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August 19, 2024

Dear Jack Murray and John Paulsen,

RE: Proposed Western Area Power Administration (WAPA) Desert Southwest Region (DSW) 2028 Parker-Davis Project (PDP) Power Marketing Plan, May 20, 2024

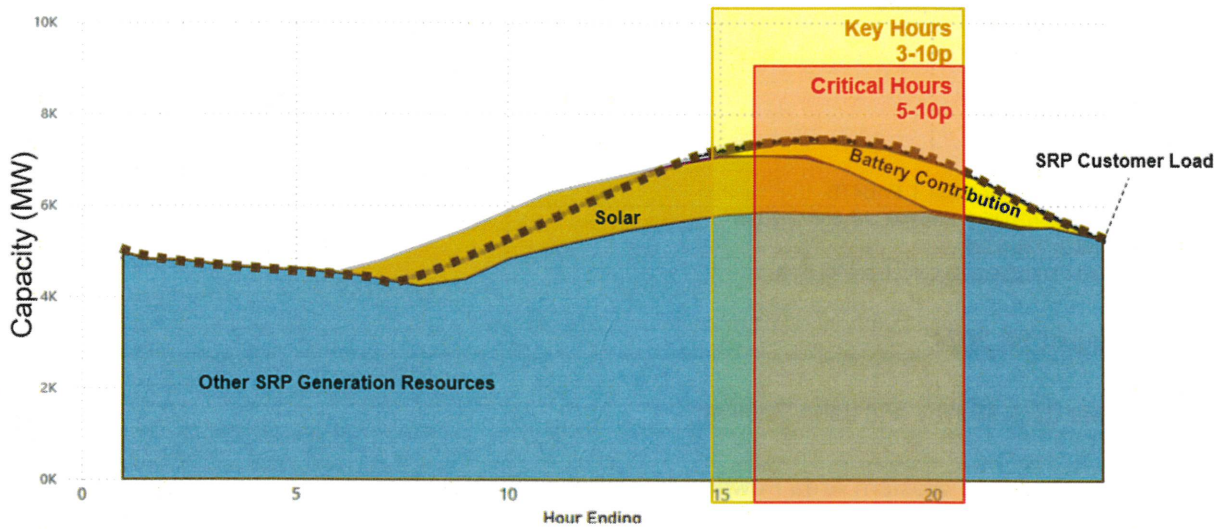
The Salt River Project Agricultural Improvement and Power District (SRP) appreciates the opportunity to provide comments on WAPA DSW's Proposed Parker-Davis Project Post-2028 Remarketing Plan as published in the Federal Register on May 20, 2024. SRP is a current contractor of the PDP. SRP supports WAPA's proposal including the intent of the Energy Planning and Management Program (EPAMP) and Power Marketing Initiative (PMI) rules from the Code of Federal Regulations for the Department of Energy to maintain, as much as possible, the allocations to existing PDP contractors. SRP understands that the creation of a resource pool is part of those same regulations and supports the small size of the pool as proposed by WAPA.

SRP supports the Colorado River Commission of Nevada's (CRC) comments at the July 19, 2024 Public Comment Forum related to the "operational changes... in response to reduced hydrology." Specifically, that WAPA leave the details concerning implementation to the contract and the metering-and-scheduling instructions. SRP agrees that as conditions change at PDP, WAPA and the Contractors should be able to have the most flexibility to amend agreements as possible. SRP agrees that codifying operations in Federal Rules would be less flexible than the contractors' agreements with WAPA. SRP also echoes CRC's preference to see the WAPA-Wide REC Policy as soon as practicable to inform this process.

SRP has concerns regarding the 17% MWh average potential reduction shared in the "Responses to Clarifying Question" posted on August 1, 2024. The largest reductions occur in the summer peaking months of July, August, and September.

Reliable power is critical to human health and safety during summers in the Phoenix area, which is one of the fastest growing areas of the U.S. SRP reached its highest ever system peak on August 4<sup>th</sup>, 2024 at 8,219 MW—56 MW higher than its last record set in July 2023. Most of the reliability risk that SRP and other desert southwest utilities manage occurs from 3pm to 10pm over summer months when ambient temperatures are peaking, demand is at its highest and solar production is waning or no longer available (see Figure 1). These hours are also important for charging the growing number of batteries on SRP's system to ensure they are charged and available for serving energy during periods of high and peak demand.

**Figure 1: Relative risk of resource insufficiency and high resource replacement costs**



The seasonal variation in the projected Quarterly Energy Proposal included in the “Responses to Clarifying Question” document is significant and reduces SRP’s allocation during the highest demand and highest price hours of the year. More than half of the 207,795MWh reduction occurs during those high demand months. SRP would appreciate the development of a policy in support of full availability of PDP generation capacity during key and critical hours of the day during summer months, as well as operational measures to make generation available during system emergencies or forecasted peak days. WAPA should have substantial operational flexibility to support regional reliability.

Sincerely,

*Sheri Farag*  
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