

**Rocky Mountain Region
Proposed Rates
for
WEIS Market Participation**

Customer Rate Brochure



**Western Area
Power Administration**

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I. Introduction

On September 9, 2019, WAPA announced its decision that Colorado River Storage Project Management Center (CRSP), Rocky Mountain Region (RMR), and the Upper Great Plains Region (UGP) would join the Western Energy Imbalance Service (WEIS) Market administered by the Southwest Power Pool, Inc. (SPP). The three Federal Projects (Salt Lake City Integrated Projects (SLCA/IP), Loveland Area Projects (LAP), and Pick-Sloan Missouri Basin Program--Eastern Division (P-S--ED) are participating as Market Participants (MPs) for their loads and resources in the WEIS Market footprint; the CRSP, LAP, and P-S--ED transmission systems will be committed for WEIS use; and the Western Area Colorado Missouri Balancing Authority (WACM) and the Western Area Power Administration--Upper Great Plains West Balancing Authority (WAUW) are participating balancing authorities (BA). As BAs in the WEIS Market footprint, WACM and WAUW are required to register loads and resources for non-participating entities within the balancing authority areas (BAA).

The focus of this customer brochure will be on the rates, processes, etc., for RMR (WACM BA Services and LAP Transmission Service). CRSP and UGP have separate brochures and/or other documents to discuss their rates, processes, etc. related to those offices/projects joining the WEIS Market.

II. Background for Rates Under WEIS Market

On October 29, 2019, RMR held a “WACM BA Customer meeting” to share information on various topics with customers. One of those topics being WAPA’s participation in the WEIS Market. During that discussion, RMR informed customers that WAPA’s OATT would need to be revised in order to incorporate the provisions necessary for WAPA’s transmission projects to participate in the WEIS Market and that once those provisions were finalized, RMR would need to implement new/revised rate schedules. As both efforts are highly dependent on the approval of the WEIS Tariff, RMR provided its proposed plan and timeline for implementation. The following are a few slides from that presentation:



WAPA OATT Changes Necessary to Implement WEIS

- WAPA's OATT will be revised to incorporate required provisions for participation in the WEIS
 - This effort is highly dependent on the finalized SPP WEIS OATT, which is still in development
 - WAPA's preliminary plan:
 - March-May 2020 - finish development of revisions
 - early May - post initial OASIS notifications
 - mid-May - hold customer meeting
 - mid-June - receive stakeholder comments
 - mid-July - provide responses
 - mid-Aug - finalize OATT revision package
 - early Sept - file with FERC
 - early Nov 2020 - revisions effective

At that time, the plan was to have WAPA's OATT revisions effective in November 2020. That being the case, RMR didn't plan to begin its formal 5-year formula/long-term rate adjustment process (where customers have opportunity to participate in the development of long-term rates) to put the necessary rates in place until ~October 2020. This October 2020 timeframe happens to line up nicely with RMR's timeline for conducting a formal rate adjustment process to implement new 5-year formula rates for transmission and ancillary services; as the existing 5-year rates expire on September 30, 2021.



Proposed Rate Adjustment Process

- Oct 2020-Sept 2021 – Conduct Formal Rate Adjustment Process for Transmission and Ancillary Services
 - Initiated after filing WAPA OATT revisions
 - Approximately 1 year to complete the rate process
 - New 5-year rate period - Oct 1, 2021-Sept 30, 2026
- SPP WEIS begins Feb 1, 2021
 - Utilize authority to put short-term rates in place for February-October 2021

It takes approximately one year to complete the entire formal rate adjustment process, which puts us into September 2021 when WAPA's Administrator is expected to sign the 5-year formula/long-term rate package. This results in new transmission and ancillary services rates, including those necessary for participation in the WEIS Market, not being implemented for the next 5-year period until October 1, 2021.

Since the WEIS Market is expected to go-live on February 1, 2021, RMR shared that we planned to seek approval from WAPA's Administrator to utilize his authority to develop and place into effect rates for short-term sales for the 8-month period between February 2021 and October 2021. At the time of the October 2019 meeting, we indicated we would need a new rate schedule for Joint Dispatch Transmission Service (JDTS) and revised rate schedules for Energy and Generator Imbalance. It was also mentioned that there could be a need for additional rate schedule changes depending on unknown changes resulting from the final WEIS Tariff and/or WEIS Protocols.



