

**PROPOSED 2028****PARKER-DAVIS PROJECT****POWER MARKETING PLAN**

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**PUBLIC COMMENT FORUM**

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**FRIDAY, JULY 19, 2024****1:00 p.m. MST/PDT**

The Public Comment Forum for the Proposed 2028 Parker-Davis Project Power Marketing Plan was held on Friday, July 19, 2024, in Phoenix, Arizona, with participants/attendees appearing in person and virtually, from 1:02 to 1:25 p.m. MST/PDT.

Present from Western Area Power Administration (WAPA):

Dave Gorlin, Counsel for the Department of Energy;

John Paulsen, Vice President of Power Marketing, Desert Southwest Region; and

Jennifer Henn, Power Marketing Advisor, Desert Southwest Region.

The forum was taken down and transcribed by Nor Monroe, Certified Court Reporter for the State of Washington.

1 (1:02 p.m.)

2 DAVE GORLIN: Think we're gonna get started.  
3 So good afternoon. Good afternoon, and welcome to our  
4 Public Comment Forum for the Proposed 2028 Parker-Davis  
5 Project Power Marketing Plan. My name is Dave Gorlin,  
6 I'm an attorney for the Department of Energy, Western  
7 Area Power Administration; I work out of WAPA's  
8 Lakewood, Colorado, office; and it's my pleasure to be  
9 moderating our forum today in Phoenix, Arizona.

10 The forum today is a hybrid meeting, which  
11 means we have attendees in person, at WAPA's Desert  
12 Southwest Regional Office, in addition to attendees  
13 joining us remotely, via Teams or by phone.

14 For those attending our Public Comment Forum  
15 in person today:

16 For the restroom, make a right when exiting  
17 this room; they are located on the left-hand side of the  
18 hall, past the kitchen;

19 In case of an emergency, turn right and head  
20 toward the front lobby after exiting this room; head  
21 outside to the parking lot, to Assembly Area Number 1.

22 This meeting is being recorded for  
23 transcription purposes. The recording may be posted on  
24 DOE or -- or WAPA's website or used internally.

25 If you do not wish to have your voice

1 recorded, please do not speak during the meeting.

2 For those attendees joining us remotely via  
3 Teams, if you do not wish to have your image recorded,  
4 please turn off your camera, or participate by phone.

5 If you are in attendance in person, speak  
6 during the call, or use a video connection, you are  
7 presumed to consent to the recording and to the use of  
8 your voice or image.

9 You have an opportunity to submit written  
10 comments if you decide not to speak during this forum.

11 For those attending in person, please mute  
12 your laptop speaker so we do not get interference noise.

13 Please note that the room microphones are very  
14 sensitive, so any side conversations will likely be  
15 heard by those on Teams.

16 The purpose of this forum is to give  
17 interested parties the opportunity to make oral  
18 presentations and comments for the record on the  
19 Proposed 2028 Parker-Davis Project Power Marketing Plan.

20 A verbatim transcript of this forum will be  
21 prepared by our transcription service. Everything said  
22 while we are in session today will be part of the  
23 official record. Copies of the transcript and the  
24 complete record of the public process will be available  
25 for review at WAPA's Desert Southwest Regional Office in

1 Phoenix.

2 All presentations and comments at this forum  
3 should be relevant to the Proposed 2028 Parker-Davis  
4 Project Power Marketing Plan. As the moderator, I  
5 reserve the right to disallow any presentations or  
6 comments which are not relevant to the subject matter of  
7 this forum.

8 You may email any materials to be introduced  
9 into the record, and they will be assigned an exhibit  
10 number. The email address is pdp-remarketing@wapa.gov.

11 After the close of the consultation-and-  
12 comment period, all comments, exhibits, and other  
13 information received will be reviewed and considered.  
14 WAPA will then issue a notice in the Federal Register,  
15 addressing comments made during the public process.

16 Next slide, please.

17 I will now open the forum for oral  
18 presentation and comments. If you are in t- -- if you  
19 are attending in person, please raise your hand, and we  
20 will call on you. For those joining us remotely, you  
21 may use the features in Teams to raise your hand, or use  
22 the Teams chat feature. If only participating by phone,  
23 unmute your phone by pressing star six. Teams  
24 participants should check to make sure that you are not  
25 double-muted: on your device and in the Teams

1 application.

