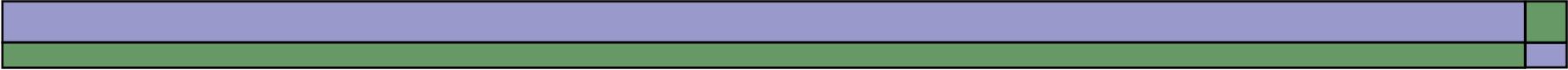


Loveland Area Projects Post-2014 Resource Pool Proposed Allocations Comment Forum

Western Area Power Administration
Rocky Mountain Region
August 25, 2011

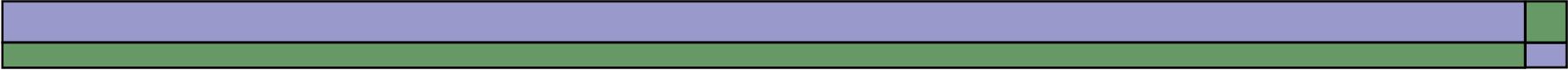
Linda Lazzerino
Public Utilities Specialist





Loveland Area Projects (LAP) Post-2014 Resource Pool Agenda

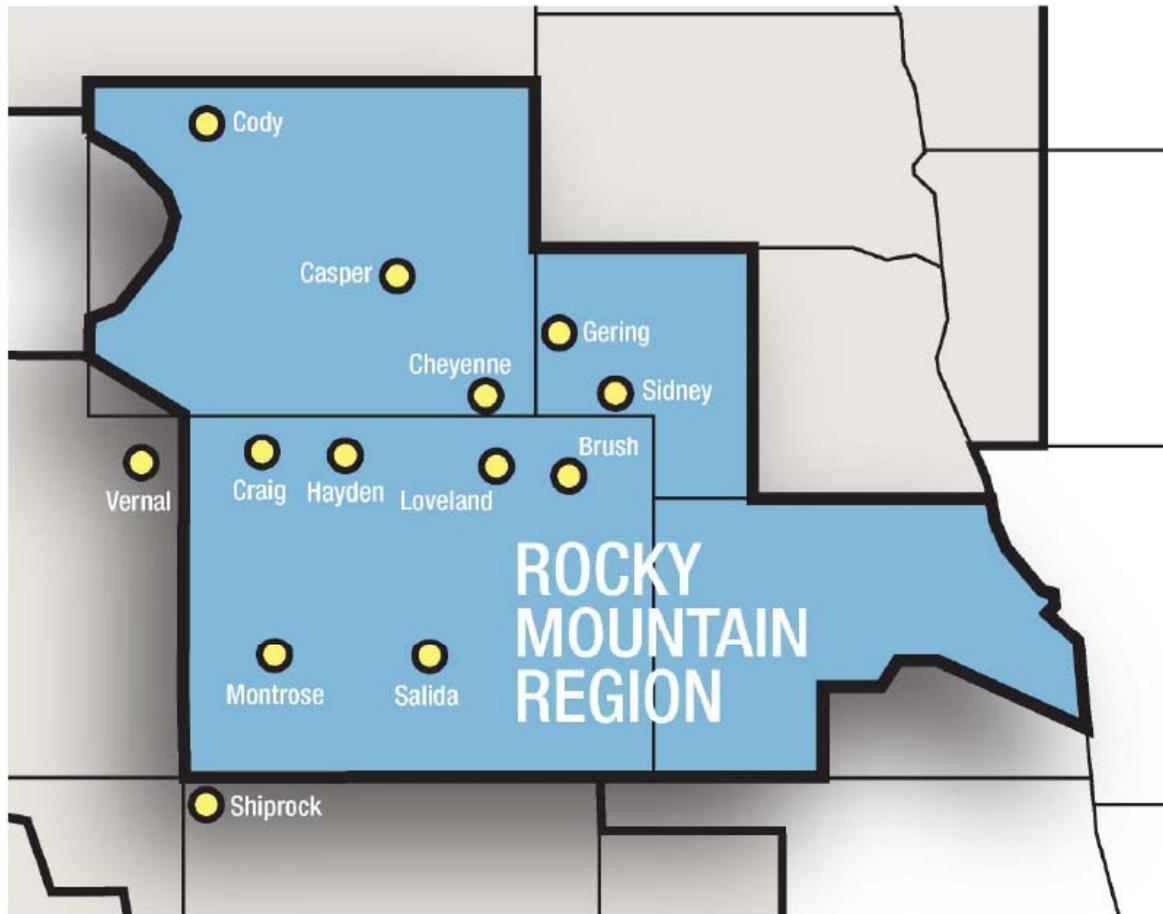
- ❑ Background
- ❑ Post-2014 LAP Resource Pool
- ❑ Post-2014 LAP Proposed Allocations
- ❑ Allocation Delivery Issues
- ❑ Schedule
- ❑ Points of Contact and Information
- ❑ Comments on Proposed Allocations

