

# CRSP/DSW Combined Transmission Service Rate

## Frequently Asked Questions

**April 24, 2020**

What is this initiative?

WAPA is exploring a combined transmission rate for Central Arizona Project, Colorado River Storage Project (CRSP), ED5-Palo Verde Hub, Intertie, and Parker-Davis Project (PDP). Currently, each project has separate rates for transmission service.

Will WAPA combine the CRSP Management Center and the Desert Southwest Region (DSW) with this initiative?

No. WAPA is only exploring a combined transmission rate in this initiative, not combining its regions.

Is WAPA also considering combining the power rates of CRSP and PDP?

No. WAPA is only exploring combining transmission rates, not power rates.

Why combine the transmission rates?

There are many benefits to a combined transmission rate, including more efficient scheduling and use of transmission systems, eliminating pancaking, rate stability, preparing for organized markets, and reducing administrative costs of managing five different transmission rates.

Why combine the rates now?

The transmission rates of the CRSP and DSW projects have converged and are now closely aligned. Additionally, with encouragement from its customers, DSW was already exploring combining the rates of its projects.



What opportunities are there for customers to be involved?

WAPA will collaboratively explore this concept with customers. We anticipate numerous work-group-style meetings to analyze and evaluate a combined rate. If a combined rate is beneficial, the tentative plan is to begin a formal rate-making process in 2021. A formal rate-making process typically includes notices in the *Federal Register*, public forums, and a comment period.

How will WAPA keep its customers apprised of this initiative?

In addition to meetings dedicated to the combined rate, WAPA will provide periodic updates on progress through emails. We have also created a [website](#) for information including meeting notes, presentations, data, and correspondence.

Has WAPA already decided to combine the transmission rates?

No. WAPA is only exploring the concept of a combined rate and wants to do so collaboratively with customers.

How will WAPA decide whether to move forward with the combined transmission rate?

WAPA will use its Decision Framework to systematically work through the details that feed into a decision. Information about the Decision Framework is available on page 16 of WAPA's [2019 Annual Report](#).

Who can I contact if I have questions?

Please reach out to any of your usual regional contacts or [onerate@wapa.gov](mailto:onerate@wapa.gov).

Where can I learn more about the rates of the individual transmission projects involved in the combined rate?

Information about individual project rates is available on the [CRSP](#) and [DSW](#) websites or contact [onerate@wapa.gov](mailto:onerate@wapa.gov).



Does WAPA have an overview of the combined rate or material that will help me communicate key information to my organization?

Yes. A one-page overview of the combined rate initiative is available on WAPA's [website](#).

Did DSW attempt to combine its transmission rates previously?

Yes. In 2003, DSW and its customers attempted to combine the transmission rates of Central Arizona Project, Intertie, and PDP. Although that effort was ultimately unsuccessful due to disparate rates, it demonstrated the value of combining transmission rates. Information on DSW's previous attempt to combined rates is available on its [website](#).

Will a combined transmission rate make customers of one project responsible for the repayment of another project?

No. Repayment will continue at the individual project level and the projects will remain financially independent.

Is WAPA considering combining the transmission rates to support the expansion of a particular organized market?

No. A combined rate better positions WAPA to participate in any organized market, not a particular market. Further, possible market participation is only one of many benefits of a combined rate.

