May 31, 2016

Ms. Lynn Jeka
Mr. Adam Arellano
WAPA CRSP Management Center

Email: SLIPPost2024@wapa.gov

RE: SLCA/IP General Power Marketing Criteria (Proposed 2025 Marketing Plan); 2025 SLCA/IP Marketable Resource

Dear Ms. Jeka and Mr. Arellano:

The Colorado River Energy Distributors Association (CREDA) offers the following comments and questions regarding the above Proposed 2025 Marketing Plan ("Marketing Plan") as described in the referenced Federal Register Notices dated December 16, 2015 (80 FR 78222) and March 28, 2016 (81 FR 17163), as well as the cover letter and linked materials distributed and posted on WAPA’s website May 10, 2016.

Included are: A) comments and recommendations on the Marketable Resource and Methods Report; B) a copy of CREDA’s comments offered at the February 17, 2016 Comment Forum (starting at page 2); and C) technical corrections to the December 16, 2015 FRN recommended for inclusion in the Final Marketing Plan, as indicated at the Comment Forum.

CREDA appreciates WAPA providing the Methods Report and the Potential Marketable Resource information, and CREDA has considered those materials in developing these comments and recommendations.

A. GENERAL COMMENTS/RECOMMENDATIONS

I. CREDA agrees with WAPA’s conclusion that there is insufficient SLCA/IP resource to offer a New Customer Resource Pool.

II. CREDA recommends WAPA extend current contract commitments through a 40-year extension of the existing Firm Electric Service Contracts ("Contracts") with as few changes as possible from the existing Contract. CREDA believes this can be achieved by the end of the current Fiscal Year.

III. CREDA considered and does not support the proposed concept of a reevaluation or “reopener” at a 20-year interval during the term of the extended Contracts for the following reasons, among others:

a. The current Contracts provide WAPA sufficient flexibility to revise commitment levels upon five (5) years’ written notice to the customer; the CRC, WRP and CDP tools also provide flexibility to Western and its customers. Likewise, the customers have sufficient flexibility to address resource needs that will vary with hydrology.

b. CREDA believes there is sufficient uncertainty contained in the modeling results as described in the Methods Report that it is likely the results may be overly conservative.

c. Historical collaboration through provisions of the 1992 Letter Agreement as supplemented, along with the demonstrated capability of WAPA and
its customers to collaboratively and successfully address rate, financial, and resource challenges argues that this history will repeat itself.

IV. CREDA recommends WAPA finalize the 2025 Marketing Plan, and then implement the Plan as envisioned in the March 28, 2016 FRN through "additional opportunities to consult with WAPA." CREDA suggests this consultation be achieved through a two-pronged approach: one prong being completion of Contract extensions as proposed in II above; the second prong being informal customer technical discussions on methods analysis, assumptions and operations.

CREDA believes there is sufficient time to collaborate and consult with customers on technical issues while not impacting timely Contract extensions. The technical information would be used for future planning and collaboration and does not need to be completed in the next few months. CREDA has some general questions on the May 10 materials, and is developing potential technical questions for discussion through an informal process as proposed above.

**METHODS REPORT QUESTIONS/COMMENTS**

1) CREDA suggests that references to items such as "operating criteria" reflect the Record of Decision, as opposed to a specific alternative.

2) Has the Drought Contingency Plan been taken into consideration either through assumptions or traces?

3) Please consider providing information describing the fundamental differences among GTMax, GTMax Lite and GTMax Superlite v1.

4) Please provide the current project use requirements, and please clarify the project use loads metric in Appendix 3, Item 6 of General Inputs/Assumptions.

5) Please provide additional information on the "85% weekend" figure contained in Item 1 of Glen Canyon Specific Inputs/Assumptions.

6) Was a case reflecting "No Action" (or 1996 ROD operations) run?

7) CREDA would like to revisit with WAPA past What If Committee work regarding scenario planning and analysis.

