

Rebecca K. Miller

From: Simonton, Mike <Simonton@WAPA.GOV>
Sent: Friday, December 14, 2012 11:14 AM
To: DSW-PowerMarketing
Cc: Simonton, Mike; POST2017BCP, POST2017BCP
Subject: BCP Post 2017 Q & A
Attachments: 10.30.2012 Proposed Marketing Criteria FRN.pdf; BCP November 2012 PIF Q and A.pdf

Dear Western Customers and Interested Parties,

Western conducted public information forums on November 27-29, 2012, regarding proposed marketing criteria published in an October 30, 2012, Federal Register notice (attached). Western appreciates your attendance and participation in the public process.

Attached you will find responses to questions discussed at the forums that Western identified as needing a follow up response as well as questions that were submitted in writing subsequent to the forums.

The attached Q & A document is posted to Western's website at:
http://www.wapa.gov/dsw/pwrmt/BCP_Remarketing/PublicForums.htm

If you have any questions, please contact me.

Best Regards,

Mike Simonton

Project Manager | Power Marketing

Desert Southwest Region

Western Area Power Administration

☎: 602.605.2675 | 📞: 602.605.2490 | ✉: Simonton@wapa.gov



Dated: October 23, 2012.

Kimberly D. Bose,
Secretary.

[FR Doc. 2012-26595 Filed 10-29-12; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project—Post-2017 Resource Pool

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed marketing criteria.

SUMMARY: The Western Area Power Administration (Western), a Federal power marketing agency of the Department of Energy (DOE), is seeking comments on proposed marketing criteria for allocating the Federal power from the Boulder Canyon Project (BCP). The Conformed Power Marketing Criteria or Regulations for the Boulder Canyon Project (2012 Conformed Criteria) published in the **Federal Register** on June 14, 2012, as required by the Hoover Power Allocation Act of 2011, established a resource pool (Post-2017 Resource Pool) to be allocated to new allottees and general eligibility criteria. Western is proposing for comment additional marketing criteria to be used to allocate the Post-2017 Resource Pool that will become available October 1, 2017. Once determined, these marketing criteria, in conjunction with the 2012 Conformed Criteria, will establish the framework for allocating power from the Post-2017 Resource Pool. This **Federal Register** notice (FRN) is not a call for applications. A call for applications from those interested in an allocation of BCP power will occur in a future notice.

DATES: Entities interested in commenting on proposed marketing criteria must submit written comments to Western's Desert Southwest Customer Service Regional Office at the address below. Western will accept written comments received on or before January 11, 2013. Western reserves the right to not consider any comments received after this date.

Western will hold three public information forums on the proposed marketing criteria. The dates for the public information forums are:

1. November 27, 2012, 1 p.m., PST, Las Vegas, Nevada.
2. November 28, 2012, 1 p.m., MST, Phoenix, Arizona.
3. November 29, 2012, 10 a.m., PST, Ontario, California.

Following the public information forums, Western will hold three public comment forums. The dates for the public comment forums are:

1. December 18, 2012, 1 p.m., PST, Las Vegas, Nevada.
2. December 19, 2012, 10 a.m., PST, Ontario, California.
3. December 20, 2012, 10 a.m., MST, Phoenix, Arizona.

ADDRESSES: Written comments regarding these proposed marketing criteria should be sent to: Mr. Darrick Moe, Desert Southwest Regional Manager, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457. Comments may also be faxed to (602) 605-2490 or emailed to Post2017BCP@wapa.gov.

The public information and public comment forums will be held at: The New Las Vegas Tropicana, 3801 Las Vegas Boulevard South, Las Vegas, Nevada; Fiesta Resort Conference Center, 2100 S. Priest Drive, Tempe, Arizona; DoubleTree Ontario Airport, 222 N. Vineyard, Ontario, California.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Simonton, Public Utilities Specialist, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, telephone number (602) 605-2675, email Post2017BCP@wapa.gov. All comments received in response to this FRN will be posted to Western's Web site at <http://www.wapa.gov/dsw/pwrnkt>.

