



## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Loveland Area Projects - Rate Order No. WAPA-219

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of rate order concerning transmission and ancillary services formula rates.

**SUMMARY:** The formula rates for the Rocky Mountain region's (RMR) Loveland Area Projects (LAP) transmission and ancillary services for RMR's costs to be recovered under the Southwest Power Pool's (SPP) Open Access Transmission Tariff (Tariff) should RMR decide to become a member of SPP, have been confirmed, approved, and placed into effect on an interim basis (Provisional Formula Rates). If RMR decides to become a member of SPP, these new formula rates under Rate Schedules LAPT-ATTR (transmission), LAPT-DCTIE-IMEU (incremental market efficiency use share), and LAPT-AS1 (scheduling, system control, and dispatch) will supersede the existing formula rates for transmission and ancillary services under Rate Schedules L-NT1, L-FPT1, L-NFPT1, L-NFJDT, L-UU1, L-AS1, L-AS2, L-AS3, L-AS4, L-AS5, L-AS6, L-AS7, and L-AS9, which expire on September 30, 2026.

**DATES:** The Provisional Formula Rates under Rate Schedules LAPT-ATTR, LAPT-DCTIE-IMEU, and LAPT-AS1 are effective on the first day of the first full billing period beginning on the later of the following events: (1) when RMR officially becomes a member of, and transfers functional control of LAP transmission facilities to, SPP; or (2) the go-live date of the expansion of the SPP Regional Transmission Organization into the Western Interconnection (scheduled for April 1, 2026, as of the date of this Rate Order). RMR will provide notification of the effective date of the Provisional Formula Rates on its Rates and Open Access Same-Time Information System websites. These Provisional

Formula Rates will remain in effect through March 31, 2031, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded. If RMR does not become a member of SPP, these rates will be canceled and the existing formula rates will remain in effect.

**FOR FURTHER INFORMATION CONTACT:** Barton V. Barnhart, Regional Manager, Rocky Mountain Region, Western Area Power Administration, P.O. Box 3700, Loveland, CO 80538 or Sheila D. Cook, Rates Manager, Rocky Mountain Region, Western Area Power Administration, (970) 685-9562 or email: [scook@wapa.gov](mailto:scook@wapa.gov).

**SUPPLEMENTARY INFORMATION:** On September 16, 2024, FERC confirmed and approved Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-NFJDT (joint dispatch transmission), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control support), L-AS3 (regulation), L-AS4 (energy imbalance), L-AS5 (spinning reserves), L-AS6 (supplemental reserves), L-AS7 (BA real power losses), and L-AS9 (generator imbalance) under Rate Order No. WAPA-214 on a final basis through September 30, 2026.<sup>1</sup> Western Area Power Administration (WAPA) published a *Federal Register* notice (Proposed FRN) on December 27, 2024 (89 FR 105564), proposing new formula rates for LAP transmission and ancillary services in order for RMR to recover its costs under the SPP Tariff should RMR decide to become a member of SPP. The Proposed FRN also initiated a 90-day public consultation and comment period and set forth the date of the virtual public information and public comment forums. Consistent with RMR's current transmission and ancillary services formula rates, RMR will continue to use a formula-based methodology. RMR will annually update the data used in the rate formula calculations in accordance with the Formula Rate Implementation Protocols (Protocols).

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<sup>1</sup> Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF24-6-000 (2024).

## **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 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. This rate action is issued under Redelegation Order No. S3-DEL-WAPA1-2023 and Department of Energy procedures for public participation in rate adjustments set forth in 10 CFR part 903.<sup>2</sup>

Following review of RMR's proposal, Rate Order No. WAPA-219, which provides the formula rates for Annual Transmission Revenue Requirement for Transmission Service, Incremental Market Efficiency Use Share, and Scheduling, System Control, and Dispatch Service, is hereby confirmed, approved, and placed into effect on an interim basis. WAPA will submit Rate Order No. WAPA-219 to FERC for confirmation and approval on a final basis.

