

August 16, 2012

Ms. Lauren Azar
Senior Advisor to the Secretary
Department of Energy
1000 Independence Ave SW
Washington, D.C. 20585

Re: Western Area Power Administration Workshops and Listening Sessions

Dear Ms. Azar:

The Solar Energy Industries Association (SEIA), the national trade association of the solar industry, has been following with great interest the recent dialogue regarding modernization of the federal Power Marketing Administrations, in particular the Western Area Power Administration (Western). We applaud the Department of Energy for its efforts in this area. We believe there are a number of steps that Western can take under current law that will facilitate the development and integration of solar energy resources in the Southwest without placing any additional cost or burden on Western's existing "preference" customers.

To begin with, SEIA strongly supports Western's ongoing efforts to be both an architect and participant in energy imbalance markets. SEIA appreciates that Western's operational flexibility is limited at times due to water supply needs, environmental requirements, existing contracts and other factors. However, there remains a very substantial amount of flexibility in the federal power systems that Western relies on that could be an asset in energy imbalance markets or otherwise facilitate the integration of renewables through the sale of ancillary services..

Western can also facilitate the delivery of solar from remote regions of the Southwest to load centers in California, Arizona and elsewhere by using its transmission borrowing authority and other tools granted in the Energy Policy Act of 2005 and the Recovery Act of 2009. These broad authorities make it possible for Western to build such transmission either on its own or to partner with third parties. It is important to note that the 2009 Act clearly provides that the costs incurred by Western to build new transmission to facilitate renewables development are "non-reimbursable" and thus will not shift or add any costs to Western customers.

These two modest suggestions provide just a small hint of the potential Western has to increase its overall contribution to the public welfare while continuing to meet the needs of its core customers. SEIA respectfully requests that the Department prioritize the suggestions that SEIA has proposed when it considers next steps for Western.

Sincerely,

Dan Adamson