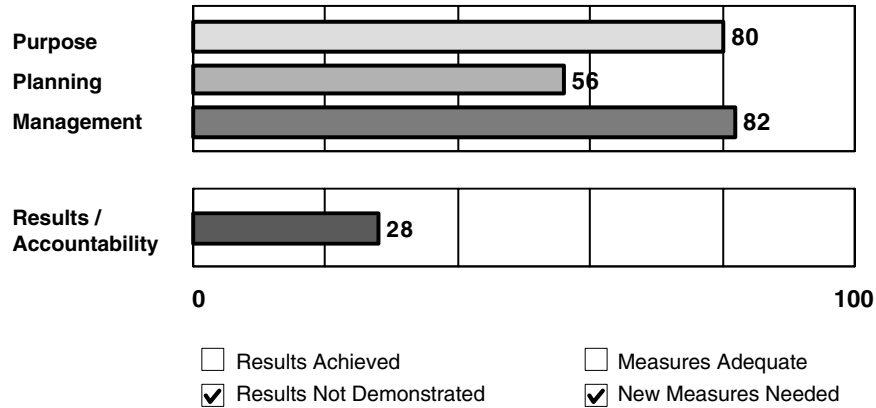


Program: Corps Hydropower

Agency: Army Corps of Engineers

Bureau: Civil Works



Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of time hydropower facilities are out of service due to forced outages	2000	2.3%	3.7%
	2001	2.3%	2.3%
	2002	2.3%	3.7%
Annual Measure: Other annual measures, including efficiency measures such as operating cost per megawatt of electricity generated, are under development.			

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

The Corps generates power at 75 existing Federal dams, while meeting the other authorized purposes of these dams such as flood damage reduction or commercial navigation. It produces about two percent of the nation's electricity and is a significant source of peaking power in some regions.

The assessment shows the following:

1. Overall program performance is less than it was 15 years ago. Much of the power equipment is approaching the end of its design life. The Corps does not have an overall asset management strategy. Each regional office develops its own plan for the maintenance, major rehabilitation, and replacement of this equipment.
2. Generally, program management is strong. The Corps uses current data on the condition of its facilities to manage its hydropower program, and develops cost-effective solutions to equipment problems.
3. In the Pacific Northwest, under a direct financing arrangement with the Bonneville Power Administration, the Corps is making significant investments to improve power efficiency without evaluating whether these decisions are justified incrementally in national economic terms.
4. The Corps has not evaluated how power production role at the existing 75 dams might change in the future, or whether it should continue indefinitely.
5. The score on "results" reflects: the need to develop additional performance measures; the relatively high forced outage rate; the lack of a quality, systematic program evaluation; and the failure to complete major rehabilitations within the time frames established in project planning documents.

In response to these findings:

1. The Corps will set priorities among potential investments from a national perspective, and determine when it should propose to undertake them.
2. To reduce the amount of time that power facilities are out of service due to forced outages, and to better align user requirements with funding decisions, the Budget proposes that the Congress authorize the Southeastern, Southwestern, and Western Area Power Administrations to finance directly the full cost of operating and maintaining the Corps facilities that generate power for them.
3. The Corps periodically will seek public comment on and revise the basic operational rules that its project managers follow at each dam when making trade-offs between power production and other project purposes.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
185	245	284