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<sup>2</sup> 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 )  
Rocky Mountain Region )  
Rate Adjustment for the ) Rate Order No. WAPA-219  
Loveland Area Projects )  
Transmission and Ancillary Services Formula Rates )

**ORDER CONFIRMING, APPROVING, AND PLACING THE FORMULA  
RATES FOR THE LOVELAND AREA PROJECTS INTO EFFECT ON AN  
INTERIM BASIS**

The formula rates in Rate Order No. WAPA-219 are established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).<sup>1</sup>

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-S3-2024, 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. This rate

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<sup>1</sup> 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 project involved.

action is issued under Redelelegation Order No. S3-DEL-WAPA1-2023 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.<sup>2</sup>

### **Acronyms, Terms, and Definitions**

As used in this Rate Order, the following acronyms, terms, and definitions apply:

<u>Attachment H:</u>	Attachment H to Southwest Power Pool’s (SPP) Open Access Transmission Tariff (Tariff) - Annual Transmission Revenue Requirement (ATTR) for Network Integration Transmission Service.
<u>Attachment AI:</u>	Attachment AI to SPP’s Tariff – Transmission Definition.
<u>Balancing Authority (BA):</u>	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a designated area, and supports interconnection frequency in real-time.
<u>Balancing Authority Area (BAA):</u>	The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority and contained in one interconnection. The Balancing Authority maintains load-resource balance within each of these areas. (SPP Tariff at Part 1, Section 1, B Definitions.)
<u>Customer Rate Brochure:</u>	A document prepared for public distribution explaining the rationale and background for the information contained in the Proposed <i>Federal Register</i> notice (FRN) and in this rate order.
<u>Eastern Interconnection:</u>	A major alternating current power grid in North America. The Eastern Interconnection reaches from Central Canada eastward to the Atlantic coast (excluding Quebec), south to Florida, and back west to the foot of the Rockies (excluding most of Texas). The Eastern Interconnection is tied to the Western Interconnection with six high-voltage direct current power transmission lines (DC Ties).
<u>FRN:</u>	<i>Federal Register</i> notice – a document published in the <i>Federal Register</i> in order for WAPA to provide information of public interest.
<u>FY:</u>	WAPA’s Fiscal Year; October 1 to September 30.

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

<u>IMEU Share:</u>	Incremental Market Efficiency Use Share - The West DC Tie Owners calculation of its Incremental MEU as demonstrated in Addendum 3 to Attachment AE. (SPP Tariff Attachment AE, Section 2.21.)
<u>Incremental MEU Charge:</u>	Incremental Market Efficiency Use Charge - A market recovery mechanism to compensate West DC Tie Transmission Owners for the expected loss of life of certain West DC Tie facilities due to increased utilization of the West DC Ties by the Integrated Marketplace. (SPP Tariff at Part I, Section 1, I Definitions.)
<u>Integrated Marketplace:</u>	The Day-Ahead Market, the Real-Time Balancing Market, the Transmission Congestion Rights Market, and the Reliability Unit Commitment processes. (SPP Tariff Attachment AE at Part 1.1, I Definitions.)
<u>NEPA:</u>	National Environmental Policy Act of 1969, as amended.
<u>OASIS:</u>	Open Access Same-Time Information System - As defined in WAPA's Tariff, the information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
<u>O&amp;M:</u>	Operation and maintenance expenses.
<u>Provisional Formula Rates:</u>	Formula rates that are confirmed, approved, and placed into effect on an interim basis by the Secretary or his/her designee.
<u>Revenue Requirement:</u>	The revenue required to recover annual expenses (such as O&M, administrative and general expenses, interest, and depreciation).
<u>Schedule 1:</u>	Schedule 1 of SPP's Tariff – Scheduling, System Control and Dispatch Service.
<u>Schedule 9:</u>	Schedule 9 of SPP's Tariff - Network Integration Transmission Service.
<u>Schedule 11:</u>	Schedule 11 of SPP's Tariff - Base Plan Zonal Charge and Region-wide Charge.
<u>Tariff:</u>	Open Access Transmission Tariff, including all schedules or attachments thereto, as amended from

time to time and approved by FERC.

