



# BOARD OF DIRECTORS

## MEETING HIGHLIGHTS

### APRIL 16, 2015

### Next Board of Directors Meeting Date Changed to May 20, 2015, same place and time.

#### Sunday Operations at the Salinas Sun Street Materials Recovery Center/Transfer Station

The Sun Street facility's mitigated negative declaration was amended to move forward with the permit revisions to allow the Sun Street facility to open on Sundays. This change would result in the closure of the Johnson Canyon Landfill on Sundays. The landfill averages about 33 customers on Sundays; the Salinas facility averages 200-293 customers on Saturdays.



#### Fiscal Year 2015-16 Budget Approval Process

At the March Board meeting, the City of Salinas made the request to postpone any decision affecting the future of the Agency until the County Solid Waste System Study is fully evaluated by the Board of Directors. This includes approval of the FY 2015-16 Budget, specifically the implementation of equalized green waste rates. At this meeting, the Board received various budget approval scenarios for consideration at the time the budget is presented for approval at the May meeting.

#### Crazy Horse Landfill Renewable Energy Project Partnership Opportunity

The Board directed staff to proceed with the development of a Memorandum of Understanding between Ameresco, the County of Monterey, and SVR with the discussed terms and conditions. One of the benefits to SVR is that the revenue received from this project can be allocated to offset long term post-closure care costs for SVR Landfills per Strategic Plan Goal.

#### Financial Report for Month Ended February 2015 (66.7% of the Fiscal Year)

Revenue collected	\$11,002,657 (70% of Estimated Revenue of \$15,717,700)
Expenditures for operations	\$ 9,368,086 (61.8% of Operating Budget of \$15,157,834)
Cash balance	\$14,005,774

REDUCE

REUSE

RECYCLE

“To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service, and education.”



# **Crazy Horse Landfill Renewable Energy Partnership Opportunity**

SVR Board of Directors Meeting: April 16, 2015  
Patrick Mathews, General Manager/CAO

## Renewable Energy Self-Generation Bill Credit (RES-BCT)

- Applies only to a Local Government
- Power generation at one location
- Remote meters (accounts) in same City or County
- All accounts are Time Of Use
- 5 MW gen limit, **105 MW Program Limit**
- Credits based on power exported
- Generation credit at meter: “virtual net metering”



# Who is a Local Government?

## Local Government is:

- A City, County (general law or chartered), special district, school district, political subdivision, or other local public agency, if authorized by law to generate electricity
- An individual "Campus" (defined as an individual community college campus, individual California State University campus, or individual University of California campus)- of the University of California or the California State University

## Local Government is not:

- A Joint Powers Authority, the state or any agency or department of the state
- To enroll in RES-BCT Applicants must sign a form certifying they meet the definition of a "Local Government"