2 To help with transcription, after you have  
3 been recognized, please provide your name and the name  
4 of the organization you represent; also, please spell  
5 your name.

6 If you have a copy of your presentation,  
7 please email it to pdp-remarketing@wapa.gov.

8 Does anyone want to make a presentation or  
9 provide comments?

10 Yes, sir.

11 We have a hand raised in the [indiscernible].

12 DAVID FITZGERALD: This is David Fitzgerald,  
13 appearing on behalf of Arizona Electric Power  
14 Cooperative.

15 Can the stenographer hear me okay?

16 THE COURT REPORTER: Yes, I can. Thank you.  
17 And if you could spell your name.

18 DAVID FITZGERALD: Last name is spelled  
19 F-I-T-Z-G-E-R-A-L-D. W- -- I'm outside counsel to  
20 Arizona Electric Power Cooperative, also known as AEPCO.  
21 I'm with the law firm of Davison Van Cleve.

22 Our interest today in appearing before this  
23 forum is to provide support for certain elements of the  
24 Proposed Marketing Plan that was announced in the  
25 Federal Register on May 20th, 2024; also to raise

1 concerns for Western's consideration, and highlight  
2 questions that we believe need to be answered before we  
3 submit written comments by August 19th.

4 Specifically, AEPCO supports the existing  
5 allocations of Parker-Davis capacity and energy. They  
6 support the full use of the associated transmission  
7 rights. There's also support for a 20-year term for the  
8 contracts.

9 AEPCO also supports the reduction of  
10 purchase-power activities, as prior activities have led  
11 to accumulated deficits.

12 AEPCO also supports the reimbur- --  
13 reimbursement of advanced funds as set forth in the  
14 Federal Register Notice.

15 Consistent with this approach, however, we  
16 also believe that a portion of the deficit should be  
17 repaid by future potential allottees under the new  
18 resource pool, given the fact that purchase-power  
19 expenses were accumulated in connection with the rewind  
20 at the Davis Project, and such costs are associated with  
21 the cost of the new capacity that was created.  
22 Purchase-power cost related to that outage should not be  
23 solely borne by the existing allottees.

24 AEPCO does oppose the creation of a new power  
25 pool. We note that there's been diminished hydropower

1 availabi- -- availability in recent years and has  
2 deprived the existing customers of the contracted-for  
3 capacity and energy. With a loss of roughly 25 percent  
4 of energy delivery since the execution of the last  
5 contracts, there is little additional energy for a new  
6 resource pool.

7           The impact is isolated, however, to those  
8 contractors who are not priority-use power. As we  
9 understand in the Federal Register Notice, the new  
10 resource pool would not elimin- -- would not reduce  
11 capacity or energy deliveries to customers who receive  
12 priority-use power. To be clear, AEPCO does not oppose  
13 any change to the allocations for priority-use power or  
14 any change in those operations for those customers.

15           In particular, the impacts to the . . .  
16 creation of a new resource pool need to be assessed, in  
17 particular in light of proposal to change the new  
18 scheduling. As we have learned, a- -- Western intends  
19 to eliminate the off-peak requirements, but instead  
20 require purchases to coincide with water deliveries.  
21 Concern is that there is -- this could lead to purchases  
22 at times when the resource is out of the market and at a  
23 point in time when it would not be as economic to the  
24 customers to receive the power.

25           Now, what's clear is that there has been some

1 requirement for off-peak purchases, and we recognize  
2 that, but the proposal does not indicate any limits to  
3 the amount of off-peak power that would have to be  
4 required [indiscernible] purchases, and it is a concern  
5 that this unknown aspect of the marketing policy could  
6 lead to a further diminishment of the value of the  
7 Parker-Davis resource.

8           If we measure that potential loss of value  
9 against the decision to create a new resource pool, it  
10 encourages AEPCO to suggest to Western that it should  
11 refrain from . . . creating the new resource pool at  
12 this point in time, until the actual impact associated  
13 with the new scheduling regime has been disclosed and  
14 discussed with customers.

15           In the -- in this regard, we also note that  
16 while it is recognized that the creation of a new  
17 resource pool is intended to meet the mission of  
18 providing mo- -- more widespread use of the resource, it  
19 is also -- it should also be considered that if you are  
20 eliminating the scheduling flexibility and you are  
21 requiring customers to purchase power at times when it  
22 is noneconomic, Western is not following its principle  
23 to set rates at the lowest possible rate, consistent  
24 with sound business principle.

