



**WATER  
AGENCY**

# **Consideration of the Draft Energy Policy**

**June 11, 2024**

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# Agenda

- Strategic Alignment and Background
- Board Feedback and Direction from the April Energy Policy Workshop
- Consideration of Draft Energy Policy



# Strategic Alignment and Background



# Strategic Plan Alignment

## **GOAL E**

Effective Operations

Provide the Agency with effective leadership, administration, and governance.

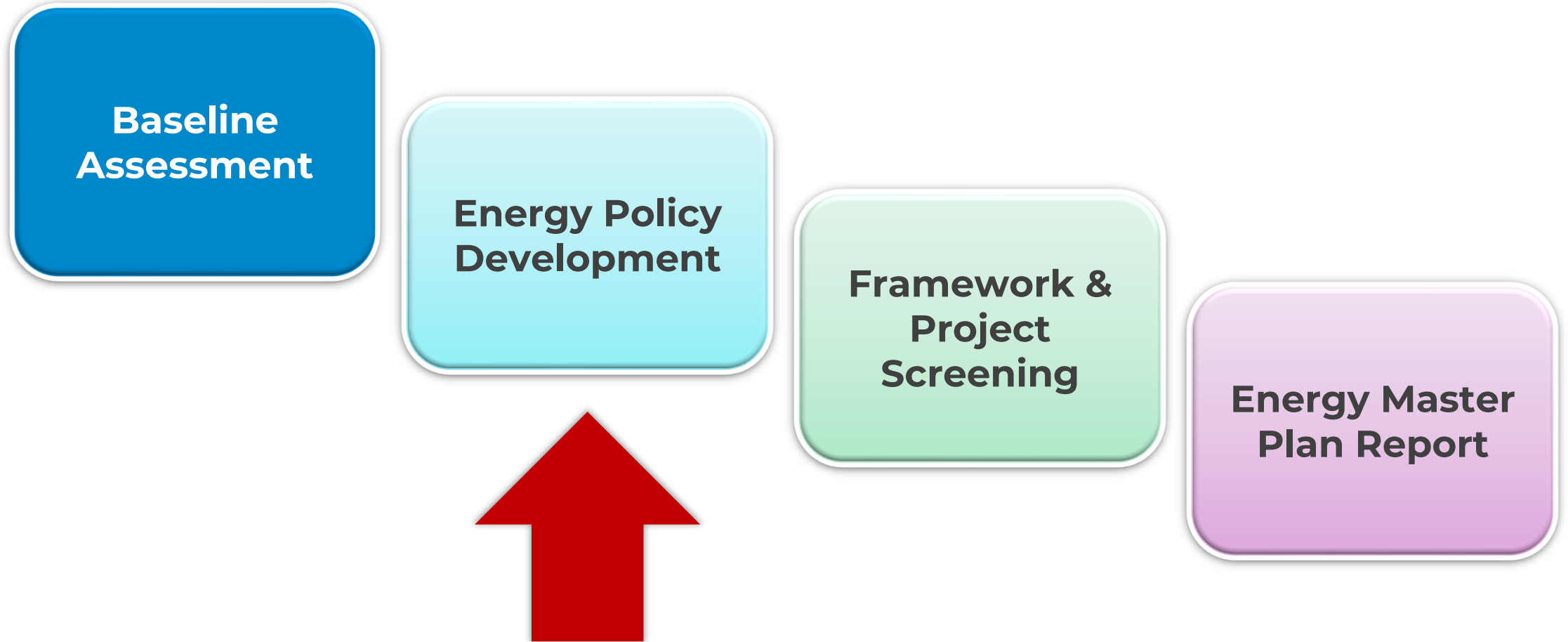
## **Initiative 16**

**Develop and implement an energy strategy**

# Background

- Energy Master Plan study initiated in fall 2023
- Four main study components.
- Targeting completion of the compiled Energy Master Plan report by the end of the year.

