



Introduction to Scenario Planning and Policy Discussion

Member Agency Manager Meeting
March 13, 2020

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Overview

- February IRP Committee Highlights
- Scenario Planning and Policy Discussion
- Outreach Program Proposal
- Feedback

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February IRP Committee Highlights

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February IRP Committee Highlights

- New IRP not an update
- Policy discussion
 - What is Metropolitan's role?
 - How do we define reliability and resiliency?
- Scenario Planning
 - What is the process? Who are the experts?
What are they helping with?

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February IRP Committee Highlights

(cont'd)

- Technical analysis
 - How are we projecting demands?
 - How do we account for local projects not coming to fruition? How do we factor in costs?
- Public outreach
 - What does it look like? What areas are we covering?
 - How do we incorporate public input?

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February IRP Committee Highlights

(cont'd)

- Schedule
 - Is a six month schedule enough time for policy discussions and technical analysis?
 - How does the IRP schedule relate to the System Flexibility Study and Budget and Rates

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Scenario Planning and Policy Discussion

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Scenario Planning is NOT:

- Disaster planning
- Envisioning what we want to happen in the future
- Predicting what the future will be

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Scenario Planning IS:

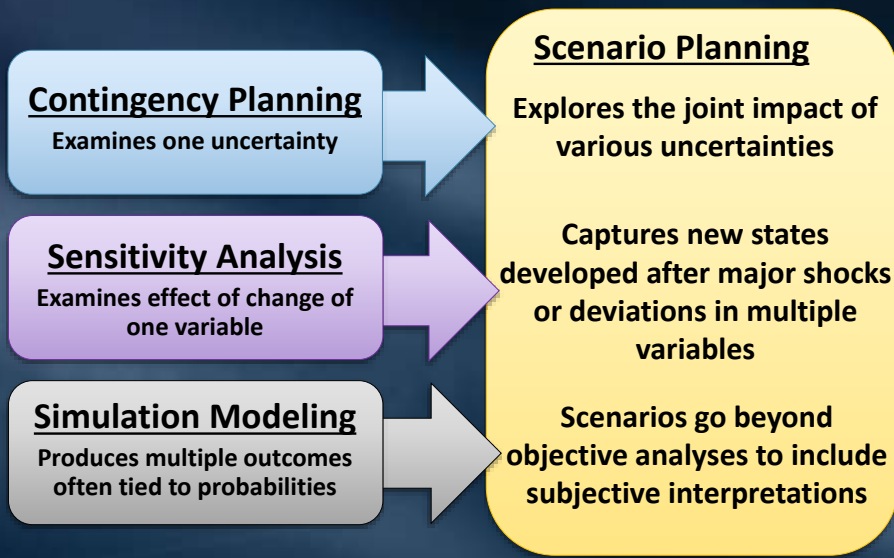
- A way to develop flexible long-term plans
- A disciplined method for imagining possible futures
- A story of how various elements might interact under certain conditions
- An approach to assess how policy options may work under future conditions

