

CATEGORICAL EXCLUSION DETERMINATION



Western Area
Power Administration
Rocky Mountain Region

Proposed Action: Rocky Mountain Region Transmission, Energy and Generator Imbalance, and Losses formula rates for use under the Western Energy Imbalance Service Market - Rate Order No. WAPA-197

Location: Colorado, Kansas Nebraska, and Wyoming

Project Number: 2021-088

Expiration Date: September 30, 2024

A. PROPOSED ACTION DESCRIPTION:

Rocky Mountain Region (RMR) is using a minor rate adjustment process to convert the existing rates for short-term sales for RMR to use under the Western Energy Imbalance Service (WEIS) Market to long-term formula rates. The existing formula rates (approved under the Western Area Power Administration (WAPA) Administrator's short-term rate authority) will expire on September 30, 2021. No changes are being made to the existing formula rates under Rate Schedules L-NFJDT (joint dispatch transmission), L-AS4 (energy imbalance), L-AS7 (BA real power losses), and L-AS9 (generator imbalance). The Provisional Formula Rates under these rate schedules will be effective October 1, 2021, through September 30, 2024.

Background

On March 9, 2017, the Federal Energy Regulatory Commission (FERC) confirmed and approved Loveland Area Projects (LAP) transmission and the LAP, Western Area Colorado Missouri (WACM) Balancing Authority, and the Colorado River Storage Project (CRSP) ancillary services formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control (VAR) support), L-AS3 (regulation), L-AS4 (energy imbalance), L-AS5 (spinning reserves), L-AS6 (supplemental reserves), L-AS7 (transmission losses), L-AS9 (generator imbalance), and L-M1 (sales of surplus products) under Rate Order No. WAPA-174 on a final basis through September 30, 2021.¹ Under Rate Order No. WAPA-179, Rate Schedule L-M1 was superseded by Rate Schedule L-M2.² On December 29, 2020, WAPA's Administrator approved rates for short-term sales for RMR to use under the WEIS Market, which superseded the previously approved Rate Schedules L-AS4 (energy imbalance), L-AS7 (transmission losses), and L-AS9 (generator imbalance), which created a new Rate Schedule, L-NFJDT (joint dispatch transmission), for the 8-month period of February 1, 2021, through September 30, 2021.³

The existing formula rates under the rates for short-term sales provide sufficient revenue to recover annual costs within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2. RMR is proposing the long-term formula-based rates take effect October 1, 2021. The proposed formula rates would remain in effect until September 30, 2024, or until WAPA changes the formula rates through another public rate process pursuant to 10 CFR part 903, whichever occurs first.

¹ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket Nos. EF16-5-000 and EF16-5-001, 158 FERC ¶ 62,181 (2017).

² Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket Nos. EF18-3-000, 163 FERC ¶ 62,115 (2018).

³ See rate approval memo at <https://www.wapa.gov/regions/RM/rates/Documents/S-T Rate Memo - RMR WEIS - approved.pdf>.

With the commencement of the WEIS Market on February 1, 2021, WAPA implemented the services listed below. The rate schedules contain formula-based charges and/or fees which will be calculated to incorporate the most recent financial, load, and non-participant entity information, as applicable. The financial data included in the RMR Administrative Fee will be updated on an annual basis, effective October 1 of each fiscal year. The Net Energy Load (NEL) and non-participant entity information, which is used to determine the allocation of the administrative costs, will also be updated on an annual basis, effective October 1 of each fiscal year. The proposed formula rates are unchanged and continue this approach.

Joint Dispatch Transmission Service (Rate Schedule L-NFJDT)

- Joint Dispatch Transmission Service (JDTS) is an intra-hour non-firm transmission service across transmission facilities of RMR, which is used to transmit energy dispatched, and is required under the WEIS Market Tariff.

Energy and Generator Imbalance Service (Rate Schedule L-AS4 and L-AS9, respectively)

- Within the Balancing Authority Area(s) (BAA) in the WEIS Market Footprint, Energy and Generator Imbalance Service is provided by the WEIS Market when a difference occurs between the expected and the actual delivery of energy within such BAA over a Dispatch Interval.

Balancing Authority Real Power Losses Service (Rate Schedule L-AS7)

- Balancing Authority Real Power Losses Service is needed to account for the energy loss of the transmission systems within the BAA.

In consideration of 10 CFR part 1021 subpart D, B.4.3, the rate methodologies under this Rate Adjustment Process will not affect the generation projects and operations will remain within normal operating limits.

A full description of this project/action can be found in the following document(s): Notice of Proposed Rate Order No. WAPA-197 and the Customer Rate Brochure, “Proposed Formula Rates for Transmission, Energy and Generator Imbalance, and Losses Services for use under the Western Energy Imbalance Service Market”, located at: <https://www.wapa.gov/regions/RM/rates/Pages/2021-Long-Term-Rates---WEIS-Market.aspx>.

B. NUMBER AND TITLE OF THE CATEGORICAL EXCLUSION BEING APPLIED:

(See text in 10 CFR 1021, Subpart D.)

B4.3 Rate changes for electric power, power transmission, and other products or services provided by a Power Marketing Administration that are based on a change in the revenue requirements, if the operations of generation projects would remain within normal limits.



C. REGULATORY REQUIREMENTS 10 CFR 1021.410 (b): (See full text in regulation)

The proposed action fits within a class of actions that is listed in Appendix A or B of 10 CFR 1021.

To fit within the classes of actions listed in Appendix B, a proposal must be one that would not:

- (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of the DOE or Executive Orders;
- (2) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities;
- (3) disturb hazardous substances; pollutants; contaminants; or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)-excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases;
- (4) have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR 1021, Subpart D, Appendix B;
- (5) involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those of the Department of Agriculture, the Environmental Protection Agency, and the National Institutes of Health.

There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal.

The proposal has not been improperly segmented, and the proposal is not connected to other actions with potentially significant impacts, is not related to other proposed actions with cumulatively significant impacts and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211.



D. DETERMINATION:

Based on my review of information conveyed to me and in my possession (or attached) concerning the proposed action, as National Environmental Protection Act (NEPA) Compliance Officer (as authorized under DOE Order 451.1B), I have determined that the proposed action fits within the specified class(es) of action, the other regulatory requirements set forth above are met, and the proposed action is hereby categorically excluded from further NEPA review.

Signature and Date

James Wood
NEPA Compliance Officer
Rocky Mountain Region
Western Area Power Administration

