



## Wheeling Stakeholder Meeting #2

### "Operations"

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## Agenda

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- Introduction and Overview of Meeting
- Review of Meeting #1 and Proposed Refinements to "Serve As You Come"
- "Operations"
  - Scheduling Priority
  - Interruptions & Reductions
  - Energy
  - Losses
  - Water Quality
  - Other
- Wrap-Up, Next Meeting



## Review of Meeting #1

- **Selected themes & comments**

- The financial and regulatory hurdles for non-Project supplies are likely to be substantial
- Potential wheeling parties cannot wait until the end to know whether a wheeling contract will be issued
- Staff concerns about 'speculation' should be weighed against the benefits of flexibility and creative arrangements
- The relationship between wheeling and the CAGR is a point of concern and contention



## "Serve As You Come" Refined

- **Assignments**

- Contract cannot be severed from underlying non-Project water supply; cannot be transferred independently of it
- May be transferred to successor-in-interest, with CAWCD approval
- A full or partial transfer of the underlying supply to another user automatically triggers new wheeling contract actions (e.g., contract modification for partial transfer; new contract for recipient)

- **Regulatory Approvals**

- The need for flexibility and some early assurance is recognized
- Actual process and timing for a wheeling contract will be fact and circumstance specific
- An "intent to contract" or similar mechanism is under consideration



## "Serve As You Come" Refined

- **Long-term Storage Credits**

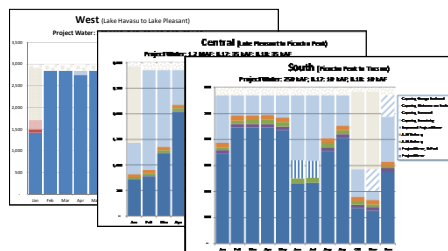
- No absolute prohibition
- An updated Board wheeling policy will include a "declaration of intent" – *wheeling is to serve near-term annualized demand*
- A ramp-up to serve annualized demand is permissible
- For imported Colorado River water, the requirement is consistent with existing regulatory requirements
- For other supplies, the CAWCD Board will decide if the proposal is consistent with the adopted policy



## Scheduling Priority

- **Scheduling priority is used to protect Project Water and 8.17 rights**

- Implemented during the development of the Annual Operating Plan
- 8.18 wheeling should not affect what would have otherwise occurred with Project Water and 8.17 deliveries



## Scheduling Priority

- **Current Staff Proposal**

1. Project Water (including Excess), and 8.18 non-Project Water after improvement projects are complete
  - Monthly 11% maximum enforced on 8.18 first
2. 8.17 non-Project Water
3. 8.18 non-Project Water before improvement projects are complete

➤ *Performs well over a wide range of scenarios, but two hypothetical exceptions have been identified...*



## Scheduling Priority

- **"2.0 MAF" Scenario**

- Occurs when Project Water supply is greater than the total system capacity (i.e., during extreme Surplus)
- In current Staff Proposal, priority between post-improvement 8.18 and Project Water is ambiguous
- Project Water could potentially utilize the entire capacity, including capacity that was created with system improvements

