Boulder Canyon Project
Post-2017 Marketing
Proposed Marketing Criteria
PUBLIC INFORMATION FORUMS

November 27-29, 2012
Forum Topics

- About Western Area Power Administration (Western)
- About the Boulder Canyon Project (BCP)
- Recent BCP Post-2017 Activity
  - Hoover Power Allocation Act of 2011 (HPAA)
  - Conformance to the HPAA & Established Criteria
    Federal Register Notice Published June 14, 2012
- Proposed Marketing Criteria
  Federal Register Notice Published October 30, 2012
- Public Comment Forums
- Remarketing Project Milestones
- Points of Contact
About Western

- Western is a Power Marketing Administration that markets and delivers reliable, cost-based hydroelectric power and related services.

- Service area covers:
  - 15 Western States
  - 17,107 transmission line miles
  - 302 substations
  - 665 customers
Western Area Power Administration

Powerplants

*Western markets power from plants owned and operated by the Bureau of Reclamation, Army Corps of Engineers and the International Boundary and Water Commission.

*SNR's Glines and O'Neill are pump generating plants.
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

Western Area Power Administration

1/03
The Secretary of Interior marketed the BCP in the early 1930’s pursuant to the Boulder Canyon Project Act.

Power marketing authority was transferred to Western pursuant to the Department of Energy Organization Act of 1977.

Western marketed the BCP in 1987 in accordance with the Hoover Power Plant Act of 1984 and the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (‘84 Criteria).

Current Allocations:
- 1,951 MW of contingent capacity
- 4,527,001 MWh of firm energy
- Allocated to 15 Contractors
- Contracts expire September 30, 2017
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
# 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>Allocated by the</td>
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<td></td>
<td>69,170</td>
<td>105,637</td>
<td>45,376</td>
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<tr>
<td>New Entities</td>
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<tr>
<td>Allocated by State</td>
<td></td>
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<tr>
<td>Arizona</td>
<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
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<tr>
<td>California*</td>
<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
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<tr>
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<td>11,510</td>
<td>17,580</td>
<td>7,533</td>
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<tr>
<td>Totals</td>
<td>103,700</td>
<td>158,377</td>
<td>67,975</td>
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<td>226,352</td>
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</table>

*Allocated by Western to California Entities
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
Conformance to the HPAA

- Western conformed the ‘84 Criteria to the HPAA through a FRN published June 14, 2012 (77 FR 35671)
- 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
- Referenced as the “2012 Conformed Criteria”
Established Criteria

Eligibility Criteria
1) All qualified applicants must be eligible to enter into contracts under Section 5 of the Boulder Canyon Project Act (43 U.S.C. 617d) or be Federally recognized Indian tribes
2) All qualified applicants must be located in the Boulder City Area marketing area

General Allocation Criteria
1) In AZ & NV allocations to entities other than Indian tribes will be offered through the Arizona Power Authority and Colorado River Commission of Nevada, respectively
2) Western shall prescribe additional marketing criteria pursuant to a public process
Eligibility Criteria – Section 5

Section 5 of the Boulder Canyon Project Act establishes eligible applicants to be States, municipal corporations, political subdivisions, and private corporations.

Political subdivisions are subsequently defined in the Act as any State, irrigation or other district, municipality, or other governmental organization.
Proposed Marketing Criteria

FRN Published October 30, 2012 (77 FR 65681)

- Proposed Marketing Criteria
- Established Public Information Forums
  November 27-29, 2012
- Established Public Comment Forums
  December 18-20, 2012
- Defined Comment Period Close
  January 11, 2013
Proposed Marketing Criteria

- Used to navigate competing applications from eligible entities
- Does not define or alter eligibility
- Applies to all Schedule D power allocated by Western

Proposals seek to:

- Provide a level of consistency with Western’s marketing practices and principles
- Maintain consistency with BCP’s unique legislative provisions
- Provide opportunity for many with a limited resource
Proposed Marketing Criteria

Ready, Willing, and Able…

Eligible applicants, except Native American tribes, must be ready, willing, and able to receive and distribute or use power from Western.

Ready, willing, and able means that the applicant has the facilities needed for the receipt of power or has made the necessary arrangements for transmission and/or distribution service, and its power supply contracts with third parties permit the delivery of Western’s power.
Proposed Marketing Criteria

- Western will consider existing Federal power resource allocations of the applicants
- Allocations will be based on historical loads
- Minimum Allocation of 1,000 kW
  - Applicants may aggregate to meet minimum allocation threshold provided Western is able to schedule a minimum of 1,000 kW to the aggregated group
  - Aggregated groups must demonstrate contractual arrangement prior to final allocation determination
  - Western will consider allocations less than 1,000 kW conditioned upon the applicant’s ability to aggregate to 1,000 kW or greater for scheduling purposes prior to final allocation determination
Proposed Marketing Criteria

Priority considerations as follows:

1) Federally recognized Native American tribes

2) Municipal corporations and political subdivisions including irrigation or other districts, that have electric utility status by April 1, 2014

3) Electric Cooperatives and public utilities other than electric utilities that are recognized as utilities by their applicable legal authorities, are nonprofit in nature, have electrical facilities, and are independently governed and financed

4) Other eligible applicants
Public Comment Forums

Comment Period Opened October 30, 2012

Las Vegas, NV – December 18, 2012
Ontario, CA – December 19, 2012
Phoenix, AZ – December 20, 2012

Comment Period Closes January 11, 2013
Remarketing Milestone Goals

June 2012……Conform Criteria to Legislation
Fall 2012……Propose Marketing Criteria
Spring 2013……Finalize Marketing Criteria & Call for Applications
Summer 2013……Applications Due
Fall 2013……Propose Allocations
Summer 2014……Finalize Allocations
Summer 2015……Finalize All Contracts
BCP Post 2017 Information

http://www.wapa.gov/dsw/pwrmtkt/BCP_Remarketing/BCP_Remarketing.htm

Welcome

- Boulder Canyon Information Module
- Federal Register Notices
- Public Forums
- Correspondence and Presentations
- Frequently Asked Questions (FAQs)
- Points Of Contact
- Hoover Power Allocation Act of 2011
Provide written comments to:

Mr. Darrick Moe
Desert Southwest Regional Manager
Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457

Fax: (602) 605-2490
Email: Post2017BCP@wapa.gov
Questions
Point of Contact:

Mike Simonton
Project Manager for Boulder Canyon Remarketing
(602) 605-2675 or Simonton@wapa.gov

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.