



DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects, Western Area Colorado Missouri Balancing Authority, and Colorado River Storage Project - Rate Order No. WAPA-196

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed extension of transmission and ancillary services formula rates.

SUMMARY: The Rocky Mountain Region (RMR) of the Western Area Power Administration (WAPA) proposes to extend existing formula rates for the Loveland Area Projects (LAP), the Western Area Colorado Missouri Balancing Authority (WACM), and the Colorado River Storage Project (CRSP) through September 30, 2024. The extended formula rates are unchanged from the existing formula rates applicable to LAP transmission services under rate schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), and L-UU1 (unreserved use), and applicable to LAP, WACM, and CRSP ancillary services under rate schedules L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control (VAR) support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) that expire on September 30, 2021.

DATES: A consultation and comment period will begin [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and end [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. RMR will accept written comments at any time during the consultation and comment period.

ADDRESSES: Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed extension submitted by WAPA to FERC for approval should be sent to: Mr. Timothy A. Vigil, Acting Regional

Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, or email: LAPtransadj@wapa.gov. RMR will post information about the proposed formula rate extension and written comments received to its website at:

<https://www.wapa.gov/regions/RM/rates/Pages/2021-Rate-Extension.aspx>.

FOR FURTHER INFORMATION CONTACT: Mrs. Sheila D. Cook, Rates Manager, Rocky Mountain Region, Western Area Power Administration, (970) 685-9562 or email: scook@wapa.gov.

SUPPLEMENTARY INFORMATION: On March 9, 2017, FERC approved and confirmed LAP transmission and LAP, WACM, and CRSP ancillary services formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS4 (energy imbalance), L-AS5 (spinning reserves), L-AS6 (supplemental reserves), L-AS7 (transmission losses), and L-AS9 (generator imbalance) under Rate Order No. WAPA-174 for a 5-year period through September 30, 2021.¹ On December 29, 2020, WAPA's Administrator approved rates for short-term sales for RMR to use under the Western Energy Imbalance Service (WEIS) Market, which superseded rate schedules L-AS4 (energy imbalance), L-AS9 (generator imbalance), and L-AS7 (transmission losses) for the 8-month period of February 1, 2021, through September 30, 2021.

In accordance with 10 CFR 903.23(a),² RMR is proposing to extend the remaining 5-year formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves),

¹ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket Nos. EF16-5-000 and EF16-5-001, 158 FERC ¶ 62,181 (2017).

² 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

and L-AS6 (supplemental reserves) for the period of October 1, 2021, through September 30, 2024. The existing formula rates provide sufficient revenue to pay all annual costs, including interest expense, and repay investment within the allowable period consistent with the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2.

In accordance with 10 CFR 903.23(a), WAPA has determined that it is not necessary to hold public information or public comment forums for this rate action but is initiating a 30-day consultation and comment period to give the public an opportunity to comment on the proposed extension. RMR will review and consider all timely public comments at the conclusion of the consultation and comment period and adjust the proposal as appropriate.

Under a separate rate adjustment process, Rate Order No. WAPA-197, RMR is concurrently proposing to put long-term rates in place for RMR to use under the WEIS Market under Rate Schedules L-AS4 (energy imbalance), L-AS9 (generator imbalance), L-AS7 (balancing authority real power losses), and L-NFJDT (joint dispatch transmission) for this same 3-year period, October 1, 2021, through September 30, 2024.

This 3-year period would allow RMR time to refine the WEIS Market implementation and investigate the potential expansion of, and participation in, the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) in the Western Interconnection. The potential expansion of the SPP RTO would have significant impacts on the above rate methodologies. Putting rates in place for the next three years would also allow time for RMR to evaluate what changes would need to be made to these rates before conducting a major rate adjustment process and putting all necessary formula rates in place for a new 5-year period that would begin on October 1, 2024.

Legal Authority

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to WAPA's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates to FERC. By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy (to whom such authority was delegated by the Secretary of Energy in Delegation Order No. 00-002.00S from January 15, 2020, until that delegation was rescinded on February 25, 2021) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. The delegations and redelegations not affirmatively rescinded remain valid.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA previously determined that this action fits within the class listed in Appendix B to Subpart D of 10 CFR Part 1021.410: categorical exclusions applicable to B4.3: Electric power marketing rate changes and B4.4: Power marketing services and activities, which do not require preparation of either an environmental impact statement (EIS) or an environmental assessment (EA).³ Specifically, WAPA has determined that

³ The determination was done in compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing

this rulemaking is consistent with activities identified in B4, Categorical Exclusions Applicable to Specific Agency Actions (see 10 CFR Part 1021, Appendix B to Subpart D, Part B4. A copy of the categorical exclusion determination is available on WAPA's website at <https://www.wapa.gov/regions/RM/environment/Pages/CX2016.aspx>. Look for file entitled, "2016-077 Prop Formula Rate Adjust for Transmission Ancillary Services and Sales of Surplus Prods 031016."

Determination Under Executive Order 12866

WAPA 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.

Signing Authority

This document of the Department of Energy was signed on April 9, 2021, by Tracey A. LeBeau, Interim Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on April 16, 2021.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

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