



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by Wmm Date 3.13.09  
General Manager

DATE: March 13, 2009  
TO: General Manager  
FROM: Information Systems Manager  
SUBJECT: CalAm Coastal Water Project Environmental Impact Report

**RECOMMENDATION:** That the Board authorize the Chair to sign the attached comment letter on the Coastal Water Project (CWP) Draft Environmental Impact Report (Draft EIR)

### DISCUSSION

On January 30<sup>th</sup> the California Public Utilities Commission (CPUC) released a Draft Environmental Impact Report (Draft EIR) on CalAm's proposed Coastal Water Project (CWP). The EIR can be accessed online at: <http://www.cwp-eir.com/docs.html>. The public comment period for the Draft EIR closes on April 1, 2009. The District is discussed on page 5-37 (copy attached) of the EIR as a possible source of power for the Regional Project Alternative. Staff also attended one of the public meetings held earlier this month.

Given the District's unique position to provide power to both the Regional Project and North Marina Project Alternatives as well as providing power for Monterey Regional Water Pollution Control Agency's treated recycled water program, staff has prepared the attached letter expanding on the information presented in the Draft EIR.

Staff will continue to monitor the progress of the EIR and report to the Board on future developments related to the District's power.

Don Prescott  
Don Prescott

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March 20, 2009

Mr. Andrew Barnsdale  
Environmental Science Associates  
225 Bush Street, Suite 1700  
San Francisco, CA 94104

RE: Comments to Coastal Water Project's Draft Environmental Impact Report – Renewable Power Supply

Dear Mr. Barnsdale:

The Monterey Regional Waste Management District (District) is uniquely positioned to provide an economically and environmentally desirable source of renewable power to the Regional Project, the North Marina Project, and/or expansion of the treated recycled water program at the Monterey Regional Water Pollution Control Agency (MRWPCA) Regional Treatment Plant.

The District provides integrated solid waste management services to the greater Monterey Peninsula. The District's facilities are located on a 475-acre parcel adjacent to the Armstrong Ranch location proposed for both the North Marina and Regional Project alternatives. Its land is also adjacent to the MRWPCA waste water treatment facilities and ground water treatment plant.

The District's primary purpose is to manage the greater Monterey Peninsula area's solid waste stream through recycling and landfill operations. It captures landfill gas and uses it as fuel in an existing 5,000 kilowatt (kW) co-generation facility. Approximately 500 kW of the renewable power produced is used to support the District's recycling operations. The remaining 4,500 kW of power produced are sold on the commercial market.

In the draft CWP-EIR, the common source of power listed for all projects is PG&E. For projects of these small sizes, PG&E power would be expensive and all of the projects describe alternative power sources. One alternative discussed is the production of power from natural gas-fired equipment such as turbines or internal combustion engines. The District believes that receiving regulatory approval to produce power with 100% natural gas-fired equipment will be difficult given the existing, and pending, restrictions on exhaust emissions.

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Section 218 of the Public Utility Code allows power generators, such as the District, to sell power “over the fence” directly to end users and bypass the grid. Section 5.5.1.1 of the Draft EIR discusses using District renewable power in support of the Regional Project, but because the North Marina alternative and MRWPCA are on land adjacent to the District, they could also receive the District’s renewable power over the fence. Furthermore, the District would be capable of delivering power only as the projects needed and save them the standby charges PG&E would traditionally impose.

As the Draft EIR discusses, the District is evaluating the feasibility of a significant and rapid expansion in its co-generation capacity. To meet the maximum power demands forecasted, the District is exploring the following projects:

- Installation of four new co-generation units running on a mix of landfill gas and natural gas. The District will not produce enough landfill gas to support its existing four units and four additional units for many years. However, building a new power plant, with related infrastructure, and operating it on a mix of landfill and natural gas would allow the District to provide power in the near term. The volume of natural gas needed will be reduced over time as the volume of landfill gas being generated continues to increase.
- Installation of a unit to gasify wood waste to produce electricity. Essentially, in a closed system, the wood waste smolders and produces a hydrogen rich gas that powers co-generation units to produce electricity. The residue material is a solid charcoal-like substance called “biochar” which can be used as a soil additive.
- Installation of a system to capture the exhaust heat from these new units to produce still more electricity.

Obtaining an additional source of water is very important to the District’s communities. The District will continue to fully explore every opportunity to provide renewable energy to a neighboring regional water project and we look forward to the opportunity to work cooperatively to achieve this goal.

Sincerely,

Leo Laska  
Board of Directors Chair

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cc: Lyndel Melton, RMC  
Jim Heitzman, Marina Coast Water District  
Keith Israel, Monterey Regional Water Pollution Control Agency  
Darby Fuerst, Monterey Peninsula Water Management District

**TABLE 5-5  
POWER REQUIREMENTS FOR PHASE 1 TREATMENT PLANTS**

	Regional Desalination Facility	Surface Water Treatment Plant	Total
<b>Peak Demand</b>			
Intake (kW)	400	-	1,550
Treatment (kW)	425	150	4,275
Distribution (kW)	275	225	1,200
<b>Total Peak Demand (kW)</b>	5,925	1,100	7,025
<b>Annual Average (kW)</b>	4,875	290	5,165

### 5.5.1.1 Monterey Regional Waste Management District Landfill Gas Power Project

The MRWMD provides integrated waste management services to the greater Monterey Peninsula (for specific details on their service area and capacity please see Section 4.11 Public Services and Utilities). The District's facilities are located on its 475-acre property, 3,000 feet north of the proposed regional water facilities at the MCWD facility at Armstrong Ranch. The District's primary purpose is to manage the Monterey Peninsula area's solid waste stream and is the recipient of most of Monterey County's sewage sludge. The MRWMD captures methane produced in their landfill and uses it as fuel in an existing 5,000 kW co-generation facility. The MRWMD is also evaluating plans to construct a new 5,000 kW co-generation plant on the southern side of the landfill site.

On-going discussions with MRWMD have indicated an interest in their providing electrical power to the Regional Project from the existing and planned co-generation facilities. The power would be delivered to the Regional Project through a new power transmission line running directly from the co-generation facilities to a substation at the regional facilities, providing an "over-the-fence" power delivery of up to 10,000 kW.<sup>17</sup>

### 5.5.1.2 MCWRA Hydroelectric Plant

The MCWRA operates two hydroelectric units at the Nacimiento Hydro Power Plant. Unit 1 is rated at 3976 kW, Unit 2 is rated at 375 kW. The Plant has produced an average of 15,000,000 kilowatt-hours (kWh) per year since 1998. The power is currently sold to PG&E. The power could be purchased for use at the regional facilities. If so, the power would be wheeled through the grid.

<sup>17</sup> Information on MRWMD co-generation is based on communication with MRWMD staff in December 2008. Ongoing evaluation of the co-generation capacity and feasibility will be undertaken by MRWMD.