



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 rate order concerning transmission and ancillary services formula rates.

SUMMARY: The formula rates for the Colorado River Storage Project (CRSP) region's transmission and ancillary services for CRSP's costs to be recovered under the Southwest Power Pool's (SPP) Open Access Transmission Tariff (Tariff) should CRSP decide to become a member of SPP, have been confirmed, approved, and placed into effect on an interim basis (Provisional Formula Rate). If CRSP decides to become a member of SPP, these new formula rates under Rate Schedules CRCMT-ATRR (transmission), CRCMT-AS1 (scheduling, system control, and dispatch), and CRCMT-PTP (firm point-to-point) will supersede the existing formula rates for transmission and ancillary services under Rate Schedules SP-NW6, SP-PTP10, SP-NFT9, SP-NFJDT, SP-UU3, SP-EI6, and SP-SSR6, which expire on December 31, 2028.

DATES: The Provisional Formula Rates under Rate Schedules CRCMT-ATRR, CRCMT-AS1, and CRCMT-PTP are effective on the first day of the first full billing period beginning on the later of the following events: (1) when CRSP officially becomes a member of, and transfers functional control of CRSP 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 date of this Rate Order). CRSP 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approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.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 CRSP 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: Rodney G. Bailey, Regional Manager, Colorado River Storage Project Region¹, Western Area Power Administration, 1800 South Rio Grande Avenue, Montrose, CO 81401-4800, or Tamala D. Gheller, Rates Manager, Colorado River Storage Project Region, Western Area Power Administration, (970) 461-7535, or email: gheller@wapa.gov.

SUPPLEMENTARY INFORMATION: On June 12, 2024, FERC confirmed and approved Rate Schedules SP-NW6 (network); SP-PTP10 (firm point-to-point); SP-NFT9 (non-firm point-to-point); SP-NFJDT² (joint dispatch transmission); SP-UU3 (unreserved use penalties); SP-EI6 (energy and generation imbalance); and SP-SSR6 (operating reserves – spinning and supplemental reserve services) under Rate Order No. WAPA-206 on a final basis through December 31, 2028.³ Western Area Power Administration (WAPA) published a *Federal Register* notice (Proposed FRN) on December 30, 2024 (89 FR 106473) proposing new formula rates for CRSP transmission and ancillary services in order for CRSP to recover its costs under the SPP Tariff should CRSP 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 CRSP’s current transmission and ancillary services formula rates, CRSP will continue to use a formula-based methodology. CRSP will annually update the data used in the rate formula calculations in accordance with the Formula Rate Implementation Protocols (Protocols).

¹ CRSP’s former designation as a “Management Center” has changed to a “Region,” effective February 9, 2025.

² Rate Schedule SP-NFJDT was not originally listed in Proposed WAPA-220 as being superseded; however, it was discussed during the comment and consultation period and is included in the WAPA-220 Rate Order.

³ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF24-1-000, 187 FERC ¶ 61,165 (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 903.⁴

Following review of CRSP's proposal, Rate Order No. WAPA-220, which provides formula rates for the Annual Transmission Revenue Requirement for Transmission Service; Scheduling, System Control, and Dispatch Service; and Firm Point-to-Point Transmission Service, is hereby confirmed, approved, and placed into effect on an interim basis. WAPA will submit Rate Order No. WAPA-220 to FERC for confirmation and approval on a final basis.

⁴ 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)
Colorado River Storage Project Region)
Rate Adjustment for the) Rate Order No. WAPA-220
Colorado River Storage Project)
Transmission and Ancillary Services Formula Rates)

**ORDER CONFIRMING, APPROVING, AND PLACING THE FORMULA
RATES FOR THE COLORADO RIVER STORAGE PROJECT INTO EFFECT
ON AN INTERIM BASIS**

The formula rates in Rate Order No. WAPA-220 are 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-S3-2024, 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. S3DEL-WAPA1-2023 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.²

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

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

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 (ATRR) 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>Firm:</u>	A type of product and/or service available at the time requested by a customer.
<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.
<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&M:</u>	Operation and maintenance expenses.

