

Boulder Canyon Project Post-2017 Marketing Informal Meeting

June 19, 2012

Meeting Purpose

Prepare for a Formal Public Process to market Boulder Canyon Project (BCP) resources Post 2017

- Electric Service contracts expire on September 30, 2017
- Describe and discuss implementation of the Hoover Power Allocation Act of 2011 (HPAA)
- Share information – Informal consultation
- Provide opportunity for interested parties' input

Agenda

- Overview of Western and the Desert Southwest Region (DSW)
- Overview of the Hoover Power Allocation Act of 2011
- June 14, 2012 Federal Register Notice (FRN)
- Next Steps
- Q & A – Input from Interested Parties

Western Area Power Administration

- One of four Federal power marketing administrations under DOE
- Market power from 56 Federal hydropower plants
- 10,000+ MW of capacity
- Wholesale firm power customers



**Western Area Power Administration
Transmission Lines**

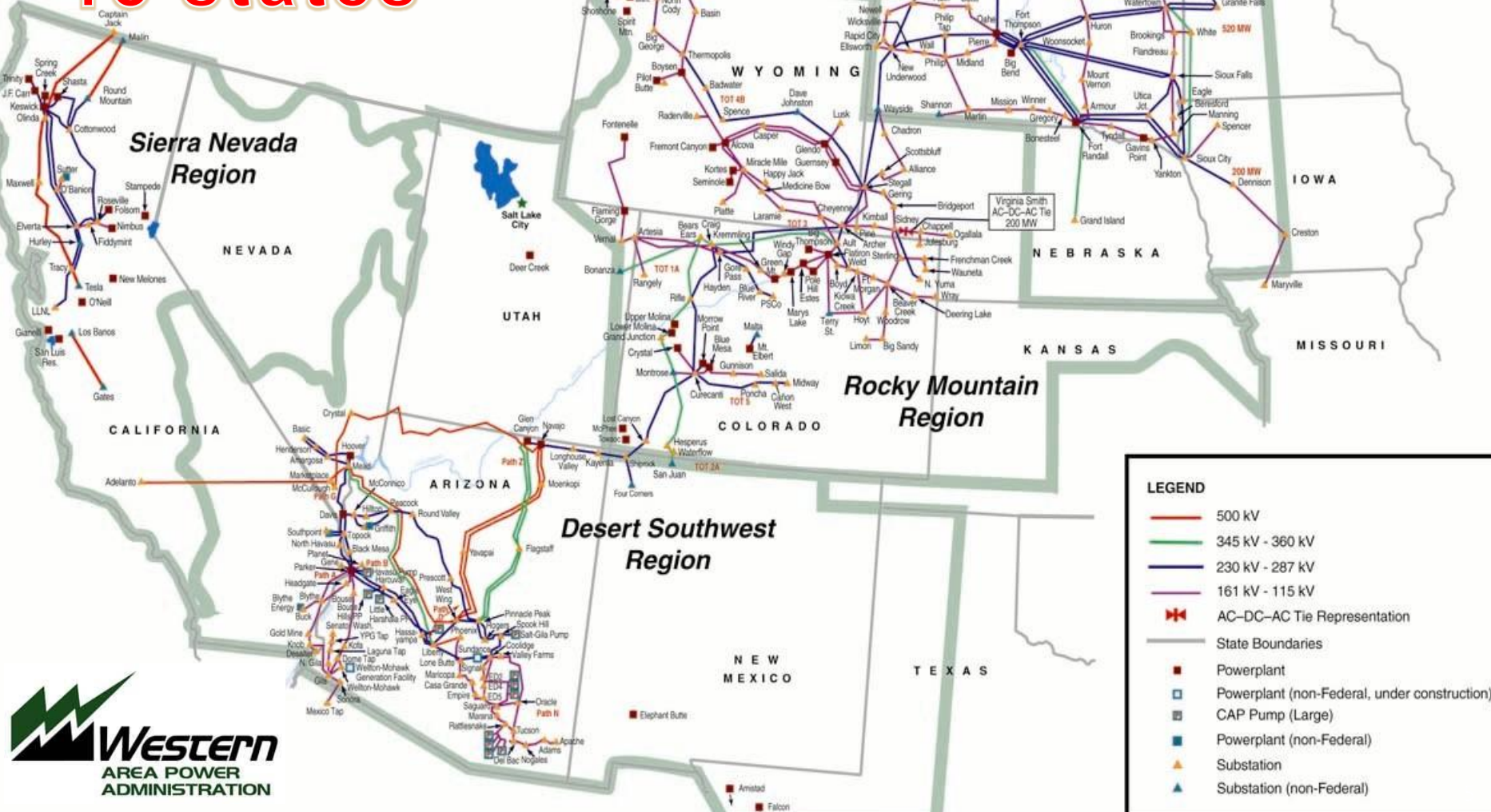
17,000 mi
15 states

**Sierra Nevada
Region**

**Upper Great
Plains Region**

**Rocky Mountain
Region**

**Desert Southwest
Region**



LEGEND

- 500 kV
- 345 kV - 360 kV
- 230 kV - 287 kV
- 161 kV - 115 kV
- AC-DC-AC Tie Representation
- State Boundaries
- Powerplant
- Powerplant (non-Federal, under construction)
- CAP Pump (Large)
- Powerplant (non-Federal)
- Substation
- Substation (non-Federal)



PROJECT MARKETING AREAS



MARKETING AREA BOUNDARIES

- Central Valley and Washoe Projects
- Parker-Davis, Boulder Canyon, Pacific NW-SW Intertie and Central Arizona Projects
- Falcon-Amistad Project
- Provo River Project
- Loveland Area Projects
(Pick-Sloan Missouri Basin — Western Division and Fryingpan-Arkansas Project)
- Pick-Sloan Missouri Basin Program — Eastern Division
- Salt Lake City Area/Integrated Projects
(Colorado River Storage Project, Collbran, Rio Grande, Seedskaadee and Dolores projects)

- State Boundaries
- ★ Regional Office
- ⊙ Corporate Services Office
- ★ CRSP Management Center

1/03

Desert Southwest Region

Boulder Canyon Project

Parker-Davis Project

Central Arizona Project

Navajo Project

Pacific NW/SW Intertie

Customers:

- ▶ Irrigation Districts
- ▶ Municipalities
- ▶ Native American Tribes
- ▶ Rural Electric Cooperatives
- ▶ State and Federal Agencies



Hoover Power Allocation Act of 2011 Overview

The Act Requires the Following:

- Marketable Resource – 2,074 MW 4,527,001 MWH
- Defined Schedules A & B Offers to Existing Contractors
