Subcommittee on Long-Term Regional Planning Processes and Business Modeling

Development of a Climate Decision-Making Framework and Draft Project-Level Evaluative Criteria

Item 3c

November 21, 2023

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Climate Decision Making Framework Development and Draft Project-Level Evaluative Criteria

Subject

Climate Decision Making Framework Development and Draft Project-level Evaluative Criteria

Purpose

The CAMP4W process will establish a methodology for evaluating options through a Climate Decision-Making Framework and will provide a roadmap for identifying solutions to mitigating the identified risks. It will be a living document that will be updated to identify changing conditions and to report those changes to the Board.

This Committee Item focuses on the development and use of Evaluative Criteria and provides an overview of how they integrate into the CAMP4W process.

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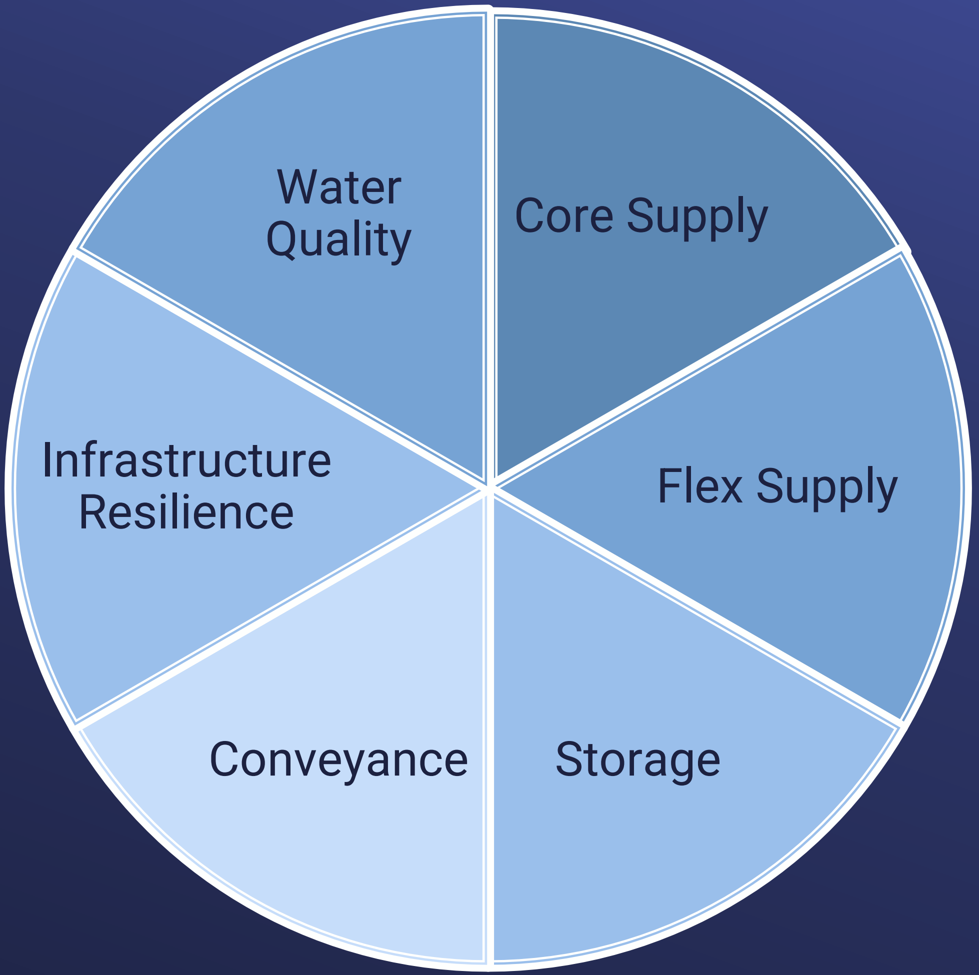
Climate Decision-Making Framework

