

CRSP and Basin Fund Overview

AMWG

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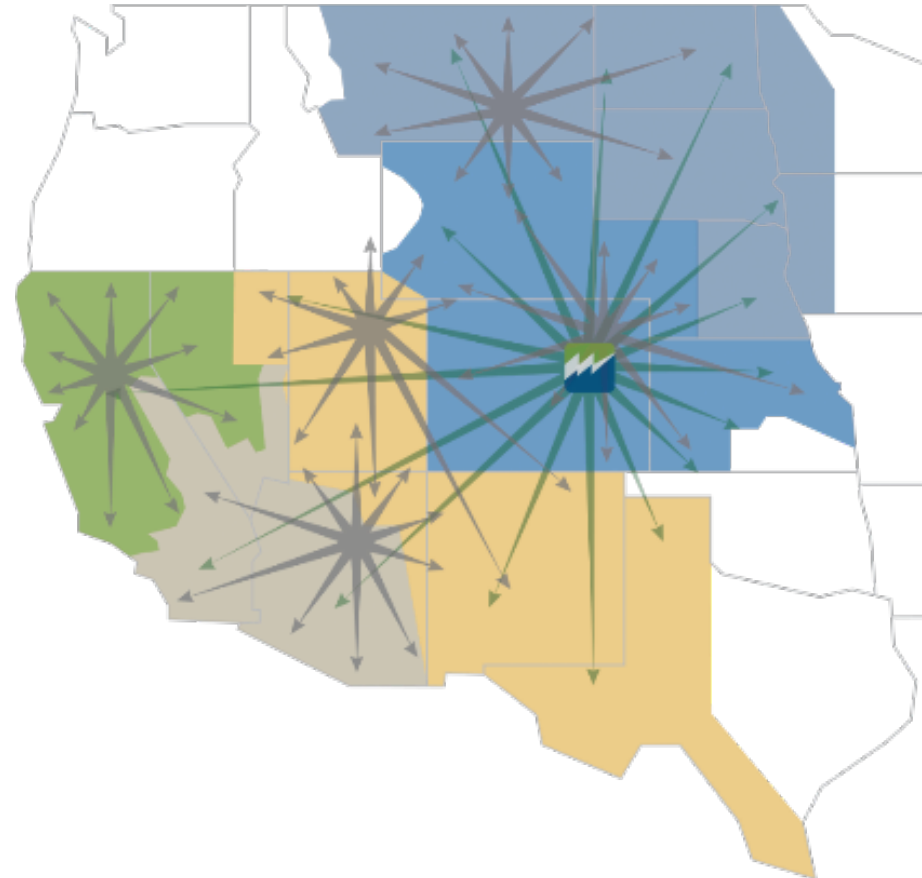
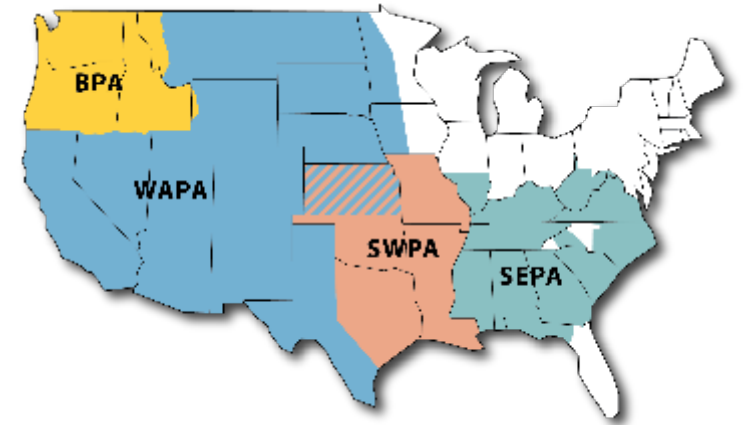
Mission

Safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve.



Who is WAPA?

- One of four Power Marketing Administrations in DOE
- Wholesale electricity supplier
- 15-state footprint, 49 offices
- Serve 40 million Americans
- ~700 wholesale customers
 - Municipalities
 - Native American Tribes
 - Rural electric cooperatives
 - Irrigation districts
 - Public utility districts
 - Federal and state agencies



The Colorado River Storage Project (CRSP)

