

Public Utilities Department
Administration

January 28, 2010

Mr. Derrick Moe
Western Area Power Administration
PO Box 6457
Phoenix, AZ 85005-6457

Faxed to: (602) 605-2490

Emailed to: Post2017BCP@wapa.gov

Subject: Boulder Canyon Project – Post-2017 Application of the Energy Planning and Management Program Power Marketing Initiative [74 CFR 60256-7]

Dear Mr. Moe:

The City of Riverside, California (“Riverside”) is pleased to submit written comments regarding the Western Area Power Administration’s (“Western”) Energy Planning and Management Program (“EPMP”) initiative to allocate Hoover Dam power when the current Electric Service Contract (“Contract”) expires in September, 2017.

Riverside is one of the original Western contractors who funded the Hoover Upgrading Project in 1987 and receives power under Schedule B of the Contract. Power from Hoover has and will remain an important non-emitting renewable resource to the City, providing about 6% of Riverside’s annual peaking capacity needs and 2% of its annual peaking energy needs.

Riverside is fully supportive of the currently legislative efforts before Congress, and believes federal legislation is the best way to resolve the issues surrounding Hoover power allocation. Based upon the enthusiastic support expressed by many key legislators, Riverside is confident that a legislative solution to the post-2017 allocation of Hoover entitlements will be forthcoming.¹ Riverside understands that Western, like most electric industry participants, including Riverside, is challenged by the sheer number of state and federal mandates. Riverside attempts to allocate its limited business resources carefully and strongly encourages Western to evaluate the momentum of the current legislative effort to determine whether Western’s scarce resources might also need to address other pressing issues, such as national transmission initiatives and the federal government’s goals for development of new sources of renewable energy. Therefore, Riverside respectfully requests that, to the extent allowed by statute and

¹ H.R. 4349 (Rep. Napolitano- CA-38) introduced on 1/4/2010, currently has 43 bi-partisan co-sponsors. The Senate companion bill, S. 2891 (Sen. Reid- NV) currently has three co-sponsors.

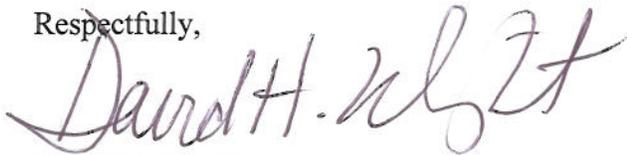
federal regulations, Western suspend the current EPMP administrative process, at least through the end of the current session of Congress, to allow the legislative process to run its course.

However, if Western does elect to continue the current EPMP process, Riverside respectfully recommends the inclusion of the principles currently outlined before Congress:

- Riverside supports the allocation of the full nameplate capacity of 2074 MW. As contractors we have paid for all expenses of the project, and hope to receive the full output when it is available.
- We support the continuation of Schedules A, B, and C. They were the result of a negotiated settlement in the 1980's and therefore should be respected.
- We support a 50-year term, consistent with the original contracts and the LCRMSCP contracts, and postpones the need to go through this process again.
- A 5% pool for new entrants is appropriate.
- We support efforts to require new entrants to become members of the LCRMSCP and pay a share of those costs.
- We advocate for an additional provision allowing contractors to deliver their power through transactions with an Independent System Operator or similar organization.

We thank Western for the opportunity to submit these comments and ask for your careful consideration.

Respectfully,

A handwritten signature in dark ink, appearing to read "David H. Wright". The signature is written in a cursive, flowing style.

David H. Wright
General Manager, City of Riverside Public Utilities Department