



STATE OF WYOMING

032

Agency Number

2011-2012

BIENNIUM BUDGET REQUEST

WYOMING INFRASTRUCTURE AUTHORITY

Agency Name

The information in this budget request has been developed in accordance with the agency plan prepared according to W.S. 28-1-115 & 28-1-116 [W.S. 9-2-1011(b)(vi)]. Submitted by:

Person(s) responsible for the preparation of this budget:

Signature *Steve Ellenbecker*

Steve Ellenbecker

Name Steve Ellenbecker

Title Executive Director

Prepared for the February 2010 Legislature

Budget Division, Department of Administration & Information

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DEPARTMENT WYOMING INFRASTRUCTURE AUTHORITY							DEPT 032
1 Description	Code	2 Base Budget	3 Standard Budget	4 Exception Request	5 Total Agency Request	6 Governor's Changes	7 Governor's Recommendation
DIVISION WYOMING INFRASTRUCTURE AUTHORITY	0100	1,708,565	1,695,565	0	1,695,565	0	1,695,565
TOTAL BY DIVISION		1,708,565	1,695,565	0	1,695,565	0	1,695,565
OBJECT SERIES SUPPORTIVE SERVICES	0200	328,565	319,448	0	319,448	0	319,448
CONTRACTUAL SERVICES	0900	1,380,000	1,376,117	0	1,376,117	0	1,376,117
TOTAL BY OBJECT SERIES		1,708,565	1,695,565	0	1,695,565	0	1,695,565
SOURCES OF FUNDING GENERAL FUND/BRA	G	1,708,565	1,695,565	0	1,695,565	0	1,695,565
TOTAL BY FUNDS		1,708,565	1,695,565	0	1,695,565	0	1,695,565
AUTHORIZED EMPLOYEES TOTAL AUTHORIZED EMPLOYEES							

SECTION 1. DEPARTMENT STATUTORY AUTHORITY

37-5-203: Authority to issue bonds, issuance requirements and amount

37-5-301 thru 37-5-307: Creation of the WIA; purpose; duties, powers; bonding authority; use of revenues; and not subject to the Wyoming Public Service Commission jurisdiction

37-5-401 thru 37-5-408: Legislative findings; bonding authority (issuance, amount, security, exemption from State taxation, powers, duties and limitations)

9-4-831: Investment of public funds

SECTION 2. QUALITY OF LIFE RESULT

As the result of the Wyoming Infrastructure Authority (WIA) executing its statutory mission, Wyoming's economy continually becomes more diversified and expands through improvements in the electric transmission system, enabling further development and diversification of Wyoming's energy generation resources. The WIA contributes to Wyoming's economy by promoting diversity and growth through the planning and construction of new transmission infrastructure together with improvements in the electric transmission system, facilitating the increased utilization of Wyoming's energy resources.

SECTION 3. CONTRIBUTION TO WYO QUALITY OF LIFE

- The WIA contributes to the quality of life by promoting the development of Wyoming's energy resources and their electric transmission delivery system, thereby modernizing the transmission infrastructure and enhancing improvements in the adequacy, reliability and quality of electric services.
- The WIA contributes to stewardship of Wyoming's natural resources to maximize the economic, environmental and social prosperity of current and future generations of Wyoming citizens.
- The WIA is a responsible steward of State assets and effectively responds to the needs of residents and stakeholders.
- The WIA, through the development and diversification of Wyoming's energy generation resources, expands opportunities for jobs and employment.

SECTION 4. BASIC FACTS

The WIA is an instrumentality of the State, established by the Wyoming Legislature in 2004 to diversify and expand the state's economy through improvements in the electric transmission system and to facilitate the increased utilization of Wyoming's energy resources. The enabling legislation authorizes the WIA to plan, finance, construct, develop, acquire, own, maintain and operate transmission infrastructure within and outside the state of Wyoming.

In 2006, the Legislature expanded the WIA role to include, among other things, the encouragement and development of advanced coal and energy technologies to facilitate clean energy production and transmission of energy.

The WIA is governed by a five-member Board appointed by the Governor and confirmed by the Senate. The WIA has two (2) full time employees (a Director of Governmental and External Relations and an Administrative Manager) and plans to add one additional employee (Project Development Director) in FY 2010.

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The WIA operates with loaned funds appropriated by the Legislature.

The WIA Office is located at 200 E 17th Street, Suite B, in Cheyenne.

