




Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: November 6, 2008
TO: Board of Directors
FROM: Leo Laska, Ad Hoc Power Sales Committee Chair
SUBJECT: Report on ad hoc Power Sales Committee Meeting of November 6, 2008

A meeting of the Ad Hoc Power Sales Committee was held on November 6, 2008. All four members of the Committee were present, which included Directors Bales, Gray, Pendergrass, and myself.

The ad hoc Power Sales Committee received a staff report on a proposal to amend the existing 30-year Power Sales Agreement (PSA) with Pacific Gas & Electric (PG&E), for selling electrical power from the District's five megawatt Landfill Gas to Renewable Energy Project. The proposed amendment would increase payments to the District for power sales from approximately \$63 per megawatt to a range of \$90 to \$100 per megawatt, pending details of 2009 pricing to be released by the California Public Utilities Commission (CPUC). The 2009 pricing is anticipated to be released on November 18th. There was an understanding during the discussion that increased generation of landfill gas in future years will require additional generating capacity which, together with changes in the landfill gas control and collection system would provide the capability for power sales to a regional water project. The Committee members supported selling power to PG&E under an amended PSA, pending discussions of final details of the Agreement at the next Committee meeting.



Leo Laska