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Los Angeles Faces Quadrupling Utility Rates: Alternatives Could Save Angelenos Billions

Jack Humphreville September 16 2024

LA WATCHDOG - Over the next decade, it is anticipated that our water and power rates will quadruple. This will create a substantial burden on all Ratepayers whether they are renters, homeowners, governmental agencies, including the Los Angeles Unified School District, and small and large businesses that employ millions of Angelenos.

In 2023, operating revenues for both the water and power systems were almost \$7 billion. If rates quadruple to \$28 billion, this represents a \$21 billion increase, an amount that is over two and half times the City's General Fund budget of \$8 billion.

However, the Energy and Environment Committee chaired by Councilwoman Katy Yaroslavsky has the ability to lessen the impact on Ratepayers, especially on lower income Angelenos whose increased utility bills will take up an increasing share of their wallets.

On the power side, DWP has proposed a plan where our electricity would be derived from 100% Renewable resources. But the Ratepayer Advocate has indicated the sustained escalation of rates and bills is "not reasonable" because the incremental cost of eliminating the last 10-20% of fossil fuels is around \$1,200 a ton. This compares to the current market of around \$50 for a ton of greenhouse gas.

An alternative is to lower the goal to 80% or 90%, saving Ratepayers billions and resulting in "only" a doubling of rates, but still result in the elimination of significant levels of greenhouse gas.

On the water side, the Department is considering spending \$20-25 billion on Pure Water Los Angeles, a facility that will convert 250 million gallons a day of wastewater into 200,000 acre feet a year of potable water. This represents about 40% of the City's needs.

The cost of this \$20 billion project is \$5,000 for each of the four million Angelenos. On the other hand, if this project is done in conjunction with the Metropolitan Water District, the cost for each of the 20 million residents in MWD's territory is \$1,000, a substantial savings for Angelenos. These substantial savings more than offset the lesser control over the water produced by Pure Water Los Angeles.

These two alternatives will not be well received by the politically active environmental community who have no respect for our wallets. But these alternatives deserve open, transparent, and independent hearings on the impact of LA 100 Renewables and Pure Water Los Angeles on our wallets.

(Jack Humphreville writes LA Watchdog for CityWatch. He is the President of the DWP Advocacy Committee, the Budget and DWP representative for the Greater Wilshire Neighborhood Council, and a Neighborhood Council Budget Advocate. He can be reached at: lajack@gmail.com.)

August 15, 2024

Senator Stephen Bradford
Chair, Senate Energy and Utilities Committee
<https://seuc.senate.ca.gov/committeehome>
c/o Austin Panush
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Dear Senator Bradford,

I am a physicist-epidemiologist who has had a long academic career at UCLA and I am a concerned LADWP ratepayer. I am writing to support the bipartisan comments in the August 14 California Insider article "**Lawmakers on Both Sides Say California's Push for Clean Energy Has Driven Up Electricity Bills**" (<https://californiainsider.com/news/lawmakers-on-both-sides-say-californias-push-for-clean-energy-has-driven-up-electricity-bills-5705608>). During the August 6 Senate Energy and Utilities Committee hearing, you stated that "the state's desire to lower climate emissions is increasing electricity demand and causing prices to spike."

Extensive evidence supporting your statement is contained in the three items below regarding the LADWP Plan for 100% renewable energy by 2035 (LA100):

- 1) My July 16 email to LADWP Commissioner Nurit Katz challenging the scientific validity of LA100 (<http://www.scientificintegrityinstitute.org/JEEKatz071624.pdf>)
- 2) The August 12 CO2 Coalition letter to Jaquelin Cochran, PhD, the NREL lead author of LA100 (<https://co2coalition.org/publications/open-letter-to-national-renewable-energy-laboratory-re-los-angeles-100-renewable-energy-study/>)
- 3) The "Green Breakdown: The Coming Renewable Energy Failure" book by CO2 Coalition Team Member Steve Goreham (<https://www.stevogoreham.com/books/#greenbreakdown>).

I request the opportunity to explain this evidence in detail to the Senate Energy and Utilities Committee.

Thank you very much for your interest and consideration.

Sincerely yours,

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August 14, 2024 California Insider article “**Lawmakers on Both Sides Say California’s Push for Clean Energy Has Driven Up Electricity Bills**” (<https://californiainsider.com/news/lawmakers-on-both-sides-say-californias-push-for-clean-energy-has-driven-up-electricity-bills-5705608>).