<u>Order RA 6120.2:</u>	DOE Order outlining Power Marketing Administration financial reporting and rate-making procedures.
<u>Power:</u>	Capacity and energy.
<u>Preference:</u>	The provisions of Reclamation Law that require WAPA to first make Federal Power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states that preference in the sale of Federal Power shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936.
<u>Provisional Formula Rates:</u>	Formula rate(s) 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.
<u>Transmission Owner:</u>	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-CRSP:

United States Department of Energy, Western Area Power Administration (WAPA), Colorado River Storage Project (CRSP). WAPA-CRSP is the definition for WAPA's Colorado River Storage Project region in the SPP Tariff and the definition to be used in the rate schedules.

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 Rates under Rate Schedules CRCMT-ATRR, CRCMT-AS1, and CRCMT-PTP, will take effect on the first day of the first full billing period beginning on the later of the following events: (1) when the Colorado River Storage Project (CRSP) region officially becomes a member of, and transfers functional control of CRSP 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 date of this Rate Order). CRSP 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 CRSP does

not become a member of SPP, these rates will be canceled and the existing formula rates will remain in effect. If canceled, CRSP will inform customers by letter and by posting notice of such on CRSP's Rates website www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services and on CRSP's OASIS website www.oasis.oati.com/CRCM/index.html.

Public Notice and Comment

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

1. On December 30, 2024, a FRN (89 FR 106473) (Proposed FRN) announced the proposed formula rates and initiated a 90-day public consultation and comment period.
2. On December 31, 2024, CRSP notified Preference Customers and interested parties of the proposed rates and provided a copy of the published Proposed FRN.
3. On February 19, 2025, CRSP held a virtual public information forum where CRSP'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, CRSP held a virtual public comment forum to provide an opportunity for customers and other interested parties to comment for the record.
5. CRSP posted information about this rate process on two public websites. CRSP's Rates website located at www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services, and CRSP's OASIS website located at www.oasis.oati.com/CRCM/index.html.
6. During the 90-day consultation and comment period, which ended on March 31, 2025, CRSP received 25 oral comment submissions and six written comment letters. The comments and CRSP's responses are addressed in the "Comments" section. All comments have been considered in the preparation of this Rate Order.

Oral comments were received from the following organizations:

Colorado River Energy Distributors Association
Duncan & Allen LLP
Arizona Power Authority
Colorado River Commission of Nevada

Written comments were received from the following organizations:

Arizona Municipal Power Users' Association
Arizona Generation & Transmission Cooperatives
Arizona Power Authority
Colorado River Energy Distributors Association
Duncan & Allen LLP
Irrigation & Electrical Districts Association of Arizona
Grand Canyon State Electric Cooperative Association
Salt River Project

Transmission and Ancillary 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.³ 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 WAPA’s Administrator, CRSP plans to become a member of SPP.

CRSP’s membership will include CRSP 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

³ 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).

ancillary services rate schedules, specifically SP-NW6, SP-PTP10, SP-NFT9, SP-NFJDT, SPUU3, SP-EI6, SP-SSR6, will no longer be applicable. Additionally, Rocky Mountain region's Rate Schedules L-AS1, L-AS2, and L-AS3 for ancillary services, which are applicable to CRSP transmission services, will no longer be applicable.

CRSP transmission service and ancillary services will be provided under the SPP Tariff by SPP as the transmission service provider. Accordingly, CRSP 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 Attachment H to SPP's Tariff. CRSP will identify any portion of its ATRR eligible for recovery under SPP's Tariff Schedule 9 and Schedule 11 in these formula rate templates. CRSP's revenue requirements are added to the annual revenue requirements of other transmission owners in the multi-owner SPP pricing Zone 103, also identified as the Colorado River Storage Project Zone (CRSPZ), for transmission service billed by SPP within the CRSPZ. CRSP's revenue requirements under these rates also impact other costs for transmission service within the broader SPP footprint.

For each formula rate, CRSP will true up its estimated costs with actual costs each year. If CRSP collects more revenue than its actual net revenue requirement, CRSP will return this revenue through a credit against a revenue requirement in a subsequent year. Actual revenues that are less than the net revenue requirement would likewise be recovered in a subsequent year. The true-up procedure will ensure that CRSP 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 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 CRSP's OASIS website.

