

IV. Environmental Impact Analysis

K. Utilities and Service Systems—Electric Power and Natural Gas

1. Introduction

The following section analyzes the Project’s potential impacts on electric power and natural gas infrastructure. This section focuses on the existing infrastructure serving the Project area and the potential for environmental impacts to occur as a result of any physical improvements that may be necessary to accommodate the Project. The information presented in this section is based on the information provided by the City of Los Angeles Department of Water and Power (LADWP), the Energy Calculations for 9000 Airport Boulevard Project prepared by Eyestone Environmental, and Will Serve Letter, prepared for the Project by LADWP, dated September 2023 (Will Serve Letter), which are included as Appendix D and Appendix K of this Draft EIR, respectively. Potential impacts associated with energy demand and energy conservation policies are discussed in Section IV.C, Energy, of this Draft EIR.

2. Environmental Setting

a. Regulatory Framework

There are several agencies and entities with plans, policies, and programs regarding electric power, natural gas, and telecommunications infrastructure at the federal, state, and local levels that apply to the Project. Described below, these include:

- United States Energy Policy Act of 2005
- California Independent System Operator
- California Public Utilities Commission
- California Energy Commission (CEC)
- California Senate Bill 1389

(1) Federal

The United States Department of Energy (DOE) is the federal agency responsible for establishing policies regarding energy conservation, domestic energy production, and infrastructure. The Federal Energy Regulatory Commission (FERC) is an independent federal agency, officially organized as part of the DOE, which is responsible for regulating interstate transmission of natural gas, oil, and electricity; ensuring reliability of the electric grid; and approving construction of interstate natural gas pipelines and storage facilities. The Energy Policy Act of 2005 also granted the FERC the additional responsibilities of overseeing the reliability of the nation's electricity transmission grid and supplementing state transmission siting efforts in national interest electric transmission corridors.

FERC has authority to oversee mandatory reliability standards governing the nation's electricity grid. FERC established rules on certification of an Electric Reliability Organization (ERO), which establishes, approves and enforces mandatory electricity reliability standards. The North American Electric Reliability Corporation (NERC) has been certified as the nation's ERO by FERC to enforce reliability standards in all interconnected jurisdictions in North America. Although FERC regulates the bulk energy transmission and reliability throughout the United States, the areas outside of FERC's jurisdictional responsibility include state level regulations and retail electricity and natural gas sales to consumers, which fall under the jurisdiction of state regulatory agencies.

(2) State

California energy infrastructure policy is governed by three institutions: the California Independent System Operator (California ISO), the California Public Utilities Commission (CPUC), and the California Energy Commission (CEC). These three agencies share similar goals but have different roles and responsibilities in managing the State's energy needs. The majority of state regulations with respect to electricity and natural gas pertain to energy conservation. For a discussion of these regulations, refer to Section IV.C, Energy, of this Draft EIR. There are, however, regulations pertaining to infrastructure. These are discussed further below.

(a) California Independent System Operator

The California ISO is an independent public benefit corporation responsible for operating California's long-distance electric transmission lines. The California ISO is led by a five-member board appointment by the Governor and is also regulated by FERC. While transmission owners and private electric utilities own their lines, the California ISO operates the transmission system independently to ensure that electricity flows comply with federal operational standards. The California ISO analyzes current and future electrical demand and plans for any needed expansion or upgrade of the electric transmission system.

(b) California Public Utilities Commission

The CPUC establishes policies and rules for electricity and natural gas rates provided by private utilities in California, such as Southern California Edison (SCE) and Southern California Gas Company (SoCalGas). Publicly owned utilities, such as the LADWP, do not fall under the CPUC's jurisdiction. The Digital Infrastructure and Video Competition Act of 2006 (DIVCA) established the CPUC as the sole cable/video TV franchising authority in the State of California. DIVCA took effect January 1, 2007.

The CPUC is overseen by five commissioners appointed by the Governor and confirmed by the State Senate. The CPUC's responsibilities include regulating electric power procurement and generation, infrastructure oversight for electric transmission lines and natural gas pipelines, and permitting of electrical transmission and substation facilities.