Proposed “Short-term Rates”

- New Rate Schedule for Joint Dispatch Transmission Service at \$0/kW (SPP Schedule 2)
- Revised Rate Schedules for Energy and Generator Imbalance (SPP Schedule 1)
 - Remove existing imbalance formula rates, penalty structures, and pricing
 - New formula rate to include
 - Pass-through of applicable WEIS charges for non-market participant’s embedded load and/or generation in WACM BAA
 - WAPA’s administrative fees associated with providing the imbalance service to those non-MP entities

As required in the WEIS Tariff, LAP will make its JDTS transmission capacity available to the WEIS Market at \$0.00/MWh. The EI and GI rate schedules will be revised to remove the existing penalty and pricing structures and instead include new formula rate language. As a WEIS participating BA, WACM is required to register the embedded load and resources for any non-participating entity within its BA footprint, as well as perform various other tasks in order to provide balancing services to such entity (there are ~15 such entities at this time). As such, it will be important for RMR to recover the appropriate costs of providing these services from those entities, i.e., specific WEIS charges from SPP and RMR’s administrative costs associated with providing the services. The following slide lists some of the potential areas of costs that were discussed with customers:



WAPA Admin Fee for non-MP's

- Discuss potential areas of cost:
 - Operations Reliability – register load and resources, balance, interchange, submit resource plans, load forecasts, ancillary service plans, tagging, metering – submit actual generation and load meter data
 - Operations Real-time Engineering – analyze results, confirm mitigation actions and calculations
 - Settlements
 - Power Billing – weekly invoices consolidated for monthly billing
 - Shadow Settlements – automation tool and verification
 - Rates/Finance – fee calculations and payments
 - Equipment and Software
- Potential Meter Agent Service – separate charge?

As many of the specific details as to how the WEIS Market would operate and what the specific requirements would be were not finalized at the time we held this meeting, RMR was only able to offer some potential areas of costs that might be considered for inclusion in the administrative fee. Mainly, we figured the costs would consist of labor efforts from various functional groups and potential equipment and software costs. There was also a question of whether RMR would need to implement a separate charge for providing meter agent service on behalf of any other MPs.

III. Moving Forward

On February 21, 2020, SPP submitted the initial WEIS Market filing to FERC, including the WEIS Market Tariff, which was ultimately rejected by FERC on July 31, 2020. At the end of March 2020, SPP posted the first approved draft of the WEIS Protocols; which various functional groups within WAPA have continued to work with SPP to determine how best to incorporate those requirements into the day to day operations of the WACM BA in order to push towards Operation Market Trials which commenced in July 2020 and ultimate implementation set for February 2021. On October 1, 2021, SPP submitted a new WEIS Market filing to FERC, which, as of the date of this brochure, is still pending FERC approval. As such, provisions of that filing, and subsequent RMR rate and WAPA OATT documents, are still subject to change.



On June 16, 2020, WAPA made postings on the OASIS regarding the proposed revisions to WAPA's OATT to address RMR's (and CRSP's) participation in the WEIS Market. On June 22, 2020, WAPA held a meeting with stakeholders to give an overview of those OATT revisions and next steps for that process. That information can be found on WAPA's OASIS website: <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-OATT-Revision-Information.htm>. The following is a slide from that meeting presentation:

Next Steps

- **Comments Due by July 16, 2020**
 - Submit written comments by email to: tariffcomments@wapa.gov
- Posting of Comments Summary/WAPA Responses on OASIS sites by around **August 14, 2020**
- WAPA finalizes proposed OATT Revision Package, OASIS Posting by around **September 11, 2020**
- WAPA Anticipates Filing to FERC on **October 1, 2020**
- Posting any required FINAL Business Practices by around **November 24, 2020**
- Effective Date of OATT Revision 20-02 on **December 1, 2020** (60 days after WAPA filing)



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As pointed out here, at the time of the initial posting, the effective date for WAPA's OATT revisions was anticipated to be December 1, 2020, but given FERC's rejection of the initial WEIS Tariff, WAPA needed to revise the filing schedule for the WAPA OATT revisions (under Revision 02-02) for the WEIS Market. Notice of that intent was posted on WAPA's OASIS sites on September 1, 2020

(<http://www.oasis.oati.com/woa/docs/WAPA/WAPAdocs/WAPA-OATT-Revision-Information.htm>). As noted on the OASIS, "...To allow sufficient time to review FERC's July 31st order regarding the WEIS Tariff and SPP's plans to file a revised WEIS Tariff, WAPA has adjusted its OATT Revision 20-02 schedule and now plans to submit that filing to FERC on or around November 2, 2020, with an Effective Date on or around January 4, 2021." A subsequent Notice was posted on October 22, 2020, "...Based upon SPP's filing of the revised WEIS Tariff on October 1, 2020, and SPP's request that FERC act on the filing and



issue an order by December 1, 2020, WAPA has adjusted its OATT Revision 20-02 schedule and now plans to submit that filing to FERC on or around December 2, 2020, with an Effective Date of February 1, 2021. Please note that time frame may need to further change depending upon the status of the WEIS Tariff at FERC.”

Although this revised Effective Date is later than originally planned (Nov 2020), the WEIS commencement date is the same, February 1, 2021. As a result, RMR still plans, in early January 2021, to have the Administrator implement the necessary rates for short-term sales with an effective date of February 1, 2021, or the commencement of the WEIS, whichever is later and to initiate its formal public 5-year formula/long-term rate adjustment discussions ~October 2020 in order to put new 5-year rates in place on October 2021.

