

IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA

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July 29, 2011

LaVerne Kyriss
Colorado River Storage Project (CRSP) Manager
CRSP Management Center
150 East Social Hall Avenue, Suite 300
Salt Lake City, Utah 84111-1580

Re: Revision to the Final Principles of Integrated Resource Planning for Use in Resource Acquisition and Transmission Planning, 76 Fed.Reg. 38146 (June 29, 2011)

Dear LaVerne:

We have reviewed the draft changes to the IRP Principles. We have also reviewed comments submitted by CREDA of which IEDA is a member, as you know. We adopt and endorse the comments submitted by CREDA and have the following additional observations.

The Irrigation & Electrical Districts Association of Arizona is a voluntary non-profit association whose members provide water and electricity from the Central Arizona Project, the Colorado River Storage Project, the Boulder Canyon Project, and the Parker-Davis Project in Arizona. Our 25 members and associate members have a rather considerable stake in how the Western Area Power Administration deals with them concerning the marketing of these resources and the acquisition of other resources, at least nominally to firm hydropower resources from these projects. Each of the projects is different, not only in authorizing legislation but in operational characteristics and contractual provisions. Supplemental resources are integrated into these federal hydropower projects in different ways, from different sources and under different arrangements.

Thus, while on the surface the set of agency-wide standards for acquiring supplemental resources would seem useful, the specific differences among the federal projects from which Western markets power argues against any agency-wide set of principles that does not, first and foremost, take into account these rather striking differences.

Unfortunately, your Federal Register Notice says very little about why this transition from project-specific acquisition principles to agency-wide principles is either desirable or necessary. We are not aware of any major crisis that has fomented this proposal to change the rules of the game nor are we aware of any particular mandate from Congress that would impel Western to do so. Without such a mandate, without any identifiable problem, we have trouble figuring out why we are having to comment on this proposal. "If it ain't broke, don't fix it."

Moreover, we are very much concerned that Western could put itself into the very uncomfortable position that the Bonneville Power Administration finds that agency in a proceeding before the Federal Energy Regulatory Commission (FERC) brought by wind energy producers who are upset that their resource was cut back because of high flows in the Columbia Basin generating hydropower. That hydropower had to be delivered and other resources had to be cut back. We are very much concerned that Western will get into a situation where it has alternative resources, including wind and solar, and hydrologic conditions such as we are experiencing today. Such other resources could not possibly be scheduled into the CRSP system because of the round-the-clock availability of hydropower from Glen Canyon Dam and other facilities of the Project. When CRSP is in a condition to have to curtail water releases from Glen Canyon Dam because it cannot sell the power, long-term contracts for alternative resources are obviously not high on the needs list.

Finally, any alternative resource acquisition has to be made so as to make it totally subordinate to the availability of hydropower generation if hydrologic conditions permit. The one thing all these projects have in common is that they all contemplate full use of available hydropower under facility operating criteria before other resources are pulled into the mix. We cannot have the tail wagging the dog. We do not want to see Western before FERC on some sort of complaint because some wind energy or solar independent power producer isn't selling energy to Western during high water conditions but wants to get paid anyway. That's the problem Bonneville has. It is not a problem we want Western to have.

In sum, we would echo the suggestion by CREDA and others that this proposal needs more dialogue with customers from various projects. There is no pressing condition that impels moving forward on this revision at this time. We think the agency should integrate further discussion of this proposal into its customer 10-year planning dialogues. That way, each of the various areas within Western can discuss this and provide customer feedback in a way that fits well with existing meeting schedules and that does not put additional organizational burdens on the agency.

Thank you for the opportunity to comment on this proposal.

Sincerely,

/s/

Robert S. Lynch
Counsel and Assistant Secretary/Treasurer

RSL:psr

Cc: Tim Meeks, Administrator
Darrick Moe, DSW Regional Manager
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