

# **Energy Management Policy**

(Adopted by the San Diego County Water Authority Board of Directors on September 26, 2013)

## **Background**

The San Diego County Water Authority is the regional wholesale water supplier for the San Diego region, serving 24 member retail water agencies. In this capacity, the Water Authority is implementing an Energy Management Policy to control and minimize the Water Authority's current and future energy costs. This policy will be reviewed periodically to ensure its consistency with current legislation and other policies.

A relatively small user of energy overall, the Water Authority recognizes the critical role energy supply plays in the transportation and treatment of water, the impact of energy costs on ratepayers and of our regions dependence on out-of-state energy supplies. While fortunate that the geography of San Diego County allows for the gravity distribution of water to the member agencies, additional reductions in energy consumption will have both local and state-wide benefit. Understanding the water/energy nexus is critical to the efficient delivery of essential public services, such as water supply, and key to accomplishing the mission of the Water Authority. In addition, the Water Authority may assist its Member Agencies in acquiring energy to meet their needs.

The Water Authority, as a corporate good citizen, is committed to conserving energy in all our activities. We recognize our responsibility to be good stewards of our environmental resources and the importance of establishing a culture that promotes energy efficiency.

## **Purpose**

The Water Authority Board of Directors has established this Energy Management Policy, providing direction on how the Water Authority may implement and administer energy efficiency projects and programs where economies of scale, geographic considerations, or other member agency circumstances make a regional program more efficient or cost-effective. It is the policy of the Water Authority to consider the energy-producing potential of existing and planned projects with the objective of harvesting electrical energy wherever a comprehensive study shows that generating electricity will be cost-effective. Just as the Water Authority has pursued diversification of its water supply portfolio to reduce potential supply shortages, energy diversification is critical to reducing both economic and distribution system risk. The policy also provides additional direction to Water Authority staff for the advocacy, evaluation, prioritization, development and implementation of energy efficiency projects or programs affecting the Water Authority, its member agencies, and/or regional energy use.

## Policy

- Purchasing
  - Make purchasing decisions based on utilizing available energy-efficient products while assuring quality, performance, and durability.
  - Maximize energy conservation when purchasing equipment and products.
- Facilities Maintenance and Operation
  - Facilities will be operated and maintained in accordance with energy best management practices.
  - Evaluate investment in metering, building controls, and energy monitoring systems to enable the Water Authority to support demand response programs
  - Maximize off-peak use of gas and electricity.
- Energy Reliability and Independence
  - Develop cost-effective programs, energy projects, and initiatives to control operational costs and move the Water Authority towards increased energy independence.
- Funding
  - Pursue a broad, cost effective strategy for energy efficiency that takes into account legislative action, consumer response to water rates, and programmatic approaches that minimize financial impact to the ratepayer.
  - Pursue additional funding sources as appropriate, including loans, grants, utility incentives, rebates, leases, power purchase agreements, energy services companies, pooled credit, and reinvestment of savings.
  - Ensure that the Water Authority and its member agencies receive an equitable share of energy efficiency programs funded by the Metropolitan Water District of Southern California and other funding programs.
  - Pursue cost effective renewable energy projects that provide alternative revenue streams and contribute to overall energy cost containment.
- Innovation
  - Pursue innovative and cost-effective applications of new renewable energy sources (e.g. in-line hydro-generation, solar, wind).
  - Continually pursue cost effective advances in renewable energy technology.
- Energy Contracting
  - Periodically review utility rates and tariffs for potential energy savings.
  - Maintain maximum flexibility on existing and future energy contracts to hedge against cost and regulatory risk.
- Inter-agency Cooperation
  - Implement and administer regional energy efficiency projects and programs with member agencies where economies of scale can make a regional energy program more efficient and/or cost-effective.
  - Pursue collaborative partnerships with compatible federal, state, and local agencies or private organizations to maximize energy program benefits.

- Identify collaborative programs and initiatives between the water and energy industries, promoting good corporate citizenship and constructing sustainable partnerships.
- Implement and administer energy use efficiency programs that ensure proportional benefits for all member agencies.
- Periodically determine and update the collective energy use of the Water Authority and its member agencies (i.e. the Regional Water System).
- Legislation
  - Pursue legislation with other organizations to protect or enhance reliability of energy supply and mitigate energy cost risk.
  - Support legislation that lowers the cost of electricity and supports the Water Authority's ability to generate and market the energy that it produces.
  - Encourage and promote the adoption of off-peak energy rates.
- Design and Construction
  - Design facilities to take maximum advantage of passive and natural sources of heat, cooling, ventilation and light.
  - Integrate cost effective energy retrofit projects into the Water Authority's CIP/Asset Management process.
  - Annually evaluate and update Water Authority designs and specifications so that the most current energy conservation techniques, materials, and appliances are utilized.
  - Incorporate self-generation by using renewable technologies to reduce environmental cost impacts.
- Public Education
  - Promote cost-effective energy efficiency programs in all water use sectors and provide incentives to encourage implementation of energy saving programs.
  - Promote energy and water efficiency in all media outlets.
- Program Management
  - Periodically review this Energy Management Policy to ensure that the Policy remains efficient, economic, and up-to date.
  - Periodically evaluate the energy efficiency of the Twin Oaks Valley Water Treatment Plant and the Carlsbad Desalination Plant, and assess the implementation of any applicable energy savings program.
  - Encourage Water Authority participation with energy related trade organizations.
  - Integrate the policies of this Energy Management Policy into the Climate Action Plan as part of the Water Authority's overall efforts to address energy management, sustainability, and compliance with state and federal greenhouse gas reductions requirements.