

Water and Power Associates, Inc. Newsletter

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Power

Power Outage Sweeps Across Southern California, Arizona



A small procedure at a Yuma, Ariz., substation yesterday led to power outages that swept across Southern California, Arizona and Mexico, ABC News reported. Arizona Public Service (APS) said operating and protection protocols typically would have isolated the resulting outage to the Yuma area. "The reason that did not occur in this case will be the focal point of the investigation into the event, which already is under way," the company said. "We are working hard to restore our customers as quickly and safely as possible," said APS President and Chief Operating Officer Don Robinson. "We take great pride in our hard-earned reputation for safe and reliable service, and we will work hard to identify the cause." ❖

San Diego Gas & Electric spokeswoman Jennifer Ramp said that about 1.4 million of its customers lost power, Bloomberg reported. In Arizona, 56,000 residents and businesses in Yuma County on the California border were without electricity. Two million people in Mexico were affected by the blackout, the Associated Press reported. A fluctuation in power caused by the shutdown of both reactors at the San Onofre nuclear power plant, taking 2,150 MW off the grid, Reuters reported. Southern California Edison spokesman Gil Alexander said there were no safety problems at the plant. San Diego Gas & Electric said it has started restoring electricity, but most customers could be without power until later today, the Los Angeles Times reported.

[APS](#), Sept. 8 ❖

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Water

A Look Back at NAWAPA

(North American Water & Power Alliance)



The following is a description of one of the most comprehensive and ambitious water resource/hydropower projects ever conceived. The project was proposed in 1964 and was debated in Washington and in the Canadian Parliament for many years thereafter, but was never carried out, because of political resistance to the project primarily in Canada, but also to a lesser extent, in the United States. The benefits of NAWAPA in terms of water supply, energy generation, and support for economic growth are apparent from the description below. In today's economic climate and in the face of an urgent need for clean energy and energy independence, a review of a potential solution to those problems seems worthwhile. Even though its scope was infeasible, this article provides a look at the outcomes that "might have been", and possibly provides a glimmer of hope for similar alternatives that may be implementable soon. In a future issue, I will post an article by Bill Tappan, a resident of Alaska and former business development manager for Parsons Corporation, who has been advocating a slimmed-down and more politically acceptable version of NAWAPA for the past seven years.

The original NAWAPA was conceived and developed by Ralph M. Parsons, founder of the Parsons Corporation in Pasadena, California, who used his own resources to plan, design, and market the project in the '50s and '60s. In its original configuration, NAWAPA consisted of 369 separate projects to construct dams, reservoirs, pumping stations, hydroelectric power plants, and canals to collect, store, and deliver more than 120 million acre-feet of water per year to customers in Canada, the lower 48 states, and Mexico. Of the total water produced annually by NAWAPA, 78 million acre-feet would have gone to the U.S., 22 million to Canada, and 20 million to Mexico. Most of the water (about 85 percent) was targeted for agriculture and would have expanded irrigated farm acreage by 40 million in the U.S. and by 7 million in Canada. In Mexico, the additional water would have tripled that country's total acreage of irrigated farmland. (Continued on page 2)

By the time Mr. Parsons died in 1974 at age 78, the firm he founded around the end of World War II had completed a list of projects that reads like a history of industrial and urban development in the 20th Century. It built scores of major projects in more than 30 countries: oil and natural gas facilities, shipyards, power plants, irrigation and water development projects, metal and mineral mines and processing plants, airports, subway and rail lines, sewerage systems, NASA facilities and more.

(Continued from page 1)

Primary water sources for NAWAPA are the six major rivers in Alaska and British Columbia. From those rivers, less than 17 percent of their total flow was to be diverted via canals to a number of new reservoirs including a 500-mile-long Rocky Mountain Trench Reservoir, which would serve as both storage (sixteen times the capacity of Lake Mead on the Colorado River) and conveyance to the northern borders of Idaho and Wyoming. From there, canals would transport the water into the watersheds of Colorado, Arizona, Utah, Nevada, New Mexico, and California, in many cases delivering to existing rivers, canals, and aqueducts that would take the water to final delivery points near the locations of use. In most cases, connecting facilities from those delivery points would have to be constructed by the local water purveyors in order to deliver water to their customers. The total additional storage capacity of new reservoirs in the NAWAPA program is 4.4 billion acre-feet which would significantly improve the reliability of water supply for the entire continent.



