

In a blog entry on <u>January 14th</u>, Ann Carlson offered strokes to the Los Angeles Department of Water and Power for announcing success in reaching its goal of 20% renewable power. Ann appropriately pointed out that much work lies ahead for LADWP, since most of the new renewable power came in the form of short term contracts. Firming up a significant renewable percentage will take concerted effort.

It is laudable that LADWP has made as much progress as it has in adding renewable power to the mix, but it is important to note that the utility attributes 30% of its renewable energy to hydroelectric power, which would not qualify as renewable under the state's renewable portfolio standard. As a municipal utility, LADWP is free to set its own goals, but it is important to consider its achievement in context. That hydro power is accounting for 6% of LADWP's overall energy mix — the same proportion of hydro delivered by LADWP in 2006. Statewide, in a good year, hydro can account for 19% of delivered kwhs (per the California Energy Commission). For instance, if the Pacific Gas & Electric Company had counted hydro as renewable, it would have pretty much met its 20% renewable power goals before it even started.

It is smart policy to set renewable power targets without hydro in mind. Large hydro is loaded with environmental cost, and the dams in California are mostly built out. LADWP can (and with time, probably will) use its substantial buying power to bring new renewable sources into the mix. For now, we might want to count LADWP's renewable energy accomplishment as 14%, rather than 20%. That merits a good strong B-. With the utility's late start, I would bump it up to a B. It is especially because of its extraordinary reliance on coal power that LADWP needs to push even harder to deliver new, real renewable energy to

the grid.