

CITY OF LOS ANGELES
DEPARTMENT OF WATER AND POWER
INTRADEPARTMENTAL CORRESPONDENCE

DATE: February 25, 2026

TO: The Honorable City Council

FROM: Janisse Quiñones, Chief Executive Officer and Chief Engineer

SUBJECT: California Environmental Quality Act – Appeal of Certification of Final Environmental Impact Report FOR Scattergood Generating Station Units 1 and 2 Green Hydrogen-Ready Modernization Project
SCH No. 2023050366 – Board of Water and Power Commissioners
Resolution No. 26-071 and Council File No. 25-1360

SUMMARY:

At a notice meeting on October 28, 2025, the Los Angeles Board of Water and Power Commissioners (Board), acting pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000, et seq., approved Resolution No. 26-071. Resolution No. 026-071 certified a Final Environmental Impact Report (EIR) for the Scattergood Generating Units 1 and 2 (Project). The Project consists of replacement of existing Scattergood Units 1 and 2, which are conventional natural-gas-fired steam boiler generators, with a rapid response combined-cycle generation system (CCGS) capable of operating on a fuel mixture of natural gas and hydrogen. The proposed CCGS would consist of a combustion-turbine generator and a steam-turbine generator operating in tandem and would have a gross generation capacity of up to 346 megawatts (MW).

The Board also adopted the Findings of Fact (FOF) and Statement of Overriding Considerations (SOC), and Mitigation Monitoring and Reporting Program (MMRP) and approved the Project, including all feasible mitigation measures and Project features set forth in the EIR.

On November 14, 2025, the Center for Biological Diversity, Communities for a Better Environment, Food and Water Watch, Los Angeles Waterkeeper, Physicians for Social Responsibility, Los Angeles, and the Sierra Club (collectively, Appellants) submitted a letter (Appeal Letter, Attachment 1) appealing the certification of the EIR under Public Resources Code section 21151. Responses to the issues raised in the appeal are provided in the Appeal Response Report (Attachment 2).

In this action, the Council will need to independently review and consider the EIR and, if deemed adequate under CEQA, certify the EIR, adopt specific Findings of Fact and Statement of Overriding Considerations regarding the significant environmental impacts

of the Project and mitigation measures to reduce or avoid such impacts, and adopt the MMRP. The review by Council is de novo, that is, the Council should consider the EIR as if it were being considered for the first time. The scope of the appeal is limited to one issue: whether the Board correctly certified the EIR as having been prepared in compliance with CEQA. The appeal does not extend to any issue beyond the correctness of the CEQA determination.

RECOMMENDATION:

LADWP staff has carefully reviewed the Appeal Letter submitted by Appellants. The record does not support their arguments that LADWP staff or the Board violated CEQA in certifying the EIR and approving the Project based on the EIR. Appellants had previously provided written comments to the Draft Environmental Impact Report (Draft EIR). These written comments were directly addressed in formal responses to comments which are attached hereto (Attachment 3 [Chapter 2: Responses to Comments]).

Based on the administrative record, including, but not limited to, the Appeal Letter, this Summary Staff Report, the Appeal Response Report, the Project EIR, FOF, SOC, MMRP and public comment and testimony, LADWP recommends that the Council take the following actions:

1. DENY the appeal on the grounds set forth herein;
2. CERTIFY that the EIR for the Project (a) has been completed in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.), with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §15000 et. seq.), and the City of Los Angeles CEQA Guidelines; (b) was presented to the Council for review and the Council considered the information contained in the EIR prior to certifying the project; and (c) reflects the independent judgment and analysis of the Council, and that all required procedures have been completed;
3. FIND that, in accordance with the information contained in the EIR, the Project will have significant environmental effects on air quality and cumulative impacts as defined by Public Resources Code Sections 21068 and 21082.2, and the State CEQA Guidelines, Sections 15064, 15064.4, 15064.5, and 15382;
4. FIND that, in accordance with the provisions of State CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, make infeasible certain mitigation measures such that some environmental impacts remain significant and unavoidable;

