

# Electricity Advisory Committee

## EAC Recommendations for DOE Action Regarding the Power Marketing Administrations June 18, 2012

The Electricity Advisory Committee (“EAC”) recommends that the Department of Energy (“DOE”) encourage the Western Area Power Administration (“WAPA”) and the Southwestern Power Administration (“SWPA”) to exercise their authority under Section 1222 of the Energy Policy Act of 2005 (“EPAct”), following consultation with their preference customers and other stakeholders. Pursuant to that provision, WAPA and SWPA can accept funding from third parties for new transmission projects and transmission upgrades, consistent with transmission needs identified by the appropriate transmission organization or approved regional reliability organization.

EPAct established a cap of \$100,000,000 for funds that can be provided from third parties, and Congress intended WAPA and SWPA to exercise their authority under this provision and partner with private developers, in consultation with the agencies’ preference customers and other stakeholders. Nevertheless, while WAPA and SWPA are evaluating applications for such projects, this program has not yet been used to fund any projects.

Section 1222 was intended to allow third-party funding to provide WAPA and SWPA with a mechanism for achieving their transmission needs without burdening their preference and other customers. There is a history of successful public-private partnerships in funding transmission to provide access to lower cost generation sources and enhance reliability, as well as providing other benefits. In that spirit, we recommend that DOE encourage WAPA and SWPA to focus more attention on third-party funding for transmission projects, and that DOE continue to work with these Administrations to evaluate applications to develop such projects, with an eye toward meeting the transmission needs of those regions, as Congress intended.



**EAC**  
Electricity Advisory Committee  
U.S. DEPARTMENT OF ENERGY

A handwritten signature in blue ink that reads "Richard H. Cowart".

---

Richard Cowart  
Chair, Electricity Advisory Committee