

Firm Electric Service and Benefit Crediting

Hydropower Workshop
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Brent Osiek

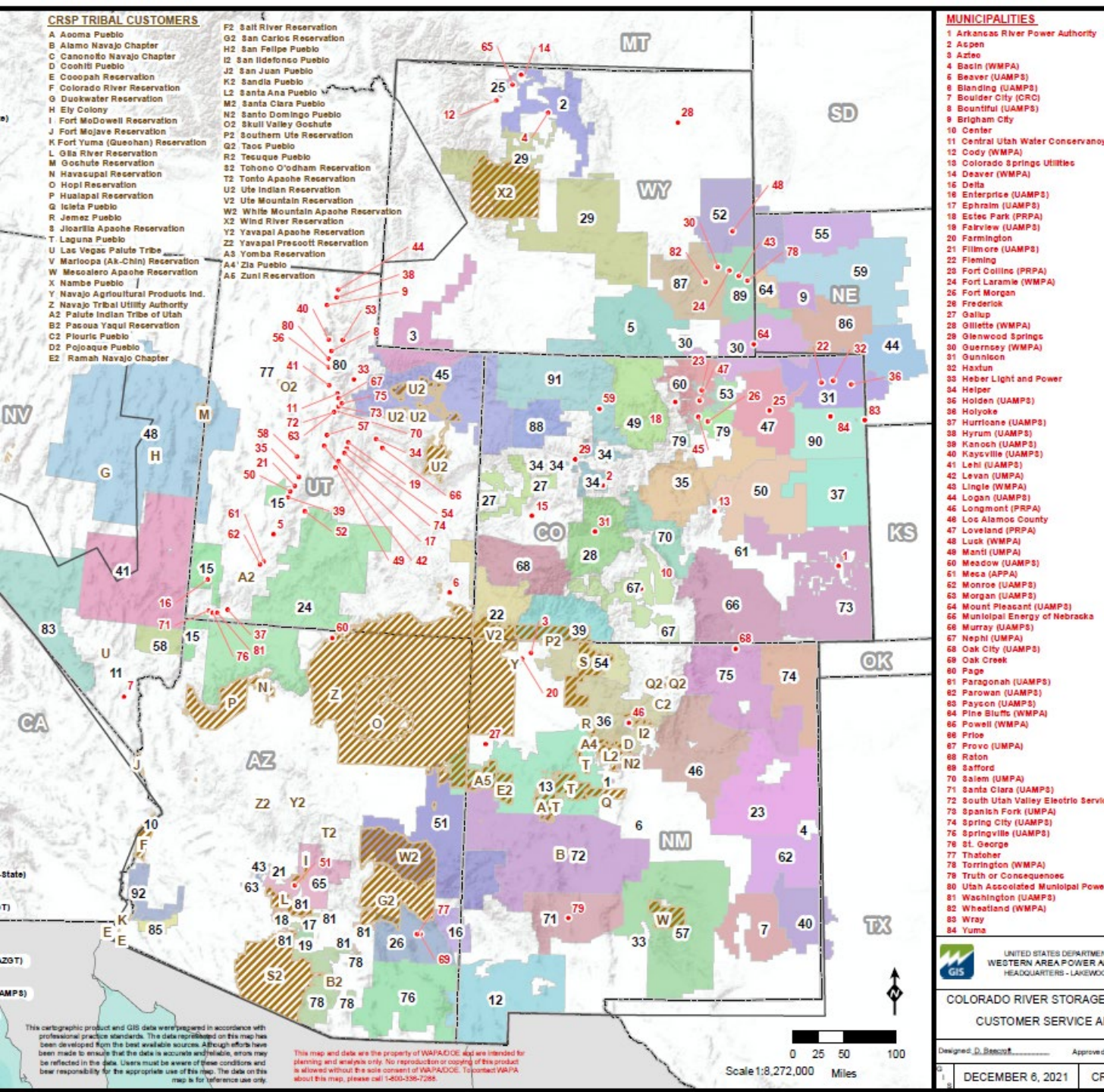
Vice President of Power Marketing



Reclamation Project Act of 1939

- Set forth requirements of Federal hydropower
- Many parts of U.S. did not have electricity
 - Rural areas especially impacted
- Congress offered cost-based hydropower to:
 - Rural Electric Cooperatives
 - Municipal Electric Utilities
 - Irrigation Districts
 - Federal/State Institutions
 - Tribes
- But . . . customers had to operate own electric utility
 - Few Tribes operated their own electric utility; thus, most Tribes were not able to participate for years/decades.





