



Department of Energy
 Western Area Power Administration
 Sierra Nevada Region
 114 Parkshore Drive
 Folsom, CA 95630-4710

March 25, 2024

To Central Valley Project Preference Customers and Interested Parties:

The Western Area Power Administration (WAPA) completed its mid-year review of the Fiscal Year (FY) 2024 Power Revenue Requirement (PRR) and First Preference (FP) customers' percentages. Due to higher than anticipated revenue from transmission sales and reduced interest expense, the PRR will be reduced from \$53,834,007 to \$43,761,179; however, FP customers' percentages will not change.

Under Rate Order No. WAPA-185 and Rate Schedule CV-F13, WAPA reviews the PRR and FP customers' percentages each March. If the PRR has a change of \$5 million or more, it is recalculated for the entire FY. Additionally, if there is a change in a FP customer's percentage of more than one-half of one percent, the percentage is revised. Based on updated financial and operational data, the PRR meets this threshold and is being reduced by \$10,072,828.

FY 2024 Power Rates	Effective October 1, 2023	Effective April 1, 2024
	Annual Revenue Requirement	
PRR	\$53,834,007	\$43,761,179
Base Resource Revenue Requirement	\$50,264,812	\$40,859,813
FP Revenue Requirement	\$3,569,195	\$2,901,366
FP Customers	FP Percentages	
Calaveras Public Power Agency	0.90%	0.90%
Chicken Ranch Rancheria	0.11%	0.11%
Sierra Conservation Center	0.27%	0.27%
Trinity Public Utilities District	4.17%	4.17%
Tuolumne Public Power Agency	1.18%	1.18%
All Customers: Total	6.63%	6.63%
Base Resource Monthly Billing	Base Resource Monthly Billed Amount	
October - March: 25% collection	\$2,094,367	N/A
April - September: 75% collection	N/A	\$4,715,602

WAPA will start billing the mid-year PRR adjustment amounts beginning with the April 2024 service month.

As a reminder, revenue requirements and FP percentages are based on estimated financial and operational data. The FY 2024 FP percentages will be trued-up in FY 2025 and resulting adjustments will be reflected on FY 2026 power bills. All rates are posted at: <https://www.wapa.gov/about-wapa/regions/sn/sn-rates/>.

If you have any questions, please contact me at (916) 353-4686 or wolfe@wapa.gov.

