



2022 Annual Report

Mid-West Electric Consumers Association

Jim Horan, Executive Director

Mission Statement

Mid-West promotes and protects the interest of its non-profit consumer-owned utility members that purchase power and transmission at cost from the Western Area Power Administration (WAPA), the agency responsible for marketing power generated at federal multi-purpose projects operated by the U.S. Army Corps of Engineers and the U.S. Bureau of Reclamation within the Pick-Sloan Missouri Basin Program





Mid-West Value



Lobbying

- Mid-West advocates on issues important to federal power customers with legislators in 9 states.

Regulatory Advocacy

- Mid-West engages with federal agencies & represents federal power customers on basin restoration efforts.

Legal Representation

- Mid-West engages in the federal administrative law process on behalf of federal power customers.

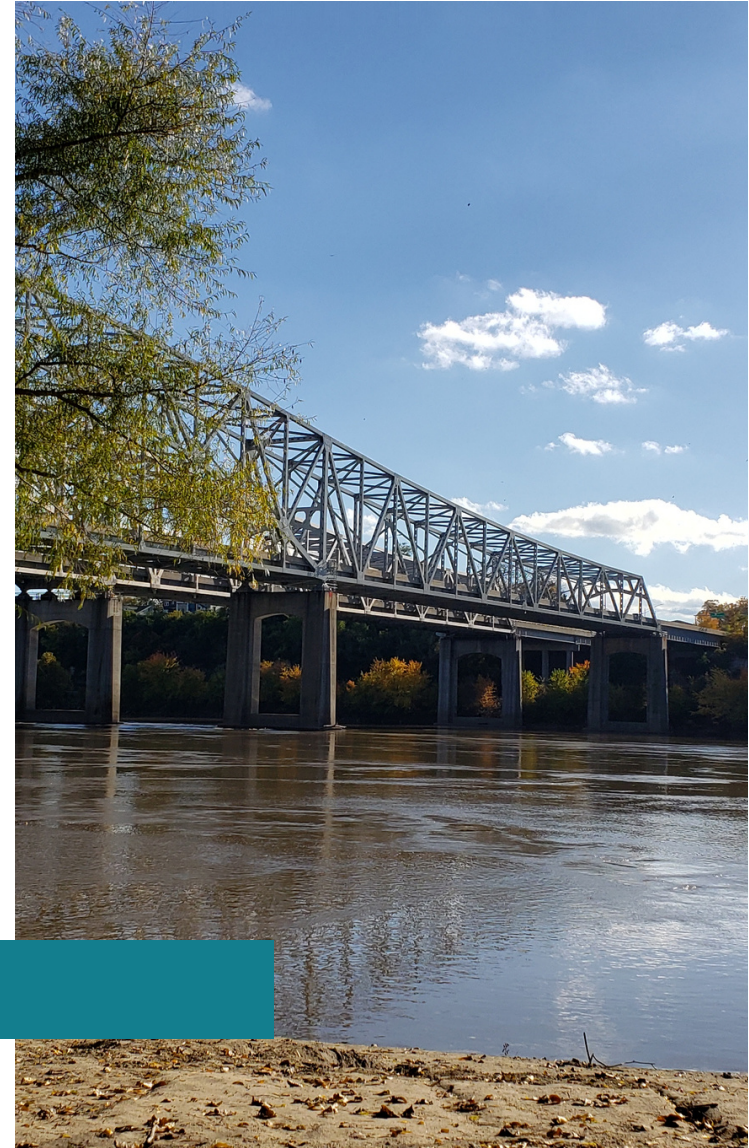
2022 Highlights

- WAPA Rate Process
- Purchase Power and Wheeling
- Infrastructure Spending and Joint Cost Accounting
- Renewable Energy Credits (RECs)



WAPA Rate Process

- Mid-West engaged early in the WAPA Rate Process, holding five meetings of the Water and Power Committee with WAPA staff in UGP and RMR regions.
- Customer insight, feedback, and counsel shaped the 2023 rate proposal.
- Focus now turns to drought adder, which can be adjusted annually.



Purchase Power and Wheeling (PP&W)



- Increased PP&W costs are driving rate increase.
- PP&W scoring issues needs to be resolved before significant drought impact.
- Mid-West successfully lobbied CBO, OMB and the Congressional Budget Committees for a short-term fix (FY23).

Renewable Energy Credits (RECs)

- In coordination with Mid-West (and at our request), WAPA developed a Renewable Energy Credit Program for the Upper Great Plains Region (UGP).
- Value of RECs are the value of federal hydropower and should stay with customers.
- Mid-West is working to preserve value under state laws.



Infrastructure Spending and Joint Cost Accounting

- Army Corps (USACE) received \$600M in IIJA that will be accounted as joint cost, reimbursable by power customers.
- Working with other customer groups (SEPA and SWPA), succeeded in getting GAO study language included in current WRDA legislation.



