



Western
Area Power
Administration

CRSP Update

UMPA Annual Member Conference

April 6, 2018

Steve Johnson

Senior VP and CRSP MC Manager

What is WAPA?

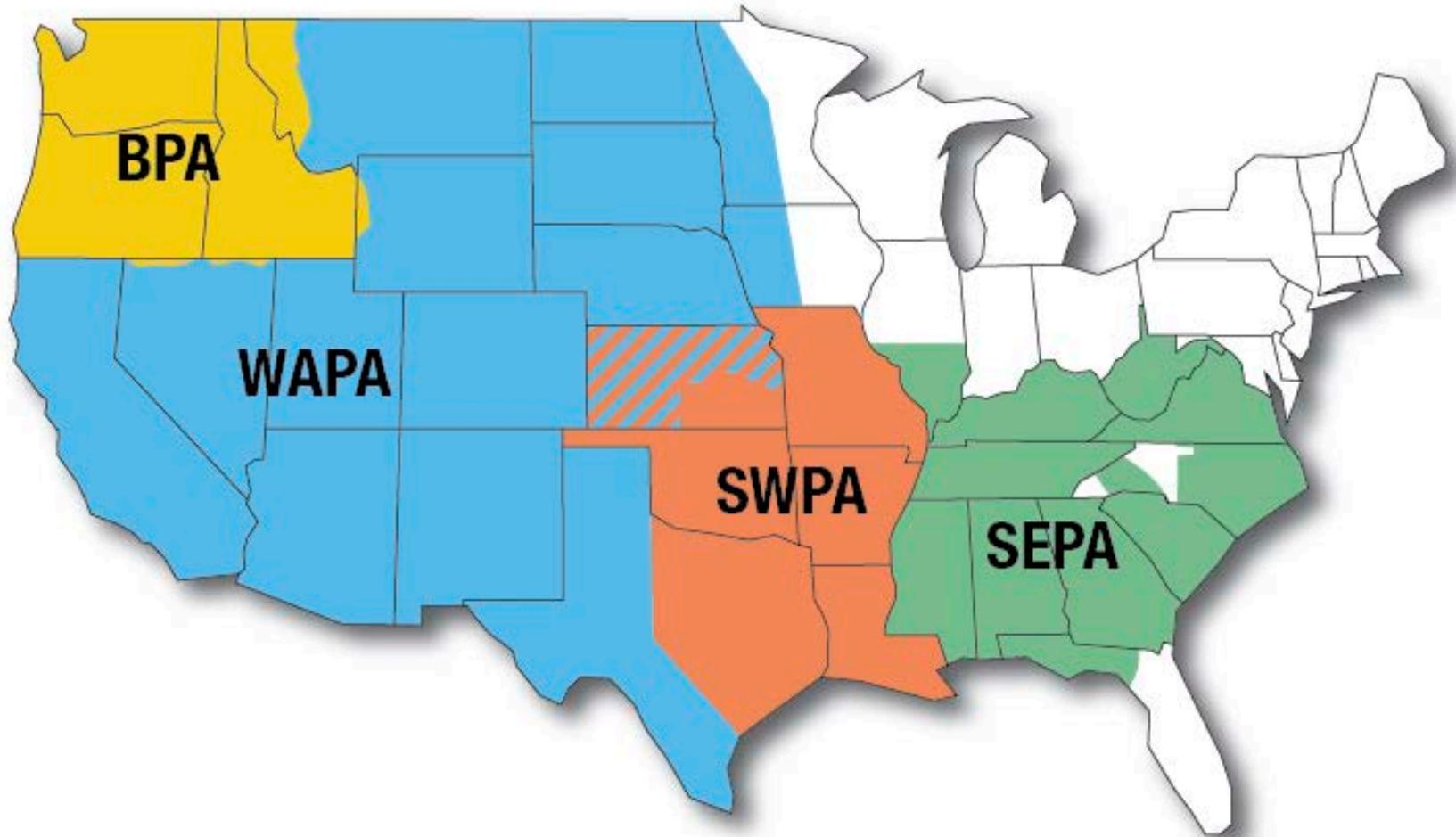


WAPA's history

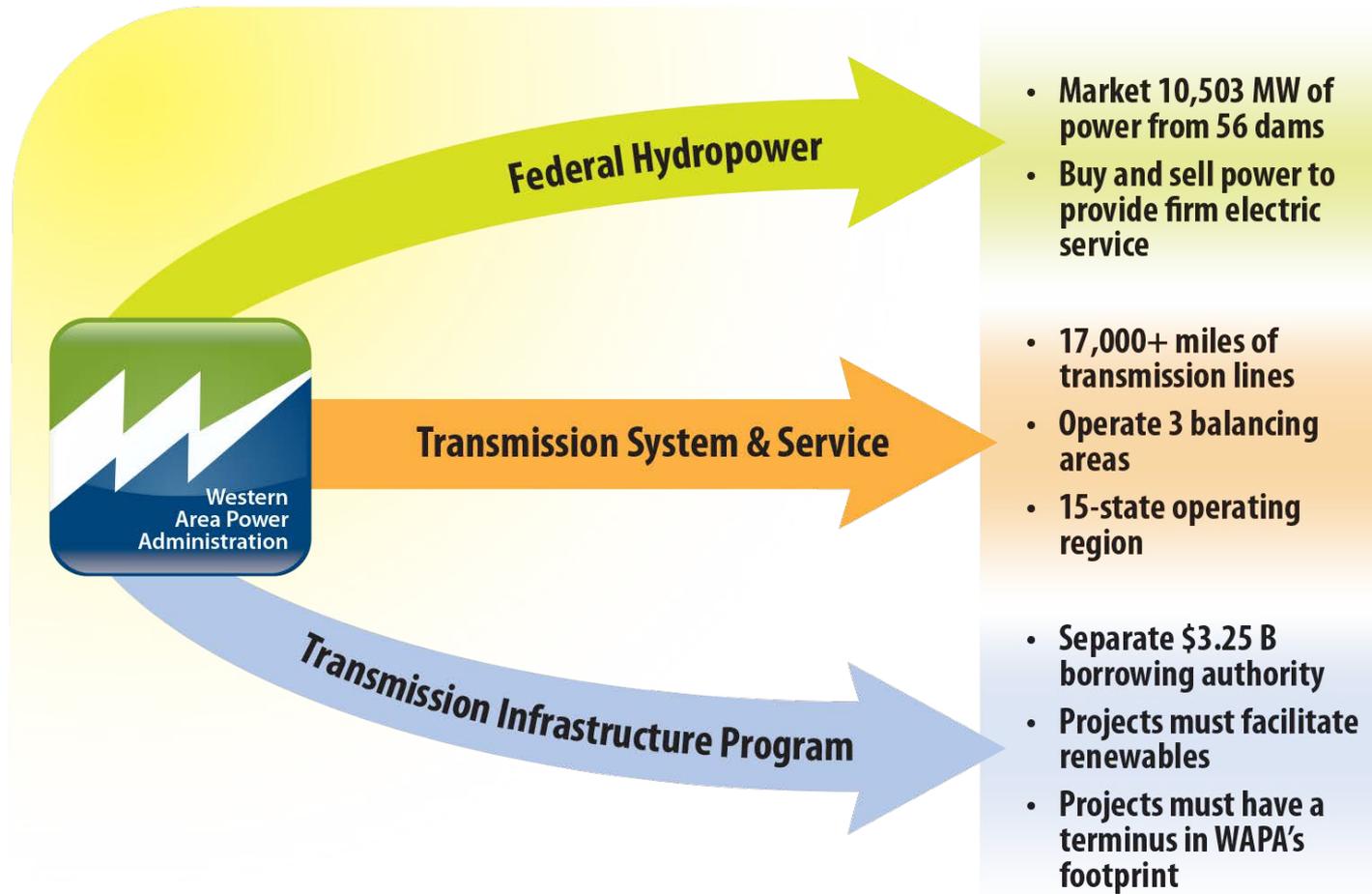
- Reclamation Act of 1902
- Economy Act
- Flood Control Act of 1944
- DOE Act



