# **Appendix E**

Energy Utility Report



#### 1000 Seward Mixed-Use Project Utility Infrastructure Technical Report: Energy January 2022

#### **PREPARED BY:**

LFA Consulting Engineers 319 Main Street El Segundo, CA 90245

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#### I. INTRODUCTION

#### I.I.PROJECT DESCRIPTION

The 1000 Seward Project (Project) would include the development of a mixed-use commercial project with a total floor area of 150,600 square feet. The Project would include 136,200 square feet of office uses, 12,200 square feet of restaurant uses (of which 6,100 square feet may be used for an entertainment use), and 2,200 square feet of retail uses. The proposed uses would be located within a single ten-story building (with an additional rooftop level for mechanical equipment) with a maximum height of 133 feet to the top habitable floor and approximately 155 feet to the top of rooftop mechanical equipment level. The Project would also provide up to 35,600 square feet of open space which would include terraces, seating, lounge areas, and landscaping. In accordance with the City of Los Angeles (City) Municipal Code (LAMC), the Project would provide 310 vehicular parking spaces and 55 bicycle parking spaces (34 long-term and 21 short-term) within four subterranean levels and four above grade fully enclosed and mechanically ventilated parking levels. The two existing buildings on the Project Site totaling 10,993 square feet along with the surface parking areas would be demolished. Overall, the Project would result in 150,600 square feet of floor area within the Project Site with an FAR of 4.4:1. Project construction is anticipated to be completed in 2025.

#### I.2. SCOPE OF WORK

As a part of the Environmental Impact Report for the Project, the purpose of this report is to analyze the potential impact of the Project to the existing energy infrastructure systems.

#### 2. REGULATORY FRAMEWORK

#### 2.I.ELECTRICITY

The 2016 Power Integrated Resource Plan (IRP)<sup>1</sup> document serves as a comprehensive 20 year roadmap that guides the Los Angeles Department of Water and Power's (LADWP) power system in its efforts to supply reliable electricity in an environmentally responsible and cost effective manner. The 2016 IRP re-examines and expands the analysis contained in the 2015 IRP, with updates in line with the latest regulatory framework, primarily the recently approved state legislation of a 50 percent renewable portfolio standard by 2030.

The 2016 IRP provides detailed analysis and results of several new IRP resource cases which investigated the economic and environmental impact of increased local solar and various levels of transportation electrification. In analyzing the IRP cases and recommending a strategy to best meet the future electric needs of Los Angeles, the IRP uses system modeling tools to analyze and determine the long-term economic,

LADWP, 2016 Power Integrated Resoure Plan, December 2016

environmental, and operational impact of alternative resource portfolios by simulating the integration of new resource alternatives within our existing mix of assets and providing the analytic results to inform the selection of a recommended case.

The IRP also includes a general assessment of the revenue requirements and rate impacts that support the recommended resource plan through 2035. While this assessment will not be as detailed and extensive as the financial analysis to be completed for the ongoing rate action for the 2016/17 fiscal year and beyond, it clearly outlines the general requirements. As a long-term planning process, the IRP examines a 20-year horizon in order to secure adequate supplies of electricity. In that respect, it is LADWP's desire that the IRP contribute towards future rate actions, by presenting and discussing the programs and projects required to fulfill the City Charter's mandate of delivering reliable electric power to the City of Los Angeles.

Regulatory interpretations of primary regulations and state laws affecting the LADWP Power System, including AB 32, SB 1368, SB 1, SB 2 (1X), SB 350, SB 32, US EPA Rule 316(b), and US Clean Power Plan, continue to evolve particularly with certification requirements of existing renewable projects and their applicability towards meeting instate or out-of-state qualifications. The current IRP attempts to incorporate the latest interpretation of these major regulations and state laws as they are understood today.

#### 2.2. NATURAL GAS

The 2020 California Gas Report<sup>3</sup> presents a comprehensive outlook for natural gas requirements and supplies for California through the year 2035. This report is prepared in even-numbered years, followed by a supplemental report in odd-numbered years, in compliance with California Public Utilities Commission Decision D.95-01-039. The below projections in the California Gas Report are for long-term planning and do not necessarily reflect the day-to-day operational plans of the utilities.

