



INTER TRIBAL COUNCIL of ARIZONA

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December 13, 2012

MEMBER TRIBES
AK-CHIN INDIAN COMMUNITY
COCOPAH TRIBE
COLORADO RIVER INDIAN TRIBES
FORT McDOWELL YAVAPAI NATION
FORT MOJAVE TRIBE
GILA RIVER INDIAN COMMUNITY
HAVASUPAI TRIBE
HOPI TRIBE
HUALAPAI TRIBE
KAIBAB-PAIUTE TRIBE
PASCUA YAQUI TRIBE
PUEBLO OF ZUNI
QUECHAN TRIBE
SALT RIVER PIMA-MARICOPA
INDIAN COMMUNITY
SAN CARLOS APACHE TRIBE
TOHONO O'ODHAM NATION
TONTON APACHE TRIBE
WHITE MOUNTAIN APACHE TRIBE
YAVAPAI APACHE NATION
YAVAPAI PRESCOTT INDIAN TRIBE

Anita J. Decker, Acting Administrator,
Western Area Power Administration,
P.O. Box 281213,
Lakewood, CO 80228-8213

Secretary of Energy Chu
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

David Conrad, Director,
Tribal and Intergovernmental Affairs,
Office of Congressional & Intergovernmental
Affairs
U.S. Department of Energy

Tracey A. LeBeau, Director
Office of Indian Energy Policy and Programs
U.S. Department of Energy

**RE: ITCA Resolution No. 1012 –Western Area Power Administration (WAPA),
Regarding the Upcoming Reallocation of the Boulder Canyon Project**

Dear Secretary of Energy Chu, Acting Administrator Decker, Director Conrad, Director LeBeau:

Member tribes of the Inter Tribal Council of Arizona (ITCA) have participated in several Government-to-Government consultation meetings with representatives of the Desert Southwest Office of the Western Area Power Administration (WAPA), regarding the upcoming reallocation of the Boulder Canyon Project (BCP or Hoover) power. The ITCA Member Tribes passed Resolution No. 1012 regarding the upcoming reallocation of Boulder Canyon Project (Hoover) power. *Please see attached ITCA Resolution No. 1012.*

Thank you for your attention to these Resolution items as affordable electric energy is of vital importance to the future of tribal economies. Tribes have been denied access to Hoover power since the Project's inception. It would only further this injustice to allow the Hoover allocation process to be conducted by WAPA against tribal interests. To that end, ITCA deserves further dialogue with you on this matter.

If you have any questions, please do call Mr. John Lewis, Executive Director, or Patrick McMullen, PhD, Community Development Director, Inter Tribal Council of Arizona, Inc. at (602) 258-4822, who would be pleased to continue this discussion. I very much look forward to the next step of direct communication on this issue of paramount importance.

Sincerely,

Terry Rambler,
President, Inter Tribal Council of Arizona
Chairman, San Carlos Apache Tribe

Attachment

cc w/ attachment: Mike Simonton, Hoover Project Manager, Desert Southwest Office
Penny Casey, Acting Director, Desert Southwest Office



INTER TRIBAL COUNCIL of ARIZONA

RESOLUTION NO. 1012

ITCA Western Area Power Authority – Hoover Power Allocation

- MEMBER TRIBES**
 AK-CHIN INDIAN COMMUNITY
 COCOPAH TRIBE
 COLORADO RIVER INDIAN TRIBES
 FORT McDOWELL YAVAPAI NATION
 FORT MOJAVE TRIBE
 GILA RIVER INDIAN COMMUNITY
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 INDIAN COMMUNITY
 SAN CARLOS APACHE TRIBE
 TOHONO O'ODHAM NATION
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 WHITE MOUNTAIN APACHE TRIBE
 YAVAPAI APACHE NATION
 YAVAPAI PRESCOTT INDIAN TRIBE

WHEREAS, the Inter Tribal Council of Arizona (ITCA), an organization of twenty tribal governments in Arizona, provides a forum for tribal governments to advocate for national, regional and specific tribal concerns and to join in united action to address those issues; and

WHEREAS, the member Tribes of the Inter Tribal Council of Arizona have the authority to act to further their collective interests as sovereign tribal governments; and

