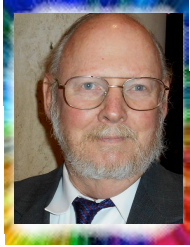


# Water and Power Associates, Inc.

## Newsletter

Year 43, Volume 4

October 2014



### PRESIDENTS' NOTES



By Edward Schlotman

No surprise, we're in a drought. According to information available online, "the amount of the state that now falls under the 'severe' drought category – third harshest on a five level scale – was down to 97.5%, a slight improvement from the 99.8% share during the same period last week according to the U.S. Drought map." Additional information available refers to a study recently published in the Journal of Science which "estimates that the ongoing drought in the Western United States has caused a loss of 63,000,000,000,000 gallons of groundwater since the beginning of 2013." Additionally the state's three largest reservoirs, Trinity Lake, Lake Orville, and Lake Shasta, are at

about 30% capacity which is close to the record lows reached in 1977.

An article carried by Mother Jones (Sept 3, 2014) refers to a new study by researchers at Cornell University, the University of Arizona, and the US Geological Survey which concluded, "that odds of a decade-long drought are 'at least 80 percent.' The chances of a 'mega-drought', one lasting 35 or more years, stands at somewhere between 20% and 50%, depending on how severe climate change turns out to be. And the prospects for an 'unprecedented 15 year mega-drought' – one 'worse than anything seen during the last 2000 years' – checks in at a nontrivial 5 to 10%." (Continued on page 3)



By Robert Yoshimura

### \$7.5 Billion Water Bond Approved for November Ballot

On August 13, 2014, the California legislature nearly unanimously passed AB 1471 to place a \$7.5 billion bond measure on the November ballot. The bill was signed by Governor Brown on the same day and will appear on the ballot as Proposition 1. The measure, known as the **Water Quality, Supply and Infrastructure Improvement Act of 2014** replaces an \$11.1 billion bond measure originally proposed in 2009 by then-governor Schwarzenegger.

That measure was intended for the 2010 ballot, but was deferred to 2012 and again to 2014 because lawmakers feared that the issue was too costly, particularly in the wake of the recession. Earlier this year, Governor Brown requested the legislature to

downsize the measure to make it more palatable to voters, focus on projects that have statewide benefits, and to remove much of the pork-barrel projects originally inserted to gain the support needed in the legislature.

Since its approval, the measure has been widely touted as a drought-buster that will mitigate the effects of future dry years. As its title implies, the measure includes much more than drought mitigation, but most of the enabled projects (about \$5 billion worth) will directly or indirectly increase the available water supply statewide or prevent the loss of existing water supplies due to earthquakes or floods.

This is how Proposition 1 will do that: (Continued on page 2)

**Inside:** **1, 3** President's Notes; **1, 2** Water, Water by Robert Yoshimura; **3** Drought & Conservation, L.A. Council District 12; **4** Guests & Donors; **5** Book Review by Abraham Hoffman: Traveling the Power Line by Julliane Couch; **6-8** interview by L.A. Times Patt Morrison of LADWP GM Marcie Edwards; **8** International Affairs by Gerald Gewe; **9-11** Power News Clips by Thomas McCarthy; **12** Mystery History by Jack Feldman; **13** About W&PA.

Water and Power Associates, Inc. is a non profit, independent, private organization incorporated in 1971 to inform and educate 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.

(continued from page 1)

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- The measure will partially pay for two major new reservoirs for the State Water Project (SWP) that will add a combined 2.7 million acre-feet of storage and yield up to 660 thousand acre feet per year of additional water supply in dry years. The new reservoirs will be located in Colusa county north of the Delta, and on the upper San Joaquin River upstream of Friant Dam east of Fresno. Both reservoirs will conserve wet-year surpluses and reduce the amount of water that is wasted in such years to the sea. A total of \$2.7 billion will be available for these and other storage projects.
- Groundwater supplies in many parts of the state, especially in Los Angeles County have become virtually unusable due to contamination. Projects to clean that water will restore those sources of supply and significantly decrease the demand on the SWP and the Colorado River. Statewide, \$900 million will be available for such projects.
- Water recycling projects (including seawater desalination) will create “new water” that would otherwise have been wasted to the sea. New treatment technologies will also be funded to enable direct reuse of wastewater and to comply with stricter water quality standards for groundwater recharge. \$725 million will be available for recycling.
- Nearly \$300 million will be available to supplement the ongoing Delta levee subventions program that provides for the maintenance, rehabilitation, and reinforcement of Delta-area levees. This program will prevent catastrophic flooding of the Delta in the event of a major earthquake nearby or a major storm in northern California. Such flooding could otherwise eliminate the Delta as a source of supply for Southern California.

