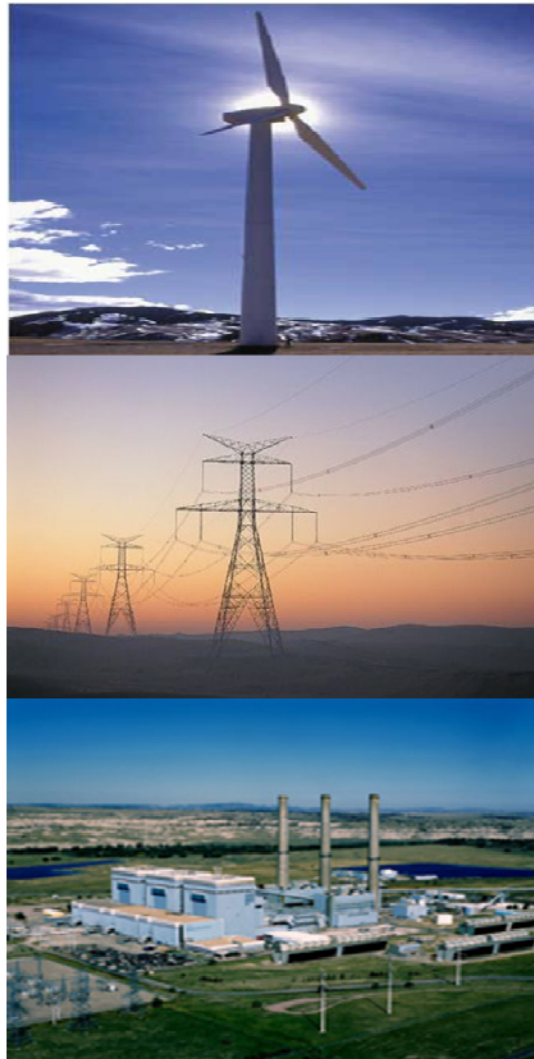


Wyoming Infrastructure Authority's Strategic Plan

FY2011 & 2012



Our Mission Statement

Diversify and expand the state's economy through improvements in Wyoming's electric transmission infrastructure to facilitate the consumption of Wyoming energy in the form of wind, natural gas, coal and nuclear, where applicable.

Strengths

- *Funding and support from SLIB & the Governor's Office has been good*
- *Need for WIA funding to develop new transmission projects has diminished significantly over the last four years*
- *Strong alliances with key stakeholders*
- *WIA recognized as leader in transmission development in West*
- *WIA links new clean energy development and transmission*
- *WIA success contributes to job creation*

Strengths

- *Federal stimulus dollars could be deployed in some of the transmission projects in which the WIA has an investment*
- *New Administration is supportive of renewable energy and clean-coal technologies*
- *Cap & Trade could help drive new transmission through markets for clean energy*
- *\$1 Billion bonding authority could bring significant revenues to the WIA as transmission projects emerge from the permitting stage*

Weaknesses

- *Decreased revenues add pressure to state budget*
- *Continued roadblocks to transmission & generation projects*
- *Load growth projections in the West are down significantly*
- *In-state generation preferences imposed by other states*

Weaknesses

- *Environmental issues may significantly impact wind development*
- *Clean-coal continues to be expensive without a true long term solution to sequestration*
- *Financial markets for developers remains tight*

Threats

- *Environmental issues could get so restrictive as to significantly impact transmission development*
- *In order to meet RPS requirements, other states could develop indigenous wind & solar to the extent of limiting transmission in Wyoming*
- *The economy could worsen*
- *The State could significantly curtail the WIA Budget due to a continued decrease in revenues*
- *Tight finance markets for transmission & energy development may delay projects*
- *NIMBY*

Opportunities

- *WAPA stimulus funds – opportunity to leverage state funding?*
- *Obama Administration emphasis on renewables and clean coal technology—a National RPS is likely*
- *BLM and federal agencies increasing transmission permitting resources resulting may represent partnering opportunities*
- *Some transmission projects will be built which will present financing opportunities relative to WIA's bonding authority*
- *Clean coal facilities could be built which will strengthen transmission projects*

Opportunities

- *Long-haul transmission development will spur in-state collector system expansion*
- *Collector system planning underway with WAPA and transmission developers*
- *WIA potential participation in critical collector system upgrades*
- *Economy in the West should strengthen which will increase load growth projections*
- *Cap & Trade could mitigate the amount of conventional coal-fired generation in other states which would increase the need for clean power*
- *Monetary participation in transmission can still be recouped with a rate-of return (WCI, TWE, Wy-West & HPX)*

