



May 26, 2015

Ms. Sandee Peebles
Public Utilities Specialist
Customer & Energy Services Representative
Western Area Power Administration
Sierra Nevada Region
114 Parkshore Drive
Folsom CA 95630

SUBJECT: Comments on 2025 Power Marketing Program

Dear Sandee:

As you are aware, the Woodland-Davis Clean Water Agency (WDCWA) and Reclamation District 2035 (RD 2035) recently became joint assignees of Western Area Power Association (WAPA) contracts previously assigned solely to RD 2035. As the new Assignment 14-SNR-01833 (Assignment) acknowledges, the two agencies have entered into a separate operating agreement which describes how each agency will utilize the available Base Resource power at a new joint water intake facility on the Sacramento River. Under the WDCWA-RD 2035 Joint Intake Operations Agreement, the WDCWA is able to utilize available Base Resource power which is unused by RD 2035, and must utilize Custom Product power to meet any needs not met by available Base Resource. In some months, it is anticipated that RD 2035 will utilize all of the available Base Resource allocated under the Assignment. Even under such circumstances, the WDCWA still expects to experience a lower overall power price than what it would experience as a Pacific Gas and Electric customer.

In order to maximize electrical cost savings to the rate payers of the WDCWA's member agencies – the cities of Woodland and Davis and the University of California, Davis – the WDCWA is interested in pursuing a new allocation, separate from its existing joint assignment with RD 2035, during WAPA's 2025 Call for Applications. It is our understanding that doing so would require termination of the WDCWA's existing status as a party to Assignment 14-SNR-01833. The WDCWA would request two delivery points for power – one at the joint intake structure at the Sacramento River and another at the regional water treatment facility currently being constructed in Woodland.

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In keeping with the WDCWA's intention to pursue its sole allocation of Base Resource power, we would like to take this opportunity to express our support for WAPA's plans to create Resource Pools during the next contract term beginning in 2025. Based on the description of these Resource Pools provided during the April 22, 2015 Informal Stakeholder Meeting for WAPA's 2025 Power Marketing Program, we understand that the Resource Pools would make a modest percentage of Base Resource currently allocated to existing WAPA customers available to new customers and customers seeking to obtain larger allocations. Although existing WAPA customers would stand to lose a portion of their current Base Resource allocations to the Resource Pools, the process would promote a sense of fairness among old and new WAPA customers and provide valuable cost savings to new customers without seriously jeopardizing existing customers.

If WAPA modifies the proposed Resource Pool process based on feedback from other existing customers, the WDCWA would appreciate an opportunity to speak in favor of the Resource Pools at subsequent stakeholder meetings and/or formal comment forums.

If you have any questions about this letter or the WDCWA's concerns, please do not hesitate to contact me at ddiemer@wdcwa.com or 530-747-8299.

Sincerely,

Dennis Diemer / Syvanne Mehler
A/Deputy general
Manager

Dennis Diemer
General Manager
Woodland-Davis Clean Water Agency