SUPPLEMENTARY INFORMATION: The BCP was authorized by the Boulder Canyon Project Act of 1928 (Act) (43 U.S.C. 617). Under Section 5 of the Act, the Secretary of the Interior marketed the capacity and energy from the BCP under electric service contracts effective through May 31, 1987. In 1977 the power marketing functions of the Secretary of Interior were transferred to Western by Section 302 of the Department of Energy Organization Act (42 U.S.C. 7152). Thereafter, on December 28, 1984, Western published the Conformed General Consolidated Criteria or Regulations for Boulder City Area Projects (1984 Conformed Criteria) (49 FR 50582) to implement applicable provisions of the Hoover Power Plant Act of 1984 (43 U.S.C. 619) for the marketing of BCP power through September 30, 2017.

On December 20, 2011, Congress enacted the Hoover Power Allocation Act of 2011 (Pub. L. 112-72) (HPAA), which provides direction and guidance in marketing BCP power after the existing contracts expire September 30, 2017. On June 14, 2012, Western published the 2012 Conformed Criteria

(77 FR 35671) to implement applicable provisions of the HPAA for the marketing of BCP power from October 1, 2017 through September 30, 2067. The 2012 Conformed Criteria formally established a resource pool defined as "Schedule D" to be allocated to new allottees. In accordance with the HPAA, Western allocated portions of Schedule D to the Arizona Power Authority (APA) and the Colorado River Commission of Nevada (CRC), respectively, as described in the June 14, 2012, FRN. Of the remaining portions of Schedule D, Western is to allocate 11,510 kilowatts (kW) of contingent capacity and associated firm energy to new allottees within the State of California, and 69,170 kW of contingent capacity and associated firm energy to new allottees within the Boulder City Area marketing area.

Proposed Post-2017 Resource Pool Marketing Criteria

Western proposes to apply the following general marketing criteria to applicants seeking an allocation of power from the Post-2017 Resource Pool. This includes all prescribed portions of Schedule D power to be allocated by Western as described above.

A. Allocations of power will be made in amounts determined solely by Western in exercise of its discretion under Reclamation Law, including the HPAA.

B. An allottee may purchase power only upon the execution of an electric service contract and satisfaction of all conditions stated within that contract.

C. 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 the eligible 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. Eligible applicants must have the necessary arrangements for transmission and/or distribution service in place by October 1, 2016.

D. An eligible Native American applicant must be an Indian tribe as defined in the Indian Self Determination Act of 1975, 25 U.S.C. 450b, as amended.

E. In determining allocations, Western will give priority consideration in the following order to entities satisfying these marketing criteria:

1. Federally recognized Native American tribes.

2. Municipal corporations and political subdivisions including irrigation or other districts, municipalities, and other governmental organizations; that have electric utility status by April 1, 2014. "Electric utility status" means that the entity has responsibility to meet load growth, has a distribution system, and is ready, willing, and able to purchase Federal power from Western on a wholesale basis.

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.

F. In determining allocations, Western will consider existing Federal power resource allocations of the applicants.

G. Western will base allocations to Native American tribes on actual loads experienced in the most recent calendar year. Western may use estimated load values if actual load data is not available. Western will evaluate and may adjust inconsistent estimates during the allocation process. Western is available to assist tribes in developing load estimates.

H. Western will base allocations to eligible applicants on the actual loads experienced in the most recent calendar year and will apply current marketing criteria to these loads.

I. The minimum allocation will be 1,000 kW. Applicants will be allowed to aggregate their loads to meet minimum requirements provided Western is able to schedule power deliveries in quantities of 1,000 kW or greater to the aggregated group. Western will consider making allocations under the 1,000 kW minimum conditioned upon an applicant's ability to aggregate to 1,000 kW or greater for scheduling purposes prior to final allocation determinations.

J. Applicants seeking an allocation as an aggregated group must demonstrate to Western's satisfaction the existence of a contractual aggregation arrangement prior to final allocation determinations. Each member of an aggregated group must meet all eligibility requirements.

K. Contractors must execute electric service contracts within six months of receiving a contract offer from Western, unless Western agrees otherwise in writing.

L. If unanticipated obstacles to the delivery of electric service to a Native American tribe arise, Western retains the right to provide the economic benefit of the resource directly to the tribe.

Regulatory Procedure Requirements

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Environmental Compliance

In accordance with the DOE National Environmental Policy Act Implementing Procedures (10 CFR part 1021), Western has determined that these actions fit within a class of action B4.1 Contracts, policies, and marketing and allocation plans for electric power, in Appendix B to Subpart D to Part 1021—Categorical Exclusions Applicable to Specific Agency Actions.