5. FIND that all information added to the EIR after public notice of the availability of the Draft EIR for public review but before certification, merely clarifies, amplifies, or makes insignificant modifications in an adequate Environmental Impact Report and recirculation is not necessary;
6. FIND that, in accordance with Public Resources Code Section 21081(b) and State CEQA Guidelines Section 15093, the benefits of the Project outweigh the significant and unavoidable environmental impacts;
7. ADOPT the Findings of Fact and Statement of Overriding Considerations;
8. ADOPT the MMRP as required by Public Resources Code, Section 21081.6. The MMRP is designed to ensure compliance with the mitigation measures adopted to avoid or lessen significant effects on the environment, and identifies the responsibilities of the Los Angeles Department of Water and power (LADWP), as lead agency, to monitor and verify project compliance with those mitigation measures; and
9. ADOPT the recommendations of the Board from its regular meeting held October 28, 2025, relating to the Project.

BACKGROUND:

LADWP has identified the proposed project as integral to the goal of implementing a carbon-free energy system providing reliable and sustainable electrical power for the City of Los Angeles (City). Based on findings in the Los Angeles 100% Renewable Energy Study prepared by National Renewable Energy Laboratory and LADWP as well as the 2022 Power Strategic Long-Term Resource Plan (SLTRP, now known as LA100 Plan) prepared by LADWP, the continued availability of local energy generation that can be dependably and rapidly dispatched to respond to demand for energy in LADWP's service area is necessary to maintain the resilience and reliability of the City's electrical power grid. LADWP's Scattergood Generating Station (Scattergood) has been identified as the most immediate and instrumental location in relation to the requirement for firm (i.e., dependable) in-basin generation capacity due to the projected demand for energy in areas of the City that Scattergood serves.

ENVIRONMENTAL ASSESSMENT:

CEQA Lead Agency Responsibilities — LADWP is the CEQA lead agency for the Project. As such, the Board was responsible for reviewing and considering the EIR, at its discretion, certifying that the EIR has been completed in accordance with CEQA, including the State CEQA Guidelines and the Los Angeles City CEQA Guidelines. In doing so, the Board found that the information contained in the EIR reflects the

independent judgment and analysis of LADWP. Certification of the EIR must precede the Project approval. Accordingly, the Board independently reviewed and certified the EIR as adequate under CEQA; adopted the FOF and SOC for the Project (Attachment 4) and the feasibility of mitigation measures and alternatives; and adopted a MMRP (Attachment 5). LADWP requests that the Council, exercising its independent review, adopt the recommendations contained in this report thereby denying the appeal and upholding the decisions of the Board.

Environmental Documentation Process and Public Involvement — The Project was subject to the required environmental documentation process that included public disclosure as required by CEQA. The procedural steps of the process are described below.

1. Notice of Preparation and Initial Study — In accordance with the Los Angeles City CEQA Guidelines, Article VI, Section 1.5, and the State CEQA Guidelines, Section 15082, the responsible agencies, participating City agencies, and other concerned parties were consulted through an NOP released on May 15, 2023, for a 60-day review period. Notice of the IS and NOP were published in the *Los Angeles Times* and other newspapers and filed with the Los Angeles County Registrar-Recorder/County Clerk and the State Clearinghouse of the California Governor's Office of Planning and Research, (now referred to as Office of Land Use and Climate Innovation). Copies were made available for review at LADWP Corporate Environmental Affairs office in the John Ferraro Building, Los Angeles Central Library, El Segundo Public Library, and on the LADWP webpage (<http://www.ladwp.com/reports/environmental-reports>). A public scoping meeting was held virtually on June 6, 2023. Six comments were received during the scoping meeting, all in support of the Project, and a total of twenty-three written comment letters were received from various agencies and the public during the comment period. Eighteen comment letters were in support of the Project.
2. Draft EIR and Notice of Availability — LADWP prepared a Draft EIR to analyze the potential environmental impacts associated with the Project. A Notice of Availability (NOA) for the Draft EIR was distributed to agencies, organizations, interested parties, and community stakeholders on October 31, 2024. The Draft EIR was made available for public review from October 31, 2024, through April 7, 2025 (159 days). Copies of the Draft EIR were made available for review at LADWP's CEA in JFB, Los Angeles Central Library, El Segundo Public Library, and on the LADWP webpage (<http://www.ladwp.com/reports/environmental-reports>).