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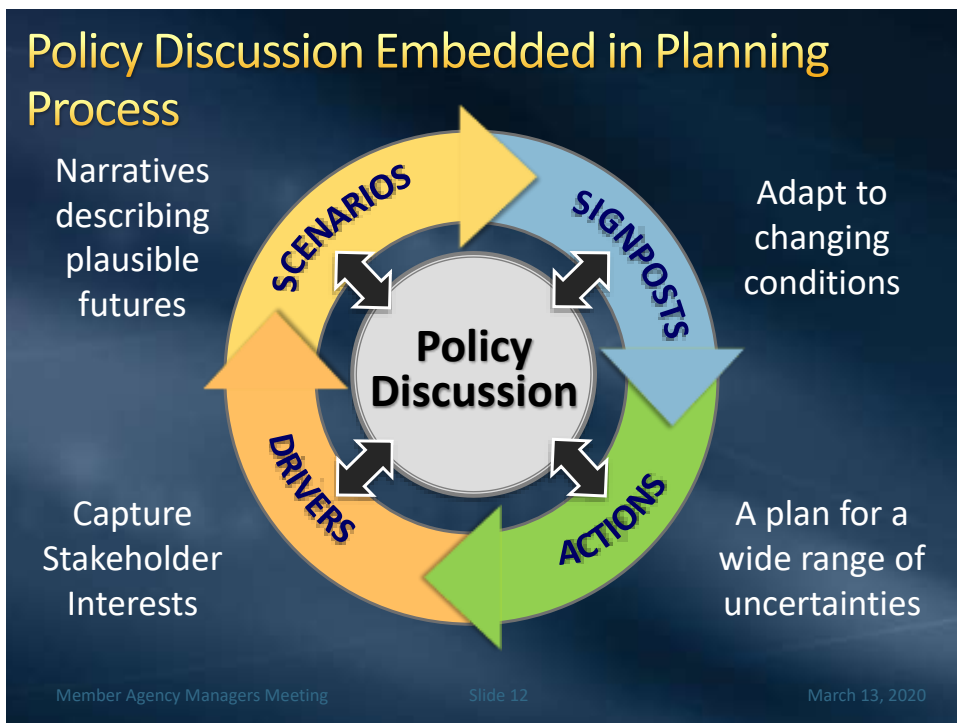
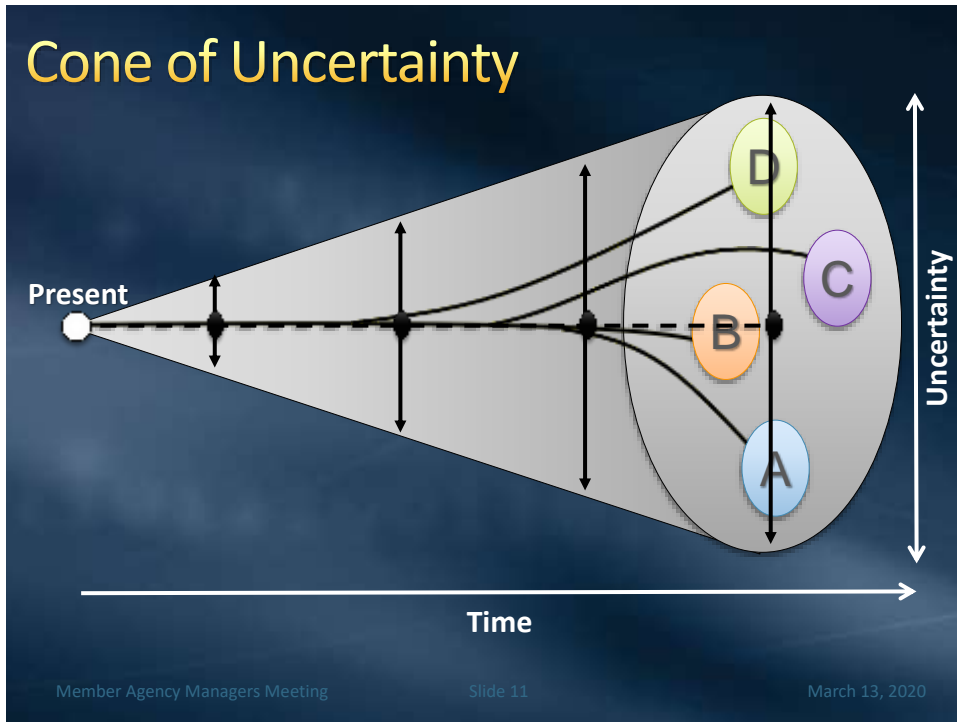
How Will the 2020 IRP be Different?



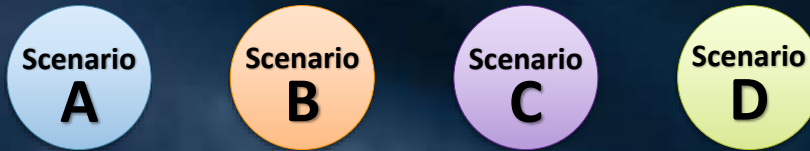
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Develop SCENARIOS to Capture Vastly Different Futures



Discussion with Member Agency Managers

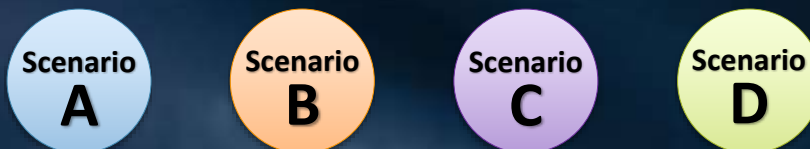
- Concerns and vulnerabilities
- Plausible future narratives
- Uncertainties and importance