- \$200 million will be provided to fund stormwater capture projects that will enable storm flows to be diverted into groundwater basins for use during dry periods.
- \$100 million will be granted to water agencies to develop and expand water conservation programs that will further reduce demand and improve the efficiency of water use statewide.

The measure is Delta-neutral, meaning that none of the funds from the water bond can be used for the “design, construction, mitigation, operation, or maintenance” of the twin tunnel project proposed in the Bay Delta Conservation Plan. Such assurances are incorporated into the language of the measure to assuage the concerns of the many legislators who oppose the tunnels.

Opponents of the water bond believe that it focuses too much on the construction of costly large dams that will not be completed for “decades”. Instead, they would prefer a focus on regional projects that will lead to regional independence. This is another way of saying that water in Northern California should not be shipped to Southern California. Opponents also point out that the relatively small amount of water produced by these projects (less than 1 million acre-feet per year) will merely amount to a drop in the bucket compared to the 70 million acre-feet of water currently used annually in the state. However, the measure is broadly supported by the majority of water agencies, agricultural users, and environmentalists.

While the benefit-cost ratios of new water projects will almost certainly be lower than those of earlier projects such as the original SWP and the Los Angeles Aqueduct, the benefits will still outweigh the cost. In the drought-stricken state of California, every drop counts and this measure will ultimately produce enough new water to significantly benefit the economy. ☺☺

## Major Funding Categories of Proposition 1

**Amount \$**

**Description**

- 2.7 billion** → Storage projects including dams, reservoirs and groundwater
- 1.495 billion** → Ecosystem restoration and watershed protection (both in and out of the Delta)
- 900 million** → Groundwater protection and cleanup
- 810 million** → Integrated Regional Water Management Planning and stormwater capture and conservation
- 725 million** → Water recycling and advanced water treatment technology
- 520 million** → Water quality infrastructures for drinking water systems and wastewater projects for small communities
- 395 million** → Flood management including Delta flood protection and levee reinforcement

## President's Message

(continued from page 1)

The point of the previous paragraphs, quite frankly, is to do a little fear mongering. Despite all the handwringing we have a tendency to wait until disaster falls before trying to do anything about it. There has been plenty of warning that we are not going to have enough water for the long-term from the usual sources. Isn't it time we look at the obvious? We have literally an ocean of water right next to us. It's called the Pacific. Using water from the ocean could go a very long way to avoiding the feast or famine approach that we now utilize. Why don't we? Because it's expensive and because nobody's quite figured out what to do with the salt that's extracted from seawater.

According to a story published earlier this year (Sacramento Bee-February 11, 2014) "the San Diego County Water Authority plans to buy large amounts of water from a huge desalination plant under construction in Carlsbad. It is betting that the cost of desalination will fall while the expense of obtaining water through other means will rise." And according to a story on San Francisco's KCBS (Aug 15,2014), San Francisco Mayor Ed Lee is quoted as saying "We've been working with our own [Public Utilities Commission] PUC to see what we can do perhaps by way of generating solar power that might generate power for a desalination plant." Their initial estimate: \$200 million for 20,000,000 gallons per day project

Everybody wrings their hands during a drought and says, "Oh me! Oh my! What can we do?" and then does nothing because after a while the drought ends and everybody thinks the situation is back to normal. But it is not.

We supply agriculture to much of the nation. That certainly helps our economy but it takes a lot of water. Additionally our population is a trifling 37 million and growing. Unless we literally want to deal with the unwashed masses we had best provide inter alia some bathing water (Yes, I smiled when I wrote that). This is a serious long-term problem. **It is not going to go away. We have to stop forgetting about it right after the end of whatever the current drought happens to be. If we don't, our children and their children will have a truly frightening prospect facing them.**

As always I invite your thoughts. ☺☺



## DROUGHT & CONSERVATION

Excerpt from Los Angeles Councilmember Mitchell Englander's E-News, August 22, 2014

[Councilmember.Englander@lacity.org](mailto:Councilmember.Englander@lacity.org)

California continues to weather through the drought, the Los Angeles Department of Water and Power's Water Conservation Response Unit (WCRU) is stepping up public education and enforcement of the water conservation ordinance with three additional staff members and specially marked vehicles.

