



Western
Area Power
Administration

SNR Proposed 2025 Power Marketing Plan

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Public Information Forum
Folsom, CA



Introduction

- ▶ Western Area Power Administration was established as part of the U.S. Department of Energy in 1977
- ▶ WAPA markets power in a manner that encourages the most widespread use at the lowest possible rates consistent with sound business principles



Introduction

- ▶ The Sierra Nevada Region is one of WAPA's four regional offices
- ▶ SNR currently markets power from the Central Valley and Washoe Projects to 84 customers
- ▶ SNR owns, or has partial ownership in, 1,393 miles of transmission



Central Valley Project

- ▶ 11 powerplants

Carr	Folsom	Lewiston*	Keswick
New Melones	Nimbus*	O'Neill	San Luis
Shasta	Spring Creek	Trinity	

- ▶ Total maximum capacity is 2,044 MW
- ▶ Annual generation is about 4,600,000 MWh
- ▶ CVP transmission system contains more than 868 circuit miles of transmission lines and 22 substations



Washoe Project

- ▶ The Washoe Project consists of one powerplant located at the Stampede Reservoir
- ▶ Maximum operating capacity is 3.65 MW
- ▶ Estimated annual energy is 10,000 MWh
- ▶ The Washoe Project has no transmission



Proposed 2025 Power Marketing Plan

- Marketable Power Resource



Use of CVP Generation

- ▶ Project Use load – Includes Bureau of Reclamation water customers
- ▶ First Preference Customers
- ▶ Maintenance, reserves, system losses, certain ancillary services, and SNR's Sub-Balancing Authority Area needs
- ▶ Base Resource – Preference Customers

