



**WATER
AGENCY**

Energy Policy Workshop

Special Board Meeting

April 3, 2024

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Agenda

- Structure and Objective
- Energy Policy Framework Topics:
 - Policy Research and Scope
 - Policy Interviews and Policy Statement Focus Areas
 - Summary of Recommended Framework

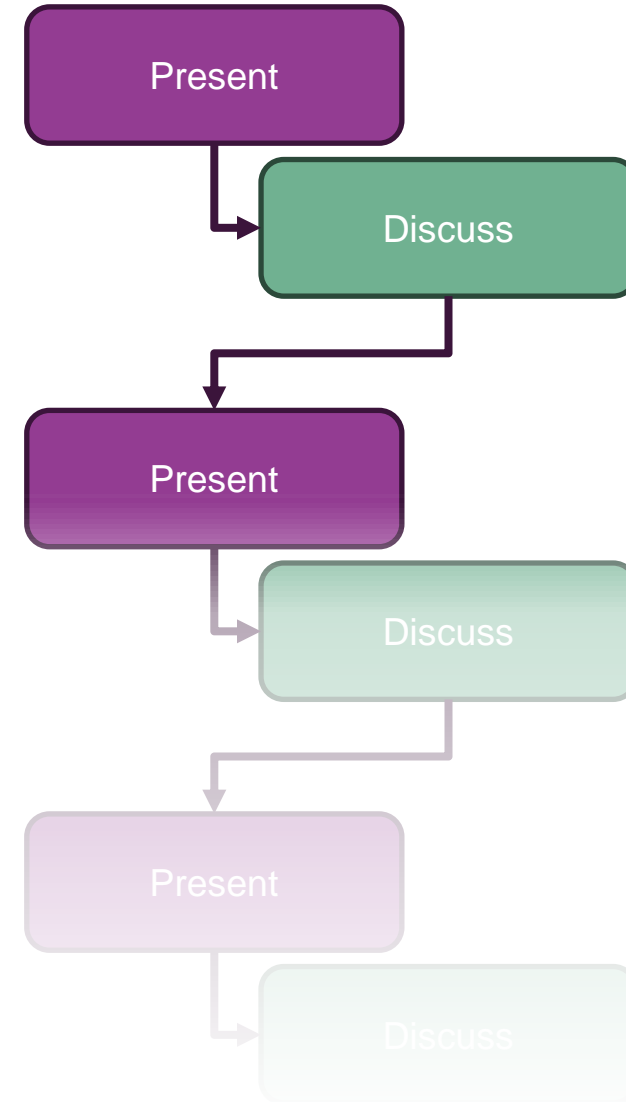
Structure and Objective



Board Workshop

Structure

- Project team will present on an agenda topic, and then facilitate a discussion on that topic.
- Repeat for each topic.