L.A. is currently in Phase 2 of the mandatory water conservation ordinance. This phase prohibits the following uses of water in Los Angeles:

- ◆ Watering more than 3 days a week.
- ◆ Odd addresses may water with sprinklers on Monday, Wednesday and Friday.
- ◆ Even addresses may water on Tuesday, Thursday and Sunday.
- ◆ Absolutely no watering on Saturdays.
- ◆ Watering between the hours of 9 a.m. and 4 p.m.
- ◆ Watering more than 8 minutes per station.
- ◆ Watering of any hard surfaces such as sidewalks, walkways, driveways or parking areas, except for sanitary purposes.
- ◆ Outdoor watering during periods of rain.
- ◆ Allowing runoff onto streets and gutters from excessive watering.
- ◆ Allowing leaks from any pipe or fixture to go unrepaired.
- ◆ Washing vehicles without using a hose with a self-closing water shut-off nozzle.

Through conversations or informational materials, the WCRU will first educate water wasters about the ordinance and prescribe corrective measures. Repeat violators are subject to monetary fines, from \$100-\$300 for residential customers and \$200-600 for commercial customers.

From January through June 2014, the WCRU has received 1,400 reports of ordinance violations, 863 resulted in warnings or citation letters. This approach worked well in previous years when LADWP used a small team to enforce the ordinance. From 2009 through 2012, 9,000 warnings were issued and only 300 monetary fines were imposed while water use dropped over 20 percent citywide.

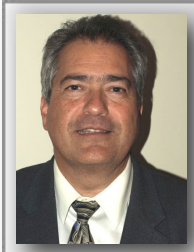
Overall water use in Los Angeles is down. Since the last drought in 2007, L.A. has reduced its water use by 17 percent. Following the state's call for more water conservation, water use in Los Angeles in July 2014 fell 4.4 percent compared to the same month last year despite a 2.6 degree increase in temperature. Today, L.A. water customers as a whole use the same amount of water as they did 40 years ago despite the rise in population. ☺☺

*Councilmember Englander represents the Council District. 12.*

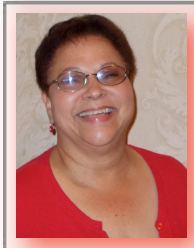
# Honor Roll

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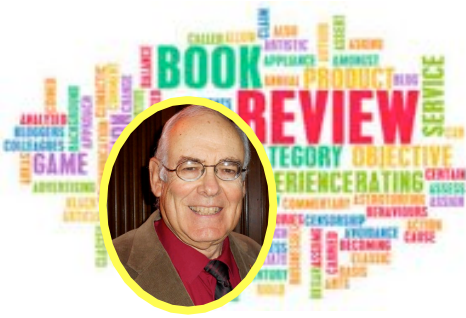


*Jeffrey Kightlinger*  
General Manger, The  
Metropolitan Water District.  
of Southern California



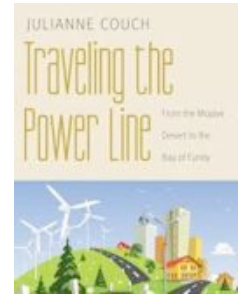
Current & former LADWP  
Assistant General Managers  
attended the Associates' July Board Meeting.

**Guest, Jim McDaniel,**  
Senior Assistant General Manager Water System  
~ February 2005 through December 2014  
Joined former AGMs / W&PA Board Members,  
*Duane Georgeson* ~ February 1982 to April 1990 &  
*Gerald Gewe* ~ April 1999 to January 2005



**TRAVELING THE POWER LINE: *From the Mojave Desert to the Bay of Fundy,***  
by Julianne Couch.

Lincoln: University of Nebraska Press, 2013.  
216 pp., A Note on Sources. Paper, \$19.95.  
[www.nebraskapress.unl.edu](http://www.nebraskapress.unl.edu).



Julianne Couch is a professor of English, and at first she would seem an unlikely candidate for writing about the various methods of producing electrical power. However, her approach to the subject makes it accessible to general readers, including those who may still believe electricity comes at the flick of a switch. In 2010 Couch undertook a series of visits to facilities that produce electricity. Each chapter in this book deals with a different source of power production, its advantages and drawbacks, and its potential for future power or its ultimate end as a non-renewable source of energy.

