

DEPARTMENT OF ENERGY

Western Area Power Administration

Call for 2005 Resource Pool Applications

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of the Call for 2005 Resource Pool Applications.

SUMMARY: The Western Area Power Administration (Western), a Federal power marketing administration of DOE, published its 2004 Power Marketing Plan (Marketing Plan) for the Sierra Nevada Customer Service Region (Sierra Nevada Region) in the Federal Register. The Marketing Plan specifies the terms and conditions under which Western will market power from the Central Valley Project (CVP) and the Washoe Project beginning January 1, 2005. The Marketing Plan provides for a 2005 Resource Pool of up to 4 percent of the Sierra Nevada Region's marketable power resources. The 2005 Resource Pool is available for new power allocations to qualified entities. Preference entities who wish to apply for a new allocation of power from Western's Sierra Nevada Region must submit formal applications conforming to the procedures below. The eligibility and allocation criteria are defined in the Marketing Plan and described later in this Federal Register notice. Existing customers' conditional resource extension percentages are listed in the Marketing Plan. Existing customers do not need to submit applications for their resource extensions. However, if an existing customer wishes to apply for a new allocation of power, in addition to its resource extension, it must meet the eligibility criteria and submit an application.

DATES: Entities interested in applying for an allocation of Western power must submit applications to Western's Sierra Nevada Customer Service Regional Office at the address below. Applications must be received by 4 p.m., PST, on **(insert 60 days after date of publication in the Federal Register)**. Applicants are encouraged to hand-deliver or use certified mail for delivery of applications. Applications will be accepted via regular mail through the United States Postal Service if postmarked at least 3 days before **(insert 60 days after date of publication in the Federal Register)**, and received no later than **(insert 63 days after date of publication in the Federal Register)**. Western will not consider applications that are not received by the prescribed dates. Western will publish a Notice of Proposed Allocations in the Federal Register after evaluating all applications.

Application dates and procedures and power purchase options applicable to first preference customers/entities are provided in the Marketing Plan.

ADDRESS: Applications must be submitted to the Power Marketing Manager, Western Area Power Administration, Sierra Nevada Customer Service Region, 114 Parkshore Drive, Folsom, CA 95630.

FOR FURTHER INFORMATION CONTACT: Howard Hirahara, Power Marketing Manager, at (916) 353-4421 or by electronic mail at hirahara@wapa.gov.

SUPPLEMENTARY INFORMATION:

AUTHORITIES

The Marketing Plan for marketing power by the Sierra Nevada Region after 2004, published in the Federal Register (64 FR 34417) on June 25, 1999, was established

pursuant to the Department of Energy Organization Act (42 U.S.C. 7101-7352); the Reclamation Act of June 17, 1902 (ch. 1093, 32 Stat. 388) as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485(c)); and other acts specifically applicable to the projects involved.

REGULATORY PROCEDURE REQUIREMENTS

Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601, et seq.) requires Federal agencies to perform a regulatory flexibility analysis if a final rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. Western has determined that this action does not require a regulatory flexibility analysis since it is a rulemaking of particular applicability involving services applicable to public property.

Environmental Compliance

In compliance with National Environmental Policy Act (NEPA) (42 U.S.C. 4321, et seq.), Council on Environmental Quality NEPA implementing regulations (40 CFR parts 1500-1508), and DOE NEPA implementing regulations (10 CFR part 1021), Western completed an environmental impact statement (EIS) on its Energy Planning and Management Program (EPAMP). The Record of Decision was published in the Federal Register (60 FR 53181, October 12, 1995). Western will market the Sierra Nevada Region's power resources consistent with the Power Marketing Initiative under EPAMP (60 FR 54151, October 20, 1995). Western also completed the 2004 Power Marketing Program EIS (2004 EIS), and the Record of Decision was published in the Federal

Register (62 FR 22934, April 28, 1997). The Marketing Plan falls within the range of alternatives considered in the 2004 EIS. This NEPA review identified and analyzed environmental effects related to the Marketing Plan.