Travis Gillmore

California lawmakers on both sides of the aisle are bringing attention to legislative policies that they say are causing energy prices to escalate and squeezing consumers across the state.

Between 2020 and 2023, rates climbed between 40 percent and 60 percent for many Golden State residents—compared with about a 24 percent bump across other major cities nationwide, according to the U.S. Bureau of [Labor Statistics](#).

Prices for electricity have increased more than [128 percent](#) over the past decade for Pacific Gas and Electric’s 16 million customers in California.

Democratic Sen. Stephen Bradford, chair of the Senate’s Energy, Utilities, and Communications Committee, said during an Aug. 6 hearing that the state’s desire to lower climate emissions is increasing electricity demand and causing prices to spike.

“I think that’s where we lose the public. ... Consumers are feeling this,” he said. “I want to make this work for all Californians and the environment, as a whole.”

Efforts to electrify vehicles and buildings will require more power, and the growing use of artificial intelligence is also contributing to the dilemma—as complex computing systems require significant power sources, according to the senator.

He said the combination is causing electricity prices to climb and suggested legislators are not seeing the bigger picture.

“We’re flying an airplane while redesigning it, adding passengers, and changing the fuel mix mid-air as weather forecasts constantly shift, requiring adjustment to the flight paths,” Bradford said.

The senator said regulators need to communicate with lawmakers about the issues that are affecting pricing.

“We need to hear from the agencies, and we need to hear more pushback if we’re moving in a direction that makes it harder for you to do your job,” Bradford said, “You’ve been doing it with your arms tied behind your back, and much of the reason why is because of the aspirational policies that we have passed in the Legislature, and I’m just going to be real about that.”

Having served 14 years in the Legislature, including roles as chair of energy committees in the Senate and the Assembly, he questioned past actions that are now impacting Californians.

“I have no doubt that much of what we passed has good intentions, but as old folks used to tell me, ‘The road to hell is paved with good intentions,’” Bradford said. “And we find ourselves here today, with these challenges, because our legislation has been more aspirational than practical.”

He said lawmakers need to rethink their policy decisions.

“We need to be more practical in what we’re trying to do—legislation we can implement that really achieves the goals of a cleaner environment, but more importantly, reliability,” Bradford said. “My desire ... is that we have policy more rooted ... in reality and implementation.”

He added that discussions about zero-emissions power should focus on the “cleanest sources,” including nuclear and hydroelectric instead of batteries, wind, and solar.

“So at some point, we need to start having real adult conversations about what our goals and objectives are,” Bradford said.

A Republican energy committee member agreed, saying consumers are feeling the pinch of higher rates and that the state will ultimately pay the price.

“Anything [the public] thinks might raise their rates, right now they’re hypersensitive to it,” Sen. Kelly Seyarto said during the hearing. “The problem with that is as consumers become more and more unable to keep up with the costs, they start leaving our state, and we’re heading into some economic issues now that are starting to reflect that.”

The lawmakers’ comments echoed statements made during a March hearing of the Assembly’s Utility and Energy Committee.

“As anyone ... who’s opened their utility bill recently can testify, rates are skyrocketing in California,” Democratic Assemblywoman Cottie Petrie-Norris, chair of the energy committee, said in opening remarks during the meeting. “The harsh reality is that millions of Californians are at the breaking point.” Families and businesses are suffering from the record high increase in utility prices, she said.

“Some businesses are struggling to keep their doors open, and quite literally, to keep their lights on,” Petrie-Norris said.

‘Funded Through Electricity Bills’

The regulator in charge of overseeing the industry acknowledged the state’s green energy policies are affecting pricing.

“This all comes at a cost,” Alice Reynolds, president of the California Public Utilities Commission, said during the hearing. “Any investment in clean energy technology ... is funded through electricity bills.”

Republican Assemblyman Jim Patterson, vice chair of the committee, said the state’s clean energy goals are hurting Californians.

“We’re trying to decarbonize the fifth-largest economy [on] the planet, and while we’re doing that, we’re putting millions of Californians into poverty,” Mr. Patterson said. “I’m just not hearing solutions here that make a lot of sense.”

He said the state’s policies are too costly and need to be rethought.

“All of the goals that the state has set up are going to be very expensive, and somebody’s going to have to pay,” Mr. Patterson said. “The aspiration is misguided, and until we readjust the aspiration, we’re not going to be able to readjust the price tag and the burden that we’re asking our ratepayers to pay.”