Along the way Couch, armed with a wry sense of humor, takes the reader on these trips, by plane, train, and rental automobile. She usually starts each chapter with a comment on the weather in Laramie, Wyoming, and how life goes on in a state that has to deal with snow for most of the year. Couch records the small-town motels, the fast-food she buys, and the remoteness of the power plants, many of which do not offer tours to the public. She meets and speaks with men and women who work for power companies, from the PR people to the engineers. As Couch learns about how power at the plants is generated, so does the reader; she makes few value judgments about the different power systems, leaving it up to the reader to decide the significance of the different systems in power development.

Couch starts off close to home, visiting a Wyoming wind farm, checking out the turbines and their impact on the environment. Since the wind farms are located in areas with constant wind, there isn't much public rejection of turbines (*most rejection for proposed power plants coming from NIMBY complaints*). Still in Wyoming, she goes to a coal-powered plant, the greatest polluter in producing energy despite corporate claims of working to achieve "clean coal."

Leaving Wyoming, Couch goes to Nebraska to see a nuclear power plant. The big challenges here include Fukushima-type meltdowns (not very likely, say her hosts) and radioactive waste dispersal (a real problem). Reading this chapter, I was reminded of the claim made by Heinz Haber, one of those German scientists brought to the United States after World War II in Operation Paperclip, a program to keep Werner von Braun, Haber, and other German scientists out of the hands of the Russians. Haber later worked as a scientific adviser to Walt Disney and was the narrator-host for the 1957 *Disneyland* TV show "Our Friend the Atom," subsequently shown in classrooms all over America in the 1950s-1970s Cold War era. It can be seen in its entirety on Youtube. Haber claimed that atomic power is "clean, silent, powerful," making no mention of the problem of radioactive waste disposal. Talk about NIMBY protests.

Couch then goes on to a Texas gas field, a biomass research facility in Iowa, a Utah geothermal plant, a Kentucky hydropower plant, a thermal power plant, and, finally, a tidal power project at the Bay of Fundy on the Maine coast. At each of these places she converses with men and women who wax enthusiastic about their particular method of power production. For all her wide-eyed apparent ingenuousness, Couch has done her homework and asks pertinent questions of the people

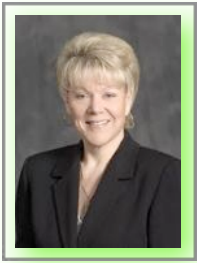
she interviews as to cost, feasibility, and potential hazards.

Although Couch took this trip in 2010, recent events temper the optimism voiced by some of the people she met. North Carolina's Duke Energy power plants, polluting the Dan River with coal ash, have been labeled by the state's Department of Environment and Natural Resources as an "environmental disaster." Mindful of such catastrophes, the Los Angeles City Council wants to ban fracking within the city limits.

Couch notes that the Ivanpah Solar Electric Generating Station in the Mojave Desert "would require grading more than six square miles clean of vegetation, leveling one hundred-year-old cacti and creosote along with rare indigenous plants" (p. 181). The station, with 356,000 garage-door size mirrors, is now operational, yet it may be the last of such large projects since photovoltaic solar panels and inexpensive natural gas—plus shrinking federal subsidies—make such projects problematic.

Incidentally, in a brief Afterword, Couch confesses that she has since moved from Wyoming to eastern Iowa, trading the cold Wyoming winters "for hot, humid Midwest summers" (p. 212). ☺

*Abraham Hoffman* teaches history at Los Angeles Valley College.



## L.A.'s water ruler, DWP chief Marcie Edwards, on keeping the city hydrated

August 19, 2014, 6:08 p.m. Interview of LA DWP General Manager, Marcie Edwards by Patt Morrison, L.A. Times.

The Department of Water and Power began 112 years ago, after Los Angeles bought back the civic water system from a group of privateers. Like its top man, William Mulholland, who began as a ditch-digger, the new DWP chief, Marcie Edwards, also started at the bottom, as a clerk. Now she's running the nation's largest city-owned water and power agency. Despite an epochal drought, and an aging water system, Edwards insists the DWP performs better than most utilities when it comes to policy and services. The agency, and its customers, she says, can do what's necessary to keep the city hydrated.

### Has DWP changed its infrastructure plans after the Sunset Boulevard break?

People think age is the No. 1 criterion [for replacing water lines] and it isn't. It could be construction techniques, the materials, the corrosivity of the soil. We analyze that and we rate for condition. We had Sunset sonically evaluated within the last two years, and they said there was no problem.