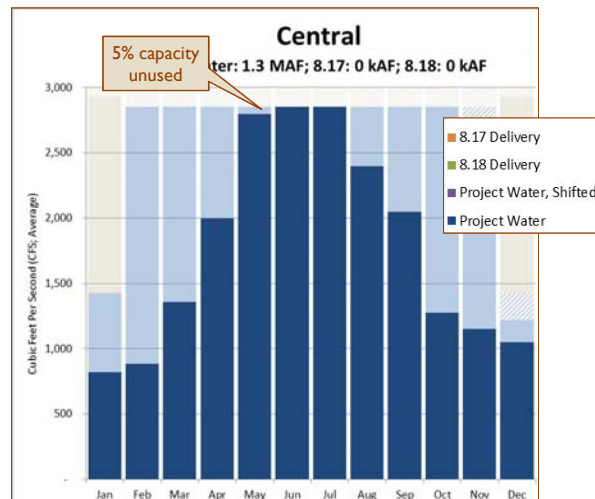


## Scheduling Priority

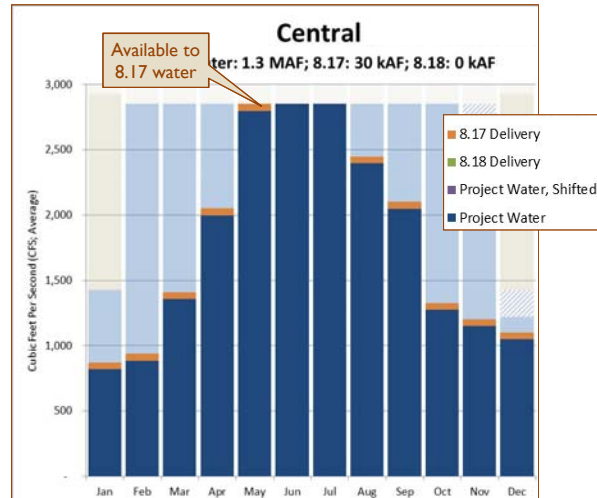
- **"95% May" Scenario**
  - Occurs during a month (e.g., May) when capacity in the Central part of the system is almost fully used (e.g. 95%)
  - Without any 8.18 wheeling, the 5% capacity is available for 8.17 use
  - But the current Staff Proposal would allow post-improvement 8.18 wheeling to utilize the entire 5%



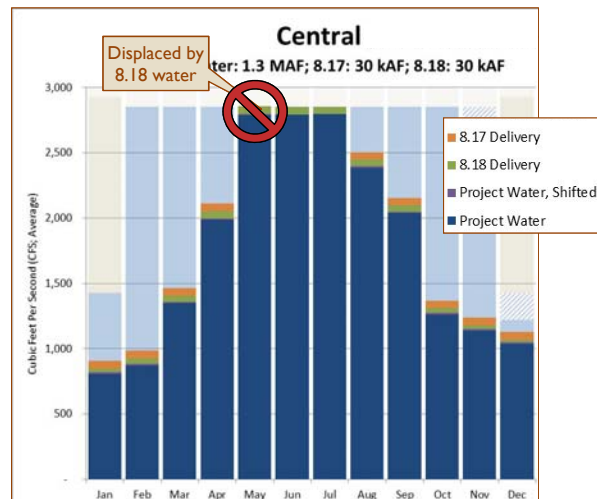
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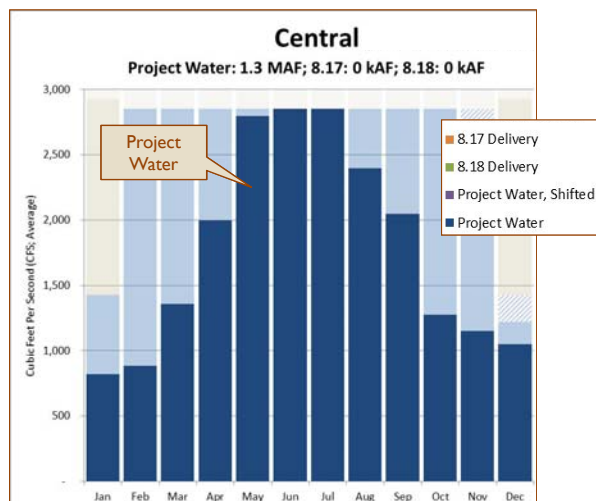
## Scheduling Priority

- **Revised Staff Proposal**

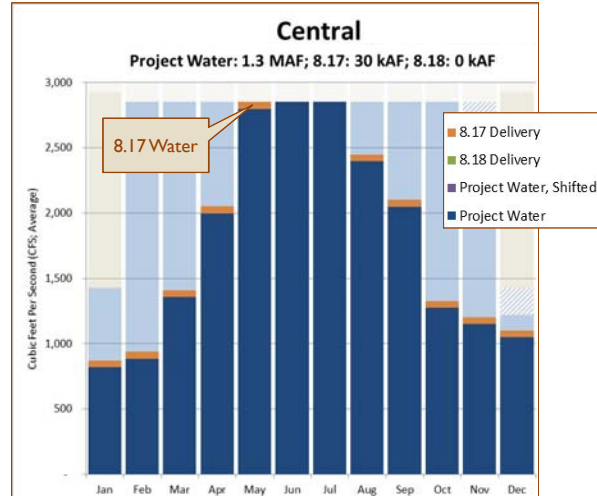
1. WEST: *[as annual volume]*
  - a) Post-improvement 8.18
  - b) Project Water
  - c) 8.17
  - d) Pre-improvement 8.18
2. CENTRAL & SOUTH: *[monthly, by segment]*
  - a) Project Water
  - b) 8.17 *[limited to volume from 1.c]*
  - c) Post-improvement 8.18
    - i. Suppression would utilized for months in which 8.18 requests, up to 11%, would not otherwise be possible due to the sum of Project & 8.17
  - d) Pre-improvement 8.18 *[limited to volume from 1.d]*