Dated: October 22, 2012.

Anita J. Decker,

Acting Administrator.

[FR Doc. 2012-26685 Filed 10-29-12; 8:45 am]

BILLING CODE 6450-01-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPPT-2011-0966; FRL-9523-7]

Agency Information Collection Activities; Submission to OMB for Review and Approval; Comment Request; Tier 1 Screening of Certain Chemicals Under the Endocrine Disruptor Screening Program (EDSP) (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this document announces that an Information Collection Request (ICR) has been forwarded to the Office of Management and Budget (OMB) for review and approval. The ICR, which is abstracted below, describes the nature of the information collection activity and its expected burden and costs.

DATES: Additional comments may be submitted on or before November 29, 2012.

ADDRESSES: Submit your comments, referencing Docket identification (ID) number (No.) EPA-HQ-OPPT-2011-0966, to (1) EPA online using www.regulations.gov (our preferred method) or by mail to: Pollution Prevention and Toxics Docket, Environmental Protection Agency Docket Center (EPA/DC), Mailcode: 28221T, 1200 Pennsylvania Ave. NW.,

Washington, DC 20460, and (2) OMB by mail to: Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Attention: Desk Officer for EPA, 725 17th Street NW., Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT:

William Wooge, (7203M), Office of Science Coordination and Policy (OSCP), Environmental Protection Agency, 1200 Pennsylvania Ave. NW., Washington, DC 20460-0001; telephone number: (202) 564-8476; fax number: (202) 564-8482; email address: wooge.william@epa.gov.

SUPPLEMENTARY INFORMATION: EPA has submitted the following ICR to OMB for review and approval according to the procedures prescribed in 5 CFR 1320.12. On August 9, 2012 (77 FR 47640), EPA sought comments on this renewal pursuant to 5 CFR 1320.8(d), and the ICR submitted to OMB includes EPA's responses to the four comments that were received. Any additional comments on the revised ICR should be submitted to EPA and OMB within 30 days of this notice.

EPA has established a public docket for this ICR under Docket ID No. EPA-EPA-HQ-OPPT-2011-0966, which is available online at <http://www.regulations.gov>, or in person at the OPPT Docket in the EPA/DC, EPA West Room 3334, 1301 Constitution Ave. NW., Washington, DC. The EPA/DC Public Reading Room is open from 8 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is 202-566-1744, and the telephone number for the OPPT Docket is 202-566-0280. Use www.regulations.gov to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select "search," then key in the docket ID number identified for this ICR. Please note that EPA's policy is that public comments, whether submitted electronically or in paper, will be made available for public viewing in www.regulations.gov as EPA receives them and without change, unless the comment contains copyrighted material, confidential business information (CBI), or other information whose public disclosure is restricted by statute. For further information about the docket, go to www.regulations.gov.

Title: Tier 1 Screening of Certain Chemicals Under the Endocrine Disruptor Screening Program (EDSP) (Renewal).

Boulder Canyon Project Post-2017 Marketing Proposed Marketing Criteria PUBLIC INFORMATION FORUMS

