

WEST BASIN MUNICIPAL WATER DISTRICT

AUGUST 15, 2005 - Water Resources
Little, Baker

AUGUST 22, 2005 - Board Meeting

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Approved by: Richard Nagel

ACTION CALENDAR

SOUTHERN CALIFORNIA EDSION'S (SCE)
SELF-GENERATION INCENTIVE PROGRAM FOR SOLAR ENERGY

SUMMARY:

In January 2005, West Basin submitted an application to SCE for a grant to construct a 1 megawatt solar energy system through their Self-Generation Incentive Program (SGIP). The application requested approximately \$3.5 million from SCE to construct a \$7.3 million solar energy system. In February, West Basin was notified that it is number 85 of 118 applications on the waiting list. Since February some projects have dropped out; however, there are still many projects on the waiting list.

In order to deter inappropriate reservation requests, or "phantom projects", SCE is implementing an application fee for projects that are currently on the waiting list. The application fee must be paid if the project is to remain on the waiting list. The fee is equal to 0.5 percent of the requested SGIP incentive. In West Basin's case that amounts to \$17,489.37. The application fee will be returned after the project is completed. If the project is withdrawn from the waiting list prior to receiving a conditional reservation, the application fee will be returned. If upon eligibility screening, the project does not qualify for a conditional reservation, the application fee will be returned. Once a conditional reservation is granted, if the project is cancelled or withdrawn, the application fee will be forfeited. The application fee will also be forfeited if the project does not meet proof-of-project advancement or reservation expiration date requirements.

Staff recommends depositing the application fee to remain on the waiting list and completing a feasibility study to determine the economics of moving forward with a solar energy project. Staff will complete the study in October prior to potentially receiving a conditional reservation and will report the results to the Board. In order to expedite the study, staff is planning to add a task to Butier Engineering's current agreement for services on the Phase IV Expansion. The study would be done by Butier's sub-consultant CDM, who has been performing power and electrical system reviews throughout the Phase IV Construction effort. The study is expected to cost less than \$25,000 and would be accomplished under the current agreement fee schedule. No increase in the agreement amount is anticipated.

Staff will also be working with SCE to see if there are additional energy efficiency measures that can be taken at the Water Recycling Plant.

FISCAL IMPACTS:

Funds are available in the Recycled Water Operations and Maintenance Budget for fiscal year 2005-06.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 15, 2005 and was recommended for approval at the August 22, 2005 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the Co-General Managers to pay SCE the application fee to remain on the waiting list for the SGIP.

LIST OF EXHIBITS:

None.

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