(c) California Energy Commission

The CEC is a planning agency that provides guidance on setting the State's energy policy. Responsibilities include forecasting electricity and natural gas demand, promoting and setting energy efficiency standards throughout the State, developing renewable energy resources, and permitting thermal power plants that are 50 megawatts (MW) and larger. The CEC also has specific regulatory authority over publicly owned utilities to certify, monitor, and verify eligible renewable energy resources procured. The CEC shapes the energy system of California through planning and policy development; establishing renewable energy growth goals; advancing energy efficiency strategies; investing in energy research, development, and demonstration projects; investing in plug-in electric vehicle stations and retail hydrogen refueling stations; performing transmission infrastructure planning; and developing strategies for responding to loss of energy supply due to a natural disaster or other emergency.

(d) Senate Bill 1389

Senate Bill (SB) 1389 (Public Resources Code Sections 25300–25323), adopted in 2002, requires the development of an integrated plan for electricity, natural gas, and transportation fuels. Under the bill, the CEC must adopt and transmit to the Governor and Legislature an Integrated Energy Policy Report every two years. The most recent Integrated Energy Policy Report was adopted in 2024 and highlights the actions necessary to accelerate connection of clean resources to the electrical grid, potential growth of clean and renewable hydrogen, and actions to ensure California's energy system remains reliable and resilient.

b. Existing Conditions

As discussed in Section II, Project Description, of this Draft EIR, the Project Site is currently developed with an approximately 37,860-square-foot rental car facility.

(1) Electricity

LADWP provides electrical service throughout the City, serving approximately 4 million people within a service area of approximately 465 square miles. Electrical service provided by the LADWP is divided into two planning districts: Valley and Metropolitan. The Valley Planning District includes the LADWP service area north of Mulholland Drive, and the Metropolitan Planning District includes the LADWP service area south of Mulholland Drive. The Project Site is located within LADWP's Metropolitan Planning District.

LADWP generates power from a variety of energy sources, including hydropower, coal, gas, nuclear sources, and renewable resources, such as wind, solar, and geothermal sources. According to LADWP's LA100 Plan (formerly 2022 Power Strategic Long-Term Resource Plan), LADWP has a net dependable generation capacity greater than 8,101 MW.¹ In 2017, the LADWP power system experienced an instantaneous peak demand of 6,502 MW.² Approximately 39.5 percent of LADWP's 2023 electricity purchases were from renewable sources, which exceeds the 36.9-percent statewide percentage of electricity purchases from renewable sources.³

LADWP supplies electrical power to the Project Site from electrical service lines located in the Project vicinity. The Project Site receives electric power service from LADWP via existing overhead lines from adjacent streets, mainly along Airport Boulevard. Existing electricity usage was estimated based on the same methodology contained in the Greenhouse Gas Emissions (GHG) analysis included in Section IV.E, Greenhouse Gas Emissions, of this Draft EIR (California Emissions Estimator Model [CalEEMod] Version 2022.1).

It is estimated that existing uses on the Project Site currently consume approximately 1,040,407 kilowatt hours (kWh) of electricity per year.⁴

(2) Natural Gas

Natural gas is provided to the Project Site by SoCalGas. SoCalGas is the principal distributor of natural gas in Southern California, serving residential, commercial, and industrial markets. SoCalGas serves approximately 21.1 million customers in more than

¹ LADWP, *2022 Power Strategic Long-Term Resource Plan*, p. ES-5, December 2022.

² LADWP, *2022 Power Strategic Long-Term Resource Plan*, p. ES-5, December 2022.

³ LADWP, *2023 Power Content Label*, 2024.

⁴ *Eyestone Environmental, Energy Calculations for 9000 Airport Boulevard Project*. See Appendix D of this Draft EIR.

500 communities encompassing approximately 24,000 square miles throughout Central and Southern California, from the City of Visalia to the Mexican border.⁵

SoCalGas receives gas supplies from several sedimentary basins in the western United States and Canada, including supply basins located in New Mexico (San Juan Basin), West Texas (Permian Basin), the Rocky Mountains, and Western Canada, as well as local California supplies.⁶ The traditional, southwestern United States sources of natural gas will continue to supply most of SoCalGas' natural gas demand. Gas supply available to SoCalGas from California sources averaged 84 million cubic feet (cf) per day in 2023 (the most recent year for which data are available).⁷

SoCalGas supplies natural gas to the Project Site from natural gas service lines located in the Project vicinity. It is estimated that existing uses on the Project Site currently consume approximately 1,274,133 cf of natural gas per year.⁸

3. Project Impacts

a. Thresholds of Significance

In accordance with the State CEQA Guidelines Appendix G (Appendix G), the Project would have a significant impact related to energy infrastructure if it would:

Threshold (a): Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects.⁹

For this analysis, the Appendix G Threshold provided above is relied upon. This analysis utilizes factors and considerations identified in the City's 2006 L.A. CEQA Thresholds Guide, as appropriate, to assist in answering the Appendix G Threshold question.