In addition to the WAPA OATT and rate schedule changes, it is also necessary for RMR to make various changes to our Current Business Practices (BPs). On September 1, 2020, RMR posted four new proposed BPs on WAPA’s LAPT OASIS site (<http://www.oatioasis.com/LAPT/index.html>) for public comment by October 9, 2020: 1) General requirements and Background Business Practices, 2) Registration Requirements Business Practices, 3) Balancing Authority Operations Business Practices, and 4) Settlements & Reporting Business Practices. RMR also gave notice that the “Current Business Practices 10-01-2019” would be revised at the conclusion of the pending OATT revision process and pending Rates process to reflect any changes to transmission services and/or ancillary services related business practices.

RMR is currently working on responding to the comments received on the new proposed BPs and making additional revisions. At a high level, based on customer feedback, RMR plans to implement a set of BPs specific to LAP and CRSP transmission service under WAPA’s OATT, a set of BPs specific to BA Services under the BA Services Agreement, and a set of BPs for ancillary services and real power losses. As shown in the schedule below, RMR anticipates having the BPs related to transmission services and ancillary services posted for comment in early December.

Updated Schedule

November 6, 2020	RMR Rate Brochure outlining short-term proposals for applicable rates under WEIS Market posted
November 27, 2020	RMR Rate Brochure comments due
~December 2, 2020	WAPA to submit OATT filing to FERC
~December 4, 2020	Revised RMR Rate Brochure posted, if necessary



~December 4, 2020	RMR to post Transmission Services, Balancing Authority Services, and Ancillary Services and Real Power Losses Business Practices on LAPT OASIS for comment
~December 18, 2020	Business Practice comments due
~December 18, 2020	RMR to finalize administrative fee and rate package
~January 1, 2021	WAPA Administrator sign/approve rate package. Final rates for short-term sales rate schedules posted.
February 1, 2021	WAPA OATT revisions effective
February 1, 2021	New Short-term formula rates and Business Practices in effect (or the actual commencement date of WEIS)



IV. Proposed Rates for Short-term Sales Rate Designs

Joint Dispatch Transmission Service:

As “Joint Dispatch Transmission Service” is a new service required under the WEIS Market Tariff, WAPA needs to incorporate this service into its OATT in order for the LAP (and CRSP) TSP to offer this service when participating in the WEIS Market. As such, the currently proposed Attachment R to WAPA’s OATT addresses the new service and includes an Addendum 2; Schedule 8R - Joint Dispatch Transmission Service.

As required under the WEIS Market Tariff, and in accordance with WAPA’s proposed OATT, Addendum 2, RMR proposes to offer this service under a new Rate Schedule, L-NFJDT, at \$0.00/MWh, which is detailed in Section V below.

Imbalance Services:

RMR currently offers Energy and Generator Imbalance Services in accordance with Schedules 4 and 9 under WAPA’s OATT, RMR’s Business Practices, and Rate Schedules L-AS4 and L-AS9. Once the WEIS Market goes live, RMR will offer Energy and Generator Imbalance Services under the currently proposed Attachment R to WAPA’s OATT, revised Business Practices, and revised rate schedules. For LAPT (and CRCM), the proposed Attachment R has an Addendum 1; Schedule 4R - Energy Imbalance Service, and an Addendum 3; Schedule 9R - Generator Imbalance Service.

RMR proposes to offer LAPT and WACM BA Energy and Generator Imbalance Services under revised Rate Schedules L-AS4 and L-AS9, respectively, which are detailed in Section V below. RMR is proposing to remove the existing formula rate language from those rate schedules which discusses deviation bands and pricing. In its place, RMR is proposing language regarding *passing thru* the WEIS Administration and WEIS Market imbalance settlement charges and credits and including an RMR administrative fee.

In accordance with the “Western Joint Dispatch Agreement” between WAPA-RMR and SPP, SPP will invoice RMR for WEIS Administration based on the WEIS Administration Rate. A portion of the invoice will be applicable to the WACM BAA's non-participating entities net energy for load (NEL). See Table 1 below. In accordance with the WEIS Tariff, WEIS imbalance settlement charges and credits for the non-participating entities’ loads and/or resources will be calculated by SPP according to the settlements at each specific settlement location and will also be invoiced to RMR. RMR will simply pass thru these invoiced charges and credits to the applicable non-participating entities.



TABLE 1		
WEIS Administration Fee		
	2019 Net Energy for Load (NEL)	Per WJDA - BNEL @ \$0.22 or minimum of \$9k
Invoiced to WAPA-RMR for WACM BA	6,807,955	\$ 1,497,750
WACM BA Non-Participating Asset Owner		Passed Thru Under L-AS4 & L-AS9
Aztec	37,898	\$ 8,337
BHP	4,572,664	\$ 1,005,986
BHSU	19,941	\$ 4,387
DMEA	582,429	\$ 128,134
FARM	986,540	\$ 217,039
FRD	11,249	\$ 2,475
NTUA	286,224	\$ 62,969
NPPD	3,747	\$ 824
PAC	117,470	\$ 25,843
PAGE	81,369	\$ 17,901
PSCO	84,863	\$ 18,670
WAFB	23,562	\$ 5,184
Subtotal	6,807,955	\$ 1,497,750
Net WACM	0	\$ 0

