

EXEMPTION, ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to updating regulatory programs and adding new types of environmental energy and renewable energy credit products available for purchase, sale, and exchange.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE that California Environmental Quality Act (CEQA) Findings Amendments to Los Angeles Administrative Code (LAAC) Section 23.143.1 are exempt pursuant to CEQA Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, amendments to LAAC Section 23.143.1 are not subject to CEQA.
2. APPROVE the Department of Water and Power (DWP) proposed Resolution authorizing amendment of LAAC Section 23.143.1 to update the regulatory programs referenced and add new types of environmental energy and renewable energy credit products available for purchase, sale, and exchange.
3. DELEGATE authority to the General Manager, DWP, to update the Environmental Credit and Renewable Energy Credit Policy.
4. PRESENT and ADOPT the accompanying ORDINANCE dated February 18, 2026, amending LAAC Section 23.143.1 to maintain compliance with environmental laws and regulations related to environmental/emission credit and renewable energy credit programs.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the amendment to LAAC Section 23.143.1 will have no impact on the General Fund. The environmental credits and renewable energy credits purchased or sold are for compliance purposes only and subject to limitations of prices. The above recommendations comply with the DWP adopted Financial Policies.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on March 3, 2026, your Energy and Environment Committee considered an Exemption, Board of Water and Power Commissioners and City Attorney reports, and Ordinance relative to updating regulatory programs and adding new types of environmental energy and renewable energy credit products available for purchase, sale, and exchange. After an opportunity for public comment, the Committee moved to approve the recommendations stated in the CAO report and to approve the Ordinance, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
NAZARIAN	YES
YAROSLAVSKY	ABSENT
JURADO	YES
RAMAN	YES
PADILLA	YES

ME