

Policy and Procedure Review Process

Review Process



- Responsible Department updates, modifies, or creates a new policy or procedure.
- Prospective changes are reviewed with Employee Relations.
- Changes (if any) from resulting discussions with represented groups are considered.
- Policy or procedure is provided to the SMT for review.

Review Process



- Suggested changes (if any) resulting from SMT reviews are forwarded to the responsible department for consideration.
- Department Director determines if any SMT changes warrant further review by Employee Relations.
- If warranted Employee Relations reviews subsequent changes.
- Changes (if any) from resulting discussions with represented groups are considered.

Review Process



- Department Directors forward policies and procedures to Internal Audit. Internal Audit reviews for format and consistency and forwards to OGC if deemed necessary.
- OGC reviews for compliance with applicable laws, ordinances, or regulations and returns it to Internal Audit.
- Internal Audit sends it back to Department for corrections if necessary.
- Internal Audit forwards to General Manager for review.

Hydropower Contract Update

May 26, 2015

Finance/Administration Committee

Overview



- Hydropower Sales Agreements
- Procurement Process
- Long Term Energy Contract Partners
- Products & Revenues
- Next steps

Hydropower Sales Agreements



- SMUD Green Energy Procurement
 - 10-year agreement 2005-2015
 - Energy
 - Capacity
 - Renewable Energy Credits (REC's)
 - 100% of energy produced

Procurement Process



- Solicited 21 agencies
- 5 proposals received
- Ranked by revenue potential
- Opened discussions

5 Proposals Received



Agency	Rank	Median Yr. Need	REC	Contract Term (Yrs)
Marin Clean Energy	1	65%-100%	\$10/\$7	10
Port of Oakland	2	5%	\$15*	15
Shell Energy	3	100%	\$7	10
SMUD**	4	100%	\$6	20
PWRPA	5	100%	\$4*	10

*Estimated based on 'all-in bid price'.

** SMUD no longer needs green energy; reflected in price

Long-Term Energy Partners



Edison Electric Institute (EEl) Standard Contract

1) MCE

- Best Revenue Potential up to 120,000 MWhs
- Option to purchase 100%

2) Shell

- Matches MCE pricing > 120,000 MWhs
- Can buy all remaining hydropower

MCE Contract



- Median Year EBMUD Projection
 - 185,000 MWhs
- 65% need at 120,000 MWhs
 - Energy
 - REC's
 - Capacity
- MCE may opt to purchase up to 100%
- Annual Revenue potential = \$9.6 M
- Provides additional \$600K from current contract

Shell Contract



- Energy not purchased by MCE
 - Energy
 - REC's
- Price matches MCE

Next Steps



- Recommend Agreements
 - MCE 10-year contract
 - 2 options to extend for 3 years
 - Board consideration June 23, 2015
 - MCE Capacity Amendment
 - Board consideration in Fall
 - Shell 10-year contract
 - Purchase all remaining products
 - Board consideration late 2015