Today, RMR utilizes the Energy and Generator Imbalance Service penalty revenues we receive under Rate Schedules L-AS4 and L-AS9 to offset RMR's costs for providing these services. Post-WEIS, RMR will no longer receive that penalty revenue and therefore, must collect revenue to offset the costs it incurs for providing these services to non-participating entities via a separate administrative fee. At this point, RMR has determined the following functional areas will perform activities specifically associated with providing these services to the non-participating entities within the WACM BAA and will seek to recover the costs of performing those activities under a new RMR administrative fee:

- Settlements Software Tool: \$210,764 one-time; \$43,345/yr. on-going
- Settlements – shadow settlements, power billing, MV90, asset registration: \$392,711
- Operations Support: \$5,290
- Reliability Operations – Balancing and Interchange: \$498,700



- Operations Engineering: \$93,988
- IT Support – software tool management, meter data transfers: \$33,749
- Rates – administration fee calculations: \$5,181
- Contracts – administration fee notifications: \$1,733
- Finance – payments: \$1,005
- Equipment and Building Costs: \$28,508

Estimated first year total: \$1,314,984

Estimated on-going total: \$1,104,220

These are preliminary estimates. The Operations Market Trials and Parallel Operations will provide us with additional insight into efforts, so we anticipate refining these cost areas and finalizing the first year’s administrative fee by mid-December 2020, prior to WAPA’s Administrator signing the short-term rate package. Once finalized, the administrative fee and non-participating entities allocations will be provided to applicable entities.

For RMR’s administrative fee, RMR proposes to use a combination of a minimum fee and a proportional share of non-participating entity NEL as a method for distributing these costs to all non-participating entities (load serving entities (LSE) & generation only entities) in the WACM BAA. We believe this to be a sound methodology that is also utilized by SPP for Market Participants, whereas any small LSE or generation only entity that signs up as a WEIS Market Participant would pay at least a \$9k minimum fee.

To determine RMR’s annual minimum fee, 1) we determine the percentage of “WEIS non-participant hours” as compared to the total staff hours of the applicable functional areas (listed above); 2) then divide that percentage by the total number of non-participating entities; and 3) then multiply that percentage by the administrative fee.

That minimum dollar value is then compared to what each non-participating entity’s total administrative fee would be based on their NEL proportional share. If the entity’s NEL proportional share is less than the minimum, that entity is assigned the minimum fee. The minimum fee is also assigned to generation only entities; those without a NEL value. The administrative fees for those entities are summed and then subtracted from the total administrative fee. The remaining balance of the administrative fee is then allocated to the remaining entities based on each entity’s NEL proportional share of that group’s total NEL. See Table 2.



TABLE 2							
WAPA-RMR Administrative Fee							
			Charged Under L-AS4 & L-AS9				
			Software		Labor	Total	
			\$ 210,764	\$ 43,345	\$ 1,060,876	\$ 1,314,984	
WACM BA Non-Participating Asset Owner	2019 Net Energy for Load (NEL)	Share of Non-MP only	One-Time Costs	Annual	Annual	1st Year	
Aztec	37,898	0.56%	\$ 1,151	\$ 237	\$ 5,794	\$ 7,182	
BHP	4,572,664	67.75%	\$ 138,882	\$ 28,564	\$ 699,062	\$ 866,508	
BHSU	19,941		\$ 824	\$ 169	\$ 4,147	\$ 5,140	
DMEA	582,429	8.63%	\$ 17,690	\$ 3,638	\$ 89,041	\$ 110,369	
FARM	986,540	14.62%	\$ 29,963	\$ 6,163	\$ 150,821	\$ 186,947	
FRD	11,249		\$ 824	\$ 169	\$ 4,147	\$ 5,140	
NTUA	286,224	4.24%	\$ 8,693	\$ 1,788	\$ 43,757	\$ 54,239	
NPPD	3,747		\$ 824	\$ 169	\$ 4,147	\$ 5,140	
PAC	117,470	1.74%	\$ 3,568	\$ 734	\$ 17,959	\$ 22,260	
PAGE	81,369	1.21%	\$ 2,471	\$ 508	\$ 12,440	\$ 15,419	
PSCO	84,863	1.26%	\$ 2,577	\$ 530	\$ 12,974	\$ 16,081	
WAFB	23,562		\$ 824	\$ 169	\$ 4,147	\$ 5,140	
Generation Only Entities:							
Holy Cross Electric			\$ 824	\$ 169	\$ 4,147	\$ 5,140	
Los Alamos County			\$ 824	\$ 169	\$ 4,147	\$ 5,140	
Salt River Project			\$ 824	\$ 169	\$ 4,147	\$ 5,140	
Subtotal	6,807,955		\$ 210,764	\$ 43,345	\$ 1,060,876	\$ 1,314,984	
Subtotal Excluding Minimum:	6,749,456	100.00%					
			Minimum Fee:	\$ 824	\$ 169	\$ 4,147	\$ 5,140
Rationale:							
% of WAPA hrs for WEIS / # of non-MP entities		5.86%					
# of non-MP entities		15					
% of hrs allocated as the minimum:		0.39%					

Real Power Losses Service:

As discussed in the FERC pro forma OATT, which is included in Sections 15.7 and 28.5 of WAPA's OATT, "Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer/Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Service Agreements or on the Transmission Provider's OASIS."

