



INFORMATION REPORT

TO: DESALINATION TASK FORCE
FROM: PROGRAM MANAGERS
SUBJECT: ENERGY STUDY STATUS REPORT, PROJECT PORTFOLIO EXAMPLES AND FUTURE CONSIDERATIONS
DATE: NOVEMBER 16, 2011

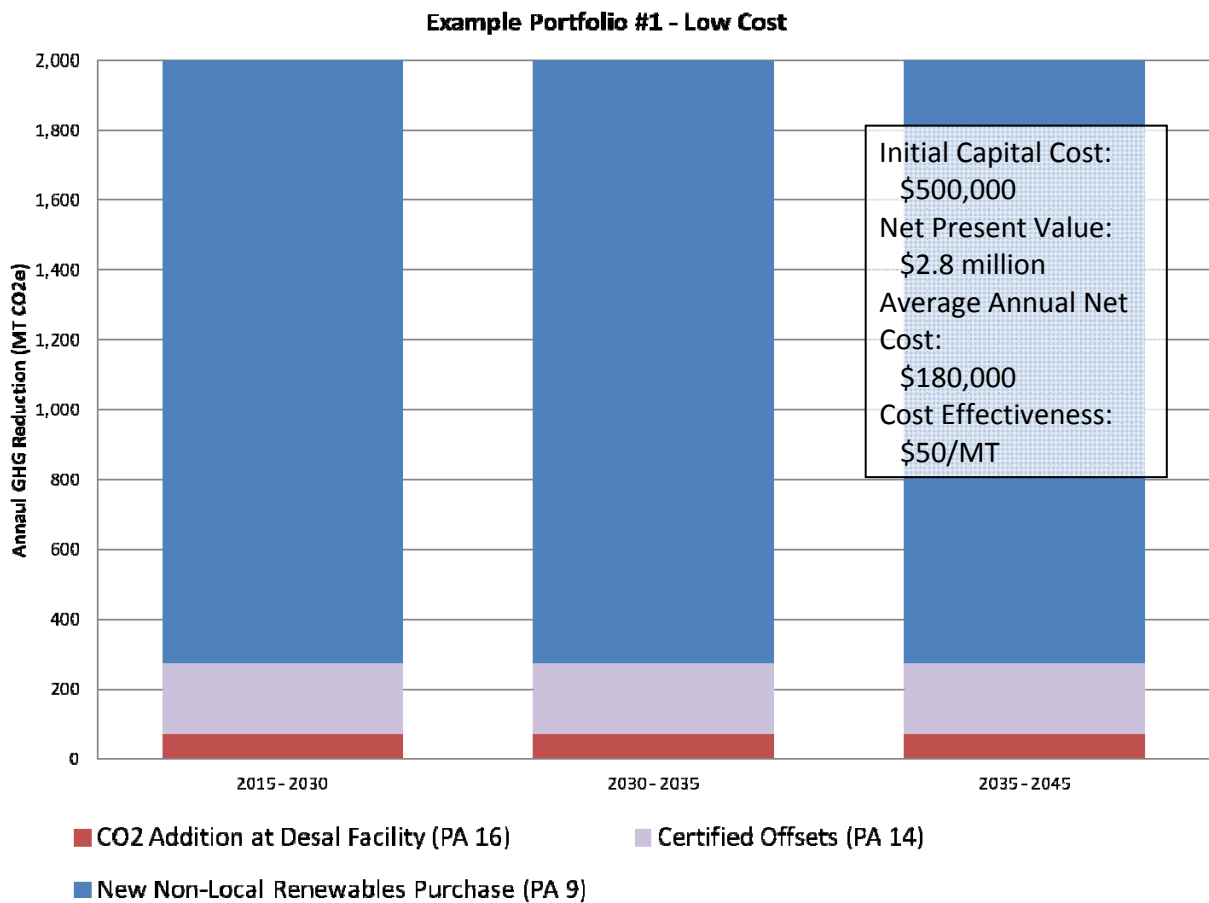
This information report serves as the seventh status report and will update the Task Force on work progress with regard to the Energy Minimization and Greenhouse Gas Reduction Plan (Energy Study). Energy Study work remains on schedule and generally follows the timeline below:

Item	Participants	Approximate Date
Example Feasible Project Portfolio Options	TF, Staff	November TF meeting
Discuss Energy Community Informational Meeting Agenda	TF, Staff	November TF meeting
Discuss future considerations with regard to: <ul style="list-style-type: none"> • Energy Study content and structure • potential CEQA required reductions • potential community-based voluntary reductions • potential regulatory reductions 	TF, Staff	November and January TF meetings
Energy Community Informational Meeting	TF, Staff, ETWG, community	December 8, 2011
Discuss Community Informational Meeting including noteworthy comments, recommendations and considerations.	TF, Staff	January TF meeting
Prepare draft Energy Minimization and Greenhouse Gas Reduction Plan	Staff, Kennedy/Jenks (K/J)	November - January
ETWG review of draft Energy Minimization and Greenhouse Gas Reduction Plan	Staff, K/J, ETWG	February
Present draft Energy Minimization and Greenhouse Gas Reduction Plan to scwd ² Task Force	TF, Staff, K/J, ETWG	March TF meeting

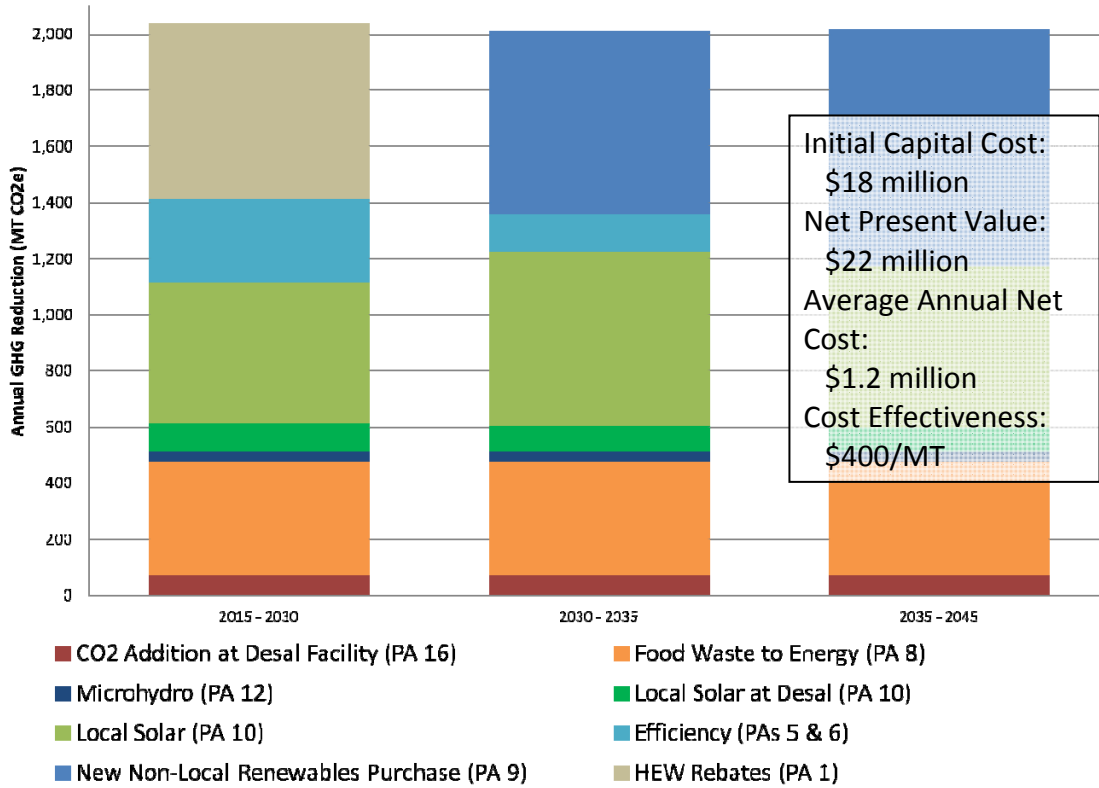
To date, staff, K/J and the ETWG have worked collaboratively to fulfill the primary and perhaps most significant Energy Study objective. The main objective of the Energy Study is to recommend specific projects and programs to offset the energy use and resulting indirect greenhouse gases of the proposed desalination project. The list of 11 GHG reduction projects recommended to the Task Force by the ETWG last month represents feasible projects and programs available that could be pursued by the agencies to offset energy consumption and indirect GHG emissions of the project. Following are various project portfolios, or combinations of projects and programs, that could be formed to meet agency objectives.

