



DEPARTMENT OF ENERGY

Western Area Power Administration

Colorado River Storage Project - Rate Order No. WAPA-220

AGENCY: Western Area Power Administration, DOE.

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

SUMMARY: The Colorado River Storage Project (CRSP) Management Center (MC) of the Western Area Power Administration (WAPA) proposes new formula rates for CRSP transmission and ancillary services for CRSP MC's costs to be recovered under the Southwest Power Pool's (SPP) Open Access Transmission Tariff (Tariff) should CRSP MC decide to become a member of SPP. The proposed formula rates will become effective on the latter of CRSP MC's membership date or the go-live date of the expansion of the SPP Regional Transmission Organization (RTO) into the Western Interconnection (scheduled for April 1, 2026, as of the date of this notice) and will remain in effect for 5 years from the effective date, which with an effective date of April 1, 2026, will be March 31, 2031, or until superseded.

DATES: A consultation and comment period will begin **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** and end **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. CRSP MC will present a detailed explanation of the proposed formula rates and other modifications at a public information forum that will be held on February 19, 2025, at 2 p.m. MST to no later than 3 p.m. MST. CRSP MC will also host a public comment forum on February 19, 2025, at 3:15 p.m. MST to no later than 4 p.m. MST. The public information forum and the public comment forum will be conducted virtually. Instructions for participating in the forums will be posted on CRSP MC's Rates website at least 14 days prior to the public information and comment forums at:

www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/.

CRSP MC will accept comments 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 formula rates submitted by WAPA to FERC for approval should be sent to: Rodney G. Bailey, CRSP Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 1800 South Rio Grande Avenue, Montrose, CO 81401, or e-mail CRSPMC-rate-adj@wapa.gov. CRSP MC will post information about the proposed formula rates and written comments received to its rates website at:

www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/.

FOR FURTHER INFORMATION CONTACT: 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: On April 28, 2023, WAPA published a *Federal Register* notice titled “Recommendation for the Western Area Power Administration’s Rocky Mountain Region and Colorado River Storage Project Management Center to Pursue Final Negotiations Regarding Membership in the Southwest Power Pool Regional Transmission Organization, and for the Upper Great Plains Region to Expand its Participation” (88 FR 26298). On June 4, 2024, SPP submitted revisions to its Tariff, Bylaws, and Membership Agreement to expand the SPP RTO into the Western Interconnection to FERC.¹ If SPP succeeds in obtaining FERC’s

¹ Southwest Power Pool, Inc., Submission of Revisions to Tariff, Bylaws, and Membership Agreement to Expand the Regional Transmission Organization into the Western Interconnections (Part 1 of 2) and (Part 2 of 2), Docket Nos. ER24-2184, ER24-2185 (June 4, 2024).

approval of its Tariff, Bylaws, and Membership Agreement revisions, and upon further approval by the Administrator, CRSP MC plans to become a member of SPP.²

CRSP MC's membership will include CRSP MC becoming a Transmission Owner member of SPP. WAPA will transfer functional control of eligible CRSP transmission facilities to SPP. At such time, for the eligible facilities, CRSP transmission and ancillary services will no longer be available under WAPA's Tariff, and the existing transmission and ancillary services rate schedules, specifically SP-NW6, SP-PTP10, SP-NFT9, SP-UU3, L-AS1, L-AS2, L-AS3, SP-EI6, SP-SSR6, will no longer be applicable.

CRSP transmission service for these eligible facilities will be provided under the SPP Tariff by SPP as the transmission service provider. Accordingly, CRSP MC will need new rate designs/rate schedules and rate implementation protocols in place for specific costs to be recovered under the SPP Tariff.

CRSP MC will continue to be the transmission service provider for specific transmission facilities associated with serving a customer group in its Southern Division marketing area, who requested a pseudo-tie into the Western Area Lower Colorado Balancing Authority (WALC BA). CRSP MC will provide firm transmission service to serve this pseudo-tie and will not transfer functional control of such facilities to SPP.

As of the date of this notice, SPP's anticipated deadline for filing certain SPP Tariff documents for CRSP MC (including annual revenue requirements (ARR), formula rate templates, and formula rate implementation protocols proposed in this rate filing, as well as other pertinent documents not included in this rate filing) with FERC is October 2025. CRSP MC is publishing this notice of proposed formula rates and initiating the rate consultation and comment period at this time in order for CRSP MC to obtain FERC -approved formula rates prior to this SPP deadline.

