

**Meeting Notes**  
**Power O&M Cost Suballocation**

**March 14, 2002**  
**San Luis/Delta Mendota Water Authority**

Attendees:

Chase Hurley, Panoche Water District  
Frances Mizuno, San Luis and Delta Mendota  
Kathryn Kitchell, Roseville  
George Senn, CVPWA  
Steve Richardson, Western Area Power  
Lynn Hurley, SCVWD  
Ed Roman, SMUD  
Tom Ruthford, Reclamation  
Donna Daughety, Reclamation

Tona Mederios, San Luis and Delta Mendota  
Michael Bloom, Roseville Electric  
Ron Jacobsma, Friant Water Users  
Michael Hagman, TCCA  
Russell Knight, Western Area Power  
Russ Harrington, Westlands  
Tasia Papajohn, Reclamation  
Martin Bauer, Reclamation

The website is up and running. We have incorporated the “in progress documents” that can only be viewed by the members on the workgroup. You need a login and password, which has been given to all members. The website address is: [www.mp.usbr.gov/cvo/power/costsub.html](http://www.mp.usbr.gov/cvo/power/costsub.html)

There was some discussion that we will need additional data to deal with the power purchases charges when we reach that point. The Options Workgroup looked at the “bookends” – load following vs. max peaking. Western Area Power is studying how the CVP can realistically be operated to optimize the project.

Ron Jacobsma requested that Reclamation furnish the copy of the final options workgroup report to the Suballocation Workgroup. He also suggested that a draft allocation methodologies for max peaking and load following would be helpful in evaluating the merits of the report conclusions. In order to do this methodology, Reclamation would be required to make arbitrary decisions on where the “new” charges should go. There was a general concensus that that is what this Suballocation Workgroup was formed to develop.

Load following will be the default option that Reclamation and Western will use. If this is the default, will there be times when there will not be surplus power available for sale to preference customers?

Ron also suggested that a model be developed that will incorporate the solutions, so when we come down to selecting the methodology for specific charges, the workgroup can see what the impacts are without waiting for model development to occur at that time, thus lengthening the process.

Martin stressed that we need to remember the “interest-based” process and ensure that we are looking at and trying to meet the interests that we identified at the beginning of this process and not let the solutions be driven by bottom-line dollar amounts. The Workgoup members reiterated their commitment to that process.

(Note: Martin had a follow-up conversation with Ron to review the discussions. Ron clarified that it was understood that it was not practical to use the existing cost allocation for the new costs and benefits that the CVP would be faced with after 2948A terminates.)

We reviewed the solutions identified at the last meeting to see if there were any additional solutions.

Russell Knight from Western reviewed Control Area Operator Charges. He brought actual charges from a bill Western had received last year and explained each charge. More information can be retrieved from California ISO website: [www.CAISO.com](http://www.CAISO.com)

Everyone should look at the Options Workgroup report in order to see how this group should address power purchases. There are costs and benefits that will need to be identified in order to fairly allocate these costs.

#### **Next Meetings**

April 11, 2002, 9:30 a.m. to 2:30 p.m. – San Luis and Delta Mendota Water Authority

May 14, 2002, 9:30 a.m. to 2:30 p.m. – Roseville (Mike Bloom will provide map)

June 13, 2002, 9:30 a.m. to 2:30 p.m. – Western Area Power Office (map will be provided)

#### **Action Items**

- Martin Bauer to furnish the Options Workgroup report to the Suballocation Workgroup. – Completed
- Reclamation to develop model for different solution methodologies.
- Reclamation/Western to provide 1998 financial data.
- Brian Sprague or someone from Western Area Power asked to attend the next meeting to explain how the costs are allocated with Western's A&G.