November 27-29, 2012

Forum Topics

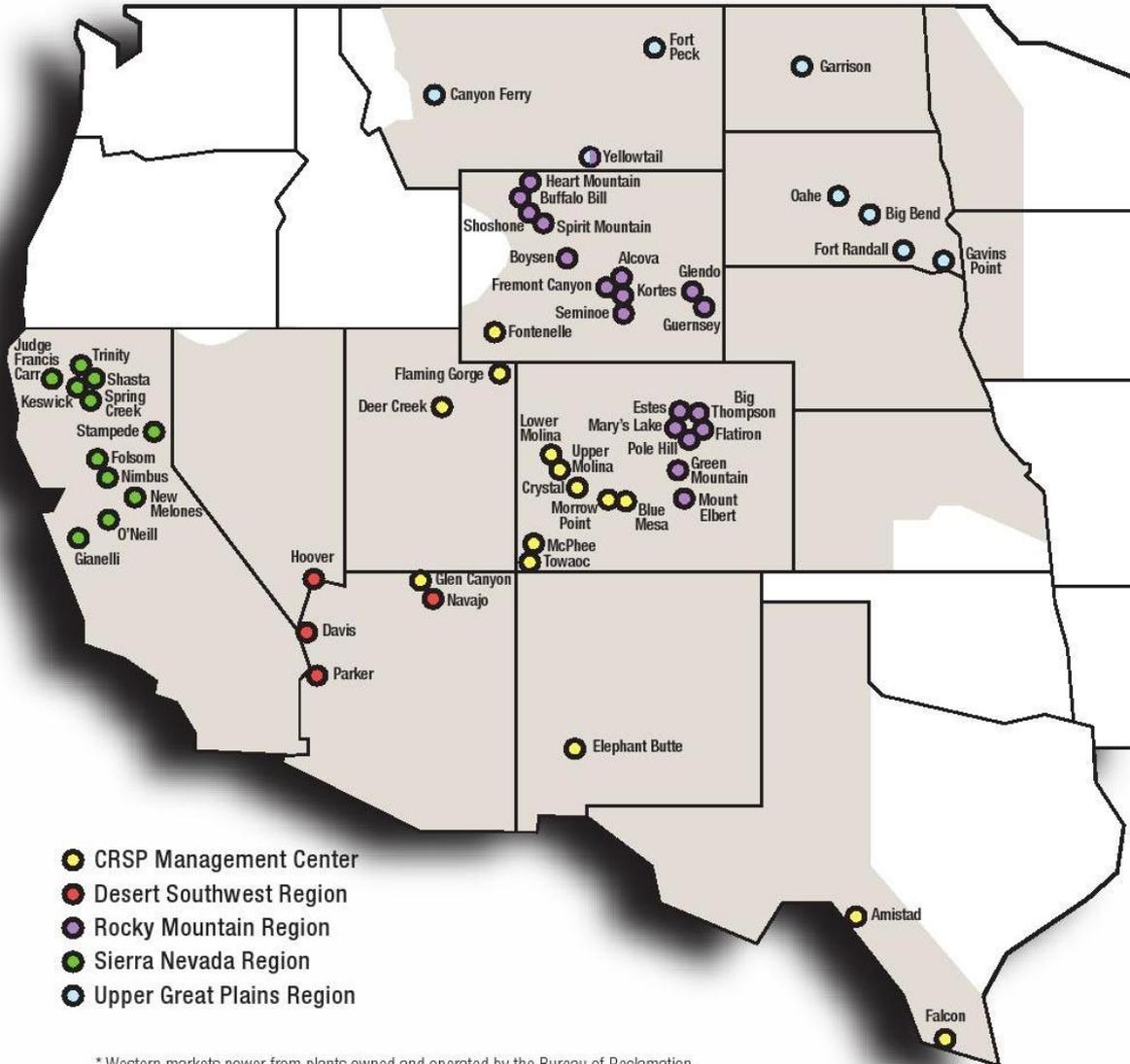
- About Western Area Power Administration (Western)
- About the Boulder Canyon Project (BCP)
- Recent BCP Post-2017 Activity
 - Hoover Power Allocation Act of 2011 (HPAA)
 - Conformance to the HPAA & Established Criteria
Federal Register Notice Published June 14, 2012
- Proposed Marketing Criteria
Federal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