A public meeting was held virtually on November 20, 2024, to share findings discussed in the Draft EIR and invite comments from public agencies and the general public regarding the content of the Draft EIR. A summary of the proposed project, the CEQA process, and the findings of the Draft EIR were presented at the meeting.

The NOA and Draft EIR were circulated for public review and comment on October 31, 2024, for an initial 50-day review period ending December 20, 2024. A total of five requests for extensions to submit comments were granted, extending the public review and comment period until April 7, 2025, resulting in a 159-day public review and comment period.

LADWP received a total of 101 comments, including 48 verbal comments and 53 comment letters, during the Draft EIR review period.

3. Responses to Comments — The commenting agencies, organizations, and individuals are listed in Table 2-1 in the EIR. The EIR contains copies of the verbal and written comments received during the Draft EIR public comment period, and responses to these comments. Based on the comments received, edits were made to the Draft EIR as set forth in Chapter 3, Text Revisions and Additions to the Draft EIR, of the EIR.

None of the comments made during the public review period, none of the oral or written testimony presented during the public hearing on the Project, and none of the other information presented to the Board on the Project and EIR have included significant new information requiring recirculation of some or all of the Draft EIR pursuant to CEQA.

4. Final EIR — On October 16, 2025, LADWP provided a Notice of Availability of the Final EIR, which provided notice of LADWP's intent to consider the Final EIR at its October 28 meeting. LADWP received several written comments in advance of the meeting and numerous verbal comments during the meeting, both in support of and opposed to the Project. The Board unanimously approved the Project. LADWP filed a Notice of Determination on October 28, 2025.

Findings and Conclusions — The EIR transmitted herewith identifies major findings and conclusions, including a discussion of areas of environmental concern, feasible mitigation measures and unavoidable impacts. The discussion below summarizes the proposed FOF and SOC for the Council's consideration. References to "MM-" are to mitigation measures that are fully described in the MMRP.

1. Areas of Environmental Concern — Through the public review process, a total of 101 comments, including 48 verbal comments and 53 written comment

letters, were received on the Draft EIR from agencies and the public. This section summarizes the key areas of environmental concern expressed by commenters and LADWP's resolution of the issues. Detailed responses to all comments received on the document are included in Chapter 2, Responses to Comments, of the EIR (Attachment 3). While numerous comments were received, the following summarizes the significant areas of environmental concern raised by commenters:

- *Air Quality and GHG Emissions:* Commenters raised questions regarding the analysis of air quality impacts, arguing that the EIR should have included an "analysis of air quality impacts and GHG emissions impacts that incorporates multiple potential capacity factors, leakage rates, and potentially elevated nitrogen oxide ("NO_x") emissions from hydrogen blend combustion."

The air quality analysis in the EIR was prepared by a team of expert consultants based on robust, detailed, historical data and modeling. The air quality analysis is extraordinarily conservative with regard to emission estimates, including NO_x. The analysis concludes that, although combustion of pure hydrogen may result in comparably higher NO_x emissions, this is offset by the fact that hydrogen has a larger stable combustion temperature range, meaning a higher ratio of air to fuel can be used. This additional air effectively dilutes the hydrogen, which cools off the flame and results in lower-temperature combustion, thereby reducing the amount of NO_x emissions produced. The methodology in the EIR accurately evaluates Project impacts and is supported by substantial evidence.

- *Water Supply:* Commenters criticized the water supply analysis, stating that the EIR should have analyzed the impact that the Project would have on water-supply region-wide. However, because the source of hydrogen for the project is not currently known, it is not feasible to estimate Project water consumption with a reasonable degree of accuracy. Furthermore, CEQA does not require a region-wide analysis of impacts for a project level EIR, but a project specific analysis. Reasonably foreseeable impacts of other projects are analyzed in the cumulative impacts section of the EIR.
- *Cumulative Impacts:* Commenters criticized the EIR's analysis of cumulative impacts, stating that there should have been a programmatic cumulative impacts analysis for the infrastructure and transportation needed to effectuate the Project and programmatic analysis of LADWP's broader plans for in-basin generation from hydrogen combustion.