Prior to October 2000, WACM (with numerous Transmission Service Providers within it, including two Federal Transmission Service Providers, LAPT and CRCM) was experiencing transmission transactions within its balancing authority area (BAA) that were deficient of real power losses. WACM, as the control area operator, was inadvertently providing the unscheduled energy for these transactions, the cost of which amounted to tens of thousands of dollars, creating significant uncompensated expense to LAP. In order to



mitigate this issue, and as a means for LAP to recover these costs, in October 2000, RMR implemented its first losses rate schedule, L-LO1, and began assessing a BAA postage stamp loss factor percentage to each transmission transaction within the BAA. Ultimately, the parties in the BAA used a single postage stamp loss factor for the entire BAA in-lieu of pancaking each individual TSP's loss factors and relied on RMR to administer these losses, which was more efficient for the various TSP's transmission customers.

Since that time, RMR has conducted seven rate adjustment processes to continue the implementation of this BAA postage stamp loss factor and has continued to assess losses, currently under Rate Schedule L-AS7 and in accordance with applicable Business Practices, for all real-time and prescheduled transmission transactions inside the WACM BAA as follows:

- **Import Transactions:** For certain imported interchanges, such as those which sink in a sub Balancing Authority, the loss responsibility falls on the last TSP before entering the sub Balancing Authority.
- **Export Transactions:** Export transactions are those transactions that show the source as WACM and the sink as another Balancing Authority. The loss responsibility falls on the last TSP inside WACM as identified in the schedule.
- **Wheeled-Through Transactions:** Wheeled-through transactions are those transactions that flow through the WACM system, for which WACM is an intermediary Balancing Authority/Scheduling Entity (neither the Source/Generating Balancing Authority nor the Sink/Load Balancing Authority). The loss responsibility falls on the last TSP inside WACM as identified in the schedule.
- **Load and Generation transferred out of WACM BAA into another BAA:** For load and generation which are electrically connected to a transmission system within the WACM BAA that have been dynamically transferred to another BAA via pseudo tie or dynamic schedule, the loss obligation falls on the TSP which the load or generation is connected to.
- **Load inside WACM BAA:** Entities with loads within the WACM BAA may request to have their loss calculations integrated into their Energy Imbalance Service calculations.

Today, entities replace their assessed losses by: (i) self-providing in-kind energy (either concurrently or seven days later, to be delivered using the same profile as the related transmission transaction); (ii) purchasing from WACM (pricing is based on WACM's weighted average hourly purchase price); (iii) acquiring from a third party as agreed upon by WACM; or (iv) a combination thereof. In many cases, the actual assessment of these losses is passed directly by WACM to the LAP, CRCM, and other TSP's transmission customers; via the point-to-point transmission service billing and/or the customer's Energy Imbalance Service settlement (by augmenting the load meters). In addition to the above, some



customers have pre-existing contractual arrangements or other specified method(s) for loss assessment.

As explained above and in customer meetings, RMR, in its goal to provide the most reliable and cost-effective services, needed to join the WEIS Market for provision of WACM and LAPT imbalance services. RMR considered what modifications are necessary because of the WEIS Tariff and Protocols for the settlement of real power losses within the BAA. RMR also has received Customer comments and questions regarding how the BAA postage stamp loss factor corresponds to the Real Power Loss factors set forth in TSP's Open Access Transmission Tariffs and service agreements.

Considering the above, RMR has refined and clarified our understanding of losses in the BAA. For further clarification and consistency, prior references to "transmission losses" in the WACM rate schedule and applicable business practices are being changed to "BA Real Power Losses" and "Transmission Real Power Losses," as applicable. Rate Schedule L-AS7 will continue to capture the BA's need to address energy deficiencies caused by transmission real power losses in the BAA. For this short-term rate, RMR is proposing to continue the historical practice of assessing the BAA postage stamp loss factor to each transmission transaction within the BAA, where applicable. However, it will be necessary to change how RMR has historically settled/recovered BA Real Power Losses.

