



Legislation Details (With Text)

File #: 2021-0052
Type: Consent Calendar Item **Status:** Agenda Ready
File created: 1/21/2021 **In control:** Sonoma County Water Agency
On agenda: 3/2/2021 **Final action:**
Title: Western Area Power Administration Contract for Electric Service
Sponsors: Sonoma County Water Agency
Indexes:
Attachments: 1. Summary Report, 2. Resolution, 3. Agreement

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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To: Board of Directors, Sonoma County Water Agency
Department or Agency Name(s): Sonoma County Water Agency
Staff Name and Phone Number: Dale Roberts 707-547-1979
Vote Requirement: Majority
Supervisory District(s): Countywide

Title:
Western Area Power Administration Contract for Electric Service

Recommended Action:

Adopt a resolution of the Board of Directors of the Sonoma County Water Agency (Sonoma Water) Authorizing the General Manager to execute Contract No. 020-SNR-02385, and any subsequent amendments or new agreements, between Sonoma Water and the Western Area Power Administration for electric service.

Executive Summary:

Western Area Power Administration (WAPA) provides hydroelectric power generated at facilities of the Central Valley Project to water districts, irrigation districts, and other public agencies at the cost of generation, plus administrative costs. WAPA power provides a fossil fuel free source of power at rates competitive with market rates. WAPA power costs have averaged within 5 percent of market cost of electric power for the last ten years, with WAPA power costs being less expensive in wet years and more expensive in dry years. Sonoma Water has been cost effectively purchasing hydroelectric power from WAPA under various 10 year agreements since 1984. Purchasing hydroelectric power from WAPA contributes up to 50% of Sonoma Water's power supply annually and allows Sonoma Water to cost effectively meet our Carbon Free Water goal.

Sonoma Water's current power purchase agreement with WAPA is scheduled to terminate at midnight on December 31, 2024. Sonoma Water desires to enter into a power contract similar to previous years. Sonoma Water staff recommend the Board of Directors of the Sonoma County Water Agency (Sonoma Water) adopt a resolution authorizing the Sonoma Water General Manager to execute Contract No. 020-SNR-02385, and any subsequent amendments or new agreements, between Sonoma Water and the Western Area Power Administration for electric service.

Discussion:

HISTORY OF ITEM/BACKGROUND

The Western Area Power Administration (WAPA) provides electric power generated at WAPA's 57 Sierra Nevada Region (SNR) Central Valley Project (CVP) hydroelectric power facilities to public agencies at the cost of generation plus administrative costs. WAPA power provides a fossil fuel free source of power at rates competitive with market rates. WAPA power costs have averaged within 5 percent of market cost of electric power for the last ten years, with WAPA power costs being less expensive in wet years and more expensive in dry years.

In 1984, Sonoma Water entered into a contractual agreement with WAPA providing for the delivery of Central Valley Project hydroelectric power to Sonoma Water's Wohler pumping facilities. The contract was renewed in 1994 for the continued delivery of electric service to these facilities through December 31, 2004. The contract was renewed again in 2000 for the continued delivery of electric service to these facilities through December 31, 2024.

Sonoma Water has been cost effectively purchasing hydroelectric power from WAPA under various 10 year agreements and amended agreements since 1984. Purchasing hydroelectric power from WAPA contributes up to 50% of Sonoma Water's power supply annually and allows Sonoma Water to cost effectively meet our Carbon Free Water goal which is part of Sonoma Water's Energy Policy. The amount of power purchased is a percentage of the amount produced by CVP's 57 hydroelectric power plants throughout California.

As part of the Power and Water Resources Pooling Authority (PWRPA), Sonoma Water pools its WAPA power with other PWRPA participants. PWRPA participants then share their WAPA power allotments with other PWRPA participants based on their respective demands. Sonoma Water uses much of the PWRPA's allotment of WAPA power in the winter when the PWRPA irrigation district participants have less water demand and consequent power demand for their irrigation customer base.

WAPA recently published its 2025 Power Marketing Plan (Marketing Plan), which allows existing WAPA customers to purchase the same amount of power as previous power purchase contracts under a new contract based on the Marketing Plan. In previous years, WAPA would amend their existing agreements with CVP customers. Now WAPA requires new agreements rather than amendments. Sonoma Water desires to enter into a power contract similar to previous years. Sonoma Water desires to enter into the Contract for Electric Service by executing Contract No. 20-SNR-02385, effective January 1, 2024 through December 31, 2054. Prior to the effective date of the contract, Sonoma Water shall have an opportunity to terminate the contract upon 90-days advance written as provided for in Paragraph 12.4 of Contract No. 20-SNR-02385.

Sonoma Water staff recommend that the Board adopt a resolution authorizing the General Manager of Sonoma Water (1) to execute Contract No. 20-SNR-02385 and (2) following consultation with County Counsel, to execute any subsequent amendments or new agreements between Sonoma Water and Western Area Power Administration for electric service.

REQUEST FOR SONOMA WATER GENERAL MANAGER AMENDMENT AND TERMINATION AUTHORITY

Staff recommend that the Board authorize Sonoma Water's General Manager to amend or terminate the agreement with approval of County Counsel.

Prior Board Actions:

- 03/22/2011: Approve the updated Energy Policy and authorize and direct the General Manager to implement the Energy Policy.
- 10/10/2000: Resolution authorizing the General Manager/Chief Engineer of the Sonoma County Water Agency to execute Contract No. 00-SNR-00353, and any subsequent amendments, between the Agency and the Western Area Power Administration for electric service
- 05/05/1998: Resolution authorizing General Manager to take specified actions in connection with the administration of contracts between the Agency and WAPA
- 06/04/1996: Resolution authorizing execution of Exhibit A, Revision 1 to Contract No. 92-SAO-20044 for electric service
- 02/27/1996: Resolution authorizing execution of Amendment No.1 to contract for electric service with WAPA

FISCAL SUMMARY

| Expenditures | FY 20-21 Adopted | FY21-22 Projected | FY 22-23 Projected |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses | | | |
| Additional Appropriation Requested | | | |
| Total Expenditures | | | |
| Funding Sources | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | | | |
| Use of Fund Balance | | | |
| Contingencies | | | |
| Total Sources | | | |

Narrative Explanation of Fiscal Impacts:

Sonoma Water will cost effectively purchase hydroelectric power from WAPA allowing Sonoma Water to continue meeting its Carbon Free Water goal.

| Staffing Impacts: | | | |
|--|--|-------------------------------|-------------------------------|
| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
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| | | | |

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1: Resolution

Attachment 2: Contract for Electric Service Base Resource (Contract 20-SNR-02385)

Related Items "On File" with the Clerk of the Board:

N/A