By Robert Yoshimura

The primary branch of the project as described above targeted ultimate water users in the southwestern U.S. and northern Mexico. A second branch of the project was intended to deliver water to the Great Lakes to resolve some of the water quality problems that seriously threatened those lakes in the '60s. The canal slated to deliver water to the Great Lakes was also envisioned to be a navigable waterway that would eventually connect the Atlantic Ocean to the Pacific Ocean via the St. Lawrence Seaway and a new, relatively short canal to Vancouver.

Net power generation (after deducting power used for pumping) was estimated to total 70 million kilowatts. Power from NAWAPA would have been allocated as follows: 38 million KW to the U.S., 30 million KW to Canada, and 2 million KW to Mexico. One kilowatt of electricity is sufficient to provide for the household needs of one average family, thus NAWAPA could have provided for the residential power used by one third of today's population of the U.S!

Ralph Parsons estimated that the project would cost slightly more than \$600 billion to construct (adjusted

to 2011 dollars) and require 30 years for construction of all elements of the project. Annual operating and maintenance costs of the completed project were estimated at \$15 billion (\$2011). Those costs would have been offset by revenues totaling \$120 billion/year (\$20 billion in water revenues and \$100 billion in power revenues using Parsons' original estimates adjusted to 2011 values).

For Los Angeles, access to NAWAPA would have been from a new Panamint Reservoir located at the western edge of Death Valley and within a few miles of the Los Angeles Aqueduct. At the time NAWAPA was proposed, Parsons believed that a connecting pipeline would be needed from Panamint to Los Angeles. He did not envision that nearly half the capacity of the Los Angeles aqueducts would be unused and thus available due to various diversions for environmental remediation projects such as Owens Lake dust control, Mono Lake restoration, and lower Owens rewatering. The point here is that the cost of connecting Los Angeles directly to NAWAPA would be much less than envisioned by Parsons and the feasibility of the project would be enhanced due to circumstances unknown in 1964.

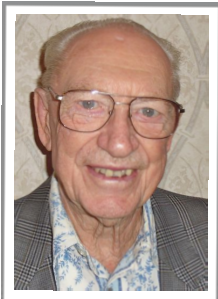
Another benefit to the state of California would have resulted from a greatly increased supply of water from the Colorado River that would possibly offset the need for completion of a Delta conveyance project (thus saving the state \$11 billion!). Furthermore, much of the water currently imported to Southern California from the Delta could be diverted to agricultural uses in the Central Valley to mitigate some or all of the drought-related economic woes of recent years. In the rest of the southwestern U.S., NAWAPA would have eliminated the limitations to development and growth resulting from the water shortages in those regions.

The environmental consequences of NAWAPA both at the sources of supply, in areas where new reservoirs were targeted, and at the locations of water and power use were not assessed at the time of proposal. Any new projects based upon the NAWAPA concept would have to prove environmental feasibility and would likely require significant mitigation measures. The benefits, however, are undeniable and the time may be right to reevaluate the potential for water and hydropower importation from the north. ❖

Our Recent Distinguished Guests



Raul Banuelos,
Water Works Engineer,
Manager of Major
Projects. Los Angeles
Department of Water and
Power



Howard Christie
Retired. Assistant Division
Manager Power Design &
Construction.
Los Angeles Department of
Water and Power



Lorraine A. Paskett
Senior Assistant General
Manager.
Los Angeles Department of
Water and Power



Diane Preciado
Field Manager,
National Opinion Research
Center (NORC).

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.

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Author! Author!



Paradise Plundered

by Steve Erie

Just Released

July 2011

To be reviewed
here in January.