130 CRSP Firm Electric Service Customers

- 54 Native American Tribes
- 76 municipalities, rural cooperatives, irrigation districts
- About 5 million end-use consumers, mostly in rural areas.

Cross-hatched areas are Tribes.
Red dots are municipalities;
Solid-colored blocks are rural electric cooperatives
Cross-hatched areas are Tribes.



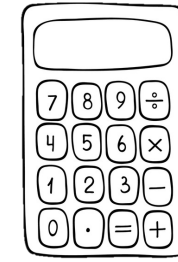
Tribal Outreach

- WAPA holds periodic “Open Periods” where new customers can apply for power
- Allows the previously ineligible or new customers an opportunity to receive federal hydropower
- Secretary of Energy Bill Richardson in late 1990s
 - Directed WAPA to “find a way” for Tribes to receive the direct benefits of Federal hydropower
 - Tribes did not need to own a utility
- Outreach began to Tribes in CRSP’s marketing area: Arizona, Colorado, New Mexico, Nevada, Utah, and Wyoming

Clever Solution

- Hydropower physically delivered to Rural Electric Cooperative, other utilities, serving a Tribe
- Financial benefit given to the Tribes
- “Benefit Crediting” contracts allowed Tribes to receive an allocation of CRSP power
- CRSP added 50 new Tribal customers
- Some Tribes have formed their own electric utility since receiving a WAPA allocation
- Estimated approximately \$8M/year to benefit Tribes





Typical Benefit Crediting Calculation



Annual Example:

$$\text{Benefit Credit} = 16,066.439 \text{ MWh/year} * \$5.75/\text{MWh} = \$92,382 \text{ year}$$

Note: Tribal Benefit Crediting calculation are based on energy (MWh). The more hydropower energy delivered, the greater the financial benefit. There is not a calculation for capacity in these formulas.



GENERAL FUND



How Can the Money Be Used?

- Payment under benefit crediting contracts can be used for the general benefit of the Tribe
 - Tribal leadership decides what is appropriate, such as:
 - Scholarships
 - Elder assistance
 - Community development and maintenance
 - General Fund

Tribes with WAPA-CRSP Power Contracts

Arizona

- Cocopah Indian Tribe
- Colorado River Indian Tribes
- Fort Mojave Indian Tribe
- Ft. McDowell Mojave-Apache Indian Community
- Gila River Indian Community
- Havasupai Tribe
- Hopi Tribe
- Hualapai Tribe
- Pascua Yaqui Tribe
- Quechan Indian Tribe
- Salt River Pima-Maricopa Indian Community
- San Carlos Apache Tribe
- Tohono O'Odham Utility Authority

Arizona, continued

- Tonto Apache Tribe
- White Mountain Apache Tribe
- Yavapai Apache Nation
- Yavapai Prescott Indian Tribe

Colorado

- Southern Ute Indian Tribe
- Ute Mountain Ute Tribe

Nevada

- Duckwater Shoshone Tribe
- Ely Shoshone Tribe
- Las Vegas Paiute Tribe
- Yomba Shoshone Tribe

New Mexico

- Alamo Navajo Chapter
- Canoncito Navajo Chapter
- Jicarilla Apache Tribe
- Mescalero Apache
- Nambé Pueblo
- NAPI
- NTUA
- Ohkay Owingeh
- Picuris Pueblo
- Pueblo De Cochiti
- Pueblo of Acoma
- Pueblo of Isleta
- Pueblo of Jemez
- Pueblo of Laguna
- Pueblo of Pojoaque
- Pueblo of San Felipe
- Pueblo of San Ildefonso
- Pueblo of Sandia

New Mexico, continued

- Pueblo of Santa Clara
- Pueblo of Santo Domingo
- Pueblo of Taos
- Pueblo of Tesuque
- Pueblo of Zia
- Pueblo of Zuni
- Ramah Navajo Chapter
- Santa Ana Pueblo

Utah

- Confederated Tribes of the Goshute Reservation
- Paiute Indian Tribe of Utah
- Skull Valley Band of Goshute Indians
- Ute Indian Tribe

Wyoming

- Wind River Reservation

Brent Osiek
Osiek@wapa.gov
801-244-9519



www.wapa.gov



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