

Parker-Davis Project & Post 2028 Marketing Initiative

Informal Customer Meeting

January 31, 2024



Agenda

- Introduction
- Marketing Initiative Status
 - Process and Estimated Timeline
- Draft – Proposed Notice of Proposal
 - Introduction
 - Resource Pool
 - Capacity and Energy Allocations
 - Minimum Schedules
 - Customer Requested Purchase Power and Use of Transmission
 - Other Contract Considerations
- Questions & Comments



Teams Meeting Housekeeping Items

- All participants are muted on entry to ensure a smooth remote meeting
- For questions during Q&A periods, please choose one of the following options:
 - Send questions to the host in the Teams chat
 - Use the “Raise Hand” icon next to your name in participant list. The host will unmute and call on you
- We will have time for additional questions at the end of the meeting
- Make sure you are not “double-muted” when attempting to talk (i.e., muted on your device in addition to the Teams application)



Post 2028 Parker-Davis Project Marketing Initiative: Introduction

- Allocations established in the 2003 and 2006 Federal Register Notices, effective October 1, 2008
- P-DP Firm Electric Service contracts will expire September 30, 2028
- To address the upcoming expiration of the contracts, we have begun the Post-2028 Marketing Initiative
- A marketing initiative, sometimes referred to as remarketing, is the review and possible development or revision of a power marketing plan when there are additions to generation capability or when existing power sales contracts expire



Post 2028 Parker-Davis Project Marketing Initiative: Status

Recent Informal Customer Meetings

September 2023

January 2024

Meeting with Potential New Customers

October 2023

Initial Notice of Proposal

March 2024



Marketing Initiative Process

- The Marketing Initiative process typically begins with an informal process
- WAPA issues an Initial Federal Register Notice
 - Formal Public Process begins
 - Public Information Forums
 - Public Comment Forums
- Publish Final Federal Register Notice



Estimated Long-Term Timeline

- Informal Customer/Potential New Customer Meetings: Inform on Post 2028 P-DP effort and background **(Sep 2023 – Feb 2024)**
- Notice of Proposal: Apply EPAMP and PMI to P-DP **(Mar 2024)**
- Notice of Decision: to apply EPAMP and Power Marketing Initiative (PMI) or not to P-DP **(Oct 2024)**
- Notice of Proposed Criteria **(Jan 2025)**
- Notice of Final Criteria & Call for Applications **(Sep 2025)**
- Notice of Proposed Allocation **(Jul 2026)**
- Notice of Final Allocation **(May 2027)**
- Contracts: Formulations & Finalization **(May 2027– May 2028)**



Proposed Topics - Notice of Proposal

- Apply EPAMP/PMI
- Propose Creating a Resource Pool
- Capacity and Energy Allocations
- Minimum Scheduling Requirements
- Customer Requested Purchase Power and Use of Transmission
- Other Contract Considerations



Proposed Resource Pool Considerations

- Apply EPAMP/Power Marketing Initiative (PMI)
- Propose creating a resource pool of up to 3% of seasonal capacity allocations
 - Supports widespread use
 - Include 3.75 MW from Davis rewind
 - A 3% resource pool would be approximately 8 MW in the summer and 6 MW of capacity in the winter that could be allocated



Resource Pool – When and Who Can Apply

- If WAPA creates a resource pool, new customers will have the opportunity to apply for a Federal hydro allocation
- The application process would start when WAPA issues an FRN with a call for applications and established criteria for who is eligible for an allocation



Proposed 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



Proposed Energy Allocation

- 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



Minimum Schedules

- Why do we impose minimums:
 - Accommodate Reclamation water requirements, reduce purchase power costs and minimize sales in low load hours
- Current requirement is 25% minimum in off peak hours
- Traditional on/off peak distinction no longer reflective of system demands
- Consider establishing a new minimum requirement that tracks better with how power is currently scheduled
 - Goal is to maintain full use of CROD as much as possible