W&PA Board of Directors

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- Edward G. Gladbach** ~ LADWP Retired Senior Power Engineer, Power Design & Construction. Active President Association of California Water Agencies
- Lawrence A. Kerrigan** ~ LADWP. Retired Water Quality Engineer
- Alice Lipscomb** ~ Formerly LADWP Home Economist. Retired LAUSD Teacher Adult Cultural Studies, Health & Nutrition
- Scott Munson** ~ LADWP. Retired Assistant Director Water Engineering and Technical Services
- Kent W. Noyes** ~ LADWP. Retired Power Engineering Manager, Director of Transmission and Distribution
- Pankaj Parekh** ~ LADWP. Active Water Quality
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- Roger D. Weisman** ~ Retired L.A. City Attorney, LAX & LADWP
- Robert Yoshimura** ~ Parsons Corporation, Active Project Manager. Formerly LADWP - Director Water Supply Division



President's notes

Edward A. Schlotman

We spent a few days in Yosemite this August. What was remarkable, besides the spectacular scenery, was the amount of water in the valley. Water seemed to be everywhere. It was copiously pouring down the falls. It was flowing through the river. There was even some water in Mirror Lake. When we look in our own backyard in Southern California we also see plenty of water. I even saw some in the LA River if you can believe that.

But what about next year, and the year after, and the year after that? We hear there may be new discussions underway to move Northern California surface water through something called a cross delta facility. But remember there was once talk about a Peripheral Canal. Does this suggest that besides an actual need for more water in the future there now may be also a perceived need? What would be the impacts from such a movement of water? Would it foster, for example, larger agricultural or commercial uses and what else? How do you control or regulate that?

Isn't agriculture, about 80% of all water demand in the state? And I suspect it is not driven so much by our population as the desire for even more agriculture for wherever the produce can be sold. **California gets some benefit no doubt, but it also suffers the impacts.** I suspect our agricultural friends would tell you they do conserve a great deal and they are using less water per crop today than five or 10 or 15 years ago. And that may well be true. But do the savings go back to the people of the state or are they used for more crops? I don't know the answer to that question offhand, but it would be interesting. And what about the other 20%, municipal and industrial? How much conservation 'Impact' should be focused in those two sectors?

Consider another impact on water demand, one that I again suspect is less controllable than increased agricultural usage, namely, increased population. In California, according to the 2000 census, our population was 33,871,648. The 2010 census revealed the population to be 37,253,956, a 10% increase. Stated differently that's 3

million more people who use and need water. Commentators have remarked on how little our population grew in the last 10 years, and maybe that's true compared to years past. But it is still an absolute 3 million more people that need water now.

From some quick and dirty research I've done it seems that one person uses something on the order of 105 gallons per person per day or 38,325 more gallons per year. Multiply that by 3 million people and you have something on the order of almost 353,000 additional acre-feet of water needed each and every year. And remember our population continues to grow. That's more demand. Where does it come from? Is the remaining municipal water use also growing, and, if so, by how much?

Available information indicates that California's water use was actually down about 10% in the 2000 -- 2009 period. That's certainly interesting in light of the increased population. If it's true, it's better than it sounds because it accounts for the additional 3 million people. Will it go down another



10% in the next 10 years? Would that provide for perhaps an additional 3 million population by 2020? Would it provide for additional agricultural uses? I don't think anyone really knows.

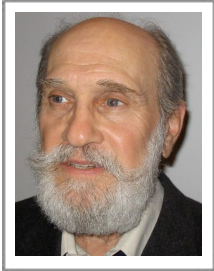
Can we do more?

If we need to I suspect, yes. But the next 10% may require increasingly hard choices that people may not readily want to suffer. Everybody likes a green lawn, for example, and green plants. Would they have to go? Xeriscape could be the order of the day. And then what?

Our friends in Australia have shown that more can be done. In the same period of time Australia's usage was down 30%. This was accomplished, I have read, by outdoor changes and toilet changes. Can we emulate all 22 million of our Australian friends and achieve 30% conservation? And if so, from whom; people, agriculture, cities and businesses or what? Who is really willing? Who should?

