

operations.	implemented through CCAR, CARB or any California APCDs / AQMDs.	
Annual True-Up Process, and all Subsequent Annual GHG Reports	Poseidon will submit its Annual GHG Report to Commission staff for review and approval. Once approved, Poseidon will purchase additional offsets as necessary to maintain a zero net GHG emissions balance, or bank or sell surplus offsets. Poseidon can demonstrate compliance over a rolling 5-year period in the Sixth Annual Report.	Each year, Poseidon will obtain the new emission factor from CARB or CCAR, and prepare and submit Poseidon's Annual GHG Report within 180 days of the date of publication of CCAR/CARB emissions reports. If the report shows a positive net GHG emissions balance, Poseidon is required to purchase offsets, and submit proof of such purchase to Commission Staff, within 120 days from the date of the Annual GHG Report.

* First Annual GHG Report will use projected electricity consumption. All subsequent Annual GHG Reports will use the previous year's electricity consumption data.

L. THE PROJECT'S ANNUAL NET-ZERO CARBON EMISSION BALANCE

Table 7 presents a summary of the assessment, reduction and mitigation of GHG Emission for the proposed Project. As Shown in the table, up to ~~83%~~13% of the GHG Emissions associated with the proposed Project could be reduced by on-site reduction measures, and the remainder would be mitigated by off-site mitigation projects and purchase of offsets or RECs. It should be noted that on-site GHG reduction activities are expected to increase over the useful life (i.e., in the next 30 years) of the Project because of the following key reasons:

- SDG&E is planning to increase significantly the percentage of green power sources in its electricity supply portfolio, which in turn will reduce its emission factor and the Project's net indirect GHG emissions.
- Advances in seawater desalination technology are expected to yield further energy savings and net indirect GHG Emission reductions. Over the last 20 years, there has been a 50% reduction in the energy required for seawater desalination.

Table 7 – Expected Assessment, Reduction and Mitigation of GHG Emissions

Part I: Identification of GHG Amount Emitted		
Source	Total Annual Power Use (MWh/year)	Total Annual Emissions (metric tons CO₂/year)
Project Baseline Design	274,400	97,165

Part 2: On-site and Project-Related Reduction of GHG Emissions		
Reduction due to High-Efficiency Design	(28,244)	(10,001)
Green Building Design	(300 to 500)	(106 to 177)
On-site Solar Power Generation	(0 to 777)	(0 to 275)
Recovery of CO2	(NA)	(2,100)
Reducing Energy Needs for Water Recycling	(1,950)	(690)
Reduced Water Importation	(190,641)	(67,506)
Sequestration in Coastal Wetlands	(NA)	(18 to 188)
Subtotal On-site Reduction Measures	(NA)	(80,421 to 80,937) (12,915 to 13,431)
Net GHG Emissions		16,422 to 16,228
		67,506 83,734 to 84,250
Part 3: Additional Off-site Reductions of GHG Emissions		
Sequestration Through Reforestation	(NA)	(245)
Potential Renewable Energy Partnerships	(0 to 2,260)	(0 to 800)
Subtotal Off-site Measures	(NA)	(245-1,045)
Offset and REC Purchases	(NA)	(16,499 to 15,067) (67,506)
Net GHG Emissions		0
		82,689 to 84,005