⁵ SoCalGas, *Company Profile*, www.socalgas.com/about-us, accessed September 16, 2025.

⁶ California Gas and Electric Utilities, *2024 California Gas Report*, p. 119.

⁷ California Gas and Electric Utilities, *2024 California Gas Report*, p. 119.

⁸ Eyestone Environmental, *Energy Calculations for 9000 Airport Boulevard Project*. See Appendix D of this Draft EIR.

⁹ Refer to the Project's Initial Study included as Appendix A of this Draft EIR for a discussion of stormwater, telecommunications, water infrastructure, and wastewater infrastructure facility impacts.

The L.A. CEQA Thresholds Guide identifies the following criteria to evaluate impacts to energy infrastructure:

- Would the project result in the need for new (off-site) energy supply facilities, or major capacity enhancing alterations to existing facilities?
- Whether and when the needed infrastructure was anticipated by adopted plans?

b. Methodology

This analysis evaluates the potential impact of the Project on existing energy infrastructure by comparing the estimated Project energy demand with the available capacity. A Will Serve Letter from LADWP included in Appendix K of this Draft EIR demonstrates that sufficient electricity infrastructure exists around the Project Site to serve the Project.

As discussed in Section IV.C, Energy, of this Draft EIR, Project energy usage was calculated using CalEEMod Version 2022.1. During Project construction, energy would be consumed in the form of electricity associated with the conveyance of water used for dust control, on a limited basis, powering lights, electronic equipment, or other construction activities necessitating electrical power. Construction activities typically do not involve the consumption of natural gas. During Project operation, energy consumption would include electricity from uses, such as heating, ventilation, and air conditioning (HVAC); refrigeration; lighting; electric vehicle (EV) charging; and the use of electronics, equipment, and machinery. In terms of natural gas, the Project would not include the use of natural gas equipment with implementation of Project Design Feature GHG-PDF-1, which will prohibit the use of natural gas during Project operations for new buildings.

The Project's estimated energy demands were also analyzed relative to LADWP's existing and planned energy supplies in 2027 (i.e., the Project's earliest buildout year) to determine if LADWP would be able to meet the Project's energy demands. Finally, the capacity of local infrastructure to accommodate the Project's estimated electricity demand was assessed based on the LADWP's Will Serve Letter, included as Appendix K of this Draft EIR.

c. Project Design Features

No specific project design features are proposed with regard to energy infrastructure. However, the Project includes Project Design Feature GHG-PDF-1, which will prohibit the use of natural gas during Project operations. The Project also includes Project Design Feature AIR-PDF-2, which requires infrastructure capable of supporting future electric vehicle supply equipment (EVSE) for tractor trailers; Project Design Feature AIR-PDF-3, which requires electrical outlets for charging of forklifts; Project Design Feature AIR-PDF-4

which requires electrical hookups for all loading bays; and Project Design Feature GHG-PDF-2, which requires installation of a 498-kW solar photovoltaic (PV) system under Option 1 and 450-kW PV system under Option 2. The Project would comply with the energy efficiency requirements of Title 24, which includes the California Green Building Standards (CALGreen) Code, and the Los Angeles Green Building Code. Compliance with these requirements would reduce the Project's energy demand.

d. Analysis of Project Impacts

Threshold (a): Would the Project require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?¹⁰

(1) Impact Analysis

(a) Construction

(i) Electricity

As discussed above, construction activities at the Project Site would require minor quantities of electricity for lighting, power tools, and other support equipment. Heavy construction equipment would be powered with diesel fuel. As discussed in Section IV.C, Energy, of this Draft EIR, the Project's estimated construction-related electricity usage represents approximately six percent for Option 1 and seven percent for Option 2 of the existing annual operational demand of 1,040,407 kWh, which, as discussed below, would be within the supply and infrastructure service capabilities of LADWP. Accordingly, the estimated construction-related electricity usage would be offset by the removal of a portion of the existing on-site uses. Thus, LADWP's existing electrical infrastructure has enough capacity to serve the Project's construction activities. Electricity during Project construction would be obtained from existing electrical lines that connect to the Project Site. Therefore, construction of new or expanded off-site infrastructure would not be required to provide electricity to the Project Site during any phase of construction.