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Develop SCENARIOS to Capture Vastly Different Futures

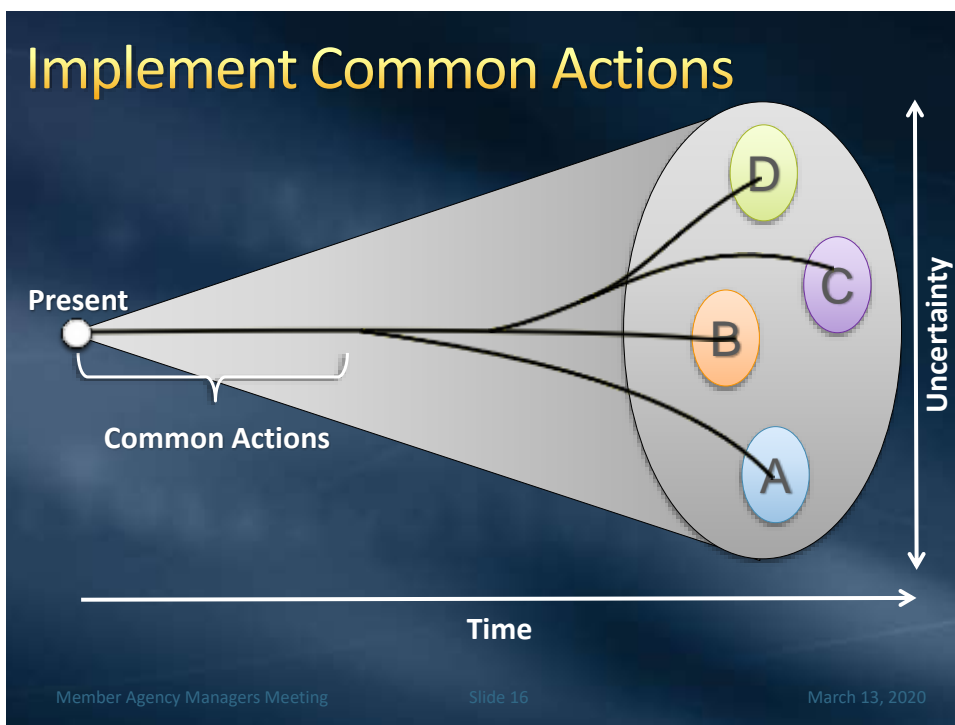