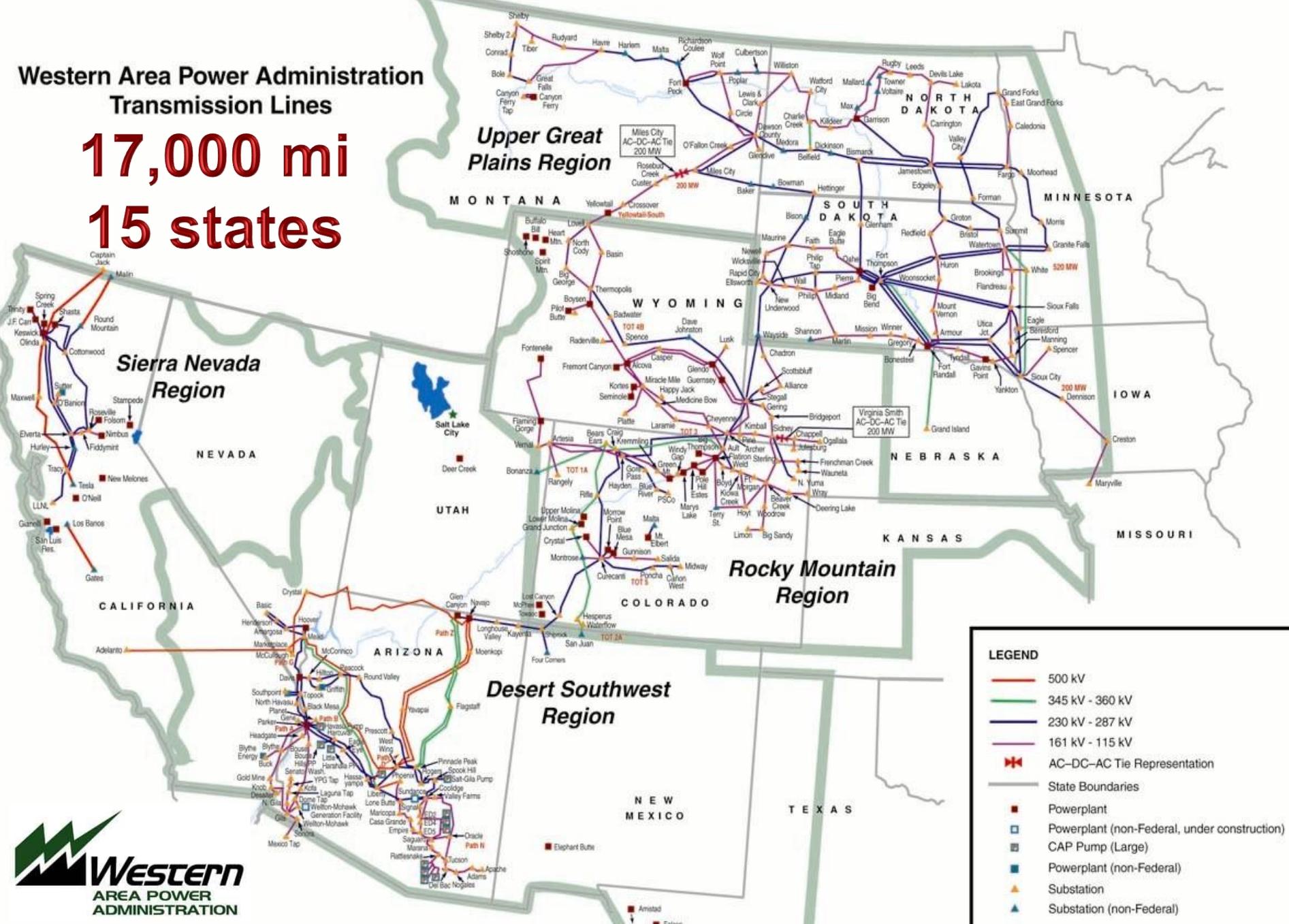
- CRSP Management Center
- Desert Southwest Region
- Rocky Mountain Region
- Sierra Nevada Region
- Upper Great Plains Region

* 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



- State Boundaries
- ★ Regional Office
- ⊙ Corporate Services Office
- ★ CRSP Management Center

1/03

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)



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**

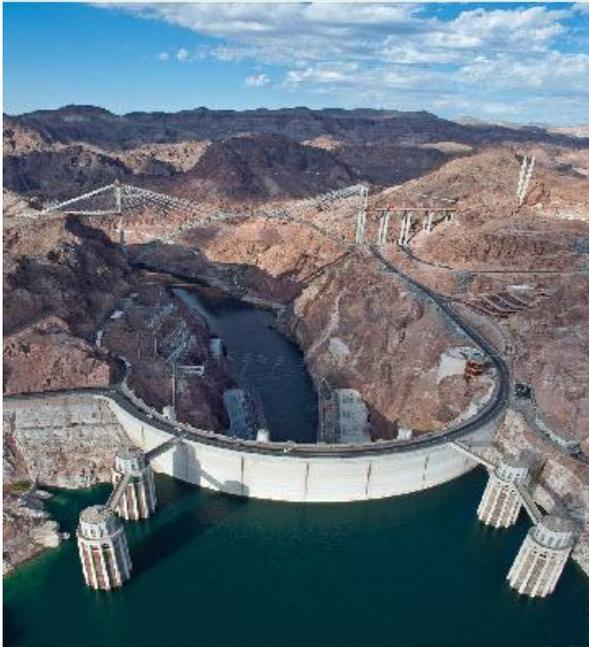


BCP Post 2017 Information

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

This Page was last modified on :08-09-2011

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.

