

DEPARTMENT OF ENERGY

Western Area Power Administration

Replacement Resources Methods Report, Grand Canyon Protection Act of 1992

AGENCY: Western Area Power Administration (Western), DOE.

ACTION: Notice of Availability of Replacement Resources Methods Report and Executive Summary.

SUMMARY: The Secretary of Energy, acting through Western, has the responsibility of marketing hydroelectric power generated at Glen Canyon Dam Powerplant. Western has been engaged in the Replacement Resources Process to identify economically and technically feasible methods for replacing power resources that are lost due to long-term operational constraints at Glen Canyon Dam Powerplant. Western announces the availability of the Replacement Resources Methods Report (Report) and the Executive Summary, which satisfies the requirement in section 1809 of the Grand Canyon Protection Act (GCP Act) of 1992, Title XVIII of Public Law 102-575.

ADDRESSES: To request a copy of the Report and/or Executive Summary or to provide written comments on the Report, contact: Mr. S. Clayton Palmer, Resource and Environmental Analysis Team, CRSP Customer Service Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606.

FOR FURTHER INFORMATION, CONTACT: Samuel D. Loftin, (801) 524-6381.

SUPPLEMENTARY INFORMATION: The Report outlines the economically and technically feasible methods that Western will use to evaluate and select resources to

replace capacity made unavailable (“or lost”) due to the adoption of long-term operational criteria for Glen Canyon Dam as required by the GCP Act. The Report includes a “proof-of-concept” analysis of five hypothetical resource options with varying degrees of complexity. The methods are consistent with other Western resource acquisition policies, such as Western’s Principles of Integrated Resource Planning (IRP). The methods are also consistent with the Salt Lake City Area/Integrated Projects Contract Amendment, the Records of Decision in the Salt Lake City Area/ Integrated Projects Power Marketing Environmental Impact Statement (EIS) and Energy Planning and Management Program EIS, Reclamation’s Glen Canyon Dam EIS, pertinent Federal Energy Regulatory Commission orders, and laws affecting DOE, Western, and the Colorado River Storage Project (CRSP).

In the Report, Western provides methods to replace lost capacity using spot market, seasonal (6 months), and mid- to long-term (1 year or more) resource acquisitions. Western will consult with firm power customers periodically about the amount and term of resource acquisitions to be made on their behalf, which Western would then acquire and deliver to them. Western will evaluate and select resources based on criteria broadly defined in the Report and follow a least-cost strategy. Greater public involvement and more complex evaluation procedures and acquisition methods will be used for long-term acquisitions rather than for seasonal acquisitions.

Western will use a screening tool and a production cost computer model to evaluate future resource offers from potential suppliers. The Report details how these evaluation tools are applied to evaluate five hypothetical resource purchases. These resource

alternatives were designed to illustrate the screening and evaluation tools' abilities to survey and select from among many diverse replacement resource options and to consider transmission system constraints and possible solutions. The Report concludes that the screening criteria and evaluation tools developed will enable Western to select economically and technically feasible replacement power resources.

PUBLIC INVOLVEMENT: Section 1809 of the GCP Act requires the Secretary of Energy to consult with representatives of the CRSP power customers, environmental organizations, the Colorado River Basin States, and with the Department of the Interior in this process. Western published a notice initiating the formal, public consultation process on August 8, 1994, at 59 FR 40357. On October 7, 1994, at 59 FR 51191, Western announced four regional public consultation meetings.

A 20-page, Replacement Resources Information Packet was prepared that included Western's process to complete the method identification requirement of the GCP Act. On October 20, 1994, Western mailed this information packet, along with the text of the October Federal Register notice, to 900-plus organizations and individuals on Western's Replacement Resources Methods mailing list, including representatives of organizations with which Western was required to consult. In November 1994, Western held four regional public involvement meetings in Salt Lake City, Utah; Denver, Colorado; Phoenix, Arizona; and Albuquerque, New Mexico. Comments from organizations and the public were accepted through December 19, 1994, the comment deadline.

Western prepared newsletters in February and October 1995 that provided updates on the status of replacement resources activities. These newsletters were distributed to Western's mailing list. On April 30, 1996, at Western's CRSP Customer Service Center's Annual Customer Meeting in Salt Lake City, Western provided an update on replacement resources activities to CRSP power customers and to representatives of the Department of the Interior, Bureau of Reclamation. This update included a discussion of public comment received by Western.

On July 2, 1996, Western published a notice of availability of a Draft Methods Report at 61 FR 34433. Notice was made to those entities who responded to Western's mailer and wanted information or copies of the Draft Report. Western held public consultation meetings at Albuquerque, Phoenix, Denver, and Salt Lake City between July 23 and July 29, 1996. At these meetings, Western presented the proposed replacement resource methods, which will be implemented with the Report. A 60-day public comment period closed on September 3, 1996. Western mailed a subsequent newsletter in December 1996, updating changes implemented by Western from the comments received during the public comment period.

ENVIRONMENTAL COMPLIANCE: Western will comply with the National Environmental Policy Act of 1969 through an appropriate level of environmental analysis of the impacts of specific replacement resources when such specific resources are identified.

REGULATORY REQUIREMENTS: DOE has determined this is not a significant regulatory action because it does not meet the criteria of Executive Order 12866, 58 FR

51735. Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: May 4, 1998

Michael S. Hacskaylo
Administrator