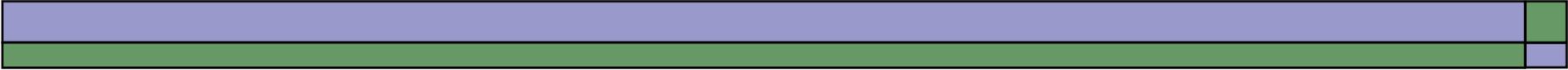


Background

- Western Area Power Administration's Rocky Mountain Region
- Post-1989 Marketing Plan
- Energy Planning and Management Program (EPAMP)

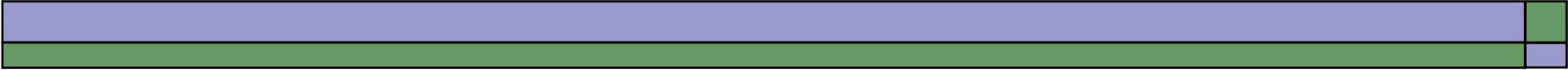
ROCKY MOUNTAIN REGION (RMR)





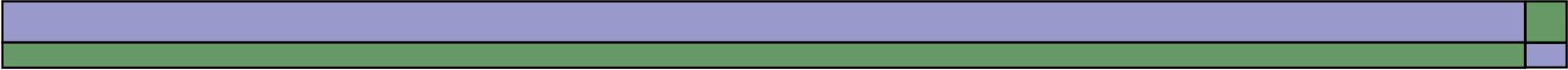
Post-1989 Marketing Plan

- New Marketing Plan published
January 31, 1986
 - Integrated Pick-Sloan Western Division and Fryingpan-Arkansas Projects into the LAP
- Reserved power for existing customers and provided power for new customers
- Expanded Marketing Area:
 - Colorado and Wyoming east of the Continental Divide, Western Nebraska, and part of Kansas



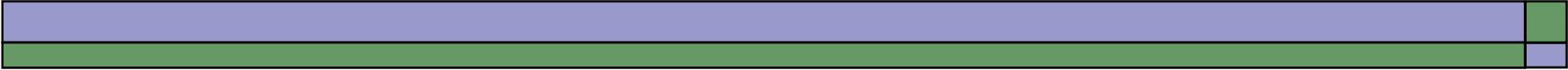
Energy Planning and Management Program (EPAMP) 1995

- Two components:
 - Integrated Resource Planning (IRP)
 - Power Marketing Initiative (PMI)
 - Extended contracts for existing customers for 20 years through September 30, 2024
 - Created Resource Pools for new customers - Western withdraws power to create pools
 - 2004 ≤ 4% 2009 ≤ 1% 2014 ≤ 1%
- EPAMP creates a Post-2014 resource pool of up to one percent (1%) by withdrawing energy and associated capacity from existing customer contracts



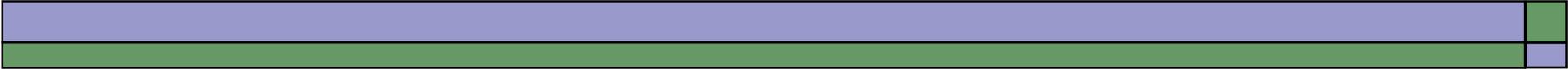
Post-2014 LAP Resource Pool

- Allocation Process To Date
- Resource Pool Size
- Eligibility Criteria
- Allocation Criteria
- General Contract Principles