Example Feasible Project Portfolio Options

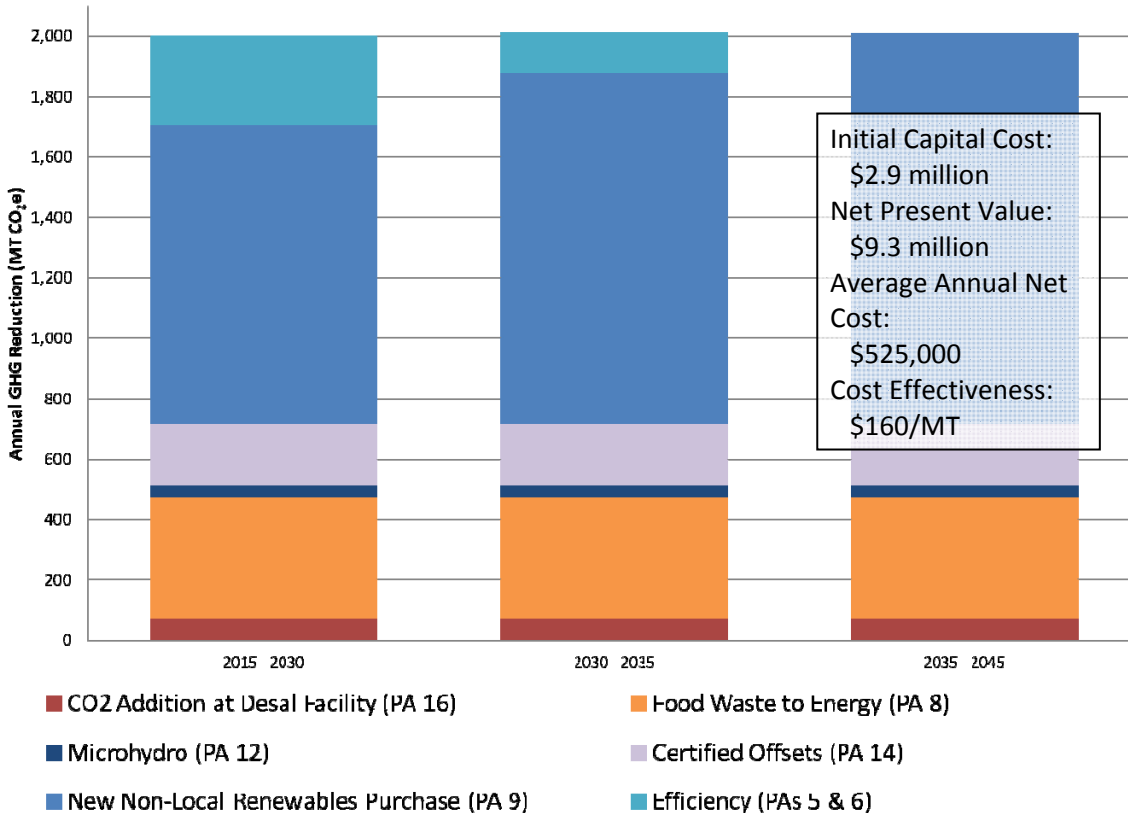
Three potential project portfolio options are presented below; Low Cost, Local, and Local/Cost Balanced. Each of the three presents a total annual GHG reduction of 2000 MT CO2e for the life of the proposed desalination facility, approximately 30 years. Collectively the portfolios should demonstrate two major portfolio assembly considerations: flexibility versus security and the potential cost range.