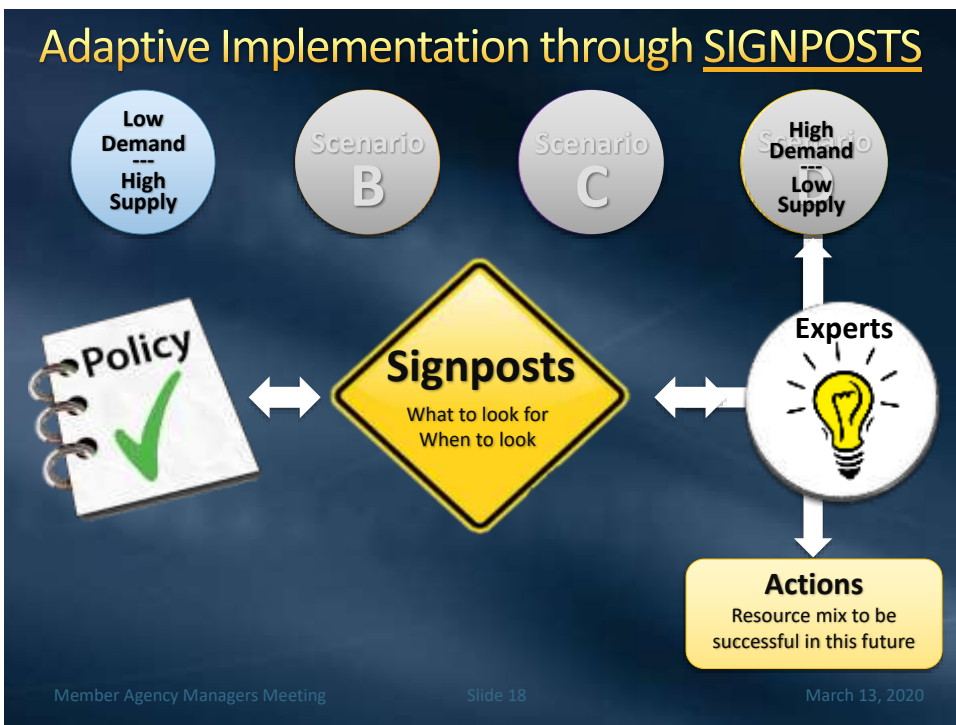
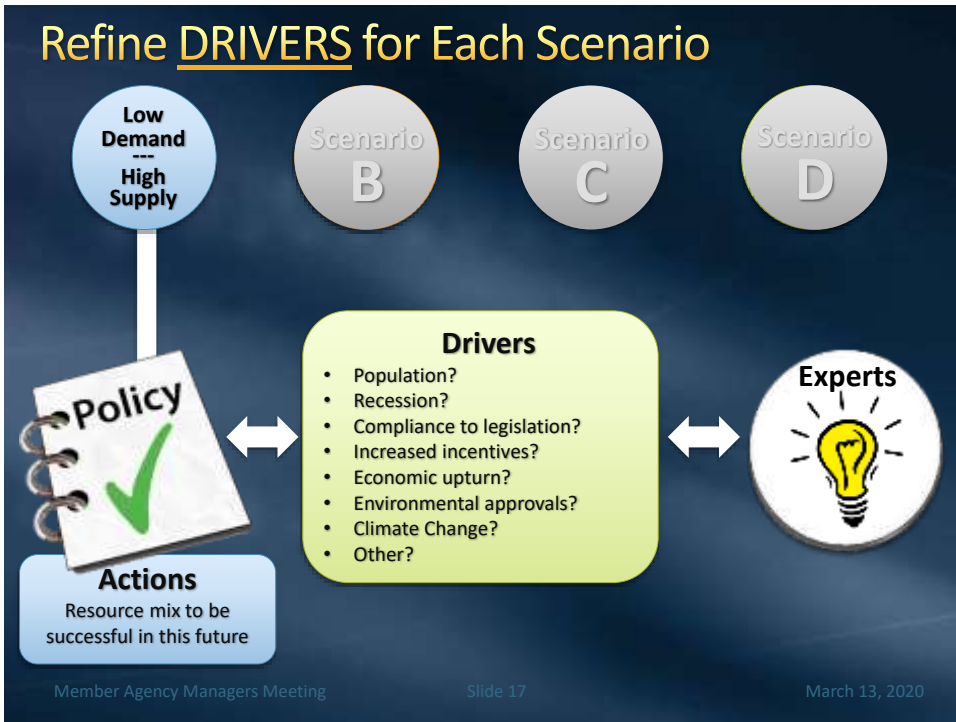
- Imported Supply
- Local Supply
- Retail Demands
- Storage

