



Western  
Area Power  
Administration

# Transmission Infrastructure Program



# Transmission Infrastructure Program (TIP) – Loan Program

## Loan Authority

- \$3.25 billion permanent authority (revolving)
- Goals: Attract investment in infrastructure which facilitates renewable energy and that addresses market need
- Commercial underwriting standards



# TIP Project Eligibility Requirements

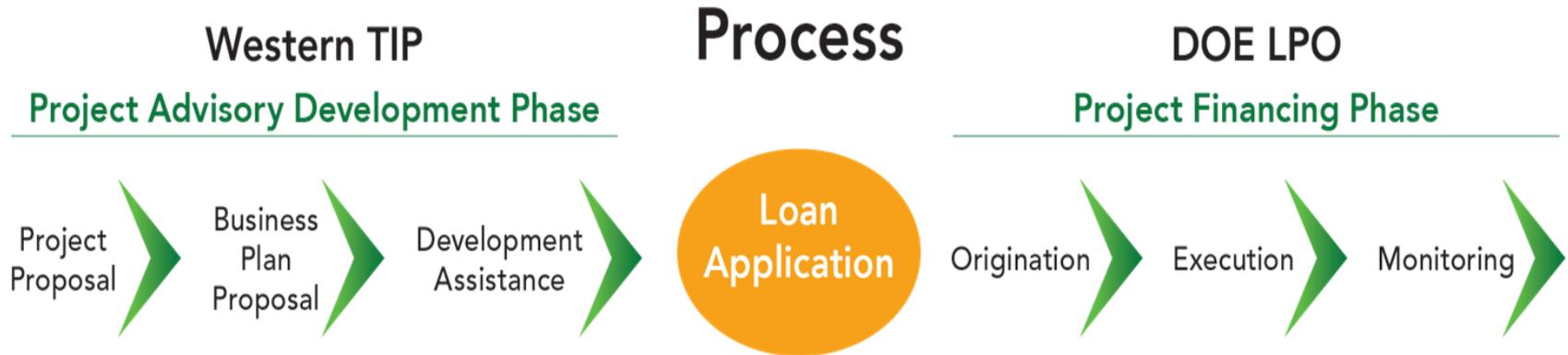


## What Makes a Project Eligible?

- Facilitates development and delivery of renewables
- One terminus within WAPA's 15-state service territory
- Demonstrate reasonable expectation of the project's ability to generate enough revenue to cover all its operating costs, repay loan principal and interest by the end of its service life
- Will not adversely impact transmission system operations
- Is in the public interest



# TIP Loan Financing



## Project Advisory Development Phase:

- Value Proposition: TIP can provide development advisory services to help make projects more bankable
- Available to projects articulating an interest for eventual loan on a cost-based basis: [www.wapa.gov/transmission/TIP/Pages/tip.aspx](http://www.wapa.gov/transmission/TIP/Pages/tip.aspx)



# Representative Loan Types



**Purpose** | Construction only. Entirety of loan is paid upon construction completion.

**Typical Term** | 1-3 years (the earlier of the construction-to-term loan closing or commercial operations date).



**Purpose** | Financing of the completed project with the intent that the loan will be repaid in full once the borrower is able to arrange permanent, long-term financing. Could be utilized in conjunction with construction loan.

**Typical Term** | If used in conjunction with construction loan, both generally not to exceed 10 years.



**Purpose** | Borrower repays loan amount with principal and interest based on an agreed upon amortization schedule of payments.

**Typical Term** | The earlier of full repayment or prepayment, in line with Treasury loan products.



# Recent Financings



## Montana-Alberta Tie-Line

Construction of a 219-mile, 230 kilovolt transmission line from Great Falls, Montana, to Lethbridge, Alberta, to facilitate delivery of Naturenr Rim Rock wind project. Repaid in full.

***\$162M Construction  
Loan Facility***



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## Electric District 5 to Palo Verde Hub

Major capex project by Desert South Region of WAPA to upgrade material segments and expand capacity of 109-mile transmission line that connects a renewable-rich zone south of Phoenix in Maricopa County, Arizona, with the Palo Verde market hub.

***\$191M Construction & Term  
Loan Facility***



## TransWest Express Transmission Line

Development of project that seeks to provide the transmission infrastructure and 3,000 MW of capacity necessary to Western markets.

***\$25M Development  
Assistance/Pre Construction  
Facility***

