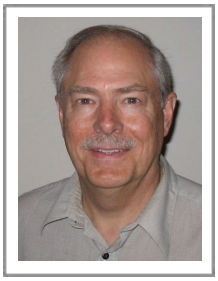
# Water and Power Associates, Inc. Newsletter

Year 39, Volume 4 - October 2010



## PRESIDENT'S NOTES

*By Kent Noyes*

### Water

Gerald Gewe, retired LADWP Assistant General Manager and Chief Operating Officer of the Water System, told us in the July Newsletter that Governor Schwarzenegger had proposed removing the Water Bond from the November election. That has now happened. On August 9th, the California State Legislature voted to postpone the vote on the measure until 2012. Considering the condition of the California economy, it is not likely that the voters would have supported an $11 billion initiative at this time.

### Inside



Pine Tree Wind Farms at Sunset

### Power

There is an initiative on the November ballot that could have a huge impact on electric utilities in the state. If it passes, Proposition 23 will *suspend AB 32* until unemployment in the state drops to 5.5 percent, or below, for four consecutive quarters.

To refresh memories, *AB 32, known as the Global Warming Act of 2006*, requires that greenhouse gas emission levels in the state be cut to 1990 levels by 2020. Since unemployment in California has been in the 11 to 12 percent range for most of 2010, if would have to decline by 50 percent and remain there for a year before AB 32 could be implemented. The last time unemployment was at or below 5.5 percent for one year was in 2007. For the LA Department of Water and Power, compliance with AB 32 would have required a program that would reduce its dependency on coal and natural gas. While the Department is already moving in that direction, AB 32 would have required the program to be accelerated with an associated impact on energy costs. *(continued on page 2.)*

Water and Power Associates, Inc.

is a non profit, independent, private organization incorporated in 1971 for informing and educating its members, public officials and the general public on critical water and energy issues affecting the citizens of Los Angeles, of Southern California and of the State of California.

## PROPOSITIONS 23 and 25

*By Tom McCarthy*

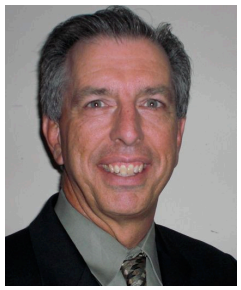
**If Prop 23 passes**, it will suspend AB 32, a law enacted in 2006 that is in extenso, legally referred to as the **Global Warming Solutions Act of 2006**.
[2] Sponsors of the initiative refer to their measure as the **California Jobs Initiative.** The goal of the proposition is to freeze the provisions of AB 32 until California's unemployment rate drops to 5.5% or below for four consecutive quarters. AB 32 requires that greenhouse emission levels in the state be cut to 1990 levels by 2020, in a gradual process of cutting that is slated to begin in 2012.
[3] Reducing greenhouse emission levels to 1990 levels will involve cutting them by about 15% from 2010 levels.

**If Prop 25 passes**, it would lower the vote threshold down from two-thirds, so that state lawmakers could pass budgets with a simple majority. A coalition of taxpayers and employers called Stop Hidden Taxes, sponsored by the California Chamber of Commerce and California Taxpayers' Association, says Proposition 25 includes "hidden" ways to allow legislators to raise taxes as part of a budget bill with a simple majority vote. An analysis by the nonpartisan Legislative Analyst's Office hasn't settled the dispute. It says that Proposition 25's "provisions do not specifically address the legislative vote requirement for increasing state tax revenues, but the measure states that its intent is not to change the existing two-thirds vote requirement regarding state taxes." ✦

# Our Guests & Speakers

**Nazih S. Batarseh, P.E.**
LADWP
Manager Projects Management
Engineering Services Division

**Joseph R. Davis**
LADWP
Electric Service Manager
Pine Tree Wind Generation Plant



**John Dennis**
LADWP
Director of Power System Planning and Development

**William W. Glauz**
LADWP
Manager of Power System Renewable Projects

**Louis C. Ting, P.E.**
LADWP
**Project Manager**
Power System Engineering

## Noyes Notes

*(continued from page 1.)*

Energy costs have been an issue we have all heard and read about in the news for months. Apparently even the City Council did not have a full understanding of the energy cost impacts of the Department's renewable energy program. **If the City Council did not know the cost impacts of the program, then certainly the customers did not either.** This is understandable because the cost impact issue is not easy to grasp nor is it easy to explain.

Most of the rate payers know that renewable energy resources are more expensive than the fossil fueled resources they replace, but that may not explain the total cost difference. If we know, for example, that energy from a wind farm is about triple the cost of energy from a coal plant it is replacing, we would think we should be able to have a feel for the corresponding impact on our bills. But the confusing part is that where a coal resource may have a capacity factor in the 90 percent range, a wind resource may have a capacity factor of only 35 percent because the wind does not always blow hard enough to turn the turbines. *This means additional resources must be built to provide the required energy when it is not available from the wind farm.* Texas has more wind generation capacity than any other state with a total of about 9700 megawatts. However, when Texas hit its peak usage in August, only about 500 megawatts were available. Their peak load had to be met with other resources.

The Associates support the LADWP goals to reduce its dependency on fossil fuels and replace the energy from renewable resources. But we also think that it should be totally open about the corresponding costs. ◆

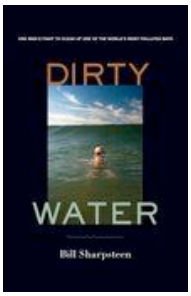
## L.A. Officials Launch Effort to Roll Back Seawater Intake Rule

Through some insider legislative maneuvering, the California state legislature may be able to consider legislation that would delay new state regulations up to 11 years that require the Los Angeles Department of Water and Power "to overhaul three coastal power plants to reduce the amount of seawater used for cooling," the Los Angeles Times reported August 25. *The Times said the current deadlines for meeting the seawater restrictions would cost $2.3 billion more than city officials planned because it would force them to modernize power plants ahead of schedule.* Wrote the Times: "Such an expense would result in a 6% rate hike for electricity customers for at least eight years, officials said."

