April 26, 2013
10-11:30 a.m.

1. Welcome and Self-Introductions
   Ron Gastelum, Water Conservation Partners – Council Vice Chair

2. Announcement: Legal Challenge to SCAQMD Rule 317
   Sharon Rubalcava, Partner, Alston & Bird LLP

3. Presentation: Coal Replacement Strategy and Feed-in-Tariff Program
   Eric Tharp, Director of External Power Generation & Anh Wood, FiT Program Manager,
   Los Angeles Department of Water and Power

   LADWP recently launched the largest Solar Feed-in-Tariff (FiT) program in the U.S. and is
   moving forward with a plan to eliminate the use of coal from its power supply by 2025. LADWP
   staff will explain how these efforts will help them meet state mandated renewable energy goals,
   improve air quality and stimulate L.A.’s economy.

   David Hodgins, Executive Director, Los Angeles Better Buildings Challenge

   The Los Angeles Better Buildings Challenge is a Chamber-supported program that provides free
   technical assistance and resources to private and public building owners and managers in LA in
   order to reduce energy consumption in existing buildings 20 percent by 2020. This presentation
   will demonstrate how businesses in LA can reduce their utility costs, free up cash and improve
   building operations through subsidized energy audits, specialized tax advice, commodity product
   discounts and assistance securing utility rebates.

   Upcoming Events: ACCESS Sacramento — May 13-14, 2013

   Next Meeting: June 21, 2013 (Dark in May due to ACCESS Sacramento)
David Hodgins is the founder of Sustento Group, LLC, a consultancy offering a range of strategic advisory services to private, public and institutional clients interested in rolling out large scale energy efficiency programs. Prior to this, he spent three and a half years as Commercial Sector Project Development Manager with the Clinton Climate Initiative’s Energy Efficiency Building Retrofit Program.

Hodgins currently manages the Los Angeles Commercial Building Performance Partnership, an ARRA-funded initiative to accelerate the flow of private capital to fund efficiency retrofits of existing commercial buildings, and is consulting to Los Angeles County in the roll out of its Commercial PACE Financing Program. He has consulted on the development of over 30mm square feet of resource efficiency projects on six continents and is currently consulting with the federal government and several large cities to develop and implement financing programs to accelerate the commercial resource efficiency retrofit market.

His areas of expertise include resource efficiency retrofit finance, retrofit and retro-commissioning project development, portfolio strategy and environmental policy. Hodgins is a LEED accredited professional, and is a member of both the USGBC-LA Commercial Real Estate and Finance and EBOM sub-committees. He holds a Master’s Degree in Business Administration and a Master’s Degree in Real Estate Development.
Dr. Frederick H. Pickel
Ratepayer Advocate and Executive Director
Office of Public Accountability
City of Los Angeles

Dr. Pickel has over thirty years of experience in the gas and electric utility industries, as well as with government, in the United States and abroad.

He was confirmed as the first Ratepayer Advocate and Executive Director of the Office of Public Accountability for the City of Los Angeles in February 2012. His extensive career included founding Wilshire Energy Consulting Group Inc. and serving as Vice President at Tabors Caramanis & Associates as well as working with a variety of other organizations including a “big five” accounting firm’s business risk management and utility consulting teams, Southern California Gas and its affiliates, New England Electric, SRI International’s Decision Analysis Group and the Federal Power Commission.

Dr. Pickel has negotiated and managed some of the first independent power contracts, designed programs for incentive regulation, and testified as an expert on contract defaults in international arbitrations. He co-authored the first academic paper on electricity dynamic pricing and its implications for electricity deregulation.

Fred has evaluated energy purchases with associated cost and risk management options for numerous major commercial, industrial, and government electricity, steam, and gas users and utilities. These have involved many “first of kind” deals in both electricity and gas. Additionally, he has closed, negotiated, advised on, or provided testimony on energy purchase and sales for more than $30 billion in agreements.