The process by which Metropolitan assesses investment decisions through a methodical, data driven manner while accounting for climate risks and vulnerabilities, Board preferences and financial implications



Programs and Project Types will be evaluated through the Climate Decision-Making Framework

Progress could be measured against Time-Bound Targets

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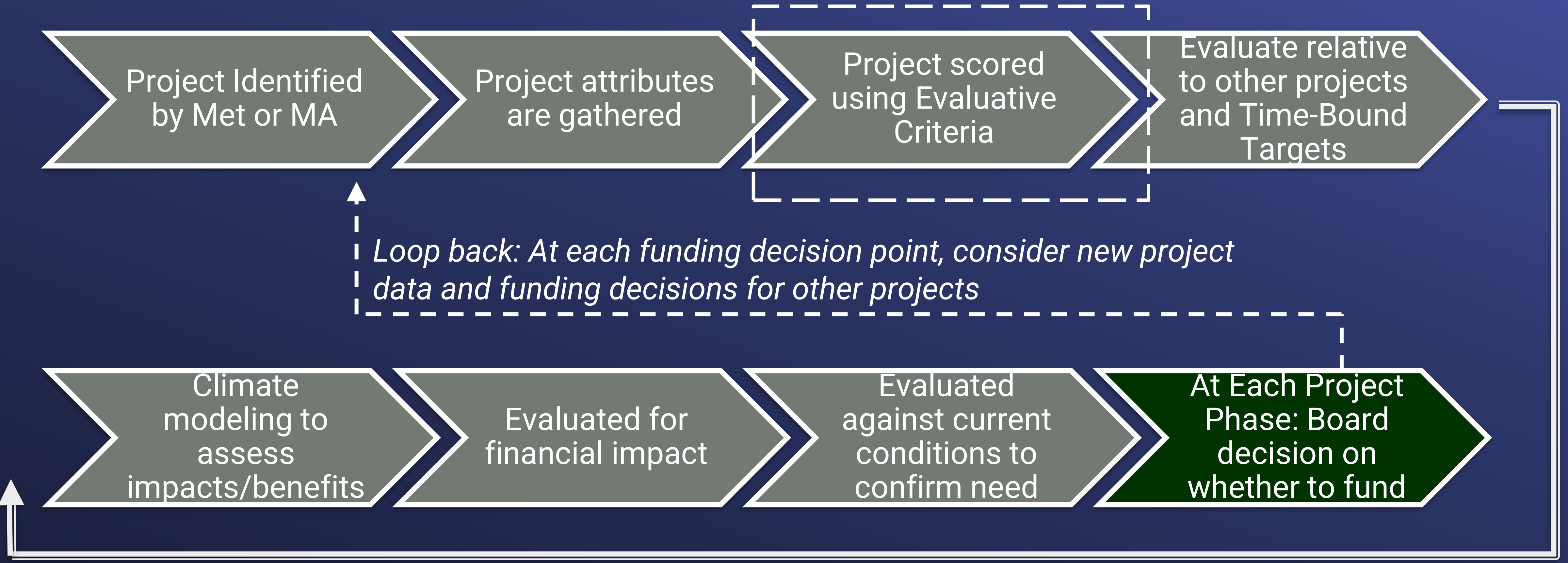
Climate Decision-Making Framework: Process for Decision-Making



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Proposed Evaluative Criteria

Metrics used to score and rank projects and programs, where weighting factors change the importance of a given criterion

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What we will cover today

1) How the CAMP4W Themes develop into Proposed Evaluative Criteria

2) How these criteria will be used in the CAMP4W Process

3) How weighting of criteria work and how that influences decision-making

CAMP4W Evaluative Criteria Development

Reliability, Resilience, Financial Sustainability, Affordability, Equity

Total Board Identified Thematic Actions

44 →

Relevance

Thematic Actions Relevant to Evaluative Criteria Identified

37 →

Combined Themes

Overlapping Attributes Distilled to Discrete and Independent List of Variables

10

Proposed Evaluative Criteria

Board Priorities Influence Multiple CAMP4W Outcomes

Focus of today's discussion

Climate Impacts, Themes, Thematic Actions

Climate Decision-Making Framework and Evaluative Criteria

Policies, Initiatives and Partnerships

Business Model and Funding Strategies

Time-Bound Targets

Concurrent CAMP4W Activities

Evaluative Criteria: *Metrics used to score and rank projects, where weighting factors change the importance of a given criteria*