Austin Beutner, Los Angeles Mayor Antonio Villaraigosa's jobs czar and temporary top executive at the Department of Water and Power, was quoted as saying: "That's money that will cause jobs to be lost in our economy and money that we can't use to invest in other renewable energy initiatives that we have." ◆

*Submittted by Thomas McCarthy*

# Book Review




**DIRTY WATER: *One Man's Fight to Clean Up One of the World's Most Polluted Bays***,
by Bill Sharpsteen. Berkeley: University of California Press, 2010.
263 pp. Illustrations, Resources, Index. Cloth, $27.50.
Order from University of California Press, CA/Princeton Fulfillment Services,
1445 Lower Ferry Road, Ewing, NJ 08618; (800) 999-1958;
HYPERLINK "http://www.ucpress.edu" www.ucpress.edu.

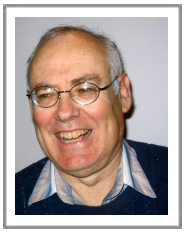
Anna Sklar's book *Brown Acres* (2008) traced the history of the Los Angeles sewer system from its early days to the present. Bill Sharpsteen focuses on an important episode in that history, **the beginnings of the movement to remove contamination from Santa Monica Bay and its eighteen beaches**, devoting almost all his book to the year 1985. At that time the City of Los Angeles was putting its sewage (420 million gallons a day) through a primary treatment process that ended with the sludge pouring out of a pipeline extending seven miles into the bay. City officials sought a waiver from federal law requiring Los Angeles to build a secondary treatment plant. The public hearing regarding approval of the waiver, getting little publicity and sparse attendance, would have been a rubber-stamp affair had it not been for one man, Harold Bennett, who raised a protest that awoke public awareness of just how polluted the bay had become.

The conventional wisdom at the Hyperion treatment facility was "dilution is the solution," the view that waste would be naturally filtered in the vastness of the ocean. However, a layer of sludge lay on the floor of the bay at the outflow of the pipeline. According to Willard Bascom, head of the Southern California Coastal Water Research Project (SCCWRP), this sludge had resulted in helping marine life in that the sludge provided nutrients. SCCWRP's data gathering, as contracted by the City of Los Angeles, was to demonstrate that since the sludge was good for marine life, the waiver should be granted. However, the summary and conclusions in the SCCWRP report, barely read by the Los Angeles Regional Water Quality Control Board, differed considerably from the data gathered by SCCWRP's scientific staff. Bascom edited the data to make the report favorable to getting the waiver passed. Although SCCWRP was operating under a contract with the city, no one seemed bothered by the apparent conflict of interest.

Sharpsteen presents a fascinating cast of characters in the campaign to change the policies that were resulting in the continuing contamination of Santa Monica Bay. In addition to Bennett, for whom the issue became an obsession, and Bascom, who seemed to be either an inept bureaucrat or in collusion with the city over the waiver, there was Rim Fay, idealistic and Jeremiah-like scientist to whom few paid attention; David Brown, SCCWRO staffer and whistleblower; Felicia Marcus, attorney and activist who showed it was possible to work with engineers, not just oppose them; Dorothy Green, negotiator and founder-president of Heal the Bay; and Tom Hayden, State Assemblyman from Santa Monica. Sharpsteen refrains from labeling anyone as hero or villain; everyone involved seemed to have some flaws. Bennett preferred public confrontations and demonstrations rather than negotiation; Bascom was a stubborn bureaucrat who clung to outmoded theories.

In the end, at a subsequent hearing the city was denied the waiver and had to shell out hundreds of millions of dollars to build a full secondary treatment plant that began operation in 1998. Bascom took early retirement; Brown resigned in the face of being laid off from SCCWRP. Heal the Bay became a major organization, attracting more than 75,000 members by 1990. In the course of time, people's memories about how it all started, perhaps clouded by emotion and lingering resentment, obscured the roles of those who had debated the issue of Santa Monica Bay pollution.

Sharpsteen unravels the contradictions and disputes over credit where it was due among the people who fought for a bay with clean water. His research includes both primary and published sources, but no footnotes. The book is intended for the general reader, not the specialist, and this is important since the issue of the bay aroused a considerable amount of public attention. Sharpsteen does as much as he can to set the record straight. Heal the Bay pretty much has ignored the contribution of Harold Bennett, and Sharpsteen restores to the historical record his dedication to the cause.



The book is informative and enjoyable, especially since the good guys won the battle, at least this time. ✦

*By Abraham Hoffman,Ph.D.*
*W&PA member, teaches history at*
*Los Angeles Valley College*

# Guest Presentation Synopses

*By David J. Oliphant*

Our August guest speaker was **John Dennis**, who has 28 years experience with the DWP as of June. He recently gave an initial public presentation on the 2010 Draft Integrated Resource Plan (draft IRP). There were 120 people who responded to the public meeting invitation which was stacked with Sierra group people whose stated objective was to get out of coal and charge whatever you need to, to do so. Dennis provided the Executive Summary handout of the 2010 draft IRP, which describes a "20-year framework for transition from fossil fuel based sources of energy to sustainable forms of renewable energy." It provides three objectives: high reliability of electric service; competitive rates; and environmental stewardship.

**The plan is being presented** in an outreach program for public input, which will include the commercial folks to balance things out. It involves six different scenarios of the use of integrated renewable models, labeled A through F. It shows production models and cost models. A and B involve use of 20% renewables, while C through F involve 35% renewables. The models compare use of two target dates, 2020 and 2027, with models B, D, and F using the greenhouse gas reduction strategy of also being out of all coal use by 2027.

**The models** include geothermal backup of 160 MW (A and B) and 360 MW (C through F), with C and D putting greater emphasis on wind power (1,050 MW) and E and F on solar power. The costs will increase sizable as there is an increase in the abandonment of coal use. The bulk power costs using the same models show costs rising from $87 per MWh to $134 per MWh on a present value basis. This is a relative comparison which allows the decision makers to see the potential results of their choices.

**Rate payer costs** were shown commencing at the present 12 cents per kWh with all models represented as coming together in 2027 and a footnote expecting the range to be from 24.6 cents/kWh to 24.9 cents/kWh in 2030. However, as Board members noted, this depends on assumptions of future prices of fuel, CO2, and other undecided factors. There was a comment as to possible misleading inflation in the underlying assumption of natural gas prices, and the right of the decision-makers to have correct information before they act.