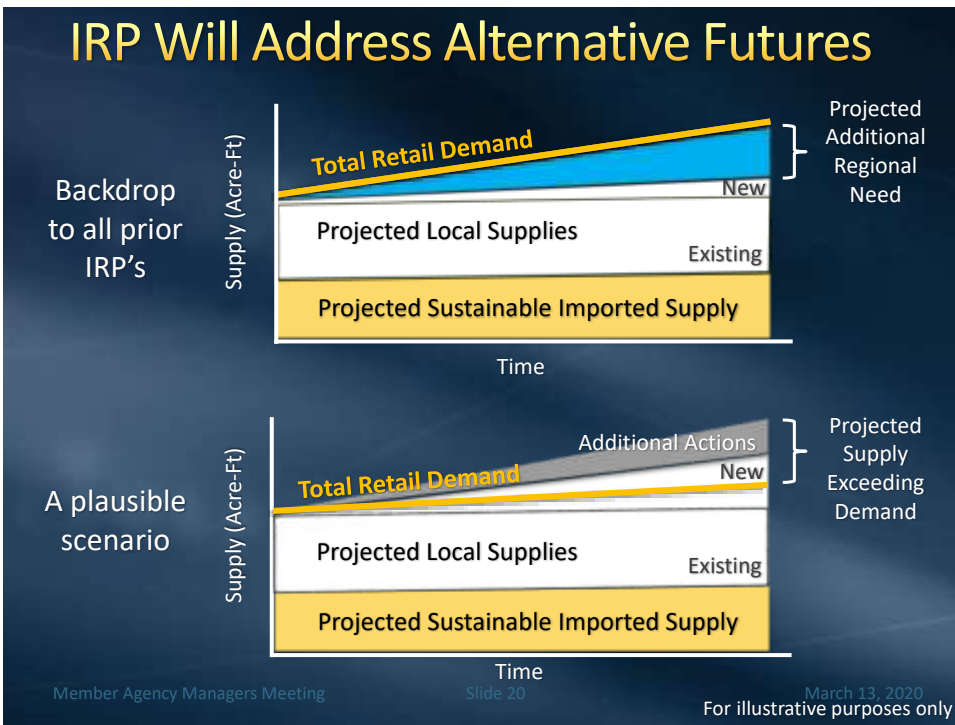
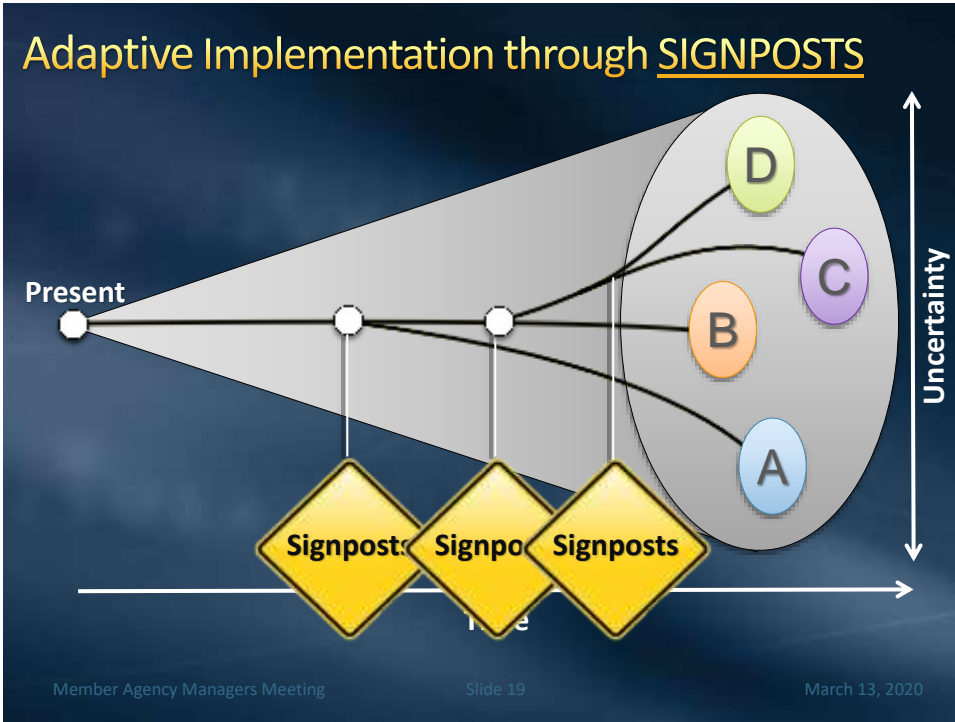
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Lets Walk Through Some Cartoonish Examples:



“Cup Runneth Over”



“So Demanding”

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Example: Cup Runneth Over

SAMPLE DATA ONLY

Low Demand

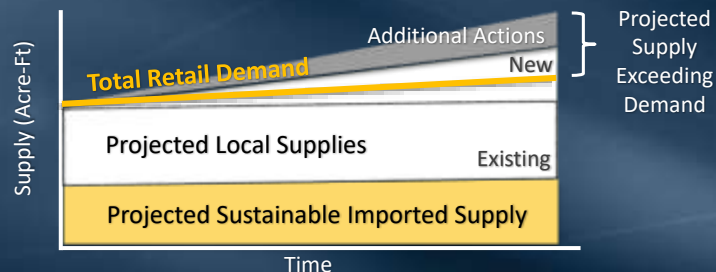
High Supply

Scenario
B

Scenario
C

Scenario
D

A plausible scenario



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Example: Cup Runneth Over

SAMPLE DATA ONLY

**Demand
on MWD**



**Imported
Water Supply**

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Example: Cup Runneth Over

SAMPLE DATA ONLY

**Retail
Demand**

—

**Local
Supply**



**Imported
Water Supply**

Assumptions:

- 2015 IRP population growth rate
- Comply with legislation
(50 GPCD + 10% reduction on outdoor use)

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Example: Cup Runneth Over

SAMPLE DATA ONLY



Assumptions:

- Estimated Member Agency local supply projection
- Roughly 30% increase over 2015 IRP local supply level

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Example: Cup Runneth Over

SAMPLE DATA ONLY



Assumptions:

- Assumes 60% SWP Allocation per DRAFT 2020 DWR Capability Report
- Assumes average CRA supply development

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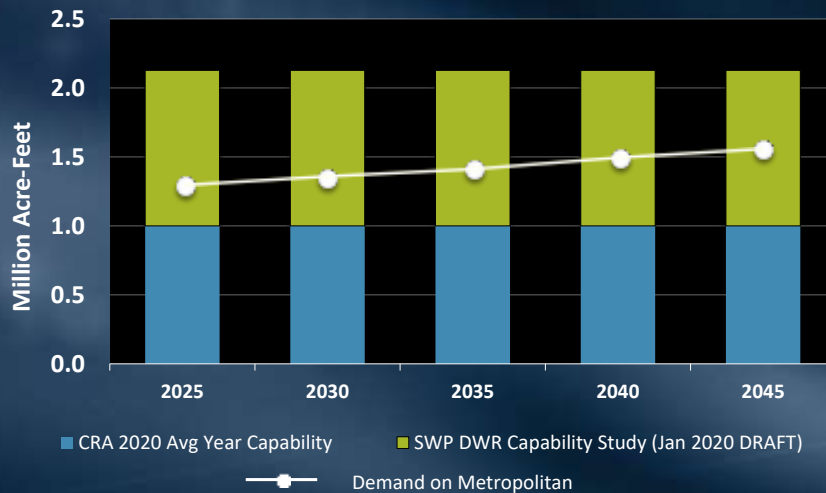
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Example: Cup Runneth Over

