

STATEMENT ON RECLAMATION'S AUGUST PROJECTIONS FOR COLORADO RIVER

DATE: Aug. 16, 2021
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LAKEWOOD, Colo. – Western Area Power Administration is currently reviewing the U.S. Department of Interior’s Bureau of Reclamation’s 24-Month Study report for the Colorado River released Monday.

The data from the study will inform WAPA's near-term hydropower projections for the Colorado River and prepare WAPA and customers for anticipated hydropower sales and potential replacement power needs.

The Colorado River is at historically low water levels following two decades of drought. When there is less hydropower, replacement power may need to be purchased in the open market, which is frequently more expensive than federal hydropower.

WAPA supports mitigation activities already underway and continues to closely collaborate with the Bureau of Reclamation, customers and other stakeholders to alleviate impacts of drought on hydropower and costs.

Background

The hydropower from Hoover Dam and Colorado River Storage Project is sold differently based on the terms of the long-term contracts currently in place.

Colorado River Storage Project

CRSP sells hydropower generated at 11 federal dams in the Upper Colorado River Basin, including Glen Canyon Dam. Glen Canyon Dam represents between 75-85% of total generation from CRSP.

The hydropower from this project supports the energy needs of five million people and 50 Native American tribes in six states, including Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming.

"Employees at CRSP Management Center continue to monitor the 24-Month Study projections and drought conditions. We are working with power customers to find solutions to alleviate any loss of hydropower generation," said Senior Vice President and CRSP Manager Tim Vigil.

Less power is being generated at Glen Canyon Dam due to low reservoir levels, and under WAPA's contracts with CRSP's 130 wholesale power customers, WAPA must purchase replacement power to meet contractual obligations. This power is frequently more expensive than federal hydropower, which is causing pressure on the power rates.

In order to mitigate drought impacts and avoid a possible large rate increase, WAPA is currently conducting a **public process** to remove most replacement power expenses from its power rate. The adjustment is designed to give customers additional flexibility to meet their energy needs. Each wholesale power customer would receive their proportion of hydropower and can also request additional energy from WAPA, with costs passed through to customers. If implemented, this rate will take effect Dec. 1 for a two-year period, allowing for the improvement of water conditions and the development of additional mitigation strategies.

Hoover Dam

Hoover Dam hydropower is sold to 46 wholesale power customers in Arizona, California and Nevada. The hydropower from Hoover Dam supports the energy needs of 8 million people living in those states.

"The information from the Bureau of Reclamation’s current 24-Month Study shows we are facing challenges, but it is not a surprise to WAPA or our power customers," said Acting Senior Vice President and Desert Southwest Regional Manager Jack Murray. "WAPA's Desert Southwest Region has been and will continue to partner with Reclamation and our customers to find ways to maintain the value of hydropower from Hoover during the ongoing drought."

Under Hoover Dam’s long-term power contracts, wholesale power customers receive a proportional share of total hydropower generated at the dam and pay their proportional costs related to the project. WAPA has no responsibilities to meet other energy needs from customers unless requested by a customer.

For the past few years, WAPA and the Bureau of Reclamation have worked together to reduce costs and deferred maintenance, where possible, to stabilize power rates. WAPA and power customers have also invested in upgrades at Hoover Dam to improve efficient power generation at lower reservoir levels.

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About WAPA: Western Area Power Administration annually markets and transmits more than 25,000 gigawatt-hours of clean, renewable power from 57 federal hydroelectric powerplants owned and operated by the Bureau of Reclamation, U.S. Army Corps of Engineers and International Boundary and Water Commission in 15 western and central states. It is part of the Department of Energy. Follow us on Twitter [@WesternAreaPowr](https://twitter.com/WesternAreaPowr) or visit the website at www.wapa.gov.

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