California natural gas demand, including volumes not served by utility systems, is expected to decrease at a rate of 1.4 percent per year from 2016 to 2035. The forecast decline is a combination of moderate growth in the Natural Gas Vehicle (NGV) market and across-the-board declines in all other market segments: residential, commercial, electric generation, and industrial markets.

Residential gas demand is expected to decrease at an annual average rate of 0.5 percent. Demand in the commercial and industrial markets are expected to decline at an annual rate of 0.24 percent. Aggressive energy efficiency programs make a significant impact in managing growth in the residential, commercial, and industrial markets. For the purpose

<sup>&</sup>lt;sup>2</sup> Ibid

<sup>&</sup>lt;sup>3</sup> California Gas and Electric Utilities, 2020 California Gas Report, 2020.

of load-following as well as backstopping intermittent renewable resource generation, gas-fired generation will continue to be the primary technology to meet the evergrowing demand for electric power. However, overall gas demand for electric generation is expected to decline at 1.3 percent per year for the next 20 years due to more efficient power plants, statewide efforts to minimize greenhouse gas (GHG) emissions through aggressive programs pursuing demand-side reductions, and the acquisition of preferred power generation resources that produce little or no carbon emissions.

#### 3. EXISTING CONDITION

In 2015, the state enacted legislation intended to improve air quality, provide aggressive reductions in energy dependency and boost the employment of renewable power. The first legislation, the 2015 Clean Energy and Pollution Reduction Act, also known as Senate Bill (SB) 350, requires the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources be increased to 50 percent by December 31, 2030. SB 350 establishes annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses by January 1, 2030. Second, the Energy Efficiency Act (AB 802) provides aggressive state directives to increase the energy efficiency of existing buildings, requires that access to building performance data for nonresidential buildings be provided by energy utilities and encourages pay-for performance incentivebased programs. This paradigm shift will allow California building owners a better and more effective way to access whole-building information and at the same time will help to address climate change, and deliver cost-effective savings for ratepayers. Last, the Energy Efficiency Act (AB 793) is intended to promote and provide incentives to residential or small and medium-sized business utility customers that acquire energy management technology for use in their home or place of business. AB 793 requires energy utilities to develop a plan to educate residential customers and small and medium business customers about the incentive program.<sup>4</sup>

#### 3.1.ELECTRICITY

LADWP is responsible for providing power supply to the City while complying with local, State, and Federal regulations.

#### 3.1.1. REGIONAL

LADWP's power system is the nation's largest municipal electric utility and serves a 465-square-mile area in Los Angeles and much of the Owens Valley. The system supplies more than 26 million megawatt-hours (MWh) of electricity a year for the City of Los Angeles' 1.4 million residential and business customers as well as over 5,000 customers in the Owens Valley. LADWP has over 7,460 megawatts (MW) of generation capacity

<sup>4</sup> Ibid

from a diverse mix of energy sources including renewable energy, natural gas, nuclear, large hydro, coal, and other sources. The distribution network includes 6,800 miles of overhead distribution lines and 3,597 miles of underground distribution cables.<sup>5</sup>

#### 3.1.2. LOCAL

Based on available substructure maps from the City of Los Angeles Bureau of Engineering's online Navigate LA database, it appears that the Project Site receives electric power service from LADWP via an existing underground conduit in Romaine Street.

#### 3.1.3. ON-SITE

The Project Site is currently developed with two one story buildings totaling 10,993 square feet and surface parking areas. Specifically, the existing uses on the Project Site include a 2,551 square-foot restaurant (1006 Seward Street) and an approximately 8,442 square-foot production space and mastering studio (1000 Seward Street). Vehicular access to the Project Site is provided via driveways along Seward Street, Romaine Street, and Hudson Avenue. Pedestrian access to the Project Site is located along Seward Street, Romaine Street, Romaine Street, and Hudson Avenue. Existing landscaping within the Project Site includes a Hollywood Juniper and several bird of paradise plants within small planted areas.