- **Load inside WACM BAA:** As specified in the WEIS Tariff and Protocols:
 - Market Participants are required to submit balanced load forecasts and actual meter data with losses included.
 - WACM, as a participating Balancing Authority in the WEIS Market footprint, is required to submit balanced load forecasts and actual meter data with losses included for the non-participating entities within the WACM BAA; and therefore, will require the receipt of such balanced load forecasts and actual meter data with losses included from such BA Customers.
- **Import, Export, and Wheeled-Through PTP Transactions (as described above):** Post-WEIS, due to the complexities related to scheduling, tagging, and settlement, RMR will no longer offer the option for in-kind energy replacement; either concurrent or seven-day return. BA Real Power Losses for all applicable point-to-point transactions will be settled financially with WACM based on the hourly locational marginal price (LMP) for the LAP settlement location. The charge will continue to be assessed to the last TSP on the schedules as described above, to prevent duplicate assessment of the real power losses for schedules which involve more than one TSP inside the WACM BAA.
 - In cases where LAPT and CRCM are the last TSP on the schedule, LAPT and CRCM will continue to pass that assessment of real power losses on to the applicable PTP transmission customer as stipulated in the transmission service agreements.
- **Load and Generation transferred out of WACM BAA into another BAA (as described above):** RMR will no longer offer the option for in-kind energy



replacement; either concurrent or seven-day return. For Load and generation which are electrically connected to a transmission system within the WACM BAA that have been dynamically transferred to another BAA via pseudo tie or dynamic schedule, the loss obligation falls on the TSP which the load or generation is connected to and will be settled financially with WACM based on the hourly locational marginal price (LMP) for the LAP settlement location.

- In cases where LAPT and CRCM are the TSP, LAPT and CRCM will continue to pass that assessment of real power losses on to the applicable PTP transmission customer as stipulated in the transmission service agreements.



V. Proposed Rates for Short-term Sales Rate Schedules



**DRAFT Rate Schedule L-NFJDT
SCHEDULE 8R to OATT Attachment R**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN POWER AREA ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**JOINT DISPATCH TRANSMISSION SERVICE
(For the Western Energy Imbalance Service Market)**

Effective

The later of either February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) when the Rocky Mountain Region is participating in the WEIS Market. The Joint Dispatch Transmission Service (JDTS) Customer shall compensate the LAPT TSP for JDTS commensurate with the receipt or delivery of energy dispatched for the JDTS Customer pursuant to the WEIS Tariff under the formula rate described herein.

Formula Rate

Hourly delivery:

On-Peak Hours: the on-peak charge \$0.00/MWh

Off-Peak Hours: the off-peak charge \$0.00/MWh



**DRAFT Rate Schedule L-AS4
SCHEDULE 4R and OATT ATTACHMENT R
(Supersedes Rate Schedule L-AS4 dated
October 1, 2016, through September 30, 2021)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

**ENERGY IMBALANCE SERVICE
(Within the Western Energy Imbalance Service Market Footprint)**

Effective

The later of February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Western Area Colorado Missouri Balancing Authority (WACM) as the Balancing Authority Area (BAA) operator and to Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) when the Rocky Mountain Region (RMR) is participating in the WEIS Market and the WEIS Market is providing such ancillary service.

Within the Balancing Authority Area(s) in the WEIS Market footprint, Energy Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All loads in the WEIS Market footprint will be subject to settlement related to Energy Imbalance Service in the WEIS Market. Southwest Power Pool, Inc. (SPP), as the WEIS Market administrator, will obtain and



**DRAFT Rate Schedule L-AS4
SCHEDULE 4R and OATT ATTACHMENT R
(Supersedes Rate Schedule L-AS4 dated
October 1, 2016, through September 30, 2021)**

provide this service under the WEIS Market and will calculate and bill applicable charges and credits.

As a participating balancing authority in the WEIS Market footprint, WACM is required to register loads and resources for non-participating entities within the WACM BAA. Such entities must enter into separate agreements with WACM which will specify the terms of the Energy Imbalance Service contracted through the WEIS Market.

The LAPT TSP offers this service when the transmission service is used to serve load within the WACM BAA and the Federal Transmission Customers must either purchase this service from the LAPT TSP or make alternative arrangements with WACM to satisfy their Energy Imbalance Service obligations.

Formula Rate

Charges shall reflect the pass-through of all the applicable charges/credits associated with the WEIS Tariff assessed to RMR for embedded load in the WACM BAA of such entity that does not make adequate alternate arrangements in the WEIS Market to satisfy its Energy Imbalance Service obligation. RMR will also charge an administrative fee to cover RMR's cost of administering this service on behalf of such entities.

The WEIS charges/credits attributed to specific settlement location(s) (as defined in the WEIS Tariff) will be passed directly through to the applicable asset owners (as defined in the WEIS Tariff) at those settlement location(s). Other WEIS charges/credits, i.e., WEIS



**DRAFT Rate Schedule L-AS4
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Administration costs, will be allocated based on each entity's proportional share of Net Energy for Load (NEL) (or as otherwise determined by the WEIS administrator).

RMR's administrative fee will be allocated to the non-participating entities based on the higher of either RMR's annually calculated minimum fee or the entity's proportional share of the non-participating entities NEL.



**DRAFT Rate Schedule L-AS9
SCHEDULE 9R and OATT ATTACHMENT R
(Supersedes Rate Schedule L-AS9 dated
October 1, 2016, through September 30, 2021)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

**GENERATOR IMBALANCE SERVICE
(Within the Western Energy Imbalance Service Market Footprint)**

Effective

The later of February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Western Area Colorado Missouri Balancing Authority (WACM) as the Balancing Authority Area (BAA) operator and to Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) when the Rocky Mountain Region (RMR) is participating in the WEIS Market and the WEIS Market is providing such ancillary service.