The cumulative impacts section of the EIR complies with CEQA Guidelines Section 15130, which requires that an EIR discuss cumulative impacts of a project when the project's individually limited incremental effect, when measured along with other approved, proposed, or reasonably foreseeable future projects, may contribute to a significant combined impact. CEQA does not require the EIR's project impact analysis to evaluate the environmental effects of other, separate projects occurring at other LADWP facilities. LADWP's approval was limited to this Project and did not authorize any activity at any other facility. CEQA requires an EIR to evaluate the direct and reasonably foreseeable indirect impacts of the decision before the agency. (Cal. Code Regs., tit. 14, § 15064.) The EIR complies with this mandate.

- *Baseline*: Commenters criticized the environmental baseline employed in the EIR and argued that the baseline should have been the retirement of Scattergood, accounting for the legally mandated closure of OTC units. The EIR adopted a proper baseline because it analyzed the baseline conditions at the NOP were issued, as required by CEQA. (Cal. Code Regs., tit. 14, § 15125, subd. (a).) Here, there is nothing to suggest that using existing conditions as the baseline would be misleading or without informational value because the shutdown of Units 1 and 2 is not a realistic scenario—it would have catastrophic impacts on the power grid and is not reasonably foreseeable that they would stop operating without the Project.
- *Alternatives*: Commenters criticized the alternatives analysis in the EIR, stating that the EIR should have analyzed the battery energy storage alternative “based on feasible technologies that will be deployable on the same timeline as the Scattergood project and would not require additional land outside of the Scattergood site.” The EIR determined that this alternative would be technically feasible. However, it would not adequately meet the Project objectives.

For example, implementation of other technologies such as a grid-scale battery energy storage system (BESS) to store energy during periods of excess generation to be discharged later during periods of high demand would not provide generation capacity comparable to the Project's and would require substantially more real estate. Given there is insufficient land available at Scattergood for batteries to provide a full replacement alternative for the Project and based on the uncertainty associated with acquisition of land located near Scattergood, energy storage cannot be implemented by 2030. Additionally, during periods of extreme peak demand (e.g., heat waves), batteries would need to be recharged primarily from in-

basin generation during overnight hours—generation that is likely to rely on combustion-based resources. This may reduce the lifespan of certain electrical equipment because, typically, reduced overnight loads allow transformers and other equipment to cool, and additional loading from storage charging would reduce cooling opportunities which could potentially increase failure rates and requiring accelerated equipment replacement and associated costs.

2. Mitigation Measures — In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines Section 15091, and the information contained in the EIR, changes or alterations have been required in or incorporated into the Project as recommended for approval in the form of feasible mitigation which substantially lessen or avoid significant adverse environmental impacts identified in the EIR.

Mitigation measures and Project features contained in the EIR would be incorporated as appropriate in permits for the Project. All mitigation measures and Project features can be found in the MMRP.

3. Unavoidable Significant Impacts — Significant impacts as a result of the Project that could not be reduced below a level of significance are described in the FOF and SOC with findings for each impact. With all feasible mitigation applied, the Project will have significant impacts on Air Quality and Cumulative Impacts, as described in the FOF and SOC.
4. Overriding Considerations — Pursuant to Public Resources Code Section 21081 and Section 15093 of the State CEQA Guidelines, the Board evaluated the benefits of the Project against unavoidable environmental risks in determining whether to approve the Project. As detailed in the FOF, the Project would result in significant unavoidable impacts to air quality, biological resources, greenhouse gas emissions, noise, and transportation. The Project would also result in cumulatively considerable contributions to significant cumulative impacts on Air Quality and Greenhouse Gas Emissions. The following summarizes the benefits, goals, and objectives of the Project and provides the rationale for the benefits of the Project. These Project benefits include the following:
 - **Implement State and Local Regulations for Renewable Energy and Zero-Carbon Resources:** California Senate Bill 100 (SB100), approved in 2018, mandates that 60 percent of the state's electricity come from renewable sources by 2030 and requires that the appropriate agencies plan for 100