Table I - Estimated Existing Electricity Demand				
Connection To:	Facility	Electricity Demand (kW) <sup>(a)</sup>		
Romaine St.	Restaurant	109,381		
Romaine St.	Production Space and Mastering Studio	106,526		
Romaine St.	Parking Lot	0		
-	Water Usage (all facilities) <sup>(b)</sup>	34,691		
Seward St. Total Existing Electricity Demand for Project Site		250,598		
<sup>(a)</sup> I kW (kilowatt) = 1,000 Watts				

<sup>(b)</sup> electricity usage for water is based on per gallon delivery, treatment, and distribution of water within Southern California

<sup>&</sup>lt;sup>5</sup> LADWP, 2015 Power Integrated Resource Plan, December 2015.

#### 3.2. NATURAL GAS

Southern California Gas Company (SoCalGas) is responsible for providing natural gas supply to the City and is regulated by the California Public Utilities Commission and other state and federal agencies.

#### 3.2.1. REGIONAL

SoCalGas is the principal distributor of natural gas in Southern California, providing retail and wholesale customers with transportation, exchange and storage services and also procurement services to most retail core customers. SoCalGas is a gas-only utility and, in addition to serving the residential, commercial, and industrial markets, provides gas for enhanced oil recovery (EOR) and electric generation (EG) customers in Southern California. SoCalGas's natural gas system is the nation's largest natural gas distribution utility, and serves a 20,000 square-mile area in Central and Southern California. The system supplies natural gas to 21.6 million customers through 5.9 million meters in more than 500 communities.<sup>6</sup>

#### 3.2.2. LOCAL

Based on available substructure maps from the City of Los Angeles Bureau of Engineering's online Navigate LA database, it appears that the Project Site receives natural gas service from SoCalGas via an existing underground conduit in Seward Street.

#### 3.2.3. ON-SITE

As described above, the Project Site is currently occupied by an existing 2,551 square foot restaurant, an 8,442 square foot production space and mastering studio, and 20,700 square foot paved surface lot. Table 2 below summarizes the existing condition.

Table 2 - Estimated Existing Natural Gas Demand				
Connection To:	Facility	Annual Natural Gas Demand (Million Cubic Feet)		
Seward St.	Restaurant	0.56 MMCF		
Seward St.	Production Space and Mastering Studio	0.08 MMCF		
Total Existing Natural Gas Demand for Project Site		0.64 MMCF		

<sup>&</sup>lt;sup>6</sup> California Gas and Electric Utilities, 2020 California Gas Report, 2020.

#### 4. SIGNIFICANCE THRESHOLDS

Appendix F of the CEQA Guidelines states that the potentially significant energy implications of a project should be considered in an EIR. Environmental impacts, as noted in Appendix F, may include:

- The project's energy requirements and its energy use efficiencies by amount and fuel type for each stage of the project including construction, operation, maintenance and/or removal. If appropriate, the energy intensiveness of materials may be discussed;
- The effects of the project on local and regional energy supplies and on requirements for additional capacity;
- The effects of the project on peak and base period demands for electricity and other forms of energy;
- The degree to which the project complies with existing energy standards;
- The effects of the project on energy resources;
- The project's projected transportation energy use requirements and its overall use of efficient transportation alternatives.

Appendix G of the CEQA Guidelines provides a set of sample questions that address impacts with regard to energy consumption. These questions are as follows:

Would the project:

- Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?
- Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?
- 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?

In the context of the above thresholds, the L.A. CEQA Thresholds Guide states that a determination of significance shall be made on a case-by case basis, considering the following factors:

- The extent to which the project would require new (off-site) energy supply facilities and distribution infrastructure; or capacity enhancing alterations to existing facilities;
- Whether and when the needed infrastructure was anticipated by adopted plans; and
- The degree to which the project design and/or operations incorporate energy conservation measures, particularly those that go beyond City requirements.