The assembly member said energy prices now amount to “rate gouging.”

“In the 11 or 12 years I’ve been here ... I’ve seen the grid become less and less reliable and more and more expensive,” Mr. Patterson said. “Bills are really, in my judgment, excessive.”

Fellow committee member Democratic Assemblywoman Eloise Gomez Reyes agreed that rates are too high.

“It’s untenable now, and it’s unsustainable to expect the users to continue to pay increased rates,” Ms. Reyes said during the hearing.

The sentiment was shared by other Democratic colleagues and committee members.

“This is a real cost of living problem for real Californians,” Assemblywoman Tasha Boerner said. “And not just low-income Californians. We’re talking about the middle class.”



Travis Gillmore

Author

Travis Gillmore is an avid reader and journalism connoisseur based in California covering finance, politics, the State Capitol, and breaking news for The Epoch Times.

August 12, 2024

Jaquelin Cochran, PhD
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Re: CO₂ Coalition Challenges Climate Basis for LADWP LA100

Dear Dr. Cochran:

Good news: There is NO climate crisis in California.

This letter regards the Los Angeles 100% Renewable Energy Study ([LA100](#)), which is a joint collaboration between the Los Angeles Department of Water and Power (LADWP) and the National Renewable Energy Laboratory (NREL). LA100 appears to have been initiated on March 2, 2016, through a [Principal Motion](#) prepared by the Los Angeles City Council Energy and Environment Committee. The Principal Motion begins with these claims: “Climate change is the most significant issue facing the global environment today. There is a broad, overwhelming consensus among scientists that the climate is changing as a direct result of human activity that produces greenhouse gases.”

We challenge the validity of the Principal Motion with strong evidence that there is NO climate crisis in California. This evidence has been compiled by the [CO₂ Coalition](#), a nonprofit organization with the goal of determining and propagating the facts regarding carbon dioxide (CO₂) and the climate. The key findings provided below stand in contrast to the need to “[combat climate change](#),” which appears to be the primary justification for LA100. More details, including the scientific data, can be found in the attached letter, which was originally sent to the California Air Resources Board (CARB) on March 22, 2024, and is available [online](#).

- Modest warming of California is beneficial and not a cause for concern: Globally, more people have died from the cold than from the heat since 2000.
- Increase in agricultural production: The combination of lengthened growing seasons (from warming) and increased CO₂ concentrations has contributed to this increase.
- CO₂ is essential: Plants need CO₂, sunlight, water, and nutrients from the soil to produce food and oxygen, both of which are essential for human and animal lives.
- CO₂ is beneficial: Exposing plants to higher concentrations of CO₂ increases their growth, food production, and drought-resistance; and greens the Earth.
- California is in no danger of unusual drought: The annual precipitation in California has fluctuated greatly over the last 150 years, with only a slight decrease.
- Ski resorts are experiencing more snow: Most (21 of 22) ski resorts in California had increasing snowfall from 2012 to 2023.
- California is in no danger of drowning: North Spit, CA, has the highest rate of sea level rise of 0.005 meter/year, or 1.64 feet in 100 years, which is easily mitigated.

- Less natural disasters over the years: Significantly reduced number of wildfires and acres burned were reported in the United States and globally; California has infrequent tornadoes, no landfalling hurricane from 1851 to 2023, and no tropical depression from 1950 to 2023; and tropical storms are rare in California, with the last two reported in 2023 and 1997.
- Air quality in California keeps getting better: The concentrations of major pollutants have decreased over the years.

Based on the data: There is NO climate crisis in California and CO₂ is essential for all life on Earth.

NREL and the LADWP also cited “[health and economic benefits](#)” as motivations for implementing the proposals of LA100.

The [claimed health benefits](#) include “the overall changes to air quality from LA100 scenarios could provide hundreds of millions of dollars—and up to nearly \$1.5 billion—in monetized benefits in the year 2045.” These claims have been strongly disputed by the CO₂ Coalition, where based on [scientific evidence](#), the **air quality in California is already very good**, which means that there are little or no health benefits that can be directly attributed to further improvements in air quality. Based on the studies conducted by the CO₂ Coalition:

- 1) The current air pollution levels in California are among the lowest in the entire world (Figure 1). These levels are below the threshold of established human health effects.