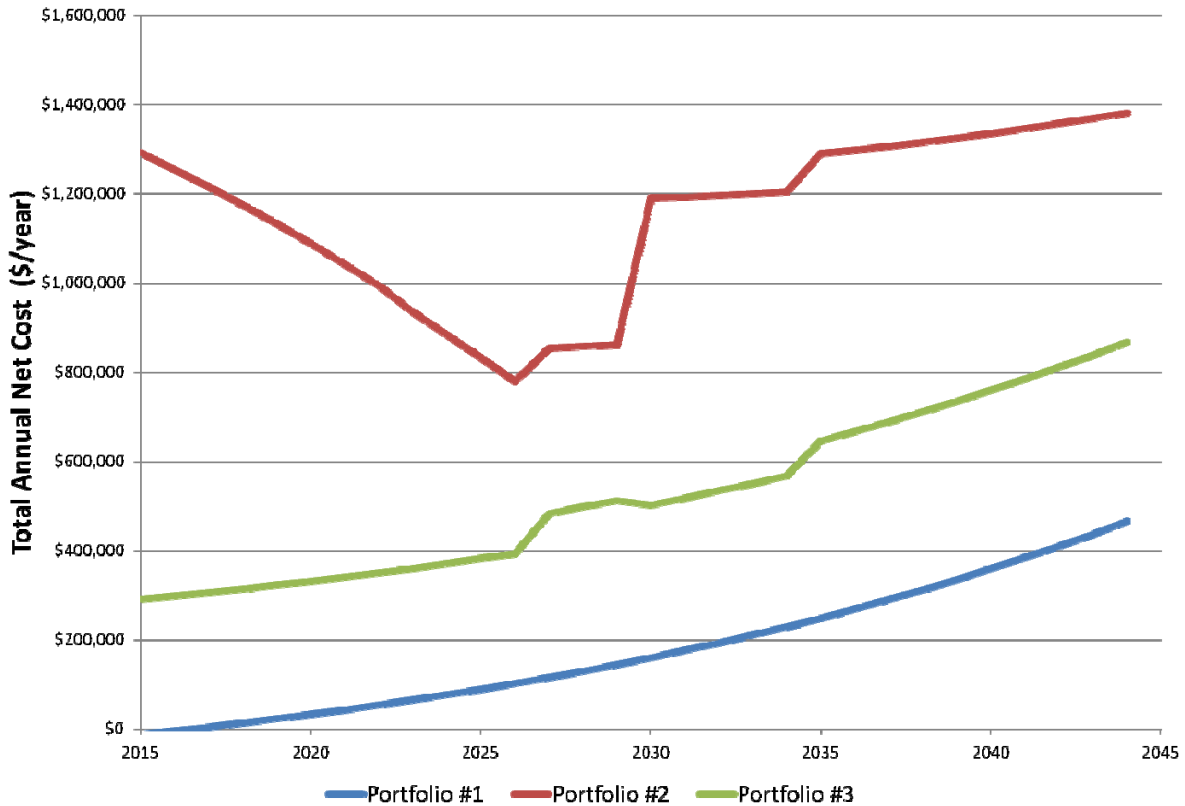
Example Portfolio #2 - Local



Example Portfolio #3 - Local/Cost Balance



Total Annual Net Cost Comparison



Next Steps and Future Considerations

Staff continues, with the assistance from K/J and the ETWG, to develop and streamline the content and structure of the Energy Study. At this time, staff expects the following content to be included in the draft Energy Minimization and Greenhouse Gas Reduction Plan.

1. Projected energy use and associated indirect GHGs of the desalination facility.
2. Incremental change to existing City and District water systems' energy use and associated indirect GHGs with desalination as a supplemental supply.
3. Potential required GHG mitigation measures under CEQA (if desalination facility energy use and associated GHGs have a significant impact as defined under CEQA, TBD).
4. Potential voluntary community-based reduction goals for each agency.
5. Potential required regulatory reduction goals for each agency.
6. List of feasible projects that could be implemented in various policy oriented configurations to meet all required and voluntary GHG reduction goals.

Energy Community Informational Meeting Agenda

A separate Public Outreach Informational Report will outline the details, agenda and participants for the upcoming December 8, 2011 meeting.