

WESTERN AREA POWER ADMINISTRATION

Colorado River Storage Project (CRSP)

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CRSP Manager

Western Area Power Administration



What is Western?



- Power marketing administration, agency within Dept. of Energy
- DOE & PMAs were created in 1977 by Congress to separate power generation from the sale & delivery functions
- Combined function previously held by BOR
- Wholesale electricity supplier
- **Mission Statement:** Our mission is to market and deliver clean, renewable, reliable, cost-based federal hydroelectric power and related services

Western and Bureau of Reclamation – who does what

Bureau of Reclamation

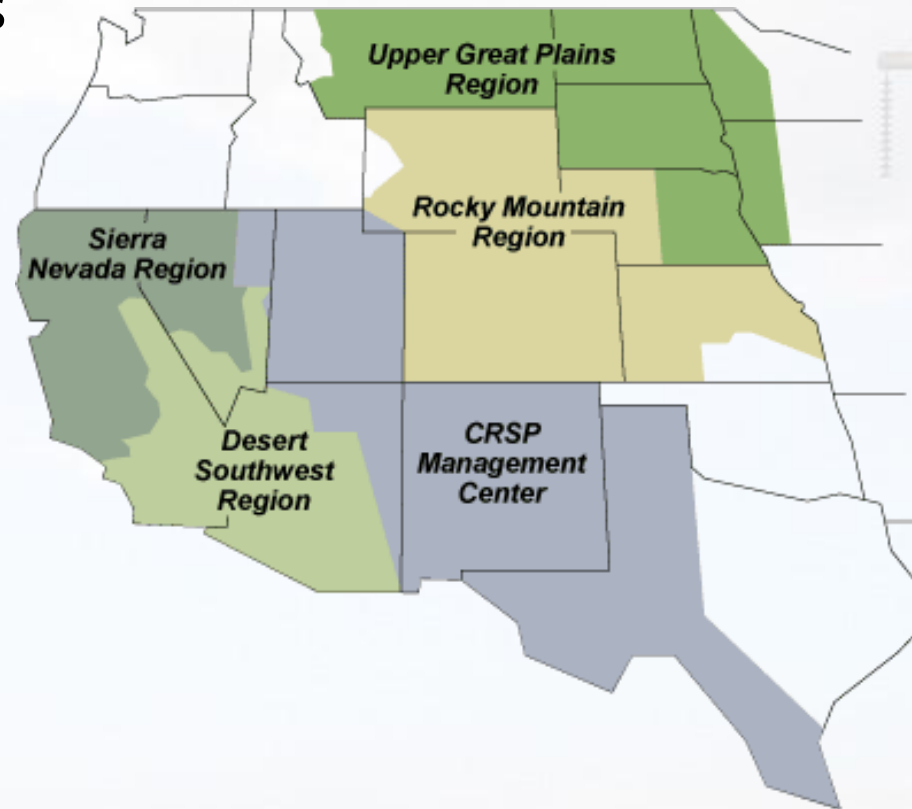
- Owns dams and power plants
- Water release activities include reservoir management, irrigation, flood control, water compact deliveries, environmental activities.
- Responsible for water management from reservoirs
- Generation is handed off to Western at the plant transformers