Sincerely,

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WOLFE

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Rates Manager



Sierra Nevada Region

FY 2024 Midyear Power Revenue Requirement

	FY 2024 Initial PRR		FY 2024 Midyear PRR		Difference FY23 Midyear vs Initial PRR		
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	NET (exp - rev)
O&M Expense: /1							
Reclamation O&M	\$58,640,317		\$60,362,978		\$1,722,661		\$1,722,661
WAPA O&M	\$76,952,376		\$78,845,006		\$1,892,631		\$1,892,631
Total O&M Expense	\$135,592,693		\$139,207,984		\$3,615,292		\$3,615,292
Purchase Power Expense:							
Custom Product and Supplemental Power /2	\$205,152,052	\$205,152,052	\$205,152,052	\$205,152,052	\$0	\$0	\$0
Host Balancing Authority (HBA) Costs (SMUD) /3	\$3,132,245	\$0	\$3,132,245	\$0	\$0	\$0	\$0
Purchases for Project Use customers /4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Washoe Cost for BR /5	\$246,000	\$0	\$246,000	\$0	\$0	\$0	\$0
Total Purchase Power Expense/Revenue	\$208,530,297	\$205,152,052	\$208,530,297	\$205,152,052	\$0	\$0	\$0
Interest Expense: /6	\$8,361,371		\$7,540,470		(\$820,901)	\$0	(\$820,901)
Other Expenses: /7	\$4,835,652		\$9,949,043		\$5,113,391	\$0	\$5,113,391
Project Repayment (Expense):							
Total Project Repayment	\$2,000,000		\$2,000,000		\$0	\$0	\$0
Other Pass-through Expenses & Revenues:							
CAISO Market & GMC Charges Project Use (WPUL) /8	\$6,307,043	\$0	\$6,307,043	\$0	\$0	\$0	\$0
CAISO Expenses & Revenues /9	\$52,089,320	\$51,581,817	\$66,825,729	\$68,257,951	\$14,736,409	\$16,676,134	(\$1,939,725)
PG&E costs incurred for Wheeling /10	\$39,468,867	\$31,575,094	\$39,468,867	\$31,575,094	\$0	\$0	\$0
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$0	\$0	\$0
Purchases and Sales for SBA	\$9,972,394	\$12,442,993	\$10,620,797	\$14,054,282	\$648,403	\$1,611,289	(\$962,886)
Resource Adequacy (Local and Flexible)	\$7,082,265	\$5,469,193	\$7,082,265	\$5,873,458	\$0	\$404,265	(\$404,265)
Total Other Pass-through Expense/Revenue	\$114,931,889	\$101,081,096	\$130,316,701	\$119,772,785	\$15,384,812	\$18,691,689	(\$3,306,877)
Other Revenues: /11							
Non-firm energy sales		\$0		\$0	\$0	\$0	\$0
Miscellaneous Revenues		\$69,852,879		\$80,020,611	\$0	\$10,167,732	(\$10,167,732)
SC, PM, and VRC Admin Fees /12		\$2,700,877		\$3,574,848	\$0	\$873,972	(\$873,972)
Ancillary Service Sales to IOA SCA Members /13		\$4,530,991		\$4,163,019	\$0	(\$367,972)	\$367,972
Total Other Revenues		\$77,084,746		\$87,758,478	\$0	\$10,673,732	(\$10,673,732)
Project Use Revenues: /14		\$37,100,000		\$41,100,000	\$0	\$4,000,000	(\$4,000,000)
Transmission Revenues: /15		\$0		\$0	\$0	\$0	\$0
Total Expenses & Revenues	\$474,251,902	\$420,417,895	\$497,544,495	\$453,783,315	\$23,292,593	\$33,365,421	(\$10,072,828)
PRR Summary:							
Total Expenses	<u>\$472,251,902</u>		<u>\$495,544,495</u>		<u>\$23,292,593</u>		
add: Project Repayment	<u>\$2,000,000</u>		<u>\$2,000,000</u>		<u>\$0</u>		
	<u>\$474,251,902</u>		<u>\$497,544,495</u>		<u>\$23,292,593</u>		
less: Total Revenues	<u>(\$420,417,895)</u>		<u>(\$453,783,315)</u>		<u>(\$33,365,421)</u>		
Power Revenue Requirement	\$53,834,007		\$43,761,179		(\$10,072,828)		

Footnotes:

- /1 USBR and WAPA's O&M is based on updated budget and forecasted data.
- /2 Estimates for Custom Product and Supplemental Power costs are based on WAPA's Purchase Power budget.
- /3 Host Balancing Authority (HBA) charges reflect the most current contract agreement, with a 2% increase as seen from 2022-2023.
- /4 Currently, there are no planned forward power purchases for Project Use Customers.
- /5 Based on the most current Washoe Project Power Repayment Study data.
- /6 The FY24 PRR interest expense is based on projected unpaid capital.
- /7 Other Expenses are based on historical and projected data.
- /8 CAISO expenses for Project Use are derived based on current historical data.
- /9 CAISO revenues and expenses are derived based on current historical data (excludes Project Use).
- /10 These estimates reflect projected rates with PG&E's Wholesale Distribution Tariff (WDT) service.
- /11 Other Revenues are based on historical and projected data.
- /12 Revenues reflect historical and forecasted data to account for changes in rates and contract charges.
- /13 Ancillary Service sales is based on historical data and forecasted rates.
- /14 Project use revenues are based on the Project Use estimate.
- /15 Transmission revenues, included in miscellaneous revenues, are based on actual and forecasted data.