percent of total retail sales of electricity to come from eligible renewable energy resources and zero-carbon sources by the end of 2045. SB100 also requires that the achievement of 100 percent zero-carbon electricity resources does not increase the carbon emissions elsewhere in the western grid and that the achievement not be attained through resource shuffling. To combat climate change while capturing health and economic benefits, the City of Los Angeles has set ambitious goals to transform its electricity supply, aiming for a 100 percent renewable energy power system by 2045, along with a push to electrify the buildings and transportation sectors. To reach these goals and assess the implications for jobs, electricity rates, the environment, and environmental justice, the Los Angeles City Council passed a series of motions in 2016 and 2017 directing LADWP to determine the technical feasibility and investment pathways of a 100 percent renewable energy portfolio standard. LADWP partnered with the National Renewable Energy Laboratory (NREL) on the Los Angeles 100% Renewable Energy Study (LA100 Study) to analyze potential pathways to achieve a 100 percent clean energy future. The LA100 Study, a multi-year effort with active participation by the LA100 Advisory Group, was published in 2021 and found that the City of Los Angeles can achieve reliable, 100 percent renewable power as early as 2035, under certain modeled scenarios, contingent on major infrastructure investments, policy support, and technology deployment. Across all scenarios analyzed in the study, the requirement for firm local generation assets (i.e., located within the Los Angeles Basin) that can be readily dispatched in a controlled manner in response to demand was recognized as essential under a range of foreseeable but unpredictable circumstances that could temporarily limit the supply of renewable energy resources coming into the City. Under such circumstances, firm (i.e., dependable) local generation would be critical to maintaining system resilience and reliability and reducing the risk of power grid collapse. LADWP is required to comply with state laws and mandates, and the project will contribute to LADWP's ability to meet these requirements by allowing for firm local generation assets to maintain the resilience and reliability of the City's electrical power grid during and after the transition to a carbon-free system. The project aligns with statewide renewable energy and zero-carbon resources goals, allowing LADWP to begin the conversion from natural gas to green hydrogen in its in-basin generation system and is integral to achieving a 100 percent renewable energy portfolio in the future.

- **Address Challenges Due to Aging Local Generation and Reliability Planning:** Scattergood Units 1 and 2 were placed into operation in 1958 and 1959, respectively, and are scheduled to retire along with other local generators. The retirement of these local generation sources reduces local

generation capacity and places the overall system at risk. The system must be designed to withstand the loss of its largest local generator without causing a blackout, a condition known as an “N–1 outage.” However, in a scenario where the West Los Angeles service area load exceeds import capacity, while facing reduced local generation due to retirements or outages, there will not be enough power available to meet demand. To maintain grid stability and avoid widespread power failures in such a scenario, it may be necessary to implement controlled reductions in electricity usage, known as “load shedding,” also known as rolling blackouts, in accordance with regulatory standards. Without adequate Scattergood generation, NERC reliability criteria would require planned and controlled customer outages at strategic locations to avoid risk of uncontrolled widespread blackouts. The 346 MW capacity of the project was determined to provide reliability and flexibility under the uncertainty of load growth, unforeseen project delays, and the potential of transmission and generation asset outages. Proceeding without the project would significantly increase the risk of electric-service interruptions and economic harm to LADWP’s ratepayers, both to residents and businesses. No other evaluated alternative or combination of alternatives can meet the reliability objectives considering factors such as feasibility, practicality, constructability, and affordability. The project is not a speculative investment; rather, it is a targeted and informed response to urgent and localized reliability needs. Delaying or forgoing the project would introduce serious and avoidable risks to the residents, businesses, and communities within LADWP’s service territory.