Western/CRSP

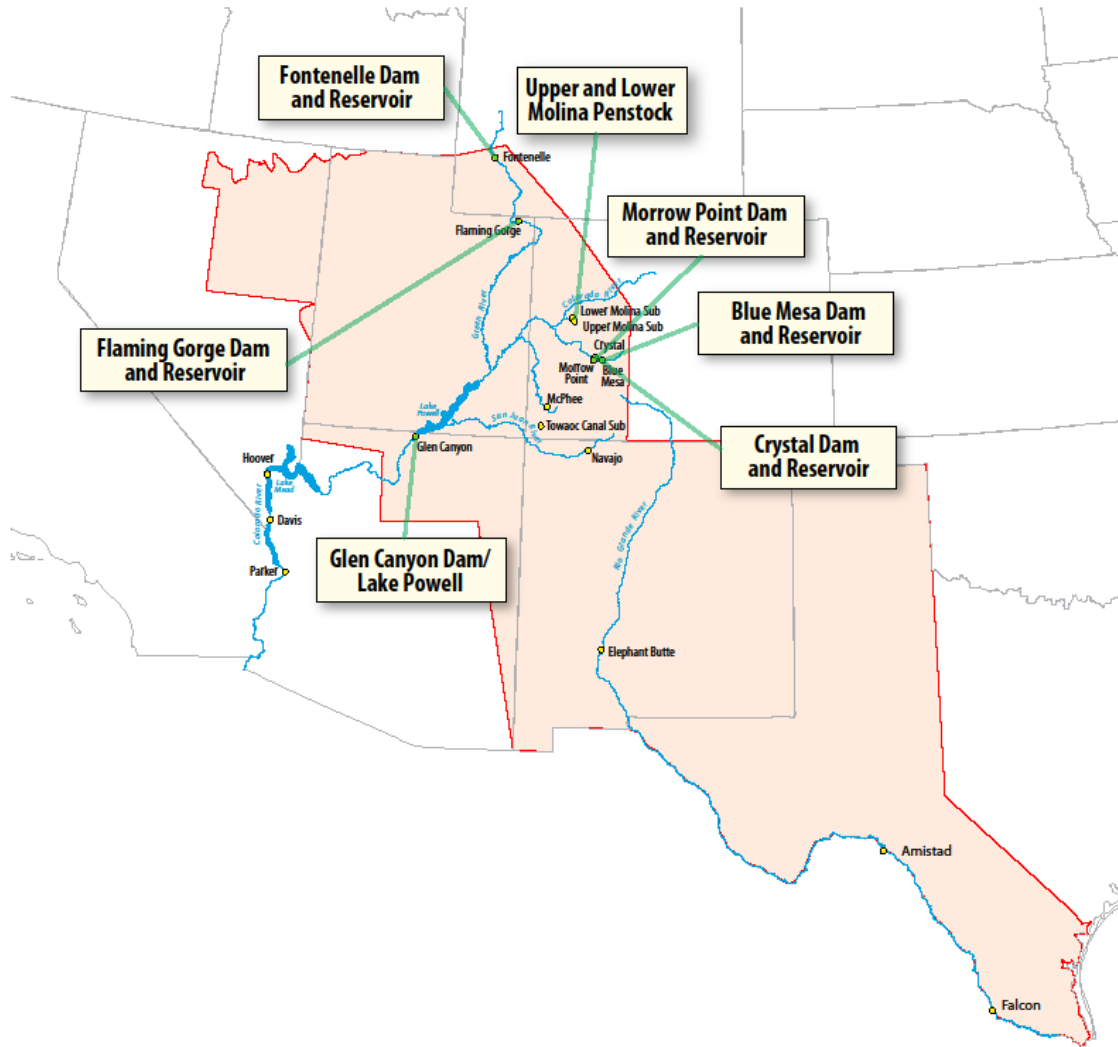
- Western owns and operates the transmission system infrastructure used to deliver power
- Maintains regulation and reserve capacity
- Support grid reliability
- Market and deliver, power generated at federal hydroelectric power plants throughout the western United States
- Western schedules and delivers generation to long term firm electric service customers
- Revenue from sale of generation is used to pay project debt to U.S. government, O&M, replacements

Western's service territory

- Serving customers from 4 regional offices and the CRSP MC
- 56 hydropower plants
- 10,505 MW of installed capacity
- 17,061 miles of transmission lines