Dr. Pickel holds a Ph.D. in engineering/economic systems analysis, an M.S. in operations research, and an M.S. in civil engineering from the Massachusetts Institute of Technology. He received a B.S. with distinction in engineering and economics from Harvey Mudd College, Claremont, California.

While Fred grew up in Seattle, six generations of his extended family have lived in California. In addition to his time as an undergraduate in Claremont, he and his wife have lived in the Los Angeles area since 1984.

He was elected to the City of Los Angeles’ Greater Wilshire Neighborhood Council in 2010 and been involved in a number of issues to better his community. He has also previously served on Board of Trustees of Harvey Mudd College.
Eric Tharp
Director of External Power Generation
LADWP

Eric Tharp has been the Director of External Power Generation for LADWP since 2009. Tharp has managed power generating fleets at the Department for over ten years. In his current position he is responsible for power plants in seven western states that provide baseload and renewable energy to the City of Los Angeles. Tharp is also responsible for developing and implementing strategic efforts to exit from coal-fired power plants.

Tharp has over 30 years of experience in the utility industry. Throughout his career he has held management positions in Power Generation, Strategic Initiatives, Government Affairs and Regulatory and Environmental Compliance.

Tharp has a Bachelor and Master’s Degree in Civil Engineering from the University of Missouri.
Anh Wood
FiT Program Manager
LADWP

Anh Wood is LADWP’s Feed-in Tariff Program Manager. She started her career with LADWP in 1988, designing electric services for residential and small commercial customers. Shortly thereafter, she received her Master’s Degree in Electrical Engineering from the University of Southern California and her Professional Engineering License propelling her to design and manage megawatt electric station projects serving large commercial and industrial customers.

In recent years, Wood managed the development of LADWP’s in-basin solar projects, two large 10 megawatt solar projects near LA and a large 200 megawatt solar project in Owens Valley. Wood has experience with solar project development, interconnection requirements and customer service from small to large electric services.
Challenge to SCAQMD Rule 317

The Natural Resources Defense Council (NRDC) and Communities for a Better Environment have filed a challenge seeking to set aside Rule 317. If successful, this action could impose a significant new fee on “major” sources in the South Coast Air Basin. Major sources are facilities with actual emissions, or the potential to emit, over 10 tons per year of NOx or VOC. This would cause an extreme hardship to local businesses.

Background

Sections 182 and 185 of the Clean Air Act require major stationary sources of NOx and VOC located in air basins that do not attain the federal one-hour ozone standard by the statutory deadline to pay annual mitigation fees based upon a prescribed formula each year until attainment is demonstrated. The fee is set by the Act at $5,000 (in 1990 dollars adjusted for inflation) for every ton of NOx or VOC emissions in excess of 80 percent of a facility’s baseline emissions. With inflation, the fee is now in excess of $9000 per ton.

While this fee is required by the Act, industry in general believes it is extremely unfair and highly punitive to local businesses since the vast majority of emissions leading to our air quality problems are due to mobile sources. Also, most industrial sources are so heavily controlled that they do not have the ability to reduce emissions to avoid the fee without cutting production. As a result, industry views this as a highly punitive “tax” that will do little if anything to improve air quality.

In response to strong industry opposition to the fee, the SCAQMD adopted a rule that provides for compliance by utilizing a fee equivalent approach as provided in Section 172(e) of the Act. The fee equivalent approach recognizes funding from programs that are surplus to the State Implementation Plan and uses those funds in lieu of assessing fees on major sources. USEPA has adopted guidance authorizing such equivalent programs, but some environmental groups have objected arguing that such programs are not consistent with the Act.

Requested action

While the lawsuit against Rule 317 has been stayed, the same claims are being litigated in an action challenging a similar rule adopted by the San Joaquin Air Quality Management District. The resolution of that action could determine the fate of Rule 317. Filing or joining in an amicus brief in the San Joaquin matter would be helpful to support the SCAQMD.