



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

Desert Southwest Region

Boulder Canyon Project Post-2017 Remarketing

PUBLIC INFORMATION FORUM

July 13, 2011 Phoenix, Arizona



Presentation Topics

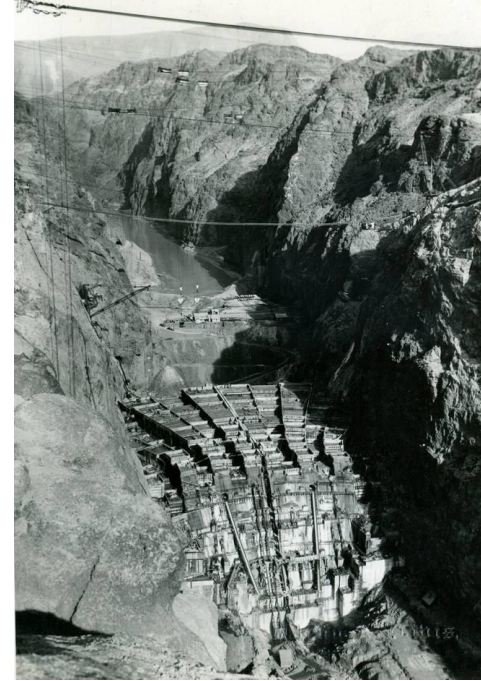
- ▶ Project History
- ▶ Remarketing Effort to Date
- ▶ Federal Register Notice (FRN) dated April 27, 2011
 - Decisions
 - Proposals
- ▶ Boulder Canyon Project (BCP) Remarketing Milestones
- ▶ Points of Contact

Project History

- ▶ December 21, 1928: BCP authorized by the Boulder Canyon Project Act
- ▶ April 25, 1930: Initial allocation of energy under regulations promulgated by the Secretary of the Interior (amended November 16, 1931) for a 50 year term commencing in 1937
- ▶ August 4, 1977: The Department of Energy Organization Act transferred the power marketing functions of the Bureau of Reclamation to the Western Area Power Administration (Western)
- ▶ May 9, 1983: Western published the General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects

Project History Continued...

- ▶ January 23, 1984: Hoover Power Plant Act of 1984 was enacted
- ▶ December 28, 1984: Western published the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects
- ▶ June 1987: Western and the current BCP contractors entered into 30 year firm electric service contracts





Current Allocations

1,951 MW of contingent capacity

4,527,001 MWh of firm energy

Contracts Expire September 30, 2017

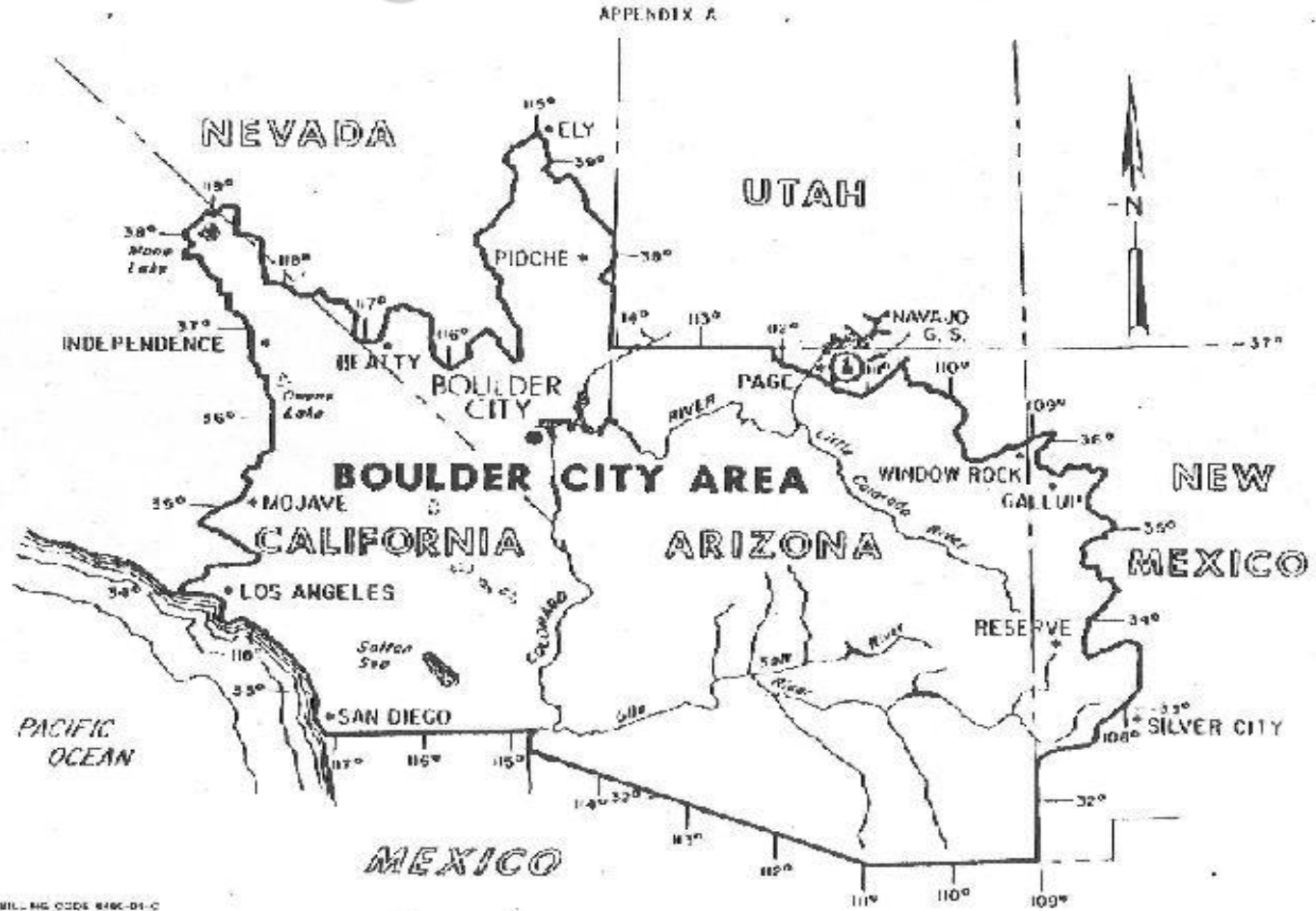
15 Contractors:

City of Anaheim, California
City of Azusa, California
City of Banning, California
City of Burbank, California
City of Colton, California
City of Glendale, California
City of Pasadena, California
City of Riverside, California

Arizona Power Authority
Colorado River Commission of Nevada
Metropolitan Water District of Southern California
Southern California Edison
Los Angeles Department of Water and Power
City of Vernon, California
City of Boulder City, Nevada

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BCP Marketing Area



Remarketing Effort to Date

- ▶ November 20, 2009 - Initiated Public Process via FRN and Proposed:
 - To apply the Energy Planning & Management Program (EPAMP) Power Marketing Initiative (PMI) to the BCP
 - 30 Year Contract Term
 - 5% Resource Pool
 - 2,044 MW of Marketable Contingent Capacity
 - 4,116,000 MWh of Marketable Annual Firm Energy
- ▶ Conducted Public Information & Comment Forums
- ▶ April 16, 2010 - FRN Extended Comment Period from 1/29/2010 to 9/30/2010

Current Remarketing Efforts

▶ April 27, 2011 – FRN Decisions & Proposals:

Announced Western's Decisions:

- Apply the EPAMP PMI to the BCP
- 30 Year Contract Term

Announced Additional Proposals:

- 5% Resource Pool
- 2,044 MW of Marketable Contingent Capacity
- 4,527,001 MWh of Marketable Annual Firm Energy
- Excess Energy Provisions

▶ May 24, 2011 – FRN Extended:

- Effective Date of Western's 4/27/11 Decisions from 5/27/11 to 12/31/2011
- Close of the Comment Period from 6/16/11 to 9/1/11

EPAMP PMI Decision

- ▶ Effective Date October 1995 (10 CFR 905)
- ▶ Power Marketing Initiative
 - Extend Major Portion of Resource Allocations to Existing Contractors
 - Establish a Resource Pool
 - Utilize Pool for New Customers
 - Retain Existing Marketing Area
- ▶ Western carefully reviewed all comments received and will apply the PMI to the BCP concluding that:
 - Historical application has resulted in a balance between resource assurance for existing contractors and opportunity for those without
 - Existing contractors will retain significant resource assurance resulting in greater stability in resource planning
 - Western will fulfill its responsibility to market Federal generation based on the most widespread use principles

30-Year Contract Term Decision

- ▶ Western carefully reviewed all comments received and has determined that contracts after 2017 will be a duration of 30 years
- ▶ Comments expressed:
 - Support for 30 years with a maximum of 50 years
 - Term should support widespread use principles
- ▶ Western finds that a 30-year term is appropriate in order to maintain most widespread use principles in a dynamically changing electric industry

Proposals

- 5% Resource Pool
- 2,044 MW of Marketable Contingent Capacity
- 4,527,001 MWh of Marketable Annual Firm Energy
- Excess Energy Provisions

BCP 4/27/11 FRN Proposals

Propose 5% Resource Pool

- Comparable to Resource Pool Percentages of other Western Projects
- Consistent with PMI to Extend a Major Portion of Power Under Contract
- Consistent with PMI to Reserve a Modest Percentage for a Resource Pool

BCP 4/27/11 FRN Proposals

- ▶ Proposed Marketable Resource
 - 2,044 MW of Contingent Capacity
 - 4,527,001 MWh of Annual Firm Energy

- ▶ Proposed Resource Pool
 - 93 MW of Contingent Capacity
 - 226,350 MWh of Annual Firm Energy

- ▶ Proposed Resource Retained by Existing Contractors
 - 1,951 MW of Contingent Capacity
 - 4,300,651 MWh of Annual Firm Energy

BCP 4/27/11 FRN Proposals

- ▶ Energy generated over 4,527,001 MWh annually will result in excess energy
- ▶ Excess energy would be distributed with two priorities
 - First Priority: 200,000 MWh reserved for the Arizona Power Authority (APA) with a max 600,000 MWh accumulation
 - Second Priority: Proportionate share of each contractor's annual firm energy percentage allocation
- ▶ This proposal provides access to excess energy for all contractors and maintains historical energy considerations

Public Comment Forum

Established in the May 24, 2011 FRN

- ▶ Phoenix, Arizona – August 17, 2011
- ▶ Submit Written Comments to Western by September 1, 2011
- ▶ Western Evaluates Comments
- ▶ Western Publishes Final Decisions in a FRN

Boulder Canyon Project Remarketing Milestones

- August 2011..... Conduct Public Comment Forum
- February 2012..... Establish Marketable Resource,
Resource Pool, & Excess Energy Provisions
- Summer 2012..... Propose Criteria & Call for Applications
- Spring 2013..... Finalize Criteria
- Fall 2013..... Propose Allocations
- Spring 2014..... Final Allocations
- Spring 2015..... All Contracts Finalized

Contact Information

Submit Written Comments To:

Mr. Darrick Moe

Western Area Power Administration

P.O. Box 6457

Phoenix, AZ 85005-6457

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