- **Cease Use of Ocean-Water Once-Through Cooling to Comply with OTC Policy:** The existing ocean-water OTC system at Scattergood will no longer be used once Units 1 and 2 are removed from service concurrent with commissioning of the CCGS. By ceasing use of the remaining OTC system at Scattergood, LADWP will comply with the statewide OTC Policy. The OTC Policy was implemented by the SWRCB to establish standards to comply with federal Clean Water Act Section 316(b) to reduce potential effects on marine life associated with the operation of cooling water intake structures. The retirement of Scattergood Units 1 and 2 OTC system will create an energy capacity deficit due to transmission bottlenecks in the West Los Angeles Service Area. Due to the critical role of Units 1 and 2 in maintaining grid reliability until the project CCGS is operational at the end of 2029, SWRCB has established an OTC Policy compliance date for Scattergood of December 31, 2029. Various study cases have concluded that having the necessary in-basin capacity following the scheduled OTC retirements is critical to grid reliability during potentially catastrophic events and points toward the most

resilient transmission plan moving into the future. The project would comply with the statewide OTC Policy by ceasing the use of ocean-water once-through cooling and by replacing the generation capacity of the retiring units with the CCGS, LADWP would avoid the risk of electric-service interruptions to the residents, businesses, and communities that it serves.

- **Economic, Social, Health, and Infrastructure Impacts:** Proceeding without the project would significantly increase the risk of electric-service interruptions and economic harm to LADWP's ratepayers, both to residents and businesses. NREL's latest analysis projected that in a scenario without the project and where the Southern Transmission System (STS) is unavailable, there would be an estimated 138 gigawatt-hours (GWh) of additional unserved energy within LADWP's system over a seven-day period in August 2030. This corresponds to a potential economic impact of \$1.4 to 2.8 billion from a single event. This range represents the potential economic impact of just one major outage event—in this case the STS—without accounting for broader social, health, and infrastructure consequences that accompany extended power disruptions. Beyond cost, electric-service reliability is LADWP's obligation to the people it serves. If the project is not implemented and service reliability is compromised, outages could result in the following outcomes: hospitals and critical services without sufficient backup generation could be impacted; long-lasting system outages may significantly impact operations at Los Angeles International Airport (LAX), posing economic, safety, and security concerns; elderly and medically vulnerable populations in urban cores face elevated health risks during summer outages; and disadvantaged communities, already disproportionately impacted by the cost of the clean-energy transition, would suffer real consequences without reliable power. LADWP has a responsibility to mitigate such risks and associated outcomes through practical and affordable solutions. As such, the project is fundamental in ensuring the electric grid's reliability and resilience and prevention of economic, social, health, and infrastructure consequences resulting from extended power disruptions.
- **Provide Resilience to Maintain Reliability:** LADWP is obligated under the Los Angeles City Charter to provide reliable generation and delivery of electrical power for the benefit of the City. LADWP is also required to maintain the reliability and resilience of its power system in accordance with the standards established by the Western Electricity Coordinating Council and NERC. LADWP draws from diverse electrical generation resources, which include solar, wind, geothermal, energy storage, hydro power, natural gas, coal, and nuclear that span multiple states. LADWP also owns and operates

its transmission system, which transmits electricity from these generation resources to the City's receiving and distributing stations and ultimately feeds electricity to its customers. LADWP has multiple in-basin generating stations, which include Scattergood, Harbor Generating Station, Haynes Generating Station, and Valley Generating Station. These stations ensure the system remains reliable and resilient while also helping integrate renewable energy resources, which are intermittent and variable in nature. The dispatchable power generation provided by the proposed CCGS would be critical during stressed grid conditions that may be caused by low probability, but high impact events when the renewable generation resources and/or transmission assets become unavailable due to emergency circumstances (e.g., the temporary loss of critical renewable energy transmission lines caused by wildfire or earthquake). Stressed grid conditions may also result from sustained periods of low renewable generation or transmission line maintenance and upgrades which can be exacerbated if they coincide with periods of high electricity demand. LADWP's electric system is undergoing a comprehensive clean-energy transition, but as LADWP accelerates its shift toward a more sustainable future, the foundational responsibilities of reliability, affordability, and safety for its customers remain unchanged. By implementing the project, LADWP would ensure reliable generation, the ability to meet electricity demand and maintain grid stability.

