



City of Needles, California Request for Commission Action

CITY COUNCIL BOARD OF PUBLIC UTILITIES

Regular Special

Meeting Date: April 7, 2026

Title: Authorize the Voluntary Parker Davis Reduction for April, May, and June 2026

Background: In December 2024, the Board of Public Utilities approved the Parker-Davis Voluntary Reduction Agreement.

This Agreement permits the Participating Contractor, on a voluntary basis, to elect to reduce its reliance on WAPA-purchased power and accept reduced energy deliveries from WAPA. Such reductions would be based on federal hydropower generation projections made available to WAPA by the Department of Interior, Bureau of Reclamation (Reclamation), and shared with Participating Contractor and other FES contractors. In return for voluntarily electing to take reduced energy deliveries, the Participating Contractor would receive monthly billing credits based on the purchase power component of the PDP FES rate. Participating Contractor would also receive credits for their part in reducing purchase power deficits. The process by which the Participating Contractor may voluntarily elect to reduce its energy deliveries and obtain corresponding billing credits is set forth herein.

The voluntary agreement allows staff to utilize term purchases with excess allocation to cover the City's Parker-Davis allocation when there is a shortfall.

For April, May, and June, staff took advantage of lower-term purchases, which allowed staff to utilize the Parker-Davis Voluntary Reduction Agreement. Estimated savings for the City of Needles is;

	PPW MWh	VRP \$/MWh Est	VRP Estimated Savings
April	1520	\$99.12	\$150,662.40
May	2408	\$298.25	\$718,186.00
June	2736	\$61.62	\$168,592.32
			\$1,037,440.72

Fiscal Impact: Reduction in Parker-Davis monthly cost for April, May, and June 2026

Environmental Impact: In recent years, drought conditions in the Colorado River Basin and disruptions in the wholesale energy market have made it increasingly difficult for WAPA to meet its Monthly Energy commitments to FES contractors with federal hydropower alone. To meet its Monthly Energy requirements to FES contractors, WAPA has increasingly relied on purchasing power, which adds cost to all participants.

Recommended Action: Authorize the Voluntary Parker Davis Reduction for April, May, and June 2026

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Rainie Torrance Acting City Manager

Date: 3/31/2026

Other Department Approval (when required): _____

Date: _____