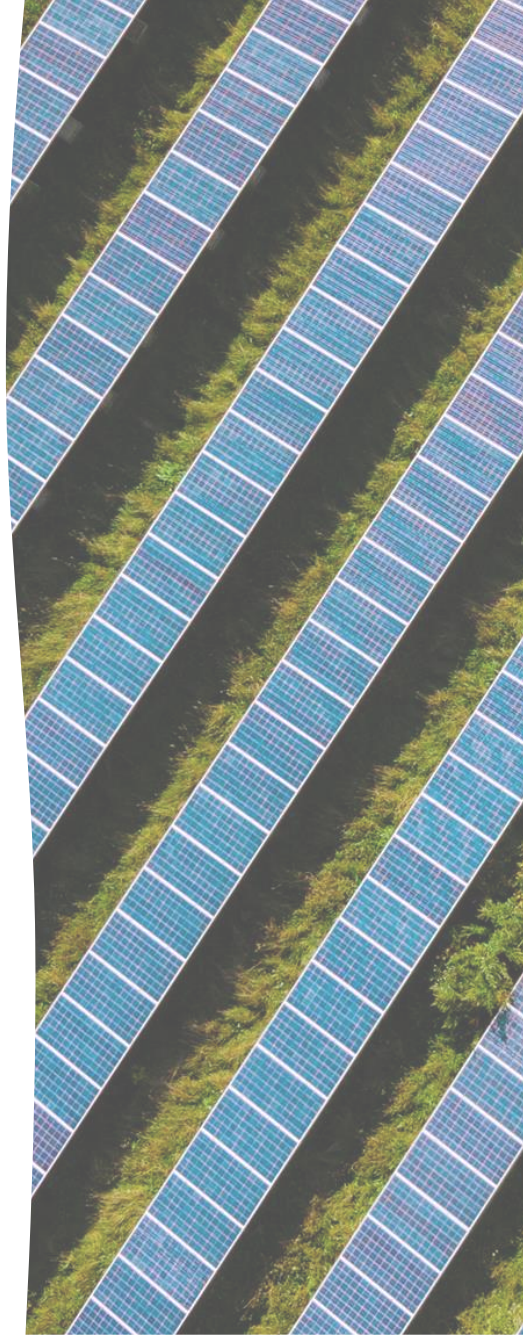
# Study Components





# Energy Policy Purpose

- Key component of an energy strategy.
- Outline Zone 7's goals and priorities regarding energy management.
- Allow staff to identify, prioritize, and recommend projects that are compatible with the policy.



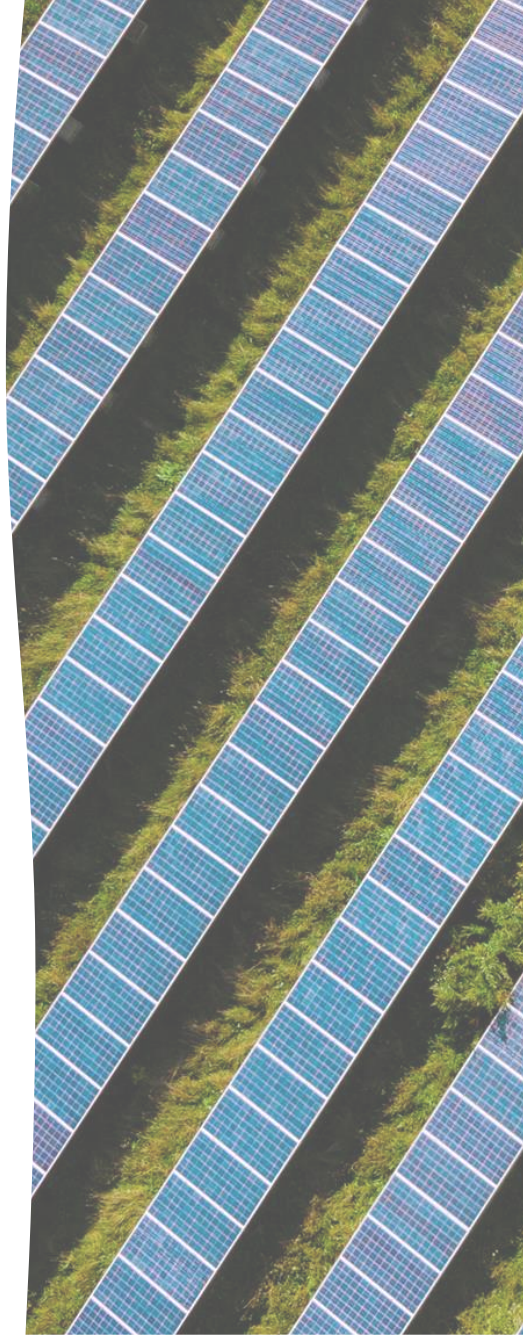
# Board Input and Direction from the April Energy Policy Workshop