**There was discussion of reliability** of the system as they include wind and solar, and the amount of land required for the proposed solar. Five acres per megawatt is necessary to provide for solar. Board member McCarthy noted that there will be concern over backup power and to expect regulations concerning the ratio of new generation versus storage. Storage will include gas generation, batteries, and pump storage, requirements, all of which adds to the cost.

## Once-through Cooling

**Dennis** distributed a handout on Once-Through Cooling. Under the Clean Water Act (316B), the State Water Board has proposed rules governing the use of ocean water to cool power plants which affects DWP at Haynes, Harbor and Scattergood Power Plants.

**Once-through cooling** involves Impingement Mortality (i.e. fish that stick to the filter screens) and Entrainment (small organisms such as planktons that go through the filters). The goal is to reduce this by 93%. Just before the State Water Board adopted the rules they changed them from facility compliance (with which we were working) to unit by unit compliance. Where previously the DWP had made reductions and taken individual units out to meet facility compliance, now it had to make changes for unit by unit compliance. The rules were also changed to no longer allow costs to enter into the compliance rules. So DWP has to get off ocean cooling.

**General Manager, Austin Beutner** has asked for more time to do this. DWP has repowered Valley and part of Haynes in this last decade. It will replace Units 5 and 6 at Haynes with dry cool units beginning in January. Scattergood Units 1 and 2 will be completed by 2015, and unit 3 by 2020 and get the advantage of combined cycle technology. If forced to do this by 2020 the estimated total cost will be $2.3 billion, or $220 million a year for ten years, at a rate increase of 6%. DWP has 14 ocean-cooled units but by the end of the decade will be down to nine. There is a loss of efficiency in this change and there will be additional costs from it. *(Continued on page 5)*

# Guest Presentations

**William W. Glauz,** also our August guest, discussed DWP's present level of activities regarding building and purchases of renewables. With greenhouse gas, we are 22% below the required 2020 levels. The GM's plan includes the possibility of selling Navajo but yet having replacement energy when it is needed. LADWP needs a best-fit plan for a 500 MW power block close to where it needs an alternative backup to the integrated renewable program.

**The transmission upgrades are going well**. The Southern Transmission system upgrade is going well with another 400 MW by the end of this year bringing us up to 2400 MW capacity. Upgrading is only one tenth the cost of a new line. DWP is also upgrading the Converter Station, expanding cooling facilities. It is adding stuff at Utah to maintain it as an energy hub, renewables or otherwise. There is wind there and the potential for renewable, possibly geothermal.

**Utah** people see a future for them through Los Angeles seeking variability in supply, giving LA further regional diversity. At Barren Ridge DWP is upgrading the Inyo to Rinaldi transmission line by 2014 and looking for more opportunities for solar power generation on Owens Lake with a 10 MW pilot study.

**In the Imperial Valley,** DWP is trying to get geothermal resources, more solar, and looking for cost-effective ways to bring the power from there to Los Angeles by using Edison right-of-ways, the Independent System Operator, and other utilities in cooperation with private and municipal utilities. The California Transmission Planning group has been bringing the groups together knowing the utilities are trying to reach 33% renewables. ISO is at the table with the Planning Group. We need to work together to say "here's where you get the best "bang for your buck."

**The cooler weather** has helped DWP to approach the 20% level in 2010. We were at 29% in April. We are purchasing renewable energy from California, Utah, Oregon, Washington, Canada and Mexico. We have almost a 1,000 MW of renewable energy provided under contract, owned and operated by DWP, compared with only 5% of energy from renewable being provided in 2005. Most of our renewables are from wind – this year was a good year for wind. We got 135 MW from Pinetree. We are looking to expand the Milford wind project in South Utah, and negotiated for renewable energy from the Columbia River Gorge in the Pacific Northwest, and also Pacific hydro.

**DWP has purchased landfill gas** in the western United States. We buy it in Texas where it is fed into the gas distribution network there and we take an equivalent amount of gas out at our end (operated like the renewable energy credit system). These are long term agreements which are good for DWP because the third party developers get big tax benefits, and DWP has the option to buy the plant when the tax benefits are gone.

**The solar incentive program** has been very successful. When he began this, former General Manager, David Freeman was offering $6 a watt incentive to install solar. Now we are down to $2 to $3 a watt. There are applications for about $65 million in incentive solar purchases and just $33 million a year in the budget, so this is slowing down. We have about 2400 customers out of about 1.4 million – less than 1% who have installed solar. Most are about 4 kW in size. You can get a 30% investment tax credit with ten years to recover the investment. If you build a 50kW plant, under a feed-in tariff arrangement, you can enter into a power purchase agreement and buy into the grid. The L A Business Council wants the DWP to pay more for the feed-in tariff. ✦

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## PG&E 2Q Profit Down 14% On Charges; Gas Results Boost Revenue

*By Cassandra Sweet*
*Of DOW JONES NEWSWIRES*

SAN FRANCISCO -(Dow Jones)- PG&E Corp. (PCG) posted a lower second-quarter profit on higher expenses, including a charge tied to a failed ballot initiative, although the company beat expectations with higher revenue and stronger results at its natural gas business.

Shares of PG&E were recently up 0.5% at about $45.32.

While earnings from operations at PG&E's electric and gas utility were 13% higher last quarter compared to a year ago, the company booked one-time gains last year including a $56 million tax refund and $28 million in recovered costs associated with hydroelectric generation.

Higher revenues from rates added 5 cents a share, but that gain was reversed by the $20 million, or 5 cents a share, that the company spent last quarter supporting a controversial ballot initiative that voters rejected in June. The measure, called Proposition 16, would have amended California's constitution to make it more difficult for municipal utilities to expand and for cities and local governments to establish their own utility districts. ✦

# W&PA Informational Tour of LADWP Pine Tree Wind Farm Generation Plant

On September 16, Associates Board members went on a tour of the Pine Tree wind project ("Pine Tree") informatively conducted by the Project Manager for Pine Tree, Louis Ting, and the overall manager of Project Management, Nazih Batarseh. The groundbreaking event was held January 31, 2008 at the Barren Ridge Switching Station. With the completion of Pine Tree, Louis Ting is now the Project Manager for the repowering of Scattergood Generating Station.