Board Workshop

Objective

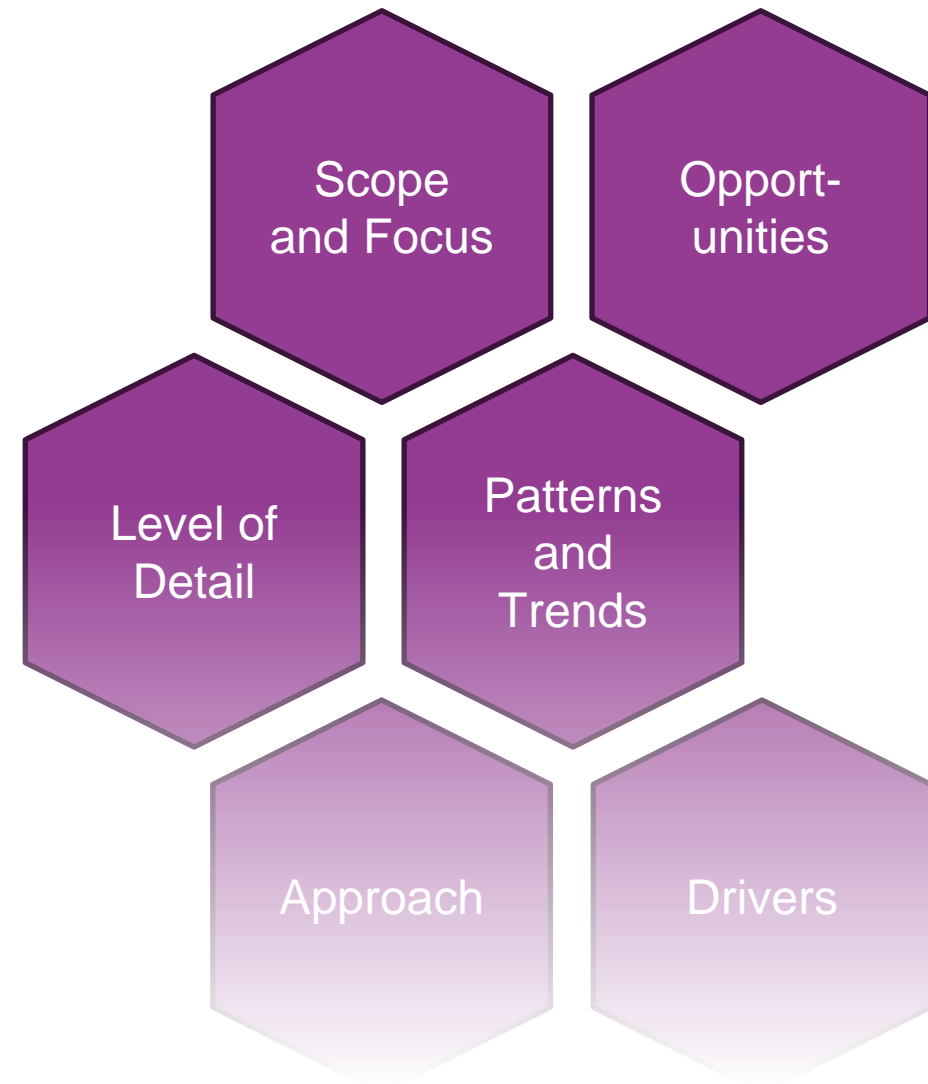
- Present the recommended energy policy framework and seek the Board's input and direction on energy policy development.

Policy Research and Scope



Policy Research

- Zone 7 policies
- Other agency policies
- Literature



A few selected agency examples ...

260k served



600k served



1,400k served



200k served



Range of Policies



600k served

- Broad, ambitious value statements
- Dual energy and climate approach



Dublin San Ramon
Services District

200k served

- Focused on mission-driven opportunities
- Program-level guidance



1,400k served

- Highly detailed
- Identifies specific targets and metrics
- Prescribes projects and approaches

Energy Policy Scope

- **Considerations**

- Extent of inclusion of Climate goals in addition to Energy
- Description of Agency's related values and priorities are described
- Level of detail and balance between program-level guidance and prescriptive policy language



Energy Policy Scope

- **Recommended for Zone 7**
 - Aligned with mission
 - Energy management in support of water supply and flood control
 - Aligned with Strategic Plan
 - Initiative #16: Develop and Implement an Energy Strategy
 - Focus on opportunities associated with Zone 7 facilities and operations

Discussion

- Do you have any input or direction with respect to the recommended scope of Zone 7's Energy Policy?



