

**From:** [Kenneth R. Saline](#)  
**To:** [Ramsey, Christina](#)  
**Cc:** [Karen Kupcha](#); [Kent R. Simer](#)  
**Subject:** [EXTERNAL] Comments on WAPA Formula Rate for the Augustine Band of Cahuilla Indians  
**Date:** Wednesday, June 15, 2022 4:25:02 PM

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As the Hoover Engineering and Operations Committee (E&OC) Representative for the Augustine Band of Cahuilla Indians (Augustine), we provide the following comments in the Public Comments for the Boulder Canyon Project (BCP) Rate:

First, as representatives of the Augustine we thank the USBR and WAPA representatives for their participation and representation in the Boulder Canyon Project (BCP) Engineering and Operations Committee (E&OC) as parties to 50 year contracts with the Augustine and many others.

Second: The Drought Impacts

[https://www.wapa.gov/regions/DSW/Rates/Documents/BCPandPDPDroughtImpacts7\\_9\\_2021.xlsx](https://www.wapa.gov/regions/DSW/Rates/Documents/BCPandPDPDroughtImpacts7_9_2021.xlsx)

Through open public discussions with the USBR and Western, we have discussed the impacts of the Continuing Drought on the Colorado River and its impacts on Hoover operations and the impacts of the lost generation on contractors, the regional markets, ie the replacement power and its costs.

The Agencies responded in 2021 with a power impact analyses on BCP and the Parker Davis Project (PDP) generation projects on the WAPA DSW website that indicates the economic challenges to BCP contractors to maintain Hoover, the Visitor Center, roadways, and purchase replacement power at regional market prices approaching the ENRON days. That analyses has helped everyone understand the ever changing water restrictions and generation impacts as water customers are negotiating to further reduce water uses in response to the Drought and it has helped identify the power impacts which many times are not clearly understood. So the Impact analyses has helped the agencies and customers prepare better forecasts of power production and forecast economic impacts as communities need to raise their power rates to keep up. The USBR has added such information now into its 24 month study to help folks rapidly adjust to changes. That Drought Impact analyses is critical for the public so those impacts on hydropower customers are understood and identifiable. In the process, it has significantly increased the communications with the agencies and customers and timeliness of the energy schedule changes with BCP contractors so they can arrange replacement supplies. As western States may seek emergency funding to help the BCP and CRSP projects, the Impact Analyses will also be helpful for Congress to understand the hydropower impacts of the Continuing Drought.

The USBR and WAPA have committed in the federal register notice to the following: “With the uncertainty of hydrological conditions, Reclamation and WAPA will work with customers to develop a threshold for prompt consultation should hydrological conditions worsen after the base charge is placed into effect”. Following the last E&OC meeting it was brought up by the Agencies and agreed by the customers to add an E&OC consultation group from all Contractors to study the impacts of the Continuing Drought on BCP, improve situational awareness of the BCP generation impacts as the water situation changes, and develop alternative scenarios for operations and plans for BCP if such situation occurs in the future, ie situational awareness of the Continuing Drought on BCP and alternative BCP operating scenarios. **The Augustine agree with this additional consultation being**

**added to the E&OC to address the Continuing Drought impacts on the BCP including any potential changes in future rates or base charges that may come from that E&OC process. We understand this rate filing will not preclude WAPA from filing new rates at any time to effectuate such E&OC agreed upon changes.**

Third:

We understand that Renewable Energy Credits revenues will be removed from Project Revenues and not included in the Project Rates at this time, but instead they will be subject to future determination with the BCP Contractors.

It is our understanding that if the Contractors and the Agencies agree upon a future treatment of REC revenues that will affect rates, then Western can make such future filing to include such rate impacts.

Thank you for the opportunity to comment on the Boulder Canyon Project Formula Rate process and BCP Issues.

Kenneth R. Saline

602 321 9084