Pine Tree, which is owned and operated by LADWP, is just a two-hour drive from the John Ferraro Building. At Pine Tree, constructed up and down a terrain of open hills and valleys, joined by narrow, partially dirt roads, stood ninety giant windmills each capable of generating 1 1/2 MW of power for a total of 135 MW to allow the DWP to lessen its dependence on fossil fuel, such as coal and natural gas. As it has always been throughout its history, the DWP is involved yet again in state-of-the-art technology to provide electric service to Los Angeles. While the capital outlay is initially high, it is true that the wind is free with plenty of it available in this area north of Mojave and west of Jawbone Canyon.

As we arrived, the huge wind vanes were turning slowly generating power, and we stood beneath them awed by their size and elegance. While the blades seem to turn slowly, 18 rpm (maximum speed 20 rpm), actually the speed at the tip of each blade reaches as much as 165 mph. The turbines must be ready to deal with winds that can fluctuate from the useful to the dangerous (50 mph and above) in seconds. Consequently, the blades can be feathered to cut wind resistance and brought to a standstill in seconds. Each blade, 123 feet long, is amazingly flexible. The total length of the blade's rotation diameter including the center cone reaches 250 feet. The blade is made of layered fiberglass. As we stood at the narrow end of a blade laid out on the ground, we could bend the tip slightly back and watch it wave back and forth when we let go. If damaged, the contract repairer can patch the fiberglass blade without removing it from its mounting on the turbine. You can get an idea of the size of the blade from the picture at the right with Board members standing beside it. The height of the towers varied in size, with some as tall as 200 feet.

View approaching the wind Farms

Mountain top view of windmills

Associates stand next to a windmill blade down for repairs to show relative size.

*I was impressed with the way the units were installed over a fairly large area, not crammed together cheek by jowl as I have seen elsewhere (Palm Springs). I doubt it helps efficiency but I found Pine Tree more esthetically pleasing than other wind farms. I was also impressed with the work the LADWP people did, a lot of civil engineering work, a lot of environmental work, and all well done.*

*And lastly I was impressed with one of those odd facts: while the blades rotate at about 18 rpm the tip speed is about 165 mph*

*Edward A. Schlotman*

Nazih Fatarseh, P.E., Dorothy Fuller, Thomas McCarthy, Michael Moore, Carlos Solorza, Edward Schlotman, Louis Ting, P.E., Kent Noyes, David Oliphant, John Schuman.

Thomas Mc Carthy inside a windmill tower tower

Atop a windmill turbine the nacelle (big rectangular box) is large enough to house an SUV. Some nacelles are big enough for a helicopter landing.

The turbines are located at sites approved by wind experts as ideal to ensure maximum wind capacity. However, locating them required gaining approval of several other government entities. Located in an area where the U.S. military tests aircraft, the turbines needed to be below 500 feet..Permits were required from Kern County, and environmental approval from the Bureau of Land Management as well as the State of California. Care was taken to protect bird and animal life, concern being particularly directed to the Desert Tortoise native to the area. Due to environmental concerns, some of the access roads leading to the turbines that traversed river beds were left unpaved. In addition, the DWP planted native seed on either side of the roads. A total of approximately 36 miles of roads were constructed for this project.

With the exception of lines crossing a canyon, all power lines connecting the turbines were placed underground. The contractor used a machine which dug the trenches, laid the wire cable, and filled the trenches in a single operation. The roads were engineered so that the tight turns needed still allowed sufficient room for the semi-trailers delivering the huge vanes to safely reach each turbine location.

**Pine Tree is exceeding expectations and is currently producing more energy than anticipated. Operating wind projects is new territory for LADWP, but their history shows they will be successful.**

(*Continued on page 8*)

(*Continued from page 7*)

As we drove through Mohave, ahead of us in the mountains to the west of the city of Mohave, we could see the wind farms from which Edison buys its power. Interestingly, Edison does not own the towers. NextEra Energy, a subsidiary of Florida Power and Light, Company, owns the towers, paying the local landowner for an easement to install the towers, and selling the power to Edison. NextEra is the largest private supplier of windpower throughout the U.S., owning wind farms all over the country.

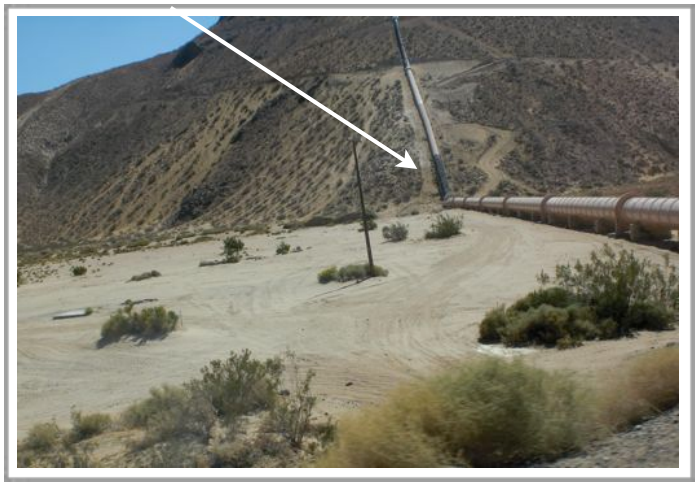
More and more utilities are buying their renewable energy from other providers rather than constructing their own facilities. This has become necessary

- to meet such renewable goals as 20% use of renewables by 2010 and 30% by 2020,
- to avoid some of the initial high capital costs of building wind and solar plants,
- to gain more time to build new facilities, and
- to obtain power elsewhere where opposition to new transmission lines would otherwise prevent it.

Technical information about Pine Tree Wind Generating Station can be found on the internet by entering LADWP PINE TREE WIND POWER PROJECT on your browser ✦

## Pine Tree Wind Farm

Generally, when one turbine is still while all others around it are turning is an indication that the unit is being serviced. "Each turbine is serviced on a continuous basis every six months.