B. **COPY OF CREDA's COMMENT FORUM COMMENTS**

CRSP 2025 MARKETING PLAN – PUBLIC COMMENT FORUM
February 17, 2016, 11:00 a.m. Salt Lake City Airport Ramada Inn
CREDA Comments
February 17, 2016

The following comments are offered for consideration by Western and for the record at today's Public Comment Forum.

I. INTRODUCTION – CREDA represents majority of CRSP resources allocated in the post-2004 Marketing Plan. Following are general comments reflecting CREDA's views on Western's proposed 2025 Marketing Plan elements as described in the December 16, 2015 Federal Register Notice of Draft Proposed Marketing
Criteria, along with the clarifications offered by Western at the January 14, 2016 Public Information Forum. CREDA views the proposed Criteria as an extension of the existing Marketing Plan, with minor updates and adjustments. The following comments are offered on specific elements of the proposed Criteria, followed by general comments. We will be submitting detailed written comments within the established period, whether or not it is formally extended beyond the date cited in the FRN.

II. PROPOSED MARKETING CRITERIA ELEMENTS - These comments are offered on key areas of the proposed Criteria, and are not exhaustive. For purposes of this Comment Forum, the elements will be referenced in general terms; CREDA will provide detailed written comments on each element, and on text contained in the FRN within the comment period. CREDA generally supports most of the elements of the Criteria.

A. No change to Marketing Area and Summer and Winter Seasons
B. Retention of Existing Customer CROD Allocations and WDP/CDP Programs: these programs were developed through a collaborative effort between Western and CREDA, are a “win-win” and provide flexibility for the customers and Western to address hydrologic and market issues.
C. Resource Pool: CREDA appreciates Western holding informational listening and feedback meetings during the summer of 2015. We were surprised, however, to see inclusion of a potential resource pool in the draft marketing criteria given the universal feedback provided Western at those meetings. Based on CREDA’s initial review of the public draft of the LTEMP EIS, as well as our understanding of the Colorado River basin future hydrologic projections, CREDA believes that any “additional” resource should be retained by the existing FES customers as mitigation for the significant reduction in CRSP resources due to various Records of Decision, or for operational efficiencies.
D. Contract Term and Extension of FES Contracts: CREDA supports the proposed 40-year contract term and urges extension of the existing FES contracts as soon as practicable, under the same general contract provisions as are currently in place. Given our statements with regard to a potential resource pool, we believe that the proposed Marketing Plan schedule can be compressed. CREDA and its members are willing to work collaboratively with Western to achieve this objective. CREDA recognizes Western’s ability to adjust CRODs (with five years’ notice) under certain conditions, and in the event such an adjustment is considered, CREDA believes that any adjustment (up or down) should be prorata among the existing FES customers. However, history has shown time and again that Western, CREDA and the customers have a unique ability to develop mutually agreeable solutions to changing circumstances.

III. GENERAL COMMENTS: CREDA will provide specific comments on text included in the December 2015 FRN, including but not limited to the issues associated with customer eligibility, prioritization of eligible applicants, applicant profile data, and the “ready, willing and able” criteria. CREDA appreciates the clarifications on these issues offered by Western at the Information Forum in January, and requests that those clarifications and corrections be reflected in the final Federal Register notice associated with this process. CREDA appreciates the CRSP Management Center’s willingness to collaborate with its customers as the 2025 Marketing process comes to a successful and timely conclusion.

Thank you for considering these comments. I may be reached at 480-477-8646 if you would like to discuss further.

Sincerely,

Leslie James
Executive Director

cc: CREDA Board

C. TECHNICAL CORRECTIONS TO DECEMBER 15, 2015 FRN

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CREDA appreciates WAPA’s consideration of CREDA’s recommendations and comments associated with this important process. We look forward to working with WAPA to a successful and timely completion of the SLCA/IP 2025 Marketing Plan and Contract extensions.

Sincerely,

Leslie James

Leslie James
Executive Director

Cc: CREDA Board