
Western Area Power Administration

Pick-Sloan Missouri Basin Program--Eastern Division
Post-2010 Power Marketing Initiative
Proposed Procedures & Call for Applications
Sioux Falls, South Dakota
November 20, 2008



Introduction

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Two Separate Forums

- Public Information Forum
- Break
- Public Comment Forum

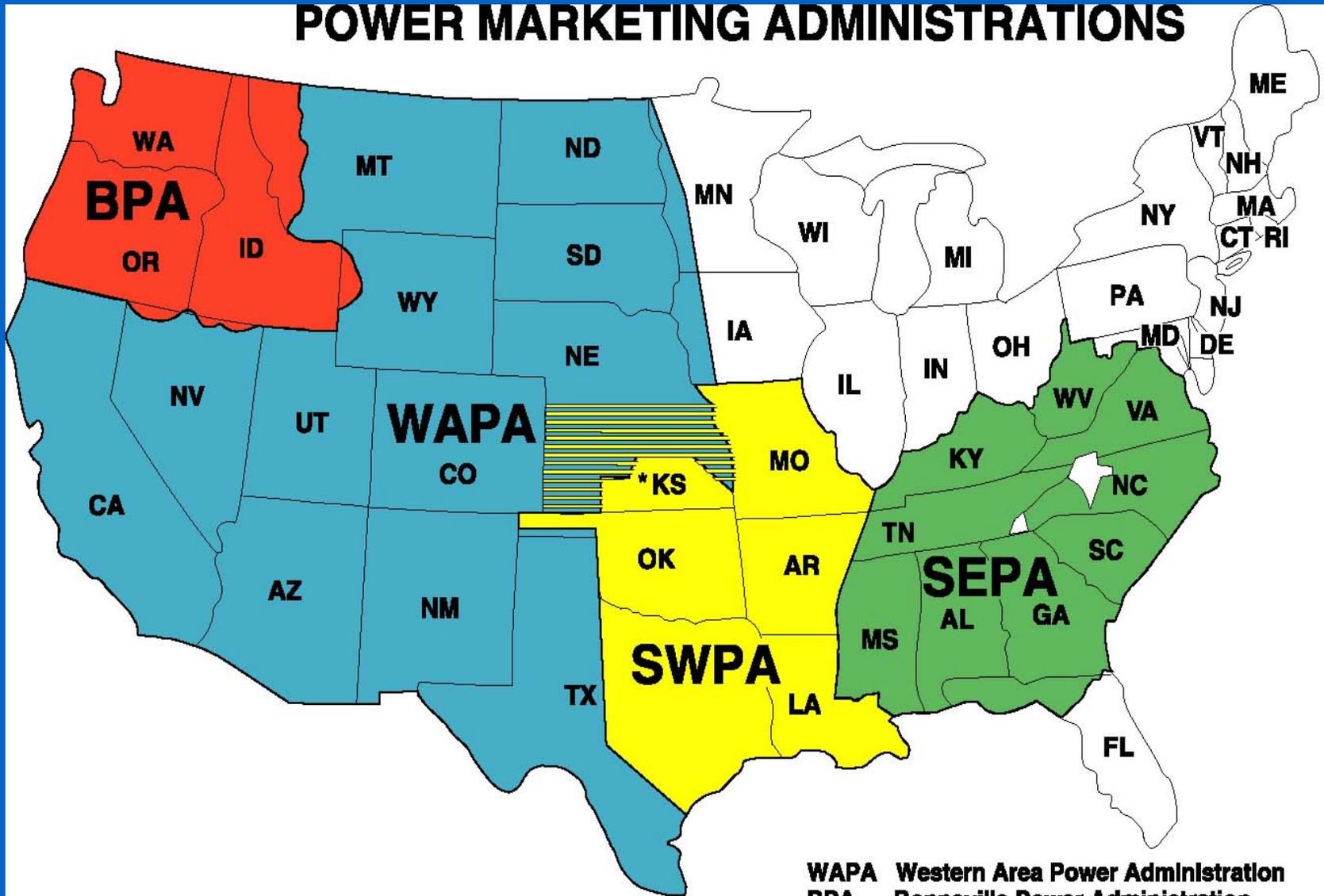


Public Information Forum Agenda

- Overview of Western
- Energy Planning and Management Program (EPAMP)
- Post-2010 Marketing Initiative
 - Letters of Interest
 - Proposed Allocation Procedures
 - Applicant Profile Data (APD) Form
 - Initiative Next Steps
- Question/Answers



POWER MARKETING ADMINISTRATIONS



WAPA Western Area Power Administration
BPA Bonneville Power Administration
SEPA Southeastern Power Administration
SWPA Southwestern Power Administration

3/99

* Note: Both Western and Southwestern market power in Kansas.