CAMP4W Proposed Evaluative Criteria

Equitable Supply Reliability	Risk Mitigation	Project Feasibility	Scalability	Environmental Impact
Disadvantaged Community Benefit	Unit Cost ($/TAF)	Locally-Sited Project	High Impact	Bond Feasibility

Proposed Evaluative Criteria

Equitable Supply Reliability	Address SWPDA and meet regional service goals
Risk Mitigation	Mitigate climate and other risks to supply and infrastructure
Project Feasibility	Factors include CEQA, community support, partnerships, financing
Scalability	Modular nature of projects / programs
Environmental Impacts	GHG emissions, ecosystem services, habitat
Disadvantaged Community Benefits	Direct community benefits
Unit Cost	Dollars / acre foot
Locally-Sited Project	Within service area
High Impact	Advances CAMP4W target
Bond Feasibility	Ability to finance

Weighting Factors
Applied to Evaluative Criteria Under "Portfolio Emphases"

A "Portfolio Emphasis" is a weighting of evaluative criteria that aligns with a particular Board policy preference. The weighting would be applied at the project/program level to achieve a project/program score based on that "Portfolio Emphasis."

Changing weighting of Evaluative Criteria → changes to project / program score

Portfolio No.	1	2	3	4	5
Portfolio Emphasis	A	B	C	D	E
Supply equity	25%	10%	5%	10%	25%
Risk mitigation	10%	5%	15%	15%	15%
Feasibility	5%	10%	15%	30%	10%
Flexibility	10%	5%	15%	15%	15%
Environmental impacts	10%	5%	30%	5%	5%
Disadvantage community	15%	5%	5%	5%	5%
Unit cost/TAF	10%	5%	5%	5%	15%
Local project	5%	40%	2%	0%	2%
High impact	5%	5%	3%	0%	3%
Bond Feasibility	5%	10%	5%	15%	5%

Project and Program Scoring

CAMP4W Score

- Project or Program has a raw score for each evaluative criteria (between 0-5 based on projects attributes)
- Provides current CAMP4W score for any project or program being considered for Metropolitan investment and implementation; potential for score to change when later phases are being considered (concept vs. implementation)
- Scoring criteria will encourage better projects: higher scores=higher alignment with evaluative criteria and Board priorities

Project Weighting Example

Criteria	Supply Equity	Risk Mitiga-tion	Feas-ibility	Scal-ability	Env. Impacts	Disadv. Comm.	Unit Cost $/TAF	Local Project	High Impact	Bond Feas.	Un-Weighted Total Score	Weigh-ted Total Score
Weighting	20%	10%	15%	5%	10%	5%	10%	0%	20%	5%		
Project No. 1	1	2	2	5	2	4	3	5	2	5	31	23
Project No. 2	4	1	4	3	3	1	3	1	5	2	27	34
Project No. 3	3	2	3	3	2	1	5	3	3	1	26	28

Project Scores for each Sample Portfolio Emphasis Category

Projects/Programs will have a CAMP4W score for each

Sample Portfolio Emphasis	Interconnected	Local	Eco/ Environment	Feasible	Equity
Project No. 1	**62**	**81**	67	79	71
Project No. 2	68	**82**	63	**48**	66
Project No. 3	45	**26**	67	**72**	57

