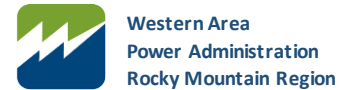


CATEGORICAL EXCLUSION DETERMINATION



Proposed Action Title: Colorado River Storage Project Region New Formula Rates for the Colorado River Storage Project Transmission and Ancillary Services to be Recovered Under the Southwest Power Pool's Open Access Transmission Tariff - Rate Order No. WAPA-220

Location: Arizona, Utah, Colorado, New Mexico, Nevada, Wyoming, and Texas

Project Number: 2025-035

Expiration Date: In accordance with the rates under Rate Order No. WAPA-220

A. PROPOSED ACTION DESCRIPTION:

Western Area Power Administration (WAPA), Colorado River Storage Project (CRSP) region proposes new formula rates for the Colorado River Storage Project transmission and ancillary services for CRSP's costs to be recovered under the Southwest Power Pool's (SPP) Open Access Transmission Tariff (Tariff) should CRSP decide to become a member of SPP. If CRSP decides to become a member of SPP, these new formula rates under Rate Schedules CRCMT-ATRR (transmission), CRCMT-AS1 (scheduling, system control, and dispatch), and CRCMT-PTP (firm point-to-point) will supersede the existing formula rates for transmission and ancillary services under Rate Schedules SP-NW6, SP-PTP10, SP-NFT9, SPUU3, SP-NFJDT, SP-EI6, SP-SSR6 which expire on December 31, 2028.

The proposed formula rates under Rate Schedules CRCMT-ATRR, CRCMT-AS1, and CRCMT-PTP will become effective on the first day of the first full billing period beginning on the later of the following events: (1) when CRSP officially becomes a member of, and transfers functional control of CRSP transmission facilities to SPP; or (2) the go-live date of the expansion of the SPP Regional Transmission Organization (RTO) into the Western Interconnection (scheduled for April 1, 2026). These proposed formula rates will remain in effect through March 31, 2031, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded. If CRSP does not become a member of the SPP RTO, these rates will be canceled and the existing formula rates will remain in effect.

Background

On April 28, 2023, WAPA published a Federal Register notice titled "Recommendation for the Western Area Power Administration's Rocky Mountain Region and Colorado River Storage Project Management Center to Pursue Final Negotiations Regarding Membership in the Southwest Power Pool Regional Transmission Organization, and for the Upper Great Plains Region to Expand its Participation" (88 FR 26298). On June 4, 2024, SPP submitted revisions to its Tariff, Bylaws, and Membership Agreement to expand the SPP RTO into the Western Interconnection to FERC. On March 20, 2025, FERC accepted, subject to condition and further compliance filing, SPP's proposed Tariff, Bylaws, and Membership Agreement revisions. Subject to further approval by WAPA's Administrator, CRSP plans to become a member of SPP.

CRSP's membership will include CRSP becoming a Transmission Owner (TO) member of SPP. WAPA will transfer functional control of eligible CRSP transmission facilities to SPP. At such time, for the eligible facilities, CRSP transmission and ancillary services will no longer be available under WAPA's Tariff.

CRSP transmission and ancillary services will be provided under the SPP Tariff by SPP as the transmission service provider. Accordingly, under Rate Order No. WAPA-220 published in the Federal Register on December 30, 2024 (89 FR 106473), CRSP proposed new rate designs/rate schedules for specific costs to be recovered under the SPP Tariff.

CRSP Annual Transmission Revenue Requirement – Rate Schedule CRCMT-ATRR

A new formula rate under Rate Schedule CRCMT-ATRR will be used to calculate the CRSP ATRR. The ATRR is derived by annualizing CRSP's transmission investments that meet the Transmission Facility criteria as identified in Attachment AI to SPP's Tariff and adding transmission-related annual costs, including interest, operation and maintenance (O&M), administrative and general costs, and depreciation. The annual costs will be reduced by applicable revenue credits received by CRSP under the SPP Tariff. CRSP will recover transmission-related expenses and investments on a forward-looking basis by using projections to estimate transmission costs for the upcoming rate year, with a true-up of incurred costs in a subsequent year.

Scheduling, System Control, and Dispatch Service – Rate Schedule CRCMT-AS1

Scheduling, System Control, and Dispatch (SSCD) Service is required to operate a TO's SPP Tariff facilities and schedule movement of power through, out of, within, or into one or both of the SPP Balancing Authority (BA) areas and certain parts of the transmission system not located within a SPP BA area. These functions are conducted by the Rocky Mountain region's (RMR) Operations staff on behalf of the Loveland Area Projects and CRSP TOs. RMR will use a formula-based rate methodology to calculate its annual revenue requirement (ARR) for SSCD Service. RMR's overall ARR for SSCD Service is allocated between CRSP and RMR. CRSP's transmission portion of its allocation of the SSCD ARR will be collected under Rate Schedule CRCMT-AS1 and the RMR's allocation of the SSCD ARR will be collected by RMR under their applicable rate(s).

CRSP Deliveries into the WALC BA – Rate Schedule CRCMT-PTP

For deliveries associated with certain CRSP Southern Division customers located in WAPA's Western Area Lower Colorado (WALC) BA, CRSP will retain a portion of its transmission system from Glen Canyon to Pinnacle Peak. This portion of CRSP transmission will remain under WAPA's functional control and under WAPA's Tariff. Accordingly, this identified portion of the CRSP transmission system will not be transferred to SPP's functional control and will not be governed by SPP's Tariff.

Consistent with CRSP's current transmission formula rates under Rate Schedule CRCMT-PTP, CRSP will establish this point-to-point ATRR using a formula-based rate methodology. The ATRR is derived by annualizing CRSP's transmission investments and adding transmission-related annual costs, which include O&M, administrative and general costs, interest, and depreciation. The annual costs will be reduced by applicable revenue credits received by CRSP under WAPA's Tariff. CRSP will continue to recover transmission-related expenses and investments on a forward-looking basis by using projections to estimate transmission costs for the upcoming year, with a true-up of incurred costs in a subsequent year.



A full description of this rate action can be found in the following document(s):
 Notice of Proposed Rates - Rate Order No. WAPA-220 and Customer Rate Brochure which can be found electronically on CRSP's Rates website at: www.wapa.gov/about-wapa/regions/crsp/rates/2026-rate-adjustment-transmission-and-ancillary-services/.

In consideration of 10 CFR Part 1021 Subpart D, B.4.3, this Rate Process will not affect the generation projects and operations will remain within normal operating limits.

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

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

B.4.3 Electric Power Marketing Rate Changes

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 Department of Energy (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 1021.21 1.

D. DETERMINATION:

WAPA follows the regulations at 40 C.F.R. Parts 1500–1508, in addition to the Department of Energy’s regulations implementing NEPA at 10 C.F.R. Part 1021 to meet the agency’s obligations under NEPA, 42 U.S.C. §§ 4321 et seq.

Based on my review of information conveyed to me and in my possession (or attached) concerning the proposed action, as 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, Regional Environmental Manager
Rocky Mountain Region
Western Area Power Administration

