



DEPARTMENT OF ENERGY

Western Area Power Administration

Falcon and Amistad Projects - Rate Order No. WAPA-216

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order extending firm power formula rate.

SUMMARY: The extension of the Colorado River Storage Project Management Center's (CRSP MC) existing Falcon and Amistad projects' firm power formula rate has been confirmed, approved, and placed into effect on an interim basis. The existing formula rate under Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate is set to expire on June 7, 2024. This rate extension makes no change to the existing formula rate and extends it through June 7, 2029.

DATES: The extended formula rate under Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate will be placed into effect on an interim basis on June 8, 2024.

FOR FURTHER INFORMATION CONTACT: Rodney G. Bailey, CRSP Manager, Colorado River Storage Project Management Center, Western Area Power Administration, P.O. Box 1800 South Rio Grande Drive, Montrose, CO 81401, or email: CRSPMC-rate-adj@wapa.gov, or Tamala D. Gheller, Rates Manager, Colorado River Storage Project Management Center, Western Area Power Administration, (970) 240-6545, or email: gheller@wapa.gov.

SUPPLEMENTARY INFORMATION: Western Area Power Administration (WAPA) published a *Federal Register* notice (Proposed FRN) on January 26, 2024 (89 FR 5226), proposing to extend the existing formula rate under Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate. The Proposed FRN also initiated a 30-day public consultation and comment period. The consultation and comment period ended on

February 26, 2024, and the CRSP MC received no comments on the proposed formula rate extension.

Legal Authority

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA 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 the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1-DEL-S3-2023, effective April 10, 2023, the 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 Infrastructure. By Redelegation Order No. S3-DEL-WAPA1-2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This extension is issued under Redelegation Order No. S3-DEL-WAPA1-2023 and Department of Energy rate extension procedures set forth in 10 CFR part 903.¹

Following review of the CRSP MC's proposal, Rate Order No. WAPA-216 is hereby confirmed, approved, and placed into effect on an interim basis. This extends, without adjustment, the existing Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate through June 7, 2029. WAPA will submit Rate Order No. WAPA-216 and the extended rate schedule to FERC for confirmation and approval on a final basis.

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

**DEPARTMENT OF ENERGY
ADMINISTRATOR, WESTERN AREA POWER ADMINISTRATION**

In the Matter of:)
)
Western Area Power Administration)
Extension for the) Rate Order No. WAPA-216
Falcon and Amistad Projects')
Firm Power Formula Rate)

**ORDER CONFIRMING, APPROVING, AND PLACING THE FALCON AND
AMISTAD PROJECTS' FIRM POWER FORMULA RATE INTO EFFECT ON AN
INTERIM BASIS**

The formula rate in Rate Order No. WAPA-216 is established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).¹

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration (WAPA) 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 the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1-DEL-S3-2023, effective April 10, 2023, the 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 Infrastructure. By Redelegation Order No. S3-DEL-WAPA1-2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This extension

¹ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the projects involved.

is issued under Redelegation Order No. S3-DEL-WAPA1-2023 and DOE rate extension procedures set forth in 10 CFR part 903.²

BACKGROUND

On June 20, 2019, FERC approved and confirmed Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate under Rate Order No. WAPA-186 on a final basis for a 5-year period through June 7, 2024.³ This rate schedule applies to firm energy sales. Details about the rate schedule and the formula rate are viewable on Colorado River Storage Project Management Center's (CRSP MC) website at: www.wapa.gov/about-wapa/regions/crsp/rates/rate-order-216. The rate continues the formula-based methodology that includes an annual update to the data in the rate formula, which provides adequate revenue to recover annual expenses, including interest expense, and repay capital investments within allowable time periods. This formula rate ensures repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

DISCUSSION

In accordance with 10 CFR 903.23(a), the CRSP MC filed a notice in the *Federal Register* on January 26, 2024, proposing to extend, without adjustment, Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate under Rate Order No. WAPA-216.⁴ The CRSP MC determined it was not necessary to hold public information or public comment forums on the proposed formula rate extension but provided a 30-day consultation and comment period to give the public an opportunity to comment on the proposed extension. The consultation and comment period ended on February 26, 2024, and the CRSP MC received no comments on the proposed formula rate extension.

RATEMAKING PROCEDURE REQUIREMENTS

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

³ *Order Confirming and Approving Rate Schedule on a Final Basis*, FERC Docket No. EF19-3-000, 167 FERC ¶ 62,187 (2019).

⁴ 89 FR 5226 (2024).

Environmental Compliance

WAPA has determined that this action fits within the following categorical exclusion listed in appendix B to subpart D of 10 CFR 1021.410: B4.3 (Electric power marketing rate changes). Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment. A copy of the categorical exclusion determination is available on CRSP MC's website at:

www.wapa.gov/about-wapa/regions/crsp/about-crsp/environment/. Look for file titled, "Falcon-Amistad Projects Rate Extension – (CX Determination 2024-2029)."

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.

Submission to the Federal Energy Regulatory Commission

The provisional formula rate herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

ORDER

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA-216, which extends the existing firm power formula rate under Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate through June 7, 2029. The rate will remain in effect on an interim basis until: (1) FERC confirms and approves of this extension on a final basis; (2) a subsequent rate is confirmed and approved; or (3) such rate is superseded.

Signing Authority

This document of the Department of Energy was signed on April 29, 2024, by Tracey A. LeBeau, 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 30, 2024.

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

Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
Falcon and Amistad Projects**

Firm Power Formula Rate Calculation
(Approved Under Rate Order No. WAPA-186)

EFFECTIVE:

The first day of the first full billing period beginning on or after June 8, 1983, through June 7, 1988, or until superseded by another formula, whichever occurs earlier. Note: Extension of this firm power formula rate, for 5-year increments, was first approved by the Federal Power Commission, predecessor of the Federal Energy Regulatory Commission (FERC), on August 12, 1977. FERC has subsequently approved the firm power formula rate on July 20, 1988, September 29, 1993, June 7, 1998, January 31, 2005, December 17, 2009, April 9, 2015, and June 20, 2019, for service through June 7, 2024. [Note: This rate schedule was extended by Rate Order No. WAPA-216 through June 7, 2029.]

Available:

In the area served by the Falcon and Amistad Projects (Projects).

Applicable:

To preference customers who are under contract with Western Area Power Administration (WAPA) to receive electric service from the Projects.

Formula Rate:

The existing formula rate provides sufficient revenue to recover annual expenses, interest, and capital replacements within the cost recovery criteria set forth in DOE Order RA 6120.2. Annual expenses generally include operational expenses, such as salaries and benefits as well as incidental equipment costs. Equipment replacements and

maintenance beyond recurring activities are considered capital replacements; these costs, along with the initial federal investment in the Projects, are amortized with interest and repaid to the U.S. Department of the Treasury. A reconciliation of estimates to actual expenses is accomplished at the end of the rate period, and any differences are included in the following year's revenue requirement.

Billing:

WAPA bills the South Texas Electric Cooperative, the sole customer that takes service from the Projects, on a monthly basis. Each monthly charge is equal to one twelfth of the Projects' annual rate installment, rounded to the penny.

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