Initial Units

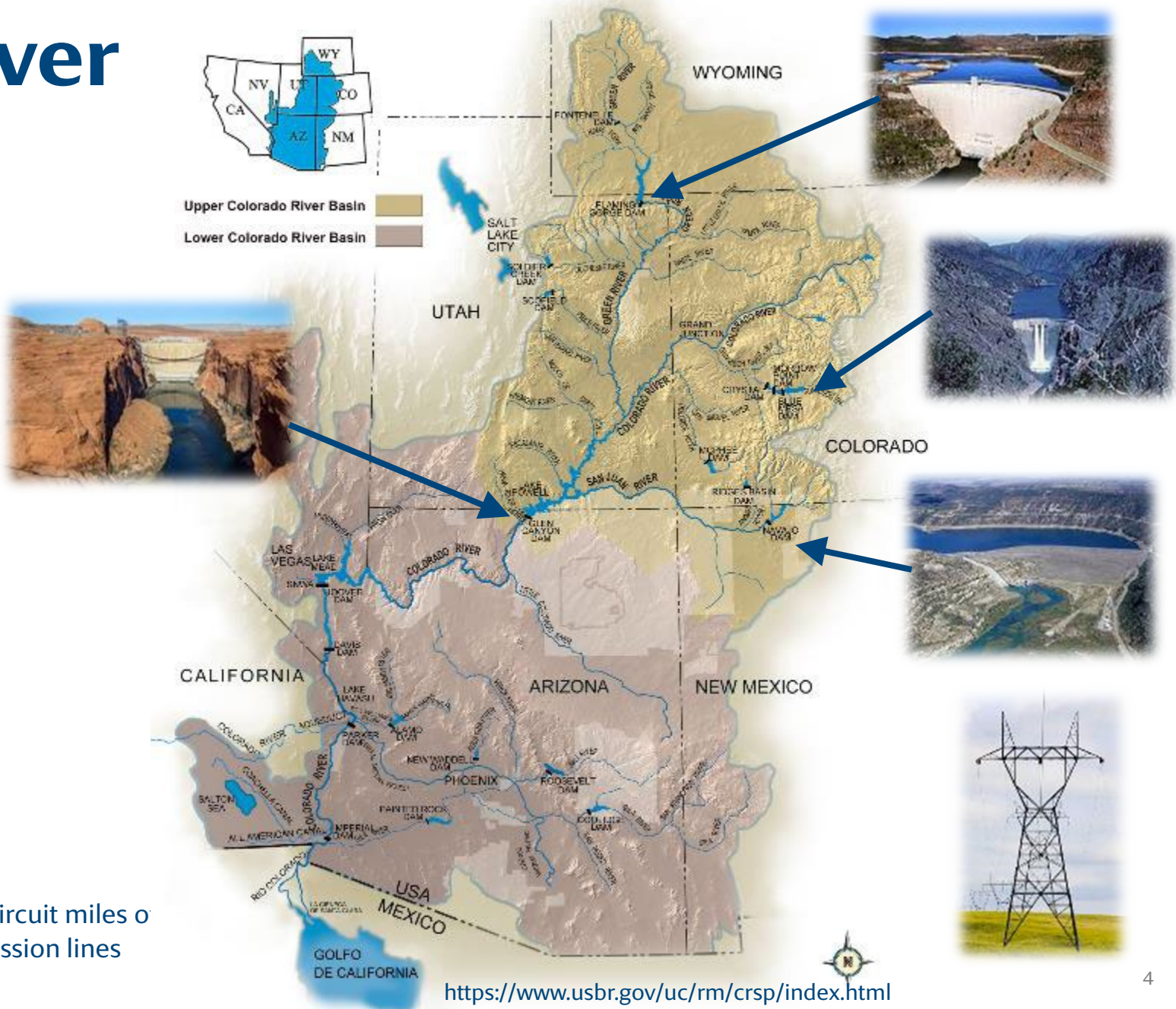
- Glen Canyon Dam
- Flaming Gorge Dam
- Aspinall Units
 - Blue Mesa
 - Morrow Point
 - Crystal
- Navajo Dam

Participating Projects

- Dolores
- Seedskadee

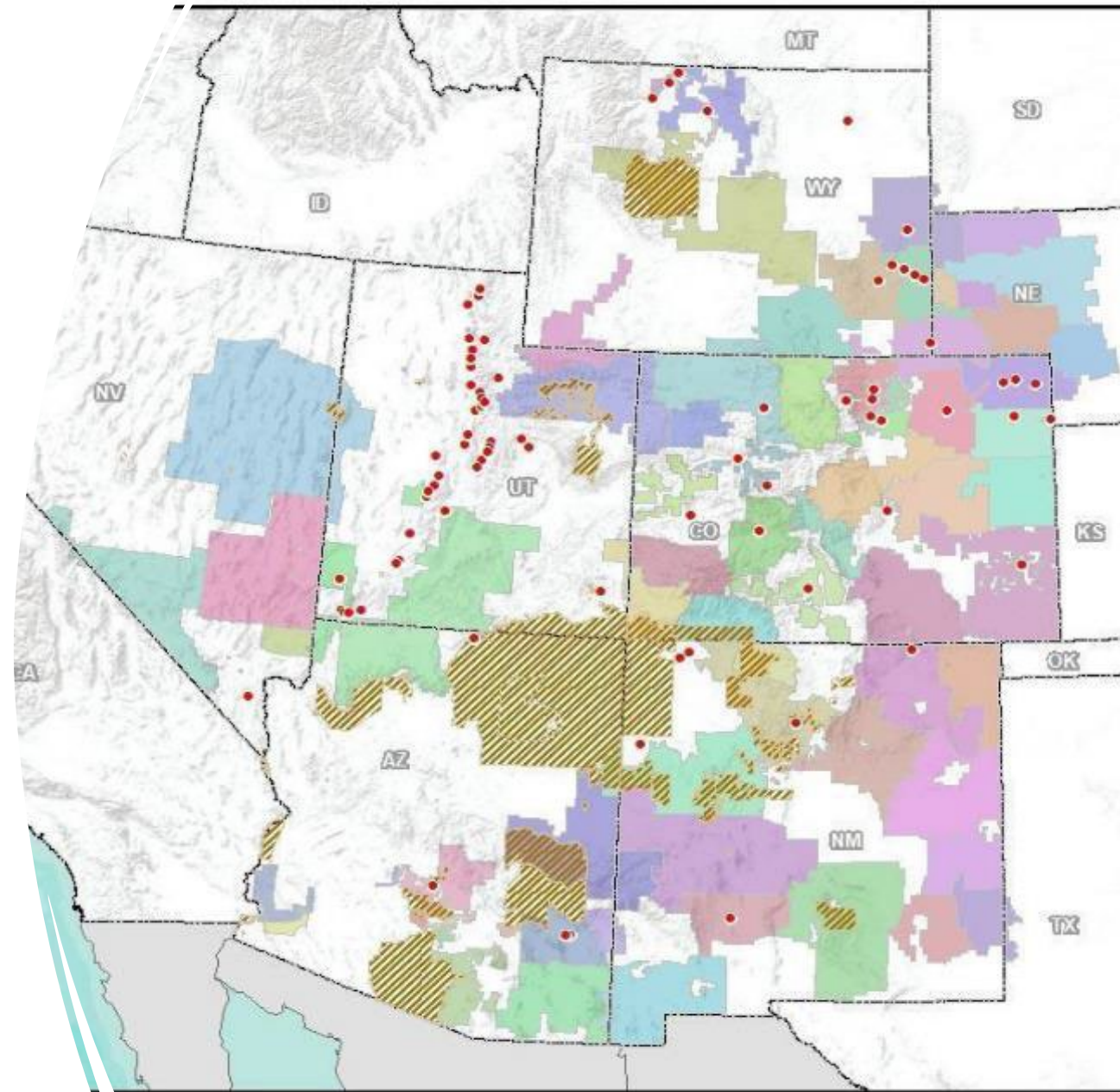
Many Water Projects

2,325 circuit miles of transmission lines



CRSP Firm Electric Service Deliveries

- 130 Long-Term Firm Electric Service Customers
- Long-Term Customers located across 6 states
- 54 Native American Tribes
- 76 municipalities, rural cooperatives, irrigation districts
- Federal facilities (military bases, National Labs)
- State institutions (Universities)
- About 5 million end-use consumers, mostly in rural areas.

