

WESTERN AREA POWER ADMINISTRATION
RMR and CRSP
Rate Brochures for Proposed Rates for WEIS Market Participation
Consolidated CREDA Comments and WAPA's Responses

Comment 1: It is CREDA's understanding that the FERC has not yet approved SPP's revised tariff filing. How has WAPA adjusted its schedule(s) and customer review opportunities associated with the various WEIS Market documents to accommodate this situation?

Response: In order to incorporate the latest information from SPP in regards to the revised WEIS Tariff filing, as well as several implementation details and procedures, WAPA pushed back the date for posting the OATT revisions (see RMR pages 9 and 10), rate brochures, and associated business practices for customer review as far as it could and still meet SPP's Feb 1, 2021, implementation date. WAPA's goal was to file revisions to its OATT with FERC at least 60 days prior to the implementation date, like the timeframe of the other jurisdictional WEIS transmission owners.

Comment 2: Given the uncertainty of FERC's approval of SPP's tariff, please consider waiting to file the OATT Amendment with FERC until after a) FERC's approval of SPP's tariff, and b) sufficient review and comment opportunity has been afforded WAPA's customers.

Response: WAPA's OATT revision filing process is a separate and distinct process from this rate process. We only mention it in the rate brochure to show the correlation between the timing and language for it and the subsequent timing and language for the rate schedules.

That said, WAPA and the other participants waited as long as they could before filing and are proceeding with the 60-day timeline in order to have tariffs and rates in place and effective on the February 1, 2021, date if in fact the WEIS Market commences on such date. WAPA has been coordinating the timing of WAPA's filing with the other four participating transmission owners, who already filed their tariff revisions on November 13th and November 30th. WAPA needed to proceed with its OATT tariff filing on December 2nd, as it had advised the stakeholders under that process, to have its OATT revisions in place in a timely manner and to meet the standard FERC 60-day review requirements. Also, even though we are planning for an effective date of February 1st, WAPA's OATT revisions and rate schedules for the WEIS Market only take effect if and when the WEIS Market is implemented.

Comment 3: Please confirm that the Rate Brochure includes one new rate schedule (JDTS) and three revised rate schedules.

Response: Yes, that is correct for RMR. RMR has rate schedules for Joint Dispatch Transmission Service (JDTS), Energy Imbalance, Generator Imbalance, and Balancing Authority Real Power Losses. CRSP only has a new rate schedule for JDTS.

CRSP Comment 6/RMR Comment 7: Three separate offices will be producing rate schedules and brochures and processes. What happens if, due to unique circumstances among these projects, there are differing provisions or approaches used between offices and documents?

Response: WAPA conducted one public stakeholder process for revisions to its OATT for RMR and CRSP's participation in the WEIS Market. RMR and CRSP have and will continue to work closely with each other and with UGP in preparing coordinated rate schedule language as proposed in RMR's and CRSP's rate brochures, while recognizing the unique circumstances for each regional office.

UGP does not offer transmission and applicable ancillary services under the WAPA Tariff, so they may ultimately have different provisions. UGP's rate brochure that included discussions regarding participating in a Western Interconnection energy imbalance market was posted in Sept. 2019, and their subsequent Rate Order was published on July 14, 2020.

In addition, RMR operates the WACM BA, and as such, will have additional provisions under WEIS than LAPT and CRCM TSPs need for offering JDTS and imbalance services under the OATT. Those additional provisions for the WACM BA are discussed in RMR's brochure and will be further detailed in WACM's business practices.

CRSP Comment 9/RMR Comment 6: In the RMR Brochure: "The CRSP, LAP and P-S—ED transmission systems will be committed for WEIS use"; how does this commitment affect or interact with the proposed combined rate being considered between DSW and CRSP offices?

Response: The combined transmission rate initiative with DSW and the WEIS are separate initiatives and neither impacts the other. The WEIS will use CRSP's uncommitted intra-hour non-firm transmission in the WEIS footprint for energy imbalance service, as it is used today, regardless of CRSP's involvement in a potential combined rate.

CRSP Comment 12/RMR Comment 18: In the project description, please consider revising the second sentence describing CRSP to the following: "The CRSP is a multi-purpose project, which purposes include regulating the flow of the Colorado River, storing water for beneficial consumptive use, providing for reclamation of arid and semi-arid land, providing flood control, and generating hydropower." This text is taken from Reclamation's website and more accurately reflects the authorized purposes. Please also consider revising "plants" to "dams with power generating facilities". Is the operating capacity figure included reflective of nameplate

capacity? Is it necessary to include an operating capacity value? Given the difference between nameplate and available capacity, the value could be misleading.

Response: Thank you for the feedback on this language. CRSP and RMR will make the necessary edits in the updated brochures.