Power Marketing Administrations

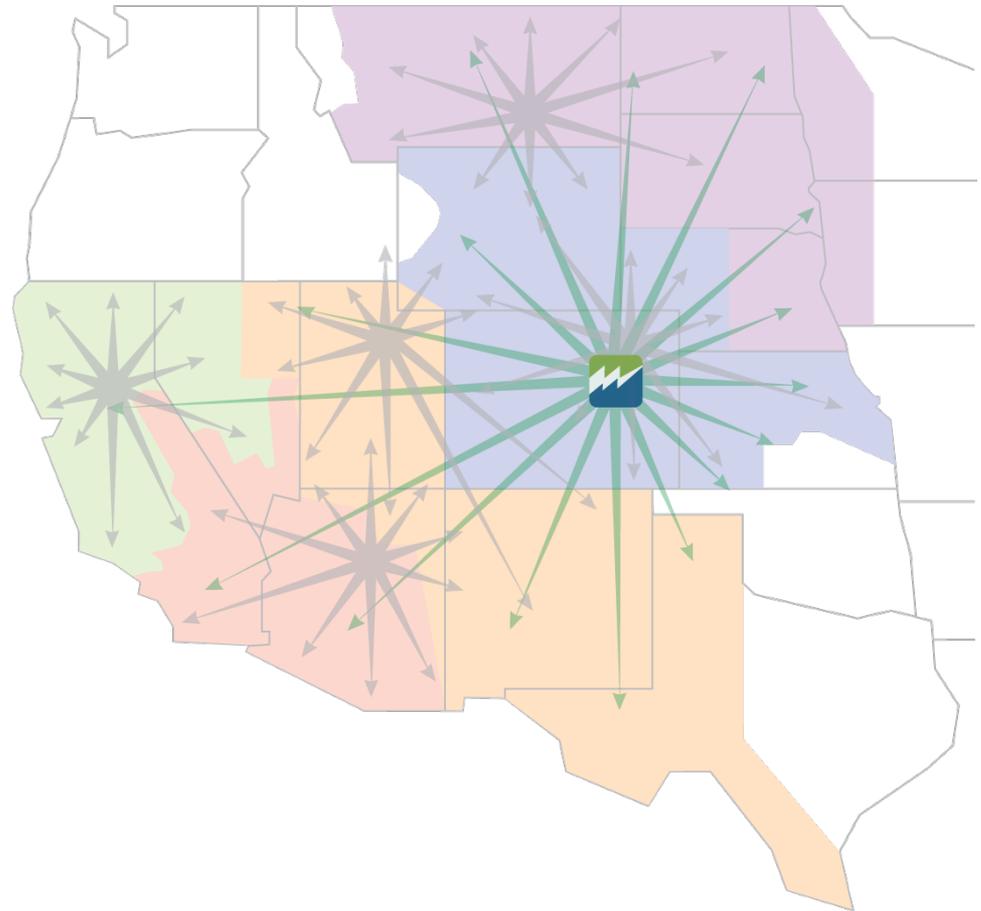


Three lines of business

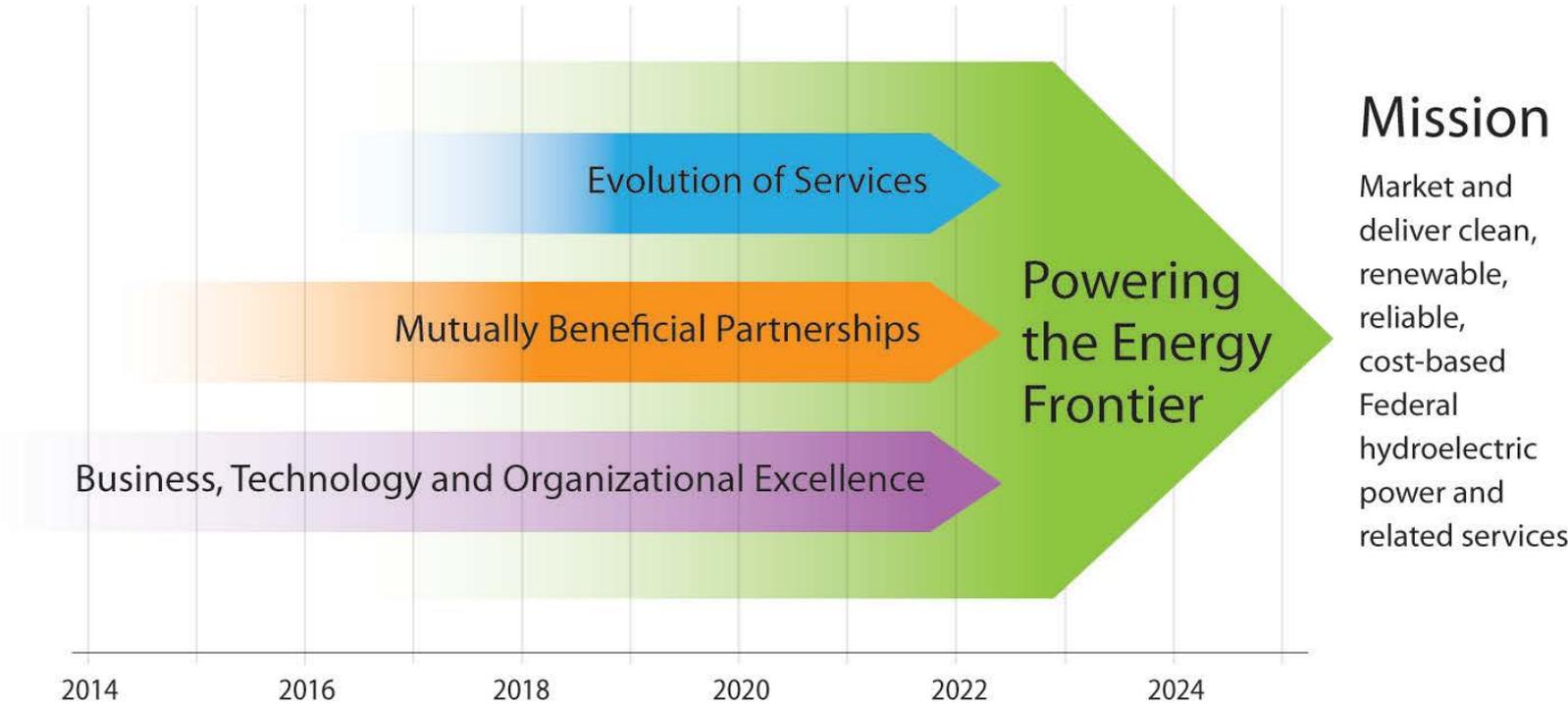


In the West

- Balancing distributed and broad system
- 4 regions
- 1 Management Center
- 15-state footprint
- Top 10 largest transmission utility in country



Strategic Roadmap 2024



Our power comes from...



- Hydroelectric energy produced at federal generating agencies
- Multipurpose projects