² WAPA's Rocky Mountain region also plans to become a member of the SPP RTO, and WAPA's Upper Great Plains region plans to expand its membership participation in the SPP RTO. These regions are proposing new formula rate designs/rate schedules under separate Rate Order Nos. WAPA-219 and WAPA-218, respectively.

If CRSP MC does not become a member of SPP, further actions under this notice of proposed rates will be canceled, and existing formula rates will remain in effect. If canceled, CRSP MC will inform customers by letter and by posting notice of such on CRSP MC's Rates website (www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/) and will withdraw the formula rates proposed in this notice.

CRSP MC is proposing a new formula rate to calculate the ARR for its CRSP transmission facilities that will be transferred to the functional control of SPP under the SPP Tariff. CRSP MC is also proposing a new formula rate to calculate the ARR for Scheduling, System Control, and Dispatch Service (SSCD Service) under the SPP Tariff. CRSP MC's revenue requirements will be added to the annual revenue requirements of other transmission owners in the SPP pricing Zone 103, also identified as the Colorado River Storage Project Zone (CRSPZ), for transmission service billed by SPP within the CRSPZ. CRSP MC's revenue requirements under these proposed rates will also impact other costs for transmission service within the broader SPP footprint. For transmission and ancillary services provided under the SPP Tariff, CRSP MC also proposes to provide information related to CRSP MC's rate implementation and annual updates in "Formula Rate Implementation Protocols" (Protocols). CRSP MC is also proposing changes to its existing Firm Point-to-Point (PTP) Transmission Service rate design in order to accommodate transmission service deliveries into the WALC BA. Each of these topics is described in more detail below.

The proposed formula rates will provide sufficient revenue to recover annual operation, maintenance, replacement, and interest expense while ensuring repayment of the project within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2. For more specific information on the proposed formula rates, please see the customer rate brochure located on CRSP MC's Rates website at:

www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/.

Proposed Transmission Formula Rate

For transmission service provided by SPP under SPP's Tariff, under Rate Schedule CRCMT-ATRR, CRSP MC proposes to provide its overall CRSP annual transmission revenue requirement (ATRR) as separate subtotals to distinguish CRSP transmission facilities in the CRSPZ from facilities in other SPP zones. SPP will utilize these CRSP ATRR subtotals, along with zonal and regional load and other applicable information, to calculate the applicable charges and revenue distribution for SPP transmission service under the SPP Tariff.

Consistent with CRSP MC's current transmission formula rates, CRSP MC proposes to continue recovering transmission-related expenses and investments on a forward-looking basis by using projections to estimate transmission costs for the upcoming year, with a true-up of incurred costs in a subsequent year. Transmission-related annual costs include operation and maintenance, administrative and general costs, interest, and depreciation. The annual costs will be reduced by applicable revenue credits received by CRSP MC under the SPP Tariff.

Revenue requirement data will be submitted to SPP in standard formula rate templates with costs classified as either "Zonal" or "Regional," applying the definitions in the SPP Tariff. "Zonal" costs are those that meet certain criteria and are recovered within the local pricing zone, while "Regional" costs are those meeting certain criteria eligible to be recovered across SPP's Western BA area. The Formula Rate Template for the CRSP ATRR and related information will be posted on CRSP MC's Colorado River Colorado Missouri (CRCM) Open Access Same-Time Information System (OASIS) website (www.oasis.oati.com/CRCM/index.html), on CRSP MC's Rates website ([www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-](http://www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/)

ancillary-services/), and on SPP's Member Related Postings website (*opsportal.spp.org/OASIS/Directory/Member%20Related%20Postings*).

Proposed Formula Rate for Scheduling, System Control, and Dispatch Service

SSCD Service is required to operate a Transmission Owner's SPP Tariff facilities and schedule movement of power through, out of, within, or into one or both of the SPP BA areas and certain parts of the transmission system not located within a SPP BA area. Under this proposal, CRSP MC's ARR for SSCD Service, under Rate Schedule CRCMT-AS1, will be submitted to SPP in a standard formula rate template for inclusion in the SPP Tariff Schedule 1. The SSCD Service ARR will be used by SPP to determine the regional SPP Schedule 1 rate and revenue distribution for SPP through-and-out transactions and to determine the zonal SPP Schedule 1 rate and revenue distribution for the CRSPZ under the SPP Tariff.

