in more than 500 communities encompassing approximately

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<sup>3</sup> *Edison International, 2019 Sustainability Report*

<sup>4</sup> *Eyestone Environmental, Energy Calculations for Cheval Blanc Project See Appendix E of this Draft EIR.*

24,000 square miles throughout Central and Southern California, from the City of Visalia to the Mexican border.<sup>5</sup>

SoCalGas receives gas supplies from several sedimentary basins in the western United States and Canada, including supply basins located in New Mexico (San Juan Basin), West Texas (Permian Basin), the Rocky Mountains, and Western Canada as well as local California supplies.<sup>6</sup> The traditional, southwestern United States sources of natural gas will continue to supply most of SoCalGas' natural gas demand. The Rocky Mountain supply is available but is used as an alternative supplementary supply source, and the use of Canadian sources provide only a small share of SoCalGas supplies due to the high cost of transport.<sup>7</sup> Gas supply available to SoCalGas from California sources is anticipated to average 63 million cf per day in 2021.<sup>8</sup> SoCalGas supplies natural gas to the Project Site from natural gas service lines located in the vicinity of the Project Site. It is estimated that existing uses on the Project Site currently consume approximately 47,241 cf of natural gas per year.<sup>9</sup>

### 4.11.3. Project Impacts

This analysis addresses the Project's potential impacts on electricity and natural gas infrastructure. The Project's estimated energy consumption was calculated using CalEEMod Version 2016.3.2.

#### 4.11.3.1 Thresholds of Significance

The Project would have a significant impact related to energy infrastructure if it would:

***Threshold (a): Require or result in the relocation or construction of new or expanded water, wastewater treatment, or storm water drainage, electric power, natural gas, or telecommunications facilities, the***

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<sup>5</sup> SoCalGas, *Company Profile*, [www.socalgas.com/about-us/company-info.shtml](http://www.socalgas.com/about-us/company-info.shtml), accessed September 1, 2021.

<sup>6</sup> *California Gas and Electric Utilities, 2018 California Gas Report*, p. 80.

<sup>7</sup> U.S. Energy Information Administration, *California State Profile and Energy Estimates*, [www.eia.gov/state/?sid=CA#tabs-2](http://www.eia.gov/state/?sid=CA#tabs-2), accessed September 1, 2021.

<sup>8</sup> *California Gas and Electric Utilities, 2020 California Gas Report* pp. 144–145. Interpolated between 2021 and 2035 estimates.

<sup>9</sup> *Eyestone Environmental, Energy Calculations for Cheval Blanc Project*. See Appendix E of this Draft EIR.

***construction or relocation of which could cause significant environmental effects?***

The Project's potential impacts regarding water, wastewater treatment, stormwater drainage, and telecommunications facilities were fully evaluated in the Initial Study prepared for the Project, included in Appendix A of this Draft EIR, and found to be less than significant.

**4.11.3.2 Methodology**

This analysis evaluates the potential impacts of the Project on existing energy infrastructure by comparing the estimated Project energy demand with the available capacity.

Project energy usage, including electricity and natural gas, was calculated using CalEEMod Version 2016.3.2. During Project construction, energy would be consumed in the form of electricity associated with the conveyance of water used for dust control (including supply and conveyance) and, on a limited basis, powering lights, electronic equipment, or other construction activities necessitating electrical power. Construction activities typically do not involve the consumption of natural gas. During Project operation, energy consumption would include electricity and natural gas from uses such as heating/ventilation/air conditioning (HVAC); water heating, cooking, lighting, and use of electronics/appliances. Additional details regarding Project energy usage are provided in Section 4.4, Energy, and Appendix E of this Draft EIR.

The Project's estimated energy demands were also analyzed relative to SCE's and SoCalGas' existing and planned energy supplies in 2026 (i.e., the Project buildout year) to determine if these two energy utility companies would be able to meet the Project's energy demands.