Within the Balancing Authority Area(s) in the WEIS Market footprint, Generator Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All resources in the WEIS Market footprint will be subject to settlement related to Generator Imbalance Service in the WEIS Market. Southwest Power Pool, Inc. (SPP), as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits.



DRAFT Rate Schedule L-AS9
SCHEDULE 9R and OATT ATTACHMENT R
(Supersedes Rate Schedule L-AS9 dated
October 1, 2016, through September 30, 2021)

As a participating balancing authority in the WEIS Market footprint, WACM is required to register loads and resources for non-participating entities within the WACM BAA. Such entities must enter into separate agreements with WACM which will specify the terms of the Generator Imbalance Service contracted through the WEIS Market.

The LAPT TSP offers this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within the WACM BAA and the Federal Transmission Customers must either purchase this service from the LAPT TSP or make alternative arrangements with WACM to satisfy their Generator Imbalance Service obligations.

Formula Rate

Charges shall reflect the pass-through of all the applicable charges/credits associated with the WEIS Tariff assessed to RMR for embedded resources in the WACM BAA of such entity that does not make adequate alternate arrangements in the WEIS Market to satisfy its Generator Imbalance Service obligation. RMR will also charge an administrative fee to cover RMR's cost of administering this service on behalf of such entities.

The WEIS charges/credits attributed to specific settlement location(s) (as defined in the WEIS Tariff) will be passed directly through to the applicable asset owners (as defined in the WEIS Tariff) at those settlement location(s).



DRAFT Rate Schedule L-AS9
SCHEDULE 9R and OATT ATTACHMENT R
(Supersedes Rate Schedule L-AS9 dated
October 1, 2016, through September 30, 2021)

RMR's administrative fee will be allocated based on the higher of either RMR's annually calculated minimum fee or the entity's proportional share of the non-participating entities Net Energy for Load (NEL).



DRAFT Rate Schedule L-AS7
(Supersedes Rate Schedule L-AS7 dated
October 1, 2017, through September 30, 2021)

UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority

BALANCING AUTHORITY REAL POWER LOSSES SERVICE

Effective

The later of February 1, 2021, or the actual commencement date of the Western Energy Imbalance Service (WEIS) Market, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Western Area Colorado Missouri Balancing Authority (WACM) as the Balancing Authority Area (BAA) operator when the Rocky Mountain Region is participating in the WEIS Market. BA Real Power Losses Service is needed to account for the energy loss of the transmission systems within the BAA; to which the BAA operator must account for and be compensated where applicable. BA Real Power Losses are applicable for all real-time and prescheduled transactions on transmission facilities inside the WACM BAA.

In accordance with WACM's Business Practices, the BA Real Power Losses obligation falls 1) to load inside the WACM BAA, 2) to the last Transmission Service Provider (TSP) inside the WACM BAA listed on the applicable import, export, or wheeled-through point to point transmission service schedule, or 3) to the TSP which any dynamically transferred load and generation is connected to. This prevents duplicate assessment of the real power losses for schedules which involve more than one TSP inside the WACM BAA.



DRAFT Rate Schedule L-AS7
(Supersedes Rate Schedule L-AS7 dated
October 1, 2017, through September 30, 2021)

Formula Rate

WACM's BA Real Power Loss Factor Percentage is posted in WAPA-RMR's "Ancillary Services and BA Real Power Losses" Business Practices which is posted on the LAPT Open Access Same-Time Information System website.

Entities with load in the WACM BAA are required to submit balanced load forecasts and actual meter data with real power losses included.

Financial settlement for applicable point to point transactions and for load and generation which have been dynamically transferred out of WACM BAA into another BAA, as detailed in WACM's Business Practices, will be calculated using WACM's then current BA Real Power Loss Factor Percentage and a charge assessed based on the WEIS Market's hourly locational marginal price (LMP) for the LAP settlement location.



VI. Upcoming Formal Rate Adjustment Processes

As discussed on pages 5-6, RMR and CRSP will initiate conducting Major Rate Adjustment Processes (using combined public forums) to put new 5-year formula rates in place for LAP transmission, LAP/WACM/CRSP ancillary services, and CRSP joint dispatch transmission service later this year. The specifics for that process will be detailed in separate rate brochures, but a summary and proposed schedule is provided below.

Background for 5-year Rate Adjustment

RMR's current rate schedules for Transmission and Ancillary Services became effective October 1, 2016, under WAPA Rate Order No. 174, and will expire September 30, 2021. RMR's proposed rates for short-term sales for use under WEIS, which supersede a number of these current rates, will also be set to expire September 30, 2021.

Prior to that expiration date, RMR will be proposing new LAP Transmission Service formula rates and new ancillary services and real power losses formula rates applicable to WACM and LAP; and in certain instances, CRSP. The proposed formula rates will supersede the existing formula rates, as well as the rates for short-term sales expected to be signed in January 2021. The new 5-year formula/long-term rate schedules will be in effect from October 1, 2021, through September 30, 2026.