Formula Rate for CRSP Annual Transmission Revenue Requirement – Rate Schedule CRCMT-ATRR

For transmission service provided by SPP under SPP's Tariff, under Rate Schedule CRCMT-ATRR, CRSP will use a formula-based rate methodology to calculate its ATRR. The ATRR is derived by annualizing CRSP's 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 O&M, administrative and general expenses, interest, and depreciation. The annual costs will be reduced by applicable revenue credits received by CRSP under the SPP Tariff. CRSP 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. CRSP 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.

CRSP will provide its overall ATRR as separate subtotals to distinguish CRSP transmission facilities between the CRSPZ and other SPP Zones. SPP will utilize these 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.

Formula Rate for Scheduling, System Control, and Dispatch Service – Rate Schedule CRCMT-AS1

Scheduling, System Control, and Dispatch (SSCD) Service is required to operate a Transmission Owner's SPP Tariff facilities and to 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 Rocky Mountain region's (RMR) Operations staff on behalf of the Loveland Area Projects and 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 CRSP and RMR. CRSP's transmission portion of its allocation of the SSCD ARR will be collected under Rate Schedule CRCMT-AS1, and RMR's allocation of the SSCD ARR will be collected by RMR under its applicable rate(s). SPP will use CRSP's transmission portion of its allocation of the SSCD Service 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. CRSP's portion of its allocation of the SSCD ARR will be reduced by any applicable revenue received by CRSP under the SPP Tariff.

Formula Rate Implementation Protocols

For transmission service and ancillary services provided under the SPP Tariff, CRSP will provide information relating to CRSP'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 CRSP's annual updates, customer notifications, review periods, and meeting requirements will be contained in the Protocols. These notifications, review periods, and meetings ensure 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.

CRSP Deliveries into WALC BA – Rate Schedule CRCMT-PTP

For deliveries associated with certain CRSP Southern Division customers located in WAPA's Western Area Lower Colorado (WALC) Balancing Authority (BA), CRSP will retain a portion of its transmission system from Glen Canyon to Pinnacle Peak. This portion of CRSP transmission will remain under WAPA's functional control and will be governed by WAPA's Tariff. Accordingly, this identified portion of the CRSP transmission system will not be transferred to SPP's functional control and will not be governed by SPP's Tariff.

Consistent with CRSP's current point-to-point transmission formula rate under Rate Schedule SP-PTP10, CRSP will establish this point-to-point ATRR using a formula-based rate methodology. The ATRR is derived by annualizing CRSP's transmission investments and adding transmission-related annual costs, which include O&M, administrative and general expenses, interest, and depreciation. The annual costs will be reduced by applicable revenue credits received by CRSP under WAPA's Tariff. CRSP will continue to recover 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.

Comments

CRSP received 91 separate oral and written comments during the public consultation and comment period. The comments expressed have been paraphrased or combined

where appropriate, without compromising the meaning of the comments.

Comments on the Annual Transmission Revenue Requirement

A. Comment: A jointly submitted comment from several entities expressed that while they understand the need for the WAPA-220 rate, there are some “fundamental concerns regarding how the [ATRR] will be treated, based on comments made prior to issuance of the FRN.”

Response: CRSP appreciates this comment and the opportunity to receive customer input through the public process. CRSP recognizes commenters’ concerns regarding allocation of costs and benefits associated with potential RTO membership and addresses those comments further below.

B. Comment: CRSP received various comments concerning costs and benefits of RTO participation for customers electing to participate in the Glen Canyon Allocator (Allocator). These comments state that “[c]ost causation is a bedrock principle in the energy industry, and the implication that SPP start-up and ongoing costs for the SPP system will be included in the ATRR violates this principle if those costs would apply to the Allocator customers as well.” Also, “[i]t remains fundamentally important from a cost causation perspective that the costs of implementing and operating the CRSP system for the benefit of SPP members be recovered in the formula that WAPA will develop through WAPA-220.” In addition, “beneficiaries should pay for the costs of the SPP market integration and implementation.” Further: “While the idea of socializing the costs and benefits of the transmission system may be well intended, we disagree with the proposal because of the violation of cost causation. As such, we would not expect WAPA-220 to include the Allocator costs, nor should the Allocator customers benefit from utilization of the CRSP system in SPP.”