- **Establish a Dispatchable, Always Available, Local Generation Source:** Scattergood Units 1 and 2 are conventional natural-gas-fired steam boiler generators which provide a stable and dependable source of power within LADWP's in-basin system. However, Units 1 and 2 are over 65 years old and will be removed from service, rather than retrofitted or have their cooling systems replaced by 2030 to comply with the statewide OTC Policy. Therefore, LADWP needs to maintain firm local generation that can be dependably and rapidly dispatched to respond to demand for energy in LADWP's service area in order to ensure the resilience and reliability of the City's electrical power grid during and after the transition to a carbon-free system. Locating the project in-basin at Scattergood would place the electrical generation near the center of demand, reducing the potential for power grid collapse in the event that the supply of renewable energy resources coming from outside the City cannot meet short-term peaks in demand or is unavailable due to emergency circumstances.
- **Provide Generation Capacity to Support Grid Stability and Energy Demand in the Scattergood Service Area:** LADWP's electricity imports

predominantly enter the Los Angeles basin from the north. Three of its four in-basin generating stations are located on the coast in the southern and western boundaries of the service territory, transmission was built out from these generating stations, forming transmission “cul-de-sacs” that provide dispatchable electricity from the south. Due to potential disruptions to out-of-basin renewable energy sources, Scattergood has been identified as the most immediate and instrumental location in relation to the requirement for firm generation capacity due to the electrification of LAX, the implementation of increased wastewater treatment capabilities at Hyperion Water Reclamation Plant, and anticipated growth in demand in the western areas of the City that serves largely caused by electrification (i.e., the conversion of various functions currently powered by the combustion of fossil fuels, including cooking, space heating, water heating, and the transportation sector, to electricity).

- **Reduce GHG Emissions and Transition to Carbon-Free Electrical Power System:** The transition to a carbon-free energy system is driven, in part, by a variety of state policies dictating GHG reductions and increased renewable portfolios. Assembly Bill (AB) 32, Senate Bill (SB) 32, and AB 197, have been passed at the state level and establish an overall goal of reducing California’s statewide GHG emissions by 40 percent below 1990 levels by 2030. Additionally, the state has established Renewable Portfolio Standards (RPS) requiring utilities to obtain certain percentages of their energy from renewable sources by target years. SB 100 (passed in 2018) states that 60 percent of the total electricity sold to retail customers in California per year must be secured from qualifying renewable energy sources by December 31, 2030. SB 100 states that it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100 percent of the retail sales of electricity to California by 2045. LADWP has committed to achieving a carbon-free energy system for the City. The 2022 SLTRP (now known as the LA100 Plan) determined that obtaining a carbon-free energy system requires considerable investments in renewable generation, energy storage, and transmission infrastructure as well as initiatives to conserve energy. As of 2023, an estimated 39.5 percent of electricity procured to serve LADWP’s retail customers was sourced from eligible renewable energy resources, a figure that excludes certain existing carbon-free energy resources, such as large hydro power and nuclear generation. LADWP has reduced GHG emissions (preliminarily 66 percent below the 1990 emissions baseline as of 2023) through a combination of replacing coal-fired generation, adding more efficient combustion generation, expanding energy efficiency, and increasing renewable energy. Scattergood Units 1 and 2 are conventional natural-gas-

fired steam boiler generators with aging technology that are less fuel efficient and, therefore, emit more air pollutants and GHGs than modern generation units. Construction of a rapid-response CCGS with the ability to operate on a fuel mixture of natural gas and hydrogen would increase generation efficiency and reduce the combustion of fossil fuels and thereby reduce GHGs system-wide.