Figure 1: Worldwide level of air pollution due to particulate matter (PM_{2.5})

- 2) Published epidemiologic evidence from six California cohorts finds that the concentration of fine particulate matter (PM_{2.5}) is NOT related to total mortality. These cohorts are: Adventist Health Study, California ACS Cancer Prevention Study I, Medicare Cohort Air

Pollution Study, California ACS Cancer Prevention Study II, California Teachers Study, and California NIH-AARP Diet and Health Study.

- 3) The 2019 age-adjusted total death rates in California are among the lowest in the United States. Relative to the rate in the United States in 2019 (7.15 deaths per 1000), the rate is 16% lower in California, 20% lower in Los Angeles County, and 30% lower among Los Angeles County Hispanics.
- 4) Major risk factors for coronary heart disease are blood pressure, blood cholesterol, tobacco smoking, diabetes, family history of heart disease, obesity, age, gender, and stress. Air pollution is NOT an established factor.
- 5) The causes of asthma are unknown. Factors known to trigger asthmatic symptoms are dust mites, animal dander, pollen, molds, cigarette smoke, certain chemicals, cold air, and sinusitis. Air pollution is NOT an established factor.

As for the claimed economic benefits of transitioning to alternative energy systems (usually referred as “renewable”), Figure 2 shows the data from the [California Energy Commission](#) regarding the amount of electricity, in gigawatt hours (GWh), generated by each fuel in California. The data indicate that beginning in about 2010, the reliance of California on solar photovoltaic (PV) saw a major increase. At the same time, California decreased its reliance on nuclear energy and natural gas beginning in 2012 and 2016, respectively.

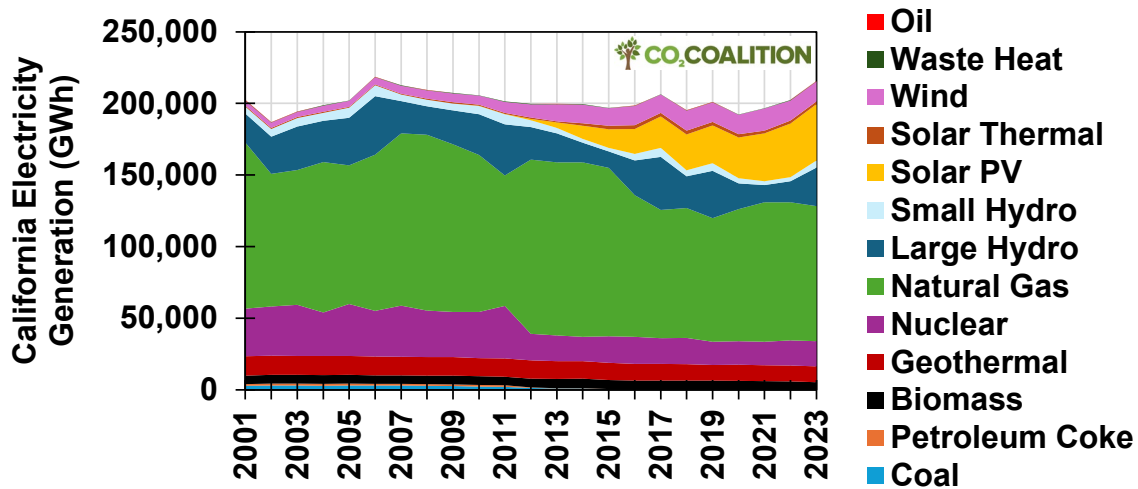


Figure 2: Amount of electricity in California generated by each fuel

The cost of electricity in the Los Angeles/Long Beach/Anaheim area in California, obtained from the [U.S. Bureau of Labor Statistics](#), is shown in Figure 3. Figure 3 indicates that compared to other time periods, the electricity price in Los Angeles/Long Beach/Anaheim took a significant leap from the late 2010s to 2024. The fact that the electricity price began soaring shortly after California decreased the use of natural gas and increased the use of solar PVs suggest that, rather than reducing the price of electricity, placing more reliance on alternative energy systems, such as solar energy, does the opposite.