SAMPLE DATA ONLY

Imported supplies exceed demands with reasonable assumptions



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Example: Cup Runneth Over

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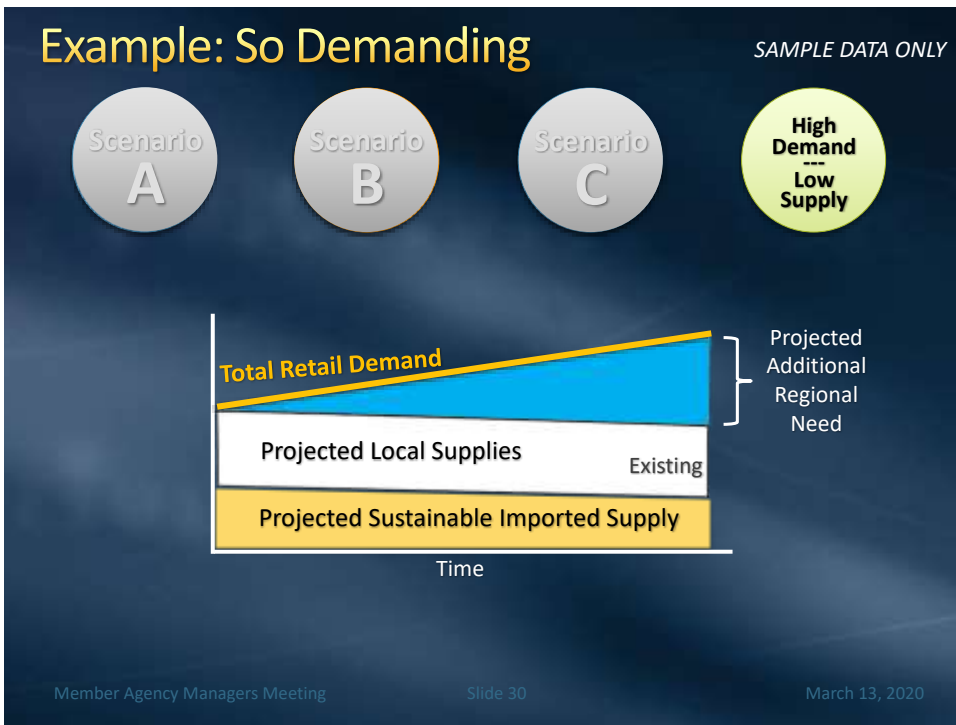
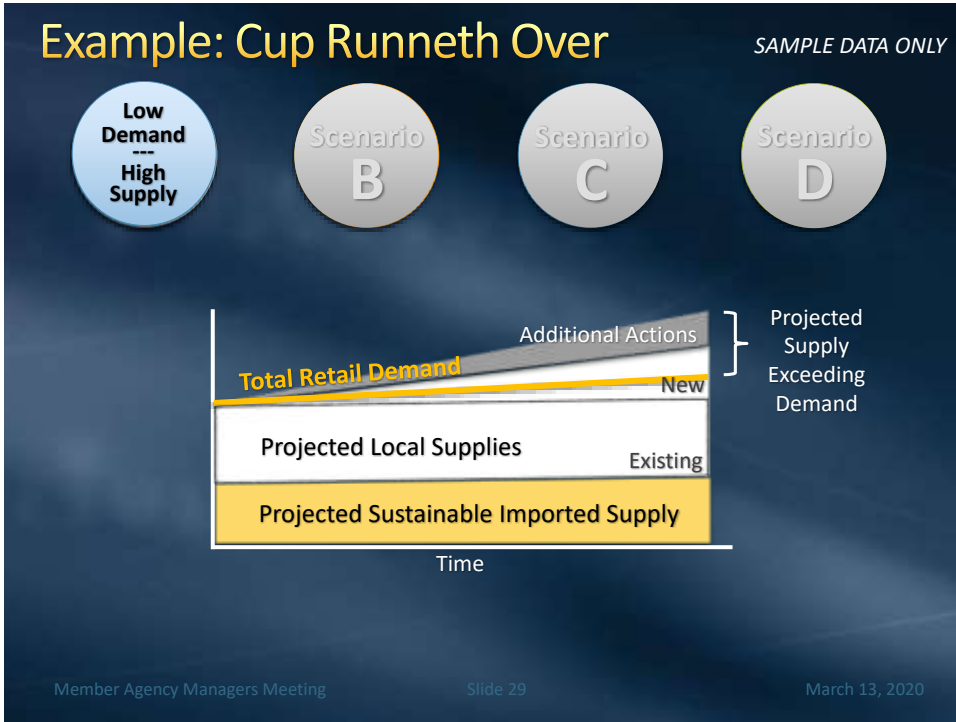


- What sort of reliability/resiliency are we targeting?
- How aggressive should we be in developing more local resources?
- At what levels should Metropolitan incentivize local resources?
- What is the benefit in assisting the region to plan for and comply with water conservation legislation?
- Are there implications to Metropolitan's financial structure?

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Example: So Demanding

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Example: So Demanding

SAMPLE DATA ONLY



Assumptions:

- Higher than SCAG and SANDAG
- Not complying with legislation

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Example: So Demanding

SAMPLE DATA ONLY



Assumptions:

- Maintaining current level of local supply production

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Example: So Demanding

SAMPLE DATA ONLY



Assumptions:

- Assume a 20% degradation of SWP beginning in 2030
- Assume a 20% degradation of CRA supply beginning in 2026

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Example: So Demanding

SAMPLE DATA ONLY



- Who is responsible for developing supplies should local supply production not develop as planned?
- How do we account for member agency local supply plans?
- What should Metropolitan's role be in the Regional Recycled Water Program
- Do we plan for being a regional insurance provider and how is that paid for?