With regard to existing electrical distribution lines, the Applicant would be required to coordinate electrical infrastructure removals or relocations with LADWP and comply with site-specific requirements set forth by LADWP, which would ensure that service disruptions and potential impacts to the surrounding uses resulting from Project construction within LADWP easements are minimized. Project contractors would notify and coordinate with LADWP to

¹⁰ Refer to the Project's Initial Study included as Appendix A of this Draft EIR for a discussion of water infrastructure, wastewater infrastructure, stormwater facility, and telecommunications facility impacts.

identify the locations and depth of water mains and power lines and avoid disruption of electric and water service to other properties. As such, construction of the Project would not adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity.

Lastly, construction impacts associated with the Project's electrical infrastructure upgrades would primarily be confined to trenching. Infrastructure improvements would comply with all applicable LADWP and City requirements. In addition, while off-site construction activities would be required to connect the existing off-site electricity lines to the proposed on-site electrical infrastructure, any such activities would be minimal, temporary, and would occur within developed areas. In general, the environmental effects associated with on-site construction activities, including the installation of electricity system improvements, are accounted for in the impact analyses throughout this Draft EIR, as appropriate. **For the reasons discussed above, construction of Project would not result in an increased demand for electricity that exceeds available supply or distribution infrastructure capabilities that could result in the construction of new electric power facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. Therefore, the Project's impact would be less than significant.**

(ii) Natural Gas

Construction activities, including the construction of new buildings and facilities, typically do not involve the consumption of natural gas. Accordingly, natural gas would not be supplied to support Project construction activities; thus, there would be no demand generated by construction. It is anticipated that the Project would not require off-site infrastructure improvements to serve the Project Site given that the Project would implement Project Design Feature GHG-PDF-1 and would not use natural gas. **Therefore, construction of the Project would not require the use of natural gas to affect available supply or distribution infrastructure capabilities and, thus, would not result in the relocation or construction of new or expanded natural gas facilities, the construction or relocation of which could cause significant environmental effects, and, as such, the Project's impact would be less than significant.**

(b) Operation

(i) Electricity

As shown in Table IV.E-2 in Section IV.C, Energy, of this Draft EIR, the Project-related net annual electricity consumption of 9,053,237 kWh per for Option 1 and 8,462,830 kWh per year for Option 2 with implementation of Project Design Features PDF-GHG-1 and

PDF-GHG-2 would represent less than 0.05 percent of LADWP's projected sales in 2027¹¹ (the earliest anticipated Project buildout year). Under peak conditions, the Project would represent approximately 0.03 percent of the LADWP estimated base peak load conditions (5,718 MW in 2027).¹² Additionally, LADWP has confirmed that the Project's electricity demand can be served by the existing facilities in the Project area.¹³ Furthermore, the Project would implement any necessary connections and upgrades required by LADWP to ensure that LADWP would be able to adequately serve the Project. **As such, operation of the Project is not anticipated to adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity and would not require the construction of new electrical facilities or expansion of existing facilities. Therefore, the Project's impact would be less than significant.**

(ii) Natural Gas

As shown in Table IV.E-2 in Section IV.C, Energy, of this Draft EIR, the Project would result in a net decrease of approximately 1,274,133 cf per year in the on-site demand for natural gas for both Option 1 and Option 2. The Applicant would implement Project Design Feature GHG-PDF-1, which will eliminate the use of natural gas, and the Project uses would be all-electric. Accordingly, the Project would have a net reduction relative to SoCalGas's projected sales in 2027. **As such, operation of the Project, which would result in a net decrease in on-site natural gas usage, would not affect the natural gas infrastructure serving the surrounding uses or utility system capacity and, thus, would not require the construction of new natural gas facilities or expansion of existing facilities. Therefore, no impact would occur with regard to natural gas infrastructure.**

(2) Mitigation Measures

Project-level impacts with regard to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

(3) Level of Significance After Mitigation

Project-level impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures are required or included, and the impact level remains less than significant.

¹¹ Based on LADWP's LA100 Plan, LADWP forecasts that its total energy sales in the 2027-2028 fiscal year (the Project's earliest buildout year) will be 21,273 GWh of electricity.