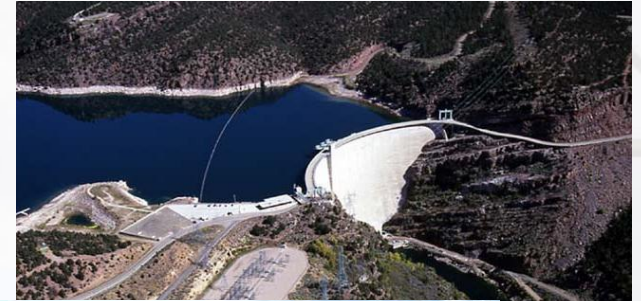


Colorado River Storage Project



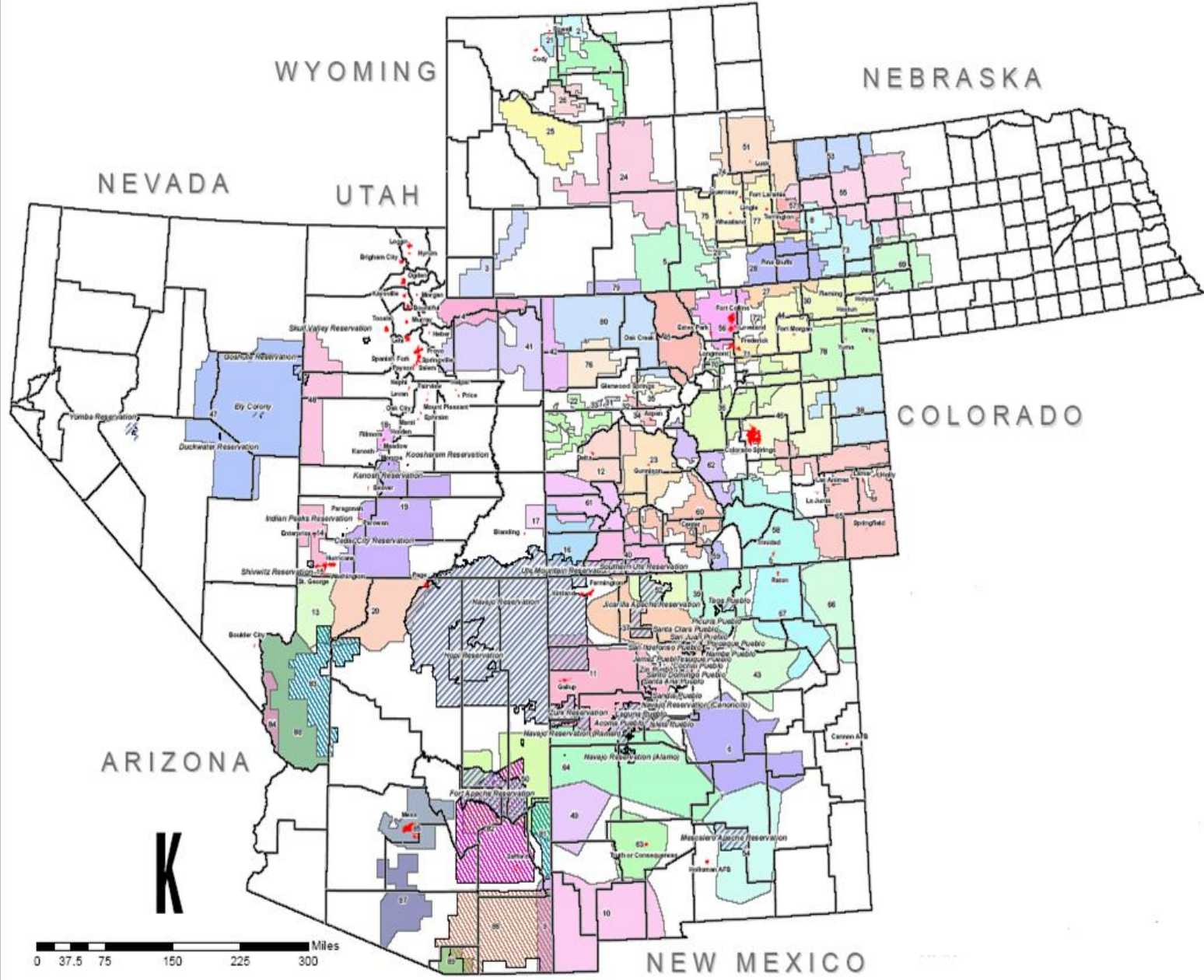
Salt Lake City Area Integrated Projects

- 11 power plants
- 24 generating units
- 1,816 MW total capacity
(73% from Glen Canyon)
- 5,642 GWh Net
Generation
(76% from Glen Canyon)
- 2,325 circuit miles
(Arizona, Colorado, New
Mexico, Utah, Wyoming)



CRSP profile

- 130 long-term customers
 - 53 Native American tribes
 - 60 Municipalities, cooperatives, irrigation districts
 - 17 Other
- Top 5 long-term energy sales customers
 - Tri-State Generation & Transmission Association
 - Platte River Power Authority
 - Utah Associated Municipal Power Systems
 - Deseret Generation & Transmission
 - Utah Municipal Power Agency



Western/CRSP responsibilities

- Partner with BOR (Generating Agency)
- Power marketing
- Rate setting
- Basin Fund management
- Support electrical grid reliability
- Environmental and cultural resource compliance
- Electrical system studies, power system economic and financial analysis
- Compliance with laws/regulations (e.g. NHPA Sec 106)

What's in our power rate?

- Rates are set using forecasts for a set of future years
- Cost-based – No Profit
- Annual rate calculation
- Reimbursable expenses/costs -- items the power customers are legally required to pay
 - Purchase power to “firm” contractual commitments
 - Operations & maintenance
 - Required principal & interest payments
 - Amortized capital replacements (Western & BOR)
 - Irrigation assistance for participating projects
 - Salinity Control Program -- \$1.9 million annually

