

Having trouble reading this email? [View it in your browser.](#)

Western Area Power Administration

Powering the energy frontier



Dear Customers,

Western Area Power Administration is closely following the Infrastructure Investment and Jobs Act, H.R. 3684, which would provide \$500 million in reimbursable appropriations to pay for purchase power and wheeling expenses and replenish reserves to meet needs in multiple regions arising from lack of generation due to drought and other factors. H.R. 3684, if enacted, should alleviate short-term funding problems for PPW and offer protection to fulfill WAPA's firm power commitments where those obligations exist. Currently, PPW is funded by access to power receipts and reserve balances.

We appreciate the high degree of customer interest and questions posed around this topic in recent days. Even though it is unusual for WAPA to share analysis or views on pending legislation, we believe it is important to further understanding.

Importantly, this legislation provides WAPA time to continue to work on these issues and collaborate with customers. It is an important step in providing temporary funding to respond to extreme and historic conditions, such as extreme temperatures in the West and last winter's polar vortex in the Midwest, which materially reduced reserve balances due to firm purchases when energy prices were elevated. In fact, the polar vortex alone cut WAPA's reserve balance target for PPW by roughly one third.

One important aspect of PPW to note is these funds, pursuant to prior authorizations as well as the current pending language in the infrastructure measure, cannot be used for other purposes without administration and congressional approval. This is a requirement that WAPA, and indeed all Federal Agencies receiving authorizations from Congress, take very seriously.

The proposed funding does not alter power contracts, management of power systems, or existing collaborative planning processes with customers. It is not a sustainable long-term funding source and will not provide relief for the ongoing drought in the West. Solutions for those problems will rely on the long-standing partnership between WAPA and its customers, as well as close collaboration with the generating agencies.

Customer input is critical to us. Opportunities to discuss WAPA's long-term strategy for PPW are forthcoming. WAPA looks forward to working with you and demonstrating our core value of seeking, sharing, and partnering.

Lastly, we appreciate the customer input that played a key role to shape this proposed funding tool.

Information on WAPA's purchase power and wheeling and reserve strategy is available [here](#) and on [The Source](#).

Tracey A. LeBeau | Administrator and Chief Executive Officer

Department of Energy

Western Area Power Administration | Headquarters

Western Area Power Administration
12155 W Alameda Pkwy Lakewood Colorado 80228 United States
This email was sent to: publicaffairs@wapa.gov
[Unsubscribe](#)