



June 2nd, 2015

Mr. Subhash Paluru, PhD
Senior Vice President & Regional Manager
Sierra Nevada Region
Western Area Power Administration
U.S. Department of Energy
114 Parkshore Drive
Folsom, California 95630-4710

SUBJECT: Post 2024 Power Marketing Plan

Dear Mr. Paluru:

The Port of Oakland is pleased to provide you with this letter supporting the Post 2024 Power Marketing Plan (Plan) comments of the Northern California Power Agency regarding Central Valley Project (CVP) power. The Port of Oakland (Port) currently receives a 0.60491 percent allocation of CVP power from Western Area Power Administration (Western), and we view our power entitlement as an important component of our power resources. Western power currently provides approximately 25% of the Port's needs in a normal year, though the Port anticipates this will drop dramatically due to future load growth associated with redevelopment at the former Oakland Army base, further development at the former Navy Base, increased electricity use by ships while at berth, and electrification of port equipment such as cranes, trains, and drayage trucks.

While Western's CVP power is currently suffering from the ongoing drought in California, we are hopeful that it will become more useful once again in our portfolio of resources. We appreciate Western's efforts to engage now in the development of the Post 2024 Power Marketing Plan, and look forward to a continued collaborative relationship with Western.

The Port is supportive of creating resource pools for new customers and for existing customers that wish to increase their share of Western power. The Port has the following comments on the components of the resource pools:

- a. **Creation** – The Port recommends that the Plan first provide for any such resource pools by utilizing any power allocations that may have been turned back to Western so that the withdrawals from existing customers are avoided or minimized. Alternatively, the Port recommends Western create the resource pools by reducing the base resource percentages of those entities with the largest base resource to load ratio *AND that exceed a minimum load threshold*. This approach recognizes the challenges smaller western customers have in managing a small western allocation that is becoming an increasingly complicated resource.

- b. **Eligibility** – For existing customers wishing to increase their Western supply, eligibility should be based on current *and projected load growth that is supported by studies and other analysis*.
- c. **Cost Adders and allocation adjustments** – If Western should decide to impose a cost adder on new customers or give new customers junior entitlements to current Western customers under certain shortage conditions, the rules and costs need to be clear before program start up to ensure customers can adequately evaluate the costs and benefits.

We appreciate your efforts to develop a timely and equitable Plan, and trust that you will carefully consider and incorporate the initial recommendations offered on our behalf by NCPA.

Sincerely,



Nicholas Procos
Manager of Utilities Administration
Engineering Division/Utilities
Port of Oakland
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Oakland, CA 94607