



Colorado River
Commission of Nevada



Arizona Power Authority

August 31, 2026

Mr. Scott R. Lund
Acting Senior VP and Desert Southwest Regional Manager
Western Area Power Administration
P.O. Box 6457, Phoenix, AZ 85005
dswpwrmrk@wapa.gov

Subject: Boulder Canyon Project Proposed FY 2027 Base Charges and Rate

Dear Mr. Lund:

The Colorado River Commission of Nevada (CRC) and the Arizona Power Authority (APA) appreciate the opportunity to submit these comments regarding the proposed FY 2027 Boulder Canyon Project (Hoover) Base Charge and Rate.

The Boulder Canyon Project contractors are facing an extraordinary challenge caused by declining Lake Mead elevations, federal reservoir operations, and Hoover Dam's limited generating capability at lower elevations. The Bureau of Reclamation's (Bureau) Post-2026 Final Environmental Impact Statement (FEIS) prioritizes protecting Glen Canyon Dam near elevation 3,500 feet. The resulting reductions in releases to Lake Mead are expected to contribute to prolonged operating conditions that substantially reduce generation at Hoover Dam.

Contractors also were not informed until January 2025 that only four of Hoover Dam's seventeen generating units could operate below elevation 1,035 feet. Because wide-head turbines require several years to procure and install, that timing left contractors with limited ability to prepare for the conditions now anticipated.

Lake Mead is projected to fall below the critical elevation of 1,035 feet during FY 2027, and forecasts indicate that it will remain below that elevation for at least five years. The resulting loss of generation is expected to reduce the value of the Hoover resource to contractors by

approximately \$39 million annually.¹ These losses represent real and measurable costs that ultimately will be borne by Hoover contractors and the customers they serve.

CRC and the APA appreciate the Bureau's authorization of approximately \$52 million in contractor funds for wide-head turbines and other Hoover project purposes. However, this funding will not be sufficient to address the magnitude and duration of the generation losses. Given the effects of federal reservoir operations and the timing of the disclosure regarding Hoover's low-elevation generating limitations, we request that the Bureau make available up to \$40 million in existing Infrastructure Investment and Jobs Act (IIJA) drought-related infrastructure funding, on a non-reimbursable basis, to accelerate the procurement and installation of additional wide-head turbines at Hoover Dam.

CRC and the APA recognize that decisions regarding IIJA funding extend beyond the Hoover office. Nevertheless, Hoover management is uniquely positioned to document the operational need, communicate the urgency of the situation, and advocate within the Bureau for the additional funding necessary to preserve Hoover's generating capability. We respectfully request that the Hoover office take those actions.

Additional wide-head turbines are the most direct and practical means of preserving Hoover generation under the conditions now anticipated. Without additional investment, contractors will be required to consider other options. In Nevada, several smaller CRC contractors whose Hoover resource value has diminished have already reassigned their allocations to other CRC customers that may be better able to absorb the financial effects of declining hydropower. If generation remains depressed for years, other Hoover contractors may also have to evaluate whether retaining their allocations remains economically sustainable. As such, we urge the Bureau to work with WAPA and Hoover contractors to actively pursue solutions to ensure the Hoover resource remains economically sustainable for the duration of the current Hoover contracts.

CRC and the APA also offer the following observations regarding the proposed Base Charge:

- Although the FY 2027 overhead rate is lower than the rates in previous years, it remains substantially above the Bureau's historical overhead costs. The Bureau's explanation that these costs resulted from a reorganization should be accompanied by an accounting of any offsetting cost reductions associated with transferring those responsibilities. Contractors have not identified any such reductions.

¹ This value represents the difference between the current estimated market value of the Hoover resource and the resulting market value with 4 wide-head turbines and is supported by the CRCNV's internal analysis and the analysis presented by the Bureau at the May 20 Engineering & Operations Committee (E&OC) meeting.

- Contractors cannot absorb additional increases in Visitor Services expenses, particularly the approximately \$1.5 million increase proposed by the Bureau.

CRC and the APA appreciate the opportunity to provide these comments and look forward to continuing to work collaboratively with WAPA, the Bureau, and the other Hoover contractors to preserve the long-term value and viability of the Boulder Canyon Project.

Sincerely,



Eric Witkoski
Executive Director
Colorado River Commission of Nevada
ewitkoski@crc.nv.gov



Jordy Fuentes
Executive Director
Arizona Power Authority
jordy@powerauthority.org