



State Water Project Briefings: Annual Budget, Planned Activities and Renewable Energy

Introduction

The second State Water Project (SWP) briefing of 2023 will examine how the Department of Water Resources (DWR) maintains operational flexibility through its budgeting, operations and maintenance (O&M), and path to clean energy. The Commission will receive four presentations: a briefing on SWP budgeting and planning, a briefing on O&M’s Maintenance Management Program, an update on Senate Bill 1020, and an overview of the SWP Energy Roadmap.

Budget Process, Annual Planning, and Contract Extension Amendment Implementation

The SWP plans its budget on an annual basis for operation, maintenance, and environmental compliance costs, integrating a consideration of risk in project ranking and prioritization. Costs are allocated among the 29 State Water Contractors. The Contract Extension Amendment extended the long-term water supply contracts with 27 of the State Water Contractors to 2085. Deployment of an enhanced Cost Allocation and Billing system supports the Contract Extension Amendment transition.

O&M Maintenance Management Program

DWR’s Asset Management Program improves the way it manages the lifecycle of both aging and new SWP assets by unifying and improving existing practices under a comprehensive, risk informed, data-driven, decision-making framework that incorporates existing O&M and industry best practices. The Maintenance Management Program was established to provide oversight on all assets managed by O&M, ensuring they perform consistently and meet engineered standards to provide the best possible asset reliability. The program modernizes O&M maintenance practices, introduces the latest technology, and ensures that data is captured efficiently and provided for analysis to achieve maximum asset performance and reliability, while also being cost effective.

SB 1020: SWP’s Pathway to 100% Clean Energy by 2035

As the fourth largest zero emissions hydropower energy producer in the state, DWR is always finding innovative ways to reduce its carbon footprint. Senate Bill 1020, approved in September 2022, requires the state’s power portfolio be 100 percent renewable and carbon neutral by December 2035.

Energy Roadmap

Released in 2022, The SWP Energy Roadmap identifies short-, mid-, and long-term opportunities and challenges for energy investments and strategies, and positions the SWP to support the state’s grid reliability through an efficient and effective power portfolio, helping DWR and the 29 State Water Contractors to achieve their water supply reliability and clean energy goals required by SB 1020. In 2021, the Commission received three briefings on the Flexible Resources Study, a part of the Energy Roadmap that focuses on investigations of retrofits and upgrades to the SWP that provide more grid reliability.

Background

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The California State Water Project, consisting of 36 water storage facilities and 700 miles of rivers, pipelines, and canals, supplies water to 27 million people and irrigates 750,000 acres of farmland. The system includes 21 pumping plants, powered by a system of power-generation and power-recovery plants. DWR also operates the world's tallest water lift – the Edmonston Pumping Plant – which pumps water more than 1,900 feet up and over the Tehachapi Mountains into Southern California.

Goal Two of the Commission's Strategic Plan directs the Commission to remain apprised of the operations and construction activities of the SWP, focusing on how it adapts and responds to hydrological extremes expected with climate change, restores critical ecosystems, and addresses aging infrastructure. As required by Water Code section 165, the Commission conducts an annual review on the progress of the construction and operation of the SWP and reports its findings and recommendations to DWR and the Legislature. This briefing will inform the Commission of SWP activities in preparation for the Commission's 2023 annual review.

Meeting Overview

At the June meeting, SWP Financial Manager Hong Lin will provide a briefing on the SWP budget process, annual planning, and enhanced financial management; SWP Division of O&M Manager Behzad Soltanzadeh will give briefings on the O&M Maintenance Management Program and Senate Bill 1020; and Cheryl Luu, Power Planning Branch Manager in the SWP Power and Risk Office, will provide an overview of the SWP Energy Roadmap.

This is an informational item.

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