I invite your thoughts and comments.

Valley Memories ~ The Catherine Mulholland Collection

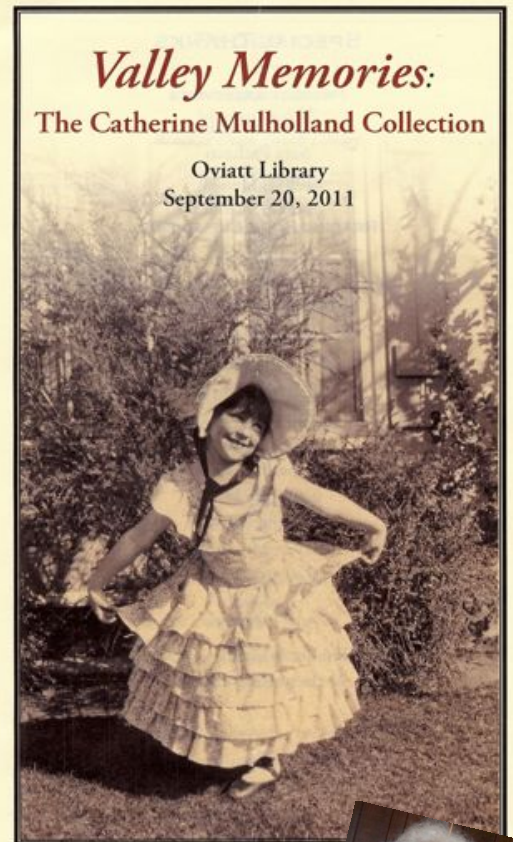


By David J. Oliphant

On Tuesday, September 20th, California State University at Northridge opened its Valley Memories display, made possible by Catherine Mulholland's donation of her rich historic collection of artifacts, photographs and many, many documents. The collection included items from her grandfather, William Mulholland, her family, her extensive jazz collection, and her grand piano. A panel discussion and reception were held, beginning with student **Lindsay Hansen** playing the ragtime number *Junk Man Rag* at the donated grand piano. The panel consisted of: Los Angeles Times writer and editor **Kevin Roderick** who spoke about the history of the Valley, its landholders and developers whose names are preserved in area and street names like Porter ranch and Van Nuys; archivist and historian **Anne Gilliland** who spoke of the importance of maintaining archives to family, the community and society in general; and **Christine Mulholland**, Catherine's niece, who spoke of her personal recollections of Catherine and the exposure to music, art and culture she received under her aunt Catherine's supervision.

Marianne Afifi, Associate Dean, Oviatt Library, introduced the program, **Mark Stover**, Dean, Oviatt Library, gave the welcome address, and library faculty member **Michael Barrett** acted as panel moderator.

Kevin Roderick told of the large expanse of Valley land apparently available for the taking for those who came expecting free land in response to business advertizing, when in fact almost all of the land had been divided up and was already owned, leading to land theft and law suits. Anne Gilliland commented on the increased interest in archiving arising from the 2009 fires in Australia where many families lost all their photographs and records but, thanks to social networking and digital records sent to friends and relatives, copies of the lost materials were recovered. Christine spoke of Catherine's friendship with African American jazz musician **Charles Mingus**, their joint love for bebop, that led to their active work for civil rights in the Berkeley area. The program brought out the wide area of interests that occupied Catherine from local Valley history to music, art and her writing her grandfather's story.



The collection is contained in the Oviatt library and will be available for viewing for a year. For lovers of California history, this is a wonderful presentation. ❖

The Los Angeles Daily News had an extensive article about the display in its September 18th issue. See dailynews.com.

Go Solar L.A. - LADWP Solar Incentive Program Reopens to Strong Response Over \$7.4 Million for 3.25 MW of Solar Power Requested Since Sept. 1



Los Angeles, CA, September 7, 2011 - The Los Angeles Department of Water and Power’s (LADWP) popular Solar Incentive Rebate Program has sprung back to life, with 112 applications submitted since the program reopened September 1. Most notably, over 80 percent of the applications submitted are for residential customers.

