

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA ADOPTING
A STATEMENT OF OVERRIDING CONSIDERATIONS IN CONNECTION WITH THE
GLENARM REPOWERING PROJECT, ALTERNATIVE 3A**

WHEREAS, the California Environmental Quality Act (“CEQA”) requires the decision-making agency to balance the economic, legal, social, technological or other benefits of a project against its unavoidable environmental impacts when determining whether to approve a project. If the benefits of the project outweigh the unavoidable adverse impacts, those impacts may be considered acceptable. CEQA requires the agency to provide written findings supporting the specific reasons for considering a project acceptable when significant impacts are unavoidable. Such reasons must be based on substantial evidence in the administrative record; and

WHEREAS, on March 13, 2013 the Planning Commission held a duly noticed public meeting to consider Conditional Use Permit #5804 to allow the expansion of a Major Utility Land Use; to approve a Variance for a 125-foot-high exhaust stack height exceeding the 56-foot height requirement; to approve a minor Variance to allow a proposed 10-foot-high wall along South Fair Oaks Avenue where the maximum height allowed is four feet when in front of a structure; to approve a Minor Variance to allow a proposed 10-foot-tall gate across East State Street after its closure, where the maximum height allowed is six feet when not located in front of a structure; to take the appropriate action and make the appropriate findings to close, without street vacation, State Street from Fair Oaks Avenue to the Metropolitan Transportation Authority Right-of-Way, find that the subject portion of State Street proposed for closure is consistent with the General Plan Mobility Element and is unnecessary for present public use for street purposes, and adopt a resolution of intention to close, without street vacation, the subject portion of State Street; and to recommend certification of the Final EIR to the City Council; and

WHEREAS, on April 8, 2013, the City Council held a duly noticed public hearing to consider the Environmental Impact Report (“EIR”) that was prepared for the Repowering Project, including Alternative 3A, hereinafter referred to as the “Preferred Alternative,” and certified the EIR by adopting Resolution No. ____; and

WHEREAS, during the public hearing on the Preferred Alternative, the City Council received oral and written evidence concerning the environmental impacts of the Preferred Alternative and the benefits of the Preferred Alternative. This evidence included the EIR, including the public comments about environmental impacts that were made on the Draft EIR prepared for the Project.

NOW THEREFORE, BE IT RESOLVED THAT, the City Council acknowledges the environmental impacts identified in the EIR and elsewhere in the record of proceedings, but finds that the following economic, technological, and regional benefits of the Preferred Alternative outweigh the significant and unavoidable effects identified in the EIR and the record of proceedings for project-generated and cumulative greenhouse gas emission and land use and planning impacts of the Preferred Alternative. The City Council finds that the benefits of the Preferred Alternative set forth below, independent of the other benefits, warrant approval of the Preferred Alternative notwithstanding the significant and unavoidable environmental impacts of the Preferred Alternative. In making this finding, the City Council has balanced the benefits of the Preferred Alternative against its unavoidable impacts and indicates its willingness to accept those adverse impacts.

Statement of Overriding Considerations.

In 2011, the City of Pasadena adopted an update to its 2009 Energy Integrated Resource Plan (“IRP”), a blueprint for the Pasadena Department of Water and Power (“PWP”) to ensure reliable, environmentally responsible electricity service, competitive rates, and energy independence through 2030. A key feature of the IRP is the replacement of inefficient local generating units at PWP’s Power Plant in order to significantly reduce greenhouse gas emissions statewide and so that the City can reduce the import of coal-fired power to Pasadena by at least 35 megawatts. This constitutes the Glenarm Repowering Project. The Preferred Alternative would replace the existing Unit B-3 with a more efficient combined cycle, natural gas-fueled Unit GT-5 equipped with state-of-the-art air pollution control systems, and includes related infrastructure improvements. The new Unit GT-5 would directly support attainment of the City’s Energy IRP policy objectives and is an essential element of PWP’s strategies, consistent with the California Air Resources Board Climate Action Plan, to reduce the State’s greenhouse gas emissions from the electricity sector.

- Reduce daily emissions of air pollutants (nitrogen oxides and carbon monoxide) and ozone precursors (volatile organic compounds) during normal operations, in support of the City’s adoption of the United Nations Green Cities Declaration, Urban Environmental Accords, and “Environmental Charter,” which states, in part, that “[t]he City of Pasadena elects to be an environmental advocate and a leader in environmental compliance and protection...” and that “the City shall establish policies that will incorporate environmental responsibility into its daily management of...air quality...”. The new Unit GT-5 will reduce nitrogen oxide and carbon monoxide emissions to an exhaust concentration of two parts per million, which is considerably reduced compared to the existing Unit B-3 exhaust

concentration of 10 parts per million for nitrogen oxides. Unit B-3 does not have a carbon monoxide concentration limit.