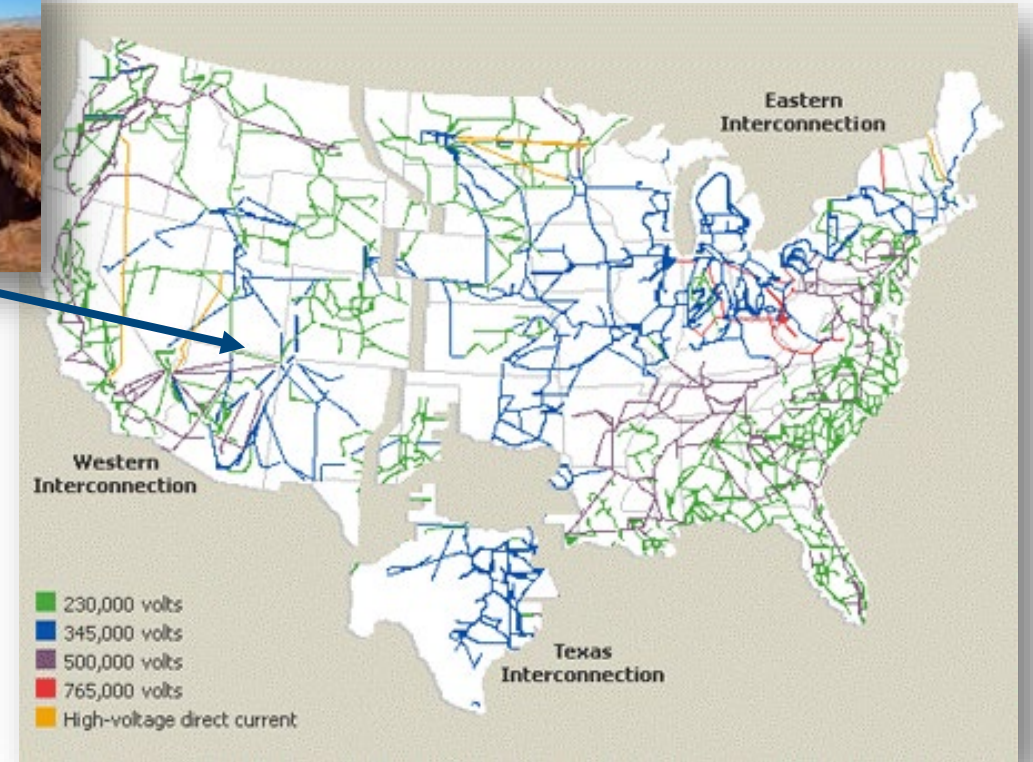


Note: Red dots are municipalities; solid-colored blocks are rural electric cooperatives; cross-hatched areas are Tribes.



CRSP/GCD's Role in the Western Interconnection and Balancing Authority

- Dispatchable Energy
- Balancing Authority
- Clean/Renewable
- Near Instantaneous Regulation and Reserve
- Emergency Operations
- Black Start
- Shutdown

