

## Peebles, Sandee

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**From:** Padilla, Monica <Monica.Padilla@CityofPaloAlto.org>  
**Sent:** Wednesday, November 25, 2015 1:21 PM  
**To:** Peebles, Sandee; cmudd@exeterassociates.com; pgs@starstream.net; dsmith@lmud.org; mauryK424@gmail.com; brent.tenpas@ncpa.com; MHurley@presidiotrust.gov; cummings@ci.redding.ca.us; bzard@roseville.ca.us; gary.lawson@smud.org; dbattles@ssjid.com; wgmanuel@tid.org; dbseverson@tid.org; phauser@trinitypud.com  
**Subject:** RE: Creating Resource Pools

Sandee,

Thank you again for the opportunity to provide feedback related to the creation of the Resource Pools under the 2025 Power Marketing Plan. Through our initial comments to Western, via the informal stakeholder process, Palo Alto provided its support for Western's proposal to create two Resource Pools at 2% and 1% for 2025 and 2040, respectively. We further sought clarification for how such Pools would be created and again thank you for the opportunity to explore alternatives for creating such Pools.

The methodology you outline below, could result in Pools greater than 2% and 1% for 2025 and 2040, respectively. For this reason, Palo Alto does not support Western's recommended approach. Instead, Palo Alto recommends a methodology whereby the Pools are capped at 2% and 1% as originally proposed by Western staff, as follows:

- \* First, apply all Base Resource allocations returned voluntarily by customers;
- \* Second, limit customers to a maximum of 100% Base Resource allocation as a percent of their projected load;
- \* Lastly, the balance needed to create a 2% and 1% Resource Pool is to be acquired by taking a pro-rata share from the remaining customers. The pro-rata amount will not be known until the first two steps are met, but is not likely to be greater than 2% and 1%.

I understand Western's concern about the complexity associated with not knowing the actual Base Resource quantity to be used for the basis of creating the Pools, however this should not dictate the percentage size of the Pools to be established. Further, Palo Alto urges Western to complete the task of updating the Greenbook data as provided for in the current 2005 Base Resource contract and most recently agreed to at the last customer meeting. Without a more realistic assessment of the expected generation value from now through 2055, all existing and potential customers will find it difficult to assess the value of the 2025 Base Resource contract and thus seek approval from their governing boards.

Again, thank you for continuing to involve all customers in the process of creating the 2025 Power Marketing Plan.

Regards,

Monica Padilla

Senior Resource Planner  
City of Palo Alto Utilities

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From: Peebles, Sandee [Peebles@WAPA.GOV]  
Sent: Thursday, November 12, 2015 9:21 AM  
To: Padilla, Monica; cmudd@exeterassociates.com; pgs@starstream.net; dsmith@lmud.org; mauryK424@gmail.com; brent.tenpas@ncpa.com; MHurley@presidiotrust.gov; cummings@ci.redding.ca.us; bzard@roseville.ca.us; gary.lawson@smud.org; dbattles@ssjid.com; wgmanuel@tid.org; dbseverson@tid.org; phauser@trinitypud.com  
Subject: RE: Creating Resource Pools

Good Morning,

Yes, over-allocations are allocations equaling more than 100% of a customer's load. We do not intend to allocate more than 100% to any customer.

Let me know if you have any other questions. Thanks, Sandee

From: Padilla, Monica [mailto:Monica.Padilla@CityofPaloAlto.org]  
Sent: Tuesday, November 10, 2015 2:16 PM  
To: Peebles, Sandee; cmudd@exeterassociates.com; pgs@starstream.net; dsmith@lmud.org; mauryK424@gmail.com; brent.tenpas@ncpa.com; MHurley@presidiotrust.gov; cummings@ci.redding.ca.us; bzard@roseville.ca.us; gary.lawson@smud.org; dbattles@ssjid.com; wgmanuel@tid.org; dbseverson@tid.org; phauser@trinitypud.com  
Subject: RE: Creating Resource Pools

Hi Sandee,

Thanks for the update. I have one point of clarification - does "over-allocations" mean customers who have a BR allocation to load ratio of greater than 100%? If so, does this mean that Western will limit allocations to 100% of load?

Monica

From: Peebles, Sandee [mailto:Peebles@WAPA.GOV]  
Sent: Tuesday, November 10, 2015 1:32 PM  
To: cmudd@exeterassociates.com<mailto:cmudd@exeterassociates.com>; pgs@starstream.net<mailto:pgs@starstream.net>; dsmith@lmud.org<mailto:dsmith@lmud.org>; mauryK424@gmail.com<mailto:mauryK424@gmail.com>; brent.tenpas@ncpa.com<mailto:brent.tenpas@ncpa.com>; Padilla, Monica; MHurley@presidiotrust.gov<mailto:MHurley@presidiotrust.gov>; cummings@ci.redding.ca.us<mailto:cummings@ci.redding.ca.us>; bzard@roseville.ca.us<mailto:bzard@roseville.ca.us>; gary.lawson@smud.org<mailto:gary.lawson@smud.org>; dbattles@ssjid.com<mailto:dbattles@ssjid.com>;

wgmanuel@tid.org<mailto:wgmanuel@tid.org>; dbseverson@tid.org<mailto:dbseverson@tid.org>;  
phauser@trinitypud.com<mailto:phauser@trinitypud.com>  
Subject: Creating Resource Pools

Dear Resource Pool Committee,

Thank you for attending our meeting to go through the various resource pool methodologies. After the discussion about the Greenbook and the possibility of the average base resource changing, we ran the examples using lower base resource megawatthours. The lower base resource resulted in much larger reductions to customers' percentages to create the resource pools using the new methodologies.