Transmission Owner:

Each Member of SPP that has executed an SPP Membership Agreement as a Transmission Owner and therefore has the obligation to construct, own, operate, and maintain transmission facilities as directed by the Transmission Provider and: (i) whose Tariff facilities (in whole or in part) make up the Transmission System; or (ii) who has accepted a Notification to Construct but does not yet own transmission facilities under SPP's functional control. Those Transmission Owners that are not regulated by the Commission shall not become subject to Commission regulation by virtue of their status as Transmission Owners under this Tariff; provided, however, that service over their facilities classified as transmission and covered by the Tariff shall be subject to Commission regulation. (SPP Tariff at Part I, Section 1, T Definitions.)

WAPA-RMR:

United States Department of Energy, Western Area Power Administration (WAPA), Rocky Mountain region. WAPA-RMR is the definition for WAPA's Rocky Mountain region in the SPP Tariff and the definition to be used in the rate schedules.

West DC Ties:

A direct current interconnection between the Eastern Interconnection and Western Interconnection for which the DC Tie Access Charge and the Incremental MEU Charge may be applicable. In the Integrated Marketplace, the West DC Ties will be Non-Biddable Locations that will be used in the settlements in the TCR [Transmission Congestion Rights] Markets. The West DC Ties are Miles City, Stegall, and Sidney. (SPP Tariff at Part I, Section 1, W Definitions.)

Western Interconnection:

A major alternating current power grid in North America. The Western Interconnection stretches from Western Canada south to Baja California in Mexico, reaching eastward over the Rockies to the Great Plains. Western Interconnection is comprised of the states of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Colorado, Wyoming, portions of Montana, South Dakota, Nebraska, New Mexico, and Texas in the United States, the Provinces of British Columbia and Alberta in Canada, and a portion of the Comisión Federal de Electricidad's system in Baja California in Mexico. (SPP Tariff at Part I, Section 1, W Definitions.)

Zone:

The geographic area of the facilities of a

Transmission Owner or a specific combination of Transmission Owners as specified in Schedules 7, 8, and 9. (SPP Tariff at Part I, Section 1, XYZ Definitions.)

### **Effective Date**

The Provisional Formula Rate Schedules LAPT-ATRR, LAPT-DCTIE-IMEU, and LAPT-AS1 will take effect on the first day of the first full billing period beginning on the later of the following events: (1) when the Rocky Mountain region (RMR) officially becomes a member of, and transfers functional control of Loveland Area Projects (LAP) transmission facilities to, SPP; or (2) 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 Rate Order). RMR will provide notification of the effective date of the Provisional Formula Rates on its Rates and OASIS websites. These Provisional Formula Rates will remain in effect through March 31, 2031, pending confirmation and approval by FERC on a final basis or until superseded. If RMR does not become a member of SPP, these rates will be canceled and the existing formula rates will remain in effect. If canceled, RMR will inform customers by letter and by posting notice of such on RMR's Rates website [www.wapa.gov/about-wapa/regions/rm/rm-rates/2026-rate-adjustment-rto-trans-and-anc-svcs](http://www.wapa.gov/about-wapa/regions/rm/rm-rates/2026-rate-adjustment-rto-trans-and-anc-svcs) and on RMR's OASIS website [www.oasis.oati.com/LAPT/index.html](http://www.oasis.oati.com/LAPT/index.html).

### **Public Notice and Comment**

RMR followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these formula rates. RMR took the following steps to involve interested parties in the rate process:

1. On December 27, 2024, a FRN (89 FR 105564) (Proposed FRN) announced the proposed formula rates and initiated a 90-day public consultation and comment period.
2. On January 2, 2025, RMR notified customers and interested parties of the proposed rates and provided a copy of the published Proposed FRN.