Proposed Customer Requested Purchase Power/Use of Transmission

- Option for WAPA to purchase energy at customers request on a pass-through cost basis
 - Cannot exceed customer's CROD
 - Advance funding
- Option for customers to utilize the transmission reserved for their CROD for customer owned/purchased resources
 - Cannot exceed customer's CROD
 - Work through details



Other Contract Considerations

Advancement of Funds:

- Potential 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 because of potentially creating a resource pool

Purchase Power Deficits:

- Purchase power deficits incurred during a previous marketing period will not be passed through to potential new customers

Suggested Contract Term 20 Years



Questions & Comments



Website

<https://www.wapa.gov/about-wapa/regions/dsw/pdpremarketing/>

- Contains:
 - Presentations
 - Additional materials



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P-DP Tx POD's & POR's

Purchase Point of Receipt	Voltage (kV)	Summer Capacity (kW)	Winter Capacity (kW)
Davis/Parker	230	320,000	320,000
Gila	161	46,000	38,000
Headgate Rock	161	9,000	6,000
Liberty	230	43,000	33,000
Blythe	230	63,000	52,000
Mead	230	65,000	50,000
Pinnacle Peak	230	64,000	50,000
Sundance	230	35,000	26,000
Topock	230	103,000	79,000



Liberty 230-kV List

From Liberty 230-kV to Deliveries	Megawatt Capacity (Summer/Winter)
Pinnacle Peak 230-kV	35 MW/26 MW
Coolidge	35 MW/26 MW (this includes PPK deliveries)
Apache 115-kV	2 MW/2 MW
Lone Butte	44 MW/34 MW (this includes PPK deliveries)
Saguaro	7 MW/7MW (this includes APE deliveries)



Topock 230-kV List

From Topock 230-kV to Deliveries	Megawatt Capacity (Summer/Winter)
Pinnacle Peak 230-kV	16 MW/14 MW
Gavilan Peak 230-kV	24 MW/22 MW (this includes PPK deliveries)
Mead 230-kV	64 MW/47 MW
Davis 230-kV	105 MW/81 MW (this includes PPK, GVNPK, and Mead 230-kV deliveries)



SUMMER SEASON						
P-DP Customers	Current Contractual Capacity Allocations (KW)			Potential New Allocations with a 3% Resource Pool (KW)		
	Total	Non- With drawable	With drawable	CROD EXTENDED	CAPACITY EXTENDED NON-WITHDRAWABLE	CAPACITY EXTENDED WITHDRAWABLE
Agua Caliente	1,000	1,000		984	984	
Total AEPCO	23,637	23,637		23,260	23,260	
Corona	2,000	2,000		1,968	1,968	
CRA	8,839	8,839		8,698	8,698	
Total CRC	56,560	53,000	3,560	55,657	53,000	2,657
EAPPA	1,000	1,000		984	1,000	
ED 3	5,164	3,021	2,143	5,082	3,021	2,061
Edwards AFB	18,160	17,318	842	17,870	17,318	552
Fredonia	2,000	1,514	486	1,968	1,514	454
Total Ft Mohave	4,000	4,000		3,936	3,936	0
Gilbert	1,000	1,000		984	984	
HOHOKAMIDD	1,000	1,000		984	984	
IID	32,327	32,327		31,811	31,811	
Luke AFB	2,603	1,795	808	2,561	1,795	766
MARANA	1,000	1,000		984	984	
March AFB	4,539	3,129	1,410	4,467	3,129	1,338
MCAS Yuma	2,142	1,477	665	2,108	1,477	631
MESA	10,379	10,379		10,213	10,213	
NAVYFECSW	2,000	1,131	869	1,968	1,131	837
Needles	5,065	5,065		4,984	4,984	
NV Test Site	2,229	1,537	692	2,193	1,537	656
Nellis AFB	2,867	1,977	890	2,821	1,977	844
PECHANGA	1,000	1,000		984	984	
SANLUISREY	2,000	2,000		1,968	1,968	
Total SCIP	17,067	16,218	849	16,794	16,218	576
SRP	31,483	31,483		30,980	30,980	
Thatcher	1,000	1,000		984	984	
Total Tohono O'Odham	2,867	1,977	890	2,821	1,977	844
VIEJAS	1,000	1,000		984	984	
Wickenburg	2,000	1,434	566	1,968	1,434	534
WILLIAMS	1,000	1,000		984	984	
WMK IDD	3,079	2,650	429	3,030	2,650	380
YID	1,000	1,000		984	984	
YPG	5,199	4,268	931	5,116	4,268	848
YUMAPW	1,000	1,000		984	984	

