Sent via e-mail

Dear Salt Lake City Area Integrated Projects (SLCA/IP) Customer:

On December 16, 2015, Western Area Power Administration’s (Western) Colorado River Storage Project Management Center (CRSP MC) began the public comment period for its Proposed 2025 SLCA/IP General Power Marketing Criteria (Proposed 2025 Marketing Plan). The CRSP MC held a Public Information Forum on January 14, 2016, and also held a Public Comment Forum on February 17, 2016, to provide the public an opportunity to submit comments.

During these meetings, the CRSP MC announced it would complete and post a preliminary determination of the 2025 SLCA/IP Marketable Resource, which would help determine if Western would offer a 2 percent New Customer Power Pool as proposed. Western also extended the comment period to May 31, 2016 (82 FR 17163), to allow customers the opportunity to comment on the analysis and to make additional comments about the Proposed 2025 Marketing Plan.

Based on the Analysis of Potential Marketable Resource (enclosed), it appears there will be insufficient sustainable hydro power (SHP) energy available to offer a New Customer Power Pool. The modeling data also suggest that less SHP energy resource will be available in the future to maintain energy allocations at the current level.

The Potential Marketable Resource shows available seasonal energy for both the first 20-year period and also for the entire 40-year period of the proposed contract term. This illustrates that the forecasted energy values are more heavily impacted in the latter 20 years of the contract period. Western, therefore, believes it may be beneficial to offer allocations for the first 20 years and then reevaluate the allocations for the last 20 years at a later date.

Western’s analysis also indicates that the predicted energy generation does not correlate with the existing seasonal energy allocations. The modeling shows some additional energy may be available in the summer season during the contract period while winter season generation will be lower than the amounts currently allocated. There may be approaches to mitigate this potential shortfall in winter season energy, such as a reallocation of some energy allocations between the seasons.

The Methods Report, outlining how the Analysis of Potential Marketable Resource was accomplished, is available on the CRSP Power Marketing website at the following URL: https://www.wapa.gov/regions/CRSP/PowerMarketing/Pages/power-marketing.aspx.

The public comment period for the Proposed 2025 Marketing Plan ends May 31, 2016. Western requests that the Analysis of Potential Marketable Resource be considered when providing
comments on the marketing plan. Western will use these comments to help make a final
determination about the Proposed 2025 Marketing Plan. Please submit any comments to the
following e-mail address: SLIPPost2024@wapa.gov or by mail to the address below. Based on
the comments received, Western may need to alter its marketing plan proposal. If this becomes
necessary, there will be additional opportunities to comment.

Ms. Lynn C. Jeka
Western Area Power Administration
150 East Social Hall Avenue, Suite 300
Salt Lake City, UT 84111-1580

If there are any questions, please telephone Parker Wicks at (801) 524-5265.

Sincerely,

[Signature]

Lynn C. Jeka
Senior Vice President
CRSP Manager

Enclosure