Based on these factors, the Project would have a significant impact on energy resources if it would result in an increase in demand for electricity or natural gas that exceeds available supply or distribution infrastructure capabilities, or the design of the project fails to incorporate energy conservation measures that go beyond existing requirements.

#### 5. METHODOLOGY

The methodology for determining the significance of a project as it relates to a project's impact on wastewater collection and treatment infrastructure is based on the *L.A. CEQA Thresholds Guide*. This methodology involves a review of the project's environmental setting, project impacts, cumulative impacts, and mitigation measures as required. The following has been considered as part of the determination for this Project:

Environmental Setting

- Description of the electricity and natural gas supply and distribution infrastructure serving the Project Site. Include plans for new transmission facilities or expansion of existing facilities; and
- Summary of adopted energy conservation plans and policies relevant to the project

Project Impacts

- Evaluation of the new energy supply and distribution systems which the project would require.
- Describe the energy conservation features that would be incorporated into project design and/or operation that go beyond City requirements, or that would reduce the energy demand typically expected for the type of project proposed.
- Consult with LADWP or SoCalGas, if necessary to gauge the anticipated supply and demand conditions at project buildout.

This report analyzes the potential impacts of the Project on existing energy infrastructure by comparing the estimated Project energy demand with the available

capacity. Will-serve letters from LADWP and SoCalGas (Exhibits 1 and 2) demonstrate the availability of sufficient energy resources to supply the Project's demand.

In addition, potential energy impacts were analyzed by evaluating the energy demand and energy conserving features of the Project to determine whether the Project would involve the wasteful, inefficient, and unnecessary use of energy resources.

#### 6. PROJECT IMPACTS

#### 6.1.CONSTRUCTION

Electrical power would be consumed to construct the new buildings and facilities of the Project. Typical uses include temporary power for lighting, equipment, construction trailers, etc. The demand would be supplied from existing electrical services within the Project Site and would not affect other services. Overall, demolition and construction activities would require approximately 0.45 MW of electricity consumption throughout the limited period of time in which these activities are expected to take place. This is significantly less than the expected power consumption of the Project, which LADWP has indicated can be supplied in their will-serve letter in Exhibit I of this report. Thus, the construction activities would not be expected to have any adverse impact on available electricity supplies and infrastructure. Therefore, Project impacts on electricity supply associated with short-term construction activities would be less than significant.

No natural gas usage is expected to occur during construction because natural gas will not be required for construction activities. Therefore, impacts on natural gas supply associated with short-term construction activities would be less than significant.

Construction impacts associated with the Project's electrical and gas infrastructure upgrades would primarily be confined to trenching. Infrastructure improvements will comply with all applicable LADWP, SoCalGas, and City of Los Angeles requirements, which are expected to reduce potential impacts to existing energy systems and adjacent properties. A construction management plan would be implemented to reduce any temporary pedestrian and traffic impacts during construction, including maintaining two lanes of travel and ensuring safe pedestrian access and adequate emergency vehicle access. Overall, when considering impacts resulting from the installation of any required off-site energy infrastructure improvements, all impacts are of a relatively short-term duration (i.e., months) and would cease to occur once the installation is complete. Therefore, Project impacts on energy infrastructure associated with construction activities would be less than significant.

#### 6.2. OPERATION

#### 6.2.1. ELECTRICITY

The Project will increase the demand for electricity resources. Based on analysis using the California Emissions Estimator Model (CalEEMod), the estimated projected electrical loads are provided in Table 3 below.

Table 3 - Estimated Proposed Electricity Demand				
Connection To:	Facility	Electricity Demand (MW)		
	Restaurant	0.58		
Romaine St.	Commercial Office	1.84		
	Retail	0.04		
	Subterranean Parking	0.24		
	On-Site EV Chargers	0.003		
-	Water Usage (all facilities)	all facilities) 0.37		
Total Propose	3.07 MW			
<b>Existing Total</b>	0.25 MW			
Net Increase in	e to Project 2.82 MW			
<sup>(a)</sup> I MW (megawatt	) = 1,000,000 Watts.			

