

SUBCHAPTER XII—ELECTRICITY

PART A—TRANSMISSION INFRASTRUCTURE
MODERNIZATION**§ 16421. Third-party finance****(a) Existing facilities**

The Secretary, acting through the Administrator of the Western Area Power Administration (hereinafter in this section referred to as “WAPA”), or through the Administrator of the Southwestern Power Administration (hereinafter in this section referred to as “SWPA”), or both, may design, develop, construct, operate, maintain, or own, or participate with other entities in designing, developing, constructing, operating, maintaining, or owning, an electric power transmission facility and related facilities (“Project”) needed to upgrade existing transmission facilities owned by SWPA or WAPA if the Secretary, in consultation with the applicable Administrator, determines that the proposed Project—

(1)(A) is located in a national interest electric transmission corridor designated under section 216(a) of the Federal Power Act [16 U.S.C. 824p(a)] and will reduce congestion of electric transmission in interstate commerce; or

(B) is necessary to accommodate an actual or projected increase in demand for electric transmission capacity;

(2) is consistent with—

(A) transmission needs identified, in a transmission expansion plan or otherwise, by the appropriate Transmission Organization (as defined in the Federal Power Act [16 U.S.C. 791a et seq.]), if any, or approved regional reliability organization; and

(B) efficient and reliable operation of the transmission grid; and

(3) would be operated in conformance with prudent utility practice.

(b) New facilities

The Secretary, acting through WAPA or SWPA, or both, may design, develop, construct, operate, maintain, or own, or participate with other entities in designing, developing, constructing, operating, maintaining, or owning, a new electric power transmission facility and related facilities (“Project”) located within any State in which WAPA or SWPA operates if the Secretary, in consultation with the applicable Administrator, determines that the proposed Project—

(1)(A) is located in an area designated under section 216(a) of the Federal Power Act [16 U.S.C. 824p(a)] and will reduce congestion of electric transmission in interstate commerce; or

(B) is necessary to accommodate an actual or projected increase in demand for electric transmission capacity;

(2) is consistent with—

(A) transmission needs identified, in a transmission expansion plan or otherwise, by the appropriate Transmission Organization (as defined in the Federal Power Act [16 U.S.C. 791a et seq.]) if any, or approved regional reliability organization; and

(B) efficient and reliable operation of the transmission grid;

(3) will be operated in conformance with prudent utility practice;

(4) will be operated by, or in conformance with the rules of, the appropriate (A) Transmission Organization, if any, or (B) if such an organization does not exist, regional reliability organization; and

(5) will not duplicate the functions of existing transmission facilities or proposed facilities which are the subject of ongoing or approved siting and related permitting proceedings.

(c) Other funds**(1) In general**

In carrying out a Project under subsection (a) or (b), the Secretary may accept and use funds contributed by another entity for the purpose of carrying out the Project.

(2) Availability

The contributed funds shall be available for expenditure for the purpose of carrying out the Project—

(A) without fiscal year limitation; and

(B) as if the funds had been appropriated specifically for that Project.

(3) Allocation of costs

In carrying out a Project under subsection (a) or (b), any costs of the Project not paid for by contributions from another entity shall be collected through rates charged to customers using the new transmission capability provided by the Project and allocated equitably among these project beneficiaries using the new transmission capability.

(d) Relationship to other laws

Nothing in this section affects any requirement of—

(1) any Federal environmental law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

(2) any Federal or State law relating to the siting of energy facilities; or

(3) any existing authorizing statutes.

(e) Savings clause

Nothing in this section shall constrain or restrict an Administrator in the utilization of other authority delegated to the Administrator of WAPA or SWPA.

(f) Secretarial determinations

Any determination made pursuant to subsections¹ (a) or (b) shall be based on findings by the Secretary using the best available data.

(g) Maximum funding amount

The Secretary shall not accept and use more than \$100,000,000 under subsection (c)(1) for the period encompassing fiscal years 2006 through 2015.

(Pub. L. 109–58, title XII, §1222, Aug. 8, 2005, 119 Stat. 952.)

¹ So in original. Probably should be “subsection”.

Editorial Notes

REFERENCES IN TEXT

The Federal Power Act, referred to in subsecs. (a)(2)(A) and (b)(2)(A), is act June 10, 1920, ch. 285, 41 Stat. 1063, which is classified generally to chapter 12 (§791a et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see section 791a of Title 16 and Tables.

The National Environmental Policy Act of 1969, referred to in subsec. (d)(1), is Pub. L. 91-190, Jan. 1, 1970, 83 Stat. 852, which is classified generally to chapter 55 (§4321 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 4321 of this title and Tables.

Statutory Notes and Related Subsidiaries

SHORT TITLE

For short title of title XII of Pub. L. 109-58, which enacted this subchapter, as the “Electricity Modernization Act of 2005”, see section 1201 of Pub. L. 109-58, set out as a note under section 15801 of this title.

§ 16421a. Western Area Power Administration borrowing authority**(a) Definitions**

In this section:

(1) Administrator

The term “Administrator” means the Administrator of the Western Area Power Administration.

(2) Secretary

The term “Secretary” means the Secretary of the Treasury.

(b) Authority**(1) In general**

Notwithstanding any other provision of law, subject to paragraphs (2) through (5)—

(A) the Western Area Power Administration may borrow funds from the Treasury; and

(B) the Secretary shall, without further appropriation and without fiscal year limitation, loan to the Western Area Power Administration, on such terms as may be fixed by the Administrator and the Secretary, such sums (not to exceed, in the aggregate (including deferred interest), \$3,250,000,000 in outstanding repayable balances at any one time) as, in the judgment of the Administrator, are from time to time required for the purpose of—

(i) 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

(ii) delivering or facilitating the delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed after February 17, 2009.

(2) Interest

The rate of interest to be charged in connection with any loan made pursuant to this subsection shall be fixed by the Secretary, taking

into consideration market yields on outstanding marketable obligations of the United States of comparable maturities as of the date of the loan.

(3) Refinancing

The Western Area Power Administration may refinance loans taken pursuant to this section within the Treasury.

(4) Participation

The Administrator may permit other entities to participate in the financing, construction and ownership projects financed under this section.

(5) Congressional review of disbursement

Effective upon February 17, 2009, the Administrator shall have the authority to have utilized \$1,750,000,000 at any one time. If the Administrator seeks to borrow funds above \$1,750,000,000, the funds will be disbursed unless there is enacted, within 90 calendar days of the first such request, a joint resolution that rescinds the remainder of the balance of the borrowing authority provided in this section.

(c) Transmission line and related facility projects**(1) In general**

For repayment purposes, each transmission line and related facility project in which the Western Area Power Administration participates pursuant to this section shall be treated as separate and distinct from—

(A) each other such project; and

(B) all other Western Area Power Administration power and transmission facilities.

(2) Proceeds

The Western Area Power Administration shall apply the proceeds from the use of the transmission capacity from an individual project under this section to the repayment of the principal and interest of the loan from the Treasury attributable to that project, after reserving such funds as the Western Area Power Administration determines are necessary—

(A) to pay for any ancillary services that are provided; and

(B) to meet the costs of operating and maintaining the new project from which the revenues are derived.

(3) Source of revenue

Revenue from the use of projects under this section shall be the only source of revenue for—

(A) repayment of the associated loan for the project; and

(B) payment of expenses for ancillary services and operation and maintenance.

(4) Limitation on authority

Nothing in this section confers on the Administrator any additional authority or obligation to provide ancillary services to users of transmission facilities developed under this section.

(5) Treatment of certain revenues

Revenue from ancillary services provided by existing Federal power systems to users of