**4.11.3.3 Project Design Features**

No specific project design features are proposed with regard to energy infrastructure. However, the Project would include project design features designed to improve energy efficiency as set forth in Section 4.6, Greenhouse Gas Emissions, of this Draft EIR.

**4.11.3.4 Analysis of Project Impacts**

***Threshold (a): Would the Project require or result in the relocation or construction of new or expanded water, wastewater treatment, or storm water***

***drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?*<sup>10</sup>**

#### **4.11.3.4.1 Impact Analysis**

##### **4.11.3.4.1.1 Construction**

###### **4.11.3.4.1.1.1 Electricity**

Construction activities at the Project Site would require minor quantities of electricity for lighting, power tools, and other support equipment. Heavy construction equipment would be powered with diesel fuel. Electricity would be supplied to the Project Site by SCE and would be obtained from the existing electrical lines that connect to the Project Site.

As detailed in Section 4.4, Energy, of this Draft EIR, a total of approximately 43,971 kWh of electricity is anticipated to be consumed during Project construction. The electricity demand at any given time would vary throughout the construction period based on the construction activities being performed and would cease upon completion of construction. The estimated construction electricity usage represents approximately 1.8 percent of the estimated net annual operational demand which would be within the supply capabilities of SCE.<sup>11</sup> Moreover, the temporary use of electricity during construction would be less than the electricity usage associated with the existing uses to be removed at the Project Site. Overall, existing off-site infrastructure would not have to be expanded or newly developed to provide electrical service to the Project Site during construction or demolition.

With regard to existing electrical distribution lines, the Applicant would be required to coordinate electrical infrastructure removals or relocations with SCE and comply with site-specific requirements set forth by SCE, which would ensure that service disruptions and potential impacts associated with grading, construction, and development within SCE easements are minimized. As such, construction of the Project is not anticipated to adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity.

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<sup>10</sup> Refer to the Initial Study prepared for the Project and included in Appendix A of this Draft EIR for a discussion of water infrastructure, wastewater infrastructure, stormwater impacts, and telecommunications facility impacts.

<sup>11</sup> The percentage is derived by taking the total amount of electricity usage during construction (43,971 kWh) and dividing that number by the total amount of net electricity usage during operation (2,449,610 kWh) to arrive at 1.8 percent.

**Therefore, based on the above, construction of the Project would not result in an increase in demand for electricity that exceeds available supply or distribution infrastructure capabilities that could result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects, and impacts would be less than significant.**

#### **4.11.3.4.1.1.2 Natural Gas**

Construction activities, including the construction of new buildings and facilities, typically do not involve the consumption of natural gas. Accordingly, natural gas would not be supplied to support Project construction activities; thus, there would be no demand for natural gas generated by Project construction. However, the Project would involve installation of new natural gas connections to the Project Site. Since the Project Site is located in an area already served by existing natural gas infrastructure, it is anticipated that the Project would not require extensive off-site infrastructure improvements to serve the Project Site. Natural Gas consumption during operations is discussed below. Construction impacts associated with the installation of natural gas connections are expected to be confined to trenching in order to place the lines below surface. In addition, prior to ground disturbance, Project contractors would notify and coordinate with SoCalGas to identify the locations and depth of all existing gas lines and avoid disruption of gas service to other properties. **Therefore, construction of the Project would not result in an increase in demand for natural gas to affect available supply or distribution infrastructure capabilities and would not result in the relocation or construction of new or expanded natural gas facilities, the construction or relocation of which could cause significant environmental effects.**

