Updates

• CRSP MC Update
• Environmental Funding
• Basin Fund Status
• CRSP Hydrology
• Olmsted Update
• Mountain West Transmission Group
• Reliability Coordination Changes
• SLCA/IP Contracts and Rates
Changes From Last Year

• New Staff Members
  • Lisa O’Brien – Public Utilities Specialist (Rates)
  • Rachel Bryant – Attorney/Advisor
Non-Reimbursable Environmental Funding

• As of FY19, Administration has directed cash payment to Treasury rather than “constructive returns” for non-reimbursable programs
  • FY19 appropriation of $21.4M to BOR
  • Pending further direction from Congress
  • WAPA and BOR working closely and monitoring issue
Basin Fund Status

- FY18 Ending Balance - $126.9M
- FY19 Projected Ending Balance - $130M
- Current Balance (as of Jan. 2 - $144M)

- FY18 Purchase Power - $19.5M (Gross)
- FY19 Projected Purchase Power - $33.4M (Gross)
Colorado Statewide Time Series Snowpack Summary
Based on Provisional SNOTEL data as of Jan 23, 2019

Current as Pct of Normal: 106%
Current as Pct of Avg: 102%
Current as Pct of Last Year: 169%
Current as Pct of Peak: 58%
Normal as Pct of Peak: 56%
Pct of Normal Needed to Reach Peak: 93%
Normal Peak Date: Apr 07

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Colorado SNOTEL Snow Water Equivalent (SWE) Update Map with Site Data

Current as of Jan 23, 2019

SWE Percent of Median
- Missing or Invalid
- < 50
- 50 - 69
- 70 - 89
- 90 - 109
- 110 - 129
- 130 - 149
- >= 150
- SNOTEL

Map details:
- Yampa & White: 109%
- North Platte: 104%
- South Platte: 113%
- Colorado: 113%
- Gunnison: 110%
- San Miguel, Dolores, Animas & San Juan: 96%
- Upper Rio Grande: 86%
- Arkansas: 129%

United States Department of Agriculture
Natural Resources Conservation Service

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Potential Lake Powell Release Scenarios
Water Year 2019 Release Volume as a Function of Unregulated Inflow Volume
based on January 2019 24-Month Study Conditions

Jan Maximum Probable Inflow Scenario
WY Unreg Inflow = 10.38 maf (96%)
Powell Release = 9.0 maf

Jan 2019 Most Probable
WY Unreg Inflow = 6.98 maf (64%)
Powell Release = 8.63 maf

Jan Minimum Probable Inflow Scenario
WY Unreg Inflow = 4.81 maf (44%)
Powell Release = 8.23 maf

GCD Powerplant max release volume
Drought Contingency Planning

- Plan is still not complete
- Lower Basin – Arizona and California still having issues
- Upper Basin – elements are complete
  - Drought Response Operations
  - Demand Management
  - Weather Modification
- More information available on Reclamation website
Olmsted Updates

- Olmsted power plant
  - Marketing plan issued 10/11/17
  - Dedication ceremony 9/19/18
  - Issues with supply canal required repairs after dedication
  - Currently working under interim agreement
  - Contracts expected early 2019
Mountain West Update

- Xcel Energy announced withdrawal from Mountain West efforts on April 20, 2018
- Remainder of group looked at possibilities given Xcel’s withdrawal
- Black Hills Energy announced withdrawal from Mountain West efforts on Oct. 3, 2018
- Mountain West on hold indefinitely
Reliability Coordination Changes

• Peak Reliability ceasing operations Dec. 31, 2019

• California ISO to provide RC services
  • July 1, 2019 cutover date within California
  • Nov 1, 2019 for other subscribers

• Southwest Power Pool to provide RC services
  • Dec 3, 2019 cutover date
SLCA/IP Contracts and Rates
Updates

• 2025 SLCA/IP Power Marketing Plan
  • Contracts sent to 135 customers
  • Contracts effective Oct. 2024 through Sept. 2057
  • 65 contracts received, represents 72% of CRSP resource
  • 20% of Tribal customers have signed

• Need to begin reviewing and negotiating benefit crediting contracts
SLCA/IP Rate Process

• Existing Rate effective through September 2020.

• Same low rate since Oct 2009 – 10 Years!

• Public Rate Process will begin October 2019 to establish new rate. Last rate process was in 2015.

• Power Repayment Study
  • Document Project Repayment
  • Compute Firm Power Rates
Basic Inputs for Rate

• Costs
  • Annual Expenses: WAPA and Reclamation
  • Purchase Power and Interest/Repayment Expense
  • Capital Investments (largely replacement equipment)

• Revenues
  • Firm Electric Sales
  • Transmission Revenue
  • Surplus Energy Sales
  • Ancillary Service Revenue
  • Facility Use Charges
  • Administrative Charges
Compute Rates

SLIP Components of the Existing Rate

- Purchased Power and Wheeling
- Integrated Projects
- Interest
- Replacements
- Original Project & Additions
- Irrigation
- Other Expenses
- O & M

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# Power Repayment Study (PRS)

## Power Repayment Study (PRS) Format

<table>
<thead>
<tr>
<th>Years</th>
<th>Power Sales</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Net Revenue Available for Repayment</th>
<th>Investment with higher interest rate</th>
<th>Investment with lower interest rate</th>
<th>Other Payments</th>
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### Actual Financial/Generation Data

**Status of Repayment**

### Subtotals

### Future Data

**Projected Financial Data (Workplans)**

**Compute Rates**

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Balloon Payments

• Allows prepayment of highest interest investments first, with no penalty

• Maximum Repayment Period
  • Uses 50-year balloon period for original investment and additions

• Uses expected service life for repayment of replacements
Pinch Point for Rate Calculations

Similar to “Equal Payment” Plans for Your Utility Bills
SLCA/IP Rate Process

Issues to address for upcoming rate process

• Firming purchases
• Impacts of Drought
• Cost Recovery Charge Adjustments
• Obligations toward future irrigation projects
• Treatment of environmental costs
Questions?

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