**Boulder Canyon Project (BCP) Post-2017
Proposed Marketing Criteria
Public Information Forums
November 27-29, 2012**

Questions and Responses

The following are responses to questions that were submitted in writing or identified at the Public Information Forums as needing further response regarding Western's proposed BCP Post 2017 marketing criteria. No decisions will be made on these proposals until all comments are submitted and considered by Western.

Question: Please provide further clarification or definition of "independently governed and financed".

Answer: Western's intent in proposing this language is the utility is empowered and responsible for managing the operations of the utility and their expenses are paid from the rates and fees they assess.

Question: Can Western describe the impacts of a fractional allocation that is less than 1,000 kilowatts (KW) as compared to a fractional allocation that is greater than 1,000 KW?

Answer: Industry standard practice is to schedule resources in whole megawatt (MW) quantities. BCP contractor allocations are rounded to provide for whole megawatt scheduling, thus all fractional allocations that do not round up to a whole megawatt will not be scheduled. An additional consideration is that fluctuations in Hoover's total available capacity have a pro-rata impact on all BCP contractors' capacity availability. BCP is rarely, if ever, at 100% nameplate rated capacity availability due to hydro conditions and/or unit availability. If a contractor has a 500 KW or less allocation, they will be rounded down to zero in all times in which a capacity availability reduction is in effect. This essentially renders the allocation unusable. Conversely, a contractor with an allocation over 1,000 KW will be much more likely to maintain an allocation able to be rounded to a useable quantity. Allocations less than 1,000 KW would need to be aggregated in a manner to achieve a quantity of capacity that can be used. This poses additional administrative burden in the coordination, scheduling, and accounting that all BCP contractors would need to financially support.

Question: What does having a distribution system require? Is the intent to own or have access to a distribution system?

Answer: To meet this requirement an entity must own or lease a distribution system.

Question: Western has not sufficiently defined “New Allottee” as contemplated by the Hoover Power Allocation Act (HPAA). Request Western further define “New Allottee,” in particular as it applies to the existing customers of APA and CRC.

Answer: The HPAA describes “New Allottee” as an entity not receiving contingent capacity and firm energy under Schedules A and B, as prescribed. Western reviewed the legislative history associated to the HPAA and language contained within the HPAA and finds that the HPAA’s intent is to “further allocate and expand the availability of hydroelectric power generated at Hoover Dam, and for other purposes.” Allocations to existing customers of the APA and CRC would not expand the availability of Hoover power to a described “New Allottee”. Therefore, Western believes the intent of the HPAA legislation is that existing customers of APA and CRC who have a sub-allocation of Schedules A and B through the APA or CRC will not be eligible applicants for Schedule D from Western.

Question: Would an entity such as the Southern Nevada Water Authority (SNWA) that wasn’t originally allocated Hoover power but has acquired an allocation from the Colorado River Commission of Nevada (CRC) through a bankruptcy situation be eligible for an allocation from Western?

Answer: Although there were unique circumstances as to the history in which SNWA received its allocation from CRC, currently SNWA is in the same position and should be considered comparable to other CRC customers Western believes the intent of the HPAA legislation is that existing customers of CRC who have a sub-allocation of Schedules A and B through the APA or CRC will not be eligible applicants for Schedule D from Western.

Question: Does Western have an estimate of what the Multi Species Conservation Program (MSCP) obligations will be?

Answer: Western does not administer the MSCP. From initial inquiries, Western understands the MSCP cost distributions use a complex calculation of participants’ gross domestic product and producer price indexes. If dispersing MSCP costs over allocated capacity, an estimate for annual MSCP costs would be approximately \$400 per MW of BCP capacity allocated.

Question: Does Western have an estimate of what the repayable advance obligations will be? What is the duration or time frame of cumulative repayable advances that would need to be repaid?

Answer: BCP repayable replacement data is updated and published annually. Based upon the current estimated 2017 cumulative repayable advance amount of approximately \$153M, the Schedule D resource pool (103.7 MW) would be responsible for reimbursing existing contractors approximately \$7.66M. This would equate to an approximate \$74K per MW of allocation repayable advance

obligation for new allottees. This figure is subject to change based upon the maintenance needs of the plant and budget refinements. Considering portions of Schedule D have been allocated to existing contractors, there will be net debits and credits for those existing contractors. Repayable advance obligations are amortized on a 50 year basis and began accumulating in 1987. BCP repayable replacement summaries and background data are posted to Western's website in November of each year at:

http://www.wapa.gov/dsw/pwrmt/BCP/BCP%20Capital/BCP_Capital_Advance.htm

Question: Can Western provide a precedence example of aggregation used for Firm Electric Service?