Goals

- *Diversifying and growing the State's economy through support of the development of:*
 - *Power transmission infrastructure (RMATS dream is coming true)*
 - *Associated generation facilities*
 - *Wyoming resources*
 - *Support job formation*
- *Support the associated stakeholders with forums, outreach efforts and other assistance in a non-discriminatory manner*

Goals

- *Influence national legislation and regulatory development*
- *Keep stakeholders apprised of State & Federal environmental issues*
- *Provide financing via the authorized bonding authority and seek Federal tax-exempt status*
- *Promote development of high-quality information and data to facilitate decision-making.*

Objectives

Overview

- Identify key projects
- Identify key project requirements going forward
- Define resource needs to complete key projects
- Prioritize time and resources

Objective 1

- *Continue to directly participate in the development of transmission projects as directed and approved by the Board*
 - *WCI Project (50%); Continue to develop the Project for the following reasons:*
 - ✓ *The Project's footprint taps quality wind resources in the most environmentally appropriate region in the State as defined by the Governor's Office*
 - ✓ *The Project could become an integral part of the HPX Project*
 - ✓ *The Project is a candidate for WAPA stimulus funds and further development gets the Project closer to "shovel-ready" status*
 - ✓ *Additional funding supports current investment dollars*
 - ✓ *ROW-friendly environment vs. Federal Lands*
 - ✓ *Environmental groups are generally supportive of the Project*
 - ✓ *Presupposes that LS Power is willing to support further development*

Objective 1 (cont.)

- WCI Project continued
- ✓ *The most advanced of all WIA projects (WIA's "flagship" project)*
- ✓ *LS Power/Trans-Elect team is a strong development partner*
- ✓ *May provide the ideal opportunity for "oversizing" a transmission line consistent with public policy*
 - *Tasks to consider as the development continues:*
 - ✓ *Phase II of the WECC Rating Process will continue*
 - ✓ *Public Outreach Program needs to be planned and implemented*
 - ✓ *Legal counsel needs to be retained for ROW activities*
 - ✓ *Preliminary routing considerations need to be addressed*
 - ✓ *Possible ROW options need to be negotiated with landowners*

Objective 2

- *HPX Project (currently <4%); Continue to develop the Project for the following reasons:*
 - ✓ *Ten (10) other development partners—some of which are strategic in accomplishing goals of the WIA*
 - ✓ *The Project shares some of the same footprint as the WCI Project which could possibly be rolled-into the HPX Project*
 - ✓ *The Project's footprint taps quality wind resources in the most environmentally appropriate region in the State as defined by the Governor's Office*
 - ✓ *Monetary outlay is relatively small due to the number of participants*
 - ✓ *Additional funding will not be likely until mid-2010*

Objective 2 (cont.)

- HPX Project continued
- ✓ *HPX has strong public policy support as the "poster child" for multi-state transmission projects*
- ✓ *Opportunity to influence the development of HPX to suit Wyoming's interests*
- ✓ *Seat on the Executive Committee along with two other state transmission authorities (CO & NM)*
- *Tasks to consider as the development continues:*
 - ✓ *Phase I of the WECC Rating Process will continue*
 - ✓ *Study Committees are formed and proceeding with a \$1.2 Million budget:*
 - *Commercial Study Committee*
 - *Technical Study Committee*
 - *Communications Committee*
 - *Routing/Permitting Study Committee*

Objective 3

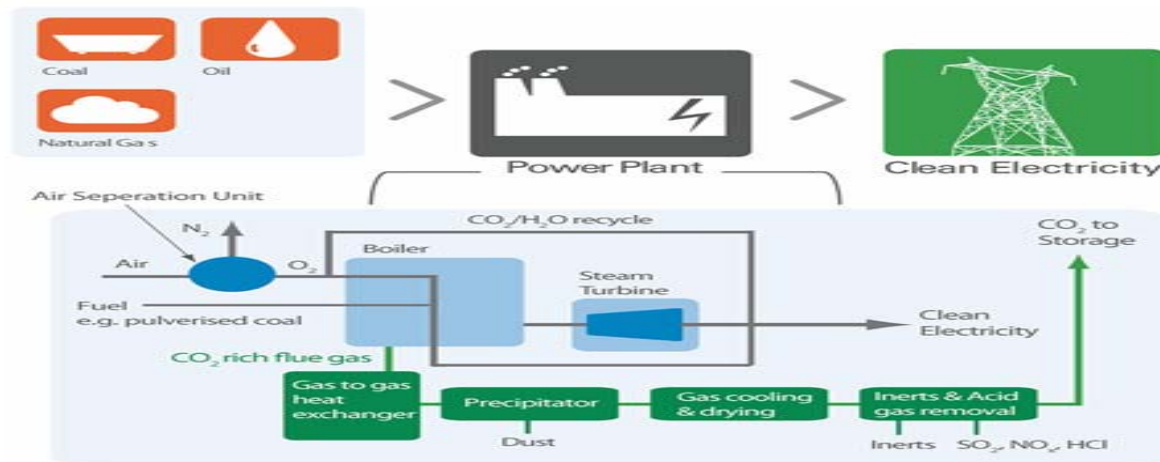
- *Support the growing momentum of the other transmission projects being developed in the State*
 - ✓ *Energy Gateway, TransWest Express, Zephyr and Overland-Intertie*
 - ✓ *Other projects as they begin to be developed*
- *Support the initiative to optimize transmission corridors by building a collector system which will mitigate environmental impacts working with stakeholders including WAPA and other key transmission & generation developers*