Response: CRSP appreciates these comments. Currently, any costs associated with SPP start-up and ongoing market participation will be included in CRSP’s firm electric service

(FES) rate and not the ATRR associated with the transmission and ancillary service rates involved in this rate action. CRSP will continue to engage with customers in future FES rate processes to address issues surrounding the costs and benefits of RTO participation. CRSP notes, however, that it currently serves all FES customers through a cost-based bundled FES rate that is the lowest possible consistent with sound business principles. CRSP has determined that pursuing RTO membership is consistent with these requirements and its statutory authorities. CRSP looks forward to working with customers on future FES rate design and remains open to alternate rate designs.

Comments on the Glen Canyon Allocator

A. Comment: A jointly submitted comment from several entities states: “We appreciate that WAPA has accommodated the portion of Lower Division customers who initially requested a pseudo-tie, even improving that idea with the Allocator concept. The Allocator would carve out a section of transmission line, which would not be included in the SPP RTO, so those customers should not be subject to any costs associated with the SPP RTO. The FRN specifically states that the transmission system not included in the SPP RTO (Allocator) will not be governed by SPP’s tariff. Those who have elected to use the [A]llocator consider SPP entry and administrative costs associated with that tariff.”

Response: CRSP understands that some customers would prefer not to be subject to any costs or benefits associated with CRSP’s proposed participation in the SPP RTO. CRSP disagrees that electing to participate in the Glen Canyon Allocator automatically warrants a separate rate for the service that participants receive from an integrated federal project. CRSP is currently engaging customers about aligning costs and benefits in the FES rate and will continue to engage customers on appropriate steps moving forward.

B. Comment: A comment noted that the FRN proposing the rate adjustments referenced a “Pseudo-Tie” in three locations and stated the commenter’s understanding that CRSP had moved past this concept in favor of the Glen Canyon Allocator concept.

Response: CRSP appreciates this comment and agrees that the Glen Canyon Allocator accurately captures the concept and arrangements in question. CRSP has updated the WAPA-220 Final Rate Order documents to reference the Allocator arrangements rather than a pseudo-tie.

C. Comment: A comment seeks to “ensure that implementation of the Glen Canyon Allocator will not leave the WALC BA responsible for delivering all CRSP/SLCAIP Firm Electric Service at CROD without adequate transmission entitlements.” To this end, commenter “believe[s] that the WAPA facilities incorporated in the Glen Canyon Allocator should also extend from the Glen Canyon Dam east to Shiprock Substation in order to ensure the firmness of Firm Electric Service deliveries through the Glen Canyon Allocator in the event of an outage of the WAPA Glen Canyon-Pinnacle Peak system.” The comment further notes “[t]his extension of the Allocator to Shiprock should also enable WAPA DSW-based contractors to continue to access resources at the Shiprock hub under WAPA’s agreements with neighboring utilities for firming resources for their SCLA/IP entitlements – whether by WAPA to firm DSA, SHP, or CROD; or by the customers as CDP firming replacement power as defined in the SCLA/IP Agreements.”

Response: CRSP appreciates this comment. On April 28, 2023, WAPA published a Proposed FRN (88 FR 26298) recommending that, along with other regional offices of WAPA, CRSP pursue final negotiations regarding participation in the SPP RTO.

Discussions and information about the proposal of what would become the Glen Canyon Allocator were covered extensively as part of the associated public process, including a public meeting on June 27, 2023, specifically addressing that topic, as well as extension of the public comment period to directly address issues surrounding CRSP’s potential

participation in the SPP RTO. Although the proposed extension of the Glen Canyon Allocator facilities is outside the scope of the WAPA-220 rate process, CRSP looks forward to continuing to work with its FES customers to address ongoing concerns related to FES deliveries and implementation of the Glen Canyon Allocator.