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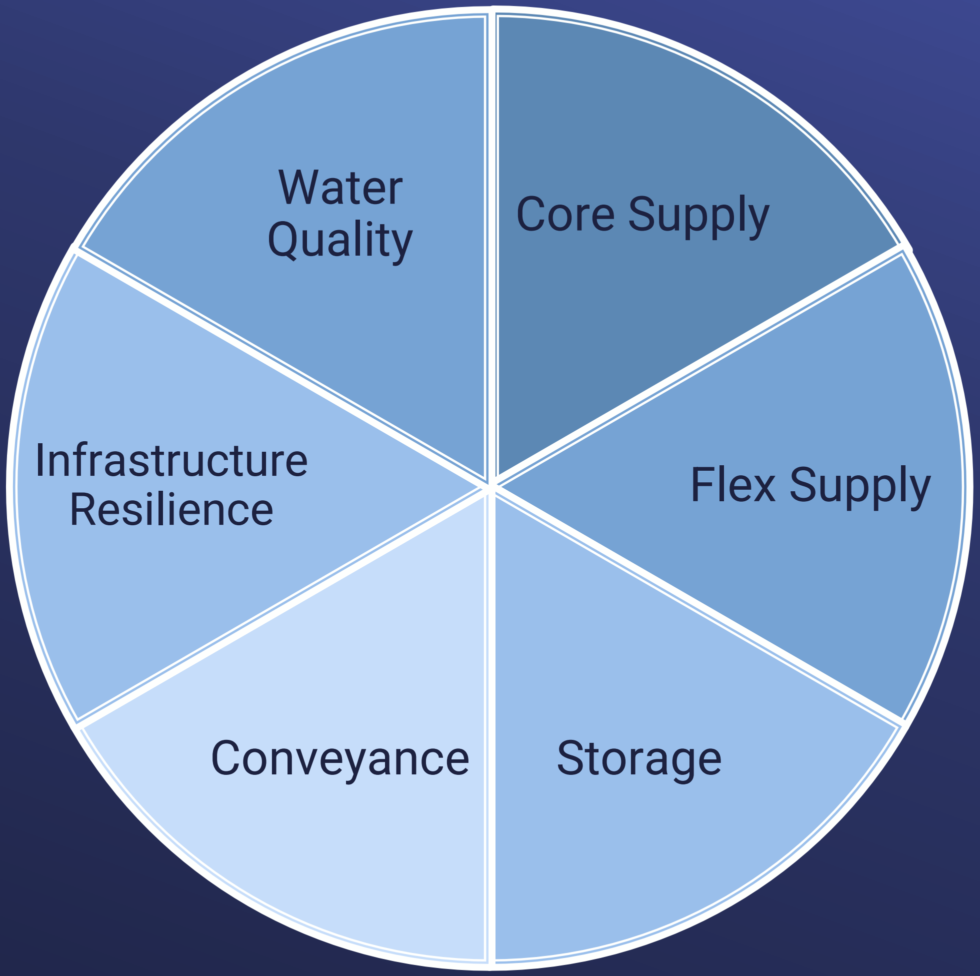
Time-Bound Targets

A defined and measurable goal for a specific category of actions and investments over a specified period of time



Potential Time-Bound Targets could include supply targets in addition to related metrics:

- Avg GPCD regionally
- Sq. Ft of NFT replaced
- TAF of Storage Capacity
- TAF of Stormwater Capture
- TAF of Recycled Water
- % Locally-Sited Water
- Avg Energy Use Intensity
- GHG Reduction Targets

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Next Steps for Climate Decision-Making Framework

- Collect input from Task Force on Proposed Evaluative Criteria and produce Working Memo # 5
- Staff compile project/program lists and project/program attributes
- Task Force identify initial Portfolio Emphases
- Task Force develop Time-Bound Targets and evaluate near-term investments

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Proposed Evaluative Criteria

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Discussion Questions

1) Are there changes or additions to the Proposed Evaluative Criteria? Are there too many?

2) What metrics should we use to measure a specific criterion?

3) Are there specific Portfolio Emphases that you would like us to bring back for review?

4) Can we start to identify the categories of Targets today?

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