- Variable water availability



CRSP Act of 1956

Water Storage and Development

Colorado, New Mexico, Utah and Wyoming

Glen Canyon, Aspinall, Navajo, Flaming Gorge and Participating Projects

Development of Related
Power Production and
Transmission System

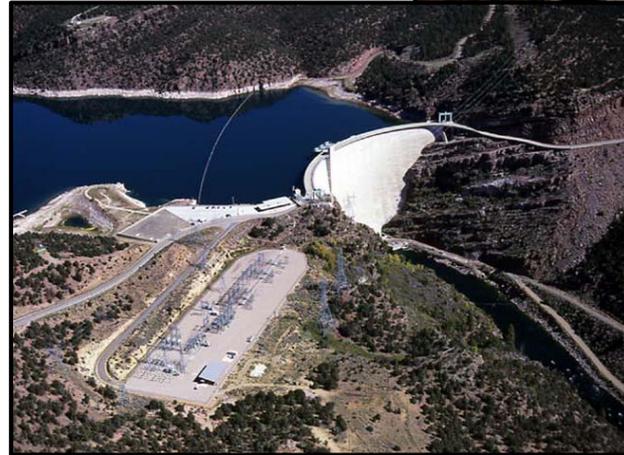
Development of Related
Water Delivery Facilities

Envisioned at the time of the **Colorado River Compact (1922)** (upper and lower basins).