# Energy Policy Development

- April 2024 Board Workshop discussed the framework developing policy language
- Input and direction received from the Board informed the draft policy



# Key Board Input and Direction

Aligned with  
Mission and  
Values

Compatible  
with Zone 7  
Processes

Promotes  
Fiscal  
Responsibility

Provides  
Flexibility, not  
Constraint

Supports  
System  
Reliability and  
Resilience

Recognizes  
importance of  
regulatory  
environment

Facilitates  
consideration  
of innovation  
technologies

Strives for  
clear and  
concise policy  
statements

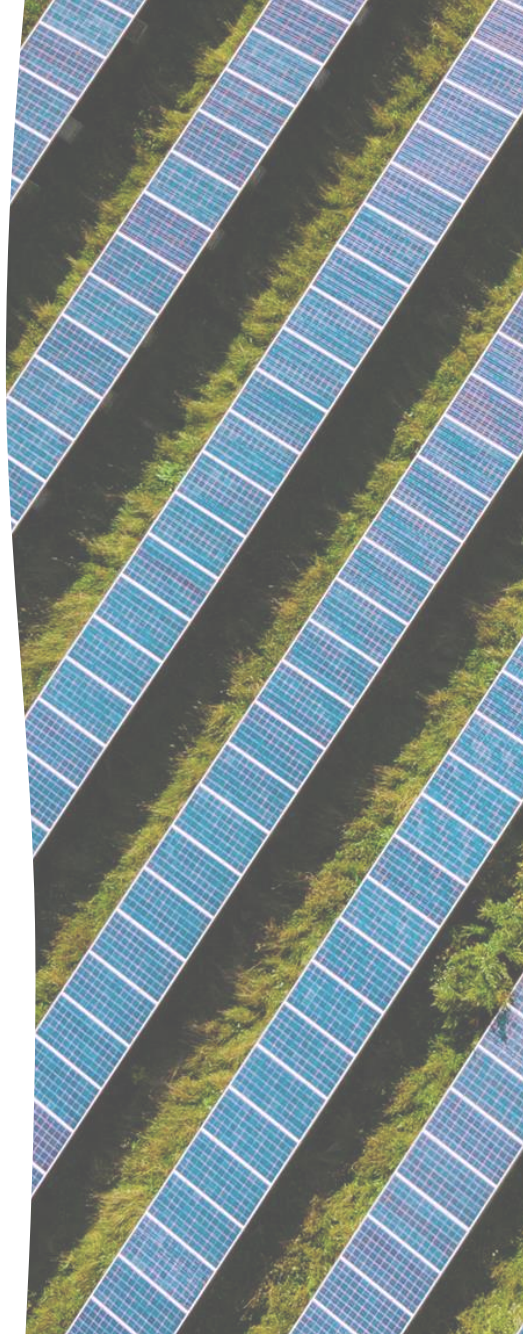
# Draft Energy Policy





# Organization

- Recitals sections addresses:
  - Mission, Strategic Plan, Zone 7 values, system reliability/resilience, and energy management focus areas
- Policy statements organized by focus area :
  - Fiscal Responsibility
  - Resource Optimization
  - Operational Reliability and Resilience
  - Environmental Responsibility
  - Regulatory Compliance and Governance



# Compliance and Governance

- Meet federal, state, and local energy and greenhouse gas emission regulatory targets in a manner that maintains quality of service and aligns with other Zone 7 policies.
- Monitor energy-related regulatory and legislative developments at the local, state, and federal levels, and advocate for the Agency's interests, as appropriate and consistent with the Agency's Legislative Framework as adopted in Resolution 21-99.
- Achieve regulatory compliance for the Zone 7 fleet through a fleet management program which meets Zone 7's core operational needs and supports efforts to reduce and/or eliminate hydrocarbon-based fuels and tailpipe emissions.