¹² $1,993 \text{ kW} / 5,718,000 \text{ kW} * 100 = 0.03\%$

¹³ LADWP, Will Serve 9000 Airport Blvd—Commercial Building, September 6, 2023. Refer to Appendix K of this Draft EIR.

e. Cumulative Impacts

Cumulative impacts occur when the incremental effects of a proposed project are significant when combined with similar impacts from other past, present, or reasonably foreseeable projects in a similar geographic area. There are four related projects in the Project Site vicinity, as listed in Table III-1 in Section III, Environmental Setting, of this Draft EIR. The projected growth associated with these four related projects is a conservative assumption regarding future development as some of the related projects may not be built out by 2027, may never be built, or may be approved and built at reduced densities. To provide a conservative analysis, the future baseline forecast assumes that these four related projects would be fully built out by 2027.

(1) Impact Analysis

(a) Electricity

Buildout of the Project, the related projects listed in Table III-1 in Section III, Environmental Setting, of this Draft EIR, and additional forecasted growth in LADWP's service area would cumulatively increase the demand for electricity supplies and infrastructure capacity. LADWP forecasts that its total energy sales in the 2027-2028 fiscal year (the Project's earliest buildout year) will be 21,273 gigawatt hours (GWh) of electricity. Data used to develop the LADWP demand forecasts take into account population growth, energy efficiency improvements, and economic growth, which includes construction projects.¹⁴

Electricity infrastructure is typically expanded in response to increasing demand, and system expansion and improvements by LADWP are ongoing. LADWP would continue to expand delivery capacity as needed to meet demand increases within its service area at the lowest cost and risk, consistent with LADWP's environmental priorities and reliability standards.

The 2022 Power Strategic Long-Term Resource Plan takes into account future energy demand, advances in renewable energy resources and technology, energy efficiency, conservation, and forecast changes in regulatory requirements. Development projects within the LADWP service area would also be anticipated to incorporate site-specific infrastructure improvements, as necessary. Although detailed information regarding electrical infrastructure for development projects in LADWP's service area is not known, it is reasonably expected that LADWP would provide for necessary improvements specific to each development project. Each of the development projects would be reviewed by LADWP to identify necessary power facilities and service connections to meet the needs of their

¹⁴ LADWP, *LA100 Plan, Appendix A, Table A-1, p. A-7, December 2022*.

respective projects. Project applicants would be required to provide for the needs of their individual projects, thereby contributing to the electrical infrastructure in the service area. As discussed above, will-serve letters are provided for individual projects in which LADWP determines whether sufficient infrastructure is in place to provide electricity to a proposed project. As part of the Will Serve Letter process, LADWP takes into account all uses (including future development projects) in the service area to ensure that sufficient local and regional infrastructure is available. As the Will Serve Letter for the Project identified adequate infrastructure, the estimated power requirement for the Project is a part of the total load growth forecast for the City of Los Angeles and has been taken into account in the planned growth of the City's power system.¹⁵

Based on the above, the cumulative impact of the Project's incremental effect and the effect of the related projects relative to new or expanded electricity infrastructure would be less than significant.

(b) Natural Gas

As discussed above, Project operations would result in elimination of use of natural gas resources on the Project Site due to implementation of Project Design Feature GHG-PDF-1 or a net decrease of 1,274,133 cf per year. SoCalGas forecasts that its total natural gas consumption in 2027 would be approximately 2.219 billion cf per day.¹⁶ Based on the Project's estimated net decrease of 1,274,133 cf per year in natural gas consumption, the Project would not affect SoCalGas's projected sales in 2027. Moreover, SoCalGas' forecasts consider projected population growth and development based on local and regional plans.

As discussed above, will-serve letters are provided for individual projects, in which SoCalGas determines whether sufficient infrastructure is in place to provide natural gas service to a proposed project with a proposed natural gas demand. As part of the will-serve letter process, SoCalGas takes into account all uses (including future development projects) in the service area to ensure that sufficient local and regional infrastructure is adequate. As discussed above, the Project would implement Project Design Feature GHG-PDF-1 and would eliminate natural gas usage on the Project Site, resulting in a net decrease of 1,274,133 cf per year. As such, Project development would have a less than significant impact on the SoCalGas regional infrastructure.

¹⁵ LADWP, *Will Serve 9000 Airport Blvd—Commercial Building*, September 6, 2023. Refer to Appendix K of this Draft EIR.

¹⁶ *California Gas and Electric Utilities, 2024 California Gas Report*, p. 163.

Based on the above, the Project would not contribute to cumulative impacts with respect to new or expanded natural gas infrastructure, and, therefore, would be less than significant.

(2) Mitigation Measures

Cumulative impacts with regard to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

(3) Level of Significance after Mitigation

Cumulative impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures are required or included, and the impact level remains less than significant.