Overview of Western

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



Western Today



Upper Great Plains Region

- ≈ 2,000 megawatts (MW) of capacity
- 378,000 square-mile service territory
- More than 300 firm power customers:
 - Irrigation Districts
 - Municipal, Rural, and Industrial Users
 - Municipalities
 - Native American Tribes
 - Public Power Districts
 - Rural Electric Cooperatives
 - State and Federal Agencies



Power Marketing

- Power allocated under marketing plans
- Marketing plans are developed through public processes
- Consistent with Post-2000 and Post-2005 Power Marketing Initiative Procedures:
 - General Eligibility Criteria
 - General Allocation Criteria
 - General Contract Principles



Energy Planning and Management Program (EPAMP)

- Implement Section 114 of Energy Policy Act of 1992
- Extend long-term firm power resource commitments in support of customer Integrated Resource Planning (IRP)



EPAMP - Part 905 Subpart (c) – Power Marketing Initiative

- Term – 20 years
- Post-2000
- Post-2005
- Post-2010



Post-2000 Marketing Initiative

- Established initial 4% pool \approx 80 MW
 - New eligible customers
- Completed process on January 1, 2001
- 36 new customers:
 - 25 Native American Tribes
 - 11 Municipalities
- The 4% withdrawn from existing customers was completely allocated to new customers

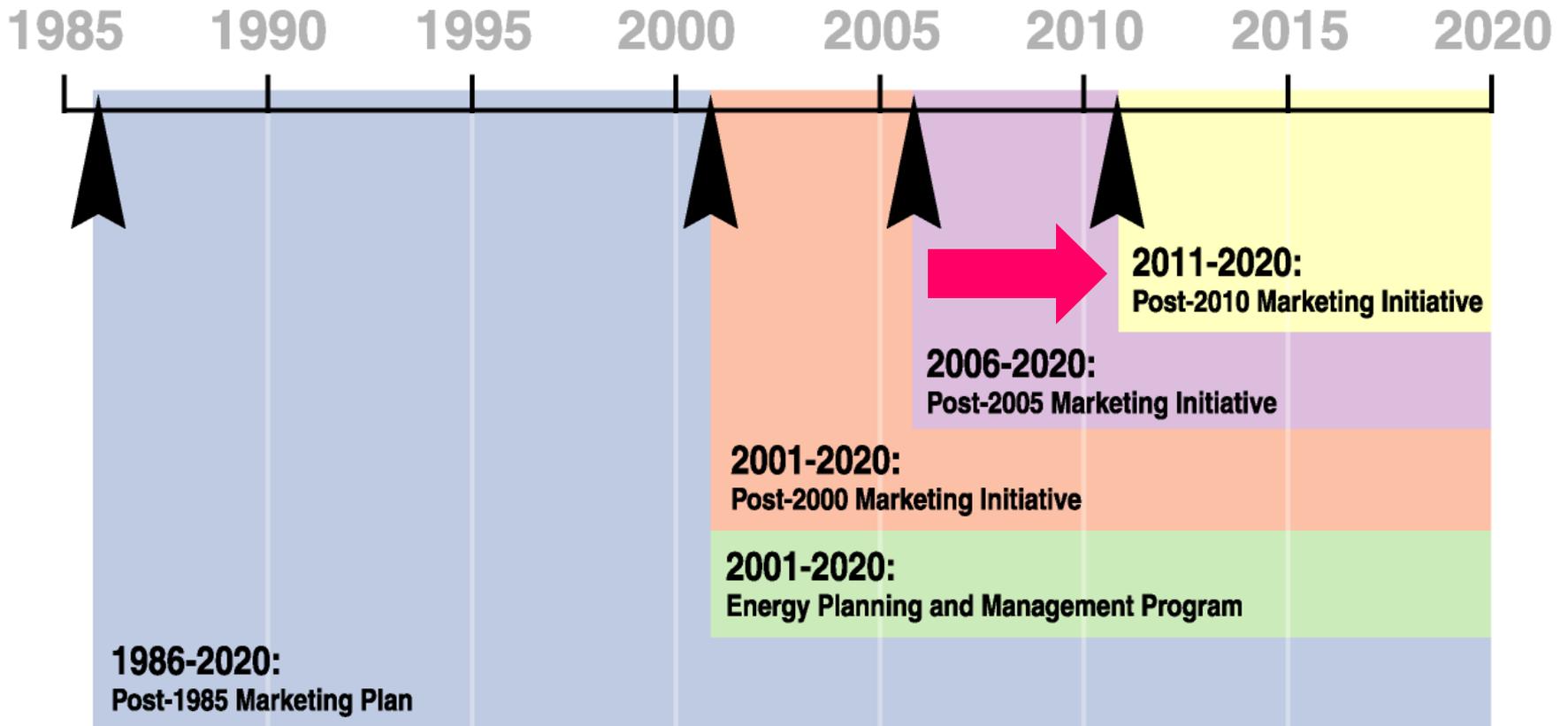


Post-2005 Marketing Initiative

- Established additional pool up to 1% \approx 20 MW
 - New eligible customers
 - Other appropriate purpose(s)
- Completed process on January 1, 2006
- 3 new customers
 - 2 Municipalities
 - 1 State Agency
- Less than a quarter of a percent withdrawn from existing customers was allocated to new customers



