

6450-01-P

**DEPARTMENT OF ENERGY**

Western Area Power Administration

Proposal to Extend Electric Power Resource Commitments to Contractors of the Salt Lake City Area Integrated Projects by Application of the Energy Planning and Management Program Power Marketing Initiative

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

**ACTION:** Notice of Proposal.

**SUMMARY:** In 1995, the Department of Energy, Western Area Power Administration (Western) completed an environmental impact statement (EIS), DOE/EIS-0182, on its Energy Planning and Management Program (Program). Western published a Final Rule adopting the Program on October 20, 1995 (10 CFR Part 905). The Program has two major components: a requirement that all long-term, firm electrical power contractors prepare integrated resource plans (IRP) or small customer plans; and a Power Marketing Initiative (PMI) in which these contractors will receive an extension of a major portion of the resources available at the time the contracts expire. The Record of Decision (ROD) stated that Western would implement the requirements for customers to prepare IRPs and small customer plans immediately, but that application of the PMI would be done on a project-specific basis. Western now proposes to apply the PMI to the long-term, firm power contracts of the Salt Lake City Area Integrated Projects (SLCA/IP).

**DATES:** Western will accept written comments on or before [insert date 90 days after date of publication in the FEDERAL REGISTER]. The times and locations of four information/comment meetings will be announced in a subsequent notice in the Federal

Register.

**ADDRESSES:** Comments may be submitted to :

Mr. David Sabo  
Western Area Power Administration  
Colorado River Storage Project Manager  
P.O. Box 11606  
Salt Lake City, UT 84147-0606

**SUPPLEMENTARY INFORMATION:** Western first proposed the Program on April 19, 1991 (56 FR 16093). The goals of the Program were to encourage efficient energy use by Western's long-term, firm power customers by requiring integrated resource planning and to extend Western's firm power resource commitments as contracts expire.

Western published its notice of intent to prepare an EIS on the Program in the Federal Register on May 1, 1991 (56 FR 19995).

President Bush signed the Energy Policy Act (EPAAct) into law on October 24, 1992.

Section 114 of EPAAct amended Title II of the Hoover Power Plant Act of 1984 to require the preparation of IRPs by Western's customers. Western adjusted its proposed Program to fully incorporate the provisions of this law.

A notice of proposed rulemaking for the Program was published in the Federal Register on August 9, 1994 (59 FR 40543), with seven public information/comment forums held at various locations during September 1994. In the August 9 Notice, Western estimated that initially 98 percent of SLCA/IP resources available at the end of the term of existing contracts would be extended.

In the Final rule, Western stated that application of the PMI including length of resource extension and the amount of resources extended would be determined through a project specific process later.

Under the PMI, existing firm power sales commitments were to be extended for 20 years beyond the existing termination date. A commitment of not less than 96 percent of the hydroelectric power resource determined to be available to the customers was to be extended, and a power resource pool of up to 4 percent of the power from these customers would be created.

The resource pool would be used for allocations to new customers and contingencies. The rule stated that a more precise decision on how resource pools would be used would be made by Western later. Western's rule further stated that the percentage of existing commitments extended for the other projects would be determined later. It also stated that the application of the PMI for the "Salt Lake City Area Integrated Projects Marketing Plan would be determined following completion of the separate National Environmental Policy Act of 1969 (NEPA) process currently under way." That NEPA process is the SLCA/IP Electric Power Marketing EIS. The final EIS was published in January 1996, and the ROD was published in October 1996.

Western proposes to apply the PMI, (10 C.F.R. §§ 905.31 through 905.37), to the SLCA/IP. This includes, among other things, a proposal to extend 96 percent of the SLCA/IP contractors' entitlement of long-term, firm Federal resources as of September

30, 2004, for an additional 20 years. Western proposes that an initial resource pool of up to 4 percent of available Federal resources be created for new customers to encourage customer development of new technologies for conservation or renewable resources and for contingencies. Western's analysis shows that a resource pool of 4 percent of available resources should be adequate to provide potential new customers with a fair share entitlement of Federal resources. Fair share amounts of capacity and energy will be offered to new customers meeting the requirements established in the Post-89 Marketing Criteria and to qualifying Indian tribes within the SLCA/IP marketing area. Indian tribes need not have utility status to qualify for an allocation. In addition to the adjustment in long-term firm resources in 2004, resource commitments may be reduced on October 1, 2009, and October 1, 2014, upon 2 years written notification. These resource adjustments would provide an additional amount of power for the same purposes as the 2004 adjustment.

Adjustments may also be made in resource allocations at any time to reflect changes in dam operations and/or water conditions upon 5 years notification.

Western is seeking comments on the appropriateness of the length of extension offered and on what percentage of the SLCA/IP resource should be extended to the SLCA/IP long-term, firm power customers. In addition Western requests comments on the uses that should be made of the electrical power resource pool that will be created.

Following the public comment period, Western will analyze the comments received and publish its policy regarding extension of resource commitments in the Federal Register.

NEPA COMPLIANCE: Western will comply with NEPA through preparation of appropriate NEPA documentation of the impacts of the proposal.

DETERMINATION UNDER EXECUTIVE ORDER 12866: DOE has determined that this is not a significant regulatory action because it does not meet the criteria of Executive Order 12866, 58 FR 51735. Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget (OMB) is required.

Issued in Washington, DC on February 19, 1997.

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Joel K. Bladow  
Assistant Administrator