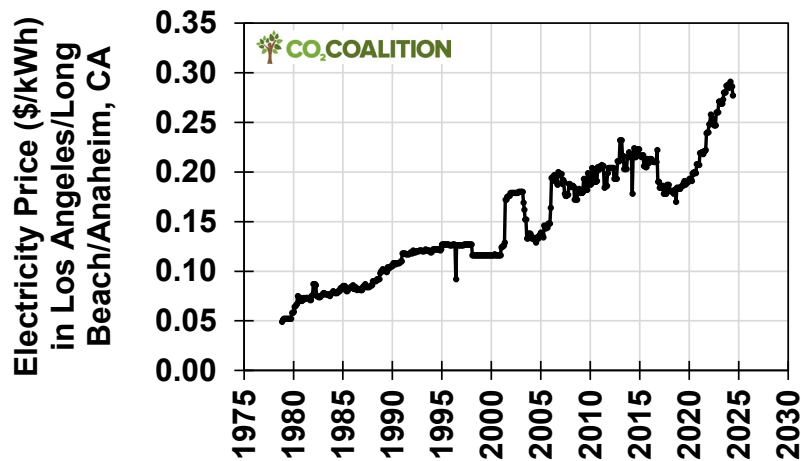


Figure 3: Price of electricity in the Los Angeles/Long Beach/Anaheim area in California

In terms of the reliability of alternative energy systems, Pages 21–23 of the attached testimony discusses the electricity grid in Texas, where this testimony is available [online](#) and was submitted for the Montana Public Service Commission public hearing on the petition, docket number [2024.03.028](#). When Winter Storm Uri arrived in Texas in February 2021, wind and solar energy systems, which are included among alternative energy systems, failed, and natural gas power plants had to significantly increase their power outputs to meet the electricity needs of the customers. Similarly, in Summer 2023, there were time intervals when wind and solar energy systems failed to produce enough power to meet the electricity demands of the customers, once again necessitating natural gas power plants to increase their power outputs. These experiences suggest that wind and solar energy systems are not reliable.

Based on the data: Placing more reliance on alternative energy systems, such as wind and solar energy systems, increases the price of electricity, while reducing grid reliability.

In conclusion: Given that there is NO climate crisis in California, CO₂ is essential for all life on Earth, California has clean, healthy air, and alternative energy systems (wind and solar) are expensive and unreliable, the CO₂ Coalition recommends against implementing the proposals of LA100.

If you need additional details, the CO₂ Coalition will be happy to respond to any inquiries you may have, and the members of the CO₂ Coalition will be happy to meet with you for further discussions.

Sincerely,

Gregory Wrightstone
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December 9, 2023

Hello LADWP:

Attached below are two excerpts from the new book *Green Breakdown: The Coming Renewable Energy Failure*. The first excerpt is a section from Chapter 5, titled “Approaching 100 Percent Renewable Electricity.” This section points out that, traditional coal, natural gas, and nuclear generating plants must be maintained as a ready reserve as more and more wind and solar are added to the electricity grid. This results in doubling or tripling of the electricity capacity that must be maintained, causing electricity prices to double or triple. The section references a 2016 paper by Brick and Thernstrom.

The second excerpt is a section from Chapter 10, titled “Rising Electricity Costs and Falling Reliability.” This section references a 2022 report from the New England ISO. The New England ISO studied plans to approach 100 percent renewables in the six New England States by 2040. They concluded that even with 300 percent overcapacity and large amounts of grid-scale battery capacity, the projected system would suffer 15 days of power blackouts annually and an additional 36 days in which system reliability would be at risk.

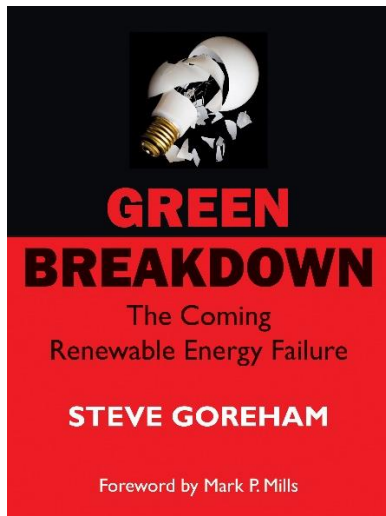
Approaching 100 percent renewable electricity is not possible without a doubling or tripling of electricity prices and also incurring a major increase in the risk of electricity blackouts.

Steve Goreham

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APPROACHING 100 PERCENT RENEWABLE ELECTRICITY

Despite the issues of high land usage, intermittency, and cost, most government administrations appear determined to try to move to 100 percent renewable electricity. As we discussed, unless nuclear power is reconsidered as a favored power source, this renewable transition must be dominated by installation of wind and solar systems.