3. On February 19, 2025, RMR held a virtual public information forum where RMR’s representatives explained the proposed formula rates, answered questions, and gave notice that more information was available in the Customer Rate Brochure.
4. On February 19, 2025, RMR held a virtual public comment forum to provide an opportunity for customers and other interested parties to comment for the record.
5. RMR posted information about the rate process on two public websites. RMR’s Rates website located at [www.wapa.gov/about-wapa/regions/rm/rm-rates/2026-rate-adjustment-rto-trans-and-anc-svcs](http://www.wapa.gov/about-wapa/regions/rm/rm-rates/2026-rate-adjustment-rto-trans-and-anc-svcs), and RMR’s OASIS website located at [www.oasis.oati.com/LAPT/index.html](http://www.oasis.oati.com/LAPT/index.html).
6. During the 90-day consultation and comment period, which ended on March 27, 2025, RMR received no oral comment submissions and no written comment letters.

### **Transmission and Ancillary Services Rate Discussion**

On April 28, 2023, WAPA published a FRN 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.<sup>3</sup> On March 20, 2025, FERC accepted, subject to condition and further compliance filing, SPP’s proposed Tariff, Bylaws, and Membership Agreement revisions. Subject to further approval by the Administrator, RMR plans to become a member of SPP.

RMR’s membership will include RMR becoming a Transmission Owner member of

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<sup>3</sup> 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).

SPP and SPP assuming the BA responsibilities for RMR's Western Area Colorado Missouri (WACM) BAA. WAPA will transfer functional control of eligible LAP transmission facilities to SPP (LAP has transmission facilities in both the Eastern and Western Interconnections separated by the Sidney DC Tie). Subsequently, LAP transmission and ancillary services and WACM BA ancillary services will no longer be available under WAPA's Tariff, and RMR's BA contracts and the existing transmission and ancillary services rate schedules, specifically L-NT1, L-FPT1, L-NFPT1, L-NFJDT, L-UU1, L-AS1, L-AS2, L-AS3, L-AS4, L-AS5, L-AS6, L-AS7, and L-AS9, will no longer be applicable.

LAP transmission and ancillary services will be provided under the SPP Tariff by SPP as the transmission service provider. Accordingly, RMR has developed new formula rate designs/rate schedules for specific costs to be recovered under the SPP Tariff. For each formula rate, the appropriate data will be submitted to SPP in standard formula rate templates in accordance with SPP's Tariff Attachment H. RMR will identify any portion of its ATRR eligible for recovery under SPP's Tariff Schedule 9 and Schedule 11 in these formula rate templates. RMR's revenue requirements are added to the annual revenue requirements of other transmission owners in the multi-owner SPP pricing Zone 104, also identified as the Loveland Area Projects Zone (LAPZ), for transmission service billed by SPP within the LAPZ. RMR's revenue requirements under these rates also impact other costs for transmission service within the broader SPP footprint.

For each formula rate, RMR will true up its estimated costs with actual costs each year. If RMR collects more revenue than its actual net revenue requirement or IMEU Share, RMR will return this revenue through a credit against a revenue requirement or IMEU Share in a subsequent year. Actual revenues that are less than the net revenue requirement or IMEU Share would likewise be recovered in a subsequent year. The true-up procedure will ensure that RMR will recover no more and no less than the actual

transmission costs for the year.

Data used in the annual recalculation of the formula rates each year will be made available for review and comment as described in the Formula Rate Implementation Protocols (Protocols). These Protocols ensure that interested parties are aware of the data used to calculate the formula rates and are provided the opportunity to comment before the costs are collected through the formula rates.

The formula rate templates and the Protocols will be posted on the applicable SPP website and on RMR's OASIS website.

### **Formula Rate for LAP Annual Transmission Revenue Requirement – Rate Schedule LAPT-ATTR**

RMR will use a formula-based rate methodology to calculate its ATTR. The ATTR is derived by annualizing LAP transmission investments that meet the Transmission Facility criteria as identified in Attachment AI to SPP's Tariff and adding transmission-related annual costs, which include interest, O&M, administrative and general expenses, and depreciation. The annual costs will be reduced by applicable revenue credits received by RMR under the SPP Tariff. RMR will recover transmission-related expenses and investments on a forward-looking basis by using projections to estimate transmission costs for the upcoming rate year, with a true-up of incurred costs in a subsequent year. RMR will true-up the cost estimates it used in the calculation of its FY 2025 and FY 2026 transmission rates that were in place prior to joining SPP when calculating these future true-ups.