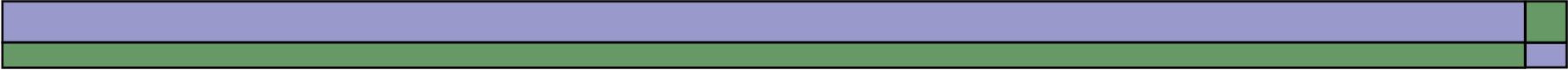
Post-2014 LAP Allocation Process To Date

- September 2010 – existing customers notified of up to 1% withdrawal effective October 1, 2014
- Application process began on December 17, 2010, with publication of Allocation Procedures and Call for Applications



Post-2014 LAP Allocation Process To Date (Continued)

- Applications for allocations were due March 4, 2011
- Proposed allocations were published July 29, 2011

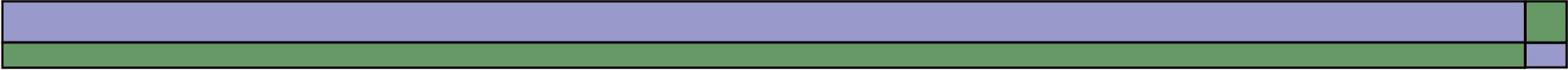


Post-2014 LAP Resource Pool

- Size of LAP Post-2014 Resource Pool:

Summer: 11.3 GWh energy / 6.9 MW capacity

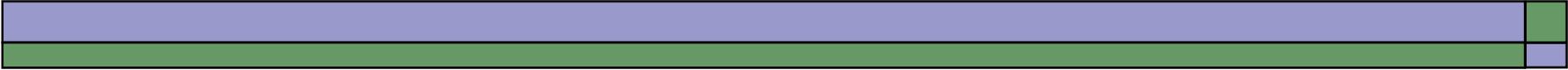
Winter: 9.1 GWh energy / 6.1 MW capacity



Eligibility Criteria

□ Preference Entity

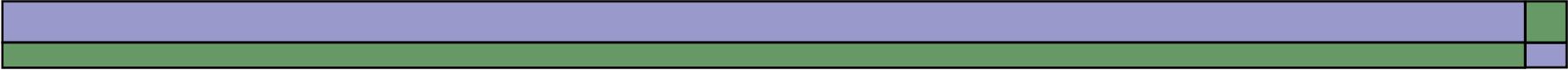
- Utility: municipality, cooperative, power or irrigation district
- Non-Utility: government entity, such as a national park or mass transit system
- Native American Tribe: loads must be on or near Tribal lands



Eligibility Criteria

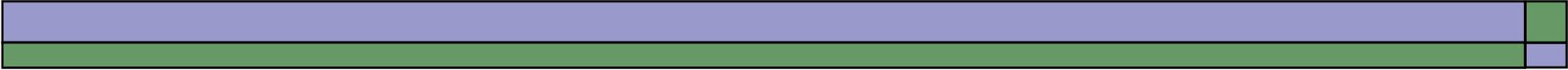
(Continued)

- ❑ Located in the established LAP Marketing Area
- ❑ Must not have an FES contract or be a member of a parent entity with an FES contract.
- ❑ Must use power or directly resell to its retail customers
- ❑ Utility applicants must have utility status



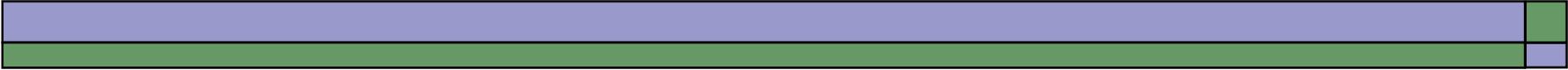
Allocation Criteria

- ❑ Western solely determines the allocation amounts by applying a “fair share” concept
- ❑ Allottee must execute a contract and satisfy all conditions for firm electric service delivery in the contract
- ❑ Located in existing LAP Marketing Area
- ❑ Allocations are made based on monthly capacity, load and energy data for 2009/2010 Winter Season and 2010 Summer Season