WHEREAS, the Boulder Canyon Project (Hoover) hydroelectric power contracts are set to expire at midnight on September 30, 2017. Hoover power will be reallocated as of October 1, 2017. The Act requires Western Area Power Authority (Western) to contract directly with federally recognized Indian tribes for Schedule D contingent capacity and firm energy. The ACT does not specify the process to be followed by Western for allocation of the 66.7 percent of the Schedule D contingent capacity and firm energy (66.7% Pool); and

WHEREAS, in response to the ITCA Resolution of the 20 Member tribes, dated February 24, 2012, Western and ITCA representatives scheduled the first Tribal Consultation meeting at the Western Office in Phoenix, Arizona; and

WHEREAS, in response to the August 28, 2012, WAP Third Tribal Consultation meeting, ITCA sent a letter dated September 23, 2012, to Secretary Chu and Arizona Congressional Delegates, addressing concerns regarding WAPA proposed energy allocation process and the disregard for Tribal priority concerns; and

WHEREAS, tribal preference is of highest priority to Tribal interests in Arizona. Western has proposed a staggered order of allocation priority with a reduced priority to any tribe already receiving any other federal hydropower allocation. ITCA recognizes that other Hoover recipients (“existing customers”) that will renew the majority of their allocations in 2017 also receive non-Hoover federal hydropower through contracts

with Western. As such, reducing adjustments to new tribal customers are not appropriate. ITCA reiterates that preference should be given first to tribes, regardless of receiving any other federal hydropower allocation, and then to non-tribal entities, if there is any Hoover power left; and

WHEREAS, tribal preference of existing federal allocations is of highest priority it is the Tribal position that Western consider that while tribes have received allocations of other federal hydropower resources, these contracts are set to expire in the next 12 or so years and renewal is not guaranteed. The Hoover power contracts will be for a term of fifty years, so if tribes are not offered preference, they might end up with no allocation of federal hydropower; and

WHEREAS, regarding contracting directly with tribes that do not have "Utility Responsibility" will allow consideration of a variety of benefit-crediting equivalent mechanisms through which to receive their allocations, therefore it is the tribal position that Western must contract directly with each tribe receiving Hoover power. Western has identified no precedent for deviation from such a practice and, in fact, Western has never contracted in any manner other than directly with its allocation recipients; and

WHEREAS, regarding fractional Megawatt share allocations linking individual allocations with some type of allocation share penalty due to scale is also unprecedented and without any justification. Western regularly manages the Hoover and other hydro resources in less than full Megawatt quantities. Therefore, given the total number of potential new tribal Hoover customers Western's approach of only whole Megawatt allocations would be prejudicial and would only penalize tribes; and

WHEREAS, regarding scheduling dictated to tribal customers Western has suggested that there would be significant scheduling and operational issues if all of the potential total number of tribes received individual allocations in less than whole Megawatts. Tribes have countered that there are only 5 tribal utilities out of approximately 64 potential tribes. This means that the approximately remaining 59 tribes would need to enter into some type of benefit crediting arrangement. As such the allocations to tribes with a tribal utility would be aggregated together. This would achieve Western's expressed goal of aggregating the less than whole Megawatt allocations; and

WHEREAS, in addition, allocating less than whole Megawatts to tribes will not end up creating scheduling and operational problems for Western. Rather, once the allocations have been made, the next natural step is for tribes to seek benefit crediting relationships that will aggregate those allocations, thus achieving Western's own objective.

NOW THEREFORE, BE IT RESOLVED, that the member Tribes of the Inter Tribal Council of Arizona understand that Western is faced with difficult decisions, however tribes should not be used to simplify that decision-making process. Tribes should be given preference for the allocation of Hoover power.

CERTIFICATION

The foregoing resolution was presented and dully adopted at a meeting of the Inter Tribal Council of Arizona on **Friday, November 30, 2012**, where a quorum was present.

A handwritten signature in cursive script that reads "Terry Rambler". The signature is written in black ink and is positioned above a horizontal line.

Terry Rambler
President, Inter Tribal Council of Arizona
Chairman, San Carlos Apache Tribe