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PRESS RELEASE-

Los Angeles Power Purchase Threatens to Betray City's Environmental Leadership

Los Angeles, CA [August 15, 2006] Critics warn that a proposed purchase by the Los Angeles Department of Water and Power (DWP) could signify a step backward in environmental leadership, self reliance, and competitive pricing for 3.8 million ratepayers.

The Los Angeles City Council will vote Tuesday on the proposal to purchase 82 megawatts of power from a wind farm in Wyoming at \$280 million over 16 years. The rate is significantly more than it currently costs DWP to produce power.

The extra money could be better used to invest in new green power or upgrade the city's power infrastructure, according to the International Brotherhood of Electrical Workers, Local 18, which represents about 8,000 workers at DWP.

Although the purchase amounts to less than 1% of the power distributed by DWP, it sets a troubling precedent. When Mayor Antonio Villaraigosa urged the City set an ambitious goal of 20 percent green power by 2010, it was with the assumption that DWP would invest in greener production, not gobble it up from existing sources.

"What we see here is the difference between real environmental leadership and the appearance of environmental leadership," said Brian D'Arcy, Business Manager of IBEW Local 18. "Purchasing power from an already-existing wind farm does nothing to add green power to the grid. It also does nothing to reduce pollution in L.A. The best way to make a positive environmental impact is to add new sources of renewable energy to the power system."

Experts add that there will be no way to verify that the purchased power in fact came from the Wyoming wind farm.

Also troubling is the shift away from self reliance. Self reliance has long been a priority of the DWP and City leadership. Residents of Los Angeles felt the benefits a few years ago, when they avoided the blackouts that plagued parts of Southern California that relied on purchasing power in the market.

"As a municipal utility, the Los Angeles Department of Water and Power operates for the benefit of residents it serves, not distant shareholders," said Local 18 Assistant Business Manager Gus Corona. "When DWP operates the plants that produce our power, we can be sure that energy is coming into the system for the minimum cost of production, and no one will decide their profit is worth more than your reliable power."

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