



Agenda Item No. _____

File Code No.

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Authorization Of Payment To Southern California Edison For Interconnection At The City's Hydroelectric Plant

RECOMMENDATION:

That Council authorize the Public Works Director to approve payment to Southern California Edison for installation of interconnection equipment at the City's Hydroelectric Plant in the amount of \$106,628, and an additional \$10,663 to cover any unforeseen costs.

DISCUSSION:

The City owns the Hydroelectric Plant (Plant) located at 1402 San Roque Road, which is located within the fenced enclosure around Lauro Reservoir. The Plant receives water from the City's Gibraltar Reservoir that is delivered to Santa Barbara via the City's Mission Tunnel. In 1985, the Plant began producing electrical power which was sold to Southern California Edison. The Plant was idled in 1998, when it was determined that the project operation and maintenance costs, along with regulatory burdens, exceeded the income from power sales.

Staff is in the process of re-commissioning the Plant. On July 2, 2013, Council introduced and subsequently adopted a City Ordinance Authorizing the City's Execution and Delivery of a California Renewable Energy Small Tariff Agreement with Southern California Edison, Inc., (SCE) to enable the City to sell its hydroelectric power to SCE.

SCE's electrical interconnection equipment at the Plant has been idle since 1998. The equipment needs to be upgraded to modern standards prior to the Plant being restarted. SCE has provided the City with a detailed list of the required improvements and a cost estimate of \$106,628 for labor and materials and other costs associated with re-commissioning the plant. Staff is requesting authorization of an additional \$10,663, or 10%, to cover any unforeseen costs.

BUDGET/FINANCIAL INFORMATION:

There are sufficient appropriated funds in the Water operating budget to cover these costs.

SUSTAINABILITY IMPACT:

Re-commissioning the Plant will result in the production of clean and renewable hydroelectric power. It has been estimated by Brown & Caldwell Engineers, Inc., that, initially, the Plant can produce 1600 megawatt hours (MWh) of power annually. Because of siltation at Gibraltar Dam, the amount of power generation will decline over time and eventually will reach a steady annual production of 975 MWh, which is enough power to meet the electrical demand of approximately 200 single family homes.

PREPARED BY: Catherine Taylor, Water System Manager/CT/mh

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office