

JULY 2016

# California Water Commission Water Storage Investment Program Technical Reference Document

# Introduction

- Supports the physical and economic analysis of the public benefits of eligible water storage projects
- Assists applicants in producing competitive, technically sound applications

# Section 1. Introduction

- Limitations
  - Not a “how to manual”
  - Not a list of all possible methods
- Applicant must select and implement appropriate methods

# Section 2. Defining the Without Project Future Conditions

- Scope of analysis
  - Geographic
  - Temporal
- Future conditions and assumptions
  - Physical
  - Regulatory
  - Socioeconomic

# Section 3. Defining the With-Project Future Conditions

- Additions and modifications to the without-project condition based on:
  - Project description
  - Operations plan
  - Other project related changes

# Section 4. Calculating Physical Changes

- Select appropriate methods for each benefits type
- Determine the most appropriate methods for evaluating changes resulting from a water storage project

# Section 5. Monetizing the Value of Project Benefits

- Economic assumptions
- Methods for monetizing benefits
- Tools and methods for each public benefits type
  - Appropriate level of analysis

# Section 6. Estimate Project Costs

- Considerations for estimating potential project costs
  - Type of costs to include
  - Appropriate level of detail

# Section 7. Comparing Costs to Benefits

- Assists applicants with analyzing and documenting the expected return for public investment

# Section 8. Allocating Costs to Beneficiaries

- How applicants should allocate project costs to project beneficiaries
  - Costs must be allocated appropriately to beneficiaries to support the WSIP funds requested

# Section 9. Determining Cost Effectiveness

- How an applicant can determine if their project is cost effective

# Section 10. Evaluating Sources of Uncertainty

- Assumptions and estimates about future conditions contain uncertainties
- Guidance for applicants on key assumptions and the associated uncertainty

# Next Steps

- Draft Technical Reference Released, August 16
- Workshops to introduce document contents to users, late August
- Technical Reference incorporated into the Regulations by reference in next revision, revised regulations end of August
- Formal comment on Draft Technical Reference during the 15-day comment period on revised regulations, mid-September