Available reservoir storage and water releases controlled by the United States Department of the Interior, Bureau of Reclamation (Reclamation) influence marketable CVP and Washoe Project electrical capacity and energy. Under the CVP Improvement Act of 1992 (Pub. L. 102-575, Title 34) (CVPIA), Reclamation is in the final stages of a programmatic EIS (PEIS) examining the potential impacts of implementing the CVPIA's fish and wildlife restoration obligations and potential changes in CVP operations and water allocations to meet those obligations. Actions based on the PEIS may result in modifications to CVP facilities and operations that would affect the timing and quantity of electric power generated by the CVP. Such changes may affect electric power products and services which will be marketed by Western. The Marketing Plan is designed to accommodate these changes. Western is a cooperating agency in Reclamation's PEIS process.

Review Under the Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et seq.), Western has received approval from the Office of Management and Budget for the collection of customer information in this rule, under control number 1910-0100.

Determination Under Executive Order 12866

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 is required.

Small Business Regulatory Enforcement Fairness Act

Western has determined that this rule is exempt from congressional notification requirements under 5 U.S.C. 801 because the action is a rulemaking of particular applicability relating to services and involves matters of procedure.

BACKGROUND

The Marketing Plan provides for Western to offer up to 4 percent of the Sierra Nevada Region's marketable power resources to new and certain existing customers under the process in this notice.

CVP power facilities include 11 powerplants with a maximum operating capability of about 2,044 megawatts (MW), and an estimated average annual generation of 4.6 million megawatthours (MWh). Western markets and transmits the power available from the CVP.

The Washoe Project's Stampede Powerplant has a maximum operating capability of 3.65 MW with an estimated annual generation of 10,000 MWh. Sierra Pacific Power Company owns and operates the only transmission system available for access to Stampede Powerplant.

Western owns the 94 circuit-mile Malin-Round Mountain 500-kilovolt (kV) transmission line (an integral section of the Pacific Northwest-Pacific Southwest Intertie), 803 circuit miles of 230-kV transmission line, 7 circuit miles of 115-kV transmission line, and 44 circuit miles of 69-kV and below transmission line. Western also has part ownership in the 342-mile California-Oregon Transmission Project. Many of Western's existing customers have no direct access to Western's transmission lines and receive service over transmission lines owned by other utilities.

The Marketing Plan describes how the Sierra Nevada Region will market its power resources beginning January 1, 2005, through December 31, 2024. Western will, at its discretion, allocate a percentage of the 2005 Resource Pool to applicants that meet the eligibility criteria. This allocation percentage will be multiplied by the 2005 Resource Pool percentage to determine the applicant's percentage of the Base Resource as described in the Marketing Plan. Once the final 2005 Resource Pool allocations have been published, Western will work with the new customers to develop a customized product to meet their needs, as more fully described in the Marketing Plan.

Eligibility Criteria

Western will apply the following eligibility criteria to all applicants seeking a resource pool allocation under the Marketing Plan.

1. Applicants must meet the preference requirements of Reclamation law.
2. Applicants should be located within the Sierra Nevada Region's primary marketing area as defined in the Marketing Plan. If the Sierra Nevada Region's power resources are not fully subscribed, Western may market its resource outside the primary marketing area.
3. Applicants that require power for their own use must be ready, willing, and able to receive and use Federal power. Federal power shall not be resold to others.
4. Applicants that provide retail electric service must be ready, willing, and able to receive and use the Federal power to provide electric service to their customers, not for resale to others.
5. Applicants must submit an application in response to this notice according to the procedures in the Dates Section above.

6. Native American applicants must be a Native American tribe as defined in the Indian Self Determination Act of 1975 (25 U.S.C. 450b, as amended).

7. Existing customers may apply for a resource pool allocation if their extension CRD, listed in Appendix A of the Marketing Plan, is not more than 15 percent of their peak load in calendar year 1998, and not more than 10 MW.