25           To the extent that you are allocating capacity



1 and resources and energy to new customers at a time when  
2 you do not have the full resources to meet contract  
3 rates of delivery, you're creating a situation in which  
4 existing allocatees are being deprived of the value of  
5 the resource.

6 Now, what is further emphasized by AEPCO at  
7 this point in time is that there needs to be an  
8 understanding in terms of the flexibility of the  
9 transmission rights up to CROD, and decisions on  
10 creating a new resource pool should also be held until  
11 the customers fully understand the impact of how the  
12 transmission rights up to CROD are delineated and  
13 understood by the customers.

14 Relatedly, as WAPA reserves the right to enter  
15 exchange, transmission service, and other related  
16 agreements as set forth in the Federal Register, such  
17 reservation of authority should also include WAPA's  
18 discretion to manage its interconnection queue to meet  
19 these objectives.

20 AEPCO does have questions that they would ask  
21 be answered in writing prior to August 19th; notably,  
22 they would like to know the extent to which WAPA must  
23 purchase power to firm priority-use power deliveries,  
24 and whether that purchase-power cost is socialized  
25 amongst all customers or allocated only to priority-use

1 power customers alone.

2 Further, AEPCO asks Western to clarify whether  
3 there is going to be a reduction in energy from current  
4 allocations, as may be slightly reduced if there is a  
5 new resource pool, or whether there will be a wholesale  
6 change in the energy allocations.

7 We recognize that there is a proposal to adopt  
8 a energy scheduling [sic] similar to what's been adopted  
9 for the Colorado River Storage Projects. What is not  
10 clear from the presentation and the transcript from the  
11 prior presentation: whether Western intends to allocate  
12 the energy similar to what has been done before, or  
13 whether the energy is going to fluctuate significantly  
14 as a matter of the customer entitlement. That  
15 clarification would be appreciated.

16 Further along those lines, AEPCO would ask  
17 Western to clarify that there will be no appreciable  
18 reduction in capacity, as was originally allocated in  
19 the 1987 . . . Federal Register Notice that allocated  
20 Parker-Davis resources to AEPCO.

21 That concludes AEPCO's presentation. We  
22 appreciate Western convening this forum and our cons- --  
23 and consideration of our comments. Thank you.

24 DAVE GORLIN: Thank you very much,  
25 Mr. Fitzgerald.

1           And lemme just emphasize again: The -- the  
2           purpose of today's Public Comment Forum is to receive  
3           comments and presentations, and to the extent there are  
4           questions from customers or members of the public, WAPA  
5           is maintaining a question-and-response document on the  
6           Power Marketing website, which I believe we are going to  
7           link during the presentation today, and we will be  
8           responding to questions such as those just raised on  
9           that document before the end of the  
10          consultation-and-comment period.

11           Thank you, Mr. Fitzgerald.

12           So m- -- I have -- Mr. Curtis has his hand  
13          raised in the room. And then Mr. Pyper, I see you have  
14          your hand raised online; I'll get to you next.

15           Mr. Curtis?

16           MICHAEL CURTIS: My name is Michael Curtis,  
17          C-U-R-T-I-S. On behalf of Wickenburg, the Hohokam  
18          Irrigation and Drainage District, Gilbert, and Marana,  
19          we generally support the comments made by the Arizona  
20          Electric Power Cooperative. Thank you.

21           DAVE GORLIN: Thank you, Mr. Curtis, for your  
22          comment.

23           So I'm gonna go to the -- to our virtual  
24          meeting. And I see Mr. Pyper has his hand up.

25           Mr. Pyper, could you introduce yourself and

1 spell your name for the court reporter, please?

2 CRAIG PYPER: Yes. If you can hear me, my  
3 name is Craig, C-R-A-I-G, last name Pyper, P-Y-P-E-R.  
4 I'm with the Colorado River Commission of Nevada.

5 DAVE GORLIN: Thank you, Mr. --

6 (Simultaneous talking.)