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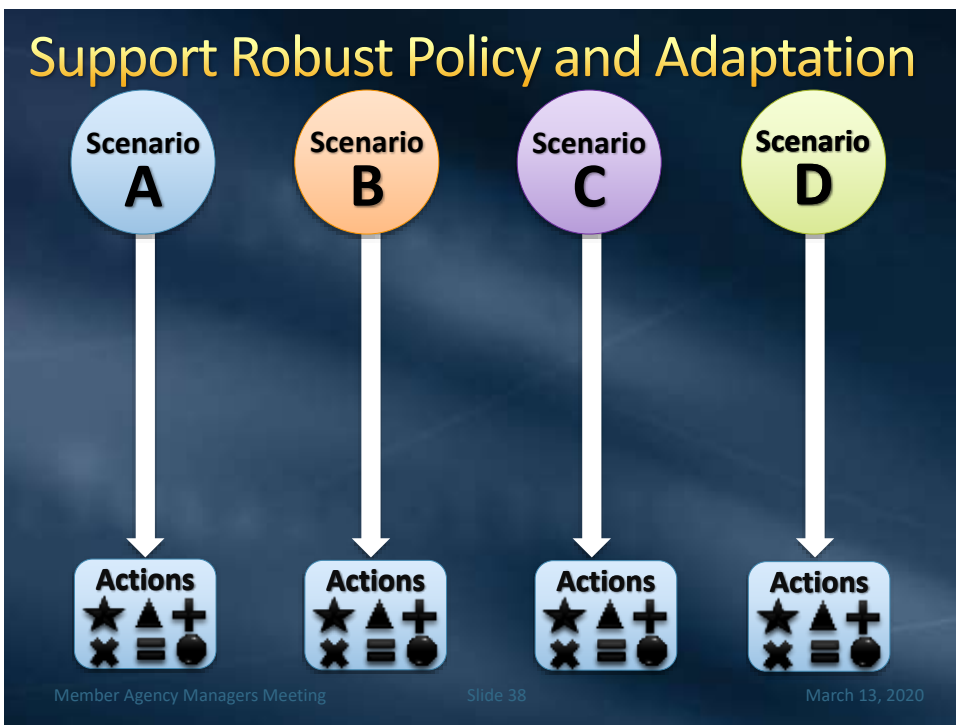
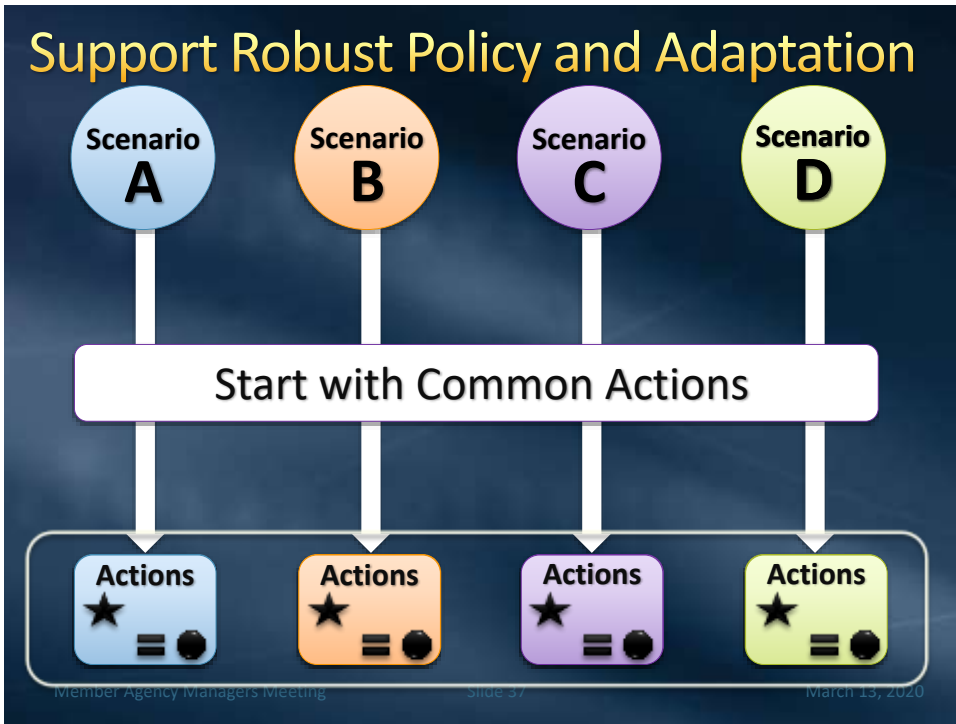
What to Expect From a Scenario Planning Process

- Sets us up for the best chances of success
- Compensates for the usual errors in decision-making
- Supports decisions as you move forward
- Takes advantage of unexpected opportunities
- Supports robust policy discussion

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