Jawbone Canyon

Sylmar Cascades

## Pumping Stations Need Not Apply

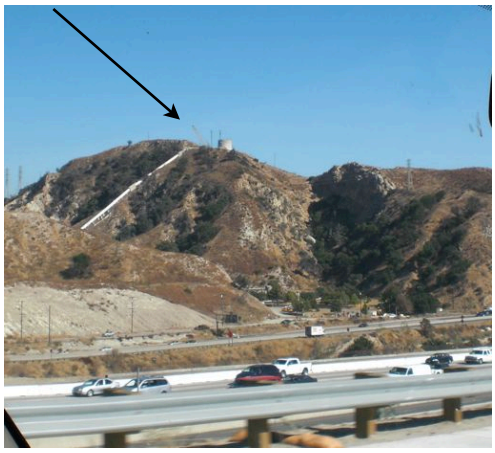
Los Angeles water from the Mono Lake area is transported 300+ miles by gravity and pressure.

*Engineering by William Mulholland.* Two examples of the water journey are shown here.

- In Jawbone Canyon in Mojave, the L.A. Aqueduct carries water 3,200 feet up the mountain.
- From Magazine Canyon, 1,370 ft.above sea level, the aqueduct raises water 1,725 ft. to the top of Terminal Hill in back of the Sylmar Cascades.

*No pumping plants are needed*. Isn't that amazing?!

WATER TRANSPORT



Magazine Canyon

# Overview of No on Proposition 16 Workshop August 5, 2010

Attended by: Tom McCarthy

### Ross Mirkarimi
### SanFrancisco City Supervisor

Proposition was rejected by 60% of PG&E's Service Territory. PG&E took a Bully approach. This turned out to be a proactive cause for public power. Many Cities thorough out the state were against 16. PG&E wanted to win from a monopolistic interest. The no vote crossed party lines. If measure had passed PG&E would have cemented their control against future expansion of public power. This won't be the last assault of Public Power. The lesson to be learned is that you need to take on an offensive position rather than a reactionary posture.

### Mark Tony
### Executive Director TURN

To be successful you must drive the politicians. The Yes campaign was funded by PG&E to help PG&E alone. It is very important to win key endorsements. You need to get help from key actors or know the key actors of the opposition. The "No Campaign" received Endorsements from: 63 editorial boards, some California Realtors, Farm Bureau, labor organizations, chambers of commerce, and Republican Chapters. The bottom line is PG&E will continue these tactics in the future. Currently PG&E has a $4 Billion rate case before the PUC.

### John Geesman
### Former
### California Energy Commissioner

He felt that No on 16 would always win. We owe a debt to mainstream media who challenged PG&E. According to Secretary of State PG&E spent $46.5 Million vs. No on 16 committee $119,000. The No on 16 won by 53% vs 47%. In PG&E service territory it was 59% vs. 41%.

### Richard Staplers
### Campaign Support

He felt PG&E made a basic strategic error in rolling out smart meters while running the Yes on 16 campaign. The committee recruited experts from Mexico to Oregon. The experts were more than willing to speak on Public Power whenever asked. Voters are normally pretty smart and wanted choice and don't like Monopolies.

### Jim Pope
### General Manager Northern California Power Authority

Jim had worked 28 years for PG&E before going to work for NCPA. He had to be careful that all his work on No on 16 was conducted off of the clock. He expressed appreciation to his staff. Also very helpful was many City Councils endorsement of Public Power. Jim also wanted to thank the Water and Power Associates in particular thanked Mike Moore, Ron Deaton, & Eldon Cotton.

***Jim Pope's Lessons Learned are:***

Handle Issues as they come up. What is important now? WIN!

Depend on Relationships. Networking i.e. IBEW, Sierra Club, TURN, Tap into local networks.

Stick to the message. PG&E didn't care about Public Power only their Stockholders

Be a credible Bureaucrat. Transparency Use Popular Press. Use the Internet Media

Email blasts are effective to directed the message across targeted geographic areas.

### Jim Metropulos
### Sierra Club

They opposed PG&E and 16 because:

✧ Yes on 16 would have hurt Community Choice Aggegation

✧ The Sierra Club feels IOU's restrict their renewable agenda.

✧ Expansion of Distributed Generation

✧ Against coal generation & once through cooling.

Sierra has a very strong communication network with its membership. ◆

*By Tom McCarthy*


The No on 16 Campaign Committee [hosted] The
VICTORY WORKSHOP AND CELEBRATION PARTY:
NO on PROPOSITION 16
CAMPAIGN VICTORY WORKSHOP
VOLUNTEER HERO AWARDS
And
CELEBRATION PARTY
AUGUST 5, 2010
Merchants Exchange Building
Julia Morgan Ballroom
465 California Street
San Francisco

# CALIFORNIA'S GREEN NIGHTMARE

**It's hard to know where the fairy tale of "green jobs" first came from**. It was probably a clever marketing scheme by radical environmentalists who realized that their anti-growth climate change agenda wasn't going to sell among the American electorate if workers realized how many jobs would be eviscerated by the new taxes and regulation. So, from somewhere out of Madison Avenue or K Street, the left devised the green jobs story line: we can impose a $1 trillion new tax on the U.S. economy over the next decade, and it will save jobs, as hundreds of thousands of Americans begin assembling windmills and solar paneling.

If we want to see how green policies work in the real world, we don't have to look any further than America's left coast. California has become the poster child of green jobs. Gov. Arnold Schwarzenegger boasted in his 2007 State of the State Address that "California has taken the leadership in moving the entire country beyond debate and denial [on global warming] to action. As goes California, so goes the nation."

He's right. California is the nation's laboratory in green job initiatives of the type that so many politicians in Washington, D.C., and the states see as America's economic passport to the future. The Golden State was first in the nation in renewable energy standards, it is the home of the most stringent cap and trade legislation (called AB 32) to reduce carbon emissions, and it has poured hundreds of millions of state tax dollars into renewable energy research.

