



August 15, 2012

Joint Outreach Team
U.S. Department of Energy
Western Area Power Administration

VIA EMAIL TO JOT@WAPA.GOV

To Whom It May Concern,

Sol Orchard is a renewable project development company focused on utility-scale solar projects in California, and today we're here focused on a 40 MW project we are planning to develop on Bureau of Reclamation lands next to the San Luis Reservoir and the O'Neil Forebay. We appreciate the opportunity to provide our perspective to the Department of Energy (DOE) and Western on the issues raised in the Workshop materials. As you may know, one of the primary constraints facing the development of any generation project is obtaining timely interconnection and transmission service.

We are pleased to report that both Reclamation and Western have so far been very helpful in facilitating development of our San Luis Solar Project. We are working through Western's Large Generator Interconnection Process and hope to participate in the San Luis Transmission Project to obtain cost-based, affordable and reliable delivery of electricity to municipal customers that are interconnected with Western and within the Balancing Authority of Northern California. We understand that Western has taken the lead in advancing the San Luis Transmission Project through the system study process and that no unmitigated impacts to adjacent systems will result from the transmission project. We note also that the system study included the interconnection of up to 100 MW of renewable generation on federal lands around the San Luis Reservoir.

We think the San Luis Transmission Project is an excellent example of a project that meets many of the goals expressed in the Workshop materials, without giving rise to adverse impacts that many cited at the Workshop held in Folsom, CA. Accordingly, we believe that the San Luis Transmission Project is deserving of additional advocacy and support from DOE and Western. Specifically, Western's Transmission Infrastructure Program (TIP) was intended to facilitate upgrade and expansion of Western's transmission grid by making available federal financing to Western customers who invest in Western-connected transmission projects. By offering favorable interest rates and extended amortization periods, Western can jump start transmission projects on its system that may otherwise not get off the ground.

We also learned at the Workshop that there was a TIP optimization program initiated and an invitation only meeting held in April in San Diego. At the Folsom Workshop, held on August 26, Authority representatives requested the opportunity to learn what suggestions came out of that meeting, and provide our own input to optimizing TIP. We also learned that Western is to issue a Federal Register Notice seeking comments on the optimization proposals. The Authority requests that the above input opportunity be afforded prior to the release of the FRN.



Our initial suggestions for improving the TIP include:

- Providing indicative terms and rates for the TIP financing in advance, so projects seeking TIP funding can better determine if the terms are attractive enough to invest the time and effort to complete the application process. Competitive interest rates and amortization period that match the life of transmission facilities being constructed are requested. The Authority suggests a 2.75 percent interest rate and a term of 50 years would be appropriate.
- Establishing a first priority for selecting projects eligible for TIP to projects that serve Reclamation project use energy and transmission requirements, as this is the first statutory responsibility of Western
- Establishing additional priority for projects that will provide transmission to new renewable generation

Sol Orchard encourages DOE and Western to deploy the federal resources that were authorized in the TIP program so that the goals of the TIP, the goals of DOE, and the goals of Western can all be achieved. We stand ready to work with Western to implement an improved Transmission Infrastructure Program, so that the San Luis Transmission Project can proceed as soon as possible.

Thank you for the opportunity to submit comments on this matter.

Sincerely,

Sol Orchard, LLC

A handwritten signature in blue ink, appearing to read "Jeff Brothers", is written over the typed name.

Jeff Brothers,
Managing Member