

STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON WATER AND POWER
COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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Good morning, Madam Chairwoman Napolitano, Congressman McClintock and Subcommittee members. My name is Roxane Perruso and I am the Vice President and General Counsel for TransWest Express LLC. Thank you for the opportunity to share our perspective on proposed H.R. ____ in light of our proposed partnership with Western Area Power Administration on the TransWest Express Transmission Project.

TransWest Express Transmission Project

TransWest Express LLC is developing the TWE Project, which is a 725-mile “super-sized” high-voltage transmission line. It will take up to 3,000 megawatts of renewable wind energy generated in Wyoming – which has the nation’s best onshore wind resources – and deliver it to highly populated metropolitan areas in California, Arizona and Nevada. Numerous studies have documented the increased demand for renewable energy resources in the Desert Southwest. Yet, the existing transmission capacity between Wyoming, the nation’s least populated state, and California, the nation’s most populated state, is fully committed.

The TWE Project will address this lack of transmission and deliver clean, sustainable power to about 1.8 million households every year. In short, the TWE Project is a practical, highly efficient way to link Wyoming’s tremendous wind energy with the places in the west where it is needed.

Construction of the TWE Project will also create and spur jobs. We estimate that up to 1,000 construction jobs will be created for the duration of the three-year construction phase of the TWE Project, jobs that will follow the project as it is constructed across four states. About 3,000 to 5,000 indirect jobs will be created nationwide because of the demand for materials and services. And, the development of a transmission system will help facilitate the development of wind energy projects in Wyoming creating more construction jobs, manufacturing jobs and long-term operations jobs.

The TWE Project substantially contributes to federal land use objectives as well. The majority of the TWE Project's proposed route – sixty percent – crosses federal lands primarily administered by the Bureau of Land Management, U.S. Department of Interior. Interior Secretary Salazar's March 2009 Order 3285 stated that “encouraging the production, development, and delivery of renewable energy is one of the Department's highest priorities” and that its agencies will work “to encourage the timely and responsible development of renewable energy and associated transmission.”

The TWE Project will make a significant contribution to federal objectives regarding critical infrastructure development, the delivery of renewable power, the creation of jobs, and land use objectives. The TWE Project is exactly the type of project that this Subcommittee, Congress and the Administration sought to encourage when granting Western Area Power Administration borrowing authority in the Recovery Act. TransWest Express believes that these are some of the reasons Western became interested in joining as a fifty percent equity partner in the development, ownership and operation of the TWE Project earlier this year.

HR ____ Amending Section 301(d) of the Hoover Power Plant Act

TransWest Express supports the intent of the bill and believes that with minor amendments the bill can address the issues that have been raised without discouraging partnerships between Western and private entities or significantly delaying the development of important infrastructure projects. TransWest Express has identified three areas of concern.

First, we understand the bill intends to protect Western's existing customers by requiring the Administrator to make two additional certifications. The certification in Section (1)(E) should be clarified to provide that the use of project revenues generated from existing Western customers can be used to repay Treasury. The certification in Section (1)(D) regarding the timing of the

execution of project agreements should be made consistent with Section (3).

Second, Section (2)(A) of the bill requires that Western's Administrator "publish a notice in the Federal Register stipulating the Administrator's justification for certification, *including supporting financial and engineering documentation*" (emphasis added).

Providing notice in the Federal Register that the Administrator has certified a project is reasonable, if the notice is limited to a description of the project and the Administrator's required certifications. We are concerned, however, that currently Section (2)(A) may require the public disclosure of confidential business or financial information. Moreover, the requirement could lead to legal challenges regarding the sufficiency of the information included in the notice and result in unnecessary delays.

There are already five levels of review in place that will protect Western's customers and the federal government while preserving Western's ability to partner with private entities to construct critical transmission infrastructure in a timely manner.

At the first level, Western's Administrator is required to verify the project's commercial, financial and engineering documentation. Next, both the Department of Energy and the Office of Management and Budget will conduct reviews. Finally, the bill in Section (2)(B) adds the requirement that Western provide the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate with documentation regarding the Administrator's certification.

Third, Section (3) of the bill requires Western's Administrator to wait at least ninety days after publication of the Federal Register notice before entering into any contracts related to the project. Our concern with the ninety day timeframe is that it adds another three months to the already complex and lengthy process involved in developing the TWE Project. Across multiple levels of the federal government, there are calls to encourage and streamline the timely

development of renewable energy and associated transmission. For instance, in October 2009, the Department of Energy, Department of the Interior, the Federal Energy Regulatory Commission and five other federal entities entered into a Memorandum of Understanding with the express purpose “to expedite the siting and construction of qualified electric transmission infrastructure in the United States.” TransWest Express requests the Subcommittee reduce the period set out in Section (3) to fifteen days, which should provide sufficient time from the publication of the notice without adding unnecessary delay.

The TWE Project will be one of the five largest transmission systems in the world and the second-largest and longest Direct Current (DC) line in the United States. Western’s years of experience and expertise in owning, operating and maintaining 17,000 circuit miles of transmission in 15 states make it an ideal partner.

We respectfully request that the Subcommittee carefully balance all of the interests at hand when considering this bill.

I would be pleased to answer any questions that you may have. Thank you.