#### **4.11.3.4.1.2 Operation**

##### **4.11.3.4.1.2.1 Electricity**

During operation of the Project, energy would be consumed for multiple purposes, including, but not limited to, heating/ventilating/air conditioning (HVAC); refrigeration; lighting; and the use of electronics, equipment, and machinery. Energy would also be consumed during Project operations related to water usage, solid waste disposal, and vehicle trips. As detailed in Section 4.4, Energy, of this Draft EIR, with compliance with Title 24 standards and applicable CALGreen Code requirements, buildout of the Project would result in a projected net increase in the on-site demand for electricity totaling approximately 2,449,610 kWh per year. According to the California Energy Demand Forecast, SCE is expected to have an annual electricity demand of 123,600 GWh and a

peak demand of 22,700 MW in 2026 (the Project's buildout year).<sup>12</sup> Thus, the Project-related net increase in annual electricity consumption of 2,449,610 kWh per year would represent less than 0.002 percent of the electricity SCE is projected to sell in 2026. Because Project-related increases in annual electricity consumption represent such a small percentage of SEC's projected sales, operation of the Project is not anticipated to adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity and would not result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, during Project operations, it is anticipated that SCE's existing and planned electricity capacity and electricity supplies would be sufficient to support the Project's electricity demand.**

#### 4.11.3.4.1.2.2 Natural Gas

As provided in Section 4.4, Energy, of this Draft EIR, with compliance with Title 24 standards and applicable CALGreen Code requirements, buildout of the Project is projected to generate a net increase in the on-site demand for natural gas totaling approximately 8,795,609 cf per year. Based on the 2020 California Gas Report, the California Energy and Electric Utilities estimates natural gas consumption within SoCalGas' planning area will be approximately 2.40 billion cf/day in 2026 (the Project's buildout year).<sup>13</sup> The Project would account for approximately 0.001 percent of the 2026 forecasted consumption in SoCalGas' planning area. Thus, operation of the Project would not result in an increase in demand for natural gas sufficient to affect available supply or distribution infrastructure capabilities and would not result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, it is anticipated that SoCalGas' existing and planned natural gas supplies would be sufficient to support the Project's net increase in demand for natural gas.**

#### 4.11.3.4.1.3 Conclusion

As demonstrated in the analysis above, construction and operation of the Project would not result in an increase in demand for electricity or natural gas that exceeds available supply or distribution infrastructure capabilities that could result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, Project impacts related**

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<sup>12</sup> California Energy Commission. *California Energy Demand, 2018–2028 Preliminary Forecast, Table 12.*

<sup>13</sup> California Gas and Electric Utilities, *2020 California Gas Report* pp. 144–145. *Interpolated between 2021 and 2035 estimates.*



**to energy infrastructure capacity would be less than significant during construction and operation.**

#### **4.11.3.4.2 Mitigation Measures**

Project-level impacts related to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

#### **4.11.3.4.3 Level of Significance After Mitigation**

Project-level impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures were required or included, and the impact level remains less than significant.

#### **4.11.3.5 Cumulative Impacts**

As provided in Section 3.0, Environmental Setting, of this Draft EIR, a total of 47 potential related development projects have been identified in the vicinity of the Project Site for inclusion in the cumulative impact analysis, including 24 related projects identified within the City of Beverly Hills, 6 related projects identified within the City of Los Angeles, and 17 related projects identified within the City of West Hollywood. The related projects comprise a variety of uses, including apartments, condominiums, restaurants, office, and retail uses, as well as mixed-use developments incorporating some or all of these elements. Related projects located within the City of Beverly Hills and within the City of West Hollywood would be served by SCE (for electricity) while related projects in the City of Los Angeles would be served by LADWP. All related projects would be served by SoCalGas.

##### **4.11.3.5.1 Impact Analysis**

###### **4.11.3.5.1.1 Electricity**

Buildout of the Project, related projects, and additional forecasted growth in SCE's service area would cumulatively increase the demand for electricity supplies and infrastructure capacity. As discussed above, according to the California Energy Demand Forecast, SCE is expected to have an annual electricity demand of 123,600 GWh and a peak demand of 22,700 MW in 2026.<sup>14</sup> As previously noted above, the Project-related net increase in annual electricity consumption of 2,449,610 kWh per year would represent less than 0.002 percent of the electricity SCE is projected to sell in 2026. Based on the types of

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<sup>14</sup> California Energy Commission. *California Energy Demand, 2018–2028 Preliminary Forecast, Table 12.*

developments proposed, primarily infill projects replacing other existing uses, each related project would be expected to comprise a similarly limited percentage of overall electricity consumption. Additionally, as with the Project, the related projects would be located within an urbanized area where electric power facilities already exist. Furthermore, most, if not all, related projects would be developed within sites currently or previously developed with other uses such that only electric power connections would need to be made to the new buildings constructed. Overall, as with the Project, the related projects also would not be anticipated to require or result in the relocation or construction of new or expanded electric power facilities, the construction or relocation of which could cause significant environmental effects.

