

WEST BASIN MUNICIPAL WATER DISTRICT

OCTOBER 4, 2001 – Water Resources
McDonald, Little

OCTOBER 22, 2001 – Board Meeting

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INFORMATION CALENDAR

ON-SITE POWER GENERATIONSUMMARY:

Power is the single largest O&M cost in recycled water production. Recent increases in the price of power and long-term price projections have motivated staff to evaluate generating power on-site at the water recycling plant in El Segundo as a cost-effective alternative to purchasing power from SCE (currently \$.12/kwh). Under this concept, the District would construct a gas-powered generating station to meet on-site energy needs. The feasibility of this option is based largely on two criteria: the ability to produce power at \$.08/kwh and the passage of enabling legislation.

The District has retained power consultants EMCOR to assist in the economic evaluation of an on-site facility. For planning purposes, staff is basing this evaluation on energy demands not only of existing recycling processes at the plant, but also potential expansions of the Title 22 and Barrier (MF/RO) processes. EMCOR's preliminary estimate of costs for on-site power generation, based on a contracted price for natural gas of \$.40/therm, is:

- \$.10/kwh assuming current power use at the plant;
- \$.08/kwh assuming expansion of the Barrier process to 17,500 AFY.

Estimated capital costs for a generation facility sized to meet projected demand is \$18 million.

Currently, the District has authority to generate hydroelectric power only, and would require a change in state law to allow on-site generation. Although attempts to introduce enabling legislation during the last legislative session were unsuccessful, the District's Sacramento lobbyists strongly believe that it can be accomplished during the next session, most likely in January or February 2002.

FISCAL IMPACTS:

Undetermined at this time.

ENVIRONMENTAL COMPLIANCE:

None required.

COMMITTEE STATUS:

This item was reviewed by the Water Resource Committee on October 4, 2001 and agendized to the October 22, 2001 Board meeting as information.

RECOMMENDED MOTION:

This item is for information only.

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AGENDA NO. ____