<sup>(b)</sup> electricity usage for water is based on per gallon delivery, treatment, and distribution of water within Southern California

A new LADWP electrical service is proposed to serve the new building. The service would come off of Romaine St. to the south.

A will serve letter was sent to LADWP to determine if there is sufficient capacity to serve the Project. Based on the response from LADWP (see Exhibit I), which confirms that electrical service can be provided for the Project, Project impacts related to electrical services would be less than significant.

#### 6.2.2. NATURAL GAS

The Project will increase the demand for natural gas resources. Based on analysis Based on analysis using the California Emissions Estimator Model (CalEEMod), the estimated projected natural gas loads are provided in Table 4 below.

Table 4 - Estimated Proposed N	Natural Gas Demand	
Connection To:	Facility	Annual Natural Gas Demand (million cubic-feet)
Existing SoCalGas Main	Proposed Building	4.02 MMCF
Total Proposed Natural Gas Demand for Project Site		4.02 MMCF
Existing Total Natural Gas Demand for Project Site		0.64 MMCF
Net Increase in Natural Gas Demand for Project Site		3.38 MMCF

The Project's estimated net annual new gas consumption of 3.21 million cubic feet converts to an approximate daily demand of 8,800 cubic feet, which would account for approximately 0.0003 percent of the 2022 forecasted consumption in SoCalGas's planning area.

The Project will increase the demand for natural gas resources. A will serve letter was sent to the gas company to determine if there is sufficient capacity to serve the Project. Based on the response from SoCalGas (see Exhibit 2), which confirms that natural gas service can be provided for the Project, Project impacts related to gas would be less than significant.

#### 6.3. CUMULATIVE IMPACTS

The geographic context for the cumulative analysis of electricity is LADWP's service area and the geographic context for the cumulative analysis of natural gas is SoCalGas' service area. Growth within these geographies is anticipated to increase the demand for electricity and natural gas energy, as well as the need for energy infrastructure, such as new or expanded energy facilities.

Buildout of the Project, the related projects, and additional growth forecasted to occur in the City would increase electricity consumption during Project construction and operation and, thus, cumulatively increase the need for energy supplies and infrastructure capacity, such as new or expanded energy facilities. LADWP forecasts that its maximum peak demand in the 2024–2025 fiscal year (the Project buildout year) will be 6,089 Megawatts (MW) of electricity.<sup>7</sup> Based on the Project's estimated net new electrical demand of 2.82 MW, the Project would account for approximately 0.046 percent of LADWP's maximum peak demand for the Project's build-out year. Although

LADWP, 2016 Power Integrated Resource Plan, Appendix A, Table A-1.

future development would result in the irreversible use of renewable and nonrenewable electricity resources during project construction and operation which could limit future availability, the use of such resources have been taken into account in the City's planned growth forecast of the power system and would be consistent with growth expectations for LADWP's service area. Accordingly, the Project's contribution to cumulative impacts related to electricity consumption would not be cumulatively considerable and, thus, would be less than significant.

Electricity infrastructure is typically expanded in response to increasing demand, and system expansion and improvements by LADWP are ongoing. As described in LADWP's 2016 Power Integrated Resource Plan, LADWP would continue to expand delivery capacity as needed to meet demand increases within its service area at the lowest cost and risk consistent with LADWP's environmental priorities and reliability standards. LADWP has indicated that the Power Integrated Resource Plan incorporates the estimated electricity requirement for the Project. The Power Integrated Resource Plan takes into account future energy demand, advances in renewable energy resources and technology, energy efficiency, conservation, and forecast changes in regulatory requirements. Development projects within the LADWP service area would also be anticipated to incorporate site-specific infrastructure improvements, as necessary. Each of the related projects would be reviewed by LADWP to identify necessary power facilities and service connections to meet the needs of their respective projects. Project applicants would be required to provide for the needs of their individual projects, thereby contributing to the electrical infrastructure in the Project area. As such, the Project's contribution to cumulative impacts with respect to electricity infrastructure would not be cumulatively considerable and, thus, would be less than significant.