Allocation Criteria (Continued)

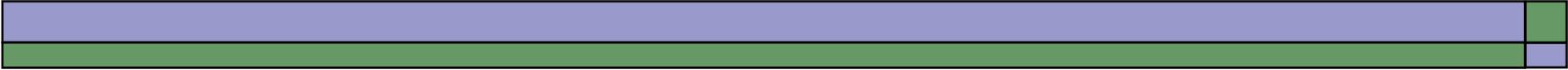
- Capacity Allocation:
 - Minimum 100 kW
 - Maximum 5,000 kW
- Maximum Energy Allocation:
 - Winter 7,295 MWh
 - Summer 8,059 MWh



General Contract Principles

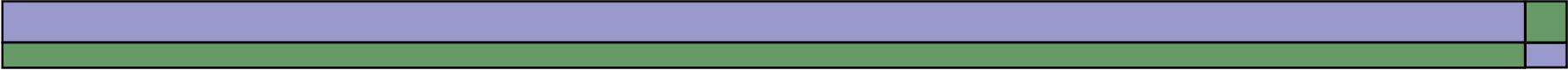
- Western can adjust the CROD on 5 years' notice due to hydrology and river operations changes
- Allottee is responsible for making its own third party delivery arrangements
- Western to furnish Firm Electric Service (FES) from October 1, 2014 – September 30, 2024 subject to its ability to deliver power into Kansas
- Allottee must develop an Integrated Resource Plan (IRP)
- Allottee's FES contract will incorporate Western's General Power Contract Provisions (GPCP)

www.wapa.gov/powerm/pmgpcp.htm



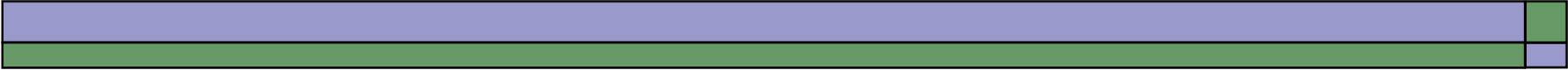
Post-2014 LAP Proposed Allocations

- Applications Received and Proposed Allottees
- Proposed Allottees' Allocations
- Allocation Method



Applications for Power and Proposed Allottees

- RMR received 7 applications, 6 of which qualify for an allocation of Federal power
 - 3 Municipalities in Kansas:
 - The City of Jetmore
 - The City of Pomona
 - The City of Waterville



Applications for Power and Proposed Allottees (Continued)

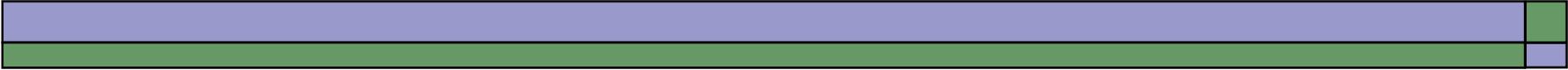
- 3 Rural Electric Cooperatives in Kansas:
 - Doniphan Electric Cooperative Assn., Inc.
 - Kaw Valley Electric Cooperative, Inc.
 - Nemaha – Marshall Electric Cooperative Assn., Inc.

- A seventh applicant did not meet the eligibility criteria

Proposed Allottees' Allocations

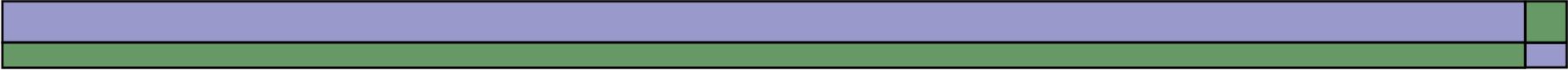
Allottees	Proposed Post-2014 Power Allocation			
	Summer Kilowatthours	Winter Kilowatthours	Summer Kilowatts	Winter Kilowatts
Jetmore, KS	458,186	301,817	280	201
Pomona, KS	355,544	254,634*	217	169
Waterville, KS	257,578	191,505	157	127
Doniphan	859,388	839,670*	526	558
Kaw Valley	7,156,517	5,561,049*	4,374	3,697
Nemaha - Marshall	2,215,224	1,957,475*	1,354	1,301
Total Resource Pool	11,302,437	9,106,150	6,908	6,053