SECTION 5. PERFORMANCE MEASURES

The WIA, pursuant to its mission, will continue to be supportive of transmission development in the State and the corresponding generation to be developed to supply such transmission. Pursuant to the WIA's Strategic Plan, some of the key issues/projects in which we plan to be engaged during this budgetary period include:

Performance Measure #1:

Directly participate in the development of a minimum of two (2) transmission projects as directed and approved by the WIA Board. These projects currently include:

- The Wyoming-Colorado Intertie Project (WCI) with a 50% interest in the development
- The High Plains Express Project (HPX) with less than 5% interest in the development

Performance Measure #2:

Support the growing momentum of the other transmission projects being developed in the State which include the Energy Gateway (Gateway South & Gateway West), TransWest Express, Zephyr and Overland-Intertie Projects

Performance Measure #3:

Support clean-coal technology developments & carbon-sequestration projects

Performance Measure #4:

Continue to seek tax-free status (Federal level) relative to the WIA's bonding authority

Performance Measure #5:

A basket of other issues which are an integral part of the WIA's achievement of its charter include:

- Continue to encourage and support national, regional and state initiatives that support our mission
- Continue to be a part of the task force which is pursuing a collector system which will support long-haul transmission and mitigate environmental impact

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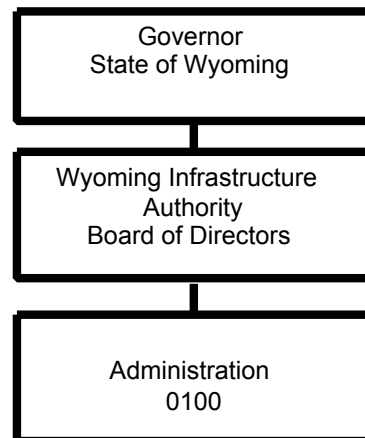
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- Provide more support and participation relative to siting & permitting issues
- Provide forums and support other forums which provide opportunities for stakeholders to become more engaged and interact with one another
- Earning the Public Trust: 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

SECTION 6. DEPARTMENT PRIORITIES

Agency is requesting no exceptions.

SECTION 7. DEPARTMENT ORGANIZATION



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Division	Code	Base Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
UNIT							
WYOMING INFRASTRUCTURE AUTHORITY	0101	1,708,565	1,695,565	0	1,695,565	0	1,695,565
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SOURCES OF FUNDING							
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SECTION 1. UNIT STATUTORY AUTHORITY

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9-4-831: Investment of public funds

SECTION 2. STANDARD BUDGET REQUEST

Part A: Narrative

Current Performance Focus:

There are currently seven major transmission projects in various stages of early development in Wyoming. This compares with 2004 when Wyoming transmission analysis was limited to regional cooperation directed at analyzing conceptual transmission feasibility studies. Out of these conceptual studies real projects have emerged and are now under development, under the management of capable project developers. The WIA has been engaged in supporting transmission project development throughout this era of continual progress. The development of high voltage interstate transmission projects is one of the most time consuming and challenging undertakings in the energy industry, which can span a decade in the process of developing a single project.

The WIA is actively engaged in supporting each of the transmission projects under development in Wyoming. Those projects in which WIA has a monetary interest as a development partner or financial participant are separately identified herein.

Appendix A hereto is a map depicting the high voltage interstate transmission projects currently under development and which are planned to originate in Wyoming. (Note: The budget narrative forms do not enable showing the intended map. A hard copy of the Wyoming Transmission Projects Map will be provided during presentation of the budget.)

Appendix B includes a brief description and summary of all transmission projects being developed in Wyoming.

The WIA continues to support development of advanced coal and energy technologies to facilitate clean production and transmission of energy. The WIA is engaged in ongoing discussions with Black Hills Corporation in support of what we consider to be a critical clean energy demonstration project. Contingent on the approval and release of necessary funds by state authorities, the WIA has discussed and is considering the establishment of a formal partnership or joint development agreement with Black Hills. Regardless of the outcome of those discussions, the WIA has committed to support the project on behalf of the State of Wyoming. This project is contingent upon Department of Energy co-funding in Round Three of its Clean Coal Power Initiative.