As of 8:00 a.m. on September 6, LADWP customers and solar installers had applied for over \$7.4 million in incentives to build 3.25 megawatts (MW) of solar power on Los Angeles rooftops. Customers and installers have submitted 92 applications for residential systems, 15 for commercial, 3 for governmental and 2 for non-profits. Seventeen of the applications submitted so far are for leased systems. In addition to the 112 applications submitted, an additional 136 applications have been initiated online, but are pending completion and formal filing.

“The restart has gone very smoothly overall, with 82 percent of applications coming from residential customers” said Ronald O. Nichols, LADWP General Manager. “While any assessment of our overall program would be premature at this early stage, judging from the first few days of activity, I am very pleased with customers’ response to the revised program so far.”

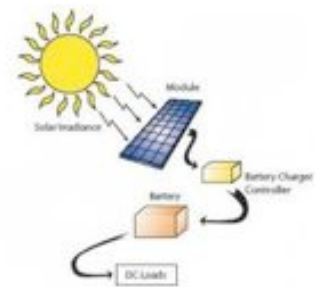
The relaunched program met with strong response when it reopened, offering a new customer-friendly online application and information system called PowerClerk.

The Solar Incentive Program was suspended back on April 9 to catch up with a backlog of applications, which were outpacing the available budget by about 3 to 1. The suspension also allowed LADWP to complete solar inspections; increase customer education to address safety concerns; gain input on improving the program; and identify alternative financing options – all of which has been accomplished.

The updated program is designed to grow solar at a steady and sustainable pace, while achieving the most solar power and customer participation as possible within available funding.

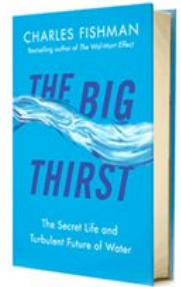
LADWP will provide frequent online updates to show the running total of reservation requests, including the total dollar value and amount of megawatts requested, so that installers and customers will be able to monitor this activity. New rebate requests will be capped at \$40 million for the current fiscal year. This will allow LADWP to fund \$20 million of rebate requests that were pending when the program was suspended in April, for a total of \$60 million in funding this fiscal year. ❖

To apply online or download the applications, and for additional information, please visit www.ladwp.com/solar. Inquiries can be submitted by emailing solar@ladwp.com.



BOOK REVIEW

THE BIG THIRST: *The Secret Life and Turbulent Future of Water*, by Charles Fishman. New York: Free Press, 2011. 389 pp. Notes, Index. Cloth, \$26.99. Order from Free Press/Simon and Schuster, Inc., 1230 Avenue of the Americas, New York, NY 10020; HYPERLINK "<http://www.simonandschuster.com>" www.simonandschuster.com.



Charles Fishman, a business journalist, has written a status report on the use and misuse of water throughout the world. Some societies live with an abundance of water; others barely survive because of a lack of it. This is not a book about water scarcity, however; Fishman argues forcefully that water is taken for granted and is not appreciated until it acquires value—such as when it isn't distributed fairly or when there is a prolonged drought. He notes that the world experienced water abundance in the last century, but those glory days are over. Fishman calls for water management and an appreciation for water in much the same way that people appreciate oil, except that oil is a nonrenewable resource and water, if properly managed, can be reused.

Fishman offers a number of examples of how water can be managed well, but he also discusses places where shortsightedness has cost people dearly in accessing water. One worst-case scenario is Atlanta, Georgia, an area where politicians ignored the

drawdown of water in their main supply source, Lake Lanier, during a prolonged drought. The Georgia legislature sought to resolve the problem by voting to move the state's border with Tennessee so that the new boundary would be in the middle of the Tennessee River. The State of Tennessee was not amused. On the other hand, despite an image of water profligacy in Las Vegas with elaborate fountains at resort hotels, the Southern Nevada Water Authority, under the leadership of Patricia Mulroy, has succeeded in dramatically reducing the per capita use of water in Las Vegas over the past two decades. Fishman examines how other areas, especially cities and towns in Australia—the world's driest continent—have dealt with prolonged drought. India offers examples of inefficient water distribution as well as the beginnings of educating the country's population on water management—an uphill effort that has to overcome decades of bureaucratic inertia.