* Adjusted September 15,
2011



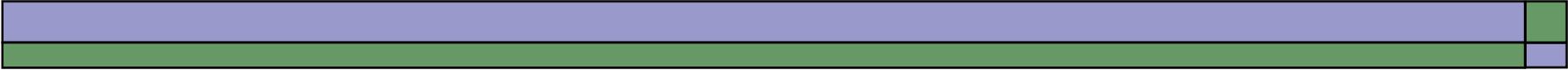
Allocation Method

- Allocations are based on seasonal energy
- Allocated in proportion to total of allottees seasonal loads
- All applicant's allocations were within the minimum and maximum criteria.



Allocation Delivery Issues

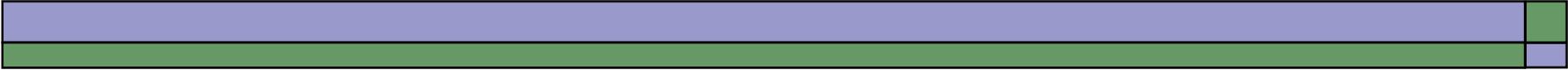
- ❑ Western owns no generation or transmission in Kansas
- ❑ Western uses contractual arrangements to deliver power in Kansas, which include:
 - ❑ Firm Transmission Purchases
 - ❑ Displacement Contracts
 - ❑ Pooling Arrangements
 - ❑ Assignments
- ❑ A new delivery pattern within Kansas may not fit within existing arrangements
- ❑ New allocations delivered through Nebraska to Kansas may be adjusted if transmission constraints restrict delivery



Comments on Proposed Allocations

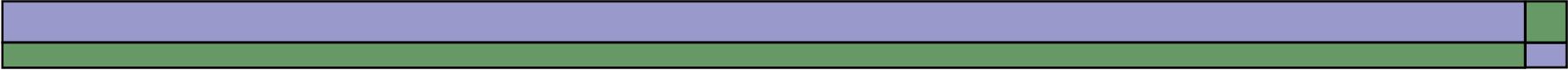
- Comments on the proposed allocations are due to RMR no later than September 12, 2011
 - Certified mail or commercial mail, send to:
 - Rocky Mountain Customer Service Region
 - Western Area Power Administration
 - Attn: Mr. Bradley Warren
 - 5555 East Crossroads Boulevard
 - Loveland, CO 80538-8986
 - Fax 970-461-7204
 - Email: POST2014LAP@wapa.gov





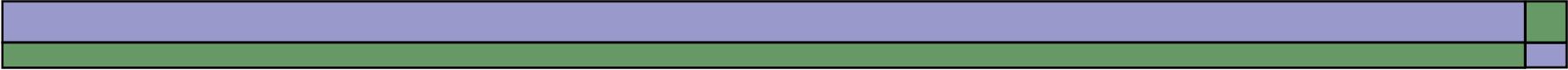
Schedule

- ~ September 12, 2011 – Comments on proposed allocations due to RMR by 4:00 p.m. MDT
- ~ October 2011 – Publish final allocations and responses to comments (Federal Register)
- ~ September 30, 2012 – Execute new FES contracts unless extension is granted



Schedule (continued)

- June 1, 2014 – By 4:00 p.m. MDT time, proposed allottees must provide a letter of commitment from the serving utility or the transmission provider confirming the allottee will receive the benefit of the proposed allocation unless an extension is granted by Western RMR
- June 1, 2014 – Revise existing customer’s contract exhibits
- Begin delivery of Post-2014 power allocations on October 1, 2014



Points of Contact and Information

- Contact information:

Melanie Reed, (970) 461-7229

email mreed@wapa.gov

Linda Swails, (970) 461-7339

email swails@wapa.gov

David Neumayer, (970) 461-7322

email neumayer@wapa.gov

- Post-2014 Resource Pool Web site:

www.wapa.gov/rm/PMcontractRM/Post2014.html