- Defined Schedule C Excess Energy Provisions
- Creates a 5% Resource Pool – 103.7 MW 226,352 MWH as “Schedule D”
- Prescribes a portion of Schedule D to be allocated by or through the Arizona Power Authority (APA) and Colorado River Commission of Nevada (CRC)
- New Allottee Requirements:
 - Pay a proportionate share of MSCP funding
 - Pay a proportionate share of repayable advances
 - Execute the BCP Implementation Agreement No. 95-PAO-10616
- Defined provisions for resources not put under contract by 10/1/17

Western's Role for Hoover Remarketing

- Carry forward directives as provided in the legislation
- Conform its marketing process to the legislation
- Allocate Schedule D to New Allottees
- Develop and Execute Contracts for post-2017 Hoover power with all New Allottees and Existing Contractors
- Initiate Service October 1, 2017

Schedule D Resource Pool

State	Contingent Capacity (kW)	Firm energy (thousands of kWh)		
		Summer	Winter	Total
New Entities Allocated by the Secretary of Energy	69,170	105,637	45,376	151,013
New Entities Allocated by State				
Arizona.....	11,510	17,580	7,533	25,113
California*.....	11,510	17,580	7,533	25,113
Nevada.....	11,510	17,580	7,533	25,113
Totals.....	103,700	158,377	67,975	226,352

*Allocated by Western to California Entities

Overview of June 14, 2012 FRN

- Conformed '84 Criteria to the HPAA
- Established the Following:
 - Marketable Resource – 2,074 MW 4,527,001 MWH
 - Schedule C Excess Energy Provisions
 - Schedule D Resource Pool – 103.7 MW 226,352 MWH
 - Allocated Schedules A & B to Existing Contractors
 - Allocated Prescribed Portions of Schedule D to APA/CRC
 - New Allottee Requirements
 - Provisions for resources not put under contract by 10/1/17

Remarketing Milestone Goals



December 2011.....Hoover Power Allocation Act enacted

December 2011.....Withdraw 4/27/11 Decisions & Proposals

June 2012.....Conform Criteria to Legislation

Fall 2012.....Propose Criteria & Call for Applications

Spring 2013.....Finalize Criteria

Fall 2013.....Propose Allocations

Summer 2014.....Finalize Allocations

Summer 2015.....Finalize All Contracts



Questions & Answers

Input from Interested Parties

BCP Post 2017 website:

http://www.wapa.gov/dsw/pwrmkt/BCP_Remarketing/BCP_Remarketing.htm

Point of Contact:

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If you would like to receive all the notices Western issued relative to this process, please contact Mike to get on our e-mail distribution list.