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| PSRP Name: WAPA Recovery Act Implementation Appropriation | | |
| PSRP Lead Program Office and/or Laboratory/Site Office: Western Area Power Administration | | |
| PSRP Lead Manager: Tim Meeks | | |
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Does this program align with an existing PART program? No

Does this program align with an existing CFDA program? No

Program Title

WAPA Recovery Act Implementation Appropriation

1. Objectives:

Program Purpose

Title IV, section 402, of the American Recovery and Reinvestment Act of 2009 (Recovery Act) provided Western with \$10 million of non-reimbursable funding to implement borrowing authority of up to \$3.25 billion, as granted in Title III, section 301, for the purpose of constructing, financing, facilitating, planning, operating, maintaining, or studying construction of new or upgraded electric power transmission lines and related facilities with at least one terminus within the area served by Western; and delivering or facilitating the delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed after the date of enactment.

This is an entirely new program and requires Western establish the Transmission Infrastructure Program to quickly and effectively put new borrowing authority to work facilitating the construction of transmission to help move new renewable resources to market.

The primary objectives for use of implementation appropriations are in: (1) developing program principles, policies, and practices; (2) making operational the process of identifying, evaluating, and initiating projects; (3) getting the program office staffed and fully functional; and, (4) identifying and facilitating the development of other organizational capabilities necessary to support the program.

Note: Implementation appropriations will be used to develop a program which complements Western's primary mission of marketing and delivering power to customers across the West; supporting both Western and DOE priorities by facilitating the use/delivery of renewable energy resources. However, as required by the Recovery Act, Western will separately track, account for and repay projects developed under this new authority, as distinct and separate from Western's current program.

These objectives support the following GPRA Units:

- 10000130 Western Area Power Administration

Public Benefits

This project will create permanent Federal positions to implement a program that will help overcome limitations in the high-voltage electrical transmission system – allowing new renewable resource development in remote areas to be connected with energy-consuming population centers. The resulting transmission projects funded under the program will be repaid by those using the new and upgraded facilities to deliver clean, renewable resources to distant load centers.

2. Projects and Activities:

The borrowing authority granted to Western in the Recovery Act was for the purpose of facilitating the development or upgrade of high-voltage transmission lines necessary to bring new renewable energy resources to market. This project is designed to implement the new program by ensuring Western develops the necessary principles, policies and practices to efficiently and effectively carry out this authority while providing funding transparency and accountability.

Western activities to implement its Transmission Infrastructure Program include significant interaction, collaboration and coordination with a large number of stakeholders, industry partners, DOE program offices, other Federal agencies and state and local governments. This work is already underway, using public processes to seek comments on the proposed program itself and to identify potential projects for development and participants in those projects.

Note: Western will not issue any grants or other financial awards involving Recovery Act funds, but will use standard procurement processes to issue any contracts for projects to be funded by loans from the Treasury.

| The table below lists the funding amounts for the Program by GPRA unit | | |
|---|-----------------------------------|----------------------|
| | GPRA Unit Name | Funding (\$M) |
| 10000130 | Western Area Power Administration | 10 |

3. Characteristics:

Types of Financial Awards to be used

N/A

Type of Recipient

N/A

Type of Beneficiary

N/A

4. Major Planned Program Milestones:

Milestone #1

April 3, 2009 – Public comment periods closed on proposed program and on potential projects and participants

Milestone #2

April 7, 2009 – Treasury borrowing agreement completed; MOU signed

Milestone #3

April 30, 2009 – Internal business system modifications to track, account for and report activities under borrowing authority complete

Milestone #4

May 1, 2009 (t) – Initial potential transmission projects gathered through RFI process, prioritized and tentative selections identified

Milestone #5

May 15, 2009 – Publish *Federal Register* notice announcing final program

Milestone #6

May 26, 2009 – Initial program structure and systems in place

Milestone #7

May 30, 2009 – Announce plans to begin work on initial transmission project

Milestone #8

August 31, 2009 – Program office is fully staffed and functional

Note: In the absence of a dedicated program staff, Western used internal resources to accomplish work associated with the milestones identified in establishing the new program.

These milestones support the following GPRA Units:

- 10000130 Western Area Power Administration

5. Monitoring and Evaluation:

I. Corporate Controls

Recovery Leadership & Operations - The DOE Recovery Office is the central point for implementation and execution of Recovery Act activities. A Recovery Operations Team will oversee implementation management, such as monitoring project status, evaluating cost and schedule progress, ensuring thorough reporting, coordinating with external entities, and holding monthly performance and review meetings with senior departmental managers on the implementation status of specific recovery projects.

Recovery Funding Oversight, Performance - In addition to DOE's standard funds control mechanisms, Recovery Act funds are subject to additional process controls to ensure funds are not co-mingled, are tracked to enable reporting, and are spent responsibly. DOE recovery funds are released for implementation in a staged approach. Programs develop initial project plans which include performance metrics which require management approval.

Office of Internal Review (OIR) - DOE's OIR helps programs ensure that internal controls are in place, effective, and support the risk based approach to managing Recovery Act activities. OIR programs are being implemented or expanded to ensure the Recovery Act objectives are met and DOE managers and partners are both held accountable for successful execution and also have the appropriate tools to ensure that success. These programs include coordinating DOE's "Internal Control Acknowledgment" program, conducting agency wide assessments and analyses and performing oversight of Recovery Act programs, including site and field visits. OIR worked with key impacted programs to produce initial vulnerability assessments identifying potential program specific and cross-cutting risks to ensure successful execution.