Marketing History



Post-2010 Marketing Initiative

- Up to 1% - approximately 20 MW
- Consider eligible new customers
- Consider other appropriate purposes



Letters of Interest FRN

- Published in June 2007
- Public Information meeting in July 2007
- Requested Letters of Interest
 - Interest in an allocation of power
 - Provide public opportunity to comment regarding resource pool
 - Gather information to aid Western in determining other appropriate purposes



Letters of Interest

- 32 Responses Received
 - 19 Letters of Interest
 - 13 Comment Letters



Letters of Interest

- 18 entities expressed interest in becoming a new firm power customer
- 3 entities expressed interest in an allocation for other appropriate purposes
 - Renewable energy programs
 - Increase current customer allocation



Response to Letters of Interest

- Western encourages new customers in support of Western's mission
- Western believes the best manner to support renewable resources with this power is to allow existing customers to retain the power that might be available, after allocating to new customers
- Historically, Western has not increased previously established allocations



Comment Letters

- Apply the same policies and procedures that were applied to prior marketing initiatives
- Act within existing laws and regulations
- Do not use other appropriate purposes to expand eligibility requirements
- Make allocations in such amounts as to be meaningful
- Apply identical contract terms and conditions as were utilized for existing customers
- Do not provide allocations to preference entities which previously held an allocation of Federal power and relinquished that allocation



Response to Comment Letters

- Western agrees that any allocation made from the Post-2010 Resource Pool must comply with existing laws, regulations, and guidelines, as well as contract terms and conditions applied to allocations made in previous marketing initiatives
- EPAMP limits allocations to new preference entities, therefore Western agrees that preference entities that had a prior allocation of Federal power are not eligible to receive a new allocation in the Post-2010 Resource Pool



Western's Determination

- New preference customers
- Not proposing other appropriate purposes



Proposed Allocation Procedures

- Consistent with the Post-2000 and Post-2005 Marketing Procedures:
 - General Eligibility Criteria
 - General Allocation Criteria
 - General Contract Principles



General Eligibility Criteria

- Preference entity
- Inside existing marketing area
- Not receiving benefit, directly or indirectly, from a current Federal Power allocation
- Qualified applicants must be able to use firm power directly or sell it directly to retail customers
- Utility applicants must have met utility status by January 1, 2008
- Qualified Native American tribes must be defined as an Indian tribe in the Indian Self Determination Act of 1975



General Allocation Criteria

- Allocations determined by Western
- Execute long-term firm power contract
- Contract shall be executed within 6 months of contract offer
- Allocations are available only to new preference customers inside the existing marketing area
- Allocations based on 2007 actual load
- Energy based on monthly system load pattern



General Allocation Criteria (cont.)

- Resource pool will be dissolved
- Minimum allocation 100 kW
- Maximum allocation 5,000 kW
- Contract Rate of Delivery (CROD) subject to adjustment
- If unanticipated obstacles, right to provide economic benefit directly to tribes



General Contract Principles

- Right to reduce summer CROD for new project pumping
- Right to adjust CROD for hydrology
- Obtain third-party delivery arrangements

General Contract Principles (cont.)

- Contract to include Western's standard provisions
- Contract effective from Jan. 1, 2011 through Dec. 31, 2020



Applicant Profile Data Form

**Applicant Profile Data Application
Application for Firm Power
Pick-Sloan Missouri Basin Program – Eastern Division
Post-2010 Resource Pool**

1. Applicant Information. Please provide the following:

a. Applicant's (entity/organization requesting an allocation) name and address:

Applicant's Name:	
Address:	
City:	
State:	
Zip:	

b. Person(s) representing applicant:

Contact Person (Name & Title):	
Address:	
City:	
State:	
Zip:	
Telephone:	
Fax:	
Email Address:	

c. Type of entity/organization:

Federal Agency
 Irrigation District
 Municipal, Rural, or Industrial User
 Municipality
 Native American Tribe
 Public Utility District
 Rural Electric Cooperative
 State Agency
 Other, please specify _____

View the complete
Applicant Profile
Data form online at:

<http://www.wapa.gov/ugp/Post2010/Post2010FRN.htm>

*(the entire form is not
pictured on this
slide)*



Initiative Next Steps

- Accept applications -- due no later than **January 13, 2009 at 4 p.m. MST**
- Accept comments on proposed procedures -- due no later than **January 13, 2009 at 4 p.m. MST**



Initiative Next Steps (cont.)