PUP Customers

WMK IDD APM	35,900	35,900
YCWUA	4,600	4,600

Notes:

- 1/ The potential new capacity allocations based on a 3% resource pool (approximately 7.888 MWs) are for illustrative purposes only.
- 2/ Additional capacity of 3.75 MWs from the Davis rewind, effective July 2025, was allocated to all customers before calculating the 3% resource pool.
- 3/ Consequently, each customer's capacity is reduced by approximate 1.6% only.
- 4/ The 1.6% reduction was made to customer's withdrawable capacity, if applicable.
- 5/ Creation of the resource pool does not affect PUP capacity.

WINTER SEASON						
P-DP Customers	Current Contractual Capacity Allocations (KW)			Potential New Allocations with a 3% Resource Pool (KW)		
	Total	Non- With drawable	With drawable	CAPACITY EXTENDED	CAPACITY EXTENDED WITHDRAWABLE	CAPACITY EXTENDED WITHDRAWABLE
Agua Caliente	1,000	1,000		988	988	
Total AEPSCO	18,284	18,284		18,071	18,071	
Corona	1,000	1,000		988	988	
CRA	5,903	5,903		5,834	5,834	
Total CRC	40,752	38,655	2,097	40,277	38,655	1,622
EAPPA	1,000	1,000	0	988	1,000	
ED 3	4,203	2,765	1,438	4,154	2,765	1,389
Edwards AFB	14,538	14,040	498	14,368	14,040	328
Fredonia	1,334	1,084	250	1,318	1,084	234
Total Ft Mohave	1,192	1,192		1,178	1,178	
Gilbert	1,000	1,000		988	988	
HOHOKAMIDD	1,000	1,000		988	988	
IID	26,135	26,135		25,830	25,830	
Luke AFB	2,613	2,124	489	2,583	2,124	459
MARANA	1,000	1,000		988	988	
March AFB	4,087	3,321	766	4,039	3,321	718
MCAS Yuma	1,784	1,450	334	1,763	1,450	313
MESA	7,950	7,950		7,857	7,857	
NAVYFECSSW	2,000	1,381	619	1,977	1,381	596
Needles	4,038	4,038		3,991	3,991	
NV Test Site	2,164	1,759	405	2,139	1,759	380
Nellis AFB	2,613	2,124	489	2,583	2,124	459
PECHANGA	1,000	1,000		988	988	
SANLUISREY	1,000	1,000		988	988	
Total SCIP	13,047	12,540	507	12,895	12,540	355
SRP	22,358	22,358		22,097	22,097	
Thatcher	1,000	1,000		988	988	
Total Tohono O'Odham	2,338	1,900	438	2,311	1,900	411
VIEJAS	1,000	1,000		988	988	
Wickenburg	1,520	1,236	284	1,502	1,236	266
WILLIAMS	1,000	1,000		988	988	
WMK IDD	2,430	2,148	282	2,402	2,148	254
YID	1,000	1,000		988	988	
YPG	4,054	3,490	564	4,007	3,490	517
YUMAPW	1,000	1,000		988	988	

PUP Customers		
WMK IDD APM	29,099	29,099
YCWUA	3,729	3,729

Notes:

- 1/ The potential new capacity allocations based on a 3% resource pool (approximately 6.062 MWs) are for illustrative purposes only.
- 2/ Additional capacity of 3.75 MWs from the Davis rewind, effective July 2025, was allocated to all customers before calculating the 3% resource pool.
- 3/ Consequently, each customer's capacity is reduced by approximate 1.17% only.
- 4/ The 1.17% reduction was made to customer's withdrawable capacity, if applicable.
- 5/ Creation of the resource pool does not affect PUP capacity.