RMR will provide its overall ATTR as separate subtotals to distinguish LAP transmission facilities between Eastern Interconnection, Western Interconnection, Sidney DC Tie, and other SPP Zones. SPP will utilize these ATTR 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.

## **Formula Rate for Sidney DC Tie Incremental Market Efficiency Use Share – Rate**

### **Schedule LAPT-DCTIE-IMEU**

SPP's Incremental MEU Charge compensates each West DC Tie Transmission Owner for the expected loss of life of that owner's West DC Tie facility due to increased utilization of the West DC Ties by the Integrated Marketplace.

To simplify the calculation of the Sidney DC Tie IMEU Share and provide a consistent forward-looking amount, RMR will use a loss-of-life factor for each eligible group of Sidney DC Tie equipment due to expected market operation impacts, and provide a levelized annual estimate to SPP. The loss-of-life calculations are based upon impact metrics directly related to the increased market use for each of the Sidney DC Tie equipment groups eligible for cost recovery. The IMEU Share calculations are based upon the change in the estimated depreciation expense due to the loss of life predicted for each group of Sidney DC Tie equipment. Cost estimates are calculated on a forward-looking basis by using projections to determine costs for the upcoming rate year, with a true-up of incurred costs in a subsequent year. Revenue received from SPP for RMR's Sidney DC Tie IMEU Share will be credited against the Sidney DC Tie portion of the LAP ATRR previously described.

## **Formula Rate for Scheduling, System Control, and Dispatch Service – Rate**

### **Schedule LAPT-AS1**

Scheduling, System Control, and Dispatch (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 BAAs and certain parts of the transmission system not located within a SPP BAA. These functions are conducted by the RMR Operations staff on behalf of the LAP and Colorado River Storage Project (CRSP) Transmission Owners. RMR will use a formula-based rate methodology to calculate its annual revenue requirement (ARR) for SSCD Service. RMR's overall ARR for SSCD

Service is allocated between RMR and the CRSP region. RMR's transmission portion of its allocation of the SSCD ARR will be collected under Rate Schedule LAPT-AS1 and the CRSP region's allocation of the SSCD ARR will be collected by the CRSP region under their applicable rate(s). SPP will use RMR's transmission portion of its allocation of the SSCD ARR 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 appropriate Zones under the SPP Tariff.

RMR's overall SSCD Service ARR is derived by calculating RMR's applicable annual costs associated with the provision of SSCD Service, including O&M, administrative and general expenses, interest, and depreciation. Estimates are calculated on a forward-looking basis by using projections to determine costs associated with SSCD Service for the upcoming rate year, with a true-up of incurred costs in a subsequent year. RMR's portion of its allocation of the SSCD ARR will be reduced by any applicable revenue received by RMR under the SPP Tariff.

### **Formula Rate Implementation Protocols**

For transmission and ancillary services provided under the SPP Tariff, RMR will provide information relating to RMR's rate implementation and annual update procedures and timelines in a "Formula Rate Implementation Protocols" document. 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 RMR's annual updates, customer notifications and review periods, and meeting requirements are contained in the Protocols. These notifications, review periods, and meetings ensure that interested parties are aware of the data used to calculate the formula rates and are provided the opportunity to comment before the costs are collected through the formula rates.

### **Certification of Rates**

I have certified that the Provisional Formula Rates for Loveland Area Projects transmission and ancillary service under Rate Schedules LAPT-ATRR, LAPT-DCTIE-IMEU, and LAPT-AS1 are the lowest possible rates, consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

### **Availability of Information**

Information used by RMR to develop the Provisional Formula Rates is available for inspection and copying at the Rocky Mountain Regional Office, 5555 East Crossroads Boulevard, Loveland, CO. Many of these documents are also available on RMR's Rates website previously listed.

