



DEPARTMENT OF ENERGY

Western Area Power Administration

Proposed Collections from Central Valley Project Power Contractors to Carry Out the Restoration, Improvement and Acquisition of Environmental Habitat Provisions of the Central Valley Project Improvement Act of 1992

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed collection procedures.

SUMMARY: The Sierra Nevada (SN) region of the Western Area Power Administration (WAPA) proposes unchanged procedures for the Collection of Restoration Fund payments from the Central Valley Project (CVP) Power Contractors. These collection procedures supersede those previously published in the *Federal Register* on April 16, 2003 (68 FR 18621). The collection procedures remain unchanged but are being republished, for administrative purposes, to remove references to a specific WAPA-SN Power Marketing Plan (PMP).

DATES: A consultation and comment period will begin [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and end [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

WAPA-SN will accept comments any time during the consultation and comment period.

ADDRESSES: Written comments and requests concerning the proposed collection procedures should be sent to: Michelle R. Williams, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630, or email: SNR-RateCase@wapa.gov. WAPA-SN will post information about the proposed collection procedures and written comments received to its website at: www.wapa.gov/about-wapa/regions/sn/sn-rates/restoration-fund/.

FOR FURTHER INFORMATION CONTACT: Autumn Wolfe, Rates Manager,

Sierra Nevada Region, Western Area Power Administration, (916) 353-4686 or email: SNR-RateCase@wapa.gov.

SUPPLEMENTARY INFORMATION: Section 3407 of the Central Valley Project Improvement Act (CVPIA) (Pub. L. 102-575, 106 Stat. 4706, 4726) establishes in the Treasury of the United States the CVP Restoration Fund to carry out the habitat restoration, improvement, and acquisition provisions of the CVPIA. The CVPIA further requires the Secretary of the Interior to assess and collect annual mitigation and restoration payments from CVP Water and Power Contractors (Restoration Payments). The Secretary of the Interior, through the Bureau of Reclamation (Reclamation), is responsible for determining and collecting CVP Water and Power Contractors' share of the annual Total Restoration Fund Payment Obligation.

Because WAPA-SN markets and transmits CVP power and maintains all CVP power contracts, WAPA-SN agreed to collect the Restoration Payments from CVP Power Contractors. WAPA-SN executed a letter of agreement with Reclamation to establish procedures for depositing collections from CVP Power Contractors into the Restoration Fund.

Proposed Procedures

The proposed procedures for the collection of the Restoration Payments are detailed below. These collection procedures remain unchanged but are being republished, for administrative purposes, to remove references to a specific WAPA-SN PMP.

Determination of the Power Restoration Payment Obligation (PRPO)

Reclamation is responsible for assigning the PRPO for the CVP Power Contractors. On or about July 1 of each year, Reclamation will provide a letter to WAPA-SN with the determined PRPO amount and a detailed explanation of the computation for the upcoming fiscal year (FY). Upon receiving the letter from Reclamation, WAPA-SN will

notify CVP Power Contractors of the annual PRPO and the monthly amount to be collected.

Allocating the PRPO

WAPA-SN will allocate the PRPO among the CVP Power Contractors each FY. After notification by Reclamation, WAPA-SN will calculate the annual obligation for each CVP Power Contractor based on their assigned Base Resource percentage as specified in their power contracts. Each CVP Power Contractor's annual obligation will be divided by twelve (12) months and billed equally over the FY.

Collection of CVP Power Contractors' Restoration Payments

Each CVP Power Contractor will receive a Restoration Fund bill monthly on or about the twenty-fifth (25th) but no later than the last day of the month. The Restoration Fund billing cycle for each FY will begin within thirty (30) days following August 1 or the date written notification of the annual PRPO is received from Reclamation, whichever occurs later.

Payment Due Date

All CVP Power Contractors' Restoration Payments are due and payable before the close of business twenty (20) calendar days after each Restoration Fund bill is issued, or the next business day thereafter, if said day is a Saturday, Sunday, or federal holiday.

