

Sponsors: Colorado River Energy Distributors Association; Irrigation and Electrical Districts Association of Arizona; Arizona Municipal Power Users Association; Utah Associated Municipal Power Systems; Southwest Public Power Agency; City of St. George; Wyoming Municipal Power Agency; Utah Municipal Power Agency; Municipal Energy Agency of Nebraska; Heber Light & Power; Arizona Power Authority

In Support of Colorado River Basin Drought Assistance

1 The Colorado River is the life blood of the West. Congress has authorized federal multiple-purpose and
2 transmission projects in the Colorado River Basin to provide water, clean hydroelectric power, and a wide
3 range of significant benefits to over forty million people. These benefits from the largest of the Projects,
4 the Boulder Canyon Project (Hoover), Colorado River Storage Project (CRSP), and Parker-Davis Project
5 (Parker-Davis), include, but are not limited to:

- 6 • Flood control;
- 7 • Water storage and delivery;
- 8 • Hydroelectric power generation and transmission;
- 9 • Public recreation;
- 10 • Fish and wildlife propagation and Endangered Species Act (ESA) compliance; and
- 11 • Regulation, reliability, and resilience support to the Western Interconnection.

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13 Despite the multitude of benefits these projects provide, they have historically not relied on federal
14 appropriations. Each Colorado River Project has its own unique congressional authorization, rates,
15 repayment obligations, and customer base. Collectively, an estimated 300 non-profit customers, including
16 over 70 tribal entities located in some of the most underserved areas of this country, provide through
17 long-term contracts the revenues necessary to sustain the Colorado River Projects. These revenues are
18 maintained in the Upper Colorado River Basin Fund (Basin Fund) or the Colorado River Dam Fund (Dam
19 Fund), depending on the project. The revenues provide funding for:

- 20 • Repayment of the federal investment in the water storage, generation, and transmission facilities
21 (with interest);
- 22 • Irrigation assistance;
- 23 • Operation, maintenance, and replacement of generation and transmission facilities;
- 24 • Replacement power costs (when the hydropower resource is insufficient);
- 25 • Staffing expenses of the Bureau of Reclamation (Reclamation) and Western Area Power
26 Administration (WAPA);

- 27 • Non-power costs associated with the Colorado River Salinity Control program, Glen Canyon
28 Dam Adaptive Management Program, Upper Colorado and San Juan Rivers Endangered Fish
29 Recovery Programs, and Lower Colorado River Multi-Species Conservation Program.

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31 The Colorado River Basin is entering its twenty-second year of drought. Lake Mead (Hoover Dam) and
32 Lake Powell (Glen Canyon Dam) water elevations are at the lowest since they were filled and are
33 approaching critical levels where power generation will cease.

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35 A combination of reduced generation due to extreme drought, costs associated with environmental
36 programs and experiments, and wholesale power market conditions has resulted in unstable, unsustainable
37 cash flow conditions in the Basin Fund, double-digit customer rate increases with added risk and cost of
38 replacement power, deferred maintenance of federal facilities, while energy deliveries are declining.
39 Neither Congress nor the federal agencies contemplated this drought situation and the ensuing economic
40 and financial impacts to the Projects and customers.

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42 **NOW, THEREFORE, BE IT RESOLVED:** To mitigate impacts resulting from the current drought, the
43 American Public Power Association (APPA) urges the Bureau of Reclamation and Western Area Power
44 Administration to continue implementing cost-cutting measures and strategies to sustain the Upper
45 Colorado River Basin Fund (Basin Fund) and the Colorado River Dam Fund (Dam Fund), and stabilize
46 rates for the Boulder Canyon Project, Colorado River Storage Project, and Parker-Davis Project, and to
47 work in partnership with customers to develop operational, financial, and rate-setting strategies.

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49 **BE IT FURTHER RESOLVED:** That APPA encourages Congress to provide non-reimbursable
50 appropriations to the Basin Fund and Dam Fund to mitigate drought-related impacts and ensure funding
51 of annual obligations to maintain the viability of the federal Colorado River Projects.

Adopted at the Legislative & Resolutions Committee Meeting

March 1, 2022

Sunsets in March 2030