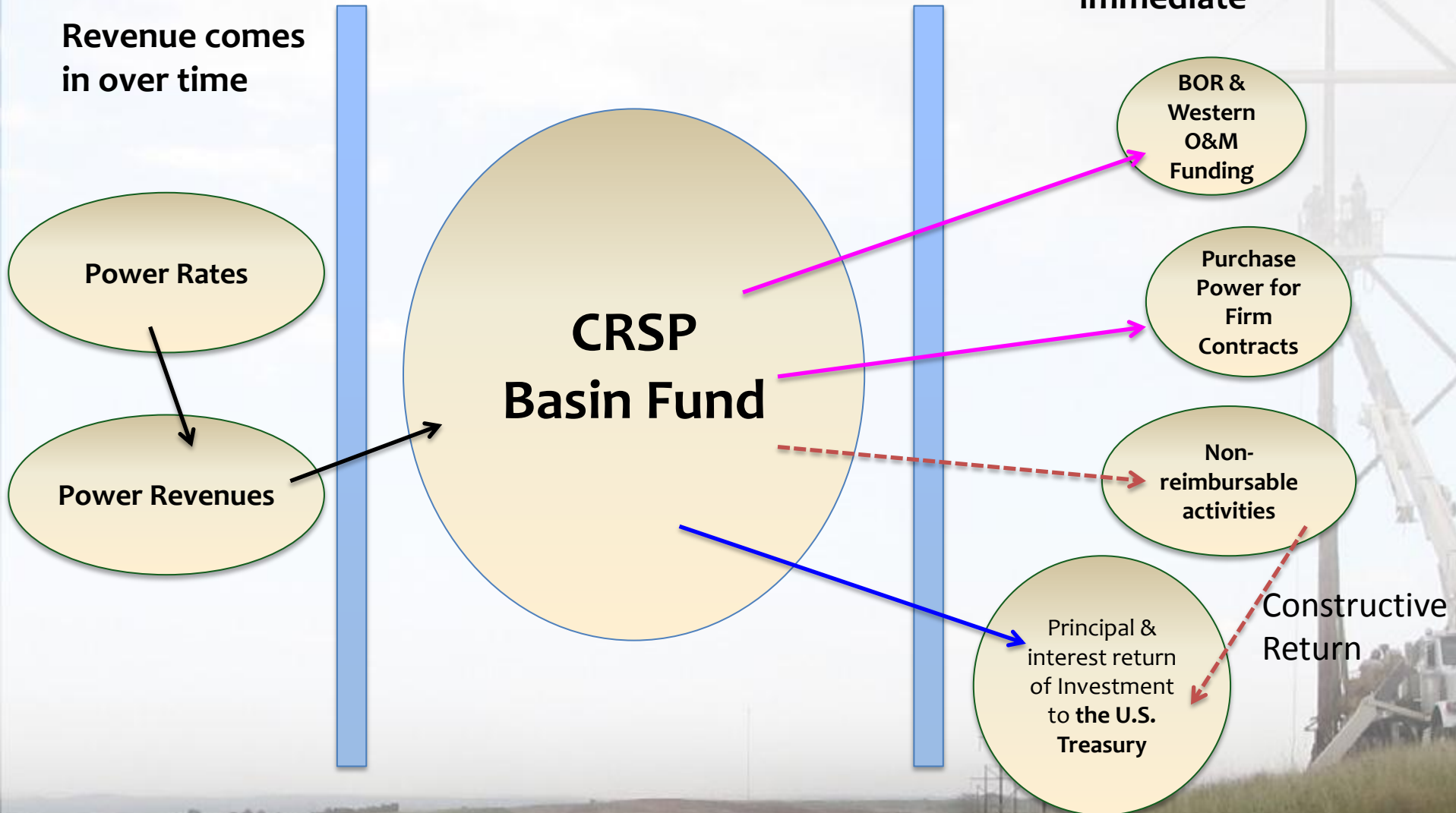
What's NOT in our power rate?

- Authorized non-reimbursable expenses funded by the Basin Fund
 - Upper Colorado Recovery Program – endangered fish species program - **\$4 million, annually**
 - San Juan Recovery Program – endangered fish species program - **\$2 million, annually**
 - Glen Canyon Dam Adaptive Management Program – environmental program in the Grand Canyon - **\$10 million, annually**
 - High Flow Experiment (HFE) impact on power sales

Basin Fund cash flow

Revenue comes in over time

Cash outlays are immediate



Benefits of CRSP

- Delivery of clean, reliable, renewable, cost-based federal hydroelectric power
 - Over the last 10 years, Glen Canyon has offset over 25 million tons of CO₂, or over 2.5 million tons annually
- O&M for generation & transmission assets
- Support grid reliability
- Repayment of federal investment
- Funding for non-reimbursable activities
 - Adaptive Management & Recovery Programs
 - High-flow experiments

Potential consequences of capacity loss at Glen Canyon Dam

- Dramatic increase in Purchase Power Costs
- Dramatic drop in Basin Fund balance
- Trigger Cost Recovery Charge (CRC)
- Significant rate increase to power customers
- Impact on environmental program funding
- Congressional involvement if appropriations are requested
- Impact on energy market prices & availability
- Impact on other CRSP dams for reserve energy

What are we doing?

- Start planning now
- Collaborative effort to identify contingency plans
- Analyze “What If” scenarios



Questions?

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Contact information

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