TO: Western Area Power Administration
FROM: Redding Electric Utility
SUBJECT: COMMENTS ON WAPA’S PROPOSED EXTENSION OF POWER, TRANSMISSION, AND ANCILLARY SERVICES FORMULA RATES
DATE: September 24, 2015

I. INTRODUCTION


Redding’s 93,000 residents continuously benefit from Redding’s unique relationship with WAPA. WAPA’s Sierra Nevada Region (SNR) markets the base resource from the Central Valley Project (CVP) hydro system. Redding currently receives nearly 8% of the CVP’s base resource, which equals roughly 30% of Redding’s power supply. WAPA’s base resource has been the most cost-effective, renewable, and carbon-free resource in Redding’s power supply portfolio.

Redding’s two direct connections with WAPA’s transmission system deliver Redding’s base resource. As a “direct connect customer,” Redding not only receives CVP preference power, but Redding also purchases additional transmission service from SNR’s 230kV transmission facilities to import firmed and shaped renewable wind power from the Pacific Northwest. Redding's long-standing interconnection and contractual rights to SNR’s long-term transmission service is a vital element of Redding's aggressive investments in renewable resources to meet California’s 33% renewable standard.

II. Redding’s Comments on the Proposed Formula Rate Extension

Redding agrees with WAPA’s assertion that the extension will better align the formula rate adjustment process with the development of the 2025 Power marketing Plan. Redding understands that WAPA plans to engage in the formal formula rate adjustment process during the period of the extension, and will provide opportunity for customers to comment on any proposed changes to the formula rates. Redding fully supports the proposed extension of the formula rates.