Although Fishman believes in the theory of global climate change, he does not accept the view

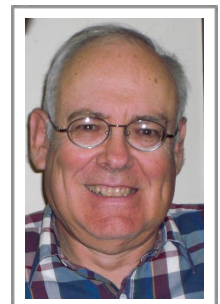
of a global water crisis. Water is not disappearing so much as it is being wasted. Examples of waste can be found in growing crops (e.g., alfalfa and rice) inappropriate for the areas where they are cultivated. Fishman **rails** against bottled water, noting that people spend enormous amounts of money because the companies that market it have been successful in claiming that bottled water has a value that tap water, which in the United States is tested to higher standards of quality than bottled water, does not have. He finds it ironic that people buy Fiji water, a product from an island where most people do not have access to a decent water supply.

Some companies have figured out the value of water and as a result are using much less of it than before, among them IBM, Coca-Cola, and General Electric. And despite the negative connotations of toilet-to-tap, Fishman urges new construction to differentiate between drinking water and non-potable, recycled water in the plumbing, as some housing developments have done. After all, says Fishman, the water we

have on our planet is the same water we've had for millions of years. In effect, we drink "pure" water that was once urinated by dinosaurs.

Fishman is a talented writer, and his style is (as one can tell from the above anecdote), both earthy and engaging. Instead of presenting charts, tables, and graphs, he incorporates his data into his narrative, effectively making the numbers work for him in presenting his findings. Readers will be entertained as well as informed, and will appreciate his cautious optimism—cautious because in order to be optimistic, politicians and water managers have to think in fairly long-term planning regarding our most precious resource.

A b r a h a m Hoffman teaches history at Los Angeles Valley College.



Utility officials seek to unravel why safeguards failed in blackout

LOS ANGELES - The failure of a single piece of equipment in Yuma, Arizona ignited a massive blackout that left more than 4 million people without power, baffling utility officials and highlighting the vulnerability of the U.S. electrical grid.

Authorities in Arizona said Friday that safeguards built into the system should have prevented the breakdown at a Yuma substation from cascading across southern Arizona and into California and northern Mexico.

They didn't, and the resulting instability led to the sudden shutdown of the San Onofre nuclear power plant, cutting off power to a large swath of Southern California. "We lost all connection to the outside world," said James Avery, San Diego Gas & Electric's senior vice president of power supply. "This happened in a matter of seconds."

Energy experts and utility officials agreed that the breakdown was troubling.

"We're struggling," said Daniel Froetscher, vice president of energy delivery for APS, the largest electricity provider in Arizona. "We have to take a hard look at the system design and figure out exactly what happened. ... We don't know the underlying causes."

Among other concerns, some experts said the failure of safeguards suggest the potential for a saboteur to take down a regional power system.

Such incidents "remind us on a day-to-day basis that we rely on a very complicated electrical system," said Sarah Ladislaw, a senior fellow with the Center for Strategic and International Studies who specializes in energy security.

APS officials launched an investigation to determine the precise chain of events that began early Thursday at the North Gila substation outside Yuma. Utility employees had noticed a problem with a series capacitor, a piece of equipment about the size of a small car that helps the utility manage voltage, Froetscher said. APS personnel were dispatched to take it offline.

Typically, the utility can shut down an individual capacitor and reroute power without any disruption of service, Froetscher said.

But this time, something went wrong. After the North Gila capacitor was taken offline, the 500-kilovolt transmission line that runs through the substation went down.

At that point - 3:27 p.m. PDT - the grid should have compensated for the loss of the line, which runs from Yuma to the Imperial Valley and San Diego, Froetscher said. It is essentially one of two lines that carry power to San Diego. The other runs down from the north, along the coast through San Onofre.

