

Boulder Canyon Project

Post-2017 Marketing

Proposed Marketing Criteria

PUBLIC INFORMATION FORUMS

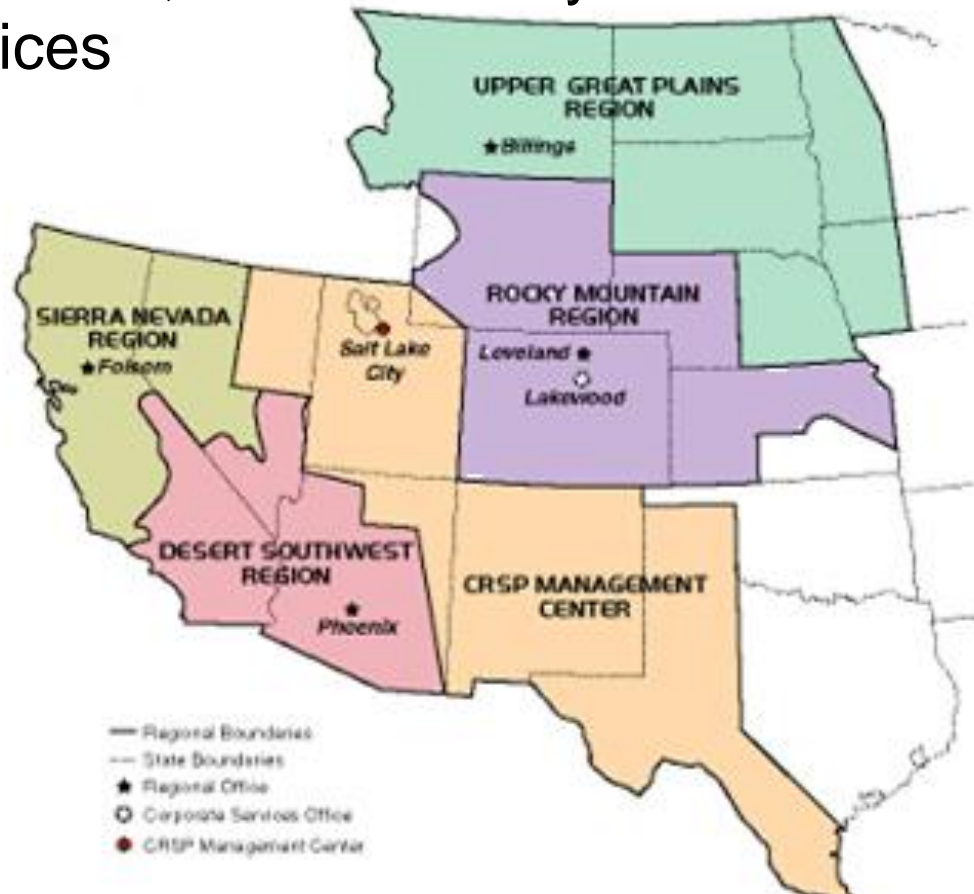
November 27-29, 2012

Forum Topics

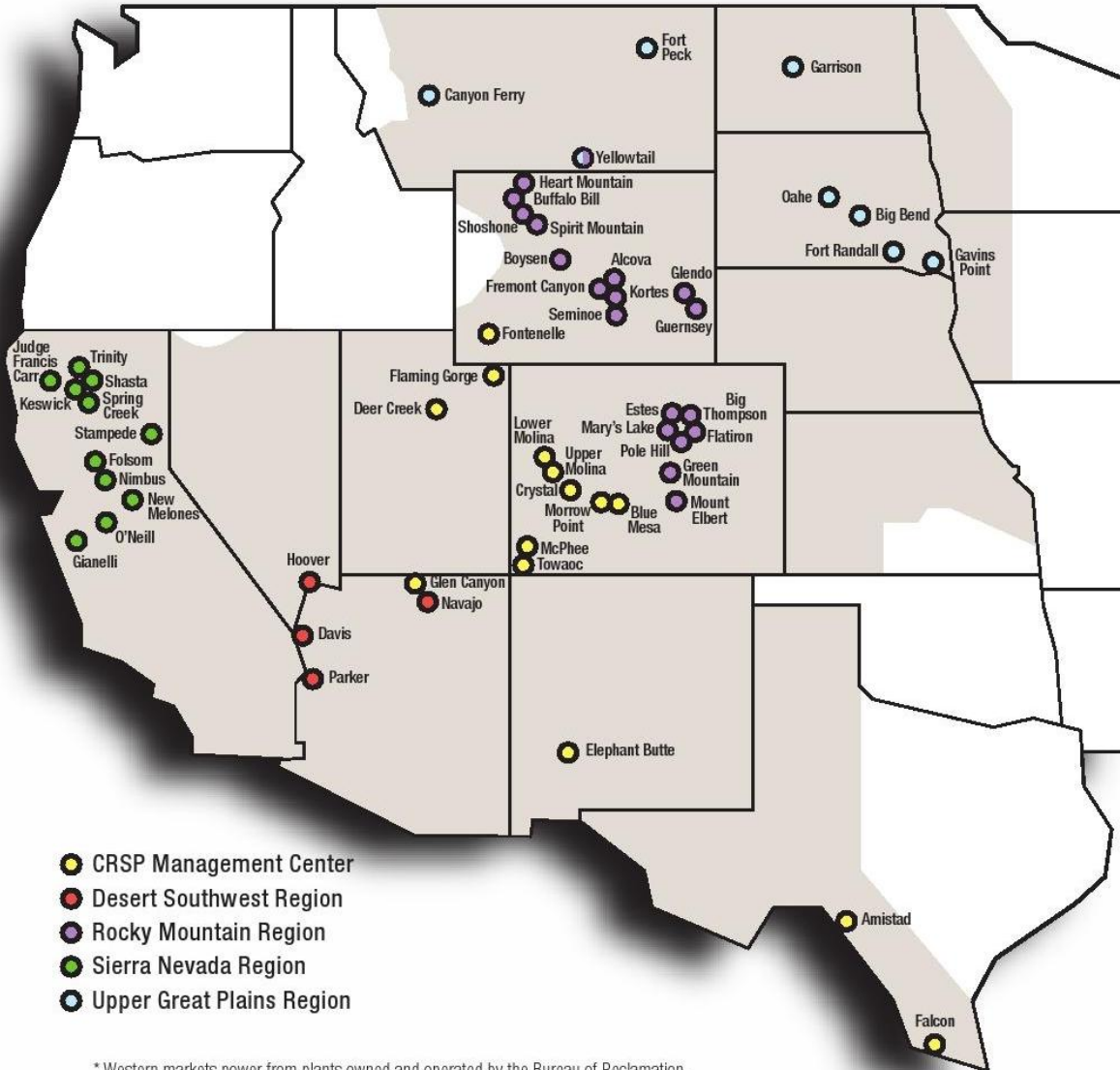
- About Western Area Power Administration (Western)
- About the Boulder Canyon Project (BCP)
- Recent BCP Post-2017 Activity
 - Hoover Power Allocation Act of 2011 (HPAA)
 - Conformance to the HPAA & Established Criteria
Federal Register Notice Published June 14, 2012
- Proposed Marketing Criteria
Federal Register Notice Published October 30, 2012
- Public Comment Forums
- Remarketing Project Milestones
- Points of Contact

About Western

- Western is a Power Marketing Administration that markets and delivers reliable, cost-based hydroelectric power and related services
- Service area covers:
 - 15 Western States
 - 17,107 transmission line miles
 - 302 substations
 - 665 customers