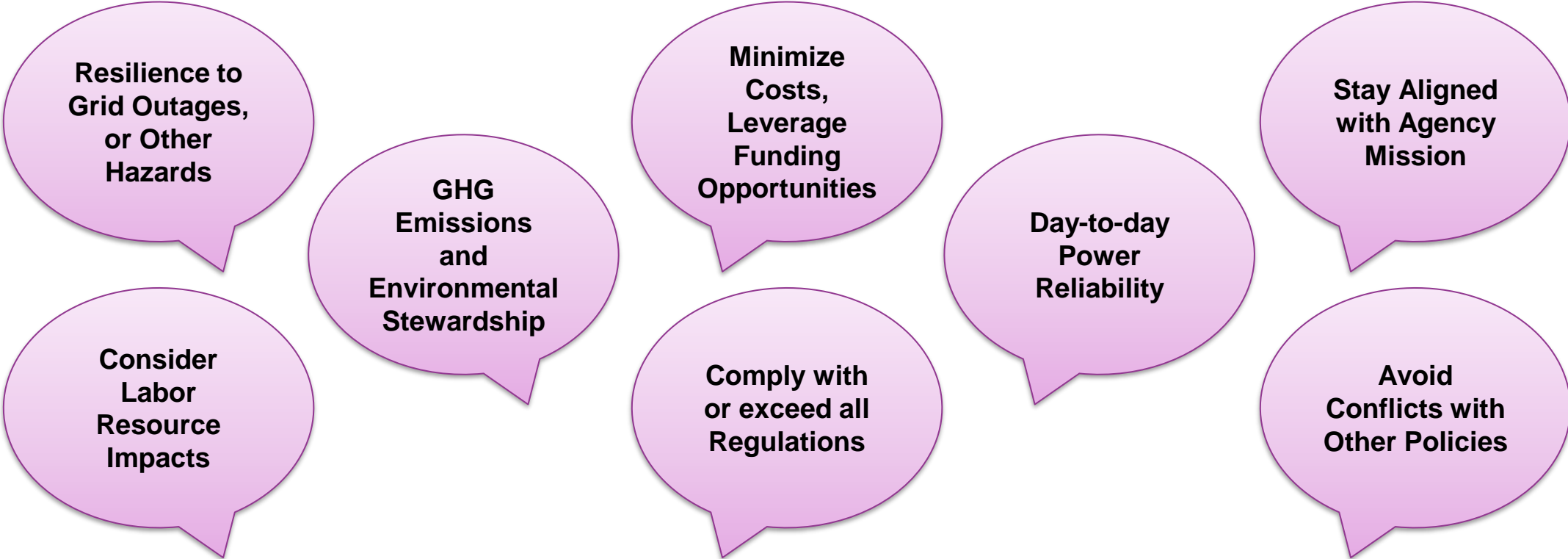
Interviews and Policy Statement Focus Areas



Interviews conducted

- Zone 7 Staff
- Zone 7 Management
- Zone 7 Retailers
 - City of Livermore
 - City of Pleasanton
 - California Water Service
 - Dublin San Ramon Services District

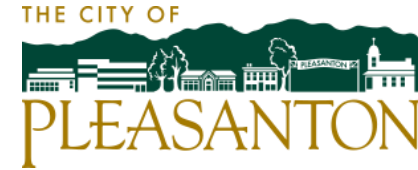
Priorities from Zone 7 Interviews



General Retailer Priorities



1. Cost savings
2. Resiliency



1. Cost savings



1. Renewable energy
2. Future regulatory compliance
3. Reduce GHG if cost is reasonable
4. Cost stability



1. Cost savings

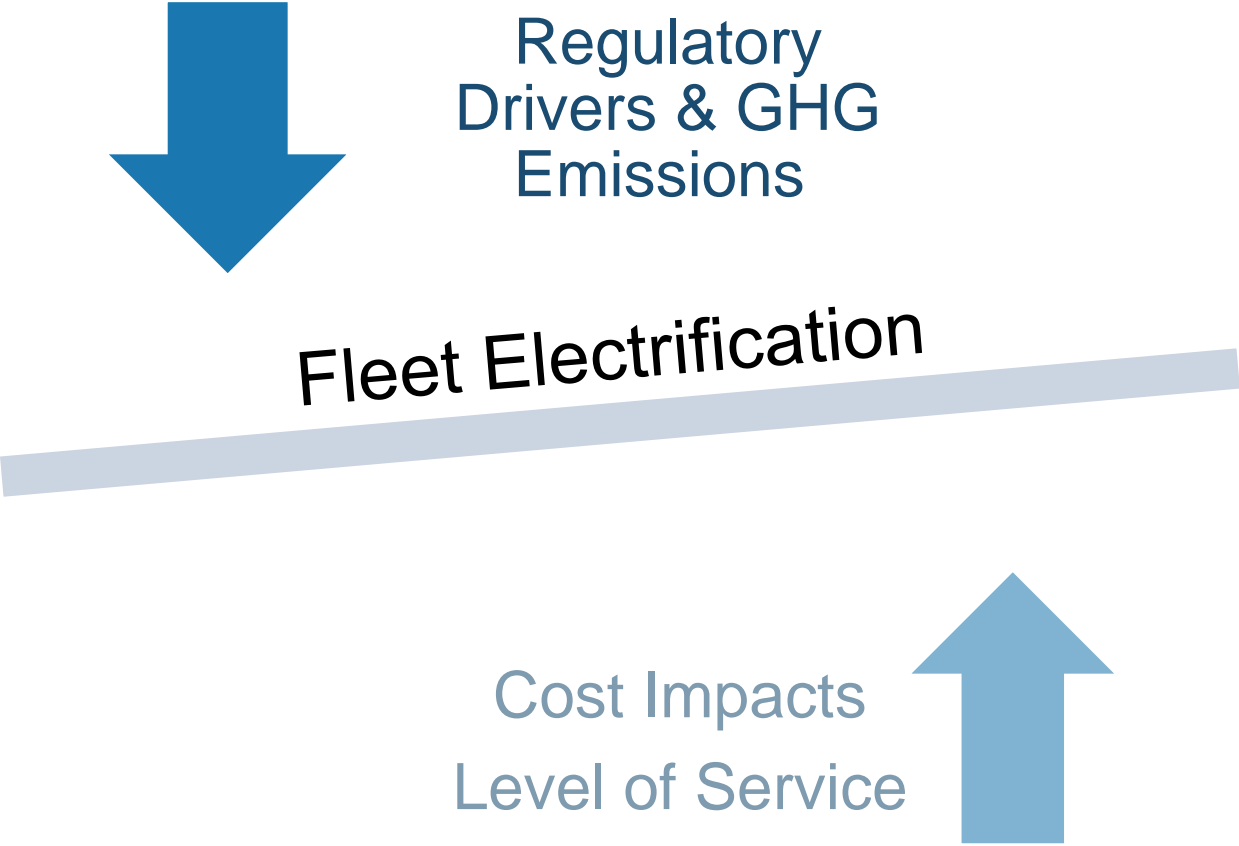
Balancing competing complexities and Zone 7's priorities