So where are all the green jobs? A new 2010 study by the University of California-Berkeley comes to the sobering conclusion that "the green economy accounts for just 1 percent of California's jobs." That's right: of the roughly 15 million California workers, only about 159,000 have green jobs (and this was an expansive definition of green jobs, including trash sorters at the dumpsters). That same study did find that green employment is "growing about 50 percent faster than the economy overall." But that's mostly a reflection of anemic job generation in California's industrial base, and not a sign that green jobs are going to sprout all over the state like avocado plants.

California's heavy "investment" in green job projects -- on the types of initiatives that President Obama is all gaga over on the national level -- hasn't added at all to overall state employment. As of June, California had 2.2 million unemployed workers and the fifth-highest unemployment rate in the nation at 12.3 percent. Even if the state were somehow to quadruple its green jobs, the Golden State would still have an unemployment rate above the national average.

Nor has "going green" helped the state's finances. The budget deficit in Sacramento is expected to reach $20 billion and the state's credit rating of A- is the worst of any state in the nation, while its default risk is rated on par with that of Libya. California voters are partly to blame. In 2008 they approved a $9.95- billion ballot initiative to build a high-speed "green" rail project from San Diego to San Francisco and beyond. The state can't pay its bills already. Most rail experts believe the actual cost will be multiples higher than anticipated, and that's only for the construction costs. The train figures to be an albatross around the neck of the state budget every year in operating subsidies, much as Amtrak is in Washington. By the way, you can take a Southwest flight from San Francisco to San Diego for as little as $59.

Amazingly, even Gov. Schwarzenegger's own economics team concluded this year that the state's green regulatory structure is a menace to the state's economy. The governor's office study concluded that California's already iron-fisted environmental and workplace regulations translate into about $176 billion in lost output and nearly 4 million lost jobs. This study was so embarrassing to the legislature and the Schwarzenegger administration that it was suppressed for many months, until several Republican legislators demanded its release.

Meanwhile, California's celebrated AB 32 climate change law will take effect in 2012. But it is already causing an outsourcing of manufacturing, construction, and utility investment in anticipation of the new regulations. A Riverside construction company, CalPortland Cement, announced in late 2009 it was closing its plant because of AB 32's impending regulations. The CEO wrote: "A cement plant cannot be picked up and moved, but the next new plant probably won't be built in California," but rather in Nevada or China.

# CALIFORNIA'S GREEN NIGHTMARE


Last year, researchers at the college of business at California State University in Sacramento estimated that higher energy prices from AB 32 will increase consumers' food, utility, and housing costs by $50 billion. That's the equivalent of a 4.5 percent sales tax on most consumer items Californians buy. Small business costs would rise by $60 billion annually to pay for a policy that will have at best a microscopic impact on global temperatures.

The Golden State is also first in the nation in stifling renewable portfolio electricity standards. These are expected to raise electric power costs on every Golden State business and homeowner by 2 percent, which is like a $250 tax on a typical family. Another expensive initiative, the 1 million solar roofs project, will pour tens of millions more scarce tax dollars into green programs the debt-drenched state can't afford.

**HOW DOES THIS ALL translate into jobs?** Well, of course, it doesn't, and last year California Republicans held field hearings in Reno, Nevada, to discover where all the businesses have fled. The presidents and founders of more than 100 businesses, all formerly in California, almost all said much the same thing. Although taxes are excruciatingly high in the Golden State, the businesses said they could tolerate those if it weren't for the regulatory climate. They couldn't stomach the anti-business attitude of so many of the California regulators. One former manufacturer in Los Angeles complained that "the regulators come onto your facility, and they want to shut you down. They view businesses as enemy combatants." Earlier this year, the EPA chased out of town the last steel foundry in Los Angeles, a firm that had hired hundreds of Southern California workers with good wages for decades.

Joseph Vranich, a business relocation expert, has a database of firms that move in and out of California "Thanks mostly to California's hostile regulatory climate," he says, "for every three new businesses that move into the state of California, about 100 move out." He's compiled an exit list of A-list home-grown

California-based companies that are expanding operations elsewhere. It includes Intuit, StarKist, Facebook, Northrop Grumman, and Apple. Perhaps even more embarrassing is that when California's investments do generate new jobs, they are increasingly located outside the state. In June, the hot Silicon Valley firm MiaSolé reported that its planned home for one of the largest solar factories in North America, a 500,000-square-foot 1,000-worker plant, will be built in Atlanta.

Similarly, CalStar Products has erected its newest green plant in Wisconsin. Since then, it has been awarded nearly $2.5 million in federal clean energy tax credits through the American Recovery and Reinvestment Act, and the company said, "We expect to build additional plants down the Mississippi Valley and East Coast over the next couple of years" -- and conspicuously, not in California. Another green firm announced it will build its new plant in Wales.

Other states and nations are getting rich on California's green spending. Much like Europe, California is discovering that for every green job that has been created, several more conventional hardhat jobs have disappeared. The term "green jobs" is a fancy way to say 12 percent unemployment.

Even the politicians in Sacramento are starting to realize the tomfoolery of one state trying to stop planetary global warming all on its own. So Mr. Schwarzenegger has been trying to persuade the governors of other neighboring states like Arizona, Idaho, Nevada, Oregon, and Washington to sign a Western state cap and trade treaty. The other governors have declined, no doubt having observed how well climate change legislation has worked in California.

The whole fight of jobs versus greens comes to a climax in November, when voters will decide on a ballot initiative to suspend the state's global warming law until unemployment falls back to 5.5 percent. The initiative is polling well, but green groups around the country are raising millions of dollars to defeat the measure. This is Waterloo for the Green Movement. If California rejects expensive job-killing remedies to climate change, other states will surely follow. California, ironically, could be the state that ? says, "Whoa: jobs first." ✦

*Stephen Moore is a member of the Wall Street Journal editorial board.*

# Global Warming – Policy of Don't Ask, Don't Tell?

*By David J. Oliphant*

As a result of a number of serious climate prediction errors in its 2007 Report, the Intergovernmental Panel on Climate Change (IPCC) suffered sufficient damage to its credibility to warrant a review of its processes by an independent body. The Inter-Academy Council (IAC), a consortium of national science academies, oversaw this review. On August 30, the IAC findings were reported by the BBC.[**1**]

The IAC found, among other things:

·Response to errors in the report were "slow and inadequate,"

·Genuine controversies needed to be reflected and alternative views accounted for,

·The IPCC should stick to climate change science and steer away from policy recommendations,

· Reference to contradictory evidence should be included,

· "Qualitative probabilities should be used to describe the probability of well-defined outcomes only when there is sufficient evidence,"

·Safeguards against conflicts of interest were needed (Dr. Rajendra Pachauri, the unpaid chairman of the IPCC, was raising funds for his privately funded research institute while chairing the IPCC), and that

·The chairman's term should be shortened to a single term for each climate science assessment.

