Lease Of Power Privilege (LOPP) Flowchart: Award of Preliminary Lease through Award of Lease of Power Privilege

**LOPP on Dams**

**Preliminary Lessee** will be provided a maximum of 24 months from the date of issuance of the Preliminary Lease to complete requirements set forth in the Preliminary Lease and sign LOPP.

- **Does a water user organization have an operation, maintenance, and replacement transfer contracts associated with the existing Federal project?**
  - **No**
  - **Yes**
    - A meeting is to be held within 20 calendar days after the issuance of the Preliminary Lease between Reclamation, the Preliminary Lessee, and the affected water users and/or power customers to identify the LOPP process, roles, and responsibilities. The agreed upon terms, roles, and responsibilities resulting from this meeting are to be documented in a manner agreeable to the parties involved.

- **Does a power customer – who is not a participant in the proposed LOPP – receive Reclamation generated hydropower from the existing Federal project?**
  - **Yes**
    - The PMA is to be given first opportunity to purchase project energy and Renewable Energy Credits. At the time the Preliminary Lease is awarded, the Lessee is to coordinate with the PMA to negotiate project energy and REC purchase. The PMA will have 45 calendar days from the Preliminary Lessee’s initial offer to make a decision. If no decision is made within the timeframe, the Preliminary Lessee will have the first right to market project energy and RECs to others.
  - **No**
  - **Yes**
    - Reclamation provides Preliminary Lessee an itemized estimate of Reclamation administrative costs (e.g. work related to statutory compliance).
    - Lessee enters into a cost recovery agreement to provide advance funding to Reclamation before Reclamation incurs any cost for work related to the Preliminary Lease or LOPP.

- **Reclamation and Preliminary Lessee identify studies to be completed (EIS Appendix F lists potential studies)**
  - **Reclamation determines if project qualifies for a NEPA Categorical Exclusion**
    - **NEPA Categorical Exclusion Awarded (No EA or EIS required)**
    - **NEPA Environmental Assessment or Environmental Impact Statement Required**
      - Reclamation completes studies
  - Reclamation reviews all necessary studies, analyses, designs, etc. within 45 days of receipt of receiving materials
  - Pending approval of all studies, analyses, designs, etc., Reclamation may award LOPP - to be signed by the Regional Director.

**LOPP on Conduits**

**Preliminary Lessee** will be provided a maximum of 36 months from the date of issuance of the Preliminary Lease to complete requirements set forth in the Preliminary Lease and sign LOPP.

- **Does a power customer – who is not a participant in the proposed LOPP – receive Reclamation generated hydropower from the existing Federal project?**
  - **Yes**
    - Reclamation provides Preliminary Lessee an itemized estimate of Reclamation administrative costs (e.g. work related to statutory compliance).
    - Lessee enters into a cost recovery agreement to provide advance funding to Reclamation before Reclamation incurs any cost for work related to the Preliminary Lease or LOPP.

- **Reclamation and Preliminary Lessee identify studies to be completed (EIS Appendix F lists potential studies)**
  - **Reclamation determines if project qualifies for a NEPA Categorical Exclusion**
    - **NEPA Categorical Exclusion Awarded (No EA or EIS required)**
    - **NEPA Environmental Assessment or Environmental Impact Statement Required**
      - Reclamation completes studies
  - Reclamation reviews all necessary studies, analyses, designs, etc. within 45 days of receipt of receiving materials
  - Pending approval of all studies, analyses, designs, etc., Reclamation may award LOPP - to be signed by the Regional Director.