CRSP Comment 4: Please provide updated Rate Brochure(s) (estimated December 4 on page 6) as soon as available.

Response: CRSP will distribute the updated brochure to customers as soon as it is available.

CRSP Comment 5: What is the anticipated date(s) of publication of the needed Federal Register Notice(s), as stated on pages 6-7 of the Rate Brochure?

Response: CRSP's slide should have stated that an FRN is not required for implementation of a rate for short-term sales, and CRSP is not preparing an FRN for the rate for short-term sales of JDTS. However, once CRSP enters the formal rate process to put the JDTS rate in place for a 5-year rate period, as discussed in section VI, the proposal and rate order FRNs will be published according to the schedule that is outlined in the rate brochure.

CRSP Comment 7: Page 8 - The Updated Schedule refers to CRSP and RMR updating the administrative fee (est. December 18). Please confirm that there is only one administrative fee, for RMR, as described in the RMR Rate Brochure.

Response: Yes, only RMR will have an administrative fee. The reference to CRSP will be removed from that statement in the updated brochure.

CRSP Comment 8: Page 9 - In the second paragraph of the JDTS section, please revise the reference from "IV" to "V".

Response: CRSP will make this edit in the updated brochure.

CRSP Comment 10: Page 9 - Although the Rate Brochure indicates no change to the Real Power Losses Service, the discussion and changes to "BA Real Power Losses" vs. "Transmission Real Power Losses" is confusing. Is there additional documentation/study that can be provided to further explain these changes? Are these changes going to be made in other WAPA projects, or in existing contracts or other rate schedules? How is the treatment of losses consistent with provisions of the CRSP Firm Electric Service contract?

Response: Please see RMR's response to RMR's comment 13 below.

CRSP Comment 11: Page 11 - Is the formal process schedule applicable to only CRSP, or is it applicable to RMR and CRSP? In other words, will the formal rate processes be entirely separate? Is the statement that these processes will be initiated “later this year” accurate?

Response: The schedule in the brochure is specific to CRSP’s rate process for implementing a 5-year rate for JDTS. However, for consistency, the CRSP and RMR rate processes will run parallel to each other and we are planning to hold the Public Information and Comment Forums together. The “later this year” statement is accurate in that we have already initiated internal discussions on this effort. As shown in the schedule, we plan to start engagement with customers in the January/February timeframe.

RMR Comment 4: Based on the Updated Schedule, when will a revised Rate Brochure be available?

Response: As shown in the Updated Schedule section on page 10, RMR plans to have an updated rate brochure posted around December 4th.

RMR Comment 5: What is the anticipated date of publication in the Federal Register Notice?

Response: RMR is not preparing a FRN for these rates for short-term sales. However, once RMR enters the formal rate process for the next 5-year rate period, as discussed in section VI, the proposal and rate order FRNs will be published according to the schedule outlined in the rate brochure.

RMR Comment 8: Page 8 - Next to last sentence should reflect “2020”, (not “2021”).

Response: Yes, it should be 2020. RMR will make this edit in the updated brochure.

RMR Comment 9: Page 8 - Last sentence – see general comment 4) above.

Response: See response to comment 2 above.

RMR Comment 10: Page 10 - First full paragraph, first sentence: This sentence appears to state that the WEIS effective date will be February 1, 2021, whether or not the FERC has approved the WEIS tariff. Is this a correct statement?

Response: No. The effective date is contingent on FERC approving the WEIS tariff. For WAPA’s planning and workflow purposes, we must have rates in place and be ready for SPP’s anticipated February 1, 2021, implementation.

RMR Comment 11: Page 11 - Business Practices (BPs) will be issued in the near future, with comments due by December 18. Is there a chance that comments on BPs may help inform/potentially require revision to OATT provisions? If so, suggest the OATT filing follow the BP review process.

Response: Business Practices help implement OATT revisions, they are not terms and conditions of service by themselves. Therefore, it is correct to have business practices developed after finalization of the OATT revisions. WAPA does not anticipate any comments from the business practices process would require a change to the OATT filing, as the OATT-related business practices are developed as necessary to add additional details/clarification related to the OATT implementation.

RMR Comment 12: Pages 11-13 - Regarding a new RMR administrative fee: *a)* Some CREDA members are non-participating entities as described in the Rate Brochure. Have these customers been provided specific information and the opportunity to comment on this fee prior to being finalized, as indicated on page 13? *b)* Please provide supporting documentation for each of the elements of the new administrative fee, including but not limited to the cost basis for each element, any allocators applied to costs charged by HQ (IT?) *c)* The Brochure notes that the proposed methodology is sound as it is used by SPP but note that the fee is being applied to non-participating entities, which, by their nature, may not be familiar with SPP methodologies. *d)* Please also provide detail on how “WEIS non-participant hours” are derived.