## **RATEMAKING PROCEDURE REQUIREMENTS**

### **Environmental Compliance**

WAPA has determined that this action fits within the following categorical exclusion listed in appendix B to subpart D of 10 CFR part 1021: B4.3 (Electric power marketing rate changes).<sup>4</sup> 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 DOE's website at [www.energy.gov/nepa/categorical-exclusion-determinations-western-area-power-administration-rocky-mountain-region](http://www.energy.gov/nepa/categorical-exclusion-determinations-western-area-power-administration-rocky-mountain-region).

### **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

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<sup>4</sup> The determination was done in compliance with NEPA (42 U.S.C. 4321-4347) and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

Budget is required.

### **Submission to the Federal Energy Regulatory Commission**

The Provisional Formula Rates 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-219. The rates will remain in effect on an interim basis until: (1) FERC confirms and approves them on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

### **Signing Authority**

This document of the Department of Energy was signed on July 7, 2025, 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 July 9, 2025.

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

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

**ROCKY MOUNTAIN REGION  
Loveland Area Projects**

**ANNUAL TRANSMISSION REVENUE REQUIREMENT  
FOR TRANSMISSION SERVICE**  
*(Approved Under Rate Order No. WAPA-219)*

*Effective:*

The first day of the first full billing period beginning on the later of the following events: (1) when the Western Area Power Administration - Rocky Mountain region (WAPA-RMR) officially becomes a member of, and transfers functional control of Loveland Area Projects (LAP) transmission facilities to, the Southwest Power Pool (SPP); or (2) 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 the approved Rate Order) and extending through March 31, 2031, or until superseded by another rate schedule, whichever occurs earlier. Notification of the actual effective date will be posted on WAPA-RMR's Rates website and on WAPA-RMR's Open Access Same-Time Information System (OASIS) website.

*Applicable:*

WAPA-RMR's formula based Annual Transmission Revenue Requirement (ATTR) for its eligible transmission-related facilities included under the SPP Open Access Transmission Tariff (Tariff) will be separated between (1) LAP's Western Interconnection transmission facilities, (2) LAP's Eastern Interconnection transmission facilities, (3) LAP's Sidney Direct Current (DC) Tie facilities, and (4) LAP's transmission facilities determined to be in other SPP RTO transmission pricing zones. Each ATTR subtotal will be calculated using the formula outlined below.

*Formula Rate:*

Define:

A = Operation & Maintenance Expense allocated to transmission (\$)

B = Administrative and General Expense allocated to transmission (\$)

C = Depreciation Expense allocated to transmission (\$)

D = Interest Expense allocated to transmission (\$)

E = Applicable ratio share of plant for LAP's Western Interconnection transmission facilities, Eastern Interconnection transmission facilities, Sidney DC Tie facilities, and LAP transmission facilities determined to be in other SPP RTO transmission pricing zones (%)

F = Revenue Credits – Scheduling, System Control, and Dispatch service associated with each specific ATRR subtotal (\$)

G = Revenue Credits associated with each specific ATRR subtotal (\$)

H = Prior Period True-up associated with each specific ATRR subtotal (\$)

ATRR Subtotals =  $((A + B + C + D) * E) - F - G + H$

Total ATRR = Sum of all ATRR Subtotals

Note: WAPA-RMR will identify any portion(s) of the ATRR eligible for recovery under SPP Schedule 9 and Schedule 11 pursuant to the SPP Tariff in its Rate Formula Template submitted under Attachment H of the SPP Tariff.

A recalculated ATRR will go into effect every January 1 based on the above formula and updated financial data. WAPA-RMR will annually notify SPP and make data and information available to interested parties for review and comment related to the recalculated ATRR on or shortly after September 1 of the preceding year. This data and information will be posted on the applicable SPP website and on WAPA-RMR's OASIS website.