Objective 3 (Cont)

- *Attempt to reach an understanding with the Governor's office as to where wind should be developed, how much and during what time period(s) in order to address the subject on a broader front with a consensus view*
- *Continue work on collector system upgrades to support long-haul transmission*

Objective 4

- *Support clean-coal technology & sequestration projects*
 - ✓ *Babcock & Wilcox Oxy-fuel clean coal project with support for an application to DOE's Clean Coal Power Initiative (CCPI)—recent meeting w/ Kyle White*



- ✓ *Other projects as they are developed*
- ✓ *Discuss the possible extent of funding clean coal development-what projects?-what time period?*

Objective 5

- *Continue to seek tax-free status (Federal level) relative to the bonding authority*
 - ✓ *Tie-in to a % of renewable energy if needed*
 - ✓ *Seek assistance from State & Federal legislators*
 - ✓ *Seek support of the other state authorities*
- *Assist the other state transmission authorities in becoming a more recognizable ally to transmission development including state and federal considerations*
- *Provide the needed continuity of support for transmission and generation development in the State relative to the gubernatorial election in FY2011 and the ensuing transition in the Governor's Office as well as the State Legislature*

Objective 5 (cont.)

- *Provide more support and participation relative to siting & permitting issues*
- *Continue to encourage and support national, regional and state initiatives that support our goal*
- *Maximize the benefit of the Cassidy & Associates contractual obligation*
- *Working with Cassidy & Associates, explore DOE funding for WIA transmission planning activities.*
- *Earning the Public Trust: We can only achieve our objectives if we earn and maintain the trust, confidence and support of all stakeholders, particularly the Governor's Office, members of the State Legislature, other State agencies, potential and existing transmission & generation developers, and the public*
- *Maintain the WIA website & other informational documents in an up-to-date manner with the transmission developers updating their respective projects on a quarterly basis*

Objective 5 (cont.)

- *Provide Forums for Stakeholders*
- ✓ *Hold Quarterly Board Meetings in strategic locations*
- ✓ *Support functions such as wind symposiums and the formation of an Annual two-day Transmission & Generation Stakeholder Conference which would include:*
 - Generation Developers including Clean Coal & Sequestration; Wind; and natural gas
 - Transmission Developers
 - Load Serving Entities which can be logically served by Wyoming Resources
 - Regulatory Entities (State & Federal)
 - Environmental Groups

Objective 5 (cont.)

- *Continue and/or establish strong alliances with:*
 - ✓ *On the Federal level with entities such as the FERC, DOE, BLM and NREL*
 - ✓ *WECC regional and sub-regional planning groups (NTTG, SWAT, West Connect & CCPG)*
 - ✓ *Western Governors' Association, American Wind Energy Association*
 - ✓ *State transmission authorities*
 - ✓ *Wyoming Public Service Commission*
 - ✓ *Wyoming Pipeline Authority*
 - ✓ *Wyoming Department of Environmental Quality/Industrial Siting Commission*
 - ✓ *University of Wyoming's School of Energy Resources*
 - ✓ *Landowner Associations relative to generation development*

Priorities

- Adopt key projects
 1. Support on-going long-haul transmission development projects
 2. Identify and support critical collector system upgrades
 3. Continue support for clean-coal and carbon sequestration projects
- Secure adequate budget resources to deliver key projects

Priorities

- *Add another position to the staff—considerations include:*

Pro's

- ✓ *Another person in the office*
- ✓ *Available for a multitude of assignments with a local presence*
- ✓ *Project Director?*
- ✓ *Permitting & Siting Director?*

Con's

- ✓ *Added overhead expense*
- ✓ *Could hire the expertise as needed*
- ✓ *Not certain of funding from the State*
- ✓ *Continued roadblocks to transmission development—not a single LSE is currently investing heavily in development (small investments in the HPX Project)*

Budget Years 2010 &2012

- The next 2 years will represent
 - Challenges
 - Opportunities
 - Results
- The foundation has been laid
- Where do we go from here to build on that foundation