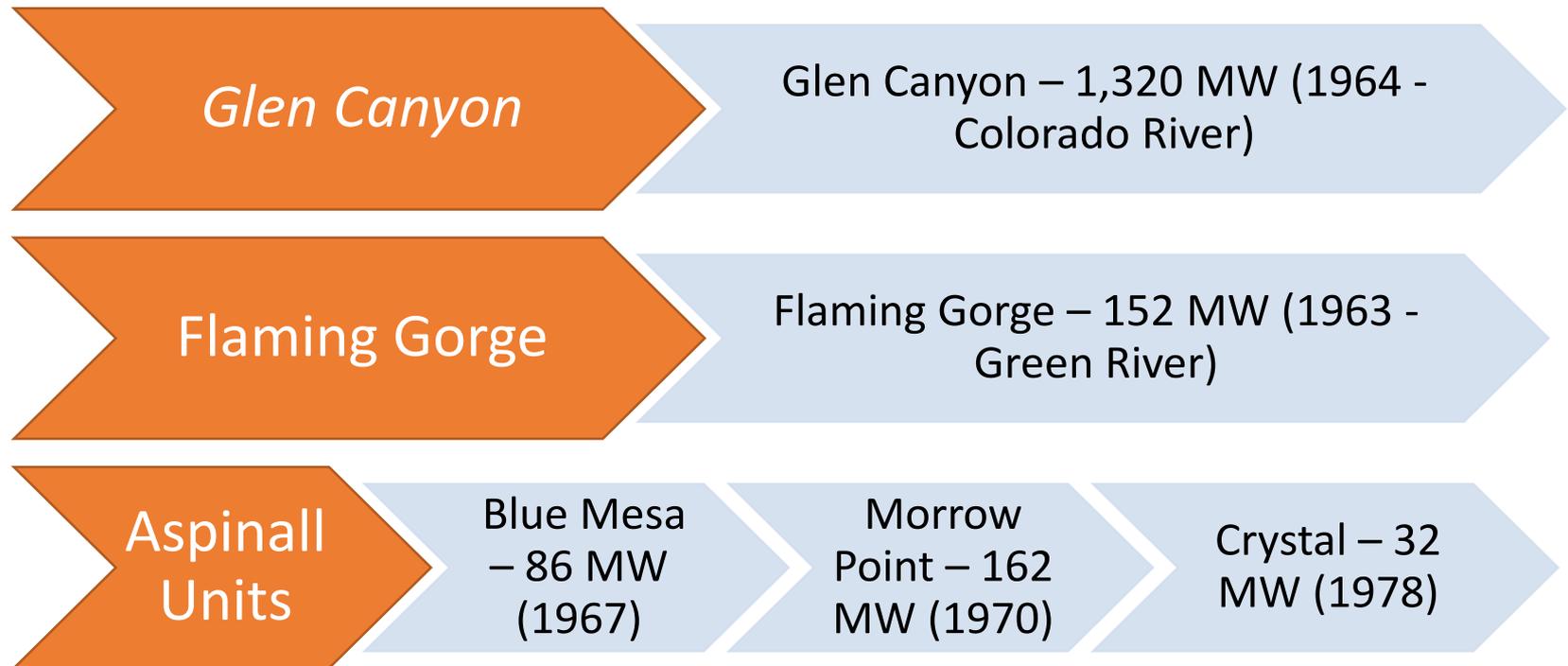


CRSP Management Center – Integrated Projects

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



CRSP Power Generating Facilities



Salt Lake City Area Integrated Projects (SLCA/IP)

*Dolores Project
(southwest
Colorado)*

McPhee
1 MW

Towaoc
11 MW

Seedskaadee Project

Fontenelle (WY)
13 MW (Green River)

*Colbran Project
(Plateau Creek near
Grand Junction)*

Upper Molina
9 MW

Lower
Molina 5
MW

*Rio Grande Project
(our oldest facility)*

Elephant Butte (NM)
28 MW (Rio Grande River)

Participating
Project:
Basin Fund

Appropriated
Funds



Rate-Setting Responsibility

- Rates are set using forecasts for set of future years
- Annual rate calculation
- Reimbursable expenses/costs -- items the power customers are legally required to pay
 - Operations and maintenance
 - Required principal and interest payments
 - Amortized capital replacements (WAPA and BOR)
 - Purchase power to “firm” contractual commitments
 - Irrigation assistance for participating projects
 - Salinity Control Program – reduce salt in Colorado River



Annual Rate Calculation

- Revenue requirement = the sum of all reimbursable expenses
- Rate = revenue requirement/projected energy sales
- Example:
 - \$200 required revenue to cover reimbursable costs
 - Contracts = 200 KWh of energy delivery
 - Rate = \$1.00/KWh
- Rate change is done **only** if projected revenue is insufficient to meet future projected expenses.
- Basin Fund cash balance is not a component of the rate.



Basin Fund

- **Section 5** of the 1956 CRSP Act authorized a separate fund in the Treasury of the United States to be known as the **Upper Colorado River Basin Fund (Basin Fund)** ... for carrying out provisions of this Act.
- The Basin Fund is a revolving fund replenished by revenue receipts.
- No federal appropriations for annual operating expenses.
- Rarely receive appropriations for specific replacement projects.



Basin Fund cash flow

Revenue comes in over time

Power Rates

Power Revenues

CRSP
Basin Fund

Cash outlays are immediate

BOR & WAPA O&M Funding

Purchase Power for Firm Contracts

Non-reimbursable activities

Principal & interest return of Investment to the U.S. Treasury

Constructive Return



SLCA/IP and Olmsted Updates

- 2025 Salt Lake City Area Integrated Projects Power Marketing Plan
 - 138 contracts have been prepared and sent out.
 - First contract executed March 13.
 - Maintained customer base and allocations from previous marketing plan.
- Olmsted Marketing Plan
 - Final marketing plan was issued on Oct. 11.
 - Call for applications closed on Dec. 11.
 - Rate action in process to establish initial formula rate.



Questions?

Steve Johnson
CRSP MC Manager
johnsons@wapa.gov
970.252.3000

