

IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA

R.D. JUSTICE
PRESIDENT

ELSTON GRUBAUGH
VICE-PRESIDENT

SUITE 140
340 E. PALM LANE
PHOENIX, ARIZONA 85004-4603
(602) 254-5908
Fax (602) 257-9542
E-mail: rslynch@rslynchaty.com

WILLIAM H. STACY
SECRETARY-TREASURER

ROBERT S. LYNCH
COUNSEL AND
ASSISTANT SECRETARY-TREASURER

E-MAILED ONLY
(JOT@wapa.gov)

October 26, 2012

Re: Chu memo of March 16, 2012: Defining the Future for the Power Marketing Administrations –
Next Steps

The Irrigation and Electrical Districts' Association of Arizona (IEDA) is a non-profit association of public entities that buy hydropower from federal facilities on the Colorado River directly from the Western Area Power Administration (WAPA) or, regarding Hoover power, through the Arizona Power Authority Commission, the Hoover contractor for Arizona. For either arrangement, the activities of WAPA are critical to successful management and conduct of contractual obligations for these resources and these resources are critical to IEDA members' utility missions. As such, we are vitally interested in any recommendations that WAPA and/or the Department of Energy (DOE) would give to the Secretary of Energy concerning changes to WAPA's mission. We have previously submitted comments on this subject on August 15, 2012 and we wish to refer you to those comments and incorporate them by reference in these comments.

We are anticipating, based on information that the Department of Energy and WAPA have provided us, that recommendations to the Secretary in proposed form will be published in the Federal Register some time in November. We have heard various rumors and speculation about how much time we who are going to be impacted by any implementation of those recommendations will have to analyze and comment on them. We are writing to you today to request that the Federal Register notice contain a provision providing for a 90-day comment period from the date of publication of the notice. We are coming up on the Thanksgiving and Christmas holidays. Congress will be returning the week after the election for the lame duck session, which will primarily be focusing on other matters than this subject. Moreover, our members, especially our small members, will need time to absorb these recommendations, get professional analysis of them, and absorb that analysis in order to effectively comment on the recommendations the Secretary is going to receive. Thus, we see no harm in granting WAPA's customers, especially the small customers, adequate time to react and comment to these draft recommendations. Indeed, the process will be better informed if adequate time is provided as we have suggested.

There is also no particular reason to hurry concerning these recommendations because several of them could not be implemented without further action on other matters by the Department of Energy and the power marketing administrations (PMAs). Specifically, any attempt to energize Section 1222 of the Energy Policy Act of 2005 or the TIP program authorized by the ARRA will be met with considerable difficulty concerning any use of federal or Indian lands. The Department of Energy has entered into a consent judgment agreeing to redefine all of the proposed corridors on federal land to avoid

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environmentally sensitive areas. Thus, there are no designated federal land corridors on which to construct transmission lines. The separate directive in EAct '05 that DOE identify similar corridors on Indian reservation lands has not been completed either. We find this to be an especially important impediment in the Southwest. In Arizona, some 34% of the land mass of the State of Arizona is Indian reservation including most of the northeastern part of Arizona. In all, 70% of Arizona is in federal ownership. How you deal with transmission construction in those areas without corridor designations is puzzling to us.

Additionally, some of the proposals in the Chu memo would require Congressional authorization. WAPA has its historic mission guided by the mandates that Congress has placed on the various federal projects the electric resources of which WAPA manages. Only Congress can override those mandates and thus only Congress can effectuate a number of the recommendations the Secretary made in March.

Whatever happens to this process will not happen any time soon. Providing WAPA's customers with an opportunity to make meaningful comments about the proposed recommendations is just good public policy.

Thank you for the opportunity to comment on this important undertaking.

Sincerely,

/s/

Robert S. Lynch
Counsel and Assistant Secretary/Treasurer

RSL:psr

cc: Anita Decker, Acting Administration, Western Area Power Administration
Kellie Donnelly
Kiel Weaver
Joe Nipper
Joy Ditto
Will Coffman
Jay Morrison
Christine Heggem
Ashley Slater
Leslie James
Tom Graves
Ted Coombes
David Fitzgerald
IEDA Members