8. Western will normally not allocate power to applicants with loads of less than 1 MW; however, allocations to applicants with loads which are at least 500 kilowatts (kW) may be considered, if the loads can be aggregated with other allottees' loads to schedule and deliver to a minimum load of 1 MW.

Allocation Criteria

Western will apply the following allocation criteria to all applicants receiving a resource pool allocation under the Marketing Plan.

1. Allocations will be made in amounts as determined solely by Western in exercise of its discretion under Reclamation law and considered to be in the best interest of the United States Government.

2. Allocations may be based on the applicant's peak demand during calendar year 1998 or the amount requested, whichever is less.

3. An allottee will have the right to purchase power from Western only upon execution of an electric service contract between Western and the allottee, and satisfaction of all conditions in that contract.

4. Customers' percentages of the Base Resource will be subject to a reduction for the 2015 Resource Pool as described in the Marketing Plan.

5. Eligible Native American entities will receive greater consideration for an

allocation of up to 65 percent of their peak load in calendar year 1998.

CALL FOR 2005 RESOURCE POOL APPLICATIONS

APPLICATIONS FOR POWER

This notice formally requests applications from qualified entities wishing to purchase power from the Sierra Nevada Region. Specific applicant profile data (APD) is requested so that Western will have a uniform basis upon which to evaluate the applications. To be considered, applicants must submit an application to the Sierra Nevada Region containing the APD as requested below. To ensure that full consideration is given to all applicants, Western will not consider requests for power or applications submitted before publication of this notice or after the deadlines specified in the Dates Section.

Applicant Profile Data

The content and format of the APD are outlined below. Please provide all information requested or the most reasonable estimates that are available. Please indicate if the requested information is not applicable or available. Western will request, in writing, additional information from any applicant whose application is deficient. The applicant will have ten (10) business days from the postmark date on Western's request to provide the information. In the event an applicant fails to provide sufficient information to allow Western to make a determination regarding eligibility, the application will not be considered.

All items of information in the APD should be answered as if prepared by the organization seeking the allocation of Federal power. The APD shall consist of the following:

I. Applicant:

A. Applicant's (entity requesting a new allocation) name and address.

B. Person(s) representing applicant: name, company, title, address, and telephone number.

C. Type of organization: for example, municipality, public utility district, rural electric cooperative, irrigation or water district, Federal or state agency, or Native American tribe.

D. Parent organization of applicant, if any.

E. Name of members, if any.

F. Applicable law under which organization was established.

G. Applicant's geographic service area: if available, submit a map of the service area, and indicate the date prepared.

H. Brief explanation of applicant's ability to receive and use or receive and distribute Federal power as of July 1, 2004.

II. Service Requested:

The megawatt amount of power applicant is requesting to be served by the Sierra Nevada Region.

III. Loads:

A. Maximum demand (capacity and energy use) for each month of calendar year 1998.

B. Average annual and monthly load factors for calendar year 1998.

C. Factors or conditions which may significantly change peak demands or load duration or profile curves in the next five (5) years.

IV. Transmission:

A. Brief description of applicant's transmission and distribution system including major interconnections. Provide a single-line drawing of applicant's system, if one is available.

B. Requested point(s) of delivery on Western's system, voltage of service required, and capacity desired at the points of delivery, if applicable.

V. Other Information:

Any other information pertinent to receiving an allocation.

VI. Signature:

The signature and title of the appropriate official who is able to attest to the validity of the information submitted and who is authorized to submit the application is required.

CONTRACTING PROCESS

Western will begin the contracting process with the allottees after publishing the final allocations in the Federal Register, tentatively scheduled for October 2000.

Western will offer a prototype contract for power allocated under the Final 2005 Resource Pool Allocations. Allottees will be required to commit to the Base Resource and Optional Purchase on or before December 31, 2000, and to the Custom Product on or before December 31, 2002, as described in the Marketing Plan. Electric service contracts will be effective upon Western's signature, and service will begin on January 1, 2005.

Dated:

Michael S. Hacskaylo

Administrator