



# IRP Policy Discussion on Portfolio Development

Integrated Resources Plan Special Committee

Item 6a

February 23, 2021

# Overview

- IRP Planning Goals and Objectives
- Potential Portfolio Evaluation Measures
- Next Steps
- Discussion

The goals are...

- Provide an overview on IRP portfolios
- Discuss and provide feedback on policy goals and objectives
- Discuss and provide feedback on potential evaluation measures

# What is an IRP Portfolio?

## IRP Portfolio is not:

- A Capital Improvement Plan (CIP)
  - Does not authorize specific projects
- A Rate Structure Refinement
  - Does not resolve how to allocate costs
- A Rates or Budget Setting Process
  - Does not determine amount of cost to be recovered
- A Regional Program Design

## IRP Portfolio does:

- Identify potential courses of action
  - Provides framework for moving toward a preferred course of action
- Identify common and unique actions among scenarios
- Provide high level cost information
  - Does not provide detailed rate projections
- Give a sense of value of opportunities when they arise
- Provide a basis for development of an adaptive management strategy

# IRP provides justification for programs and specific projects (example 1)

IRP sets  
framework/ target



Program/Approach  
designed to reach  
targets



Projects  
implemented  
consistent with  
meeting targets

- Local supply target

- Local Resources Program

- Groundwater Replenishment System



# IRP provides justification for programs and specific projects (example 2)

IRP sets framework/ target



Program/Approach designed to reach targets



Projects implemented consistent with meeting targets

- Conservation target



- Long Term Conservation Plan
- Conservation Credits Program

- Turf Replacement Program
- Residential Toilet Rebates

# IRP provides justification for programs and specific projects (example 3)

IRP sets framework/ target



Program/Approach designed to reach targets

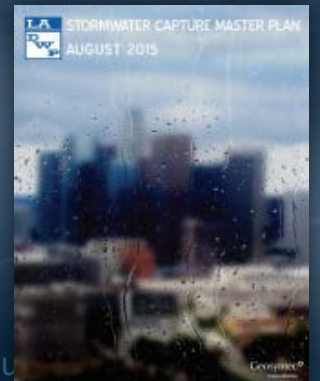


Projects implemented consistent with meeting targets

- Future Supply Action (FSA) component

- FSA Funding Program

- LA Stormwater Capture Master Plan



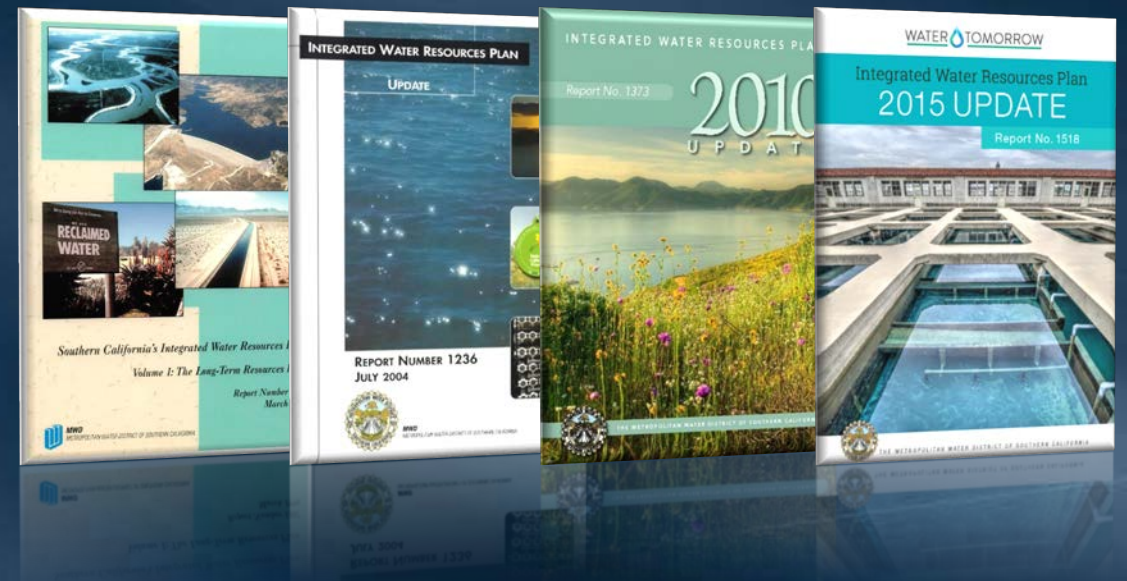
# Objectives and Evaluation Measures

## *Historical*

- Reliability
- Affordability
- Water Quality
- Diversity of Supply
- Flexibility
- Recognition of Institutional/  
Environmental Constraints