Be it noted that the IAC was not tasked with picking over the science of the 2007 report but rather to look into the *process* as a consequence of criticism and loss of credibility due to several major errors. While the spokesman for the IAC said the IPCC process had "served society well," fundamental changes recommended by the IAC would help it to continue to perform successfully under a "public microscope."

Dr. Rajendra Pachauri stated to the press a number of times that the: "IPCC studies **only** peer-reviewed science.However, errors brought to light by others showed that the IPCC, the body that advises world leaders on climate change, frequently relied on **non** peer-reviewed materials for predictions in its 2007 Report."

One of the more significant conceded errors was the IPCC claim that because of global warming the Himalayan glaciers would all be gone by 2035. Since a major part of India's population relies for its water on the seven major river systems supplied by the glaciers, this worried the Indian government. However, the Indian government glacier expert contradicted the IPCC, finding no abnormal annual retreat from warming, especially in recent years. So, where did this error come from? The particular IPCC researcher relied on a 2005 fundraising document of the World Wildlife Fund (WWF), which was not subject to scientific review, not published in a respected science journal, and never reviewed by the IPCC. A surprising note was the comment of the IPCC's coordinating lead author, Murari Lal, on the fact that the work had never been verified. He apparently felt that this scary scenario was needed to spur action: "We thought that if we can highlight it, it will impact policy-makers and politicians and encourage them to take some concrete action."[**2**] This comment is plainly the statement of an ideologue with an agenda, not a scientist. The Indian government reacted by declaring it "cannot rely" on the IPCC and it set up an Indian IPCC as a replacement.[**3**]

FOOTNOTES

[**1**] **See Internet**: *Stricter controls urged for the UN's climate body*, BBC News Science and Environment, August 30, 2010; *Climate Panel Faces Heat*, Wall Street Journal, August 31, 2010, *Climate of Uncertainty,* Wall Street Journal, September 2, 2010, *Report calls for climate body overhaul,* Channel 4 News (London Independent TV station) August 30, 2010.
[**2**] Lawrence Solomon: IPCC: *Beyond the Himalayas,* Internet Article February 6, 2010.
[**3**] Lawrence Solomon, fn. 2.
[**4**] *The dam is cracking* Andrew Neil , Internet Article January 26, 2010.
[**5**] Andrew Neil, fn. 4. On the 2007 Report that the IPCC had "high confidence" that climate change could halve the output of rain-fed agriculture in Africa by 2020, the IAC commented that showing how the IPCC came up with that conclusion "would have made clear the weak evidentiary basis." *Climate Panel Faces Heat,* Wall Street Journal August 31, 2010.

# Global Warming – Policy of Don't Ask, Don't Tell?

But this error was hardly the only one. There was the IPCC claim that global warming was leading to an increase in extreme weather, such as hurricanes and floods, again based on an unpublished report not subject to scientific scrutiny, despite a number of the IPCC experts warning against relying on it. The author, who had not finished his work, a year after the IPCC release, repudiated the conclusion stating: "[T]there is insufficient evidence to claim a statistical link between global warming and catastrophe loss."[**4**]

Then there was the claim that 40% of the Amazon was threatened by climate change, again relying on a non-peer reviewed WWF article written by an Australian policy analyst and a freelance green activist journalist.[**5**]

Then there was the 2007 Report claim that in the event of flooding caused by global warming, 55% of the Netherlands was below sea level and would be susceptible to the flooding (the actual amount below sea level is 20%). This 55% figure turned out to be relied on, embarrassingly, by the Dutch Environmental Minister for setting environmental policy until the Dutch Environmental Assessment Agency revealed the blunder.[**6**]

Prior to this was the issue of the famous IPCC "hockey stick" graph purporting to show a straight level of temperature from 1000 A.D. until 1998 when it suddenly spiked upward at an apparent alarming rate of warming increase, purportedly through the increased industrial output of CO2.

Through graph manipulation, the author had ignored prior equal or greater rises in temperature during medieval times (900 – 1280 A.D.) and the Little Ice Age (1300-1850 A.D.) to produce the graph. What aggravated the criticisms of the IPCC was the discovery, through the leaking of hundreds of e-mails between IPCC lead scientists indicating among other things, attempts to hide and bury opposed data, keep their data and bases from opposed scientists and boycott a publication that printed articles by scientists critical of their work.

A review of these e-mail claims (sometimes referred to as Climategate) was conducted by a committee whose report (the Independent Climate Change E-mails Review – hereafter the E-mails Review) was issued in July. While apparently clearing the scientists of misconduct, the 160-page report suggested reforms similar to those recommended by the IAC report, criticizing the scientists for withholding data, providing misleading information, hiding behind claims of peer-reviewed science and exacerbating antagonism among the parties. The review stressed "*the importance of capturing the range of viewpoints*" by being open and helpful rather than defensive and obstructionist.[**7**]

The lack of peer-reviewed literature behind some of the IPCC chapters was discovered by a Canadian woman, Donna Laframboise,[**8**] who put together a study by 43 volunteer citizen auditors from 12 different countries, whose job was to read the supporting chapter references of the 2007 Report and determine how many were based on publication in peer-reviewed academic journals and other peer-reviewed references, as opposed to "grey literature" with little or no scientific peer-reviewed information. Working in teams of three, each team member reviewed chapter references independently. When the review was complete they graded the 2007 Report chapters, A through F, 59% and below being an F failing grade. Of 44 chapters, some 21 were found to have bases that were so lacking in peer-review as to warrant a failing grade. Of 18,531 references 5,587 were found not to be peer-reviewed, relying on press releases, newspaper and magazine articles, discussion papers, MA and PhD theses, working papers, and environmental group advocacy literature. [**9**]

