



AHA MACAV POWER SERVICE

January 27, 2005

Mr. J. Tyler Carlson
Regional Manager
Western Area Power Administration
Desert Southwest Customer Service Region
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Dear Mr. Carlson:

Enclosed you will find Aha Macav Power Service's comments on the proposed procedures for the Parker/Davis post 2008 resource pool.

I. **Parker/Davis Post 2008 resource pool allocations should be reserved for Tribal Utilities.**

100% of the post 2008 Parker Davis resource should be reserved for the Native American community within the Parker Davis marketing area and is warranted for the following reasons;

- 1.) The energy industry (gas, electric, coal, etc.) is the fundamental service industry required to sustain and support the economic and social stability of any existing or developing nation. Federal and State Governments have acknowledged the importance of the stabilization of this industry though the numerous legislative constructs created over the last century. It should come as no surprise that energy and the costs associated with the delivery of that

energy is one of the critical components required for the long term stabilization of Tribal sovereignty.

- 2.) Very few, if any, Tribal utilities were in existence when the first Hydro Power allocations were made available by the Federal Government. Tribal leaders are struggling with developing tribally owned and operated energy deliver companies for their respective nations. For those few tribes who have actually formed electric utilities – they are faced with paying down start up/acquisition costs while grappling with rapidly escalating purchased power costs. It is important to note that purchased power by tribal utilities is most often acquired from generation or delivery entities that have been in existence for a very long time.
- 3.) Electric utilities are very capital intensive ventures and Tribes have not had the necessary resources available to purchase or build the necessary infrastructure. The successful development of the energy industry in the United States over the last century has seen the dedication of large amounts of human, capital, technical and natural resources. Special financing agencies like the RUS were established, exclusive service territory franchises were granted, and guaranteed rates of return were set. Perhaps of greatest concern to the Indian community is that large areas of land (all on ancestral soils of Native Americans) were flooded by the head ponds of dams that allowed for generous hydro power allocations for those agencies/utilities that were in existence at that time. Tribes have not been afforded any of the above constructs for developing and shoring up their own independent electric utilities/agencies and they have most certainly not received the full benefits from the Federal Hydro Power resources created when their ancestral homeland was flooded.
- 4.) These government constructs were created to ensure the development of stable energy business entities (Co-operatives, Investor Owned, Municipalities,

Governmental Energy Agencies) that would first develop and then operate and maintain the extensive amounts of required infrastructure. The initial Federal Hydro power allocations provided the initial recipients with very large allocations as compared to recipient load. These high percentage allocations allowed these start up electric utilities or governmental agencies to direct capital resources into paying for infrastructure costs or developing new generating resources while providing the citizenry of a developing nation with favorably priced energy rates.

- 5.) The recent CRSP allocation process was a great first step in developing and implementing a favorable construct for assisting Tribal utilities, however this effort fell short - in part due to poor water conditions. The Desert Southwest Regional branch of WAPA should not abandon the CRSP goal but should utilize it as springboard to increase Tribal allocation percentages as a means to bring equity between start up Tribal utilities and prior recipients. A significant allocation of favorably priced hydro power is an effective construct for accomplishing this goal. Tribal utilities are not looking for any special entitlement that has not been already been extended by the Federal Government to other non – Tribal entities. Tribal utilities are seeking an equitable allocation of the power that has been generated in the past and the power that will be generated from these facilities in the future. Achievement of this goal dictates that Tribal entities receive proportionally larger Federal Hydro power allocation for the next 20 or 30 years or until such time equity is achieved.

II. Parker/Davis Post 2008 resource pool allocations for Tribal Utilities should be based on firm 2008 load projections and not just 2003 historical loads.

1. Post 2008 Parker Davis allocation will be made for a 20 year period and should be based on the best available data for that utility.

2. Forecasted load for planned construction projects that will be energized prior to 2008 should be considered.
3. Start up tribal utilities often acquire some of their customer base from adjacent utilities.
4. Start up tribal utilities may still be in the process of acquiring load from neighboring utilities.
5. Tribal utility load data should include load acquisition that will occur prior to 2008.

III. **Parker/Davis Post 2008 resource pool allocations should allow for dispatchability of both capacity and energy by the recipient to firm up renewable resources.**


- 1.) The Desert Southwest Region (DSR) has a vast amount of renewable resources awaiting development. Many states in the DSR have renewable resource portfolio requirements.
- 2.) Hydro facilities are great storage devices and can easily facilitate the firming requirements of solar and wind generation. Pond control is an effective means of firming up generation from these renewable resources.
- 3.) The development of solar and wind resources could be expedited if the Colorado River Hydro facilities were operated in a complimentary manner. Specifically, the Parker/Davis facilities should allow for the storage of water during the periods of peak solar or wind generation.
- 4.) The small size of the post 2008 allocations would facilitate demonstration projects that should have a minimal impact on the operation of the Parker/Davis

facilities. The recent operation of the Parker/Davis facility in response to the unusually wet weather clearly shows that the system does indeed have daily and weekly storage capabilities.

- 5.) Changes in the dispatch schedule may increase the level of marketable capacity during peak periods or other designated periods.

Thank you for your consideration of these important issues. If you have any questions, please contact me at 928-768-2200.

Sincerely;

A handwritten signature in black ink, appearing to read "William L. Cyr". The signature is fluid and cursive, with a long horizontal stroke at the end.

William L. Cyr
General Manager
Aha Macav Power Service