D. Comment: A commenter states: “The formula for the Glen Canyon Allocator ATRR should follow the transmission facilities use and usefulness in the WALC BAA and their ATRRs should be combined under the One Transmission Rate established under Rate Order WAPA-209.” Further, “[u]sing the Rate Order WAPA-209 One Transmission Rate to recover WAPA’s costs relating to the Glen Canyon Allocator would eliminate point-to-point transmission rate pancaking for delivery of CRSP/SLCAIP entitlements to DSW-based contractors, which [commenter] had understood to be an objective of adopting the WAPA-209 One Transmission Rate and moving WAPA to flow-based transmission services as encouraged by the FERC.”

Response: CRSP appreciates this comment but considers proposals to modify Rate Order WAPA-209 are outside the scope of this WAPA-220 rate process. CRSP looks forward to continuing to work with its customers to address matters related to implementing the Glen Canyon Allocator.

E. Comment: A commenter states “it would be helpful if CRSP were to outline the process through which CRSP, the SPP, RTO West and other proponents of the RTO-West initiative have engaged with neighboring BAAs . . . concerning the operational impacts of CRSP’s RTO-West proposal.”

Response: SPP is now working with transmission planning and engineering staff at electric utilities neighboring CRSP on operational issues related to “seams” (where different utilities are interconnected), as well as coordinated operation of jointly owned transmission lines, including parallel path operations. These seams-related issues will be vetted through SPP’s established stakeholder processes.

F. Comment: A jointly submitted comment from several entities states: “The portion of the transmission system that won’t be included in the SPP RTO (Allocator) will still be under the WAPA-206 rate case; however, the FRN for the WAPA-220 case alludes to modifying the WAPA-206 rate case. Shouldn’t any substantial changes to WAPA-206 initiate a new rate case. We would consider inclusion of cost not previously considered, like the SPP entry and maintenance costs, to necessitate a new rate case.”

Response: Should CRSP enter the SPP RTO, applicable SPP RTO and Glen Canyon Allocator costs will be included in the CRSP Power Repayment Study (PRS). The PRS is run twice a year (Preliminary and Final) for rate sufficiency. Should these costs, or any other rate-impacting activities result in a significant rate impact (either an increase or decrease), it could result in a rate adjustment process. CRSP also notes Rate Schedule CRCMT-PTP discussed in this Rate Order will supersede Rate Schedule SP-PTP10 established in WAPA-206.

Comments pertaining to Scheduling, System Control, and Dispatch Service

A. Comment: Citing historic practices, a commenter states: “CRSP should “include in the Allocator portions of the ancillary services and quantify such to the WALC BAA for compliance with WECC and NERC to effectuate the delivery and BAA obligations of WAPA to BAAs and SLCA/IP contractors outside the RTO West.”

Response: CRSP is actively engaged and will continue to work with its FES customers outside this rate process to implement FES deliveries under the Glen Canyon Allocator. Implementation of ancillary services and transmission arrangements for the Glen Canyon Allocator portions have been negotiated, and implementation is currently ongoing with customers and with WAPA’s staff in the Desert Southwest regional office.

B. Comment: A commenter requested that CRSP clarify the scheduling procedures of the CRSP hydropower allocation with CRSP transferring control of its eligible transmission

facilities to SPP. Commenter notes proposed rate schedule CRCMT-AS1 identifies that SSCD Service will shift away from current WAPA Operations staff to SPP.

Response: CRSP anticipates that scheduling procedures currently used by customers for the delivery of CRSP hydropower allocations will remain the same as today. If CRSP identifies that any changes are needed, an updated Scheduling, Accounting, and Billing Procedure document will be provided to each customer.

Comments pertaining to the Rate Implementation Protocols

A. Comment: A commenter recommended that posting date(s) should be “not later than” as opposed to “on or around.” The comment notes “or around” could result in a case of a challenge needing to be filed within a minimum number of days after the posting.

Response: The reference to “on or around” is meant to account for holidays, weekends, or other situations where the actual posting on the 1st or 15th of the month is not possible.

B. Comment: A commenter would like CRSP to consider using a “not later than” and number of days following the “Posting Date.” Alternatively, commenter recommended CRSP consider adding a sentence stating: “In no event shall the Review Period be not less than 65 days.” Commenter noted this number is ten less than the anticipated draft schedule.