Response: *a)* Various customer meetings were held by RMR to provide high-level information in regards to the rate schedule changes necessary for WEIS participation, and the details of the administrative fee, starting on page 13 of RMR’s rate brochure, were posted and available for customer comment. All entities that are subject to this administrative fee (non-participants with load/generation inside WACM BA) were invited to those meetings and were provided a copy of the rate brochure when it was distributed via e-mail to customers on November 6th.

b) A couple of customers have asked for additional details regarding the administrative fee. RMR is considering how we might be able to provide a bit more information. If we do so, that information will be included in RMR’s updated brochure.

c) Yes, that is a valid statement. For clarification, allocating costs based on NEL correlates costs to the size of entities participating in the WEIS Market. NEL for a given entity remains relatively consistent from year to year. This consistency provides rate stability relative to other methods, such as those based on transactional volumes which may vary greatly due to system or market conditions.

d) Each of the managers of the various program offices listed on pages 13 and 14 of the brochure were tasked with conducting a high-level labor hour analysis to determine the number of hours per year that their staff would be performing WEIS-specific tasks for the non-participants. Those hours were then divided by the total work hours for those staff to get the percentage. This review will be done on an annual basis going forward to keep the administrative fee current.

RMR Comment 13: Page 17 - Even with the background of loss treatment included the discussion and changes to “BA Real Power Losses” vs. “Transmission Real Power Losses” is confusing. Is there additional documentation/study that can be provided to further explain these changes? Are these changes going to be made in other WAPA projects, or in existing contracts or other rate schedules? How is this loss treatment consistent with CRSP Firm Electric Service contract provisions?

Response: These particular language changes are being made to help differentiate between the real power losses applicable to transmission customers under their TSP’s tariff and the real power losses the WACM BA assesses to TSPs within the BA (detailed on pages 15 and 16). As such, there is no other documentation or study that can be provided.

We do not anticipate the language changes in RMR’s losses rate schedule to be made to any other WAPA projects or rate schedules. Changes regarding the removal of the in-kind energy replacement option from the existing rate schedule (discussed on page 17) could impact customers that currently utilize that option.

These changes alone do not have any impact on the FES contract provisions. However, FES scheduling for losses will be impacted due to the WEIS Market protocols. The RMR Settlements Manager intends to email FES customers with allocations within WACM regarding these changes by mid-December.

RMR Comment 14: Page 23, Rate L-AS4 - a) Please consider adding reference to the WEIS tariff provision regarding the administrator’s determination of administrative fee. b) Please revise “based on” to “using”; otherwise, the language implies an additional calculation applicable to the comparison of the fee to the NEL charge. c) The RMR administrative fee components/formula should be included in the rate schedule. d) As this schedule is described as a formula rate, and the administrative fee is “annually calculated”, please confirm that customers assessed this fee will be provided timely annual updates.

Response: a) WAPA’s OATT does not include details on the region’s actual rates, instead, the OATT schedules reference the applicable rate schedules, nor does it discuss the administrator’s authority to set rates for short-term sales or any other rates.

b) RMR agrees to making this change, but wants to point out that after the initial determination is made, there is an additional step where the proportional shares of NEL is recalculated and the remaining administrative fee dollars are distributed (see page 14).

c) When it comes to an administrative fee component, it has not been WAPA’s practice to include those details in the rate schedules.

d) This rate schedule will only be in effect for a maximum of 8 months, so the administrative fee and the minimum fee will only be calculated once upon implementation. RMR will revise the rate for short-term sales schedule to remove “annually”. That said, assuming this service continues beyond September 2021 (under a revised rate schedule), RMR will need to incorporate

language in that revised rate schedule to clarify when updates/revisions will be made as part of the upcoming formal rate adjustment process and those details will be discussed/determined at that time.

RMR Comment 15: Page 25, Rate L-AS9 - What is a “Federal Transmission Customer”? Where is it defined?

Response: In this instance, we are referring to an entity taking transmission service from LAPT/CRCM under WAPA’s OATT Attachment R. However, in accordance with Section 1.56 and Schedules 4R and 9R of WAPA’s OATT, RMR should have used “Transmission Customer”. RMR will revise the applicable rate schedules to remove “Federal”.

RMR Comment 16: Page 26, Rate L-AS9 - Same comments as 14)b) – 14)d) above.

Response: See RMR’s response to RMR’s comment 14b and 14d above.

RMR Comment 17: Page 29 - Please describe the “in certain instances CRSP” applicable situations.

Response: Rate Schedules L-AS1, L-AS2, and L-AS3 apply not only to LAPT and WACM, but also to CRSP as a TSP, i.e., CRSP’s costs are included in the revenue requirements and these rate schedules are applicable under CRSP’s transmission contracts.