

September 18, 2015



*Giving You the Power  
to Change the World*

Dr. 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; Comments from the Second Informal Customer Meeting on 8/28/15

Dear Dr. Paluru:

Silicon Valley Power, the City of Santa Clara's Electric Department, is pleased to support the Post 2024 Power Marketing Plan (Plan) September 18, 2015 comments of the Northern California Power Agency regarding Central Valley Project (CVP) power. Silicon Valley Power currently receives a 9.60341% percent allocation of CVP power from Western, and we view our power entitlement as an important component of our power resources.

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

Given the fact that Western's power costs are becoming increasingly above market, we want to lend our support to the NCPA request for a one year termination clause for any reason, including cost of power. If this is not acceptable for Western, we suggest that you look at other ways to ensure customers have a reasonably timely capability to end involvement in the project. Perhaps Western could agree to a rate review every three years, as opposed to five, or allow a termination clause or rate review to be triggered in less than five years, particularly if a majority of customers vote to do so, or include an option to terminate the contract if rates (including CVPIA costs) go above a certain level.

We would like to ensure that Western makes every efforts to control its costs, both O&M and Capital. We want to make sure that included in the mechanism is a control of transmission projects to avoid increasing power customer costs by either an unnecessary construction of a new facility or undertaking a major retrofit.

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,

John C. Roukema  
Director of Electric Utility/General Manager  
Silicon Valley Power  
City of Santa Clara

cc: Randy Howard, NCPA  
Mark Gabriel, WAPA