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

**ROCKY MOUNTAIN REGION  
Loveland Area Projects**

**INCREMENTAL MARKET EFFICIENCY USE SHARE**  
*(Approved Under Rate Order No. WAPA-219)*

*Effective:*

The first day of the first full billing period beginning on the later of the following events: (1) when the Western Area Power Administration - Rocky Mountain region (WAPA-RMR) officially becomes a member of, and transfers functional control of Loveland Area Projects (LAP) transmission facilities to, the Southwest Power Pool (SPP); or (2) the go-live date of the expansion of the SPP Regional Transmission Organization into the Western Interconnection (scheduled for April 1, 2026, as of the date of the approved Rate Order) and extending through March 31, 2031, or until superseded by another rate schedule, whichever occurs earlier. Notification of the actual effective date will be posted on WAPA-RMR's Rates website and on WAPA-RMR's Open Access Same-Time Information System (OASIS) website.

*Applicable:*

The Incremental Market Efficiency Use (IMEU) accounts for each Western Interconnection Direct Current (West DC) Tie Transmission Owner's expected loss of life of that owner's West DC Tie facilities due to increased utilization of the West DC Ties by the SPP Integrated Marketplace. WAPA-RMR's IMEU Share for the Sidney DC Tie will be calculated using the formula outlined below.

*Formula Rate:*

Define (for each Group of IMEU eligible Sidney DC Tie equipment):

A = Sidney DC Tie Gross Plant Impacted by IMEU (\$)

B = Average Service Life of Gross Plant Impacted by IMEU

C = Average Service Life Depreciation Rate of Gross Plant Impacted by IMEU (%)

D = Loss of Service Life Due to Market Use (%)

E = Decreased Average Service Life Depreciation Rate of Gross Plant Impacted by IMEU (%)

IMEU Share for each Group =  $(E-C)*A$ , where  $1/B=C$ , and where  $1/(B*(1-D))=E$

F = Prior period true-up (\$)

Total IMEU Share = Sum of IMEU Share for all Groups + F

A recalculated IMEU Share will go into effect every January 1 based on the above formula and updated financial/criteria data. WAPA-RMR will annually notify SPP and make data and information available to interested parties for review and comment related to the recalculated IMEU Share on or shortly after September 1 of the preceding year. This data and information will be posted on the applicable SPP website and on WAPA-RMR's OASIS website.

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

**ROCKY MOUNTAIN REGION  
Loveland Area Projects**

**SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE**  
*(Approved Under Rate Order No. WAPA-219)*

*Effective:*

The first day of the first full billing period beginning on the later of the following events: (1) when the Western Area Power Administration - Rocky Mountain region (WAPA-RMR) officially becomes a member of, and transfers functional control of Loveland Area Projects (LAP) transmission facilities to, the Southwest Power Pool (SPP); or (2) 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 the approved Rate Order) and extending through March 31, 2031, or until superseded by another rate schedule, whichever occurs earlier. Notification of the actual effective date will be posted on WAPA-RMR's Rates website and on WAPA-RMR's Open Access Same-Time Information System (OASIS) website.

*Applicable:*

Scheduling, System Control, and Dispatch Service (SSCD) is required to schedule the movement of power through, out of, within, or into one or both of the SPP Balancing Authority Areas (BAA) and certain parts of the transmission system not located within an SPP BAA. WAPA-RMR's annual revenue requirement (ARR) for SSCD will be separated between service provided for LAP transmission facilities in the LAP Zone (LAPZ or Zone 104) and for LAP transmission facilities determined to be in other SPP

RTO transmission pricing zones. The ARR and ARR subtotals will be calculated using the formula outlined below.

*Formula Rate:*

Define:

A = Operation & Maintenance Expense for SSCD (\$)

B = Administrative and General Expense for SSCD (\$)

C = Depreciation Expense for SSCD (\$)

D = Interest Expense for SSCD (\$)

E = Prior Period True-up (\$)

F = Applicable ratio share of plant for LAPZ and for other SPP RTO transmission pricing zones (%)

SSCD ARR = (A + B + C + D + E)

ARR Subtotals = (SSCD ARR) \* F

A recalculated ARR will go into effect every January 1 based on the above formula and updated financial data. WAPA-RMR will annually notify SPP and make data and information available to interested parties for review and comment related to the recalculated ARR on or shortly after September 1 of the preceding year. This data and information will be posted on the applicable SPP website and on WAPA-RMR's OASIS website.

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