- Environmental Stewardship
- Industry Leadership
- GHG Reduction Goals
- Future Regulations
- Sustainable Energy Sources



- Return on Investment
- Sunk Costs in Existing Infrastructure
- Reliability and Resilience
- Cost Increases
- Resource Limitations
- Mission Alignment

Example of competing objectives



Energy Policy Focus Areas

- Guide the development of specific policy statements
- Ensures policy addresses issues identified as important to Zone 7



Discussion

- Do you have any input or direction with respect to the policy interviews or development of the policy statement focus areas?



Recommended Framework



Policy Framework

- Establish a policy scope that is aligned with Zone 7's mission and the Strategic Plan, and focuses on opportunities associated with Zone 7 facilities and operations.
- Develop one or more policy statements for each Focus Area.



Fiscal Responsibility

- Zone 7 will strive to make fiscally responsible energy investments in support of the Agency's water and flood protection services.
- Achieve cost savings or avoid expected future costs, reduce the Agency's exposure to energy price volatility, and leverage available energy procurement and funding opportunities to maximize the cost-effectiveness of investments in energy management.
- Zone 7 will strive for a payback period of 15 years to recover the costs of energy projects.

Reliability and Resilience

- Increase the energy reliability and energy resilience associated with Zone 7 services and operations, supporting effective service delivery during normal conditions, and promoting preparedness for emergency conditions and energy disruptions.
- Adopt energy efficient operational practices.
- Incorporate energy efficiency into the design of facilities.

Resource Optimization

- Advance and continue to implement energy conservation operational practices, programs, projects, and initiatives that promote good stewardship of public funds and make efficient use of Agency staff resources.
- Maintain a diverse energy portfolio.

Environmental Responsibility

- Implement projects and programs that are aligned with the Agency's values of environmental sensitivity and collaboration to promote energy-related investments that foster community and regional stewardship while minimizing impacts to the environment and promoting sustainable practices.
- Procure renewable energy and reduce greenhouse gas emissions as much as feasible.

Compliance and Governance

- Set the Agency to meet or exceed federal, state, and local energy and greenhouse gas emission regulatory targets in a manner that maintains quality of service and aligns with other Zone 7 policies.
- Achieve regulatory compliance for the Zone 7 fleet.

Examples of Project Alignment with Focus Areas

Project	Fiscal Responsibility	Reliability and Resilience	Resource Optimization	Environmental Responsibility	Compliance and Governance
Fleet electrification				✓	✓
Onsite Solar	✓	✓	✓	✓	✓
Electrical System Improvements	✓	✓	✓		
Pump Optimization	✓	✓	✓		
Battery Energy Storage Systems	✓	✓		✓	

Discussion

- Do you have any input or direction with respect the focus area examples presented?



Next Steps

- Staff will take the Board's input and direction and prepare a draft Energy Policy for the Board's consideration at a future regular Board meeting.
- Following this Policy task, the Energy Master Plan will begin prioritizing potential projects.





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End