

WAPA Issues Notices Seeking Comments and Requests for Interest in the Development of Transmission Infrastructure Projects Which Would Bring Renewable Energy Resources to Market and be Funded under the Stimulus Act

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Insight — 3/1/2009

The Western Area Power Administration (WAPA) issued Notices on March 4, 2009, seeking comments on its proposed Transmission Infrastructure Program and the submission of Requests for Interest in transmission infrastructure projects that could be supported by funds being made available through the American Recovery and Reinvestment Act of 2009 (Stimulus Act).

Comments Sought on Proposed Transmission Infrastructure Program

WAPA's Transmission Infrastructure Program is being proposed to implement Section 402 of the Stimulus Act which granted WAPA additional U.S. Treasury borrowing authority to provide loans to transmission infrastructure projects with at least one terminus in WAPA's area of service where such projects would aid or facilitate the delivery of power generated from renewable resources. WAPA's area of service encompasses the states of Arizona, California, Colorado, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Utah, and Wyoming, as well as parts of Iowa, Kansas, Montana, Minnesota, and Texas.

Comments are due no later than April 3, 2009. WAPA will hold a public meeting at WAPA's offices in Lakewood, Colorado, scheduled on March 23, 2009, to provide an explanation of the proposed Transmission Infrastructure Program and also receive oral and written comments.

WAPA states that "The Program goal is to identify, prioritize, and participate in the study, facilitation, financing, planning, operating, maintaining, and construction of new or upgraded transmission facilities and additions that will help bring renewable energy resources to market across the west." To ensure that a project can be approved for funding using WAPA's U.S. Treasury borrowing authority, WAPA proposes to use the following guidelines as it examines each project, determining whether the project:

- is in the public interest,
- will not adversely impact system reliability or operations, or other statutory obligations,
- offers a reasonable expectation that the proceeds from such project shall be adequate to meet WAPA's financial repayment obligations,
- uses a public process to set rates for WAPA-owned transmission capacity resulting from any new facilities developed as a result of WAPA's participation in such project, and
- has the necessary capabilities to provide generation-related ancillary services, and uses the proceeds from the sale of the transmission capacity for the repayment of the principal and interest of the loan from the Treasury attributable to the project, after reserving funds necessary to pay off ancillary services and to meet the costs of operating and maintaining the project.

Prior to development of a project receiving initial approval, WAPA's proposal would have WAPA "confirm the reasonable likelihood that the project will generate enough transmission service revenue to meet [WAPA's] financial repayment obligations including principal investment, operating costs, accrued interest, and other appropriate costs."

Requests for Interest Sought in Projects that Will Develop Transmission Facilities Supported by Stimulus Act Loans

WAPA is also seeking Requests for Interest (RFI) from entities interested in constructing, financing, owning, operating, or maintaining transmission facilities for projects that would primarily serve WAPA's service area.

RFI submissions should be proposed to take advantage of Section 402 of the Stimulus Act, which gives WAPA authority to construct, finance, facilitate, plan, operate, maintain, or study the construction of new or upgraded electric power transmission lines and related facilities with at least one terminus within the area served by WAPA and for delivering or facilitating the delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed. Qualifying projects could be supported by WAPA's expanded U.S. Treasury borrowing authority under the Stimulus Act.

Anyone interested in commenting on the WAPA Transmission Infrastructure Program or in submitting a specific proposal in response to WAPA's RFI should submit their comments and/or proposal to WAPA no later than April 3, 2009.

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