Answer: The Eastern Arizona Preference Pooling Association is comprised of 4 members that jointly applied for and were granted a Parker-Davis Project allocation commencing in October 2008.

Question: What is the definition of "new allottees" as that term is used in the 2011 Hoover Allocation Act? In responding to this question, we would appreciate knowing your views on the specific language in the bill that identifies new allottees as being entities other than those named in the statute. Does that include Arizona Power Authority customers whose allocations and contracts terminate on September 30, 2017? Since the 2011 Act specifically qualifies Indian tribes as an addition to the original qualification statute (Section 617(d)), and the remaining "new allottees" must come from within the four corners of the original 1928 definition, what designations within that statute cover each of the types of entities named in priority categories 2 and 3 in your Federal Register notice?

Answer: The HPAA describes "New Allottee" as an entity not receiving contingent capacity and firm energy under Schedules A and B, as prescribed. Western reviewed the legislative history associated to the HPAA and language contained within the HPAA and finds that the HPAA's intent is to "further allocate and expand the availability of hydroelectric power generated at Hoover Dam, and for other purposes." Allocations to existing customers of the APA and CRC, would not expand the availability of Hoover power to a described "New Allottee". Therefore, Western believes the intent of the HPAA legislation is that existing customers of APA and CRC who have a sub-allocation of Schedules A and B will not be eligible applicants for Schedule D from Western. Similarly, Western established categories 2 and 3 of the Federal Register notice after reviewing the legislative history for the HPAA in addition to the applicable statutory provisions in order to establish criteria consistent with the intent of the Act.

Question: At the Forum, Doug Harness indicated that the authority of the agency to impose preferences within the community of authorized entities comes from the 2011 Act. I myself would agree since Section 2(k) and (l) of the 2011 Act bring forward the Congressional mandate that Section 105 is "the exclusive method for disposing of capacity and energy from Hoover Dam . . .". What provision in the 2011 Act then is the authorizing provision for these preferences?

Answer: The HPAA prescribes that the Secretary of Energy, through Western, shall allocate Schedule D contingent capacity and firm energy to new allottees that are eligible to enter into contracts under section 5 of the Boulder Canyon Project Act or federally recognized Indian tribes. The HPAA does not mandate specific allocations for Schedule D to any of these entities. Therefore, the HPAA provides Western the discretion to determine how to make those allocations and Western is exercising that discretion through the proposed priorities.

Question: There seems to be an internal inconsistency between the definition of “electric utility status” and the definition of “ready, willing, and able”. The latter definition contemplates an eligible applicant to be someone who has arranged for not only transmission but distribution service by October 1, 2016. The former definition on the following page of the Federal Register notice states that the same entity must have a distribution system and that this requirement must be met by April 1, 2014. What was actually intended and how can these conflicting provisions be reconciled?

Answer: Under proposed marketing criteria Section C, Western proposes that eligible applicants, except Native American tribes, must meet the “ready, willing, and able” criteria by October 1, 2016. Ready, willing, and able provisions are intended to establish the applicant’s ability to receive and distribute or use the allocation. Within the ready, willing, and able definition an applicant is required to either have the facilities needed for the receipt of power or have made the necessary arrangements for transmission and/or distribution service.

Under proposed marketing criteria Section E, Western proposes an order of priority considerations. The second of these would provide a priority for described entities that have electric utility status by April 1, 2014. Within the “electric utility status” definition the entity must have a distribution system and be ready, willing, and able to purchase power on a wholesale basis. Entities with electric utility status should be able to purchase power from Western on a wholesale basis for resale to retail consumers. A distribution system is needed in order to facilitate delivery to the retail consumer. In order to use electric utility status as a priority consideration, Western would need to know if the applicant has electric utility status prior to making allocations final. Western currently anticipates finalizing allocations by the summer of 2014.

Question: How does one demonstrate that it has the responsibility to meet load growth? A statute? A rule? A contract? Does that mean load growth that a wholesale utility accepts in a contract as a responsibility to a retail utility? Does it mean only a retail utility?

