

Post 2028 Parker-Davis Project Marketing Initiative

Informal Meeting

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September 21, 2023



Agenda

- Parker-Davis Project Marketing Introduction
- Timeline
- Resource Pool
- Capacity and Energy Allocations
- Minimums
- Use of Transmission for Customer Resources
- Other Contract Considerations



Post 2008 Parker-Davis Project Marketing

- Allocations established in the 2003 and 2006 Federal Register Notices, effective October 1, 2008
- Contracts are set to expire on September 30, 2028



Post 2028 Parker-Davis Project Marketing Initiative

- The Parker-Davis Post 2028 Marketing Initiative will:
 - Extend all or a portion of current allocations
 - Review and determine concepts and issues surrounding:
 - Creation of a resource pool
 - Available capacity and extensions of resource allocations based on Energy Planning and Management Program (EPAMP)
 - Available energy and energy calculations



Timeline

Informal Customer Meetings

September 2023

November 2023

Meeting with Potential New Customers

October 2023

Notice of Proposal

February 2024



Resource Pool Considerations

- Apply Energy Planning and Management Program/Power Marketing Initiative (EPAMP/PMI)
- Consider creating a resource pool of up to 3% of seasonal capacity allocations
 - Supports widespread use
 - Include 3.75 MW from Davis rewind
 - Current customer capacity could reduce by approximately 1.5% in the summer and 1% in the winter



Capacity Allocations

- New allocations could include less than 1 MW allocations
- If fractional MWs are allocated, use a rounding methodology for all customers:
 - To ensure Contract Rate of Delivery (CROD) is not exceeded in any hour
 - Efficient utilization of capacity
 - Help ensure capacity is available in valuable times of the day
 - Consider rounding on a monthly basis vs day to day so customers have the ability to plan



Current Energy Allocations

- Current contracts include the below calculation for determining a fixed energy allocation per winter and summer season
- Customers receive 67% of the capacity factor during the summer and 47% of the capacity factor during the winter
- Equals 3,441 MWH of energy per MW of capacity in the summer
 - 214 days in the summer season x 24 hours x 0.67
- Equals 1,703 MWH of energy per MW of capacity in the winter season
 - 151 days in the winter season x 24 hours x 0.47
- Winter/Summer energy is evenly distributed between the seasonal months based on the number of days in each month



Current Energy Allocation Challenges

Challenges:

- Ongoing drought
- Increased purchase power cost



Actual vs Projected Generation

2008 to present annual contractual energy allocation	1,425.0 GWH
FY23 Total P-DP Projected Net Gen (Presented May 2022)	1,266.4 GWH
FY23 Total P-DP Actual Net Gen (Inc. Sep Projections)	1,187.2 GWH
FY24 Total P-DP Projected Net Gen (As of Aug 2023)	1,251.5 GWH



Future Energy Allocation Considerations

- Revise the existing energy calculation laid out in the Marketing Plan and align closer to the current hydrology
- Set monthly energy quarterly based on Reclamation's 24-month study
- Optional separately funded firming product

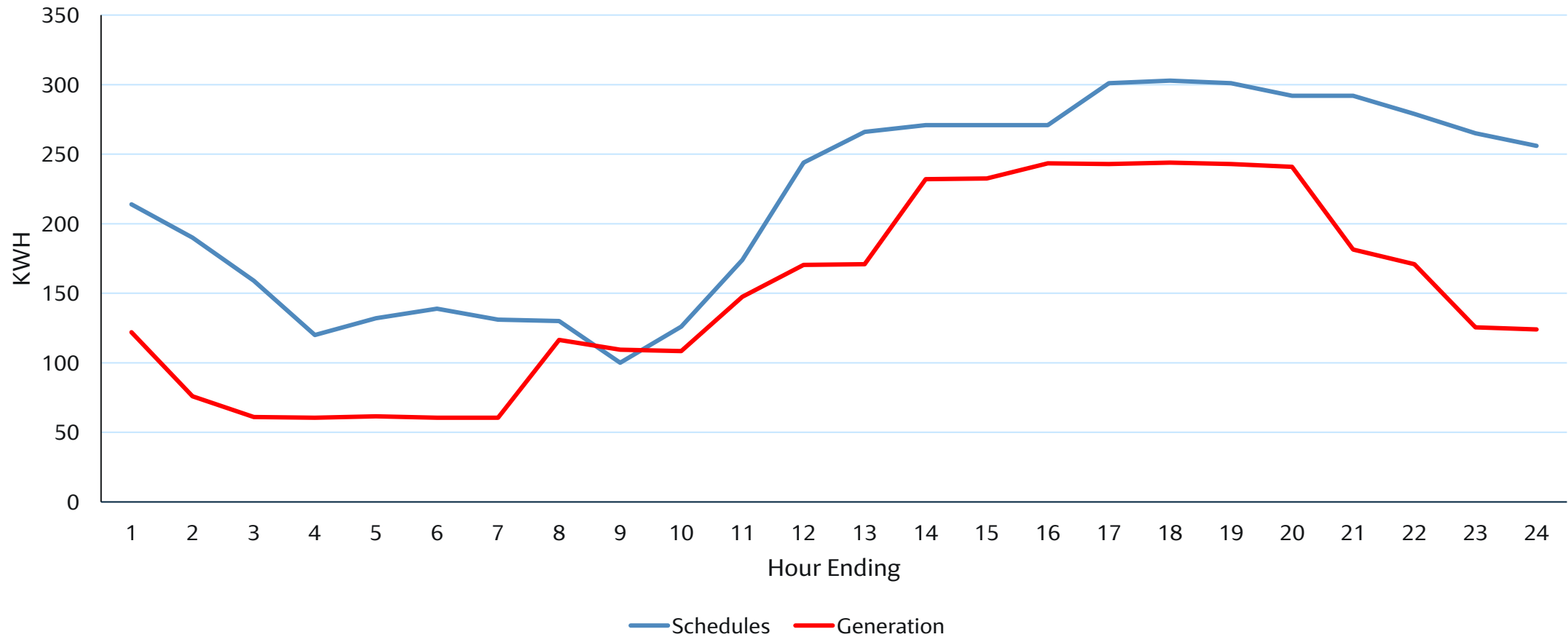


Minimum Scheduling

- As monthly energy allocations are reduced, scheduling will change
- Current requirement is 25% minimum in off peak hours
- Traditional on/off peak distinction no longer reflective of system demands



P-DP Generation vs Schedule



Minimum Scheduling Goals & Considerations

- Goal is flexibility, accommodate Reclamation water requirements, reduce purchase power costs and minimize sales in low load hours
- Consider establishing minimum requirements monthly:
 - Using a historical pricing profile curve
 - Actual generation
 - Hourly percentage of CROD
 - Other methods?



Use of Transmission

- Allow customers to utilize the transmission reserved for delivery of their firm electric service allocation for customer owned/purchased resources
- Cannot exceed customer's CROD
- Work through details



Other Contract Considerations

Advancement of Funds:

- New customers who receive an allocation will be required to prepay for service according to the rate schedule and may participate in advance funding of WAPA's and Reclamation's operation and maintenance expenses under the existing advance of funds agreement

Repayable Capital Advances:

- New customers will be required to reimburse existing customers for undepreciated replacement advances, to the extent existing customers' allocations are reduced as a result of creating the resource pool

Deficits:

- Deficits incurred during a previous marketing period will not be passed through to new customers

Suggested Contract Term 20 Years



Website

<https://www.wapa.gov/regions/DSW/Pages/PDPRemarketing.aspx>

- Contains:
 - Presentations
 - Additional materials



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