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RE: Hydropower MOU Draft Action Plan

To Whom It May Concern:

The American Public Power Association (APPA) and National Rural Electric Cooperative Association (NRECA) appreciate the opportunity to offer comments on the Department of Energy's (DOE), Bureau of Reclamation's, and Army Corps of Engineers' Draft Action Plan to implement the agencies' August 24, 2020, Memorandum of Understanding (MOU) for Federal Hydropower.

APPA is the national service organization for not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. Public power utilities account for over 15 percent of all kilowatt-hour sales to over 49 million customers in every state but Hawaii. NRECA is the national service organization representing the national interests of cooperative electric utilities and the consumers they serve. More than 900 not-for-profit rural electric utilities provide electric energy to over 42 million people in 48 states, or 12 percent of electric customers nationwide.

The federal Power Marketing Administrations (PMAs) provide millions of Americans served by not-for-profit public power and rural cooperative electric utilities ("preference customers") with cost-based hydroelectric power produced at federal dams operated by the Bureau of Reclamation (Reclamation) and Army Corps of Engineers (Corps). Rates are set to cover the costs of generating and transmitting the electricity, as well as repayment, with interest, of the federal investment in these hydropower projects. In many cases, preference customers provide direct funding for projects at Reclamation and Corps facilities, such as equipment maintenance, modernization, and rehabilitation.

Each of the PMAs spans different geographic regions. They also have differing authorizing statutes and contractual and repayment obligations, many of which have been layered over time as new projects were constructed. Since each of these regions is so complex and policies are developed in partnership with preference customers, PMAs have been statutorily headquartered in the geographic areas in which they serve, rather than in Washington, D.C. The longstanding practice of regional decision-making with the integral involvement of customers must be

maintained to ensure that those closest to and most directly impacted by the decisions made impacting the PMAs – the preference customers – have a prominent voice in the process.

Therefore, in finalizing the Draft Action Plan and implementing the MOU thereafter, we urge the agencies to:

- **Explicitly include customers in the development and approval of any projects resulting from this MOU.** Since customers provide direct funding in many cases, customers must be incorporated throughout the planning and implementation of any project. This will ensure customers derive as much value as possible.
- **Ensure any costs incurred implementing the MOU are non-reimbursable by customers.** This principle should extend to any PMA staff time dedicated to developing and implementing MOU projects.
- **Carefully consider how customers can play a role in MOU projects to assure customer needs are met in any project outcomes.** Several projects may provide important research and development results but their relationship to improving the value of federal hydropower is less clear. Ensuring customer input in these projects will lead to the best possible result. For example, the asset management work envisioned would benefit from customers being given the opportunity to review and prioritize rehabilitation projects and schedules.

We appreciate the opportunity to engage with the agencies during this customer comment period, but the short turnaround time of just 25 days to review each of the projects in the Draft Action Plan since its release on December 11 makes meaningful review of the details difficult. Further, statements made by the agencies that it is their intent to finalize the Draft Action Plan by January 8, just three days after the comment period ends, does not leave much time for additional engagement between the agencies and customers to address comments and make any adjustments in the final Action Plan. Thus, we urge the agencies to prioritize customer engagement throughout the implementation of the MOU to ensure the best result possible.

Thank you for your consideration of these comments. Please contact Amy Thomas at 202-467-2934 or athomas@publicpower.org and Stephanie Crawford at 703-907-5732 or stephanie.crawford@nreca.coop with further questions.

Sincerely,

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