It is also noted that data used to develop SCE's demand forecasts take into account population growth, energy efficiency improvements, and economic growth which includes construction projects. The need for new or additional electricity infrastructure is typically expanded in response to increasing demand, and system expansion and improvements by SCE are ongoing. The construction of new electric power infrastructure would undergo CEQA review via the rules and regulations of the California Public Utilities Commission. In the event significant environmental impacts are identified, mitigation measures would be implemented to reduce such impacts, in accordance with CEQA. Furthermore, will-serve letters may be requested by SCE that include a review of the project and the infrastructure providing electricity to a proposed project. As part of the will-serve letter process, SCE takes into account all uses (including future development projects) in the service area to ensure that sufficient local and regional infrastructure is adequate. As such, related projects would be reviewed by SCE to determine sufficient capacity and, if necessary, identify necessary power facilities and service connections to meet the needs of a proposed project. SCE would also be expected to continue to monitor demand increases within its service area and expand capacity as needed. **Therefore, the Project and the related projects would not result in significant cumulative impacts related to electricity infrastructure and the Project's contribution would not be cumulatively considerable. As such, impacts regarding electric power infrastructure would be less than significant.**

#### 4.11.3.5.1.2 Natural Gas

Buildout of the Project, related projects, and additional forecasted growth in SoCalGas' service area would cumulatively increase the demand for natural gas supplies and infrastructure capacity. Based on the 2020 California Gas Report, the California Energy and Electric Utilities estimates natural gas consumption within SoCalGas' planning

area will be approximately 2.40 billion cf/day in 2026 (the Project's buildout year).<sup>15</sup> The Project would account for approximately 0.001 percent of the 2026 forecasted consumption in SoCalGas' planning area. Based on the types of developments proposed, primarily infill projects replacing other existing uses, each development project would be expected to comprise a similarly limited percentage of overall natural gas consumption. Additionally, as with the Project, the related projects would be located within an urbanized area where natural gas infrastructure already exist. Furthermore, most, if not all, related projects would be developed within sites currently or previously developed with other uses such that only natural gas line connections would need to be made to the new buildings constructed. Overall, as with the Project, the related projects also would not be anticipated to require or result in the relocation or construction of new or expanded natural gas infrastructure, the construction or relocation of which could cause significant environmental effects. Moreover, SoCalGas' forecasts take into account projected population growth and development based on local and regional plans. Therefore, natural gas usage resulting from future operations at many of the development projects is likely accounted for in the SoCalGas projections.

Natural gas infrastructure is typically expanded in response to increasing demand and system expansion and improvements by SoCalGas occur as needed. It is expected that SoCalGas would continue to expand delivery capacity if necessary to meet demand increases within its service area. The construction of new natural gas infrastructure would also undergo CEQA review via the rules and regulations of the California Public Utilities Commission. In the event significant environmental impacts are identified, mitigation measures would be implemented to reduce such impacts, in accordance with CEQA. **Therefore, the Project and related projects would not result in significant cumulative impacts related to natural gas infrastructure, and the Project's contribution would not be cumulatively considerable. As such, cumulative impacts regarding natural gas infrastructure would be less than significant.**

#### 4.11.3.5.2 Mitigation Measures

Cumulative impacts related to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

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<sup>15</sup> *California Gas and Electric Utilities, 2020 California Gas Report pp. 144–145. Interpolated between 2021 and 2035 estimates.*

#### **4.11.3.5.3 Level of Significance after Mitigation**

Cumulative impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures were required or included, and the impact level remains less than significant.