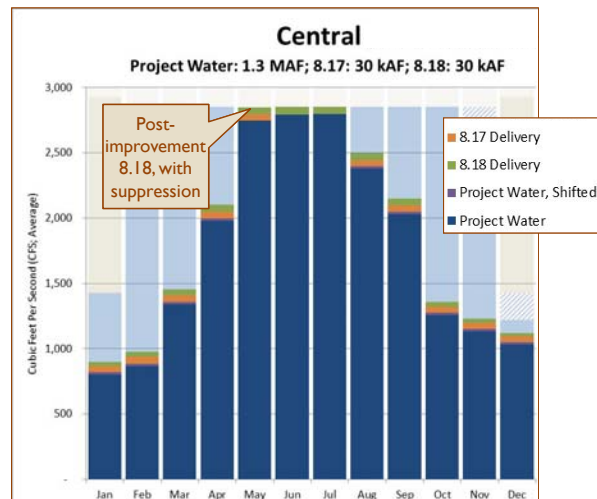
## Scheduling Priority



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## Scheduling Priority

- **Revised Staff Proposal**
  - Fixes “2.0 MAF” and “95% May” Scenarios
  - Generates **identical results** to previous Staff Proposal for all other scenarios
    - Previously shared modeling results and demonstrations remain valid
    - Revised proposal has been incorporated into current version of Wheeling Model (ver. 2.1)



## Interruptions & Reductions

- **Staff Proposal**
  - Operational considerations determine how interruptions and reductions are addressed
    - No distinction between Project & non-Project water
    - Based on subcontract language and current practice
  - CAP retains the right to discontinue or reduce for investigation, inspection, construction, testing, maintenance, etc.
  - CAP shall attempt to coordinate with the wheeling contractor, and give due notice
    - No notice required in an emergency



## Interruptions & Reductions

- **Staff Proposal** *(cont.)*
  - CAP and the United States have no liability for damages from reduced deliveries
  - If less water is delivered, contractor is entitled to a credit or reimbursement

