

United States Government

Department of Energy

memorandum

Western Area Power Administration

DATE: December 16, 2020

REPLY TO
ATTN OF: L6100, T. Hackett

SUBJECT: Approval of Formula Rate for Short-Term Sales for the Colorado River Storage Project Management Center (CRSP) to use Under the Western Energy Imbalance Service (WEIS) Market

TO: M. Gabriel, A0000, Lakewood, CO
THRU: R. Klinefelter, A0200, Lakewood, CO

This memorandum is to request the Western Area Power Administration (WAPA) Administrator's approval of the Joint Transmission Dispatch Service (JTDS) formula rate for short-term sales to be used once the WEIS Market commences, currently set for February 1, 2021, through September 30, 2021. Prior to the expiration date, CRSP anticipates conducting a public process, which will establish a long-term rate for use in the WEIS Market. The formula rate schedule on which CRSP is seeking your short-term approval is attached to this memorandum: Joint Dispatch Transmission Service - SP-NFJDT.

BACKGROUND:

On September 9, 2019, WAPA announced its decision that CRSP, the Rocky Mountain Region (RMR), and the Upper Great Plains Region (UGP) would join the WEIS Market administered by the Southwest Power Pool, Inc. (SPP).

On June 30, 2020, CRSP held its 2020 Annual Customer Meeting and provided additional information about its proposed plan and timeline for implementation with the expectation that all efforts were contingent on the WEIS Tariff, filed by SPP, being approved by the Federal Energy Regulatory Commission (FERC). CRSP explained that it takes approximately 1 year to complete a formal rate adjustment process, which makes it September 2021 when WAPA's Administrator is expected to sign the 5-year formula/long-term rate package.

DISCUSSION:

Since the WEIS Market is expected to go-live on February 1, 2021, CRSP is seeking approval to use the Administrator's authority to develop and place into effect a rate for short-term sales for the 8-month period between February 2021 and October 2021. CRSP only needs a new rate schedule for JDTS. The CRSP rate schedule for Energy and Generator Imbalance, SP-EI5, will continue to point to RMR's Generator and Energy Imbalance rate schedules, L-AS4 and L-AS9, respectively, which are being revised by RMR utilizing this same short-term authority.

While not required for use of WAPA's rates for short-term sales authority, specific customer engagement was initiated on November 17, 2020, with a website posting and an email distribution of the "CRSP Proposed Rates for WEIS Market Participation" Customer Rate Brochure to provide detailed information regarding the JDTS rate to customers prior to implementation and to allow customer comments.

CRSP requested comments on the proposals in the brochure by November 27, 2020. On December 4, 2020, RMR and CRSP sent consolidated responses by letter to the two customers that had submitted comments. Those responses were also posted on WAPA's RMR and CRSP Rates websites. CRSP specifically received comments on clarifying if setting rates for short-term sales follows the Federal Register Notice process. Other comments were in regards to the Western Area Colorado Missouri Balancing Authority rate issues discussed in RMR's customer rate brochure. On December 10, 2020, CRSP posted an update to the customer rate brochure, which reflects updates to the process schedule and includes revisions resulting from the customer comments. The updated brochure is attached for your information.

RECOMMENDATION:

The Administrator is granted authority in Delegation Order No. 00-037-00B, Section 1.5, to develop and place into effect on a final basis, rates for short-term sales of capacity, energy, and transmission service¹. I recommend you approve this short-term rate to cover the period from the later of February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Timothy A. Vigil
Senior Vice President and
CRSP Manager

2 Attachments

APPROVED FOR LEGAL SUFFICIENCY BY:

Ronald J. Klinefelter
Assistant General Counsel

APPROVED: _____

DISAPPROVED: _____

¹ By Delegation Order No. 00-002.00S, effective January 15, 2020, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy. By Redelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA’s Administrator.

**Rate Schedule SP-NFJDT
SCHEDULE 8R to OATT Attachment R**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN POWER AREA ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
Colorado River Storage Project**

**RATE FOR SHORT-TERM SALES
JOINT DISPATCH TRANSMISSION SERVICE
(For the Western Energy Imbalance Service Market)**

Effective

The later of either February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Colorado River Storage Project (CRSP) as the Transmission Service Provider (TSP) when the Colorado River Storage Project Management Center is participating in the WEIS Market. The Joint Dispatch Transmission Service Customer (JDTS Customer) shall compensate the CRSP TSP for JDTS commensurate with the receipt or delivery of energy dispatched for the JDTS Customer pursuant to the WEIS Tariff under the formula rate described herein.

Formula Rate

Hourly delivery:

On-Peak Hours: \$0.00/MWh

Off-Peak Hours: \$0.00/MWh