If we suddenly had all the money in the world, we would still be choked down in how much we could do because we're a compact, highly developed city. I can't tear up all these major roadways at one time, so we have to feather in these projects where people can tolerate it. We did about 120,000 feet of water main repair last year and will do 150,000 this year.

We're going to start isolating sections of the system and intentionally pressurize them to see if

we can create pinholes to indicate where there may be weaknesses, so we can do repairs in advance. A sewer pipe — you can run in a camera and look around. You can't do that with water pipe at 200 pounds of pressure.

### Some people blamed the Sunset break on pressure created by the even-odd watering schedule.

Yes, let's blame conservation for pipe leaks! This was more a reflection of the corrosive soil and [outdated] construction.

### Some of the 2009 water rate increase went to infrastructure.

It went for a number of water quality improvements. We're having to cover reservoirs; we're replacing a lot of major lines. We have a water supply plan: recycling projects, stormwater recapture projects, cleaning up local water. We've been lobbying heavily to ensure sufficient funding. There are low-interest state funds, there's bond money. And when you're talking about a basin that's contaminated, a share should be carried by the potentially responsible parties. The San Fernando Valley aquifer, if we're able to clean that up, is fairly good-sized, so it could help support Southern California. It's down to supplying only about 10% of our water [down from more than 50%].

We are going to ask very likely for [water rate] increases next year. Doing so this year under such drought conditions when people are paying so much more for imported [water] — the timing just wasn't right.

### Who will pay for the damage from the Sunset leak? Is the DWP self-insured?

We have incident-specific insurance and I'm guesstimating that we will probably pay about \$3 million [as a deductible], and insurance will cover the balance. Certainly \$3 million isn't a drop in the bucket, but it's better than having made the decision to self-insure when you have that potential amount of damages out there. Everything's a trade-off.

### Twenty million gallons lost — maybe 4% of the city's daily use — and a \$3-million deductible. You're right that it's not a lot in the scheme of things, but appearances matter.

Customer perception is always critical. We do what's best in our technical analysis of the system. We need to ensure people are aware that's how we're working.

My challenge is, this utility is not skilled at storytelling. These guys, their function is to get the water back on, not to talk.

You have to maintain pressure in this vast system; if you drop under a certain pressure, it allows for potential contamination, and then you're giving boil-water orders to 100,000 people. Because it's 1921 technology, the [Sunset] valve wouldn't close against increasing pressure, so we had to work a series of other valves before we could get the last couple of "turns." People don't see us doing that.

(Continued on page 7)

# Interview

by *Patt Morrison,*  
*LA Times,*  
*Journalist, Author,*



*(Continued from page 6)*

**Why not a jazzy campaign to make the public aware? For the drought, what about a public service announcement: Kim Kardashian promoting shorter showers?**

I think things like that draw people's attention, but how much benefit would I get versus how much it would cost?

**I think Kim Kardashian has been known to take off her clothes for nothing.**

I could probably afford that!

**Now and then there's talk of privatizing the DWP.**

I've looked at privatization analyses. The advantage of [a public utility] is that we have requirements that our money is spent solely in the interest of ratepayers. Water is a lifeline commodity — this isn't something to make money on. Our rates are required to be cost-of-service. We can only charge what it takes to buy, maintain and hold adequate cash reserves.

**Is water too cheap?**

In many instances, yes. Many environmentalists will tell you that the problem with water is that it's so cheap it doesn't spur people to action.

Right now [DWP ratepayers] get roughly 800 gallons for three bucks. You can't get compressed air that cheap. Price is always a determining factor on conservation-related behavior. Los Angeles has taken a leadership role

in conservation. We already have one of the lowest per-capita consumptions around but there's more to do. One project may not change the world but hundreds absolutely will. In particular we want to be able to impact landscape use. We have a program to encourage people to buy a separate meter [for] landscape consumption.

I think you're going to see more [pricing] tiers — so the more water you use, the greater you pay for it; obviously ensuring protections for lower income folks.

**DWP has four Drought Busters — excuse me, a four-person Water Conservation Response Unit — for the whole city. They've given out more than 800 warnings.**

I wanted to call them Drought Busters! Four guys can cover a lot of territory. [Water wasters] get educational material, then a warning, then a citation. Most people stop after one [visit].

**What about sights that outrage consumers, like city sprinklers watering the streets?**

I take pictures and I send them in.

