



UPPER COLORADO RIVER COMMISSION

50 S. 600 E. Ste #100 • Salt Lake City, UT 84102 • 801-531-1150 • www.ucrcommission.com

TO: Interested Upper Basin Water Users
FROM: Upper Colorado River Commission
DATE: December 14, 2022
SUBJECT: Pre-Solicitation Notice of Request for Proposals regarding a potential funding opportunity for voluntary participation in a System Conservation Pilot Program for 2023

On June 14, 2022, the United States Bureau of Reclamation (BOR) outlined the need for an additional 2.0 – 4.0 MAF/year of contributions to Lake Powell and Lake Mead to avoid critically low reservoir levels. In response, the Upper Division States of Colorado, New Mexico, Utah, and Wyoming, acting through the Upper Colorado River Commission (UCRC),¹ adopted a 5-Point Plan to proactively support critical infrastructure and resources related to the Colorado River Storage Project Act Initial Units.² A key component of the 5-Point Plan is establishing a System Conservation Pilot Program (SCPP) beginning in 2023.³ The purpose of the SCPP is to conserve Colorado River System water through temporary, voluntary, and compensated measures to mitigate the impacts of ongoing drought and depleted storage in the Upper Colorado River Basin.

The UCRC is issuing this Pre-Solicitation Notice of Request for Proposals (RFP) to invite users of Colorado River System water in the Upper Division States to submit proposals for SCPP water conservation projects. The UCRC is looking for projects that reduce consumptive use through temporary, compensated, and voluntary water savings actions in 2023. If the SCPP is authorized, then the information provided through this pre-solicitation will be used for selection in the 2023 program. Implementation of the SCPP is contingent upon the passage of pending federal legislation and final authorization from BOR.

A key consideration for selection in the 2023 program will be the cost of the proposed project in terms of price per acre-foot for conservation reductions. Project compensation will be based on one of the following:

¹ The UCRC is an interstate administrative agency established by the Upper Colorado River Basin Compact of 1948 (Upper Basin Compact). UCRC members consist of a Commissioner representing each of the four Upper Division States of Colorado, New Mexico, Utah and Wyoming (Upper Division States) and a Commissioner appointed by the President of the United States. The UCRC assists the Upper Division States in developing their apportionments of Colorado River water pursuant to the Colorado River Compact of 1922 and the Upper Basin Compact, and has specific responsibilities to assist in implementing the Upper Basin Compact consistent with laws of the Upper Division States.

² The 5-Point Plan letter is available here: <http://www.ucrcommission.com/wp-content/uploads/2022/07/2022-July-18-Letter-to-Reclamation.pdf>.

³ Previously, the UCRC, BOR, and the Upper Division States, along with funding entities conducted another system conservation pilot program from 2015 through 2018.

- a. A proposal that accepts a fixed price of \$150 per acre-foot of water conserved (Fixed Price);
or
- b. A proposal that requests a per acre-foot price that differs from the Fixed Price. Project Proponents seeking a price that differs from the Fixed Price must provide the basis and justification for their proposed price.

Municipal, Industrial, and agricultural water users are invited to submit a Proposal describing a conservation project that can be implemented in 2023 under this Pilot Program by you or your organization. Proposals should include a detailed project description, the estimated amount of consumptive use that will be conserved as a result of the proposal, a proposed plan for verifying the conservation activities employed, the approximate time frame for a startup, project duration, the amount of funding requested and justification of non-fixed price proposals, and additional information as requested on the application form. The application form will be available for download from the UCRC webpage on or before December 19th (<http://www.ucrccommission.com/system-conservation-pilot-program-for-2023/>).

Through the SCPP, municipal, industrial, and agricultural water users in the Upper Basin can submit a proposal and, if selected, will be monetarily compensated for voluntary actions that temporarily reduce the consumptive use of Colorado River System water in the Upper Basin. Proposals must include reductions in consumptive use. Depending on your state's laws, possible projects could include but are not limited to temporary fallowing or deficit irrigation of agricultural crops, reuse of industrial water, recycling of municipal supplies, improvement of distribution system efficiency to reduce consumptive use, reductions in municipal landscape irrigation or indoor use, and other methods that would result in additional water conservation for the Colorado River System in 2023.

SCPP participants will be selected consistent with the factors outlined in the "UCRC Facilitation Exhibit for Implementation of a Temporary System Conservation Pilot Program in the Upper Colorado River Basin" attached to the Funding Agreement⁴ as well as any additional criteria deemed relevant by the Upper Division States and the UCRC in their review and selection process. A significant consideration for selection in the 2023 program will be the cost of the proposed project in terms of price per acre-foot for conservation reductions. Projects that engage in speculation and profiteering will not be selected. Other factors that will be considered include but are not limited to the following:

- A history of recent consumptive use of Colorado River water by the Project Proponent;
- Adherence of the Proposal to the requirements of the Facilitation Exhibit and the RFP;

⁴ The Funding Agreement can be viewed on UCRC's website at <http://www.ucrccommission.com/wp-content/uploads/2022/12/SCPP-2023-Funding-Agreement-FINAL.docx>.

- Priority will be given to projects that are likely to mitigate impacts of the ongoing drought;
- Diversity of location and type of conservation measures, including consideration of multiple benefits;
- The relative size of the Project in terms of acre-feet of water that may be conserved;
- The comparative ease or difficulty of implementing the Project, including the proposed Verification Plan for the Project;
- The amount of time required for the Project to generate conserved consumptive use;
- Required permitting and approvals, if any; and
- For non-fixed price Proposals, the amount of the proposed price per acre-foot and a justification for the proposed price.

The Upper Division States, through the UCRC, will jointly review and select project proposals. Project Proponents who submit Proposals that are selected will be required to execute a System Conservation Implementation Agreement (SCIA) with the UCRC, which will provide the terms and conditions for the design, implementation, verification, and evaluation of the Pilot Program Project and compensation to the participant (see contract template attached to the Funding Agreement with BOR at <http://www.ucrccommission.com/wp-content/uploads/2022/12/2023-SCPP-Facilitation-Exhibit-FINAL.docx>).

To be considered for funding under this RFP, proposals should be received by the UCRC by February 1, 2022. If you/your organization are interested in participating in the Program, please e-mail your proposal to the UCRC at scpp@ucrccommission.com. Please also copy the representative of the state in which the project is located at the e-mail addresses listed below.

For Colorado:	Amy Ostdiek, amy.ostdiek@state.co.us
For New Mexico:	Ali Effati, ali.effati@ose.nm.gov
For Utah:	Lily Bosworth, lbosworth@utah.gov
For Wyoming:	Jeff Cowley, jeff.cowley@wyo.gov

Responses to the RFP must be submitted electronically in accordance with the instructions above. Faxed or mailed flash drives or hard copies will not be accepted.

The issuance of this RFP does not imply that the UCRC is bound to select a Proposal. The UCRC reserves the right to reject all or any of the Proposals for any or no reason.

This RFP is not an agreement or an offer. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their Proposals pursuant to this RFP. The UCRC accepts no liability of any nature, whether resulting from negligence or otherwise, however caused and arising from reliance of any prospective Project Proponent or any other person upon the statements contained in this RFP.

The Project Proponent shall bear all their costs associated with or relating to the preparation and submission of their Proposal, including but not limited to preparation, expenses associated with any presentations which may be required by the UCRC, or any other costs incurred in connection with or relating to the Proposal. All such costs and expenses will remain with the Project Proponent, and the UCRC shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Project Proponent or any other person in preparation or submission of the Proposal, regardless of the conduct or outcome of the selection process.

If you have any questions, please contact the UCRC or your state's representative, as listed above.