

# Proposed Changes to August 2018 AMWG Minutes

Presented to AMWG March 6, 2019

## FROM ROD SMITH

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Rod Smith clarified that the HFEs are sediment-based releases above power plant capacity under certain conditions, but there may be more flexibility for experimentation within normal operations below power plant capacity ~~constrained due to water and power capacities. Below the limits of water and power, there is more flexibility for experimentation.~~ Katrina added that there are operational constraints, but within those constraints there is flexibility every day to make sure electricity is produced. Leslie James stated she was satisfied that enough flexibility exists, as she thought.

## FROM STEVE JOHNSON

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Steve said there was new administrative guidance received by WAPA from the Office of Management and Budget to no longer forward monies to non-reimbursable programs, including the GCDAMP. These items are not considered for rate recovery in the power rate calculation. Until now, under this process, approximately \$20-23 million per year has been spent on environmental programs. That annual sum was ~~then subtracted from interest owed on capital projects considered a constructive return and was applied toward interest and debt owed to treasury as if it had been returned.~~ This year, however, the OMB has directed WAPA to pay that money directly to the Treasury instead of sending it to Reclamation via a constructive return spending it on non-reimbursable programs.

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Steve Johnson presented basin fund obligations and funding mechanisms to manage the Colorado River Storage Project (CRSP) monies. WAPA anticipates that regional transmission organizations will replace separate balancing authorities to better manage electricity generation and load. This will help manage risk. ~~Unexpected costs have placed t~~The Basin Fund is currently at a balance of \$110 million, ~~when~~ \$198 million ~~was planned is the target per WAPA's current unobligated balance strategy. This strategy is necessary to manage unexpected costs.~~ WAPA estimates the cost of the bug flow experiment to be \$335,000.

... (Purchase power is power that WAPA eastern must buy from other suppliers when they do not have enough Federal generation available to meet their contract commitments.)

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Steve Johnson noted that there was an upcoming ceremony for completion of the first-ever large-scale solar farm on the Navajo Nation in Kayenta, which will double power generation for the Nation. WAPA commends the Navajo Nation for developing a vision for post-coal generation. WAPA is developing a vision for post-coal generation for the Navajo Nation.