"The intent is for the system to automatically open and close different breakers and relays and switches to reroute power from the line that was lost to other lines to continue to provide service," Froetscher said. "Most times when a line goes out unexpectedly, the system performs exactly as it's expected to and customers never know the difference."

For about 10 minutes, the system seemed to be working properly. But by 3:38 p.m., residents in Yuma began to lose power.

From there, outages spread across the Southwest. It would be early Friday, about 12 hours later, before power was fully restored.

Now the question facing is: "Why?"

Froetscher said it's possible there were errors made by APS in the work done on the capacitor and the steps it took after the single line went down.

"The bigger issue that will be the focus of many people's work is, what really was the contributing cause to the outage in Yuma and the subsequent outages in California?" he said. "It would be ... premature at this point for me to guess."

(Continued on page 9)

Blackout

(Continued from page 8)

Jon Wellinghoff, chairman of the Federal Energy Regulatory Commission, said that despite the blackout, federal officials have been making progress in recent years on improving the reliability of the energy grid.

"Any time people are out of power, it is a big issue," Wellinghoff said. But he noted the incident was far less severe than the 2003 blackout that left large parts of the Northeast in the dark.

In the meantime, San Diego Gas & Electric Co. and other utilities are working to get power plants back up, a task that must be done carefully. Fifteen power plant units, including two at the San Onofre Nuclear Generating Station, automatically shut down as part of an automatic safety response.

The utility's president, Michael Niggli, said that San Onofre "acted to protect itself by taking itself offline." Froetscher said he didn't know why power plants in California went offline. He said no Arizona plants were shut down. He noted that nuclear power plants normally trip offline automatically when there is a system disruption, ensuring that they have adequate time to start emergency power to cool their nuclear cores. It was unclear whether non-nuclear plants tripped off automatically or responded to requests for a voluntary shutdown.

A series of blackouts over the last 20 years, the worst of them in the Northeast, led the electrical industry and federal regulatory agencies to improve automatic protection and require far greater coordination among regional operators of the U.S. grid. That has boosted U.S. reliability to 99.999 percent, among the best in the world, but that has still left some chance for failures.



Almost every cascading blackout involves not a single breakdown, but multiple system breakdowns. "It has never been one thing that goes wrong," said Andrew Phillips, a high-voltage transmission system expert at the Electric Power Research Institute. "Many things all go wrong on a single day."

The largest recent single outage occurred in 2003, when virtually the entire Northeastern U.S. was blacked out and 50 million people were affected. A federal investigation identified a wide range of causes and

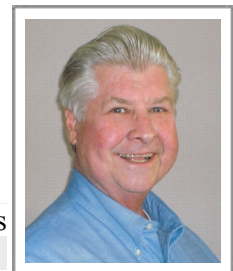
recommended a series of improvements that were intended to preclude another such a failure.

About five years later, the electrical power industry decreed that it had so vastly improved the system that a similar event was "much less likely to occur."

President Barack Obama has been an advocate for the development of a "smart grid," a modernized, higher-tech system that would be more efficient, more reliable and would expand access for alternative energy. But Ladislav, the energy security expert, said "smart grid" projects that were launched by federal stimulus funds are now running out of money.

She and others have noted that a grid that relies more heavily on computer technology could become more vulnerable to security attacks. The White House warned in June that an updated grid could be open to threats that include "malware, compromised devices, insider threats and hijacked systems." ❖

(Staff writers Nicole Santa Cruz in Yuma, Ariz., Marc Lifsher in Sacramento, Calif., and Richard Marosi, Louis Sahagun and Tony Barboza in San Diego contributed to this report.)



POWER article reprints
submitted by *Tom McCarthy*

Consumers Unlikely to Shoulder Cost of More Investment to Boost Reliability, Industry Experts Say

U.S. electric companies keep excess power capacity and consumer costs to a minimum



The electric grid in the United States remains one of the most dependable in the world. "We are 99.99 percent reliable."

