Colorado River Storage Project (CRSP)

Lynn Jeka
CRSP Manager
Western Area Power Administration
What is Western?

- Power marketing administration, agency within Dept. of Energy
- DOE & PMAs were created in 1977 by Congress to separate power generation from the sale & delivery functions
- Combined function previously held by BOR
- Wholesale electricity supplier
- **Mission Statement:** Our mission is to market and deliver clean, renewable, reliable, cost-based federal hydroelectric power and related services
### Western and Bureau of Reclamation – who does what

<table>
<thead>
<tr>
<th>Bureau of Reclamation</th>
<th>Western/CRSP</th>
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<td>• Owns dams and power plants</td>
<td>• Western owns and operates the transmission system infrastructure used to deliver power</td>
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<td>• Water release activities include reservoir management, irrigation, flood control, water compact deliveries, environmental activities.</td>
<td>• Maintains regulation and reserve capacity</td>
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<td>• Responsible for water management from reservoirs</td>
<td>• Support grid reliability</td>
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<td>• Generation is handed off to Western at the plant transformers</td>
<td>• Market and deliver, power generated at federal hydroelectric power plants throughout the western United States</td>
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<td>• Western schedules and delivers generation to long term firm electric service customers</td>
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<td>• Revenue from sale of generation is used to pay project debt to U.S. government, O&amp;M, replacements</td>
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Western’s service territory

- Serving customers from 4 regional offices and the CRSP MC
- 56 hydropower plants
- 10,505 MW of installed capacity
- 17,061 miles of transmission lines
Colorado River Storage Project
Salt Lake City Area Integrated Projects

- 11 power plants
- 24 generating units
- 1,816 MW total capacity
  (73% from Glen Canyon)
- 5,642 GWh Net Generation
  (76% from Glen Canyon)
- 2,325 circuit miles
  (Arizona, Colorado, New Mexico, Utah, Wyoming)
CRSP profile

• 130 long-term customers
  – 53 Native American tribes
  – 60 Municipalities, cooperatives, irrigation districts
  – 17 Other

• Top 5 long-term energy sales customers
  – Tri-State Generation & Transmission Association
  – Platte River Power Authority
  – Utah Associated Municipal Power Systems
  – Deseret Generation & Transmission
  – Utah Municipal Power Agency
Western/CRSP responsibilities

- Partner with BOR (Generating Agency)
- Power marketing
- Rate setting
- Basin Fund management
- Support electrical grid reliability
- Environmental and cultural resource compliance
- Electrical system studies, power system economic and financial analysis
- Compliance with laws/regulations (e.g. NHPA Sec 106)
What’s in our power rate?

• Rates are set using forecasts for a set of future years
• Cost-based – No Profit
• Annual rate calculation
• Reimbursable expenses/costs -- items the power customers are legally required to pay
  – Purchase power to “firm” contractual commitments
  – Operations & maintenance
  – Required principal & interest payments
  – Amortized capital replacements (Western & BOR)
  – Irrigation assistance for participating projects
  – Salinity Control Program -- $1.9 million annually
What’s NOT in our power rate?

- Authorized non-reimbursable expenses funded by the Basin Fund
  - Upper Colorado Recovery Program – endangered fish species program - $4 million, annually
  - San Juan Recovery Program – endangered fish species program - $2 million, annually
  - Glen Canyon Dam Adaptive Management Program – environmental program in the Grand Canyon - $10 million, annually
  - High Flow Experiment (HFE) impact on power sales
Basin Fund cash flow

Revenue comes in over time

Power Rates

Power Revenues

CRSP Basin Fund

Cash outlays are immediate

BOR & Western O&M Funding

Purchase Power for Firm Contracts

Non-reimbursable activities

Principal & interest return of Investment to the U.S. Treasury

Constructive Return
Benefits of CRSP

• Delivery of clean, reliable, renewable, cost-based federal hydroelectric power
  – Over the last 10 years, Glen Canyon has offset over 25 million tons of CO2, or over 2.5 million tons annually

• O&M for generation & transmission assets
• Support grid reliability
• Repayment of federal investment
• Funding for non-reimbursable activities
  – Adaptive Management & Recovery Programs
  – High-flow experiments
Potential consequences of capacity loss at Glen Canyon Dam

- Dramatic increase in Purchase Power Costs
- Dramatic drop in Basin Fund balance
- Trigger Cost Recovery Charge (CRC)
- Significant rate increase to power customers
- Impact on environmental program funding
- Congressional involvement if appropriations are requested
- Impact on energy market prices & availability
- Impact on other CRSP dams for reserve energy
What are we doing?

• Start planning now

• Collaborative effort to identify contingency plans

• Analyze “What If” scenarios
Questions?
Contact information

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