Powerplants



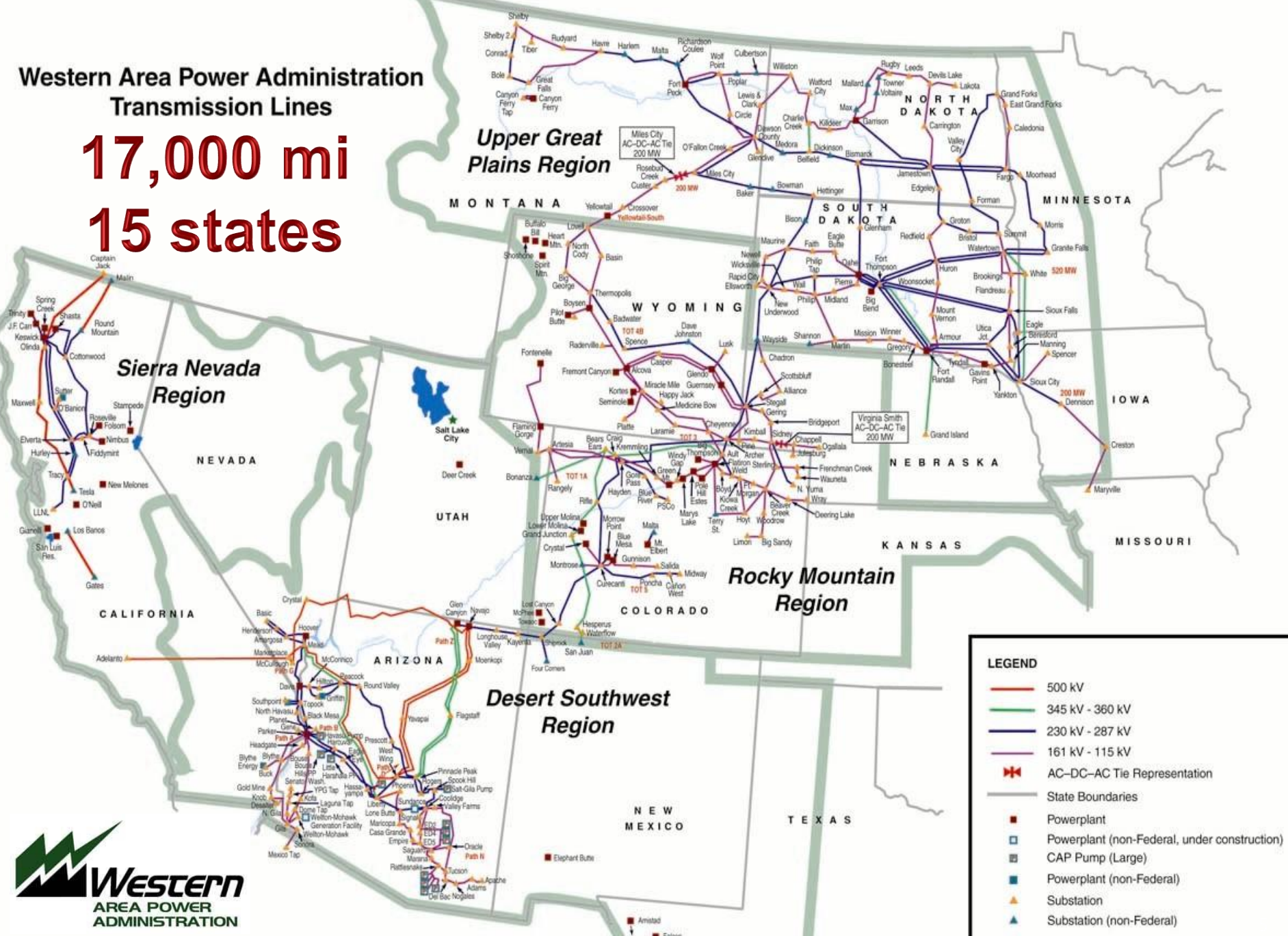
- CRSP Management Center
- Desert Southwest Region
- Rocky Mountain Region
- Sierra Nevada Region
- Upper Great Plains Region

* Western markets power from plants owned and operated by the Bureau of Reclamation, Army Corps of Engineers and the International Boundary and Water Commission.

* SNR's Gianelli and O'Neill are pump generating plants.

Western Area Power Administration
Transmission Lines

17,000 mi
15 states



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

Boulder Canyon Project

- The Secretary of Interior marketed the BCP in the early 1930's pursuant to the Boulder Canyon Project Act
- Power marketing authority was transferred to Western pursuant to the Department of Energy Organization Act of 1977
- Western marketed the BCP in 1987 in accordance with the Hoover Power Plant Act of 1984 and the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects ('84 Criteria)
- Current Allocations:
 - 1,951 MW of contingent capacity
 - 4,527,001 MWh of firm energy
 - Allocated to 15 Contractors
 - Contracts expire
September 30, 2017



HPAA 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

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

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

Conformance to the HPAA

- Western conformed the '84 Criteria to the HPAA through a FRN published June 14, 2012 (77 FR 35671)
- 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
- Referenced as the “2012 Conformed Criteria”

Established Criteria

➤ Eligibility Criteria

- 1) All qualified applicants must be eligible to enter into contracts under Section 5 of the Boulder Canyon Project Act (43 U.S.C. 617d) or be Federally recognized Indian tribes
- 2) All qualified applicants must be located in the Boulder City Area marketing area

➤ General Allocation Criteria

- 1) In AZ & NV allocations to entities other than Indian tribes will be offered through the Arizona Power Authority and Colorado River Commission of Nevada, respectively
- 2) Western shall prescribe additional marketing criteria pursuant to a public process

Established Criteria

Eligibility Criteria – Section 5

Section 5 of the Boulder Canyon Project Act establishes eligible applicants to be States, municipal corporations, political subdivisions, and private corporations.

Political subdivisions are subsequently defined in the Act as any State, irrigation or other district, municipality, or other governmental organization.

