

AMP's Response to the Sierra Club's Proposed Support of Dam Legislation

AMP, along with its Bay area municipal utility partners (Palo Alto and Santa Clara) and other northern California municipal utility systems rely heavily on hydro power produced by California's central valley hydro generation units. These generation units are, in most cases, productively operational due to the construction and operation of various dams within the northern and central California watershed and tributary system. In order to maintain AMP's goal of "carbon-free power generation", it will be necessary, over time, to continue to operate and improve this inter-related hydro system. While AMP is not currently involved with the expansion of any specific dam project, however this possibility should not be precluded in the future.

There are many complicated issues associated with water storage projects and they are probably best addressed on a specific case-by-case basis. The drought conditions experienced in California during the past four years highlights the state's ongoing need for well-planned water storage projects to maintain drinking water, and irrigation water, for the state's residents. Water storage projects provide additional benefits to the state's residents including flood control, recreational uses, and in some cases, electricity generation. It should be noted that water storage projects are generally not initiated solely for the purpose of electricity generation; but rather, this generation is an added benefit of having differential water pressure at the water storage project.

In addition to the Central Valley Project, Alameda Municipal Power (AMP) has investments in other water storage facilities, specifically the Calaveras County Project (large and small hydro) and the Graeagle Project (small hydro). During the past 5-years (2011-2015), which includes four drought years, the hydro projects have provided to Alameda's electric customers an average of 5,597,700 kilowatt-hours per month of carbon-neutral electricity. Although actual energy delivery to customers isn't specific to a type of generating facility or customer class, the electricity delivered by the hydro projects is equivalent to AMP serving 15,993 average residential accounts. This average value is approximately 50% of AMP's D-1 residential accounts.

AMP has, and continues to (significantly) contribute the Central Valley Project Improvement Authority (CVPIA) fund which pays for various Bureau of Reclamation projects within this hydro system. It includes the environmentally-related maintenance and improvement of the various supply and storage systems feeding the various dams. All of the funding for these projects goes directly to environmental-related improvement projects. And AMP, through NCPA, is currently involved in litigation related to this project. The result of this litigation will have direct impact on AMP finances.

The support of the Sierra Club's position, at this time, could harm both AMP's ability to obtain clean, carbon-free power in the future and its ability to reach a financially stable and sustainable solution to the CVPIA funding issue. AMP's recommendation would be for Alameda to take no position on this matter at this time.