

Engineering and Operations Committee

Item #6b

Subject: Update on the sale of hydroelectric plant power

Purpose: To review Metropolitan's activities related to marketing the power produced from five hydroelectric plants

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Summary

This presentation will provide an update on Metropolitan's activities to market the power from the following five hydroelectric plants: Venice, Corona, Temescal, Wadsworth (Diamond Valley Lake) , and Red Mountain.



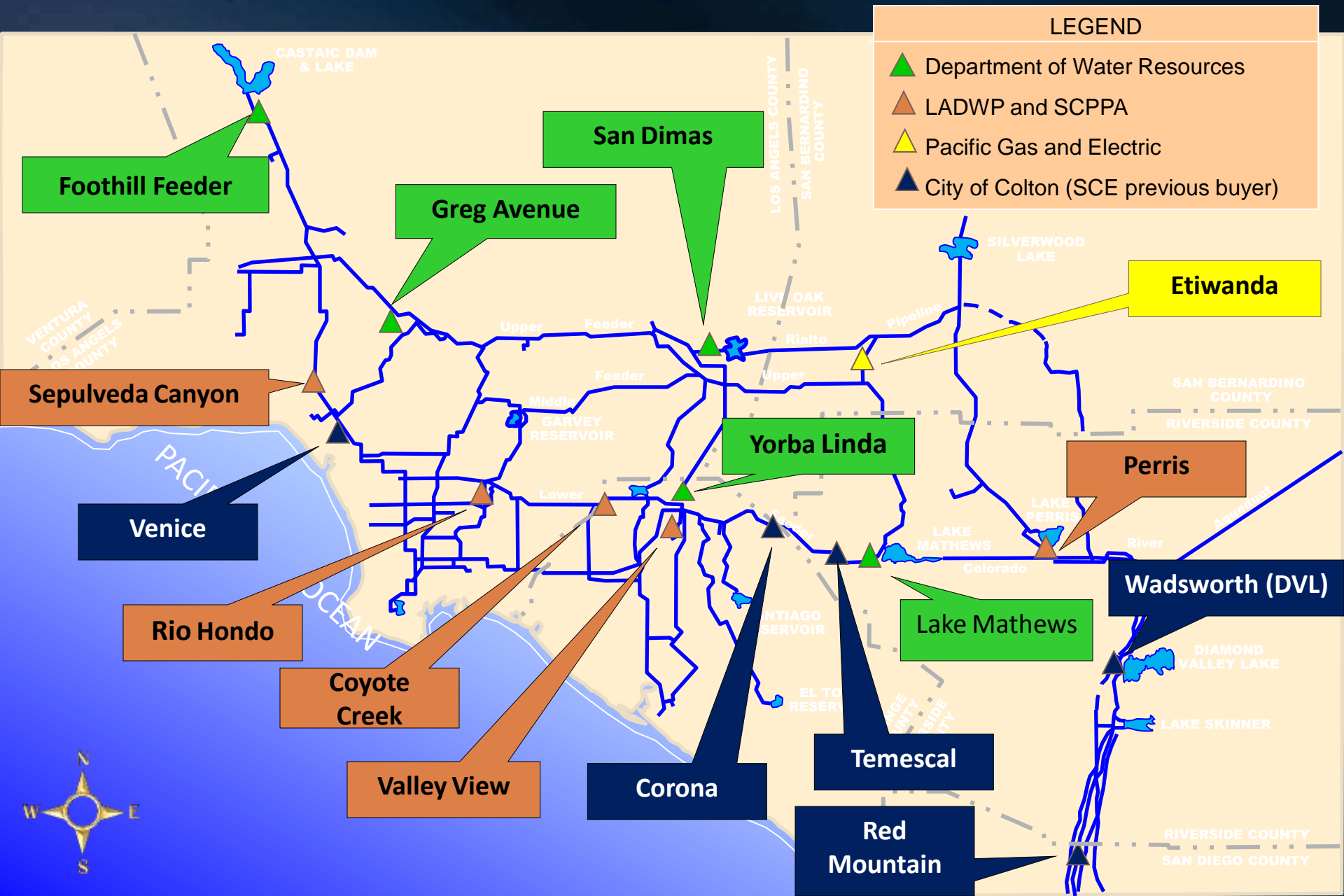
Update on the Sale of Hydroelectric Plant Power

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December 9, 2013

Metropolitan Hydroelectric Power Plants



LEGEND

- ▲ Department of Water Resources
- ▲ LADWP and SCPPA
- ▲ Pacific Gas and Electric
- ▲ City of Colton (SCE previous buyer)

Foothill Feeder

San Dimas

Greg Avenue

Etiwanda

Sepulveda Canyon

Yorba Linda

Perris

Venice

Wadsworth (DVL)

Rio Hondo

Lake Mathews

Coyote Creek

Valley View

Corona

Temescal

Red Mountain

Southern California Edison Contract

- Effective November 1, 2008
- October 19, 2012, Edison submitted notice to terminate on October 31, 2013 (5-year option)
- On July 1, 2013, entered into a two-month contract with the City of Colton for November and December 2013



Current Renewable Energy Market

- Many buyers over-supplied
- Technological improvements have reduced costs
- New, large renewable energy developments coming on-line
- Buyers shifting production risk to sellers
- Uncertainty regarding increased renewable requirements beyond the 33% by 2020 mandate

Marketing Activities

- Participated in buyers' RFPs
- Discussions with existing buyers of Metropolitan's hydroelectric plant power
- Retained services of energy broker
- Retained services of consultant
- Continuing market evaluation and analysis
- Soliciting interest in various energy forums

Future Actions

- Fully utilize daily energy market
- Seek short-term agreements if they provide added benefit
- Avoid energy production requirements
- Continue working with Broker/Consultant