Proposed Formal Rate Adjustment Schedule

October-January 2021	RMR internal rate discussions
TBD	Hold Informal Meeting with Customers
TBD	Posted Q&As related to informal customer meeting
~February 2021	RMR to post Rate Brochure outlining proposals for all applicable rates.
~February 2021	Publication of FRN with Proposed Formula Rates (Begins 90-day comment period)
~February 2021	Mail/Email Customer notification letters with a copy of the published FRN
~March 2021	Public Information Forum (Location & Time TBD)
~March 2021	Public Comment Forum (Location & Time TBD)
~May 2021	End 90-day Comment Period



NLT September 1, 2021	WAPA Administrator sign/approve rate package
Early September 2021	Publication of FRN with Final Formula Rates
October 1, 2021	New Formula Rates in Effect
TBD	FERC's Final Approval of the Formula Rates



VII. Project Descriptions

Loveland Area Projects

LAP is an operational and contractual integration of the Pick-Sloan Missouri Basin Program--Western Division and the Fryingpan-Arkansas Project (Fry-Ark). LAP power is delivered to preference power customers in Colorado, Wyoming, Nebraska, and Kansas. This power is generated at 20 hydroelectric plants, one which is currently mothballed due to repair costs but has not been decommissioned. Approximately 3,366 miles of transmission lines and 84 substations are used to deliver LAP power to customers and are used by LAPT to offer open access transmission services.

WAPA-RMR is the operator of the WACM Balancing Authority (using LAP as its banker). Ancillary services provided by WACM are supplied using LAP and CRSP resources and/or other purchased resources.

P-SMBP-WD

The Pick-Sloan Missouri Basin Program (P-SMBP) is a comprehensive program authorized by Congress in 1944 to provide flood control, navigation improvement, irrigation, municipal and industrial water development, and hydroelectric production for the entire Missouri River Basin. Multipurpose projects have been developed on the Missouri River and its tributaries in Colorado, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

The Colorado-Big Thompson, Kendrick, and Shoshone Projects were administratively combined with P-SMBP in 1954, followed by the North Platte Project in 1959. These projects are known as the "Integrated Projects" of the P-SMBP. The Riverton Project was reauthorized as a unit of the P-SMBP in 1970. The P-SMBP-WD includes 18 power plants of the Integrated Projects plus P-SMBP's Yellowtail plant.

Fry-Ark

Fry-Ark is a trans-mountain diversion development in southeastern Colorado authorized by the Act of Congress on August 16, 1962 (Pub. L. 87590, 76 Stat. 389, as amended by Title XI of the Act of Congress on October 27, 1974 (Pub. L. 93493, 88 Stat. 1486, 1497)). Fry-Ark diverts water from the Fryingpan River and other tributaries of the Roaring Fork River in the Colorado River Basin on the West Slope of the Rocky Mountains to the Arkansas River on the East Slope of the Rocky Mountains. The water diverted from the west slope, together with regulated Arkansas River water, provides supplemental irrigation and municipal and industrial water supplies, and produces hydroelectric power. Flood control, fish and wildlife enhancement, and recreation are other important purposes of Fry-Ark.

The project has 6 dams and 5 reservoirs, 70 miles of tunnels and canals and the Mount Elbert pumped-storage power plant at Twin Lakes. The plant's two generating units have an installed capacity of 200 MW. While the majority of project capacity depends on water



pumped during off-peak hours and water releases for power production when needed, some generation is attributed to flow-through water.

Colorado River Storage Project

CRSP was authorized by the Colorado River Storage Project Act, ch. 203, 70 Stat. 105, on April 11, 1956. The project provides water-use developments for states in the Upper Basin (Colorado, New Mexico, Utah, and Wyoming) while still maintaining water deliveries to the states of the Lower Basin (Arizona, California, and Nevada) as required by the Colorado River Compact of 1922. Generation from CRSP and its participating projects, Dolores and Seedska-dee, and from the Collbran and Rio Grande Projects are marketed as the Salt Lake City Area/Integrated projects (SLCA/IP) since October 1, 1987. The CRSP Project has five plants: Blue Mesa, Crystal, and Morrow Point on the Gunnison River, Flaming Gorge located on the Green River, and Glen Canyon located on the Colorado River; Dolores Project has two plants: Towaoc located on the Towaoc Canal and McPhee located on the Dolores River; Seedska-dee Project has one plant: Fontenelle located on the Green River; Collbran Project has two plants: Upper and Lower Molina located on the Cottonwood & Plateau Creeks respectively; and the Rio Grande Project has one plant: Elephant Butte located on the Rio Grande River.

Operating capacity of CRSP's 16 generating units is 1,727,350 kW. CRSP provides for the electrical needs of more than five million people spread across Colorado, Utah, New Mexico, Arizona, Nebraska, Nevada, and Wyoming. More than 2,323 miles of transmission lines are strung throughout these states to deliver power to customers and are used by CRCM to offer open access transmission services.