II. Western Processes

In addition, Western has developed a full range of accounting policies, processes and internal controls to provide accountability and early warning of problems and is implementing the necessary processes and controls to enable monthly reporting of up-to-date financial, milestone/activity and performance information.

In ensuring sufficient oversight to validate the progress and performance of the implementation project and to maintain accountability and transparency, Western will:

- Develop a project plan with milestones and deliverables to track progress in implementing Western’s Transmission Infrastructure Program.
- Hold regular management review meetings.
- Use normal business systems and tools, as appropriate, to track and report cost and performance information.
- Modify existing financial management system, as required, to isolate project, and subsequent program costs, as required by law.
- Establish separate Treasury symbols to capture all project/program financial activity.
- Establish a risk management program to identify and mitigate challenges and risks in implementing the program.
- Incorporate this project/program as part of Western’s Internal Control/A-123 Program.

6. Measures:

Measure Text

1. Number of days from enactment of Recovery Act to announcement of the final program in the *Federal Register*
2. Number of days from public process for identifying potential projects and participants until initial participation contracts/agreements signed
3. Number of permanent positions filled to implement Western’s borrowing program

Measure Type

1. Development/Implementation of the Transmission Infrastructure Program (Outcome)
2. Project Solicitation, Evaluation and Selection Process (Outcome)
3. Program Office Fully Staffed (Outcome)

Measure Frequency

Reported annually

Direction of Measure

NA

Unit of Measure

1. Development/Implementation of the Transmission Infrastructure Program - days
2. Project Solicitation, Evaluation and Selection Process – days
3. Program Office Fully Staffed – number of permanent positions filled

Explanation of Measure

1. Development/Implementation of the Transmission Infrastructure Program

2. Project Solicitation, Evaluation and Selection Process
3. Program Office Fully Staffed

Year

The program will be fully implemented and operational by September 30, 2010.

Original Program Target

N/A

Revised Full Program Target

1. 90 days
2. 30 days
3. 100 percent of positions filled

Target (incremental change in performance)

N/A

Actual

N/A

Goal Lead

Tim Meeks, Administrator, Western Area Power Administration

These measures support the following GPRA Units:

- 10000130 Western Area Power Administration

7. Transparency and Accountability:

DOE leverages its existing corporate systems to track and report on Recovery Act activities and to ensure effective funds management. The DOE's iManage Data Warehouse (IDW) is a corporate enterprise system integrating financial, budgetary, procurement, and program information to monitor project execution. Each Recovery Act program is tracked using unique Treasury Appropriation Fund Symbols, and each component project is identified by a unique Project Identification Code.

The IDW is a central data warehouse linking common data elements from each of the Department's corporate business systems and serving as a "knowledge bank" of information about portfolios, programs or projects including budget execution, accumulated costs, performance achieved, and critical milestones met. The IDW contains information from multiple

corporate systems and will be a tool used to meet information needs for Recovery Act oversight and reporting to Recovery.gov.

The Performance Measure Manager (PMM) is the Department's performance tracking system. PMM tracks high-level budgetary performance and is being expanded to accommodate Recovery Act performance tracking needs. Performance evaluations will be organized and reported along with results from the Department's annual budgetary activities in the Annual Performance Report and posted on: www.energy.gov/recovery. Performance results will be uploaded into the IDW for required agency reporting.

See DOE's Agency Wide Recovery Plan for additional information on DOE's financial and performance tracking mechanisms, found here: www.energy.gov/recovery.

Please refer to Monitoring and Evaluation Section (#5, above) for Western-specific details.

8. Federal Infrastructure Investments:

Western will receive appropriated funds from the Recovery Act to develop a program to implement the use of borrowing authority to build transmission infrastructure (e.g. power lines and related facilities). However, these funds will not be used to build or rehabilitate Federal buildings, and, as such, the provisions for reporting do not apply.

9. Barriers

Major Implementation Issues for Implementation Appropriation:

Western originally identified major implementation issues as barriers, or potentially problematic in establishing our Transmission Infrastructure Program and Office timely. Specific issues included:

- Establishing an agreement with the Treasury Department governing the borrowing of funds
- Conducting two public processes (policies and practices, and Requests for Interest), as required by the Recovery Act
- Hiring staff to accommodate the increased workload while continuing our current programs

Status: Western has successfully established the Transmission Infrastructure Program (TIP), announcing the final program in the *Federal Register* on May 14, 2009, and has a funding agreement in place with the Treasury. We can now effectively evaluate projects identified as part of the public process, and are prepared to put borrowing authority to work facilitating the construction of transmission to help move new renewable resources to market.

All efforts were accomplished leveraging existing staff prior to staffing the program office. To date, we have not encountered any problems in hiring, and expect the office to be fully functional by August 30, 2009.

No additional barriers have been identified specific to the implementation project.

Note: Western feels that it is premature to identify barriers associated with our borrowing authority. However, as part of our risk management analysis, we identified potential threats to program/project success and accomplishment, developing management and mitigation strategies to address each.

10. Environmental Review Compliance

The appropriate level of NEPA review will be determined as particular projects and activities are proposed. Because this funding will be used for administrative, planning, staffing, and related functions, the current expectation is that proposals will fit within DOE's existing categorical exclusions regarding NEPA review and that compliance issues regarding other environmental statutes will not arise.