- Reduce greenhouse gas emissions by approximately 20 percent on a per megawatt hour basis through the replacement of existing Unit B-3 with the new Unit GT-5.
- Provide for increased energy efficiency and decreased natural gas consumption in support of the City's adoption of the United Nations Green Cities Declaration, Urban Environmental Accords, and "Environmental Charter," which states, in part, that "[t]he City of Pasadena elects to be an environmental advocate and a leader in environmental compliance and protection..." and that "the City shall establish policies that will incorporate environmental responsibility into its daily management of...energy...use...". According to the Energy Information Administration, the average efficiency rates in 2011 for natural gas were 7,603 British thermal units per kilowatt-hour for combined cycle generated electricity, which is a 27 percent improvement over the 10,414 British thermal units per kilowatt-hour for steam generated electricity. Based on the equipment configuration for the existing Unit B-3 and the new Unit GT-5, an efficiency improvement of up to 37 percent could be realized.
- Realize additional energy efficiency as the result of the reduced startup time of new Unit GT-5 (10 minutes to full load operations) compared to Unit B-3 (72 hours to full load operations), which means less fuel consumption.
- Reduce water consumption by up to 53 percent, on a per megawatt hour basis, through the replacement of existing Unit B-3 with the new Unit GT-5.
- Reduce the concentration of hazardous materials present on the site through the use of a 19 percent ammonia solution for the new Unit GT-5 compared to the 29 percent ammonia solution for the existing Unit B-3.

- Provide security improvements for on-site facility equipment, control rooms, offices, and personnel, including a 10-foot concrete wall along the Fair Oaks Avenue perimeter of the Glenarm Plant site and a ten-foot locked gate on the portion of State Street proposed for closure, south of the Glenarm Plant site.
- Through construction of the modular building, provide a control room that is in close visual and physical proximity to all five units that it will serve, and that meets the State's requirements for designation as an essential facility.
- Through the mothballing program, the Glenarm Building's character-defining features of historic significance will be preserved in good condition to permit future adaptive reuse of the building.
- Through the installation of new ornamental plantings along South Fair Oaks Avenue and Arroyo Parkway, visually improve the appearance of the Power Plant at two key gateways to the City from the south (from South Pasadena and the Parkway, respectively).
- Through the removal of the obsolete 125-foot stack on the south elevation of the Glenarm Building, begin the process of removing inoperable equipment and improve, to the greatest extent feasible, the visual appearance of the Power Plant from off-site vantages.
- Consolidate employee and visitor parking in a single location for the first time in the existing parking lot at the corner of Glenarm Street and Arroyo Parkway.
- Responsibly manage ratepayer funds by developing a cost conservative modular building as an alternative to rehabilitation and reuse of the Glenarm Building until adequate funding for such rehabilitation can be had.
- Incrementally reduce the environmental effects of construction through use of the modular building, instead of rehabilitation of the Glenarm Building.
- Increase the number of trees on site, thereby contributing to the City's goal of increasing the tree canopy by 5% by 2020.

Further, as described in the EIR, the Preferred Alternative would meet the following objectives of the Glenarm Repowering Project, and therefore would also provide economic, technological, and regional benefits:

- Maintain reliable local generation needed to provide uninterrupted power within the City as a contingency against dependence on a single electricity import connection to the City;
- Maintain the City's ability to generate power locally, as and when needed, to make up for any shortfall due to import or distribution system constraints;
- Implement the energy IRP approved by the City of Pasadena City Council with input and feedback from the community, which serves as a blueprint for PWP to provide customers with a balance between reliable electricity service, consideration of environmental concerns, and competitive and stable rates, and reduced dependence on coal power. The replacement of an aging and inefficient generating unit Broadway 3 (B-3) at the City's power plant with a more reliable and efficient, local, natural gas-fueled, combined-cycle generating unit equipped with a state-of-the-art air pollution control system was one of the energy IRP recommendations approved by the City Council; and
- Provide for mandated capacity (i.e., guarantee of availability) to generate power when required by the California Independent System Operator.

Adopted at the _____ meeting of the City Council on the _____ day
of _____, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM


Theresa E. Fuentes
Assistant City Attorney

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