From 2000 to 2020, wind and solar output rose from zero to an 11 percent share of US electricity production as coal-fired output declined. But over the same period, the share of US electricity provided by natural gas rose from 16 percent to 40 percent. Like in the US, natural gas now dominates the electricity supply of many nations.

Because of intermittency, the capacity of wind and solar systems does not equate to the capacity of traditional power plants. Passing clouds interrupt the output of solar arrays, and wind output varies with the whims of zephyrs. Electrical power operators count on only about 10 percent of the rated capacity of wind and solar systems as a reliable contribution to overall system capacity. This means that, as more and more wind and solar are added to a power system, most traditional power sources *must* remain in service to maintain continuity of electricity supply.

A 2016 study by Stephen Brick and Samuel Thernstrom analyzed electricity systems in California, Germany, and Wisconsin. Their analysis looked at changes to system capacity and cost with increasing penetration of intermittent wind and solar resources. They estimated that, as more and more renewables are added to power systems, 90 percent of traditional power plants must be retained as backup for wind and solar. The traditional power plants are run at lower and lower capacity factors as renewable penetration moves from 50 percent to 80 percent of electricity output. This results in a rising level of system size that must be maintained, as well as rising electricity costs for consumers.

Brick and Thernstrom projected that, in the case of California, overall system capacity would rise by 69 percent with 50 percent renewable penetration, and rise by 130 percent when renewable penetration reached 80 percent. The price of wholesale electricity would rise 85 percent for 50 percent wind and solar penetration, and would rise 269 percent for 80 percent penetration, almost tripling in price. The authors recommended using a more balanced approach of increasing the use of nuclear power with wind and solar to limit increasing system size and electricity cost.

Stephen Brick and Samuel Thernstrom, "Renewables and Decarbonization: Studies of California, Wisconsin, and Germany," *The Electricity Journal*, Mar. 22, 2016, <https://core.ac.uk/download/pdf/82637221.pdf>

<https://knock-la.com/la100-ladwp-renewable-energy/>

ACTIVISM

Where Was the Community at LADWP’s “Community Driven” LA100 Meetings?

LADWP fails at an “equitable” process after extremely low turnout at LA100 “community engagement” meetings.

[Ethan Senser](#) [May 31, 2021](#)



Screenshot from [National Renewable Energy Laboratory’s website](#).

TAKE ACTION: Give public comment on the city’s move to clean energy this Thursday, June 3, at 10am. More information on this and how to save money with LADWP are at the [bottom of this article](#).

At a press conference this past March (in which technical difficulties oddly kept resulting in the video feed being cut in by a yoga workout) Mayor Garcetti announced the completion of the LADWP’s long awaited [LA100 study](#). The study, the result of four years of work from the [National Renewable Energy Laboratory](#), represents the foundation on which LADWP’s “community-

driven” [pathway to 100% renewable energy](#) would be built, in ways Garcetti promised would “prioritize reliability, affordability, and equity.”

Two months later, LADWP wrapped up a series of six community engagement meetings to present the results of the study and answer community questions. The problem? Barely any community members showed up, with the majority of participants on each call being staff from LADWP (along with some council staff and industry lobbyists). The fact that only a few community members joined shouldn’t be all that surprising — especially when LADWP’s outreach largely consisted of one item at the bottom of their email newsletter.

For an “equitable” and “community-driven” process, these meetings were a clear failure. But that’s not to say there isn’t significant community interest in this process. Over the past three years, I’ve spoken to hundreds of community members across Los Angeles about the LA100 study, from student activists to retiree associations, labor unions to church groups. Myself and other organizers have traveled to neighborhood councils in every corner of the city — leading to [over a third of the city’s neighborhood councils](#) submitting Community Impact Statements on the study — many requesting more engagement from LADWP.

Every community group or neighborhood council is different, but one thing was the same across the board. Almost without exception, we were the first people to let them know this study was even happening, let alone telling them how they could engage. SoCalGas can go one by one to neighborhood councils to [present on how great biogas is](#), but apparently LADWP was nowhere to be found.

When LADWP makes public presentations they rarely speak about the issues community members seem to care most about. At the study’s Advisory Group meetings, and at presentations to their MOU Oversight Group (which is held at 8:30 AM on a Saturday), LADWP’s conversation is consistently skewed more towards engineers than to everyday Angelenos looking to find out how they can save money on their bills, or ensure new improvements don’t leave them priced out of their home. When LADWP does try to speak to everyday people, it’s with [stylized videos](#) that offer platitudes as opposed to spelling out the real choices on the table.