**So you're the fifth Drought Buster?**

You can't live in this industry without becoming incredibly sensitive. I walk around my [neighborhood] where people have little yards. I have my own little door hangers, very polite ones, I hang on people's doorknobs that say, Hey! I drive my husband crazy

because he's brushing his teeth and I'm turning off the water. I said, I can't stand here running a water company and watch you run water while you brush your teeth. He doesn't anymore!

**What's your assessment of the DWP unions?**

DWP signed a contract that from the city's standpoint was one of the most advantageous ever negotiated: a two-tier pension, pension reform, no cost-of-living raises for three years, salary rollbacks for entry level on a variety of new [jobs], over a half-billion value over a 30-year time frame. I applaud IBEW employees for that deal.

**What about the \$40 million in the training and safety trust funds? The city has had to go to court for more access to the records.**

The trusts were modeled after an agreement between Boeing management and labor because every time you hit a recession, the first things to get cut are safety and training. So I can understand the effort to ensure a consistent revenue stream. New opportunities and capabilities come up all the time that we need to evaluate for our linemen or water utility workers. The trust enables us to do that. It has been audited. This [call for more auditing] is about people wanting to get down to a granular level and challenge certain expenses. Those trusts have value and should be continued.  
*(Continued on page 8)*

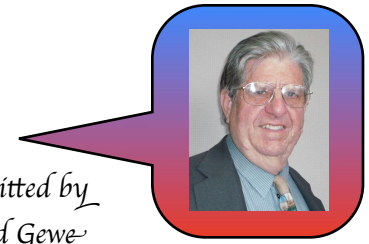


## Australia Repeals Carbon Tax

Australia has become the world's first developed nation to repeal carbon laws that put a price on greenhouse gas emissions. Australia's Senate on Thursday voted 39-32 to repeal a politically divisive

carbon emissions price that contributed to the fall from power of three Australian leaders since it was first suggested in 2007, the Wall Street Journal reports. "Today the tax that you voted to get rid of is finally gone, a useless destructive tax which damaged jobs, which hurt families' cost of living and which didn't actually help the environment is

Submitted by  
Gerald Gewe



finally gone," Prime Minister Tony Abbott told voters in a news conference after the Senate's decision. ☺☺

[Wall Street Journal](#), July 17  
*Related Coverage:*  
[Australia Scraps Tax On Carbon](#),  
*New York Times*

## EPA's McCarthy Pushes States To Adopt Carbon-Cutting 'Investment Strategy'

Environmental Protection Agency Administrator Gina McCarthy appeared at a meeting of state regulators to provide what she called a "signal." "Our energy world is

changing, and really the key opportunity here is to embrace a direction that's good and available and reliable and responsible and affordable for each state," McCarthy said, "and to figure out how you can achieve these carbon pollution reductions in a way that's moving in that same direction." Also on Monday, Duke Energy president and CEO Lynn Good pressed the issue of

electric reliability as it ties to future regulations. "We need to keep our eye, as we transform, on reliability, we need to keep our eye on costs, and we need to constantly challenge ourselves," Good said. ☺☺

[Environment & Energy Publishing](#),  
*July 15 Tags* : *Duke Energy*

## Interview

(Continued from  
page 7)

### DWP employees reportedly average 50% higher pay than other city workers.

You know that old saying that you can make statistics say anything you want? I don't have a lot of buy-in to those numbers. As an example, not getting cost of living raises at the DWP for three years — where we do have salaries out of alignment, that'll be gone within three years.

Look at overtime. A lot of times, overtime is appropriate. The

city has an ordinance: We can't get out there [to do work] during rush hour, so we end up working in off hours that are typically compensated with overtime. You've seen this fuss about pole replacement costs — \$25,000 [per pole]. Pacific Gas and Electric [in Northern California] was quick to comment they did theirs for less than half. Sure, when you have a service territory that includes a lot of farmland. Do it where there's 144 communication lines on top! The cost of doing business in L.A. is different, and we're structured to deal with that.

### Do consumers need to lower their expectations about water cost and availability?

A bit of both. We live in a desert. It's not going to start raining 25 inches here. And we are continuing to grow. And as much as I can move into stormwater capture and water conservation and recycling — I want to be off imported water by 50% in 2030 — people are going to have to pay attention and adjust their habits.

This interview was edited and condensed from a taped transcript.