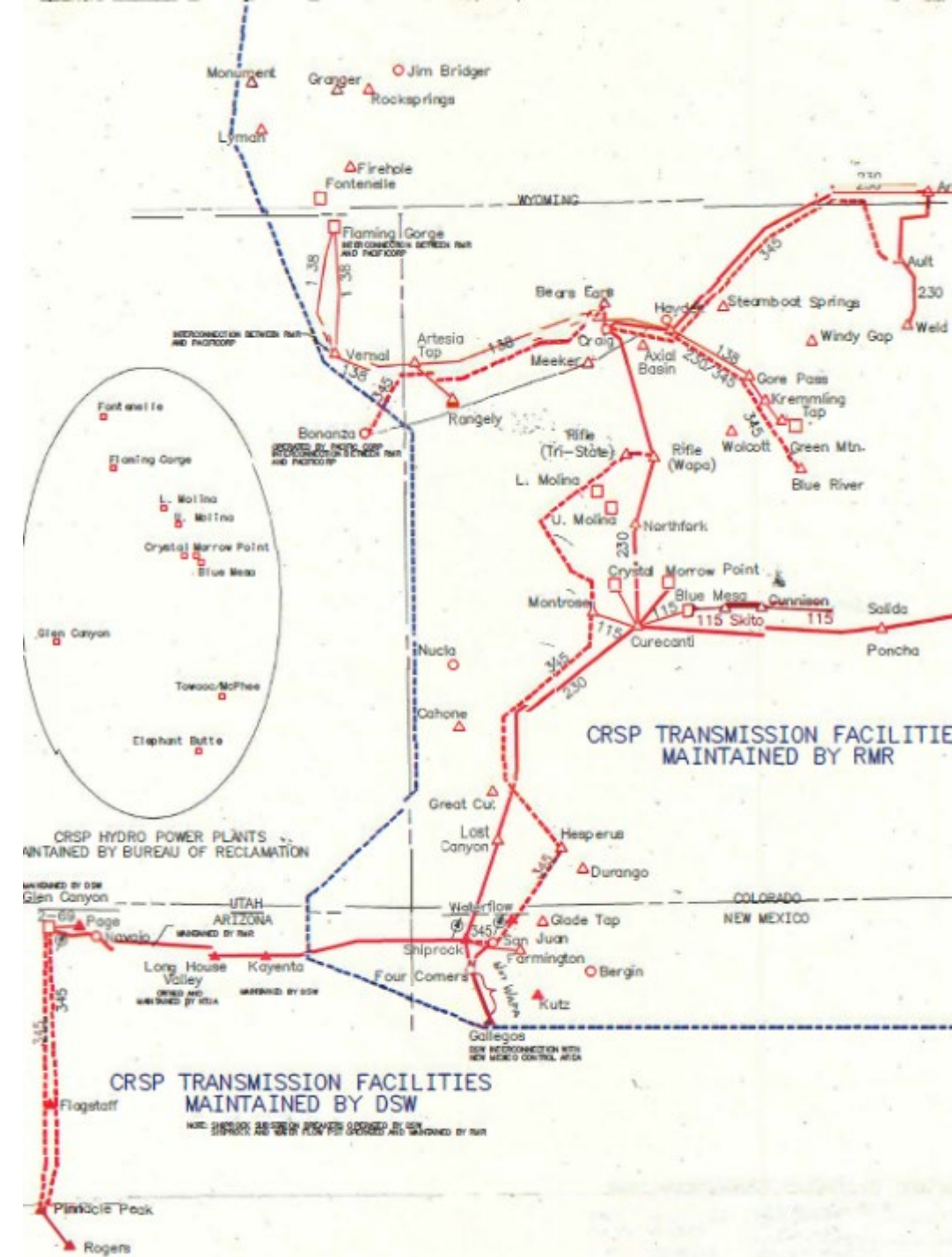


Glen Canyon is an integral component of the Western grid and hydropower plays a critical role in power production, grid stability, and emergency response. Hydropower works in concert with wind and solar and is an important component of a renewable, non-carbon-based power portfolio.



CRSP Transmission System Background

- 2,325 circuit miles of transmission lines, majority 230kV/345kV.
- 36 substations
- CRSP transmission was purposefully built as a “Wheel and Spoke” system.
- Large generators in remote locations (the “Wheel”) generate CRSP energy.
- Electricity is transmitted on transmission line built by CRSP (the “Spokes”) to established interconnection points.
- CRSP customers then pick up and transmit the electricity to their load using their transmission lines or wheeling on others.



1956 CRSP Act

- Provided authorization for the construction of initial units
- Allowed Upper Basin to develop their water allocation
- Includes power generation and transmission
- Power revenues pay for
 - Repayment
 - O&M
 - Replacements
- Established the Basin Fund
- Operate “... without further appropriations ...”

COLORADO RIVER STORAGE PROJECT-AUTHORITY
TO CONSTRUCT, OPERATE AND MAINTAIN

CHAPTER 203-PUBLIC LAW 485

[S. 500]

An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

In order to initiate the comprehensive development of the water resources of the Upper Colorado River Basin, for the purposes, among others, of regulating the flow of the Colorado River, storing water for beneficial consumptive use, making it possible for the States of the Upper Basin to utilize, consistently with the provisions of the Colorado River Compact, the apportionments made to and among them in the Colorado River Compact and the Upper Colorado River Basin Compact, respectively, providing for the reclamation of arid and semiarid land, for the control of floods, and for the generation of hydroelectric power, as an incident of the foregoing purposes, the Secretary of the Interior is hereby authorized (1) to construct, operate, and maintain the following initial units of the Colorado River storage project, consisting of dams, reservoirs, powerplants, transmission facilities and appurtenant works: Curecanti, Flaming Gorge, Navajo (dam and reservoir only), and Glen Canyon: *Provided*, That the Curecanti Dam shall be constructed to a height which will impound not less than nine hundred and forty thousand acre-feet of water or will create a reservoir of such greater capacity as can be obtained by a high waterline located at seven thousand five hundred and twenty feet above mean sea level, and that construction thereof shall not be undertaken until the Secretary has on the basis of further engineering and economic investigations, reexamined the economic justification of such unit and, accompanied by appropriate documentation in the form of a supplemental report, has certified to the Congress and to the President that, in his judgment, the benefits of such unit will exceed its costs; and (2) to construct, operate, and maintain the following additional reclamation projects (including power-generating and transmission facilities related thereto), hereinafter referred to as participating projects: Central Utah (initial phase); Emery County, Florida, Hammond, La Barge, Lyman, Paonia (including the Minnesota unit, a dam and reservoir on Muddy Creek just above its confluence with the North Fork of the Gunnison River, and other necessary works), Pine River Extension, Seedskadee, Sik and Smith Fork: *Provided further*, That as part of the Glen Canyon Unit the Secretary of the Interior shall take adequate protective measures to preclude impairment of the Rainbow Bridge National Monument.

Sec. 2. In carrying out further investigations of projects under the Federal reclamation laws in the Upper Colorado River Basin, the Secretary shall give priority to completion of planning reports on the Gooseberry, San Juan-Chama, Navajo, Parshall, Troublesome, Rabbit Ear, Eagle Divide, San Miguel, West Divide, Bluestone, Battlement Mesa, Tomichi Creek, East River, Ohio Creek, Fruitland Mesa, Bostwick Park, Grand Mesa, Dallas Creek, Savery-Pot Hook, Dolores, Fruit Growers Extension, Animas-La Plata, Yellow Jacket, and Sublette participating projects. Said reports shall be completed as expeditiously as funds are made available therefor and shall be submitted promptly to the affected States, which in the case of the San Juan-Chama project shall include the State of Texas, and thereafter to the President and the Congress: *Provided*, That with reference to the plans and specifications for the San Juan-Chama project, the storage for control and regulation of water imported from the San Juan River shall (1) be limited to a single offstream dam and reservoir on a tributary of the Chama River, (2) be used

