

## **BAMx Comments on Western's Proposed Transmission Infrastructure Program**

The BAMx<sup>1</sup> members have reviewed the references listed below and offer the following comments associated with Western Area Power Administration's (Western) proposals to adopt a Transmission Infrastructure Program. The Program as described in the referenced Federal Register Notices and in Western's meeting materials is being proposed to implement section 402 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) 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 for delivering or facilitating the delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed. On March 4, 2009, Western launched two concurrent public processes, one to address the program and one to solicit responses on potential transmission projects through its Request for Interest. The BAMx members are pleased that Western is offering the public and its customers the opportunity to help shape the program and its new authority.

The BAMx members have been studying the feasibility of increasing transmission capacity for its members for many years for the purposes of reducing its cost of power supply and deliveries from Western, and for accessing desirable resources including renewable resources. While section 402 of the Recovery Act provides Western's Administrator the authority for "studying" and "planning" of new or upgraded transmission infrastructure within Western's service area, very little information has been provided concerning these aspects of the proposed program. The BAMx members are concerned that the proposed program and the issued Request for Interest (RFI) and Statement of Interest (SOI) are directed towards projects in the advanced stages of planning and do not make clear how Western expects to carry out that part of the Recovery Act that is directed to those activities.

We feel the draft program proposal could be improved by further developing the criteria, policies and practices, procedures, etc. for the "studying" and "planning" of necessary transmission infrastructure to further the goals of the Recovery Act and to be consistent with the spirit of FERC Order No. 890<sup>2</sup>. The RFI as currently structured appears to be directed towards transmission project proposals at an advanced stage of development, given the RFI submission requirements and financial demonstration and credit

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<sup>1</sup> BAMx, the Bay Area Municipal Transmission group, is an unincorporated association of publicly owned utilities located within the geographic boundaries of the San Francisco Greater Bay Area ("GBA"). Members of BAMx include the City of Santa Clara ("Silicon Valley Power," or "SVP"), Alameda Municipal Power, formerly Alameda Power and Telecom ("Alameda" or "AMP"), and City of Palo Alto Utilities ("Palo Alto"), all located in California and all are federal power customers of Western's Sierra Nevada Region.

<sup>2</sup> In FERC Order No. 890, the costs of studying high priority transmission projects are borne by the transmitting utility. We also note that under section 402 of the Recovery Act, paragraph (d) (2) (B) that funds to study projects that are considered pursuant to this section but that are not constructed shall be forgiven.

requirements of the SOI for submitting project proposals. The RFI did say that Western may issue future RFIs. BAMx urges Western to issue another RFI structured to address the “studying and planning” aspect of transmission project proposals consistent with the Recovery Act intent for the Administrator to be able to certify that proposed projects are “in the public interest, will not adversely impact system reliability or operations, or other statutory obligations.” Additionally, BAMx urges Western to develop proposed criteria and basis for the “studying and planning” of proposed transmission infrastructure projects and to offer opportunities for the public and its customers to comment on those criteria, policies, procedures and practices.

Thank you for the opportunity to offer comments on Western’s proposed Transmission Infrastructure Program.

References:

1. Western Area Power Administration, Notice of Proposed Program and Request of Public Comments, Federal Register Notice (FRN) issued March 4, 2009, FRN Volume 74, No. 41 at page 9391.
2. Western Area Power Administration, Notice of Availability of Request for Interest (RFI), FRN issued March 4, 2009, Volume 74, No. 41 at page 9391.
3. Western Area Power Administration Request for Interest Regarding Constructing, Financing, Facilitating or Studying Construction of New or Upgraded Transmission Facilities to Deliver or Facilitate Delivery of Renewable Resources and associated criteria for submitting Statement of Interest (SOI) and Credit Application, dated March 4, 2009.
4. Western Area Power Administration public meeting presentation slides, [archived video](#) and [transcript](#) of comment forum held in Lakewood, CO, on March 23, 2009.
5. Western Proposes Transmission Program, Seeks Projects, Western News Release of March 6, 2009,
6. Transmission Infrastructure Program (TIP) news, Western’s [TIP line](#) blog page.
7. Western Called Upon for Needed Transmission, Western News Release of February 18, 2009.
8. Section 402 of the American Recovery and Reinvestment Act of 2009.