
File #: 2025-4515

Agenda Date: 10/1/2025

Agenda Item No: 8.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

SALE OF EXCESS POWER

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Authorize the General Manager to enter into an agreement to sell power, in a form approved by General Counsel, with a qualified power purchaser for excess power produced at Plant No. 2.

BACKGROUND

Orange County Sanitation District (OC San) operates five Central Generation (CenGen) engines and a steam turbine at Plant No. 2. The engines and steam turbine normally generate 100% of the power demand at Plant No. 2 and a nominal amount that is exported.

OC San and Southern California Edison (SCE) entered into a Power Purchase Agreement on September 9, 1991, where SCE pays OC San for the excess power generated. Recently, OC San applied for the Wholesale Distribution Access Tariff (WDAT) with SCE which will allow OC San to sell exported power to an eligible purchaser. A condition of the WDAT application is to have a Generator Interconnection Agreement in place with SCE, which was approved by the Board of Directors in September 2025 and is required to be executed by October 31, 2025. The execution of the Generator Interconnection Agreement automatically terminates the current Power Purchase Agreement that OC San has in place with SCE, causing the need to find a new eligible power purchaser.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current Power Purchase Agreement with SCE will terminate when the Generator Interconnection Agreement is executed, meaning that SCE will no longer pay for the excess power generated at Plant No. 2.

PROPOSED SOLUTION

Delegate authority to the General Manager to enter into an agreement with a qualified power purchaser to sell the excess power generated at Plant 2.

TIMING CONCERNS

If the General Manager does not have the authority to enter into a Power Purchase Agreement, OC San may lose potential revenue from the excess power generated at Plant No. 2.

RAMIFICATIONS OF NOT TAKING ACTION

Any excess power generated at Plant No. 2 would be exported to the Southern California Edison system without compensation.

PRIOR COMMITTEE/BOARD ACTIONS

September 2025 - Approve a Generator Interconnection Agreement with Southern California Edison Company for a period of twenty (20) years from the Effective Date.

ADDITIONAL INFORMATION

OC San staff are currently conducting an informal competitive process with multiple eligible power purchasers to compare terms and pricing for the purchase of the excess power at Plant No. 2.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The ability to sell excess power from Plant No. 2 could generate intermittent revenue.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A