2023 Priority Resolutions

- Federal Power Marketing Administrations
- Federal Transmission Investments
- Hydroelectricity – A Reliable Renewable Resource
- Hydroelectric Power Benefits
- Diversion of Federal Power Revenues
- Payment of Non-Reimbursable Costs
- Adequate Funding at Federal Hydropower Projects
- Dam Safety Cost Allocation at Federal Hydroelectric Projects





Federal Power Marketing Administrations

Mid-West vigorously opposes the sale of the federal power marketing administrations or divestiture of their power and transmission facilities.

We reaffirm our support for the longstanding congressionally approved standard of cost-based rates for electric power generated at federal projects.

We will work to improve the efficiency of federal power operations, protect the contractual federal power supply rights of its members, and resist any unjustifiable increases in electric rates to the ultimate consumers.



Federal Transmission Investments

Mid-West urges the federal government to continue to provide adequate funding to support timely joint planning studies, adequate staffing levels and maintenance of Western Area Power Administration (WAPA) transmission facilities needed for delivery of federal power.

We encourage WAPA to partner with their customers on funding, constructing or owning transmission additions.

We call on Congress and the Administration to ensure any federal transmission incentives would require a study that shows a need for federal power delivery prior to federal funds being used to build transmission.





Hydroelectricity: A Reliable Renewable Resource

Mid-West urges Congress, the Administration and states to take action to classify hydroelectric power from projects both large and small, existing and future, as a renewable resource and that hydroelectric power be treated equal to other forms of renewable energy such as that produced from wind and solar. Hydroelectric power resources contribute significantly to the operation of the grid, providing reliable energy, capacity, ancillary services and black start (restoration) services along with eligibility for renewable energy certificates.



Hydroelectric Power Benefits

The value of the hydroelectric power benefits of the Pick-Sloan Missouri Basin should be reserved to benefit the Firm Power Customers of the region. The Firm Power Customers pay 100% of the costs of the hydroelectric power program under long-term contracts. The Firm Power Customer's also fund capital investment of the hydroelectric power portion, with interest, along with the annual share of the operation and maintenance costs of those multi-purpose facilities.





Payment of Non-Reimbursable Costs

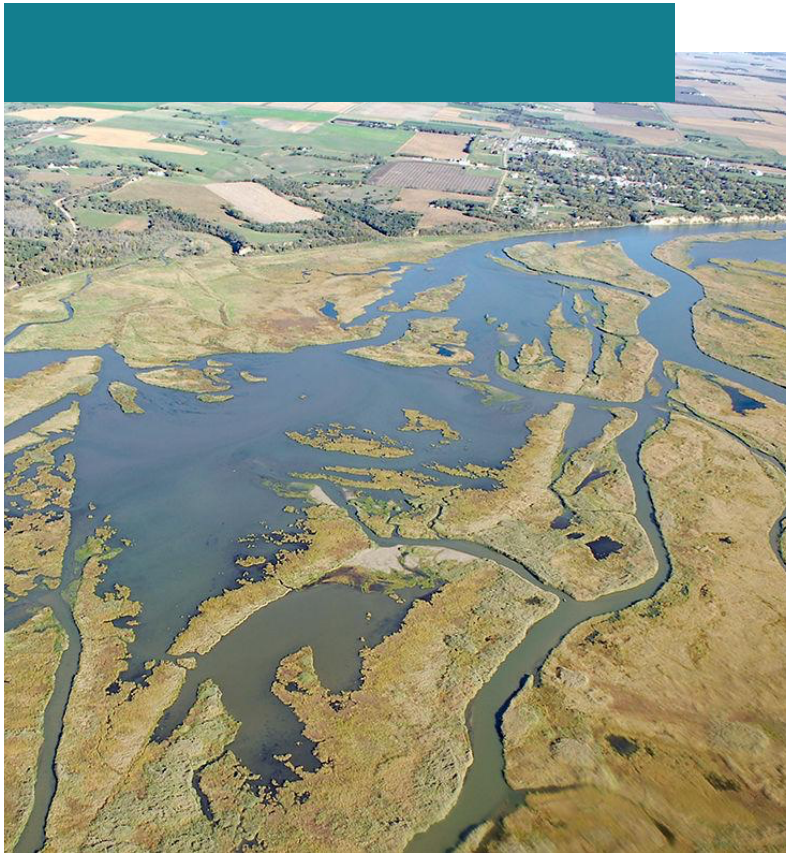
Mid-West opposes any administrative changes or legislation that requires payment of non-reimbursable costs at federal multipurpose water projects by power and water consumers.

Diversion of Federal Power Revenues

Mid-West urges Congress and the Executive Branch to adhere to principles and policies of federal law governing designation of project uses, allocation of costs and irrigation assistance repayment for existing and future federal projects.



