



# County of Santa Cruz <sup>0375</sup>

## DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 950604070  
(831) 454-2160 FAX (831) 454-2385

JOHN A. FANTHAM  
DIRECTOR OF PUBLIC WORKS

Agenda: October 19, 1999

October 6, 1999

### SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street  
Santa Cruz, California 95060

SUBJECT: BUENA VISTA LANDFILL GAS POWER PROJECT

Members of the Board:

On August 10, 1999, your Board received a report on the Buena Vista Landfill Gas Power Project and directed Public Works to return on or before October 19, 1999, with a status report on the project. The August 10, 1999, status report outlined the current progress in obtaining an operating permit through the Monterey Bay Unified Air Pollution Control District (MBUAPCD). In summary, the previous report discussed the delays associated with obtaining an operating permit and a brief history of the actions taken to resolve the unique regulatory issues surrounding this type of project.

We are pleased to inform your Board that the MBUAPCD was able to successfully resolve the regulatory and financial impediments to our operating permit through a modification to their District rules. This rule change corrected an existing inconsistency between the District rules and the state regulations regarding exemptions for emission reduction credit requirements on projects resulting from mandates by local, state or federal laws. A draft permit for our project was issued for comment after the MBUAPCD rule change hearing on September 15, 1999, and is scheduled to be finalized in late October 1999.

Once the operating permit and conditions from the MBUAPCD are finalized, we can begin moving this project forward towards completion. As we discussed in our previous report to your Board, the County has received a power sales offer from Pacific Gas and Electric Energy Services to purchase all the power generated from the landfill gas power project. On June 22, 1999, General Services provided your Board with a report on the current status of energy procurement for the County and was directed to return the energy utility service to Pacific Gas and Electric. This was a fortuitous situation as it provided a new opportunity to potentially structure a package deal with Pacific Gas and Electric Energy Services that would benefit the County both in

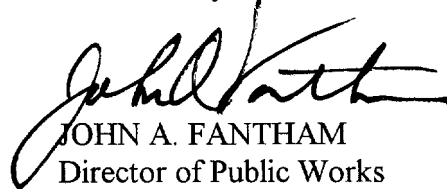
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purchase of electricity for County facilities and long term sale of electricity from the Buena Vista Landfill Gas Power Project. While the Buena Vista Landfill Gas Power Project would not be providing power directly to County facilities, the structure of the project could also be set up as a "Green Energy" purchase on the County side with a large percentage of the power project's electricity output being designated for County use. Once the MBUAPCD permit and conditions are in place, we can begin to finalize a power sales agreement with Pacific Gas and Electric Energy Services and the turn-key construction and operating agreements with Brown, Vence and Associates.

It is therefore recommended that the Board of Supervisors take the following action:

1. Accept and file this status report on the Buena Vista Landfill Gas Power Project.
2. Direct Public Works to return on or before December 14, 1999, with a status report on the Buena Vista Landfill Gas Power Project

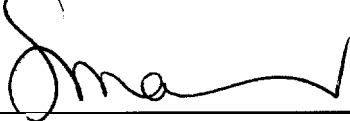
Yours truly,



JOHN A. FANTHAM  
Director of Public Works

RPM:rw

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: General Services  
Auditor-Controller  
Brown, Vence and Associates  
Public Works