*(Continued on page 14)*

FOOTNOTES

**6**] Lawrence Solomon, fn. 2.
[**7**] Financial Post, Lawrence Solomon July 10, 2010.
[**8**] *More Dodgy Citations in the Nobel-Winning Climate Report,* No Consensus.org, January 23, 2010.
[**9**] For report details see *There is No "Scientific Consensus" on Global Warming, Citizen Audit Detailed Findings,* NOconsensus.org April 14, 2010; the citizen auditors included a medical doctor, a lawyer, and people with degrees in engineering, chemistry, geophysics, mathematical physics, plasma physics, commerce, economics, and arts.

# Global Warming – Policy of Don't Ask, Don't Tell?

*(Continued from page 13)*

**What is important to consider** is that if a scientist on the "skeptic" side had quoted an article from a mining or oil industry magazine, no matter how well-supported scientifically, the IPCC would not use it because the environmental community undoubtedly would have attacked it as being biased and not in the best interests of the environment. Articles critical of skeptics frequently dismiss any skeptic as being a shill for the mining or oil industries. Yet, in reliance on "grey literature," it is plainly assumed by the IPCC Report that environmental groups have no bias.

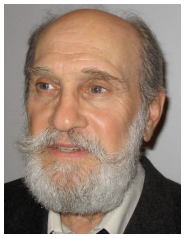
**The intriguing outcome of Climategate** is the E-mails Review which was conducted by an independent four-man group of professors. In its 160-page report the E-mails Review dwells at length on how the Climategate scientists handled disagreement, finding them defensive, unhelpful, withholding data, "blinded… to the possibility of merit" in the claims of their critics, and explicitly recognizing that there was a debate that "became highly polarized in websites, journals and conferences across the world." The E-mails Review thereby implicitly recognizes that there is not a consensus on global warming issues and that there is a need to capture "*the range of viewpoints*" by being open and helpful rather than defensive and obstructionist.[**10**]

**Finally, note the experiences** of State Climatologists Patrick Michaels, George Taylor, David Legates, Assistant State Climatologist Mark Albright, from Virginia, Oregon, Delaware, and Washington, respectively, and senior analyst Alan Carlin, from the Environmental Protection Agency, whose careers were adversely affected by speaking up.

**Though they were the official state experts**, the first three were instructed by their respective state governors not to speak on global warming, their jobs being at risk. Two resigned, one stopped speaking. The Assistant State Climatologist from Washington was told not to e-mail the entire snowfall record from Cascade Mountains as opposed to a cherry-picked partial record used to display an apparent unusual increase in snowmelt. For e-mailing the entire snowfall record, he was terminated. The EPA analyst was assigned to write a report justifying the EPA position on CO2 based on the IPCC reports. He concluded that the IPCC view was indefensible and recommended the EPA conduct an independent review of its own. He was immediately transferred to a different position. This is not to say the IPCC is incorrect in its views but merely to show that no other view is permitted.[**11**]

**There are a number of books by eminent scientists** questioning some or all of the conclusions of the IPCC regarding global warming, CO2, and the disasters predicted by "warmers" as a result.[**12**] However, the "warmers" do not permit argument – and have made the science journals reluctant to publish articles questioning the so-called consensus. There is consensus they say – the issues are decided, move on. The "skeptics" simply ask to follow the process normally used in scientific discovery i.e. full peer review, publication pro and con in scientific journals, debate, experimentation, prediction and follow up testing.

**The public is being asked to foot the bill** for what are tremendous changes globally in the industrial bases of our society. Surely it is entitled to full and open discussion, based on peer-reviewed evidence, not a one-sided presentation of a politically favored group. ✦

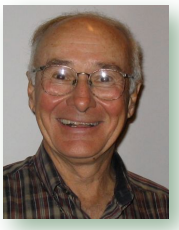


*David J. Oliphant*

FOOTNOTES

[**10**] Lawrence Solomon, Financial Post, July 10, 2010; *The Climategate Whitewash Continues*, Patrick Michaels, Wall Street Journal, July 12, 2010.
[**11**] *Climate of Extremes*, Patrick Michaels and Robert C. BallingJr. (2009) p. x-xi". *The Real Global Warming Disaster*, Christopher Booker (2009) p.291.
[**12**] I will be pleased to e-mail on request a list of such books including a description of the credentials of the authors.

## *In Memoriam*



**James F. Wickser,** former head of the Water system and Assistant General Manager of the Los Angeles Department of Water and Power, died September 22.

Jim graduated from USC with a degree in civil engineering and was hired shortly after by DWP. He also obtained a Master's degree and a certificate of administration from USC.

After 12 years with LADWP, Jim was selected to head the Aqueduct Division in the Owens Valley. He moved his family up there and and stayed 10 years. He got involved in many civic activities in the Valley, including the Lions Club and the Boy Scouts. He always tried to communicate directly and fairly with people in Owens Valley regarding LADWP issues and activities. Some issues he worked on were ranch leases, the Interagency Committee Land Assessment and Taxation, sale of town properties, water metering, and the Inyo vs. Yorty CEQA lawsuit which led to the Inyo-L.A. Partnership and Long-Term Water Agreement.

Back in L. A. in 1983 Jim worked in the General Services Division. From 1990 until his retirement in 1998 he headed the entire Water System.

During his nearly 40-year career with the LADWP, Jim worked on a variety of water projects, including route alignment work on the second L.A. aqueduct in the mid-1960s, such as Jawbone Canyon and Little Lake sections of steel pipeline.

In retirement Jim remained active in the water industry consulting with the cities of Pasadena, Anaheim, and other agencies. Jim was an active member and advocate for the programs of The Water and Power Associates, Inc. and served two terms as our President. ✦


### NEWSLETTER

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California
General Election
Tuesday,
November 2, 2010
Become Informed
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