



Information Regarding Proposal to Reduce Fossil Fuel Generation at Intermountain Power Project

May 31, 2018

The Los Angeles Department of Water and Power (LADWP) is recommending that the previously approved repowering of Intermountain Power Project (IPP) pursuant to binding renewal contracts be scaled down in size. If ultimately approved by all 35 IPP participants, the Alternative Repowering will further reduce greenhouse gas emissions 30 percent, when compared to the previously approved conversion of the coal-fired power plant in Utah to a cleaner, more efficient natural gas plant. Without this action to scale back the project, the 1,200 megawatt (MW) natural gas plant will proceed with construction as planned.

The smaller plant will reduce the size of the IPP project from 1,200 MW to 840 MW as stated in LADWP's 2017 Power Integrated Resources Plan. As one of multiple utilities participating in the project, LADWP's share will be reduced from 777 MW to 544 MW. This power supply is critically needed to maintain reliable power flow to the City and to "push" renewable energy from renewable plants located in Utah, Nevada and other western states along the project's existing 500-mile transmission lines connecting Utah to Southern California. This transmission system is needed to move renewable energy to LA from existing renewable energy plants to continue meeting its aggressive renewable energy goals. Engineering studies have determined that the amount of generation being proposed for the scaled-down plant is the minimum amount of firm generation necessary to meet reliability requirements for running the critical and highly valuable transmission systems that LADWP's

ratepayers have paid for over the past 30 years, and to meet the required electricity needs of the utility participants.

The repowering of IPP is not new. It has been a part of LADWP's Power Integrated Resources Plan, which has been the subject of significant stakeholder outreach over the past five years, and commits LADWP to a minimum of 65% renewable energy by 2036. The new plants do not hinder LADWP's ability or progress in reaching 100% renewable energy, and in fact, will help this transition. This reduction allows an additional 360 MW of renewable resources to be imported into California than the currently approved project, is a further reduction of GHG emissions, and supports a quicker transition toward a clean energy future. The proposal to reduce the project's size down to 840 MW is part of LADWP's transition toward a clean and sustainable energy future while maintaining reliable power for Los Angeles.

Background

In 2013, LADWP committed to stop using coal power by 2025—two years earlier than required by California legislation (SB 1368) and led the campaign to gain support of all 35 IPP participants (including Utah and California electric utilities) for the conversion of IPP from coal to a smaller natural gas plant. Over the past 12 years, LADWP has aggressively expanded its renewable portfolio from 7 percent in 2006 to 29 percent in 2016, and is on track to exceed 33 percent renewables by 2020. LADWP has also achieved phenomenal reductions of greenhouse gas emissions over the last 10 years—exceeding California's 2030 target 14 years early—and has divested fully from the coal-fired Mohave and Navajo Generating stations.

Following a decade of discussions with all IPP participants, the Board and City Council approved the IPP renewal contracts on June 2, 2015 and August 18, 2015, respectively. The renewal contracts allow for repowering IPP from its

current 1,800 MW of coal-fired generation to 1,200 MW of natural gas generation in compliance with SB 1368.

The renewal contracts require construction to begin no later than 2020 and completion by 2025. A key component of these agreements allow LADWP to maintain rights to two critical transmission systems connecting existing and future renewable energy from the Utah and Southwestern US region to Los Angeles, Glendale, Burbank and other California cities.

Key Facts:

- Proposal reduces IPP renewal project from 1,200 MW to 840 MW.
- LADWP's share includes:
 - 544 MW of the 840 MW natural gas generation
 - 1,969 MW of the 2,400 MW STS Transmission
- The IPP Project includes construction of two advanced class natural gas combined-cycle units, using more efficient technology, smaller units and flexible output to assist with integrating renewables.
- IPA and IPP participants must approve the proposed Alternate Repowering
- Approval maintains rights for STS transmission and other required IPP assets
- Allows access to future renewable resources and power markets
- Significantly reduces greenhouse gas emissions from IPP and satisfies state legislation (SB 1368) Emission Performance Standards
- Maintains the reliable operation of the 500-mile, 2,400 MW Southern Transmission System vital to bringing more renewable energy to Southern California.
- Offers significant cost and reliability benefits for LADWP customers
- Repowering of IPP has been included in LADWP's Power Integrated Resources Plan and discussed over five years with key stakeholders, including various environmental organizations.
- Without all 35 IPP partners' approval of the Alternative Repowering – the 1,200 MW project will be constructed under the previously approved agreement.

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