

DEPARTMENT OF ENERGY

Western Area Power Administration

Resource Pool Size

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of public process on resource pool size and notice of informal public information meetings.

SUMMARY: The Western Area Power Administration (Western) is seeking public comment on the size of project-specific resource pools needed to meet the fair share needs of Native American tribes in the marketing areas served by the Central Valley Project, Washoe Project, and the Salt Lake City Area Integrated Projects.

DATES: The consultation and comment period will end [insert date 30 days after date of publication in the FEDERAL REGISTER]. To be assured of consideration, written comments must be received by the end of the consultation and comment period.

Three informal public information meetings have been scheduled. The first will be held on February 3, 1999, starting at 9 a.m. at Western's Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona. The second will be held on

February 5, 1999, starting at 9 a.m. at the Department of Energy's Training Center, 1401 Maxwell, Kirtland Air Force Base NE., Albuquerque, New Mexico. The third will be held on February 9, 1999, starting at 1:30 p.m. at Western's Sierra Nevada Regional Office, 114 Parkshore Drive, Folsom, California. The purpose of the informal meetings is to educate Native Americans on Western's power allocation policies, including the resource pool that will be the source of allocations of power to eligible Native American tribes. Although the target audience for these workshops is Native American tribes, these meetings are open to the public.

ADDRESSES: Written comments may be hand-delivered, mailed, emailed, or faxed to Robert C. Fullerton, Project Manager, Corporate Services Office, Western Area Power Administration, 1627 Cole Boulevard, P.O. Box 3402, Golden, CO 80401-0098, telephone (303) 275-2700, fax (303) 275-1290, email: fullerto@wapa.gov. All documentation developed or retained by Western during the course of this public process will be available for inspection and copying at this address.

FOR FURTHER INFORMATION CONTACT:

Robert C. Fullerton, Project Manager, Corporate Services Office, Western Area Power Administration, 1627 Cole Boulevard, P.O. Box 3402, Golden, CO 80401-0098, telephone (303) 275-2700, email: fullerto@wapa.gov.

Joel K. Bladow, Regional Manager, Rocky Mountain Region, Western Area Power Administration, P.O. Box 3700, Loveland, CO 80539-3003, telephone (970) 490-7201, email: bladow@wapa.gov.

J. Tyler Carlson, Regional Manager, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, telephone (602) 352-2453, email: carlson@wapa.gov.

David Sabo, Customer Service Center Manager, Colorado River Storage Project, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606, telephone (801) 524-6372, email: sabo@wapa.gov.

Jerry W. Toenyes, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, telephone

(916) 353-4418, email: toenyes@wapa.gov.

Gerald C. Wegner, Regional Manager, Upper Great Plains Region, Western Area Power Administration, P.O. Box 35800, Billings, MT 59107-5800, telephone

(406) 247-7405, email: wegner@wapa.gov.

SUPPLEMENTARY INFORMATION:

Western's inquiry on the impact of electric utility restructuring started pursuant to the publication of notice in the Federal Register on December 1, 1998 (63 FR 66166). We sought input on six questions to help in the consideration of the impact of electric utility industry restructuring on the way that Western allocates power. While the comment period for this inquiry closed on January 15, 1999, a separate issue has been identified that must be addressed before completion of pending marketing plans. That issue is the size of the project-specific resource pools that are needed to meet the fair share needs of Native American tribes. The resource pools are derived from power that is not extended to existing long-term firm power customers.

Considerable attention was devoted to the resource pool issue during the course of development of the Energy Planning and Management Program (Program) (60 FR 54151). The Program, which was adopted on October 20, 1995, established a framework for the project-specific allocation of hydropower. Pursuant to the Program, Western signed resource extension contracts with existing customers of the Pick-Sloan Missouri Basin Program-Eastern Division and the Loveland Area Projects. Resource pools of up to 6 percent of the marketable resource were set aside to meet a fair share of the needs of new customers, including Native American tribes, and other purposes as determined by Western. Four percent of the marketable resource was initially made available, and additional resource pool increments of up to 1 percent will be made available 5 and 10 years into the 20-year contract term.

While the resource pool size for the Pick-Sloan Missouri Basin Program-Eastern Division and the Loveland Area Projects has already been determined, the Program anticipated that the resource pool size for the Central Valley Project, Washoe Project, and Salt Lake City Area Integrated Projects would be determined on a project-specific basis.

In February of 1997, Western proposed application of the Program to the Salt Lake City Area Integrated Projects, and further proposed "an initial resource pool of up to 4 percent of available Federal resources . . . for new customers to encourage customer development of new technologies for conservation or renewable resources and for contingencies." In that Federal Register notice, published on February 26, 1997 (62 FR 8709), Western also proposed potential reductions to resource commitments 5 and 10 years into the contract term, for the same purposes as the initial resource pool.

On that same day, Western announced its Proposed 2004 Power Marketing Plan, which provided for marketing of power from Central Valley Project and Washoe Project powerplants after the year 2004. In a Federal Register notice published at 62 FR 8710, Western proposed a 4 percent initial resource pool for new allocations and an additional incremental resource pool of up to 2 percent in the year 2014.

While there was considerable public comment on resource pool size as a result of the publication of these two Federal Register notices in February of 1997, there is a need to receive further public comment on the fair share needs of eligible Native American tribes before the size of project-specific resource pools can be decided and pending marketing plans can be completed.

Under the Program, entities that desire to purchase power from Western for resale to consumers, including municipalities, cooperatives, public utility districts, and public power districts, must have utility status. Native American tribes are not subject to this requirement. Western has stated that we would consider arrangements for the delivery of the benefits of cost-based Federal power to Native American tribes without utility status.

Dated:

Michael S. HacsKaylo

Administrator