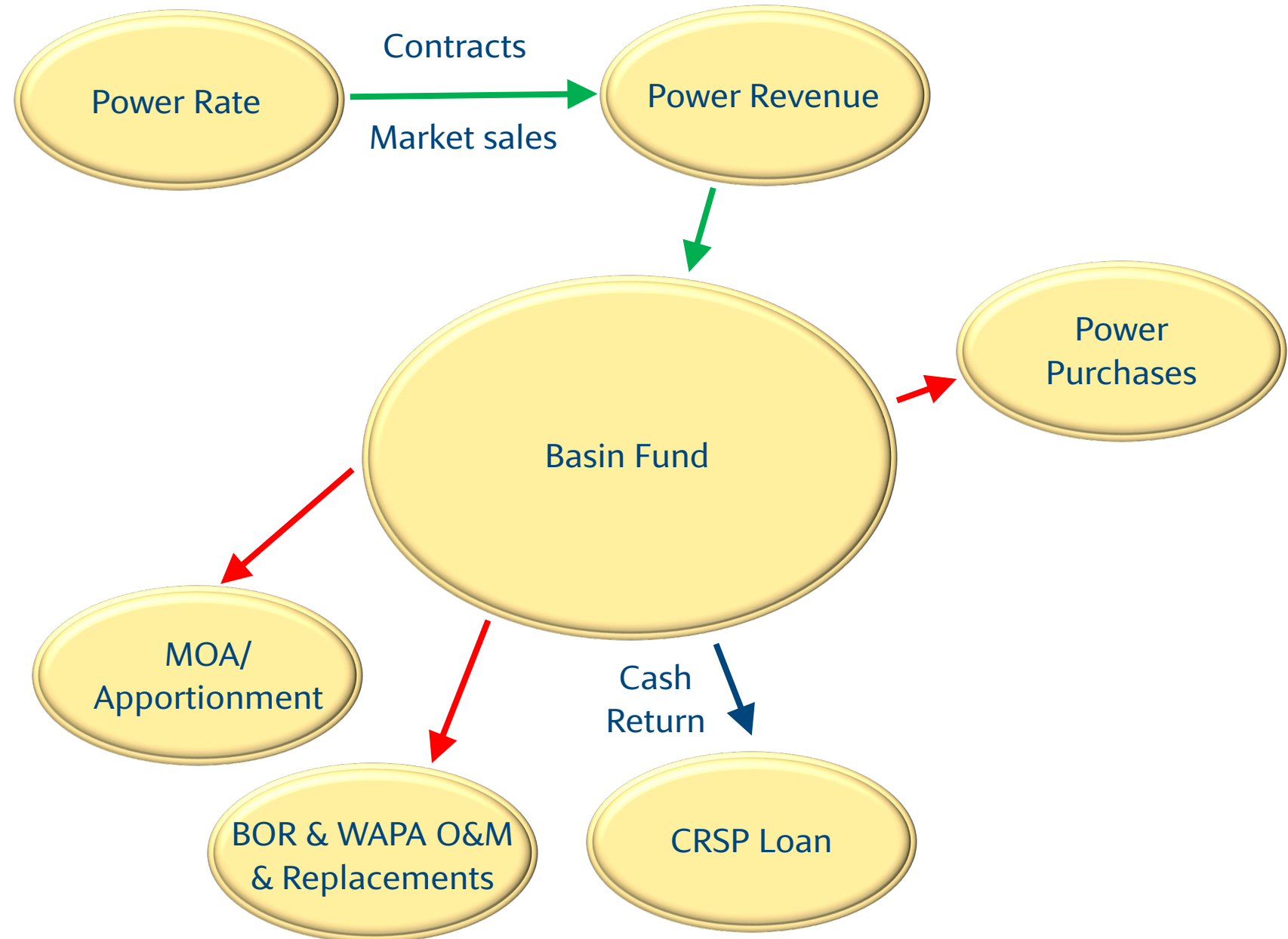


Basin Fund principles

- Unique funding mechanism - separate from normal appropriations processes.
- WAPA/CRSP has responsibility for maintaining sufficient funds for operating expenses
- Balance buffers against lean years and unexpected expenses
- Cannot be overdrawn (Anti-Deficiency Act)
- Expected to manage without additional appropriations
- Must manage requirement to return funds to Treasury while balancing funds necessary for operating needs

The Basin Fund - 1956

- Power Revenue
 - BOR & WAPA O&M
 - Replacements
 - Firming for contracts
 - Repayment
- Power Contracts
 - WAPA is a wholesale provider
 - Project use
 - Preference customers
 - Small, rural utilities
 - 54 Tribes
- Non-reimbursable activities
- MOA/Apportionment



“... without further appropriations ...”



1992 GCPA

Section 1804e: “Costs allocated to Section 1802 purposes shall be non-reimbursable”

- Non-reimbursable
 - Grand Canyon is national resource
 - Direct costs of GCPA are borne by the Federal government
- Authorizes the use of Power Revenues
- WAPA books these costs as a constructive return against the debt taken to build the CRSP and associated irrigation projects

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

TITLE XVIII – GRAND CANYON PROTECTION

SECTION 1801. SHORT TITLE.

This Act may be cited as the "Grand Canyon Protection Act of 1992".

SEC. 1802. PROTECTION OF GRAND CANYON NATIONAL PARK.

(a) In General. -- The Secretary shall operate Glen Canyon Dam in accordance with the additional criteria and operating plans specified in section 1804 and exercise other authorities under existing law in such a manner as to protect, mitigate adverse impacts to, and improve the values for which Grand Canyon National Park and Glen Canyon National Recreation Area were established, including, but not limited to natural and cultural resources and visitor use.

(b) Compliance With Existing Law. -- The Secretary shall implement this section in a manner fully consistent with and subject to the Colorado River Compact, the Upper Colorado River Basin Compact, the Water Treaty of 1944 with Mexico, the decree of the Supreme Court in Arizona v. California, and the provisions of the Colorado River Storage Project Act of 1956 and the Colorado River Basin Project Act of 1968 that govern allocation, appropriation, development, and exportation of the waters of the Colorado River basin.