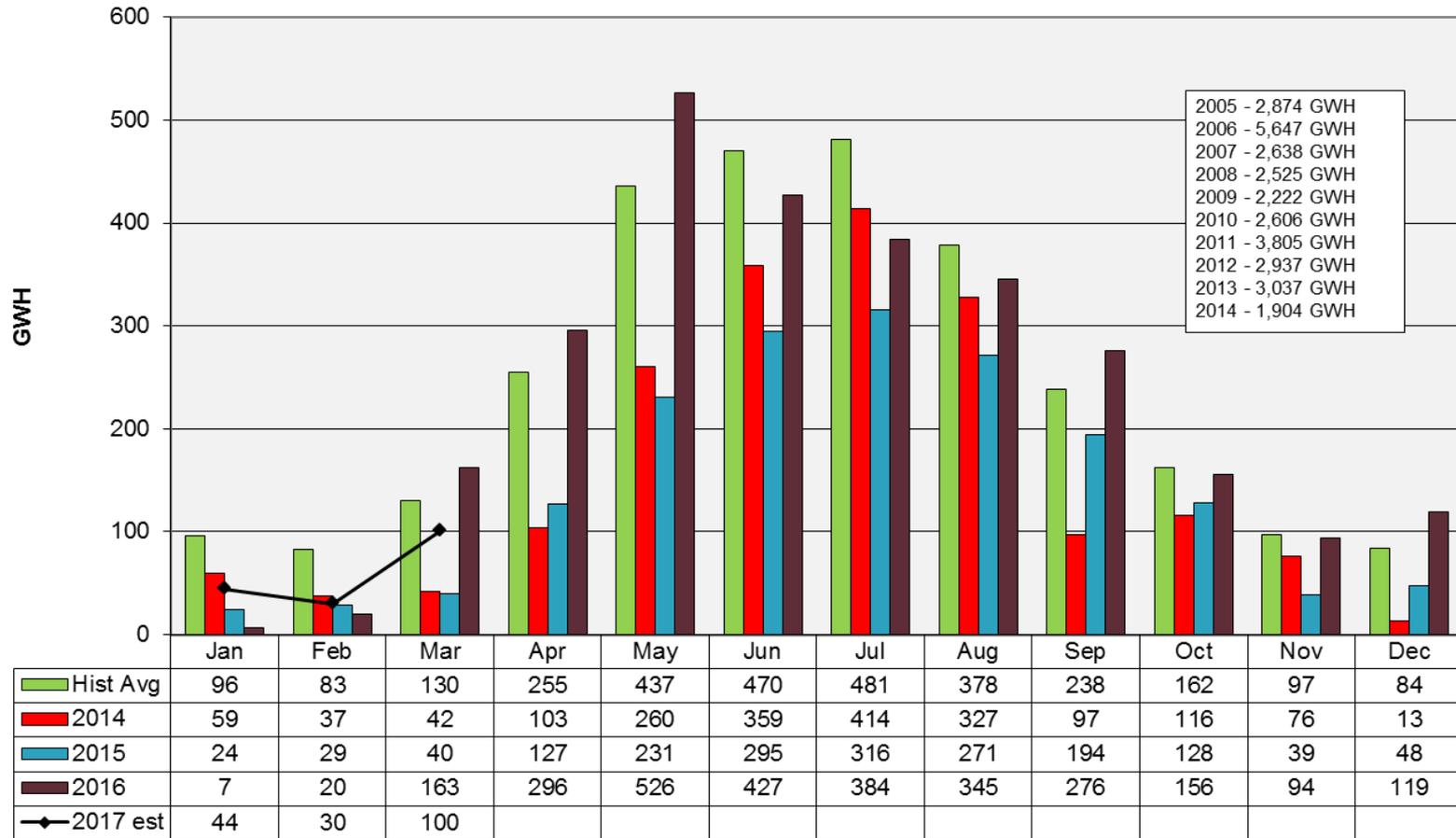


Estimated CVP Power Resources and Adjustments

Power Resources/Adjustment	Range/Value
Annual energy generation	2,400,000 – 8,600,000 MWh
Monthly energy generation	100,000 – 1,100,000 MWh
Monthly capacity	1,100 – 1,900 MW
Annual project use	670,000 – 1,670,000 MWh
Monthly project use	10,000 – 180,000 MWh
Monthly project use (on peak)	30 – 230 MW
Annual first preference	173,000 MWh
Monthly first preference	12,690 – 18,134 MWh
Monthly maintenance	0 – 300 MW
Reserves – hydro	minimum 5% of monthly capacity
CVP transmission and transformation losses from the generator bus to a 230-kV load bus	1.6%



Base Resource



Proposed 2025 Power Marketing Plan

➤ Products and Services



Base Resource

- ▶ Percentage of the Available Generation
 - Capacity and energy will vary on a daily basis
 - The Stampede Powerplant will be integrated with the CVP; however, the power generated will be used to meet Project Use loads in that region
 - Includes the environmental attributes
- ▶ Portfolio Manager will shape the Base Resource within constraints
- ▶ All power will be provided on a scheduled basis
- ▶ Customers pay for their allocation regardless of whether they can use the allocation
 - Rates are developed through a separate process



Base Resource

- ▶ Federal power may not be resold
 - Federal power must be used to meet a customer's load or to serve the loads of its customers

- ▶ An exchange program will be developed
 - Regardless of participation, Base Resource in excess of a customer's load will be put into the exchange program



Custom Products

- ▶ Full Load Service
- ▶ Variable Resource Service
- ▶ Scheduling Coordinator
- ▶ Other to be developed in conjunction with specific customer(s)
- ▶ All costs associated with Custom Products are passed onto those customers contracting for them



Full Load Service

- ▶ Created for those customers who want to “just flip the switch”
 - All daily work is performed by WAPA
- ▶ Portfolio Management Service
 - Forecasting the hourly load and matching resources to that hourly load on a daily basis
- ▶ Supplemental Power
 - Power needed in addition to the Base Resource to meet the entire load at an SNR delivery point(s)
 - WAPA will aggregate FLS loads together to make one or more block purchases



Variable Resource

- ▶ Customer manages its own power portfolio
 - Forecasts and acquires resources to meet its own load on an hourly basis for each day
- ▶ Supplemental Power
 - Customer-specific block purchase of power made by WAPA at a customer's request
 - Amount
 - Days
 - Hours

