Special E&O Committee
San Vicente Pumped Storage Project Study

August 14, 2014
Agenda

- Hydropower Task Force Update
- Project Schedule
- Future Board Decisions
  - August 28, 2014
  - Late 2014/Early 2015
- Regulatory Context for Hydro Pumped Storage
- Federal Energy Regulatory Commission (FERC) Permit Background and Status
Hydropower Task Force Scope

- Track operations of existing hydro facilities
- Provide guidance on the San Vicente Pumped Storage Study
- Provide guidance on hydropower purchase agreements
- Oversee the planning and installation of in-line hydro facilities
Taskforce Members

- Mike Hogan (Chair)
- Gary Arant
- Brian Brady
- Marty Miller
- Javier Saunders
- Ron Watkins
- Ken Williams
- Doug Wilson
Status on Task Force’s Efforts

- Black & Veatch’s Economic and Financial Study
- Project delivery alternatives and schedule
- Initial Water Authority/City Agreement
- Financial metrics discussions
- Power market outlook discussions
- CPUC and CAISO coordination
- Response to FERC third preliminary permit denial
What Still Needs to Be Done

- Work toward CAISO application, which requires:
  - Refining of engineering configuration
  - Inlet/outlet study
  - Water quality modeling for Pure Water Project

- Work toward FERC licensing which requires:
  - Initial environmental screening of upper reservoir alternatives to two
    - Geotechnical desktop study
    - Resource agency and tribe consultations
    - Conceptual design
  - Preliminary design
  - CAISO application
  - Completed environmental review
  - Regulatory agency permits

- Power market, financial, and legal services
- Project delivery method selection
Schedule

Periodic Hydropower Task Force Meetings and Board Updates

FERC Response to Re-hearing Request

Anticipated FERC Decision

For Board Consideration
  • Project approval
  • CAI SO application submission + fee
  • Funding for conceptual design and support services

Submit application to CAI SO

For Board Consideration
  • City agreement
  • Contract amendment
  • Authorization of expenditure
August 28th Board Decisions

Staff will be recommending:

- Approval of:
  - IPR - storage study
    - Modeling of lower reservoir
    - Inlet/outlet study
  - Reduction of upper reservoir alternatives
    - Fatal flaw analysis of alternatives
    - Geotechnical desktop studies
    - Initial consultations - resource agencies & Native American tribes

- Approval of Agreement with City of San Diego
- Authorization to expend funds - $800K
Late 2014/Early 2015 Board Discussions

Provide funding for following activities:

- Detailed studies needed to complete work toward license application filing
  - Environmental – CEQA and NEPA
  - Geotechnical field work
  - Conceptual design
  - CAISO Permit Application in April 2015
- Board of Senior Consultants
- Legal, power market, and financial support
Water Authority’s FERC Permit SVPS

- Received 1st Preliminary Permit (Mar 2007)
- Applied for 2nd Preliminary Permit (Mar 2009)
- 2nd Preliminary Permit Applied for (Mar 2010)
- 2nd Preliminary Permit Received (Jul 2010)
- Applied for 3rd Preliminary Permit (Jul 2011)
- 3rd Preliminary Permit Denied (Jul 2012)
- WA Submitted Re-hearing Petition (Jun 2014)
- 3rd Preliminary Permit Re-hearing Petition Denied (Jul 2014)
Federal Power Act (FPA)
- Establishes regulatory authority over energy projects
- Allows for issuance of preliminary permits
  - Purpose and successive permits
- Grants licenses for energy projects
  - Permission to construct
- Allows for “Municipal Preference”

FPA implemented by FERC
- Authority to issue power project permits and licenses
- Up to five Commissioners appointed by the President, with consent of Senate; 5-year term
Order of Denial issued June 24, 2014

- Did not demonstrate due diligence, focus was only on the dam raise. Could have pursued:
  1. Environmental alternatives screening
  2. Preliminary/desktop geotechnical study
  3. Consultations with resource agencies and tribes

- Did not provide explanation of Extraordinary Circumstances

- “Site banking” issue
  - Applicability to this project?
Significance of Order

- Denial of permit means nobody currently holds a preliminary permit at San Vicente
- Lack of progress will not be viewed favorably by FERC
- Low risk of others obtaining FERC permit or license
  - Water Authority and City own water/storage rights, facilities and land
  - No other entities have pursued necessary studies
Water Authority Response

- Retained Washington, D.C., FERC attorney to advise and provide support for Rehearing
- Filed petition for Rehearing on July 24, 2014
  - Asks Commission to grant 3rd Successive Permit
  - Requests clarification on “cooling period”
- Congressional letter sent to FERC on July 31, 2014 in support of hydro pumped storage in San Diego County

[Request for Rehearing]

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

San Diego County Water Authority  )  Project No. 12747-

REQUEST FOR REHEARING OR, IN THE ALTERNATIVE, CLARIFICATION OF SAN DIEGO COUNTY WATER AUTHORITY
Rehearing Request

Request filed July 24, 2014:

- Argues there were extraordinary circumstances not part of the record and their consideration
  - Carryover Storage Project dam raise
  - Added 4th Upper Reservoir location for study
  - City’s Indirect Potable Reuse Project activities
- In the alternative, requests clarification on timing to file a new preliminary permit application
  - Define 6-month “cooling period”
Congressional Support

- Congressional letter sent to FERC on July 31, 2014
- Expressed concern over FERC denial of third successive preliminary permit
- Discussed work thus far and next steps for advancing project
- Expressed support for rehearing request and project
- Signed by:
  - Duncan Hunter
  - Juan Vargas
  - Scott Peters
  - Susan Davis
- Anticipated phone calls from Darrell Issa’s and Duncan Hunters’ offices
Appropriate Timing