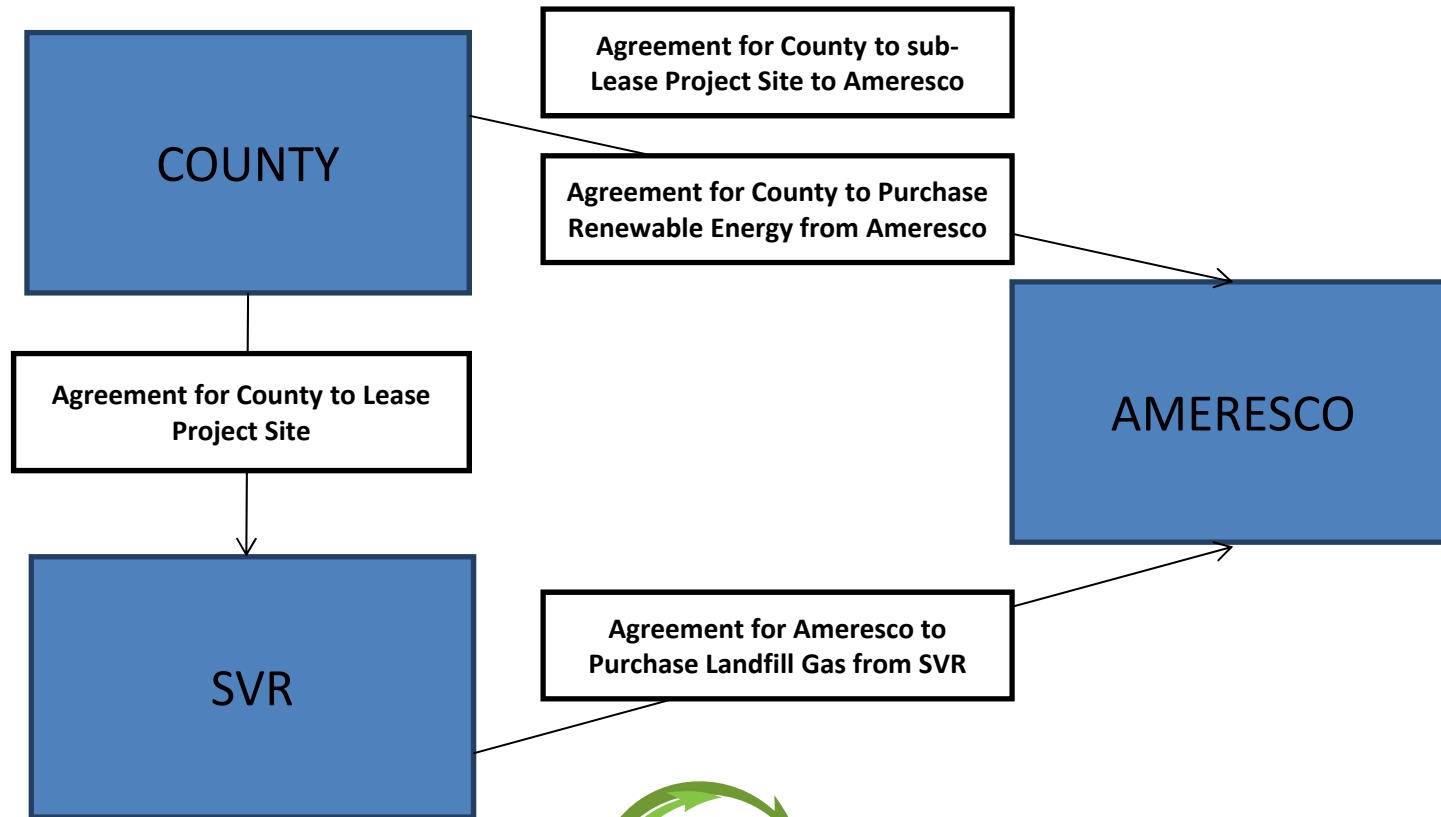


## Allocation of Credits

- At time of interconnection, applicant designates Benefiting Accounts and percentage \$ allocation
- Energy credits (known as “Bill credits”) are calculated monthly by multiplying the Time of Use generation by the amount of energy in kWh exported to the grid during the corresponding time period.
- The \$ credits are allocated as designated each month to each benefitting account.



# CRAZY HORSE LANDFILL GAS POWER PROJECT PARTNERSHIP STRUCTURE



# BENEFITS

- County receives renewable energy at a predictable and fixed annual escalation rate of 3.5% for 20 years
- PGE credits County for all energy produced on its behalf by Ameresco
- PGE credits (A-6 Tariff) are projected by Ameresco to rise 5% per year
- Difference in escalation provides County with long term savings, ≈\$5.7 million over 20 years



# BENEFITS

- SVR receives 12.5% of gross energy sales revenues to County, ≈\$4.3 million over 20 years
- SVR receives 50% of Renewable Energy Credits sold by Ameresco, ≈\$130,000 over 20 years based on current market values
- Revenues can be allocated to offset long term Post-closure cares costs for SVR Landfills per Strategic Plan Goal





# RISKS

- Reduced landfill gas production in later years reduces power delivery and savings to County, and revenues to SVR
- PGE credits don't escalate as projected, reducing projected savings to County
- Ameresco reimbursement of up to \$25,000 in expenses if SVR or County do not execute final agreements by July 30, 2015



# NEXT STEPS

- Complete MOU negotiations with Ameresco and County
- Verify Ameresco's PGE credit rate projections and risk
- Provide sensitivity analysis of risks
- Return with final draft of MOU at May Board meeting



# **Crazy Horse Landfill Renewable Energy Partnership Opportunity**

## **QUESTIONS & COMMENTS**