Example: 50 MW, Monday through Saturday,
hours ending 0700 through 2200



Scheduling Coordinator

- ▶ Customers in the California Independent System Operator Balancing Authority Area must have a certified scheduling coordinator
- ▶ WAPA can act as the customer's scheduling coordinator and will be responsible for all obligations and duties of a scheduling coordinator on behalf of the customer pursuant to the CAISO Tariff
 - Using data provided by the customer's portfolio manager, WAPA will:
 - Submit day-ahead schedules to the CAISO
 - Make adjustments in the hour-ahead market
 - Validate and disseminate CAISO data and settlement information to the customer
 - Dispute CAISO charges when necessary



Other

- ▶ Other products or services may be available upon mutual agreement between WAPA and the customer



Custom Product Costs

- ▶ The costs associated with all Custom Products will be passed onto those customers contracting for those products/services



Proposed 2025 Power Marketing Plan

- Resource Extensions and
Resource Pool Allocations



Resource Extensions and Resource Pool Allocations

- ▶ Intent of the Power Marketing Initiative of the Energy Planning and Management Program
 - Major portion of the available resource to existing customers
 - Initially, 98% of the resource to existing customers
 - Resource pools to encourage widespread use of Federal power
 - Two resource pools



Extensions to Existing Customers

- ▶ WAPA is proposing to provide existing customers 98% of their current Base Resource percentage beginning in 2025, except
 - If an existing customer forfeits some or all of its percentage, that percentage (up to 2% of the total Base Resource) will be returned to the remaining existing customers
 - Any existing customer having an allocation larger than its load may have its allocation reduced by more than 2%. WAPA may reduce the allocation to 98% of that customer's load
- ▶ In 2040, WAPA will reduce all existing customers' allocations, including 2025 Resource Pool allottees, by an additional 1%



Resource Pools

- ▶ Resource Pools will allocate power to new and/or existing customers
 - 2025 Resource Pool – 2%
 - 2040 Resource Pool – 1%
 - Additional resources may be available to the resource pools due to a forfeiture or over-allocation reduction from an existing customer(s)
- ▶ WAPA has sole discretion in making allocations



Eligibility Criteria

- ▶ To be eligible for an allocation:
 - Must meet the preference requirements under Section 9(c) of the Reclamation Project Act of 1939
 - Should be located within SNR's marketing area
 - Must be ready, willing and able to receive and use, or receive and deliver to end-use customers
 - Must submit an application in accordance with the Call for Applications
 - Native American tribes must meet the definition in the Indian Self Determination Act of 1975
 - Load must be at least 1 MW; or at least 500 kW if it can be aggregated with other loads to equal 1 MW



Allocation Criteria

- ▶ Allocations will be subject to the following criteria:
 - Allocations will be based on an applicant's load in the year prior to the Call for Applications
 - Allottees must execute an electric service contract with WAPA
 - Allocations will be adjusted for the 2040 Resource Pool
 - Native Americans will receive greater consideration in the amount of their allocations
 - WAPA has sole discretion in the amount of power it allocates to each allottee



Proposed 2025 Power Marketing Plan

General Criteria and
Contract Principles



General Criteria and Contract Principles

- ▶ The following criteria and contract principles will apply:
 - Electric service contracts must be executed within 6 months of an offer unless otherwise agreed to by WAPA
 - Allocations are subject to adjustment
 - All power will be provided on a scheduled basis
 - Customers must pay for their percentage of the Base Resource regardless of whether they can use it
 - Costs for any additional products and/or services will be passed on to those customers contracting for such products and/or services



General Criteria and Contract Principles

- Rate schedules for services will be developed under a separate process
- Customers must pay all rates and charges pursuant to the terms of the contract
- Written commitments to a Custom Product will be due January 1, 2023
- Contracts will include requirements that must be met continuously during the term of the contract
- Customers are responsible for obtaining their own delivery arrangements beyond the CVP transmission system; however, we will assist when possible



