



• Board of Directors

2/13/2024 Board Meeting

7-14

Subject

Approve Metropolitan's annual membership in the Center for Energy Advancement through Technological Innovation and annual dues payment of \$27,300 for the Transmission Planning and Operations interest group; the General Manager determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan maintains corporate membership in numerous business and nonprofit organizations. These memberships provide Metropolitan access to various resources and programs to promote the successful performance of Metropolitan's mission. Membership in the Center for Energy Advancement through Technological Innovation (CEATI) would provide Metropolitan access to a significant library of operational and technical research, information, and data in the areas of electric transmission systems and energy technologies. Membership in CEATI would also allow Metropolitan to influence the direction of future research. This will allow Metropolitan to realize cost savings in lieu of retaining specialized consultants to perform similar research on emerging energy technology issues.

Memberships require board approval if annual dues are greater than \$10,000. Staff recommends Metropolitan join CEATI for an annual membership fee of \$27,300.

Timing and Urgency

Membership will be effective following board approval on execution of the membership agreement. CEATI membership will directly benefit ongoing Metropolitan power-related strategic efforts.

Proposed(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Approve Metropolitan's annual membership in CEATI and annual dues payment of \$27,300 for the Transmission Planning and Operations interest group.

Fiscal Impact: Funds of \$27,300 annually would be paid for membership in CEATI. Sufficient funds are available in the FY 2023/24 board-approved budget through cost savings and reduced expenditures in other programs. Future years' annual dues will be included in new biennial budgets.

Business Analysis: CEATI membership will allow Metropolitan, with a small staff in electrical planning, engineering, and operations, to extend its knowledge base and enable Metropolitan to address changes in the energy industry more cost-effectively.

Option #2

Do not approve Metropolitan's membership in CEATI.

Fiscal Impact: None

Business Analysis: Metropolitan will forego the opportunity to participate in a unique organization that would provide support for Metropolitan's strategic goals in facing the impact of climate change, meeting clean energy targets, managing our aging infrastructure, and complying with increasingly stringent regulatory requirements.

Alternatives Considered

Staff considered participating in other electric industry groups such as the Electric Power Research Institute. However, CEATI offers a unique combination of a large library of existing relevant technical information and the ability of participants to direct future energy industry research with the cost shared among other interested members. These membership features have significant value for Metropolitan and are not available through other industry groups.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 11102: Payment of Dues

Related Board Action(s)/Future Action(s)

None

Summary of Outreach Completed

Staff participated in a trial membership with CEATI from March to October 2023 to gauge the value of a full CEATI membership. The trial membership allowed staff full access to the CEATI library of relevant electric utility industry information and participation in regular interest group meetings. Staff found the available information to be highly relevant and useful and the opportunity to network with other participants in the dynamic energy industry space to be beneficial.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Funding for the proposed membership is not defined as a project under CEQA because it involves government fiscal activities that do not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment (Public Resources Code Section 21065 and Section 15378 (b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061 (b)(3) of the State CEQA Guidelines). For future and not yet known proposed projects associated with this membership, the appropriate lead agencies will be responsible for complying with all applicable federal and state environmental laws and regulations.

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan's Administrative Code Section 11202 authorizes each department head to join and maintain memberships in organizations whose purposes serve the interests of Metropolitan. Memberships must be brought to the Board for approval if annual dues exceed \$10,000.

Founded in 1891 as part of the Canadian Electricity Association, the CEATI is an organization dedicated to providing access to energy technology research through a well-established global network of over 200 utility owners across five continents. CEATI members include multiple large utilities, including Southern California Edison, Pacific Gas & Electric, the U.S. Bureau of Reclamation, and the California Department of Water Resources. Member utilities have access to technical resources and expertise, including a library of over 2,000 reports and guidance documents, consultations with technical advisors, webinars, conferences, workshops, and on-demand access to colleagues from peer utility members.

The CEATI program brings together experts to collaborate and advance the utility industry by developing real-time solutions for day-to-day problems. CEATI membership benefits include the following:

- Practical, real-time solutions
- Planning strategies
- Technical training
- Knowledge transfer
- Peer-to-peer interactions
- Collaborative research projects
- Opportunities to leverage resources to increase the return on investment of research dollars

CEATI members work with program advisors to research practical solutions to optimize operations and influence planning. The utility-only peer groups in CEATI identify emerging technologies, address knowledge gaps, and deliver quick turnarounds to immediate issues in a safe, user-driven space. Most uniquely, CEATI members can capitalize on the ability to share project costs with other organizations, funding highly leveraged research projects, guidance documents, and training tools.

CEATI offers a plethora of interest groups focused on unique utility industry topics, including dam safety and asset management, among others. Metropolitan's membership would focus on the key Electric Transmission Planning and Operations interest area at this time, with the opportunity to expand to other interest groups in the future that would offer similar benefits to Metropolitan.

During this period of accelerated electricity industry transformation, Metropolitan faces tremendous challenges from the impacts of climate change, resiliency and sustainability goals, aging infrastructure, new and emerging technologies, and increasingly stringent reliability standard requirements. CEATI membership will allow an organization such as Metropolitan, with relatively small electrical planning, engineering, and operations staff, to extend its knowledge base and face industry challenges quickly and cost-effectively. Furthermore, this will save Metropolitan the cost of hiring outside consultants to carry out similar research and improve the turnaround time for providing information about emerging energy industry issues.

Staff recommends Metropolitan join CEATI as a participating member of the Transmission Planning and Operations interest group, with an annual dues payment of \$27,300.

Project Milestone

Following board approval, Metropolitan will execute a membership agreement with CEATI. The benefits of CEATI membership will commence immediately upon execution of the membership agreement and will renew annually.



Mickey Chaudhuri
Interim Water System Operations
Group Manager

1/18/2024

Date



Adel Hagekhalil
General Manager

1/23/2024

Date