- Window of opportunity in the energy market for large-scale pumped storage
- Demonstrate due diligence with FERC to support our petition
  - Move forward with alternatives screening and geotechnical desktop studies
  - Resource agency and tribe consultation
- Continue coordination with City on Pure Water Project additional modeling
- Information needed to prepare CAISO application for April 2015 submission
- Strong congressional support
Summary

- Demonstrate due diligence to FERC
- August 28 Board actions
- Begin studies that progress toward licensing
- Begin resource agency and tribe consultation
- Coordinate with City on Pure Water project
- Continue to meet with Hydropower Task Force and Board
“Drought Alert” Enhanced Outreach Plan

Legislation, Conservation and Outreach Committee
August 14, 2014
Outline

- Objectives
- Messages
- Web Portal
- Advertising
- Media Partnerships
- Community Outreach
- Ongoing Efforts
- Conservation Program Adjustments

Save every day, every way.
Objectives

- Achieve compliance with restrictions, immediate use reductions
- Raise awareness of serious, worsening nature of drought
- Minimize confusion, maintain credibility

U.S. Drought Monitor, July 15, 2014
Message Transition

- Move to more serious, no-nonsense tone
- Emphasize mandatory restrictions in effect
- Deliver general regional message
- Drive traffic to local agency sites for specific rules
- Support investments
When in Drought.org Changes

- Directory to local agency ordinances/rules
  - Available today
- Address/zip code guide to conservation programs
Advertising

- **TV**
  - Update existing TV spot with “Serious” look, list of restrictions
    - Limits on watering days/times
    - No midday watering
    - No runoff
    - No washing down paved surfaces
    - Leaks fixed within 72 hours
  - Extend KGTV/Azteca buy
    - Spanish translation included
  - Add buys on more stations
Advertising

- Online
  - Continue Google ads
  - Online news sites
Advertising

- **Radio**
  - Runs on Clear Channel stations
  - Target to support specific initiatives
  - Distribution of signs, materials
  - Program support & awareness
Media Partnerships

- Broadcast PSAs
  - Provide updated TV spots to all local stations
  - Public access channels
    - :10, :15, :30 versions
  - PSA copy to local radio stations
  - Pursue local celebrity endorsers to increase interest
    - Increase social media followings
Media Partnerships

- Community newspapers
- Provide updated “Serious” print ads to all papers
- Ask for remnant space to leverage campaign
- Translated versions
Business Outreach

- Convey campaign through own tools (newsletter, email, etc.)
  - Regional and local chambers, EDCs
  - BIOCOM, IEA, other industry groups
- Host executive-level roundtable
Property Stakeholders Outreach

- Apartment association
  - Tips doorhanger
  - Tenant outreach
- HOA groups
- Property management companies, associations (BOMA), Realtors
- Military housing units
Community Outreach

- Convey campaign through own tools (newsletter, email, etc.)
  - Service clubs (Rotary, Elks, Kiwanis, etc.)
- Largest religious denominations, congregations
  - Catholic, Mormon, Jewish, Baptist, Presbyterian, Methodist, Muslim
  - Rock Church, Skyline, North Coast
- Civic, environmental groups
Elected Official Outreach

- Convey campaign through own tools (newsletter, email, etc.)
- Convene fall drought summit for regional elected officials
  - Pursue League of Cities partnership
Community Outreach

- Partnerships
  - Seek more high-profile locations
  - Regional gardens
  - Sports teams (Padres/Chargers/Aztecs)
- Restaurant Association
  - Table tent distribution
  - Promote during fall Restaurant Week
Empower more people to promote conservation
- Individual “community partners”
- Different promotional items
- Multiple distribution channels
  - Water Authority events
  - Member agency outreach
  - Conservation program participants
    - Home Depot plant fairs
  - Radio partnerships
Back to School Outreach

- College students
  - Magnets to on-campus/apartment residents
    - Focus: indoor tips
  - Integrated social media
  - Selfie promotion to drive traffic, engagement
- K-12
  - Update assemblies for drought information

Magnet layout
Yard Signs

- Target homeowners, other properties
  - Positive reinforcement
  - Recognition for people who are taking action

![Image of yard sign]
Other Items

- Meet needs of different audiences
  - HOA residents, apartment dwellers, etc.

- Vehicle magnets

- Lapel pins

- Magnetic signs for water agency vehicles
Ongoing Outreach

- Materials for member agencies
- E-newsletter, social media
- Community events
  - Politifest
  - Restaurant Week
  - Miramar Air Show
Ongoing Outreach

- Media relations
  - Proactive pitches
  - Timely opportunities
  - Program promotion
  - Leading examples
- Speakers Bureau
  - Board member involvement
Conservation Programming

- Additional water-efficient landscaping classes
  - Two new makeover series in August
- Fall plant fairs with The Home Depot
  - Begin Sept. 27
- Commercial outreach with SDG&E
- Sustainability Circles
Conservation Program Adjustments

- WaterSmartSD.org
  - Direct links to popular programs on home page
- Promote PACE programs
- Add “Price Guide” feature
Conservation Program Adjustments

- Turf Replacement Rebate Program
  - Working with MWD to simplify application
  - Provide clear guide to customers of program choice

- Artificial turf public-private partnership
Conservation Program Adjustments

- **WaterSmart Checkup Program**
  - Allow contractor to re-program irrigation controllers
  - Generate immediate compliance + savings
  - Support with event outreach and marketing
Resources

- Funding available
  - Remaining DROP grant funds
  - Redirect funds within Public Outreach and Conservation budget
  - Support aggressive plan through end of 2014