For consistency with the CRSP ATRR proposal, CRSP MC proposes a formula-based rate methodology to calculate its SSCD Service ARR on a forward-looking basis by using projections to estimate costs associated with SSCD Service for the upcoming year, with a true-up of incurred costs in a subsequent year. CRSP MC's SSCD Service ARR will be derived by calculating CRSP MC's applicable annual costs associated with the provision of SSCD Service, including operation and maintenance, administrative and general, interest, and depreciation. The annual costs will be reduced by any applicable revenue received by CRSP MC under the SPP Tariff. The Formula Rate Template for the SSCD Service and related information will be posted on CRSP MC's CRCM OASIS website, on CRSP MC's Rates website, and on SPP's Member Related Postings website (see web addresses listed previously).

Formula Rate Implementation Protocols

For transmission service provided by SPP under SPP's Tariff, CRSP MC proposes to provide information relating to CRSP MC's rate implementation and annual update

procedures and timelines in “Formula Rate Implementation Protocols” (Protocols). The Protocols, together with the above-mentioned formula rate templates, comprise the Formula Rates that will be submitted to SPP to be incorporated in the SPP Tariff. All relevant information pertaining to CRSP MC’s annual updates, customer notifications and review periods, and meetings will be contained in the Protocols. The Protocols will be posted on CRSP MC’s CRCM OASIS website, on CRSP MC’s Rates website, and on SPP’s Member Related Postings website (see web addresses listed previously).

CRSP Deliveries into WALC BA

CRSP MC proposes to pseudo-tie certain generation into the WALC BA to serve a group of customers in its Southern Division marketing area. As part of these arrangements, CRSP MC will retain a portion of its transmission system from Glen Canyon to Pinnacle Peak under WAPA’s functional control and under WAPA’s Tariff. Accordingly, this identified portion of CRSP MC transmission system will not be transferred to SPP’s functional control and will not be governed by SPP’s Tariff.

For transmission service provided by CRSP MC under WAPA’s Tariff, under Rate Schedule CRCMT-PTP, CRSP MC proposes a revenue requirement consistent with CRSP MC’s current PTP Transmission Formula Rate. For consistency with the CRSP ATRR proposal, and consistent with CRSP MC’s current transmission formula rates, CRSP MC proposes to continue recovering transmission-related expenses and investments on a forward-looking basis by using projections to estimate transmission costs for the upcoming year, with a true-up of incurred costs in a subsequent year. Transmission-related annual costs include operation and maintenance, administrative and general costs, interest, and depreciation. The Formula Rate Template for the CRSP PTP ATRR and related information will be posted on CRSP MC’s CRCM OASIS website and on CRSP MC’s Rates website (see web addresses listed previously).

Legal Authority

DOE procedures for public participation in power and transmission rate adjustments are located at 10 CFR part 903. The proposed action is a major rate adjustment, as defined by 10 CFR 903.2(d). In accordance with 10 CFR 903.15(a) and 10 CFR 903.16(a), CRSP MC will hold public information and public comment forums for this rate adjustment. CRSP MC will review and consider all timely public comments at the conclusion of the consultation and comment period and adjust the proposal as appropriate. The rates will then be approved on an interim basis.

WAPA is establishing the formula rates for CRSP in accordance with section 302 of the DOE Organization Act (42 U.S.C. 7152).³

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 FERC. By Delegation Order No. S1-DEL-S3-2024, effective August 30, 2024, 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.

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that CRSP MC initiates or uses to develop the proposed formula rates are available for

³ 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 section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

inspection and copying at the Colorado River Storage Project Management Center located at 1800 South Rio Grande Avenue, Montrose, Colorado. Many of these documents and supporting information are also available on CRSP MC's Rates website at: www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.⁴

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 December 19, 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*.

⁴ 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 NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

Signed in Washington, DC on December 19, 2024.

Jennifer Hartzell,
Alternate Federal Register Liaison Officer,
U.S. Department of Energy.

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