General Criteria and Contract Principles

- Initial electric service contracts will have a 30–year term, January 1, 2025 through December 31, 2054
- Custom Product contracts for specific products and services will have terms as set by those contracts
- WAPA’s standard provisions for electric service contracts, integrated resource plans, and General Power Contract Provisions will be included
- Contracts will provide for WAPA to reduce or rescind allocations if the allocation is too large or the power is not being used to meet the customer’s own load



General Criteria and Contract Principles

- WAPA will allocate power not under contract at its discretion
- All customers' Base Resource percentages will be reduced for the 2040 Resource Pool
- Alternative funding arrangements may be included in the electric service contracts



Proposed 2025 Power Marketing Plan

➤ First Preference
Entitlement and Allocation



First Preference

- ▶ Trinity River Division Act of 1955
 - Trinity County
- ▶ New Melones Project provisions of the Flood Control Act of 1962
 - Calaveras and Tuolumne Counties
- ▶ Authorized construction of the Trinity River Division and New Melones Powerplant
- ▶ Customers located within those counties may receive up to 25% of the additional generation available to the CVP due to the construction of those powerplants



Maximum Entitlement of First Preference Customers

- ▶ The MEFPC will be calculated separately for the New Melones Project and the Trinity River Division
- ▶ Average of the previous 20 years of annual generation
 - TRD includes generation from Trinity, Carr and Spring Creek Powerplants and a portion of the Keswick Powerplant
- ▶ The MEFPC will be recalculated every 5 years



First Preference Allocations

- ▶ Allocations are based on power requirements
- ▶ Total allocations shall not exceed the MEFPC associated with the First Preference Project, or a county of origin's share of the MEFPC
- ▶ Full Requirements Service
 - All power needs (capacity and energy) up to the customer's right to the MEFPC
 - Portfolio Management
 - Service provided at the Base Resource rate and based on usage



First Preference Allocations

- ▶ First preference entities can apply for an allocation every 5 years; applications must be received 18 months prior to the anniversary date of the project located in its county
 - TRD began service January 1, 1962
 - New Melones Project began service April 5, 1982
- ▶ For service to begin on January 1, 2025, applications must be received 18 months before
 - January 1, 2022 (July 1, 2020) for Trinity County
 - April 5, 2022 (October 5, 2020) for Calaveras and Tuolumne Counties



First Preference Allocations

- ▶ Additional considerations for Tuolumne and Calaveras Counties
 - Each county is entitled to one-half the New Melones Project MEFPC
 - If customers in either Tuolumne or Calaveras are not using their county's full one-half share, and a First Preference customer/entity in the other county requests power exceeding its county's share, then WAPA will allocate power on a withdrawable basis to the requesting First Preference customer/entity.
 - Such power may be withdrawn upon 6-months' notice for use by a customer in the county not using its full one-half share



Proposed 2025 Power Marketing Plan

➤ Transmission Service



Transmission Service

- ▶ Base Resource will be delivered to the end of the CVP transmission system
- ▶ If requested, WAPA will assist allottees and customers in securing transmission and distribution for delivery to load outside of the CVP transmission system
- ▶ The customer is ultimately responsible for obtaining the transmission and distribution necessary to receive power from WAPA



Transmission Service

- ▶ Surplus transmission capacity on the CVP and California–Oregon Transmission Project will be marketed under WAPA’s Open Access Transmission Tariff
- ▶ Legislation authorizing the Pacific Alternating Current Intertie provides for marketing this transmission capacity at equitable rates to aid and benefit the CVP
- ▶ WAPA will determine the use of PACI transmission along with its other products and services



Proposed 2025 Power Marketing Plan

➤ Changes in the
Electric Utility Industry



Changes in the Electric Utility Industry

- ▶ The Electric Utility Industry is changing at a very fast pace
- ▶ WAPA needs the ability to make changes to its programs to ensure the Federal power continues to be a cost-effective resource
- ▶ Any changes will be done through collaboration with the customers and mutually agreeable revisions to contracts



Comments

Public Comment Forum
July 12, 2016 at 1:00 pm
Lake Natoma Inn
702 Gold Lake Drive
Folsom, CA 95630

August 4, 2016 is the deadline for comments to be received or postmarked

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