7 DAVE GORLIN: -- Pyper. Y- --

8 Oh, s- -- I'm sorry to interrupt. Go ahead.  
9 Thank you.

10 CRAIG PYPER: The Colorado River Commission of  
11 Nevada appreciates this opportunity to provide  
12 preliminary comments regarding WAPA's Proposed  
13 Parker-Davis Project Post-2028 Remarketing Plan. The  
14 Commission intends to provide additional written  
15 comments by August 19th.

16 The CRC is a current preference cus- --  
17 contractor of the Parker-Davis Project. We support  
18 WAPA's application of the EPAMP or PMI in the  
19 remarketing of Parker-Davis to ensure that current  
20 contractors continue to receive a substantial amount of  
21 their resource for another 20-year term.

22 Although the CRC would prefer that WAPA not  
23 create a resource pool, we understand that the one-time  
24 creation of a resource pool is an element of extending  
25 the PMI, as we encourage WAPA to set its criteria such

1 that the size of the pool remains small, as proposed by  
2 WAPA.

3 The CRC also generally supports the  
4 operational changes that WAPA has proposed in response  
5 to the reduced hydrology.

6 However, we recommend that WAPA consider  
7 leaving the majority of the details concerning the  
8 implementation of the new operational strategy to the  
9 contract and the metering-and-scheduling instructions so  
10 that as conditions change and evolve, the operational  
11 strategy can change by agreement and it isn't codified  
12 in regulation.

13 With respect to renewable-energy credits, or  
14 RECs, we understand that WAPA is developing a new  
15 WAPA-wide REC policy, and the CRC encourages WAPA to  
16 release that policy in the timely manner so that  
17 customers can fully understand the application of that  
18 policy to RECs that will be available from the  
19 Parker-Davis Project.

20 We appreciate the effort and careful thought  
21 that WAPA's put into this process, and we thank you for  
22 your consideration.

23 DAVE GORLIN: Thank you very much for your  
24 comment, Mr. Pyper.

25 So there are no hands in the room.

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1 I'm checking the virtual room, as well. I  
2 don't currently see any hands.

3 Does anyone else have any additional  
4 presentations or comments relevant to the Proposed 2028  
5 Parker-Davis Project Power Marketing Plan?

6 (Pause; 26 seconds.)

7 DAVE GORLIN: Jennifer, would you mind  
8 confirming for me that there are no hands raised or any  
9 chats with comments?

10 JENNIFER HENN: I do not see any hands raised.

11 We did have one chat from Rebecca Rogers,  
12 indicating we have an echo. I don't know if that was an  
13 issue with the sound. But the sound is clear on my  
14 side. I do not see any other chats.

15 DAVE GORLIN: Okay. Thank you.

16 And for the court reporter, that was Jennifer  
17 Henn, just to confirm.

18 So I will offer up one more chance while we're  
19 still here at the Public Comment Forum. Does anyone  
20 else have any additional presentations or comments  
21 relevant to the Proposed 2028 Parker-Davis Project Power  
22 Marketing Plan?

23 (Pause; 20 seconds.)

24 DAVE GORLIN: And Jennifer, can you again  
25 confirm for me what I'm seeing in the room, that we have

1 no -- no hands raised or no additional comments in the  
2 chat box?

3 JENNIFER HENN: I do not see any hands raised,  
4 and I do not see any more comments in the chat box.

5 DAVE GORLIN: Okay, then. Seeing that no one  
6 else has indicated that they would like to present or  
7 provide comments during the forum, I want to thank  
8 everyone for their attendance.

9 Next slide, please.

10 You may submit written comments on the  
11 Proposed 2028 Parker-Davis Project Power Marketing Plan  
12 to Jack D. Murray, Senior Vice President and Regional  
13 Manager, Desert Southwest Region, Western Area Power  
14 Administration, by mail to PO Box 6457, Phoenix, Arizona  
15 85005-6457; or by email to pdp-remarketing@wapa.gov.  
16 Comments must be received by the close of the  
17 consultation-and-comment period on August 19th, 2024.

18 Next slide, please.

19 For further information, please visit WAPA's  
20 Parker-Davis Project Power Marketing Initiative website  
21 at [www.wapa.gov/about-wapa/regions/dsw/pdpremarketing](http://www.wapa.gov/about-wapa/regions/dsw/pdpremarketing).

22 Again, thank you for your attendance and  
23 participation in today's Public Comment Forum. The  
24 forum is now closed. Have a good rest of your day.

25 (Public Comment Forum closed at 1:25 p.m.)