- **Implement long-term resource planning strategies:** LADWP's 2022 Power Strategic Long-Term Resource Plan (SLTRP, now known as LA100 Plan), establishes a roadmap for reliable and sustainable electrical power for the City, while also providing the strategy to achieve a carbon-free energy system, relying primarily on renewable solar, wind, and geothermal generation resources as well as large capacity energy storage facilities. The planned increases in use of renewable energy dictated by the SLTRP and by the state have associated system reliability challenges, because renewable energy often comes from different locations than traditionally generated energy and because renewable energy such as wind and solar are generated intermittently. Increasing RPS will require LADWP to replace or install new equipment and technologies for generation, transmission, distribution, and substations and to determine approaches for integrating intermittent sources of energy into the system. As such, the continued availability of firm local generation that can be dependably and rapidly dispatched to respond to demand for energy in LADWP's service area has been identified in the SLTRP as necessary to maintain the resilience and reliability of the City's electrical power grid during and after the transition to a carbon-free system. This transition will occur as the demand for electricity in the City is anticipated to increase substantially with electrification. The project aligns with statewide GHG emissions goals and incorporates the possibility of a 100 percent renewable energy portfolio in the future. The project has been identified as an integral component of LADWP's LA100 Plan, and implementation of these long-term resource planning strategies thereby contribute to the state and local goals of increasing its RPS.
- **Minimize new disturbance areas:** The project will be located within Scattergood, an existing generating station that has been used for electric generation since the late 1950s. As such, maintaining critical generation capacity that can be dependably and rapidly dispatched to maintain the resilience and reliability of the City's electrical power grid will be achieved in a manner that minimizes new environmental disturbances and avoids land use changes. Because the project is located within an existing generating station, construction activities would be largely confined to the boundaries of

Scattergood and existing disturbed areas would be used for project construction to the extent feasible, further minimizing environmental disturbances. The energy density of the CCGS allows LADWP to provide generation capacity within the existing facility and eliminates the need for acquiring substantial amounts of real estate, potentially including land for additional transmission lines, which would increase the footprint of temporary and permanent construction impacts. Acquiring real estate may also be cost-prohibitive and cause further delays in implementation of the project. By constructing the project at the existing Scattergood Generating Station, LADWP will minimize effects to sensitive resources and adjacent land uses.

5. Significant Impacts that can be Mitigated, Avoided, or Substantially Lessened
The following significant impacts can be reduced to below a level of significance under CEQA through implementation of mitigation measures as described in the FOF and SOC:
 - Biological Resources
 - Geology and Soils
 - Hazards and Hazardous Materials
 - Tribal Cultural Resources
 - Cumulative Impacts
6. EIR Certification and Project Approval — In light of these findings and conclusions, staff recommends certification of the EIR as prepared in accordance with CEQA and implementing guidelines and recommends approval of the Project and adoption of all feasible mitigation measures and Project features.
7. Implementation of Mitigation — When making the CEQA findings required by Public Resources Code Section 21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code Section 21081.6 for changes to the Project which it has adopted or made a condition of Project approval to mitigate or avoid significant effects on the environment. A MMRP was transmitted for Board consideration and adoption. In addition, should the Council deny the appeal and certify the project, the mitigation measures and Project features contained in the EIR will be incorporated as appropriate in permits.
8. Record of Proceedings — When making CEQA findings required by Public Resources Code Section 21081(a), a public agency shall specify the location and custodian of the documents or other material which constitute the record of

proceedings upon which its decision is based. These records are in the care of the custodian of records at 111 North Hope Street, Room 1050, Los Angeles, CA 90012.

9. Notice of Determination — In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines Section 15094, a Notice of Determination will be filed with the Office of Land Use and Climate Innovation and the County Clerk's Office after Project approval. Public Resources Code Section 21167(c) provides that any action or proceeding alleging that an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the Notice of Determination.

Therefore, the staff of LADWP requests that the Council deny the appeal, certify the EIR and adopt the recommendations of the Board from its regular meeting held on October 28, 2025, relative to the Project.

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Attachments

c/att: Commissioner Allan Marks, President, Board

Ms. Valerie Flores

Mr. David W. Hanson

Dr. Kendall Helm

Mr. Paul Habib

Mr. Jason L. Rondou

Ms. Katherine Rubin