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Huntington Beach Seawater Desalination Project Features Energy Minimization & Greenhouse Gas Reduction Plan

Huntington Beach, CA – Poseidon Resources' Huntington Beach Desalination Project ("Project") will feature a precedent-setting [Energy Minimization and Greenhouse Gas Reduction Plan](#) ("Plan"). The Plan has been incorporated into the Project as a design feature and is identical to the energy minimization plan prepared for Poseidon's Carlsbad project, which was approved by the California Coastal Commission and State Lands Commission.

The reverse osmosis process to be employed by Poseidon's seawater desalination Project does not generate greenhouse gases (GHG). The energy used to desalinate seawater comes from the electrical grid which is fed by power plants that *may* create GHG emissions. Because Poseidon supports the objectives of AB32, the California legislature's 2006 Global Warming Solutions Act, it has offered to voluntarily commit to offsetting the *indirect* GHG emissions associated with the Project's purchase of electricity even though the AB32 law does not apply to Poseidon's operations. On September 20, 2010, the City of Huntington Beach made Poseidon's implementation of the Plan a condition of the Project's approval.

"The Project not only offers Orange County residents a new, reliable high-quality water source, but the plant will be net carbon-neutral," said Poseidon Vice President Scott Maloni. "Poseidon has voluntarily made the extraordinary and unprecedented commitment to offset its indirect greenhouse gas emissions and the Project will incorporate a high-efficiency and green building design that will reduce energy consumption."

Poseidon's Plan is endorsed by the California's Air Resources Board (ARB). State law charges ARB with implementing AB 32. In a [June 21, 2010 letter to the City of Huntington Beach](#), ARB acknowledged the company's voluntary commitment to reduce the desalination plant's indirect greenhouse gas emissions and lauded the Plan's approach.

The Plan specifically requires the desalination facility to incorporate on-site energy minimization features including numerous Project components designed to ensure that the Project will use only the minimum energy necessary. These include energy efficiency measures like the state of the art "pressure exchanger" energy recovery technology that allows recovery and reuse of 33.9% of the energy associated with desalination's reverse osmosis process, as well as high efficiency and premium efficiency motors and variable frequency drives on the intake water pumps to improve their efficiency.

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In addition, the project would avoid 175,000 MWh/yr of electricity consumption that would otherwise be required to deliver imported water to serve Orange County customers, and the Plan requires Poseidon to entirely offset the project's net GHG emissions above the existing baseline.

Poseidon will calculate the project's *gross* indirect GHG emissions by multiplying its electricity use by the emissions factor assigned to Southern California Edison. It will determine its *net* indirect GHG emissions by then subtracting the emissions avoided as a result of the project (i.e. the GHG emissions resulting from the energy needed to move the imported water from Northern California to Orange County). Poseidon will then offset its indirect emissions through the purchase and Renewable Energy Credits (RECs) or the investment in project's that offset carbon emission (e.g. reforestation).

The following are the key onsite Project elements of the Plan:

State-of-the-Art Energy Recovery

Poseidon will implement state-of-the-art energy minimization features. The Project will use an energy recovery system that allows for the reuse of more than 33.9 percent of the energy associated with the reverse osmosis water purification process.

Poseidon Takes the LEED

The project will follow the principles of the Leadership in Energy and Environmental Design (LEED) program. By incorporating green building design features, the total energy consumption of the plant's service facilities will be reduced by six to 10 percent.

On-Site Solar Power

Poseidon is exploring the potential installation of a rooftop photovoltaic (PV) system for solar power generation. If installed in Huntington Beach, it would accommodate solar panels on its roof surface, which covers 39,000 square feet and would generate approximately 606 MWh/yr of electricity.

Recycling and Reusing Carbon Dioxide

Poseidon will recover approximately 2,100 tons of CO₂ annually from the reverse osmosis purification process and reuse that CO₂ during the post-treatment process.

Since 1998, Poseidon Resources has been working to construct a 50-Million-Gallon-Per-Day (MGD) seawater desalination plant at the site of the AES Power Station in Huntington Beach to provide a cost-certain, locally-controlled, drought-proof supply of drinking water. Once operational, the Huntington Beach desalination plant will provide enough drinking water to serve 300,000 Orange County residents annually at a guaranteed price and at no risk to taxpayers. The proposed \$350 million desalination project is expected be operational by 2014.

Poseidon Resources specializes in developing and financing water infrastructure projects, primarily seawater desalination and water treatment plants. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For information on the Huntington Beach project, visit our Huntington Beach website at www.hbfreshwater.com.

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