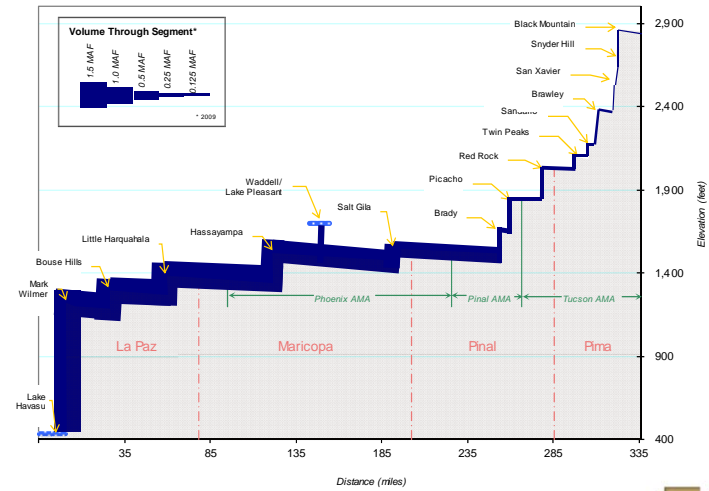


## Energy

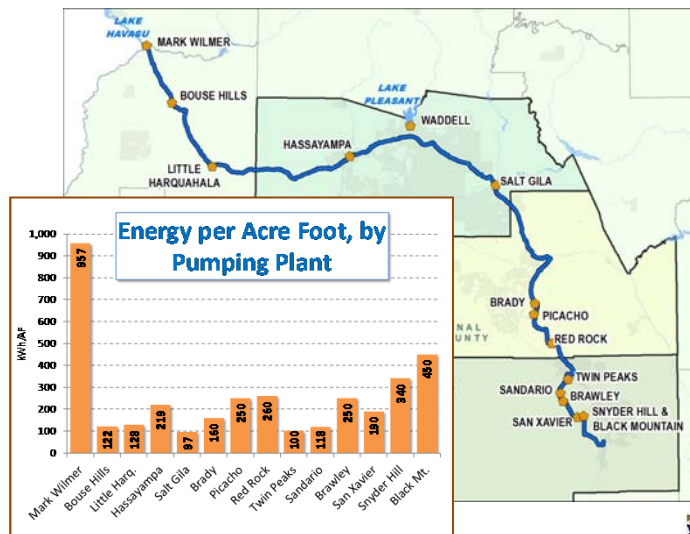
- **Staff Proposal**
  - 13.2 Variable OM&R Charge (Pumping Energy): Contractor shall be assessed a variable OM&R charge based upon the calculated amount of energy required to transport the Contractor Water and an energy rate for water transportation established by CAWCD. Contractor shall be relieved of the pumping energy portion of the water service charges associated with any Contractor Water scheduled for transportation that is not transported to the Contractor.



## Energy



## Energy



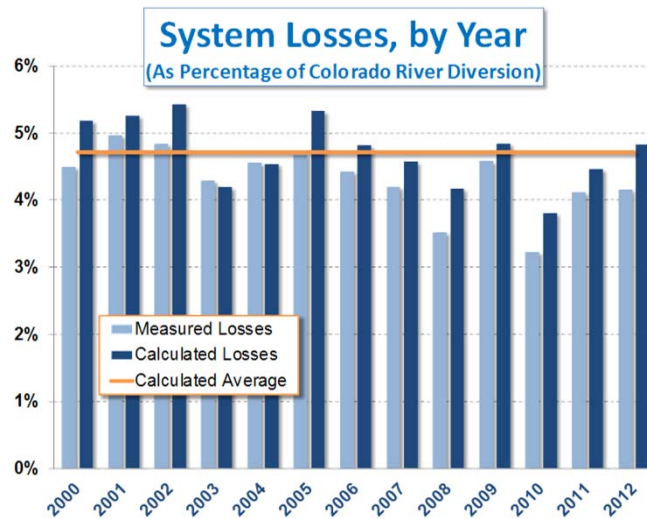
## Losses

- **Staff Proposal**

10. The Contractor shall be assessed uniform Losses of 5% to all deliveries of Contractor Water.



## Losses



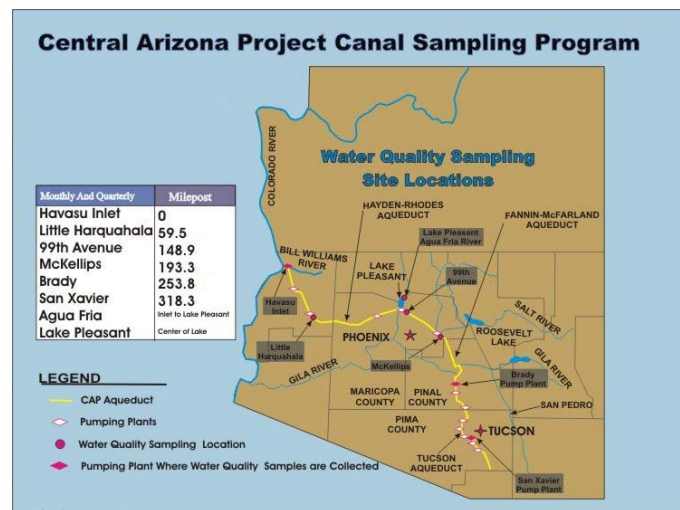
## Water Quality

- **Staff Proposal**

9.2 CAWCD shall not be obligated to transport Contractor Water if such water fails to meet water quality parameters established by CAWCD and the United States. Further, nothing in this Agreement shall be construed so as to require that CAWCD receive or transport Contractor Water from any source when such receipt or transportation is likely to result in a violation of then existing federal, state or local laws or regulations regarding water quality.



## Water Quality



## Water Quality

- **Additional Staff Proposal**

- General policy guidance
  - No harm to the system
  - No harm to other customers
  - No harm to public health
- Drinking Water Standards are presumptive default
  - Special attention to nutrients due to algae concerns
- Water quality impact analysis required before wheeling
- Monitoring requirements and enforcement provisions to be developed



## Wrap-Up & Next Meeting