Response: CRSP appreciates the comment and will consider that verbiage for future public processes.

C. Comment: A commenter requested that CRSP consider revising “requesting party(ies)” to “Interested Party(ies).”

Response: “Requesting parties” is used to identify “interested parties” who executed a confidentiality agreement with CRSP to view information deemed by CRSP to be confidential.

D. Comment: A commenter asked CRSP to clarify the definition of CRSP as the SPP Transmission Customer to include “FES” or “WAPA Transmission Service customer.”

Response: CRSP does not believe it is necessary to include “FES” or “WAPA Transmission Service Customer” in the “Interested Party” definition. Per the Protocols, “Customer(s)” or “Transmission Customer(s)” means the customers taking Network Integration Transmission Service under Grandfathered Agreements, or (“PTP”) Transmission Service.

E. Comment: Recognizing the timetables assumed in the FRN, and the potential for changes in those timetables, a commenter recommends the WAPA-220 documentation include a statement that approval of WAPA-220 by the Administrator, rather than by FERC, should be sufficient to provide SPP to meet its October 2025 filing deadline.

Response: CRSP agrees that the Administrator’s approval is sufficient to confirm, approve, and place the rate into effect on an interim basis. However, CRSP intends to request that FERC confirm and approve its rates on a final basis prior to October 2025 to align with SPP’s implementation timeline.

Comments on Public Process

A. Comment: A commenter expressed, as a general matter, support for CRSP’s WAPA-220 rate schedules and appreciation for CRSP’s efforts regarding the Federal Service Exemption as CRSP considers participation in the SPP RTO. Commenter also indicated it was evident from the customer discussions that market and cost/rate-related topics outside the scope of this proceeding support CRSP’s continuance of monthly customer forums, and commenter appreciates CRSP scheduling those discussions.

Response: CRSP appreciates these comments.

B. Comment: A commenter appreciates the communication provided in the WAPA-220 Information and Comment Forums and additional customer meetings held in February and March and for providing an opportunity for further questions and comments and anticipates participating in any future discussion forums.

Response: CRSP appreciates customer participation in its public processes.

C. Comment: A commenter noted “[g]iven the complexity of these issues, we suggest that you release the formula rates one week prior to any Public Information Forums in the future. That would allow us time to review and be fully prepared to discuss during a Public Comment Forum. It is difficult to see the proposed rates and then be expected to ask clarifying questions one hour after first seeing them.”

Response: CRSP appreciates this comment and will take it into consideration for future rate processes.

D. Comment: A commenter stated, “Please consider bifurcating the Information and Comment Forums to allow a minimum of one week for customers to digest the information provided at the [Information Forum] Alternatively, please consider scheduling a second Comment Forum.”

Response: CRSP appreciates this recommendation and will consider this practice for future public processes. However, considering the date established in the Proposed WAPA-220 FRN, publishing notice of a change or additional Public Comment Forum may have resulted in CRSP not having adequate time to meet all the necessary requirements for the proposed April 1, 2026, SPP RTO go-live date.

E. Comment: A jointly submitted comment from several entities stated: “Given that the WAPA-220 case won’t take effect until April 1, 2026 (at the earliest), we recommend that WAPA takes its time to ensure that the transmission rates work for all parties.”

Response: CRSP seeks to align the timing of this rate process with SPP implementation and filing timelines while also adhering to Department of Energy timelines for public processes to establish service rates. While this rate process seeks approval on the formula used to establish the formula rates, as described in the Formula Rate Implementation Protocols, data used in the annual recalculation of the formula rates each year will be made available for review and comment. These Protocols ensure 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.

Other Comments

A. Comment: A commenter states: “The benefit analysis that appears to be driving this decision shows the possibility for both a positive and negative outcome. Given the uncertainty of what could happen to the WAPA-220 (and WAPA-206) rate(s), we suggest that you shorten this rate window from five years to two years. That will give CRSP and customers time to evaluate this new paradigm and see how the rate settles out.”

Response: CRSP believes a five-year rate is preferable to gather sufficient data to support future rate analysis and development. Given the time required to establish a new rate through a public process, a two-year rate would require CRSP to initiate a new rate process relatively soon after beginning market participation and with limited empirical data.