(c) Rule of Construction. -- Nothing in this title alters the purposes for which the Grand Canyon National Park or the Glen Canyon National Recreation Area were established or affects the authority and responsibility of the Secretary with respect to the management and administration of the Grand Canyon National Park and Glen Canyon National Recreation Area, including natural and cultural resources and visitor use, under laws applicable to those areas, including, but not limited to, the Act of August 25, 1916 (39 Stat. 535) as amended and supplemented.

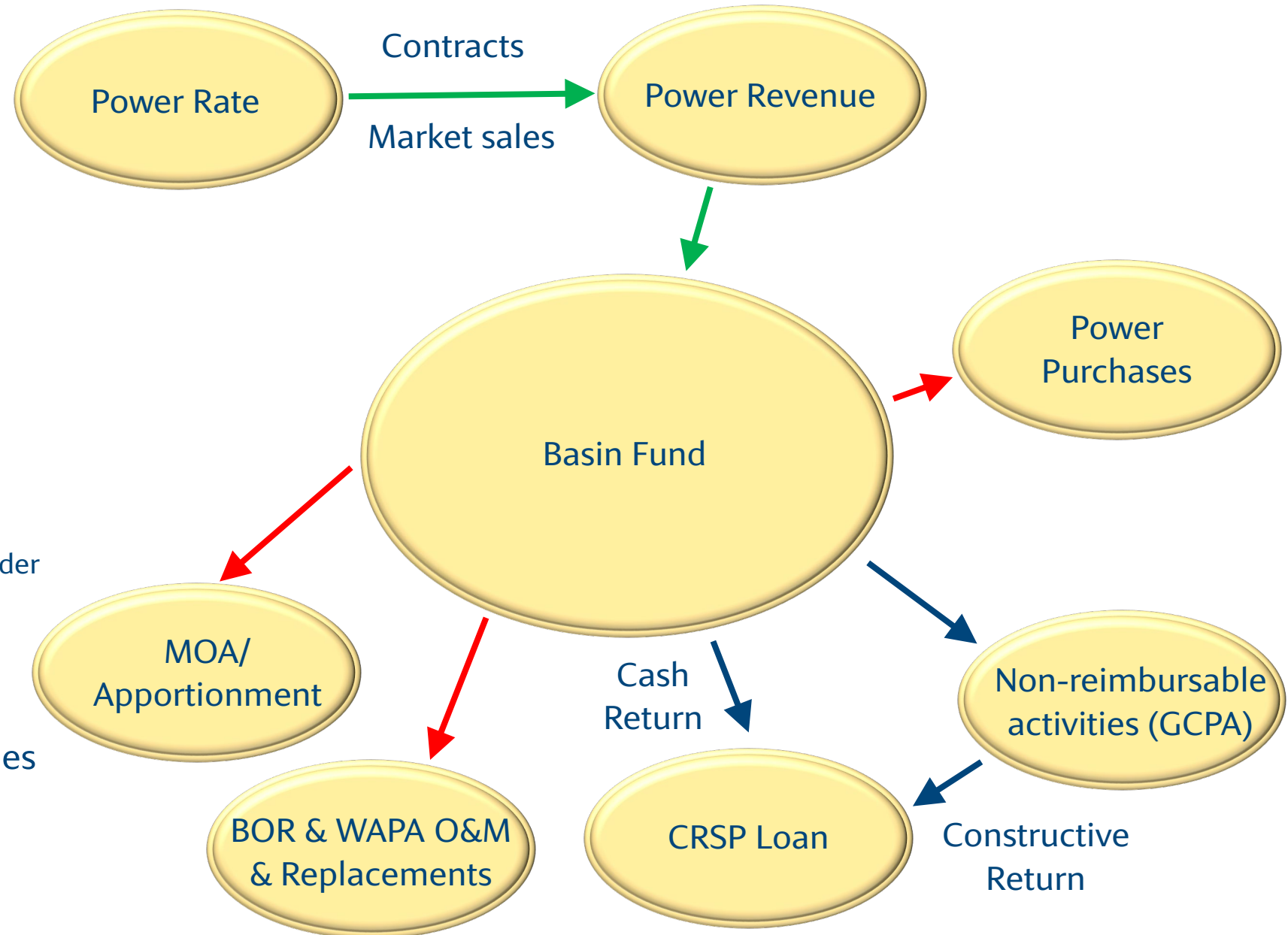
SEC. 1804. GLEN CANYON DAM ENVIRONMENTAL IMPACT STATEMENT; LONG-TERM OPERATION OF GLEN CANYON DAM.

(e) Allocation of Costs. -- The Secretary of the Interior, in consultation with the Secretary of Energy, is directed to reallocate the costs of construction, operation, maintenance, replacement and emergency expenditures for Glen Canyon Dam among the purposes directed in section 1802 of this Act and the purposes established in the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 170). Costs allocated to section 1802 purposes shall be nonreimbursable. Except that in Fiscal Year 1993 through 1997 such costs