Late Payment Charges Assessed to Delinquent Restoration Payments

WAPA-SN will add a late payment charge of five hundredths percent (0.05%) of the principal amount unpaid for each day the Restoration Payment is delinquent. Payments received will be first applied to the charges for the late payment assessed on the principal and then to the payment of the principal.

Deposit of CVP Power Contractors' Restoration Payments into the Restoration Fund

On or about the twenty-seventh (27th) calendar day of the month following each billing month, WAPA-SN will transfer all Restoration Payments received, including late

payment charges, to Reclamation for deposit into the Restoration Fund. The thirtieth (30th) of September of each FY is the last day WAPA-SN will transfer Restoration Payments, including late payment charges, to Reclamation for that FY.

Exchange Program and Year-End Reconciliation Process

The Exchange Program may result in some CVP Power Contractors receiving small amounts of energy in excess of their contractual Base Resource percentage in some months. Although recipients of this exchange energy will pay for this power, Restoration Fund obligations are based on each CVP Power Contractor's percentage of the contractual Base Resource excluding exchange energy. Alternatively, some CVP Power Contractors that are not able to use all their contractual Base Resource and return it as exchange energy could be overpaying their Restoration Fund obligations, since their actual power usage might be less than their contractual Base Resource percentage in a given month.

To rectify underpayments made by recipients of the exchange energy and overpayments by other CVP Power Contractors, WAPA-SN will conduct a reconciliation process, otherwise known as an annual true-up, before preparing August Restoration Fund bills. This reconciliation will require WAPA-SN to identify energy amounts exchanged among individual CVP Power Contractors monthly. The applicable billing periods will track exchange energy associated with power deliveries from July to June service months. This information will provide the basis for determining the amount of energy exchanged during the billing year.

WAPA-SN will add an additional charge, or a balloon payment, to the August Restoration Fund bills for each CVP Power Contractor who received exchange energy during the past year that exceeded their contractual Base Resource percentage. Conversely, WAPA-SN will also post an offsetting credit on their August bills for those

CVP Power Contractors that provided exchange energy, thus decreasing the amount of contractual Base Resource energy received.

Exclusion of First Preference Contractors from the Power Restoration Payment

Obligation

WAPA-SN reviewed the contributions the Trinity River Division (TRD) and New Melones projects provide, either directly or indirectly, to environmental mitigation in support of CVPIA and/or projects supported by the CVPIA Restoration Fund. The TRD and New Melones projects deliver significant environmental benefits toward the CVPIA Restoration Fund programs.

Since CVPIA was enacted, these facilities have been reoperated, so CVP meets the standards and guidelines set forth by CVPIA. With the reoperation of these facilities and the fact that the First Preference (FP) customers' energy entitlements are based on the generation output of these facilities, their reoperation ultimately affects these customers. These circumstances provide a basis by which to exclude Restoration Fund collections from any FP customers within the affected areas.

Review Process

WAPA-SN will review the procedures for the assessing and collecting of Restoration Payments from the CVP Power Contractors every five (5) years or if one of the following occurs: (1) if there is a significant change to or suspension of the legislation, (2) if a material issue arises, (3) if an apparent inequity in the procedures is discovered, or (4) if any significant change occurs that affects the procedures.

WAPA-SN intends the collection procedures go into effect March 1, 2026, and remain in effect until superseded.

Availability of Information

All studies, comments, letters, memorandums, or other documents that WAPA-SN initiates or uses to develop the proposed collection procedures are available for inspection

and copying at the Sierra Nevada Regional Office, located at 114 Parkshore Drive, Folsom, CA. Many of these documents and supporting information are also available on WAPA-SN's website at: www.wapa.gov/about-wapa/regions/sn/sn-rates/restoration-fund/.

PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.¹

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Signing Authority

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

¹ In compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

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

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