Proposed Marketing Criteria

FRN Published October 30, 2012 (77 FR 65681)

- Proposed Marketing Criteria
- Established Public Information Forums
November 27-29, 2012
- Established Public Comment Forums
December 18-20, 2012
- Defined Comment Period Close
January 11, 2013

Proposed Marketing Criteria

- Used to navigate competing applications from eligible entities
- Does not define or alter eligibility
- Applies to all Schedule D power allocated by Western
- Proposals seek to:
 - Provide a level of consistency with Western's marketing practices and principles
 - Maintain consistency with BCP's unique legislative provisions
 - Provide opportunity for many with a limited resource

Proposed Marketing Criteria

Ready, Willing, and Able...

Eligible applicants, except Native American tribes, must be ready, willing, and able to receive and distribute or use power from Western.

Ready, willing, and able means that the applicant has the facilities needed for the receipt of power or has made the necessary arrangements for transmission and/or distribution service, and its power supply contracts with third parties permit the delivery of Western's power.

Proposed Marketing Criteria

- Western will consider existing Federal power resource allocations of the applicants
- Allocations will be based on historical loads
- Minimum Allocation of 1,000 kW
 - Applicants may aggregate to meet minimum allocation threshold provided Western is able to schedule a minimum of 1,000 kW to the aggregated group
 - Aggregated groups must demonstrate contractual arrangement prior to final allocation determination
 - Western will consider allocations less than 1,000 kW conditioned upon the applicant's ability to aggregate to 1,000 kW or greater for scheduling purposes prior to final allocation determination

Proposed Marketing Criteria

Priority considerations as follows:

- 1) Federally recognized Native American tribes
- 2) Municipal corporations and political subdivisions including irrigation or other districts, that have electric utility status by April 1, 2014
- 3) Electric Cooperatives and public utilities other than electric utilities that are recognized as utilities by their applicable legal authorities, are nonprofit in nature, have electrical facilities, and are independently governed and financed
- 4) Other eligible applicants

Public Comment Forums

Comment Period Opened October 30, 2012

Las Vegas, NV – December 18, 2012

Ontario, CA – December 19, 2012

Phoenix, AZ – December 20, 2012

Comment Period Closes January 11, 2013

Remarketing Milestone Goals

June	2012.....	Conform Criteria to Legislation
Fall	2012.....	Propose Marketing Criteria
Spring	2013.....	Finalize Marketing Criteria & Call for Applications
Summer	2013.....	Applications Due
Fall	2013.....	Propose Allocations
Summer	2014.....	Finalize Allocations
Summer	2015.....	Finalize All Contracts



**BCP
2017**

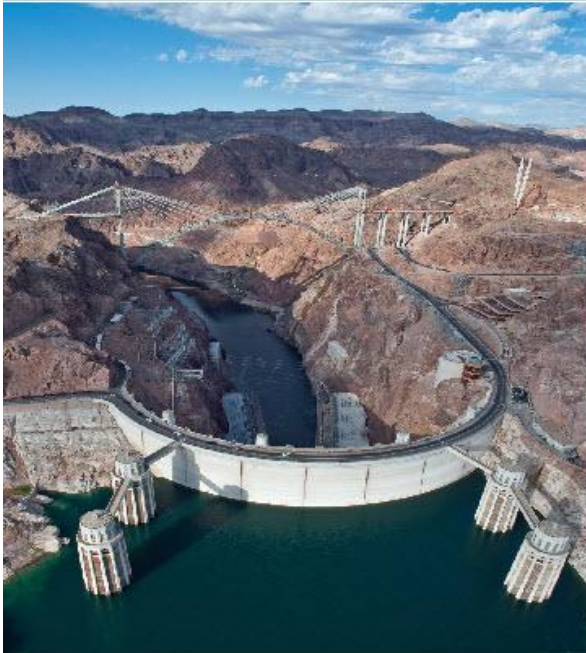


BCP Post 2017 Information

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

Boulder Canyon Project Remarketing Effort

HOME



WELCOME

- Boulder Canyon Information Module
- Federal Register Notices
- Public Forums
- Correspondence and Presentations
- Frequently Asked Questions (FAQs)
- Points Of Contact
- Hoover Power Allocation Act of 2011

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Western Area Power Administration - Desert Southwest Region

Provide written comments to:

Mr. Darrick Moe

Desert Southwest Regional Manager

Western Area Power Administration

P.O. Box 6457

Phoenix, AZ 85005-6457

Fax: (602) 605-2490

Email: Post2017BCP@wapa.gov

Questions

Point of Contact:

Mike Simonton

Project Manager for Boulder Canyon Remarketing
(602) 605-2675 or Simonton@wapa.gov

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.