Boulder Canyon Project
Post-2017 Marketing
Informal Meeting

June 19, 2012
Meeting Purpose

Prepare for a Formal Public Process to market Boulder Canyon Project (BCP) resources Post 2017

- Electric Service contracts expire on September 30, 2017
- Describe and discuss implementation of the Hoover Power Allocation Act of 2011 (HPAA)
- Share information – Informal consultation
- Provide opportunity for interested parties’ input
Agenda

- Overview of Western and the Desert Southwest Region (DSW)
- Overview of the Hoover Power Allocation Act of 2011
- June 14, 2012 Federal Register Notice (FRN)
- Next Steps
- Q & A – Input from Interested Parties
Western Area Power Administration

- One of four Federal power marketing administrations under DOE
- Market power from 56 Federal hydropower plants
- 10,000+ MW of capacity
- Wholesale firm power customers
PROJECT MARKETING AREAS

MARKETING AREA BOUNDARIES
- Central Valley and Washoe Projects
- Parker-Davis, Boulder Canyon, Pacific NW-SW Intertie and Central Arizona Projects
- Falcon-Amistad Project
- Provo River Project
- Loveland Area Projects (Pick-Sloan Missouri Basin — Western Division and Fryingpan-Arkansas Project)
- Pick-Sloan Missouri Basin Program — Eastern Division
- Salt Lake City Area/Integrated Projects (Colorado River Storage Project, Collbran, Rio Grande, Seedskadee and Dolores projects)

State Boundaries
★ Regional Office
Corporate Services Office
CRSP Management Center
Desert Southwest Region
Boulder Canyon Project
Parker-Davis Project
Central Arizona Project
Navajo Project
Pacific NW/SW Intertie

Customers:
- Irrigation Districts
- Municipalities
- Native American Tribes
- Rural Electric Cooperatives
- State and Federal Agencies
Hoover Power Allocation Act of 2011 Overview

The Act Requires the Following:

- Marketable Resource – 2,074 MW  4,527,001 MWH
- Defined Schedules A & B Offers to Existing Contractors
- Creates a 5% Resource Pool – 103.7 MW  226,352 MWH as “Schedule D”
- Prescribes a portion of Schedule D to be allocated by or through the Arizona Power Authority (APA) and Colorado River Commission of Nevada (CRC)

New Allottee Requirements:

- Pay a proportionate share of MSCP funding
- Pay a proportionate share of repayable advances
- Execute the BCP Implementation Agreement No. 95-PAO-10616

- Defined provisions for resources not put under contract by 10/1/17
Western’s Role for Hoover Remarketing

- Carry forward directives as provided in the legislation
- Conform its marketing process to the legislation
- Allocate Schedule D to New Allottees
- Develop and Execute Contracts for post-2017 Hoover power with all New Allottees and Existing Contractors
- Initiate Service October 1, 2017
# Schedule D Resource Pool

<table>
<thead>
<tr>
<th>State</th>
<th>Contingent Capacity (kW)</th>
<th>Firm energy (thousands of kWh)</th>
<th>Summer</th>
<th>Winter</th>
<th>Total</th>
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<tbody>
<tr>
<td>New Entities</td>
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<td></td>
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<tr>
<td>Allocated by the Secretary of Energy</td>
<td>69,170</td>
<td>105,637</td>
<td>45,376</td>
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<td>New Entities</td>
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<tr>
<td>Allocated by State</td>
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<td>Arizona</td>
<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
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<td>25,113</td>
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<tr>
<td>California*</td>
<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
<td></td>
<td>25,113</td>
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<tr>
<td>Nevada</td>
<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
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<td>25,113</td>
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<tr>
<td>Totals</td>
<td>103,700</td>
<td>158,377</td>
<td>67,975</td>
<td></td>
<td>226,352</td>
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</tbody>
</table>

*Allocated by Western to California Entities
Overview of June 14, 2012 FRN

- Conformed ‘84 Criteria to the HPAA
- Established the Following:
  - Marketable Resource – 2,074 MW 4,527,001 MWH
  - Schedule D Resource Pool – 103.7 MW 226,352 MWH
  - Allocated Schedules A & B to Existing Contractors
  - Allocated Prescribed Portions of Schedule D to APA/CRC
  - New Allottee Requirements
  - Provisions for resources not put under contract by 10/1/17
Remarketing Milestone Goals

December 2011.......Hoover Power Allocation Act enacted


June 2012……Conform Criteria to Legislation

Fall 2012……Propose Criteria & Call for Applications

Spring 2013……Finalize Criteria

Fall 2013……Propose Allocations

Summer 2014……Finalize Allocations

Summer 2015……Finalize All Contracts
Questions & Answers

Input from Interested Parties
BCP Post 2017 website:
http://www.wapa.gov/dsw/pwrmtk/BCP_Remarketing/BCP_Remarketing.htm

Point of Contact:

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If you would like to receive all the notices Western issued relative to this process, please contact Mike to get on our e-mail distribution list.