The Basin Fund w-GCPA

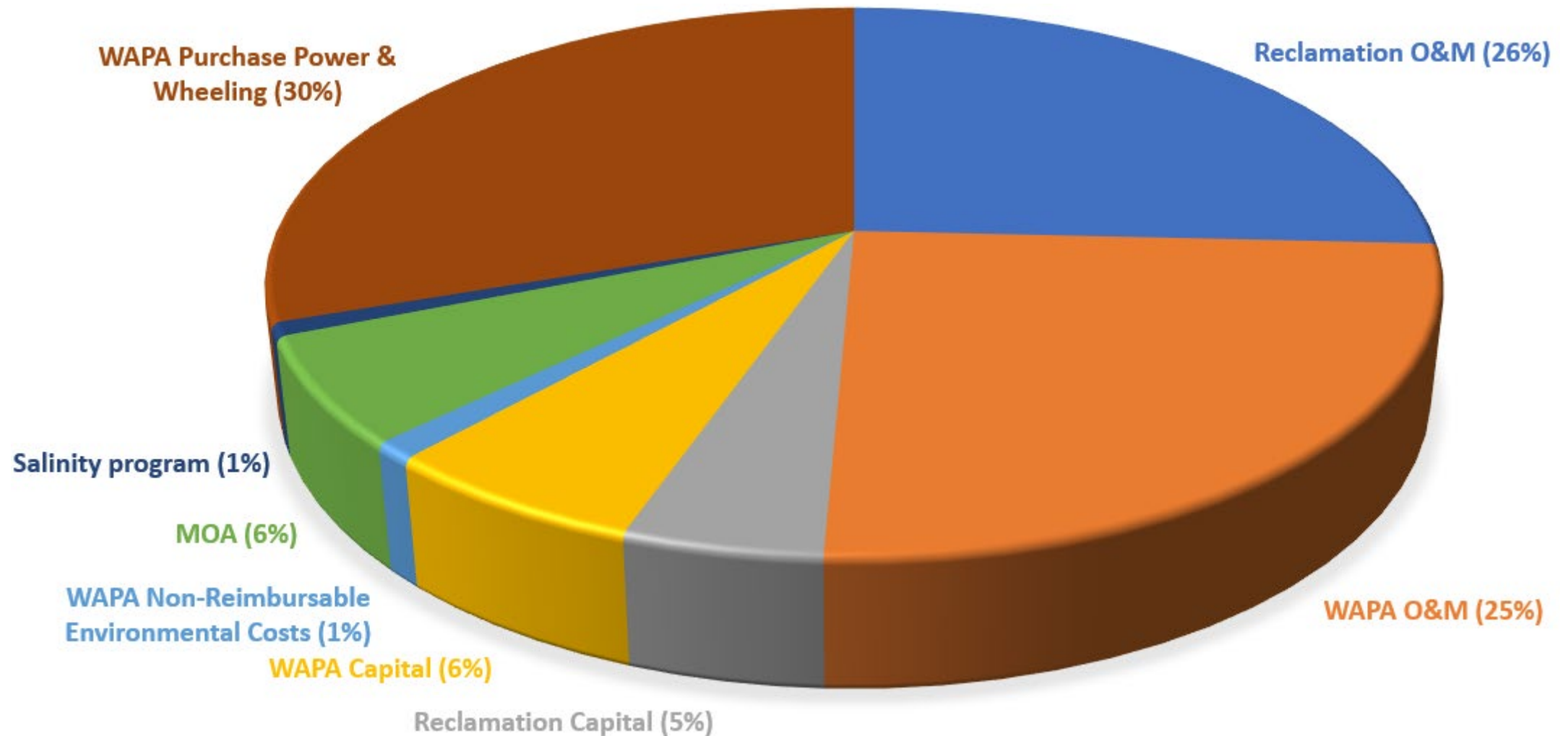
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 - 54 Tribes
- Non-reimbursable activities
 - GCDAMP & UCRIPs
 - Glen Canyon Dam experiments
 - Water quality and consumptive use studies



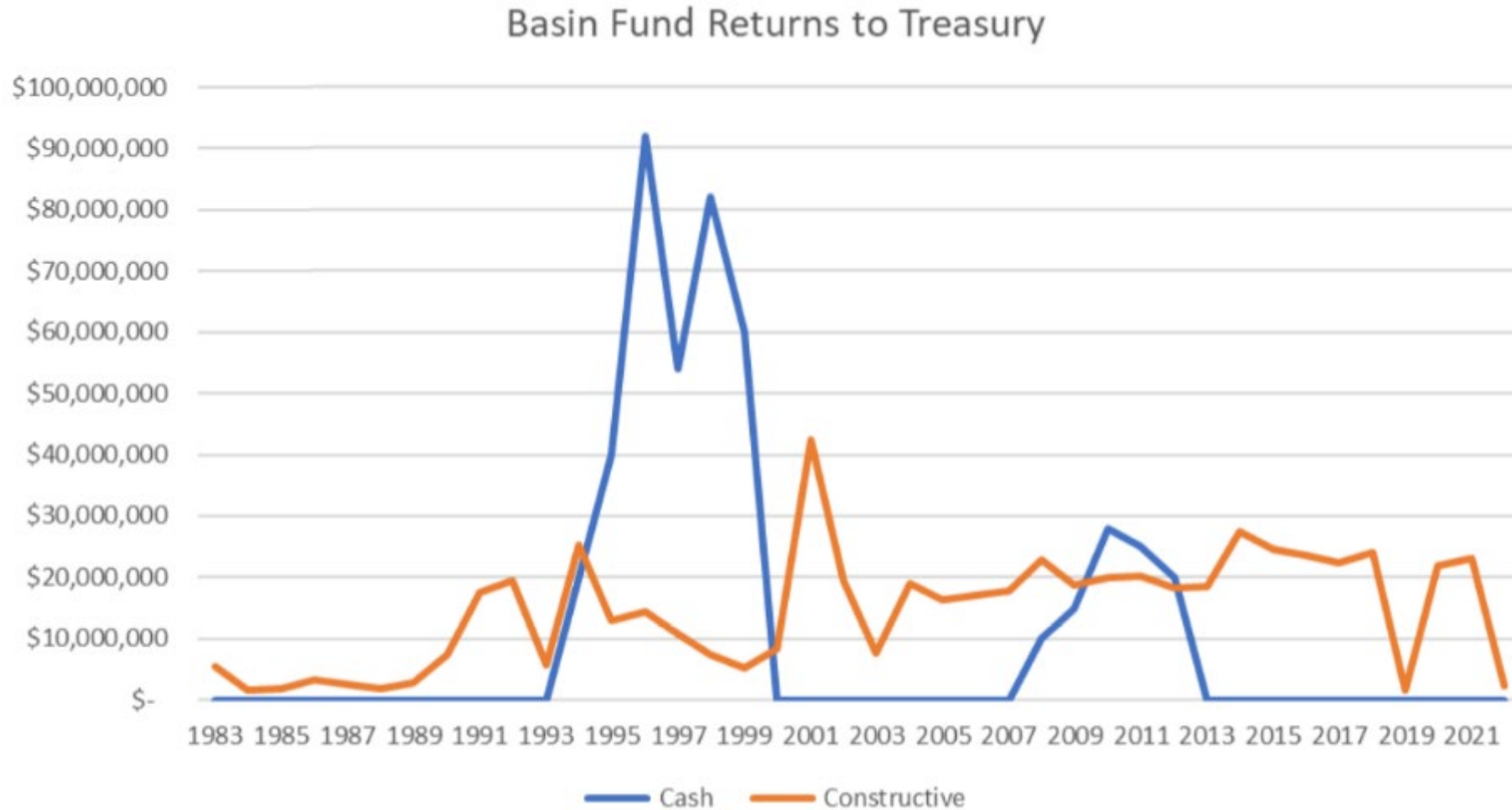
“... without further appropriations ...”



