

PORT OF STOCKTON

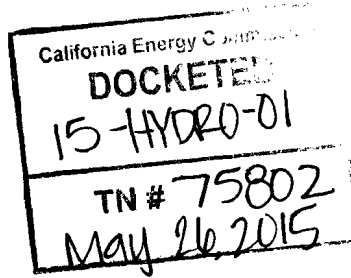
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May 22, 2015

California Energy Commission
Docket Office #5-HYDRO-01
1516 Ninth Street, MS-29
Sacramento, CA 95814-5512



Re: Docket #15-HYDRO-01

Drought Hydropower Questions Publicly Owned Utilities 2015

Question 1: Please provide your publicly owned utility's (POUs) current estimate of total electric firm energy requirements in gigawatt hours (GWh) for calendar year 2015.

Q1. FY 2015 Energy requirements for Port of Stockton
23,280,072 kWh

Question 2: Please provide your POU's average annual hydroelectric energy procurement in GWh since 1970, including 2014. Please differentiate between generated and purchased hydro energy supplies, and specify the timeframe over which these averages were determined if fewer years than from 1970 were used.

Q2. Hydro resources from 1970 to 2014
None

Question 3: Please provide your POU's lowest hydroelectric energy procurement in GWh during the same time period used in Question 2, and identify the year in which this occurred. Please provide figures for both POU-owned/controlled hydroelectric generation and hydroelectric energy supply contracts.

Q3. Lowest Hydro energy procurement 1970 to 2014
Zero

Question 4: Please provide your POU's hydroelectric energy procurement in GWh during 2014, if different from that shown in Question 2. If the same, please state so explicitly.

Q4. Hydro energy procurement in 2014
Zero

Question 5: Please provide your POU's most recent estimate of 2015 hydroelectric energy procurement (generation and purchases), both in GWh and as a percentage of this year's firm energy requirement.

Q5. 2015 Hydro procurement in GWh and % of Load.
In 2015 the Port received an allocation of Western Area Power Administration energy which is generated by the Central Valley Project.
537,000 kWh
2.3067 % of total load

Question 6: Does your POU expect that low hydro conditions (or the drought more generally) will raise any system or local reliability concerns? Please explain:

Q6. Problem with low hydro power delivery

The Port of Stockton receives a small allocation of hydro energy from the Western Area Power Administration, Sierra Nevada Region. As one can see, the Port's allocation is a fairly small portion of its overall energy portfolio. The Port has firm bulk system power under contract for 2015 and any shortfalls will be purchased through marketers from the Northern California market at the NP15 EZ Gen hub. Local reliability is met from a gas turbine in the Stockton area and therefore there should be no impact to the Port's reliability requirements.

Question 7: Under what circumstances would the adverse effects of the drought create severe or critical operational concerns for your system's electric generation or for electricity deliveries in your service area?

Q7. Issues that would cause severe operational concerns

See Q6 response.

Question 8: At what value of annual hydro generation this year (in GWh) would the effects of drought result in significant or substantial financial concerns? Please estimate additional costs your POU may incur because of low hydro conditions. Please provide the assumptions used. (Please highlight in yellow any information about specific costs, projected or potential, that are considered confidential or commercially sensitive. This could include potential impacts on rates that have not yet been considered for adoption by your local governing board. Such information, if provided and marked as confidential, will be protected from public disclosure through December 31, 2016.)

Q8. Level of Drought that would cause serious financial concerns

See Q6 response. The additional cost could be up to about \$30,000 if no hydro is delivered

Question 9: Please estimate any additional procurement of greenhouse gas allowances, in metric tons, that your POU has already incurred or that your POU expects will be necessary because of low hydro conditions in 2015. Please provide the assumptions used.

Q9. Additional GHG procurements for drought conditions

See Q6 response.

Question 10: Does your POU expect that low hydro conditions (or the drought more generally) will have any other local impacts beyond local reliability? If so, are efforts underway to address these impacts?

Q10. Additional impacts due to continuing drought

The Port does not see any additional impacts at this time other than what would impact California agriculture.

Question 11: Will water curtailments this year, such as by the State Water Resources Control Board, affect your POU's hydroelectric energy procurement or dispatch (either utility-controlled hydro generation or purchases)? If so, to what extent will these supply resources be affected in terms of GWh, and over what timeframe(s)?

Q11. Will water procurement affect hydro procurement dispatch

The hydro power the Port receives from the CVP system is delivered into the CAISO system.

There may be some higher costs in the CAISO markets due to less hydro in the state system.

Question 12: Did water curtailments in 2014 affect your POU's hydroelectric energy procurement or dispatch? If so, to what extent were supply resources affected and over what timeframe(s)? Did curtailments derate the capability to generate in megawatts (MW), and if so during what timeframes?

Q12. Did the 2014 drought conditions affect the Port's energy procurement?

The Port has just started receiving a hydro energy allocation from Western SNR and has not had any experience with how the drought will impact the deliveries, other than the expectation that there will be less CVP energy allocated to Western SNR customers in 2015.

Question 13: Energy Commission staff would like to know about any potential drought related issues that will or could affect electric systems and/or local reliability. For example, are there known or potential issues with water allocations or supplies to thermal plants (for example, power plant cooling)? This is an open-ended question and we hope that your POU can, to the extent possible, provide us with information regarding your POU's overall assessment regarding how drought conditions may affect reliability in your local communities.

Q13. Overall how will the drought impact the electric reliability of the Port.

The Port receives its power through the CAISO system. Thus, any reliability problems experienced by most of the state and more specifically Northern California within the CAISO system will directly translate to impacts to the Port's energy delivery. The Port does not currently own any hydro or thermal resources.

If you have any further questions please feel free to contact me at (209)946-0246, or email jvillanueva@stocktonport.com.

Sincerely,



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