# Resource Optimization

- Conserve energy through operational practices, programs, projects, and initiatives that make efficient use of Agency staff resources and improve energy efficiency.
- Incorporate energy efficiency into the design of new facilities.



# Fiscal Responsibility

- Evaluate and pursue fiscally responsible energy investments that demonstrate good stewardship of public funds in support of the Agency's mission.
- Achieve cost savings or avoid expected future costs, reduce the Agency's exposure to energy price volatility, and leverage available energy procurement and funding opportunities.
- Pursue initiatives to improve energy efficiency, install or participate in renewable power generation, and mitigate greenhouse gas emissions, while considering factors such as anticipated payback period, life cycle costs, and alignment with Zone 7's policies and goals.

# Reliability and Resilience

- Promote investments that support and enhance Zone 7's operational reliability and resilience to energy disruptions.
- Maintain a diverse portfolio of energy sources and suppliers, and consider innovative projects that contribute to energy resilience.

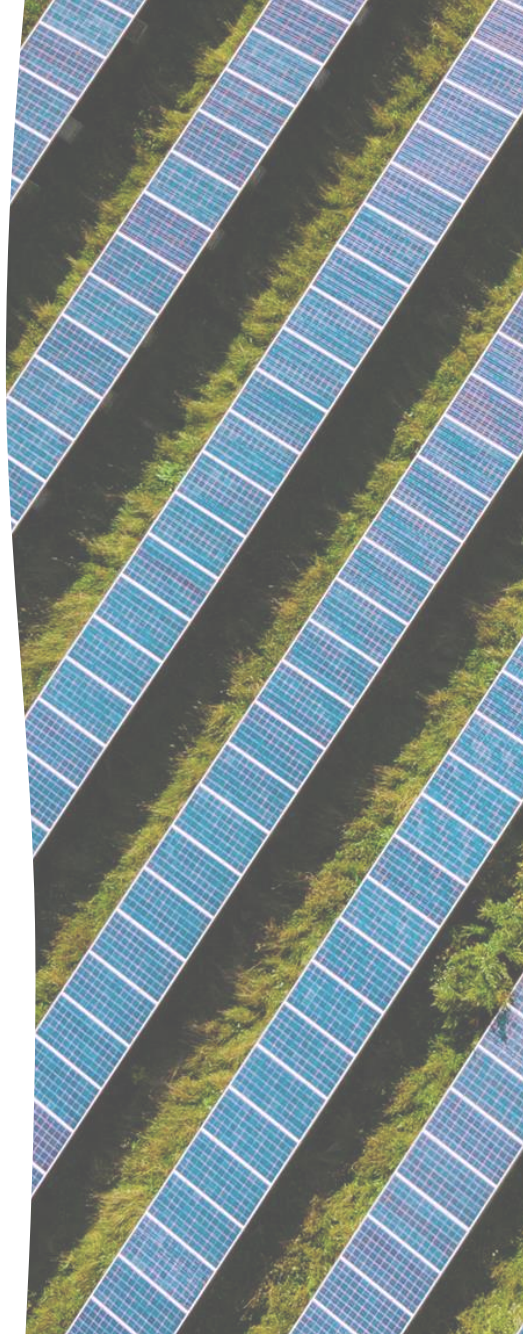
# Environmental Responsibility

- Implement projects and programs that are aligned with the Agency's value of environmental sensitivity by minimizing impacts to the environment, promoting sustainable practices, and reducing or eliminating the Agency's greenhouse gas emissions.
- Continue to procure or develop renewable energy sources to minimize reliance on fossil fuel-based energy sources.



# Summary

- The draft policy reflects Board direction and outlines energy management goals and priorities.
- Provides staff guidance on the identification, and prioritization of projects that are compatible with the policy.
- Recommendation:  
Staff requests the Board approve the resolution to adopt the energy policy.







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**End**