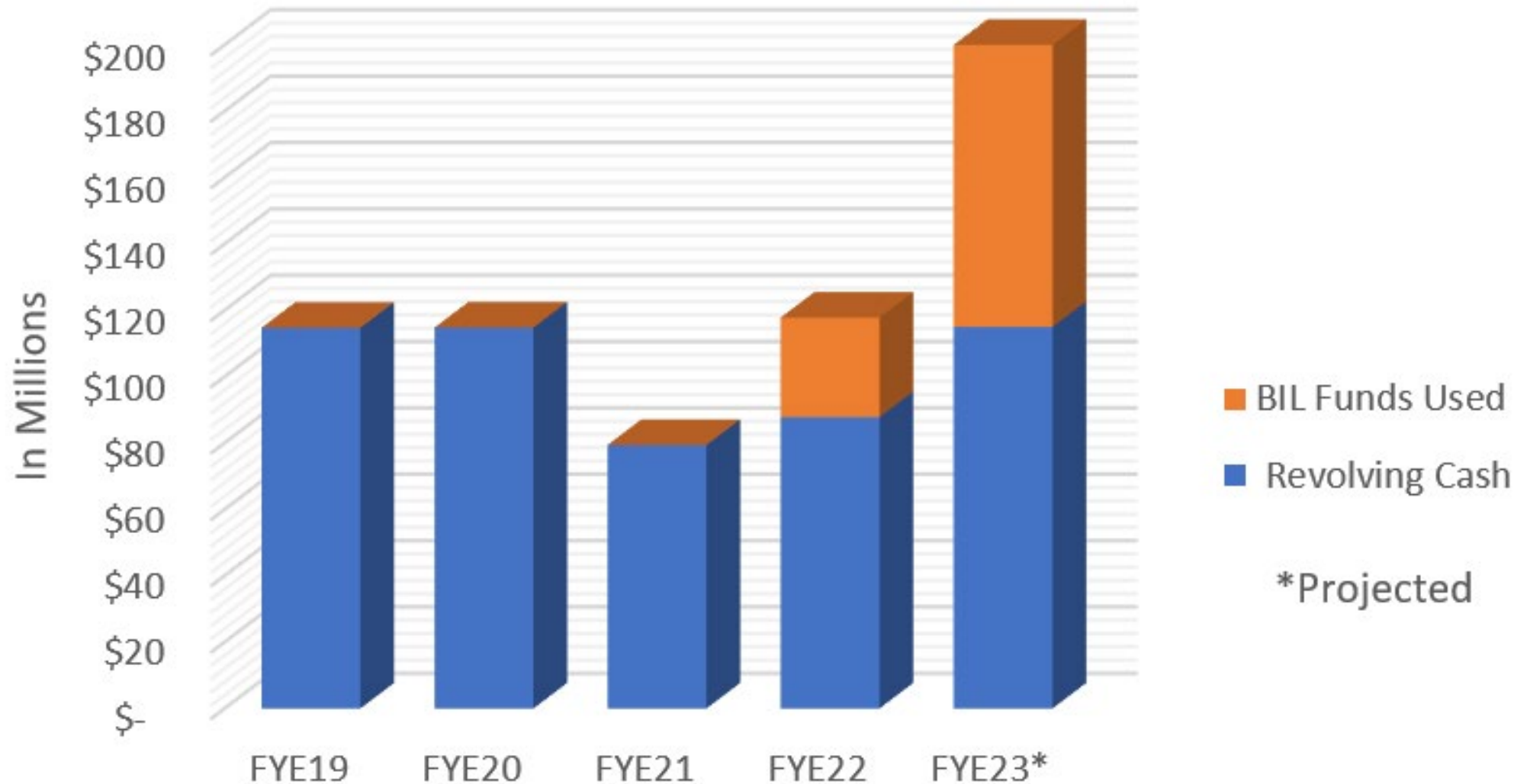
Where is Basin Fund Cash Going?



Basin Fund Returns



Basin Fund Balances (End of FY)



Summary

- Non-reimbursable program has been an elegant solution.
 - Used to have ~\$30M of interest due, annually
 - Return requirements are significantly lower
- Purpose of the Basin Fund is to operate and maintain the CRSP.
 - Returns occur when available funds are in excess of operating needs
- Keeping things in perspective:
 - BOR and WAPA O&M expenses to operate the entire CRSP = \$117M in 2023
 - Aging infrastructure: \$99M of capital expenditures planned in FY24-26 (BOR and WAPA)
 - Unanticipated repairs: \$15M storm damage on 3 miles of the Pinnacle Peak – Rogers line in 2022
- Re-imagine the Experimental Fund and Budget?
- Alternative Funding Sources?



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