Due to the possible consequences of creating a methodology without knowing the actual Base Resource megawatthours, SNR has determined the best route to create the Resource Pools will be to take 2% and 1% from all customers for the 2025 and 2040 resource pools, respectively. SNR remains agreeable to applying any returned allocations to the resource pools in order to reduce the percentages taken from the customers.

In the event of any over-allocations, SNR will include those percentages in the resource pools. All customers will be welcome to apply for a resource pool allocation.

Please feel free to contact me with any questions you may have.

Thanks, Sandee

Sandee Peebles | Public Utilities Specialist Western Area Power Administration | Sierra Nevada Region  
(O) 916.353.4454 | peebles[at]wapa.gov<mailto:peebles@wapa.gov>



## Peebles, Sandee

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**From:** Peebles, Sandee  
**Sent:** Tuesday, November 17, 2015 2:34 PM  
**To:** 'Padilla, Monica'  
**Subject:** RE: Creating Resource Pools

Hi Monica,

Yes, I believe his comments support Western's proposal of reducing all customers 2% and 1% for the resource pools, reducing those percentages in the event of any returned allocations, and the possibility of increasing the resource pool in the event of any over-allocations.

Let me know if you have any other questions. Thanks, Sandee

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**From:** Padilla, Monica [<mailto:Monica.Padilla@CityofPaloAlto.org>]  
**Sent:** Tuesday, November 17, 2015 1:05 PM  
**To:** Peebles, Sandee  
**Subject:** RE: Creating Resource Pools

Sandee,

Am I missing something in Don's response? Isn't what he's advocating for, the same as what Western is proposing? Please enlighten me if not.

Monica

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**From:** Don Battles [<mailto:dbattles@ssjid.com>]  
**Sent:** Tuesday, November 17, 2015 11:50 AM  
**To:** Peebles, Sandee; [cmudd@exeterassociates.com](mailto:cmudd@exeterassociates.com); [pgs@starstream.net](mailto:pgs@starstream.net); [dsmith@lmud.org](mailto:dsmith@lmud.org); [mauryK424@gmail.com](mailto:mauryK424@gmail.com); [brent.tenpas@ncpa.com](mailto:brent.tenpas@ncpa.com); Padilla, Monica; [MHurley@presidiotrust.gov](mailto:MHurley@presidiotrust.gov); [cummings@ci.redding.ca.us](mailto:cummings@ci.redding.ca.us); [bzard@roseville.ca.us](mailto:bzard@roseville.ca.us); [gary.lawson@smud.org](mailto:gary.lawson@smud.org); [wgmanuel@tid.org](mailto:wgmanuel@tid.org); [dbseverson@tid.org](mailto:dbseverson@tid.org); [phauser@trinitypud.com](mailto:phauser@trinitypud.com)  
**Subject:** RE: Creating Resource Pools

Sandee:

Thank you for the opportunity to comment on the 2025 Resource Pool allocation process. As I mentioned at the last committee meeting, the South San Joaquin Irrigation District recommends that Western fund the 2025 Resource Pool by asking all existing Base Resource customers to return 2% of their existing allocations to fund the base Pool and to add to that base Pool all funds that would be withdrawn from those customers with allocations exceeding their load requirements. To us, this represents a fair funding mechanism from all existing Preference Customers.

Don

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**From:** Peebles, Sandee [<mailto:Peebles@WAPA.GOV>]  
**Sent:** Tuesday, November 10, 2015 1:32 PM  
**To:** [cmudd@exeterassociates.com](mailto:cmudd@exeterassociates.com); [pgs@starstream.net](mailto:pgs@starstream.net); [dsmith@lmud.org](mailto:dsmith@lmud.org); [mauryK424@gmail.com](mailto:mauryK424@gmail.com); [brent.tenpas@ncpa.com](mailto:brent.tenpas@ncpa.com); [monica.padilla@cityofpaloalto.org](mailto:monica.padilla@cityofpaloalto.org); [MHurley@presidiotrust.gov](mailto:MHurley@presidiotrust.gov); [cummings@ci.redding.ca.us](mailto:cummings@ci.redding.ca.us); [bzard@roseville.ca.us](mailto:bzard@roseville.ca.us); [gary.lawson@smud.org](mailto:gary.lawson@smud.org); Don Battles; [wgmanuel@tid.org](mailto:wgmanuel@tid.org); [dbseverson@tid.org](mailto:dbseverson@tid.org);

[phauser@trinitypud.com](mailto:phauser@trinitypud.com)

**Subject:** Creating Resource Pools

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Please feel free to contact me with any questions you may have.

Thanks, Sandee

**Sandee Peebles | Public Utilities Specialist**

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