EDISON ELECTRIC INSTITUTE

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April 3, 2009

Mr. Timothy Meeks
Transmission Infrastructure Program
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228–8213

Dear. Mr. Meeks:

The Edison Electric Institute (EEI), on behalf of its member companies, appreciates the opportunity to submit comments on Western Area Power Administration's (WAPA), Transmission Infrastructure Program (TIP) as proposed in the Federal Register Notice dated March 4, 2009.

EEI is the trade association for shareholder-owned electric companies and serves international affiliates and industry associates worldwide. Our U.S. member companies serve 95 percent of the ultimate customers in the shareholder-owned segment of the industry and nearly 70 percent of all electric utility customers in the nation. EEI members own approximately 60 percent of the nation's circuit miles of transmission. EEI membership includes vertically-integrated and stand-alone utility business models.

The American Recovery and Reinvestment Act of 2009 (ARRA) in section 402 provides borrowing authority to WAPA for the purposes 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 the Western Area Power Administration; and delivering or facilitating the delivery of renewable energy resources constructed or reasonably expected to be constructed"*

EEI is encouraged by WAPA's extension to non-federal utilities of an opportunity to participate in the development of WAPA's Transmission Infrastructure Program. EEI is providing these comments to WAPA to help it prioritize their policies to facilitate the use of WAPA's new borrowing authority to build transmission, as set forth in the ARRA.

EEI Members are Committed to Making Needed Transmission Investment

EEI members understand the need to build additional transmission to provide access to renewable resources, ensure reliability, meet load growth, as well as other important goals. EEI members have made and continue to make significant investments in

transmission. EEI statistical data shows that since 2000 EEI members have almost doubled their annual investments in transmission, from $4.6 billion in 2000 to an estimated $8.8 billion in 2008. EEI members look forward to continuing these efforts and to partnering with WAPA on projects where appropriate.

EEI Recommends WAPA's Transmission Infrastructure Program Support Joint Participation with Share-Holder Owned Utilities

EEI members can bring to WAPA operational, planning, construction and financial expertise to facilitate building interstate transmission facilities. Public/private partnerships to develop needed transmission facilities will help leverage federal funding and expand the number of projects that can be financed with WAPA's borrowing authority. ARRA gives WAPA the authority to finance and construct transmission facilities outside of its current area of service. EEI members bring extensive knowledge of how such systems can be enhanced through such partnerships. WAPA can use its siting authorities to facilitate these projects.

Given the large amount of planned transmission investment that is already proposed in the Western United States, we believe it is important that the WAPA funds are used to construct transmission infrastructure that is not otherwise under development and in areas where utilities are unable to undertake the necessary investment. WAPA should also use this borrowing authority to make needed enhancements and upgrades to existing WAPA facilities.

EEI Requests Clarification Regarding WAPA's Proposed Financing and Ownership of Projects

EEI members seek greater clarity concerning WAPA's proposed cost, financing, and ownership structure for projects using funds made available through the borrowing authority. EEI believes that in developing the financing and ownership structure for partnership projects, WAPA should be open to a variety of financing and ownership structures proposed by potential partners. The financing structure should assure investors that WAPA provides a mechanism that will allow for reasonable recovery of their investments.

EEI Recommends WAPA's Transmission Projects Fit within Existing Planning Processes

EEI recommends that to provide greater regulatory certainty and avoid the creation of another planning layer, transmission projects built under WAPA's borrowing authority fit within, or coordinate with, existing planning processes. Coordination among existing RTO/ISO, regional, state, FERC, and other planning efforts ensures that there are no conflicts with existing commitments. Coordination among planning bodies also assures that all parties involved adhere to the same rules, preventing any interconnection

problems that would cause disturbances in reliability of the grid. EEI also recommends that WAPA give deference to projects that have gone through regional planning process and have broad stakeholder support. Through these efforts, WAPA can determine funding for projects does not interfere with or duplicate existing projects being constructed by another transmission owner or operator.

Conclusion

EEI members are leading major efforts to construct needed facilities and remain committed to build necessary transmission to help the Nation meet its energy goals. Given the scope of the development needed, it is necessary for both the public and private sectors to work together to help facilitate delivery of renewable resources. EEI members are extremely encouraged by WAPA's efforts to include non-Federal participation and look forward to joint-participation and coordination with WAPA.

We appreciate the opportunity to submit these comments and look forward to your response.

Sincerely,

James P. Fama
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