Answer: Western’s Applicant Profile Data (APD) is intended to capture the information needed for Western to make this determination. If an applicant needs assistance when completing the APD they are encouraged to contact Western at that time. The expectation is that each utility has a service area and, within that service area, the utility has responsibility to accommodate any increase in load.

Question: Are size requirements for a distribution system inherent in this requirement? 230 kV? 69kV? Other?

Answer: There are no prescribed voltage requirements for a distribution system, but it must be sufficient to deliver the entity's allocation.

Question: At the Public Information Forum, you indicated that "public utilities other than electric utilities" were municipal water utilities. You were then asked a question about what "electrical facilities" they need to have and facetiously agreed that even a light switch would do. Obviously that term has to have some relevant meaning. What is it? How is it different from a distribution system? Are there minimum requirements other than a light switch?

Answer: Western has proposed making public utilities, such as municipal water utilities, eligible in category 3 and envisioned the electrical facility requirement to encompass pumps, treatment plants, etc. as well as the distribution system necessary to deliver to those facilities.

Question: At the Forum, you explained that using a one-year history standard was something you were more or less boxed into because, under the Paperwork Reduction Act, you had had approved a form for application that was for only a one-year history because you are required to reduce paperwork burden on the applicants. You then discussed the use of the term "most recent calendar year". I pointed out to you that an entity with an agricultural load could experience a natural upset in demand by having it rain on the fields in the district or other service area and thus, as in the summer of 2012 in central Arizona, have reduced the demand that is not typical of the entity's normal demand. On what basis will you determine which year is the "most recent"? On the finalization of the criteria? On the year preceding the proposal published on October 30th? The first gives you 2012. The second gives you 2011. These choices make a difference. How will you adjust this parameter so as not to unfairly penalize those who have rain or other uncontrolled occurrence that makes the reference year atypical?

Answer: When a call for applications is made the most recent calendar year load information will be required for the application. Western anticipates making a call for applications by the summer of 2013. If this occurs, Western would be seeking calendar year 2012 load information.

Question: Others pointed out the anomaly of needing a wheeling contract before you get an allocation versus being able to get it a year in advance of the power being delivered. Obviously this conflict within the Federal Register notice needs to be examined again. How do we deal with this?

Answer: As proposed, an entity seeking to acquire priority by having electric utility status must have the necessary arrangements completed by April 1, 2014. All applicants, other than Native American tribes, must be ready, willing, and able as defined by October 1, 2016. Western does not find these proposals to be conflicting.

Question: What if aggregators get together and agree to work together for this purpose but not for the entire contract term?

Answer: Western has proposed that applicants seeking an allocation as an aggregated group must demonstrate to Western's satisfaction the existence of a contractual aggregation arrangement prior to final allocation determinations. Western will assess the merits of these potential contractual aggregation arrangements at such time as they are presented to Western.

Question: In a joint aggregation, if one of the parties pulls out, do the others lose their allocation?

Answer: Unique situations of this nature will be handled by Western on a case by case basis consistent with applicable contractual terms and conditions.

Question: What type of aggregation do you have in mind for those who might wish to work together for this purpose? Are you talking about a separate entity such as a joint powers agency or joint action agency? Are you talking about a separate entity that is a marketing or pooling association formed for the purpose of contracting?

Answer: Types and configuration of aggregations may take various forms. Western has proposed that each member of an aggregated group must meet all eligibility requirements, but is trying to provide flexibility for entities wishing to pursue this option.

Question: Isn't it possible to deal with less than whole megawatt or more than whole megawatt allocations in scheduling requirements in contracts and get rid of this requirement?

Answer: Yes, it may be possible to address less or more than whole megawatt allocations through scheduling requirements in contracts. Western has proposed to address this issue at the allocation stage through the proposed marketing criteria, but will consider comments on alternatives prior to making a final decision.

Question: What are the financial contribution requirements of the Act going to entail? How do we find out about how much money is likely to be involved? If we have current statistics that show what that amount would be as of today, do we have some sort of reasonable projection about what it will be when calculated on October 1, 2017? If not, how do the potential applicants decide whether or not that economic burden is worth shouldering in order to apply for the resource?

Answer: MSCP and repayable advances have associated financial obligations; see prior responses for further detail.