Buildout of the Project and related projects in SoCalGas' service area is expected to increase natural gas consumption during project construction and operation and, thus, cumulatively increase the need for natural gas supplies and infrastructure capacity. Based on the 2020 California Gas Report, the California Energy Commission estimates natural gas consumption within SoCalGas' planning area will be approximately 3,435 million cubic feet/day in 2022.<sup>8</sup> SoCalGas' forecasts take into account projected population growth and development based on local and regional plans. Although future development projects would result in the irreversible use of natural gas resources which could limit future availability, the use of such resources would be on a relatively small scale and would be consistent with regional and local growth expectations for SoCalGas' service area. Furthermore, like the Project, during project construction and operation other future development projects would be expected to incorporate energy conservation features, comply with applicable regulations including CALGreen and State energy standards under Title 24, and incorporate mitigation measures, as necessary. Accordingly, the Project's contribution to cumulative impacts related to natural gas

California Gas and Electric Utilities, 2020 California Gas Report, p. 96.

consumption would not be cumulatively considerable and, thus, would be less than significant.

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. Development projects within its service area would also be anticipated to incorporate site-specific infrastructure improvements, as appropriate. As such, cumulative impacts with respect to natural gas infrastructure would not be cumulatively considerable and, thus, would be less than significant.

### 7. LEVEL OF SIGNIFICANCE

Based on the analysis contained in this report no significant impacts have been identified to electricity or gas infrastructure for this Project.

EXHIBIT I



METROPOLITAN SERVICE PLANNING

ER 2633 Artesian Street, Suite 250, Los Angeles CA 90031 (213) 367-6000 FAX: (213) 367-6089

Antoine S. Raad District Engineer

NEW BUSINESS & CUSTOMER SUPPORT SUBSECTION

January 13, 2020

Mr. Will Smith 319 Main Street El Segundo, CA 90245

Dear Mr. Smith:

#### 1000 Seward St

This is in response to your letter dated January 13, 2020 regarding electric service for the proposed project at the above address.

Electric service is available and will be provided in accordance with the Department of Water and Power Rules and Regulations. The estimated power requirement for this proposed project is part of the total load growth forecast for the City and has been taken into account in the planned growth of the power system

If you have any questions regarding this matter, please call Mr. Mario Ramirez at (213) 367-6120.

Sincerely,

cHN IAV

ANTOINE S. RAAD District Engineer Metro West Service Planning EXHIBIT 2

701 N. Bullis Rd. Compton, CA 90224-9099



January 15, 2020

John Labib + Associates 319 Main Street El Segundo, CA 90245 Attn: Ivan Simental

#### Subject: Maps & Will Serve - 1000 Seward St Los Angeles, CA 90038

Thank you for inquiring about the availability of natural gas service for your project. We are pleased to inform you that Southern California Gas Company (SoCalGas) has facilities in the area where the above named project is being proposed. The service would be in accordance with SoCalGas' policies and extension rules on file with the California Public Utilities Commission (CPUC) at the time contractual arrangements are made.

This letter should not be considered a contractual commitment to serve the proposed project, and is only provided for informational purposes only. The availability of natural gas service is based upon natural gas supply conditions and is subject to changes in law or regulation. As a public utility, SoCalGas is under the jurisdiction of the Commission and certain federal regulatory agencies, and gas service will be provided in accordance with the rules and regulations in effect at the time service is provided. Natural gas service is also subject to environmental regulations, which could affect the construction of a main or service line extension (for example, if hazardous wastes were encountered in the process of installing the line). Applicable regulations will be determined once a contract with SoCalGas is executed.

If you need assistance choosing the appropriate gas equipment for your project, or would like to discuss the most effective applications of energy efficiency techniques, please contact our area Service Center at 800-427-2200.

Thank you again for choosing clean, reliable, and safe natural gas, your best energy value.

Sincerely,

William Perez

William Perez Pipeline Planning Assistant SoCalGas-Compton HQ