



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 3.1

October 18, 2024

Subject: **Cost Estimate and Benefits Analysis Roll Out Plan**

Requested Action:

Review and comment on the process, assumptions and other considerations that are key to the development of the 2024 Program Cost Forecast representing to Storage Partners the anticipated total project cost and annual costs of construction and operations to consider during investor commitment.

Detailed Description/Background:

In April 2024 staff presented the process for developing a Program Cost Forecast (PCF) that incorporates 1) updates to the 2021 Project Cost Estimate and 2) Updated Plan of Finance. Since receiving input from the RC & AB on this topic, Staff also intends to prepare additional documentation to accompany the PCF as follows:

- Updates on project benefits based on most recent CalSim model results
- Process considerations for tracking and reporting material changes (budget, schedule, quality, etc.).

All of these items will be compiled into a Program Baseline Report (PBR) that is anticipated to support Home Board decisions on the Resolution to Offer Capacity and Service and serve as a data point for tracking future progress.

Development of the various components within the PBR is underway with plans to have the updated Draft Project Cost Estimate in March 2025, an updated Final Project Cost Estimate to be adopted and a Draft PBR to be presented for input in April 2025, and a Preliminary Final PBR for adoption by the RC & AB in June 2025. A Final PBR would be part of the Resolution to Offer Capacity. Preparation of the PBR materials needs the oversight and direction of board members because this document represents the costs each of you will need to support discussions with home boards when considering investment commitment. Staff will predominantly seek input from the Operations & Engineering Workgroup as part of the PBR development process.

Fiscal Impact/Funding Source:

This work is budgeted within the current Work Plan and no additional fiscal impacts are anticipated.

Staff Contact:

JP Robinette

Primary Service Provider:

HDR

Attachments:

Attachment A: Program Baseline Report Development Process

Agenda Item 3.1 Cost Estimate and Benefits Analysis Roll Out Plan Attachment A

Program Baseline Report Development Process DRAFT - FOR DISCUSSION (October 2024)