**Final Allocation
Procedures –
Spring/Summer
2009**

**Proposed
Allocations –
Fall 2009**

**Final
Allocations –
Winter
2009/2010**



Contact Person

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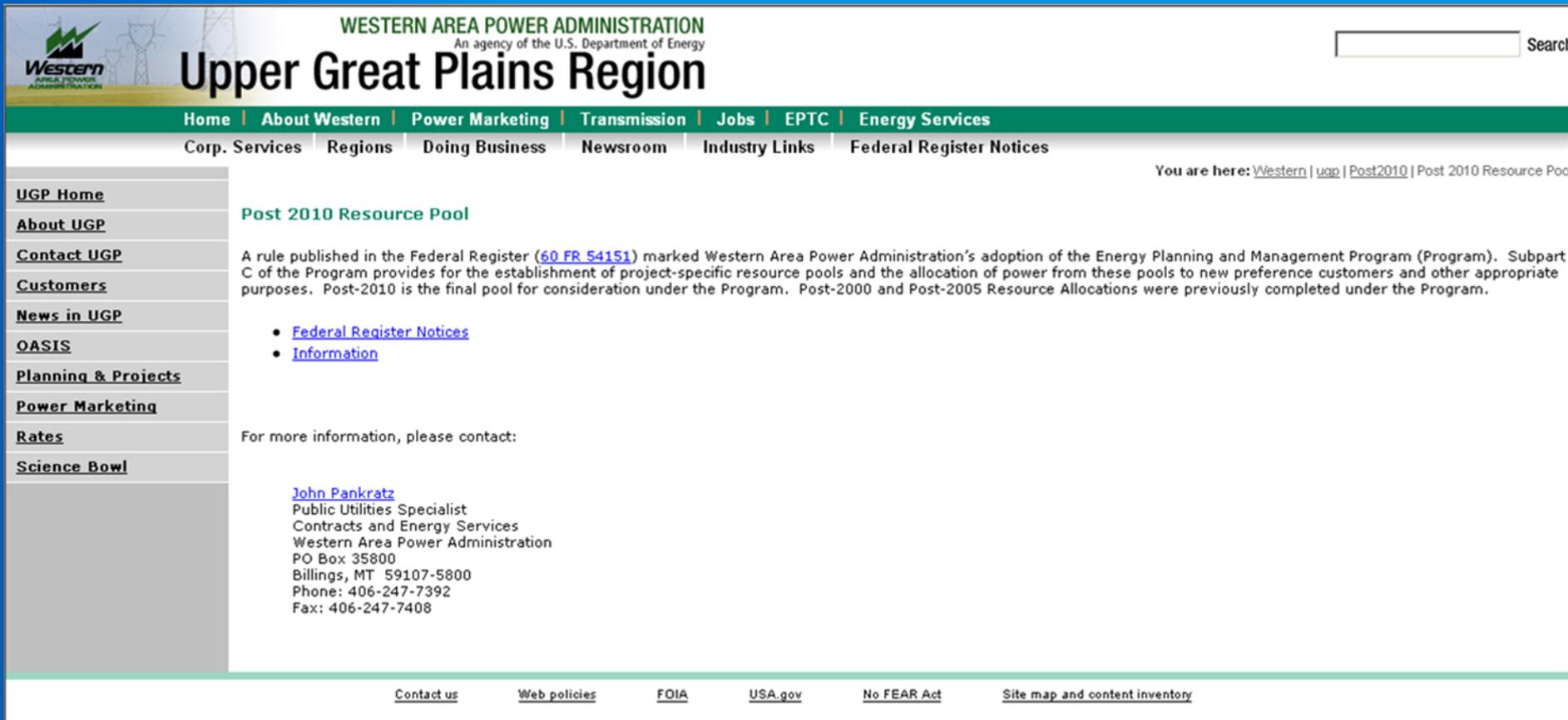
(406) 247-7392

E-mail: ugppost2010@wapa.gov



Post 2010 Website

<http://www.wapa.gov/ugp/Post2010/default.htm>



WESTERN AREA POWER ADMINISTRATION
An agency of the U.S. Department of Energy

Upper Great Plains Region

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Post 2010 Resource Pool

A rule published in the Federal Register ([60 FR 54151](#)) marked Western Area Power Administration's adoption of the Energy Planning and Management Program (Program). Subpart C of the Program provides for the establishment of project-specific resource pools and the allocation of power from these pools to new preference customers and other appropriate purposes. Post-2010 is the final pool for consideration under the Program. Post-2000 and Post-2005 Resource Allocations were previously completed under the Program.

- [Federal Register Notices](#)
- [Information](#)

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Questions / Answers