[Pat.morrison@latimes.com](mailto:Pat.morrison@latimes.com) ✍



# POWER



Articles submitted by  
*Thomas J. McCarthy*



## The Winner of the 2014 POWER PLANT of the YEAR Is . . .



The 2014 POWER Plant of the Year is the world's largest solar thermal plant, **Ivanpah Solar Electric Generating System**. "For nine out of the past 11 years, the Plant of the Year has been some sort of coal plant. This year, for the first time, it's a renewable plant. That only seems fitting, especially as the importance of renewable generation increases globally," POWER Magazine reports. ☺☺

[POWER Magazine](#), Aug. 1



## New CEO Named At NV [Nevada] Energy

Paul Caudill on Tuesday officially began his role as president and CEO at NV Energy, following the retirement of Michael Yackira on Monday [June 30]. Caudill has served as president of NV Energy since the company was acquired by privately held Berkshire Hathaway Energy in December 2013. Caudill rose through the ranks at Berkshire Hathaway

Energy's MidAmerican Solar, most recently as president. "Paul is a proven leader whose extensive background in the utility and renewable industries combined with his passion for serving our customers, make him a natural to lead NV Energy," Greg Abel, chairman, president and CEO of Berkshire Hathaway Energy, said in a statement. "Michael

Yackira has helped transform NV Energy into the outstanding company it is today, and Paul will build on that foundation by leading the organization into the next era of Nevada's energy future." ☺☺

[Reno Gazette-Journal \(NV\)](#), July 1 Tags: *Berkshire Hathaway Energy, NV Energy*



# PG&E CHARGED WITH OBSTRUCTION OF JUSTICE OVER DEADLY 2010 GAS PIPELINE EXPLOSION

Published July 30, 2014 [Associated Press](#)

SAN FRANCISCO –

A federal grand jury charged Pacific Gas & Electric on Tuesday with lying to federal investigators in connection with a fatal pipeline explosion that killed eight people and leveled a suburban Northern California neighborhood in 2010.

Prosecutors say PG&E hampered the investigation by lying to National Transportation Safety Board investigators after the blast. In particular, PG&E officials are accused of trying to mislead the NTSB about the pipeline testing and maintenance procedures the utility was following at the time of the explosion and for six months after under a company policy that did not meet federal safety standards.

"The consequence of this practice was that PG&E did not prioritize as high-risk, and properly assess, many of its oldest natural gas pipelines, which ran through urban and residential areas," the U.S. attorney's office said in a statement.

The other charges accuse the utility of failing to act on threats in its pipeline system even after the problems were identified by its own inspectors. The indictment charges PG&E with keeping shoddy records, failing to identify safety threats and failing to act when threats were found.

NTSB investigators later found that PG&E had inaccurate records on its more than 6,000 miles of gas transmission lines, and that as a

result hadn't tested for the defective seam weld that ruptured a pipeline and ignited the fireball that leveled several blocks and left eight people dead in San Bruno.

In addition, the utility is facing lawsuits and \$2.5 billion in civil fines from regulators, including the state Public Utilities Commission. San Bruno city officials on Monday demanded the head of the PUC resign, alleging the agency had improper contacts with PG&E.

"What the U.S. prosecutor is saying is that PG&E did not use the proper procedure under the law for evaluating the integrity of their pipelines," San Bruno City Manager Connie Jackson said.

## U.S. SHOULD LEARN FROM GERMANY'S RENEWABLE ENERGY MISTAKES

A new report released by Finadvice explains the consequences of the Energiewende transition in Germany, which include high electricity prices, subsidy debts, grid instability, and costly grid upgrades. "American consumers and policymakers should be aware that the challenges for the energy system increase with fast growth and high shares of renewables," said Felix Abegg, managing director at Finadvice. "A number of factors must be considered to ensure a transition to renewable energy as part of a broader

energy strategy that does not impact the reliability of the electric grid or the stability of pricing for electricity users." In addition to extra work in running a more complicated grid, as more renewables are introduced, Germany also must invest in energy storage technologies, Renewable Energy World reports. The new report also received a mention Wednesday in the POLITICO Morning Energy mailing.

[Renewable Energy World](#), July 16 Tags: [EEI](#)





## West's Largest Coal-Fired Plant on Track to Close

The largest coal-fired power plant in the West will produce one-third less energy by 2020 and is on track to cease operations in 2044 under a proposal that the federal government adopted to cut haze-causing emissions of nitrogen-oxide at places like the Grand Canyon.

