



April 3, 2009

Transmission Infrastructure Program
Western Area Power Administration
P.O. Box 281213
Lakewood, Colorado 80228

Re: Western Area Power Administration's ("WAPA") Notice of Proposed Program and Request for Public Comments on its adoption of a Transmission Infrastructure Program

Dear Sir/Madam:

The Western Business Roundtable ("Roundtable") is responding to Western Area Power Administration's ("WAPA") Notice of Proposed Program and Request for Public Comments on its adoption of a Transmission Infrastructure Program ("TIP") (*74 Federal Register 9391, March 4, 2009*).

The Western Business Roundtable is a non-profit business trade association comprised of CEOs and senior executives of organizations doing business in the Western United States. The Roundtable works for common sense, balanced approaches to economic development and environmental conservation, and supports public policies that encourage economic growth, opportunity and free enterprise.

The Roundtable fully understands that WAPA is moving forward with the TIP program, pursuant to authorities and responsibilities placed upon it under Section 402 of the American Recovery and Reinvestment Act of 2009. The stated purpose of TIP is: "Constructing, financing, facilitating, planning, operating, maintaining or studying the construction of new or upgraded electric power transmission lines and related facilities....and for delivering and facilitating delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed...."

We appreciate the balance struck by WAPA's stated goal. It emphasizes the need to encourage renewable energy development in the West, while allowing the transmission of other generation resources in a non-discriminatory manner. This is the responsible framework and one we support.

A Summary of the Roundtable's Concerns

- ✓ **Loan Repayment Obligations** -- We appreciate WAPA's assertion that its focus with TIP is to provide funding to projects that have a reasonable expectation of meeting repayment obligations. To that end, we encourage WAPA to focus its resources on projects that are cost-effective. Projects should be selected that result in geographic diversity of resources and high utilization of transmission lines.
- ✓ **Prioritization of Projects** -- If the goal of the TIP program is to stimulate immediate "job creation," it would make sense to us that prioritization should go to projects already under development, and which have already been contemplated by regional transmission planning processes. Projects that are less advanced or that have long-term development time frames should be given a lower priority, potentially subject to additional selection criteria.
- ✓ **Current WAPA Customers Must Be Protected From Spill-Over of Costs** -- On the basis of WAPA's public comments and its Federal Register filings, we commend it for underscoring the need to avoid impacts to WAPA's preference customers. We do have some questions about how TIP will operate in that regard. For projects selected: how will rates be set to recover costs and what steps will WAPA take to ensure that existing customers are protected from spill over of costs created by managing and operating transmission lines built under Section 402 authority?
- ✓ **How Will TIP Be Integrated With Regional Planning Processes** -- We are unclear how WAPA intends to assure coordination between projects built under this program and existing regional planning processes already in place and operating in the West. Certainly, there needs to be a guarantee that such coordination occurs, so that reliability of the system is not impacted.
- ✓ **How Will TIP Treat Non-Federal Participants** -- WAPA is encouraging outside non-Federal participation in transmission built under Section 402, which will help to leverage WAPA's borrowing authority. While we recognize that WAPA's participation in public/private partnerships may take many forms, depending on the needs of the project and the flexibility afforded by the enabling legislation, we would be comforted by having an understanding of the approaches that might be considered including what rights such participants will be granted, and the duration and scope of those rights.
- ✓ **Avoid Duplicative Processes and Unnecessary Restrictions** -- Some parties are calling for additional environmental reviews and restrictions on the type of generation resources that will have access to facilities funded through the TIP. Such an approach will delay the implementation of the program. Many of the projects that will be considered in this program have already been through required environmental reviews and duplicating that process will be unnecessarily burdensome. Additionally, calls for the program to support

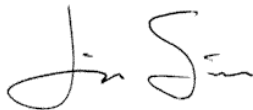
only renewable facilities are unrealistic and will not enhance the transfer capability of the system. The policy goal of increasing the amount renewable generation in the West is admirable, but it is important to emphasize that the ARRA does not mandate that the TIP be used exclusively for renewable generation. Existing state renewable energy standards already address this issue and will increase the development of renewable generation in the West.

We strongly urge WAPA to take sufficient time to analyze the immediate and long-term implications of the program it has proposed. More time is needed for the public – and especially the existing power and transmission customers -- to fully evaluate TIP and make constructive suggestions on how it might be strengthened. Please consider an extension of the public input process to this proposal.

At a minimum, we believe it is would be wise to plan a second round of public comment six months after the Program's implementation. This would at least allow WAPA to fine-tune the Program to resolve questions and issues that will inevitably arise during its implementation.

Thank you for this opportunity to comment on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Sims". The signature is fluid and cursive, with the first name "Jim" and the last name "Sims" clearly distinguishable.

James Sims
President & CEO
Western Business Roundtable