To avoid the kind of blackout that interrupted electricity for 5 million people in the U.S. Southwest and Mexico last week, U.S. electric utilities would have to ramp up spending, but industry experts question whether consumers would be willing to shoulder the cost of that investment, Reuters reported on Tuesday. Blackouts like last week's are rare, but occur more often in the United States than in some other developed nations because U.S. electric companies keep

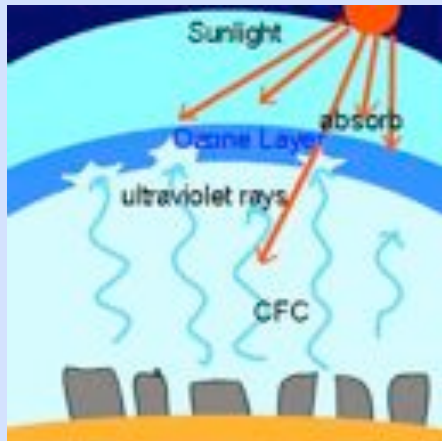
excess power capacity, and consumer costs, to a minimum, the wire service reported.

"The fact that the power went out for about 12 hours (in San Diego) does not justify doubling electric rates for the whole rest of the year," said **Jay Apt, Executive Director of Carnegie Mellon's Electricity Industry Center**, Reuters reported. Although most outages are relatively small, blackouts and brownouts, including those due to

hurricanes and other storms, do cost Americans an estimated \$150 billion a year in spoiled food, lost productivity and other costs, according to data from the **Galvin Electricity Initiative**. "The U.S. does not have the excess generation some other nations have. We don't have two of everything and we shouldn't - you would not want to pay for it," Apt said, noting U.S. electric rates are about half of some European rates because the United States runs an efficient power

system. And still the electric grid in the United States remains one of the most dependable in the world. "We are 99.99 percent reliable. But you still have that (0.01) percent of the time something is going to happen. Nobody is perfect," said **Andrew Phillips, Director of Transmission and Substations at the Electric Power Research Institute (EPRI)**. Reuters, Sept. 13 ❖

Boston Globe Backs Delay for New EPA Ozone Rules



The Boston Globe, in an editorial published today, supported President Obama's decision to delay new EPA rules on ground-level ozone, because "compliance with the standard would likely involve significant expense for some businesses at a time when the economy is ailing. There's nothing wrong with factoring that into the timing for the rules." Noting that EPA regulations had improved U.S. air quality, the Globe wrote: "For now, though, it seems reasonable to hold off on implementing the new standard for two years in order to allow the EPA to make progress toward achieving other goals like regulating greenhouse gases and imposing tougher standards on industrial boilers. Further, in the midst of a recession, it's an important signal to the business community for the president to hold back on a regulation that his administration still supports. Once the economy improves, there will be no excuse for further delays."

[Boston \(Mass.\) Globe, Sept. 13.](#) 

Earley Steps Into PG&E Shoes, Outlines Goals

New Pacific Gas & Electric CEO Anthony Earley said he will focus on improving the safety issues associated with the utility's natural gas pipelines and creating an improved relationship with consumers as he takes his position starting today, the San Jose Mercury News reported. Earley said his focus will be on what is needed "to really get ourselves on track towards operational excellence." He cited the central position of PG&E in California's economy as he stressed the goal of providing products to consumers "that are going to make their lives easier and better and at an affordable price" while partnering with government, consumers and industry to achieve that goal.

Earley, who said he expected to serve as CEO for "three to five years," said PG&E should cover the cost of pipeline upgrades "that we caused because we didn't do the right thing." However, he said, customers should

cover the cost of meeting new pipeline rules. Earley touted the benefits of installing smart meters and said consumer "objections are misplaced" given the small level of electromagnetic emissions from the meters. He cited his experience at EEI as Congress worked on a climate change bill in stressing the need for policy certainty on GHG emissions, and said he hoped to play "a leadership role in trying to broker some kind of reasonable agreement." He added that PG&E was "going to be eager to comply with" the 33 percent renewable requirement adopted by California, although he noted the potential operational difficulties of handing such a load of variable wind and solar resources.

[San Jose \(Calif.\) Mercury News, \(column\), \(Earley interview\), Sept. 12.](#) 