

# WESTERN AREA POWER ADMINISTRATION TRANSMISSION INFRASTRUCTURE PROGRAM

TIP Program Overview  
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# TIP PROGRAM OVERVIEW

Implement Section 402 of the American Recovery & Reinvestment Act

Borrowing authority of \$3.25 billion

Identify, prioritize and participate in the study, facilitation, financing, planning, operating, maintaining, and construction of new or upgraded transmission facilities



# TIP PROGRAM OVERVIEW (CONT'D)



Projects must...

Have one terminus within area served by Western

Deliver, or facilitate the delivery of, power generated by renewable energy resources to be constructed or reasonably expected to be constructed



# TIP PROJECT & PROGRAM PRINCIPLES

## × Project Principles

1. Public Interest
2. System reliability or statutory obligations
3. Reasonable expectation of repayment of principal and interest of Treasury loan and associated project costs
4. Public process for Western rates for new facilities
5. Obtain and deliver generation-related ancillary services



# TIP PROJECT & PROGRAM PRINCIPLES (CONT'D)

## × Program Principles

1. Encourage broad-based participation
2. Uses Project revenue as the only source of revenue for:
  - × Repayment of loan for project
  - × Payment of ancillary service and O&M expenses
3. Maintain controls for accounting and repayment, that projects under this authority are treated separate and distinct from:
  - × Each other project
  - × All other Western Power & Transmission facilities
4. Ensure project beneficiaries repay project cost



# PROJECT EVALUATION CRITERIA

- × Facilitate delivery of renewable energy to market
- × Public interest
- × No adverse impact to system reliability
- × Project will generate enough revenue to repay costs
- × At least one terminus in Western's territory
- × Economic benefits, including jobs
- × Satisfies Western's OATT
- × Technically feasible
- × Partners' financial stability and capability
- × Project readiness
- × Participation in region-wide and/or interconnection-wide transmission planning



# POTENTIAL TIP PROJECTS

- × 200+ Statements of Interest submitted
- × Large and small projects (230, 345, 500, 765kV)
- × Proposed AC and DC Systems
- × Interstate transmission and generator tie lines
- × Construction ready, in development, and longer-term
- × Technology, study, and other requests



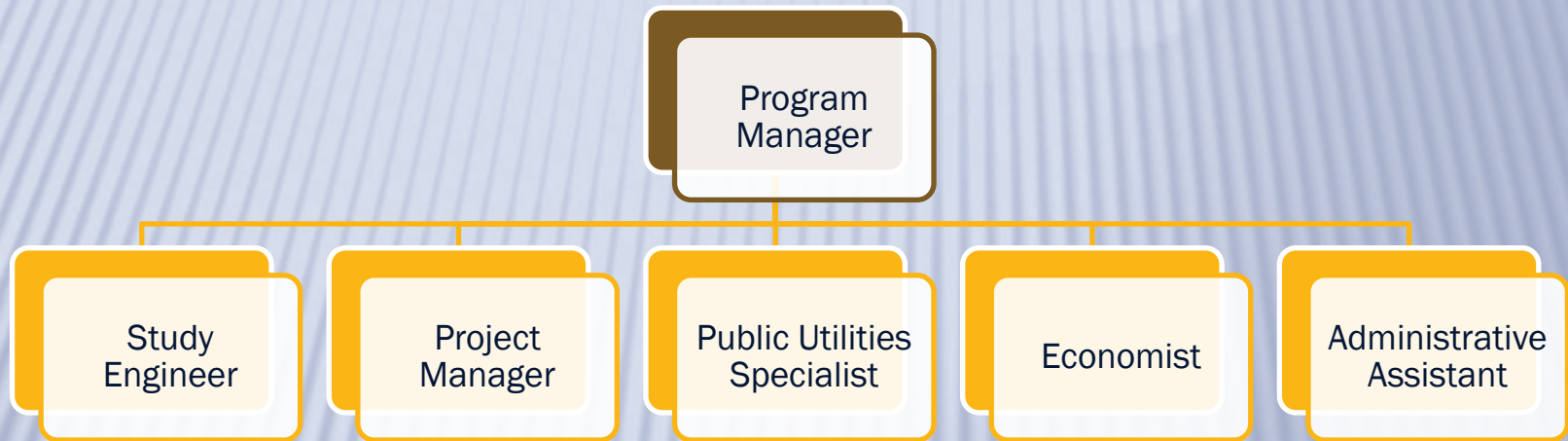
# RECENT WORK

- ✘ Final Program outlined in early May 2009
- ✘ Staffing of the TIP Team
- ✘ Reviewed submissions on potential projects, gathered information, and continued discussions
- ✘ Identified projects that are ready for construction
- ✘ Set up borrowing arrangements with Treasury
- ✘ Completed modifications to internal business systems
- ✘ Coordination with Regional Offices and DOE
- ✘ MATL Due Diligence, Certifications, and Closing





# TIP PROGRAM OFFICE



• Other CSO staff have been detailed to group for support



# NEXT STEPS...

## Program

- × Develop and Implement Policies and Procedures
- × Continue to Manage and Integrate Resources
- × Negotiate and Collaborate on Participation Agreements
- × Evaluate Projects and Continue Development

## Projects

- × Review Projects based on Mission Needs, Priority Requirements, Risks and Opportunities
- × Establish Partnerships and Alliances
- × Develop Project Plans
- × Coordinate with DOE, Regions, and other Agencies



# MORE INFORMATION

× Intranet:

<http://www.int.wapa.gov/InsideWestern/Programs/TIP/>

× Internet:

<http://www.wapa.gov/recovery/programs.htm>

× TIP Office: 720.962.7710