B. Comment: A commenter wanted confirmation that economically offered hydropower will not interfere, impact, or reduce the Renewable Energy Certificates (RECs) associated with the seasonal sustainable hydropower sales amount.

Response: Hydropower deliveries are a function of water release schedules and water delivery obligations. Customers will continue to receive power and energy from hydropower resources without interfering with the RECs associated with those deliveries.

Certification of Rates

I have certified that the Provisional Formula Rates for Colorado River Storage Project transmission and ancillary service under Rate Schedules CRCMT-ATRR, CRCMT-AS1, and CRCMT-PTP 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 CRSP to develop the Provisional Formula Rates is available for inspection and copying at the CRSP Regional Office, 1800 South Rio Grande Avenue, Montrose, CO. Many of these documents are also available on CRSP'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).⁴ 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-colorado-river-storage.

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 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,

⁴ 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).

approve, and place into effect, on an interim basis, Rate Order No. WAPA-220. 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**

**COLORADO RIVER STORAGE PROJECT REGION
Colorado River Storage Project**

**ANNUAL TRANSMISSION REVENUE REQUIREMENT
FOR TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-220)**

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 - Colorado River Storage Project (WAPA-CRSP) region officially becomes a member of, and transfers functional control of Colorado River Storage Project (CRSP) 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 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-CRSP's Rates website and on WAPA-CRSP's Open Access Same-Time Information System (OASIS) website.

Applicable:

WAPA-CRSP'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) CRSP's Western Interconnection transmission facilities and (2) CRSP'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 CRSP's Western Interconnection transmission facilities and CRSP 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-CRSP 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-CRSP 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-CRSP's OASIS website.

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

**COLORADO RIVER STORAGE PROJECT REGION
Colorado River Storage Project**

SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE
(Approved Under Rate Order No. WAPA-220)

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 - Colorado River Storage Project (WAPA-CRSP) region officially becomes a member of, and transfers functional control of Colorado River Storage Project (CRSP) 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 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-CRSP's Rates website and on WAPA-CRSP'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-CRSP's annual revenue requirement (ARR) for SSCD will be separated between service provided for CRSP transmission facilities in the CRSP Zone (CRSPZ or Zone 103) and for CRSP 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 CRSPZ 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-CRSP 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-CRSP's OASIS website.

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

**COLORADO RIVER STORAGE PROJECT REGION
Colorado River Storage Project**

FIRM POINT-TO-POINT TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-220)

Effective:

The first day of the first full billing period beginning on the later of the following events: (1) when the Colorado River Storage Project (CRSP) region officially becomes a member of, and transfers functional control of CRSP 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 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 CRSP's Rates website and on the Western Area Lower Colorado (WALC) Open Access Same-Time Information System (OASIS) website.

Applicable:

Rate Schedule CRCMT-PTP is applicable only to those customers who purchase CRSP transmission service under the Western Area Power Administration (WAPA) Open Access Transmission Tariff (OATT).

The Transmission Customer will compensate CRSP each month for Reserved Capacity under the applicable Firm Point-To-Point Transmission Service Agreement and the formula rate described herein.

Formula Rate:

$$\begin{array}{rcccl} \text{Firm Point-To-} & & \text{Annual Transmission Revenue Requirement (\$)} & & \\ \text{Point Transmission} & = & \text{Firm Transmission} & + & \text{Network Integration} \\ \text{Rate} & & \text{Capacity Reservations} & & \text{Transmission Service} \\ & & & & \text{Capacity (kW)} \end{array}$$

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and operational data. CRSP will notify the transmission customer annually and make data and information available to interested parties for review and comment related to the recalculated rate on or shortly after September 1 of the preceding year. This data and information will be posted on CRSP's Rates website and on WALC's OASIS website. Discounts may be offered from time to time in accordance with WAPA's OATT.

Billing:

The formula rate above applies to the maximum amount of capacity reserved for periods ranging from 1 hour to 1 month, payable whether used or not. Billing will occur monthly.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement. If losses are not fully provided by a transmission customer, charges for financial compensation may apply.