## *Additional Considerations for 2020 IRP*

- Regional  
Considerations



# Reliability

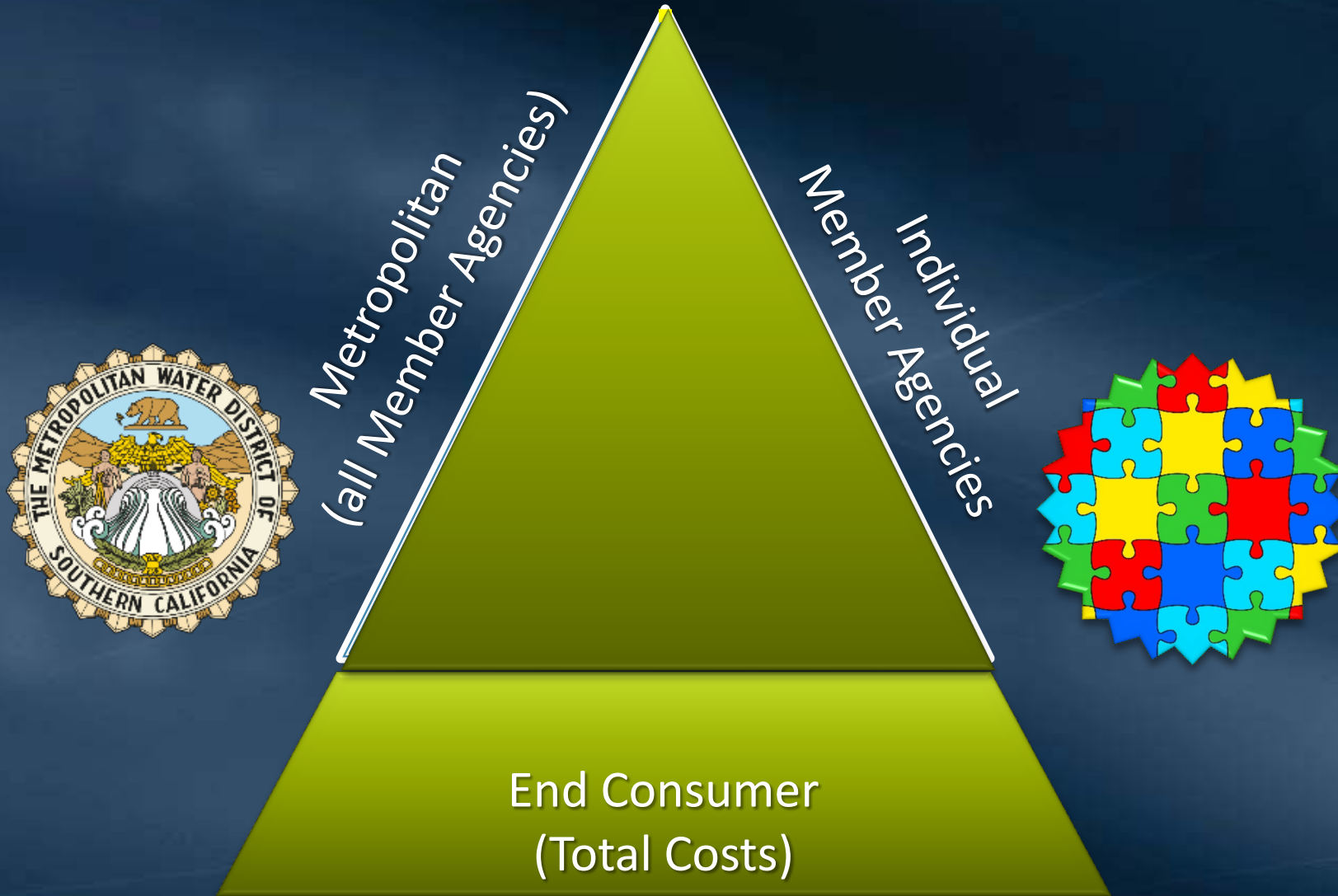
- Working Goal: 100% reliability under IRP scenario conditions
- Proposed measures:
  - Frequency and quantity of remaining shortages
  - Regional storage reserves



# Affordability

- Perceived economic benefits and costs depend on perspective (MWD, member agency, total)
- Proposed measures:
  - Total costs
  - Metropolitan costs
  - Fiscal stability: account for cost and revenue impacts

