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Zone 7 Goes Solar in Water Treatment

Power Purchase Plan Reduces Energy Costs, Helps Environment

The Livermore-Amador Valley's Zone 7 Water Agency has taken a big step in both reducing energy costs and helping the environment through construction of a solar power project for operation of its Del Valle Water Treatment Plant in Livermore.

In partnership with Zone 7, Borrego Solar Systems Inc. designed and built, and now operates and maintains, the 348-kilowatt photovoltaic system at its own expense. Zone 7 will buy all of the electricity the plant produces at a fixed rate.

The solar panels will produce about a third of the energy Zone 7 uses in water-treatment and other operations at the Del Valle plant. Zone 7's estimated reduction in energy costs is expected to exceed \$800,000 for the 20-year term of the agreement. The savings could be substantially higher if conventional power costs escalate more than the conservative projections.

In addition, by reducing reliance on conventional power plants that burn fossil fuels, the project will cut annual greenhouse gas emissions that contribute to global climate change.

"This is a win-win for our water ratepayers and for the environment," said John Greci, president of the Zone 7 Board of Directors, during an open house event held Wednesday at the Del Valle site. "Zone 7 is trying to set an example, to set a green footprint and be responsible to our ratepayers at the same time."

He added that the Agency continues to explore additional ways to optimize its energy use in water treatment, groundwater pumping and overall operations.

The project has been financed using a popular solar financing model called a Power Purchase Agreement (PPA). Under this PPA, Borrego designed, built, owns and maintains the solar power installation on Zone 7 property. In return for the right to use Zone 7 land, Borrego agreed to sell the clean energy the solar installation produces to Zone 7 at pre-determined rates (currently 28 percent less per kilowatt-hour than the PG&E grid rate) for 20 years. The arrangement allows for Borrego to take advantage of federal tax credits, and does not require any upfront capital costs on Zone 7's part.



Andrea Olson of state Assemblywoman Joan Buchanan's office (left) provided a certificate of recognition for the solar project to Zone 7 Board President John Greci (center) and General Manager Jill Duerig (right).



Gary Buchanan of Borrego Solar Systems Inc. leads tour of solar facility during open house event.

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Zone 7 Water Agency is one of the 10 active zones of the Alameda County Flood Control and Water Conservation District. The District was established by the State Legislature in October 1949 to solve problems of flooding, drainage, channel erosion and water supply and conservation in Alameda County. In 1957, by popular vote, Zone 7 became a special district governed by a seven-member board of directors. Along with flood protection, Zone 7 supplies water to all of eastern Alameda County and a population of more than 200,000. Treated water is sold wholesale to local retailers, including the cities of Livermore and Pleasanton, the Dublin San Ramon Services District, and the California Water Service Company. Zone 7 also distributes untreated water to local agriculture operations and golf courses.