The U.S. Environmental Protection Agency announced Monday that the owners of the Navajo Generating Station could either shut down one of the plant's 750-megawatt units or reduce power generation by an equal amount by 2020. The owners would have until 2030 to install pollution controls that would cut nitrogen-oxide emissions by 80 percent.

EPA regional administrator Jared Blumenfeld in San Francisco said a final decision didn't come easily and required flexibility. Along with meeting energy demands in the West, the 2,250-megawatt plant powers a series of canals that deliver water to Phoenix and Tucson, fuels the economies of the Navajo and Hopi Tribes, and helps fulfill American Indian water-rights settlements with the federal government.

"This is so complex and integrated into the fabric of Arizona," Blumenfeld said.

The final rule comes five years after the EPA gave notice that it was considering pollution controls for the plant. The agency later released a proposal that would have required the upgrades by 2023.

A group made up of the plant's operator, tribal and federal officials, a canal system known as the Central Arizona Project and environmental groups said they could do better and came up with their own proposal, which was adopted by the EPA.

**Reducing power generation by one-third should come easily because the Los Angeles Department of Water and Power and NV Energy have announced their intention to cut ties with the coal plant by 2019. Together, they own almost one-third of the plant near Page, run by the Salt River Project, one of Arizona's largest utility companies. None of the other owners would lose any power generation as a result.**

"On the whole, while we're increasing our costs associated with the plant, the plant itself is still valuable enough to our customers and Arizona for us to continue," Salt River Project spokesman Scott Harelson said.



The final rule means the Navajo Nation ultimately will see less revenue from coal that feeds the power plant. But the executive director of the tribe's Environmental Protection Agency, Stephen Etsitty, said it provides a better chance of the power plant continuing operations.

FLAGSTAFF, Ariz. —  
Jul 28, 2014, 2:38 PM ET

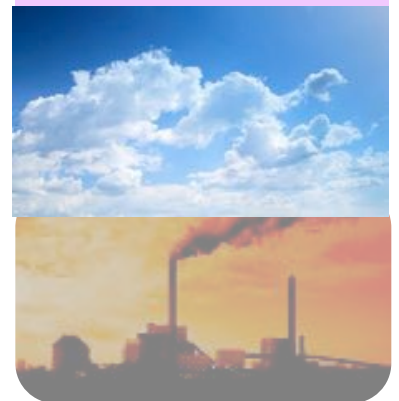
By FELICIA FONSECA Associated Press



## Energy Regulators Say EPA's Climate Rule Poses Grid Challenges

Federal energy regulators told Congress on Tuesday that President Barack Obama's proposed carbon-emissions rule for existing power plants will create new cost and reliability challenges for the U.S. electricity system. Commissioners of the Federal Energy Regulatory Commission also agreed that the government has a responsibility to act on climate change. The FERC commissioners voiced different levels of concern toward the rule, with some expressing optimism about how the regulation would spur investment in renewable energy, while others held back much in the way of predictions about its effect. Much depends on what states plan to do, which won't be determined until at least June 2016.

*Wall Street Journal, July 29*





Above is an aerial photograph taken in 1945 from above Bunker Hill (where the JFOB stands today) looking east toward the Los Angeles Civic Center. The ornate building in front of City Hall is the Old Hall of Records.



Aerial view looking east toward the Civic Center showing a not quite completed DWP General Office Building (later JFOB) on Bunker Hill.

# Mystery History



*By Jack Feldman*



1. \_\_\_ What year was the DWP General Office Building (GOB) constructed?
2. \_\_\_ What year was the General Office Building (GOB) renamed the John Ferraro Office Building (JFOB)?
3. \_\_\_ What year was the JFOB designated a Los Angeles Historic-Cultural Monument?

Answers at [http://  
waterandpower.org/museum/  
Mystery\\_History.html](http://waterandpower.org/museum/Mystery_History.html)

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9/1/14 To Whom It May Concern-

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*With warm regards,  
Caroline Luce, Ph.D.*

8/25/14

*What a wonderful website. Thank you so much!  
Allan <[avanpelt@jfjets.com](mailto:avanpelt@jfjets.com)>*

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### CORRECTIONS:

In the July 2014 edition,  
page 3, *Board of Directors*,  
the name of  
“Phyllis E. Currie”  
was not included,  
&

a middle name, “Ted”,  
was mistakenly inserted in  
the name of  
“Thomas Gackstetter”