# Affordability – Cost from Whose Perspective?



# Water Quality

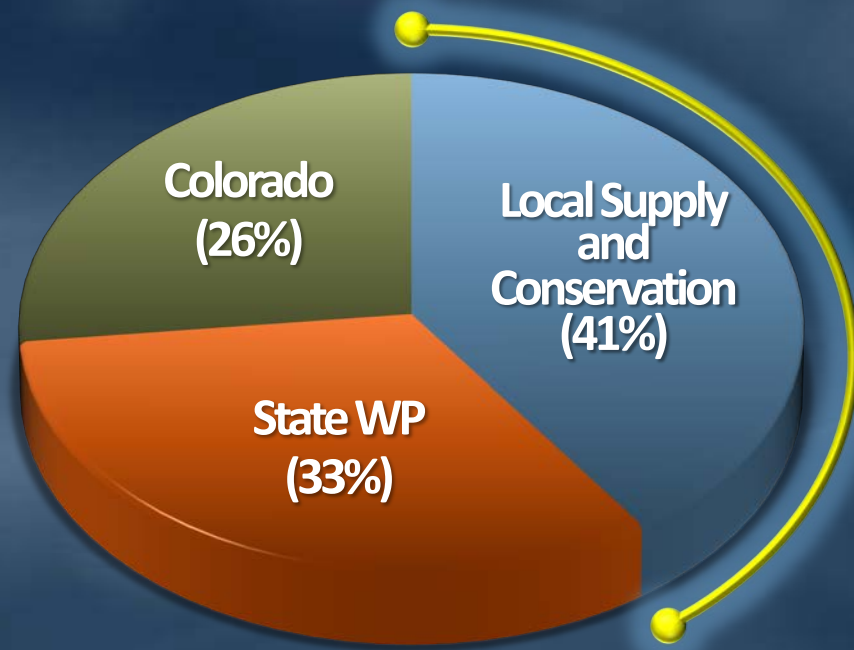
- Water quality is also an important factor for recycled water, groundwater replenishment, and blending
- Water quality pertains to potable and non-potable uses
- Proposed measures:
  - Salinity
  - Other constituents being considered

# Diversity of Supply and Flexibility

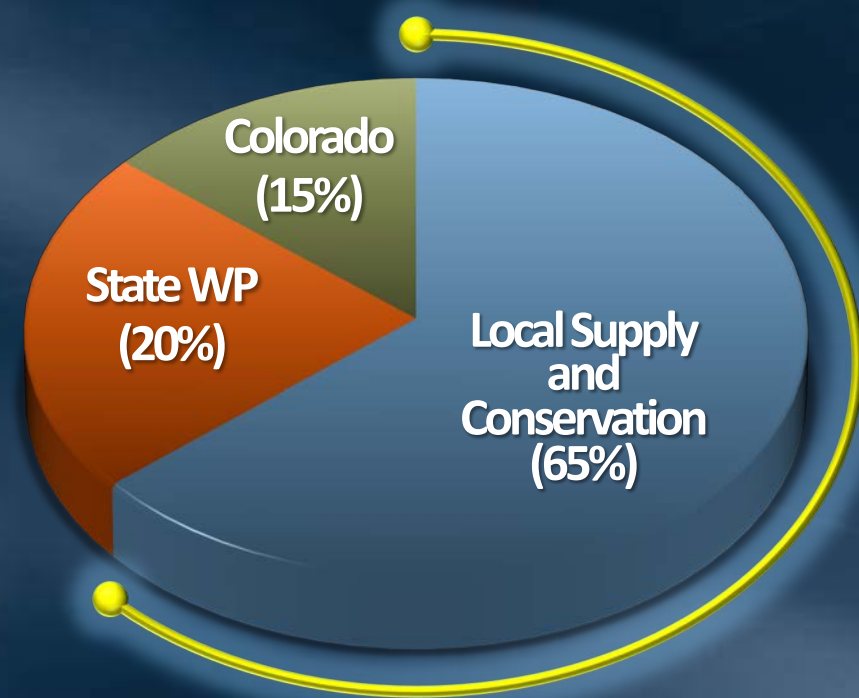
- “Don’t put all your eggs in one basket.”
- Elements of diversification to consider:
  - Core supply (imported, local, conservation)
  - Flexible supply (storage, transfers, exchanges)
- Proposed measures:
  - Imported vs. local supply vs. demand management ratio
  - Ability to leverage wet years

# Diversity of Supply (cont'd)

*The IRP Changed Southern California's Supply Mix*



**1990**



**2040**

# Regional (Spatial) Considerations

- In-region vs. out-of-region
- Ability to meet demands in areas not readily serviced by Colorado River water
  - Acknowledge SWP-exclusive areas
- Proposed measures:
  - Whether or not located within MWD service area
  - Accessibility across member agencies

# Next Steps

- Continue scenario and portfolio analysis and develop performance measures
- Receive Board feedback
- Incorporate input into analysis of portfolios that can achieve reliability goal (under each scenario)

# Discussion



