

Skila -

Here is most of the information
SEPA, SWPA + WAPA over you
from our meeting last week
We will get the FY 2010 transmission
projects to you early next week.
Please call if you have questions
or would like to discuss. 6-5581
Jack, Leslie & Darrick

**Western Area Power Administration
Follow-up to Nov. 25, 2008 Transition Meeting**

Undeveloped Transmission Right-of-Way

Western has very little undeveloped transmission right-of-way. There is a 7-mile right-of-way between Folsom, CA and Roseville, CA where Western acquired a 250' wide right-of-way but is only using half of it. Another line could be built parallel to Western's line to relieve congestion in the Sacramento area. In addition, Western has rights-of-way for many transmission lines that could be rebuilt to increase transmission capacity. For example, Western's Tracy-Livermore 230-kV line is a single circuit line but the existing towers could support a double circuit line. These rights-of-way would have to be evaluated on a case-by-case basis to determine if the existing right of way would be sufficient to accommodate a proposed transmission facility upgrade.

Irrigation Water Deliveries

The Bureau of Reclamation delivers approximately 30 million acre feet of water annually. This figure includes all Reclamation irrigation deliveries, including those in Bonneville Power Administration's service territory. Note that the amount of water delivered can vary based on hydrological conditions. Irrigation deliveries do not necessarily impact hydropower generation, since irrigation water is run through power turbines to the extent possible prior to being delivered to irrigators.

Potential Infrastructure Projects

Western could use funding from the economic stimulus package to improve the transmission infrastructure in its service territory. In FY 2009, Western could work on 34 projects and spend approximately \$60 million. These projects would provide employment opportunities in the West as most of them would be completed using contractors. ***Note that Western is still working on infrastructure projects for FY 2010. We will get those to you early the week of December 8.***

Renewable Energy Purchases

As part of the economic stimulus package, Western or its customers could promote renewable energy by purchasing the output from renewable generation built in its service territory as a result of incentives provided in the stimulus package. Any such purchases would have to be economically neutral or beneficial to Western or its customers.

Southwestern Power Administration

| CONSTRUCTION BUDGET | ITEM DESCRIPTION | FY 2009* |
|---------------------|---|-----------|
| | MICROWAVE RADIO REPLACEMENT CONSTRUCTION CONTRACT | 2,283,000 |
| | MICROWAVE TOWER REPLACEMENT CONSTRUCTION CONTRACT | 1,508,000 |
| | BULL SHOALS SWITCHYARD 161-KV BUS UPGRADE | 2,200,000 |
| | TOTAL | 5,991,000 |

Note that funding is already available to fully fund all of these projects.

* Only FY 2009 plans have been made available to the public at this point.

Undeveloped Transmission Corridors:

Southwestern does not have any easements/right-of-ways that have already been established but that have not yet been used for transmission project development

Skila, I passed
your hello on to
Chris Eckl (now
representing SEPA's customers).
He wanted me to be
sure you have his contact
information - said he'd
love to hear from you:
ceckl@schiffhardin.com
202-778-6455
cell: 703-298-1028
Thanks, Derrick

PMAs' Energy Conservation Proposal for Economic Stimulus

Three Power Marketing Administrations (PMAs), Southwestern Power Administration (SWPA), Southeastern Power Administration (SEPA), and Western Area Power Administration (WAPA), are excited about the opportunity to help address some of the energy related issues we all face today. The PMAs are strategically positioned to provide credible assistance to the in-coming administration's efforts to stimulate the economy. Following is a summary of a proposed plan of action.

The three above mentioned PMAs propose to develop and implement a program with non-reimbursable funding to stimulate the local economies through our ties with our power customers. The program will focus on the implementation of energy efficiency, conservation, and demand-side management programs.

More specifically, this program involves the identification of energy measures that our customers and their end-users can implement to save energy, reduce environmental impacts, and create jobs. This program can be implemented quickly by using and expanding the programs already in place at many of our utilities. In this manner, minimal Federal resources will be required and non-reimbursable funds can be applied directly to the customer programs. Programs such as energy audits, ground source heat pump installation, energy star rated appliance rebate programs, weatherization programs, light bulb replacement programs, and other energy efficiency programs will be included. The customer programs will be provided funds through a credit on their invoices for Federal power based on their ability to verify and document how the funds will be spent and the expected energy savings.

Steps:

1. The Treasury provides funding to each of the PMAs
2. The PMAs develop criteria on how to implement the program
3. The PMAs develop criteria on how utilities can participate
4. The PMAs develop criteria for program monitoring and evaluation
5. The PMAs release a RFP to solicit utility action and funding plans
6. The PMAs evaluate utility submitted plans
7. The PMAs select approved plans and award dollar amounts to selected utilities
8. Implement the bill crediting program based on actual expenditures.