ADEQUATE FUNDING



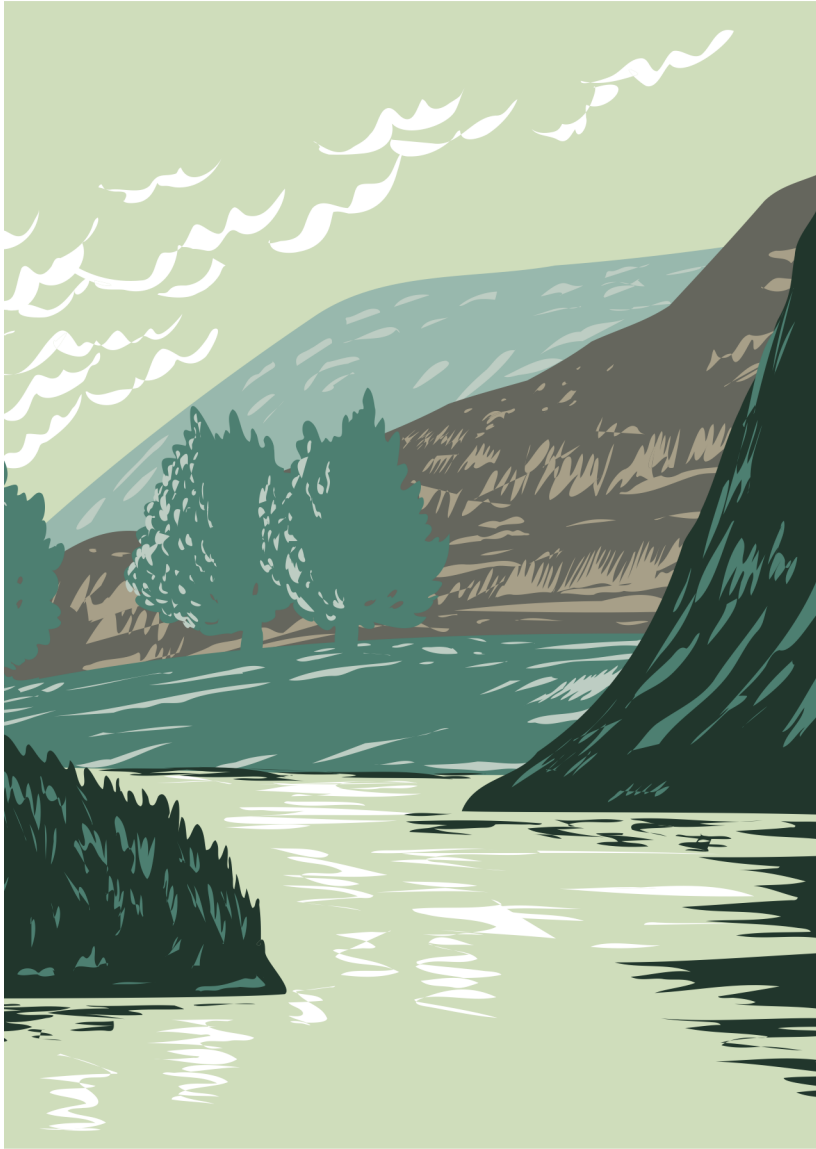
- Mid-West strongly supports appropriate federal funding of federal hydroelectric facilities through appropriations.
- In the absence of sufficient federal funding, financial support is best provided by those most closely associated with and affected by it, and that local support by the preference power community through Western States Power Corporation is the most effective and efficient means of maintaining the Federal power system.
- We do not support alternative financings by interests that have limited exposure to the Federal power system, that are unaffected by the condition and cost of federal facilities, or that would cause PMA customers to pay for unnecessary costs without offsetting benefits.

Dam Safety



Mid-West supports the allocation of dam safety modification costs in accordance with the non-reimbursable provisions of the Dam Safety Act of 1986, thus limiting the allocation of these costs for project purposes to 15%, consistent with the law.





Areas of Continued Focus

- Engagement with WAPA
- Building Relationships with Agency Partners
- Educating Congressional Staff
- Water Quality and Drought
- MRRIC

MISSOURI RIVER RECOVERY IMPLEMENTATION COMMITTEE

TEST FLOWS

- Focused on controlling cost for power customers
- Aggregate cumulative impact on region
- Continued engagement with USACE and USFWS

SEDIMENTATION

- Priority at Gavins Point and Lewis and Clark Lake
- Not a high enough priority with federal partners
- Concern over potential cost share

Mid-West Leadership

- Elected Vice-Chair in November succeeding Doug Hardy.
- Value of stakeholder process vs. litigation.



WE NEED YOUR ENGAGEMENT



JOIN A COMMITTEE

Water and Power
&
Resolutions



ENGAGE

Invitations Welcome
Ask Questions
Promote Mid-West Issues



GIVE US FEEDBACK

What info do you need?
What issues should we
focus on?
What do you like/dislike
about the Annual Meeting?

Join me in thanking

ROSALIE HATHAWAY
&
BOB GALE



Thank you!

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We hope to see you all next year!