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During Fiscal Years 2008 & 2009, the WIA reached several milestones in performance against its strategic plan and measurable performance goals:

- The Board held a strategy retreat in August 2008, where the two-year strategic plan was reaffirmed and measurable performance targets were established for fiscal year 2009 and 2010.
- The public-private partnership between PacifiCorp and the WIA to develop an integrated coal gasification combined cycle power plant was placed on hold in FY 2008 due to the high cost of power projected as a result of a number of feasibility studies, together with a number of other risk factors, including unclear federal policy defining the cost of CO2 emissions.
- Phase 1 of the Western Electricity Coordinating Council (WECC) rating process was initiated on the High Plains Express Project (HPX) and Phase II was initiated on the Wyoming-Colorado Intertie Project (WCI).
- A Joint Development Agreement was successfully negotiated with Trans-Elect Development Company LLC, to take the WCI Project into the next phase of development.
- A non-discriminatory, Federal Energy Regulatory Commission (FERC) regulated open season for transmission capacity relative to the WCI Project was successfully conducted in 2008, resulting in the subscription of 585 MW of the 850 MW offered.
- A Memorandum of Understanding (MOU) was negotiated with the other eleven development partners relative to the second stage of the development for the HPX Project, resulting in the adoption of a \$1.2 Million Feasibility Study Budget in FY 2009, which includes \$40,000 participation by WIA.
- A business plan for the further development of three transmission project development partnerships was presented to the State Loan and Investment Board on April 5, 2007. The SLIB unanimously agreed to release \$2,000,000 in project development funds to support further development.
- The WIA assisted in the identification of a replacement Lead Developer for the TransWest Express Project (TWE) after the announcement by National Grid (the former lead developer) that it was exiting the project together with its business presence in the west. The new Project Developer (Anschutz Corporation) is independently developing the Project through its affiliate, TransWest Express LLC. An assignment of the WIA rights in the intellectual property to the TWE Project was negotiated and provides for the reimbursement of WIA's monetary outlay in the Project to occur upon financing of the Project for commercial purposes.
- The WIA participated in the Western Governors' Association WREZ (Western Renewable Energy Zones) Initiative in FY 2009, which identified the most prolific areas of concentration of renewable energy resources across the West from which high-voltage interstate transmission projects may have the greatest potential commercial viability.
- The WIA Board appointed Steve Ellenbecker as Director of Governmental and External Relations in February 2009. He is currently responsible for management of staff activities for the WIA, under the direction of the Board. The Development Director resigned in late December of 2008.
- Currently, there are seven state transmission authorities in the region and others being considered. The WIA has established itself as a well-recognized state transmission authority over the last several years. Much of that success is attributable to a Legislative Body that had the foresight to provide the requisite funding to the WIA in order to execute its charter. In addition, the Governor's Office provides strong support for the initiatives of the WIA.

Discussion of Past and Current Performance:

On August 22, 2003, Wyoming Governor Dave Freudenthal and Utah Governor Mike Leavitt announced the formation of the Rocky Mountain Area Transmission Study (RMATS). The Governors found that: "For many years, utilities and other entities have been reluctant to make investments in needed electric transmission infrastructure. This was due to a number of factors, including protracted uncertainties in the regulatory environment and nascent regional transmission organizations under development. As a

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consequence of this lack of transmission expansion, transmission congestion and bottlenecks were increasing. While this was a problem throughout the western interconnect, it was becoming an acute issue in areas of the Rocky Mountain sub-region." The Governors directed that a charter be developed for the study that specified goals, principles and operating procedures. The study covered several western states including Colorado, Idaho, Montana, Utah and Wyoming.

The Wyoming Legislature formed the WIA in the same year as the release of the RMATS Report, 2004. Inside the RMATS footprint, three discrete projects were recommended: the Montana System Upgrade, the Bridger Expansion Project, and the Wyoming to Colorado Project. In order to encourage and assure the development of new transmission originating in Wyoming, the WIA, in support of the findings and recommendations from the RMATS Report, became a development partner in the following projects within two (2) years of its creation:

- On September 27, 2005, The WIA entered into a MOU with Trans-Elect Development Company LLC (backed by AES Corporation) and the Western Area Power Administration (WAPA) to develop the Wyoming-Colorado Transmission Project (then known as TOT3) across a long-standing transmission constraint along the Colorado-Wyoming Border. The line has been designed to carry power from Eastern Wyoming to markets along the Colorado Front Range.
- On December 20th of that same year, a MOU was entered into between the WIA and National Grid to develop the Wyoming-West Transmission Project, designed to carry power from South-Central Wyoming westward through a transmission-constrained area along the Flaming Gorge Reservoir into Utah and connecting to the Intermountain Power Plant (IPP) Line for subsequent delivery into the Los Angeles area.
- Less than three (3) months following the participation in the Wyoming-West Project, the WIA entered into a MOU dated March 9, 2006 between National Grid and Arizona Public Service to effectuate the delivery of power into the Arizona marketplace via the development of the TransWest Express Transmission Project (TWE).

Although given the power under its charter to own transmission facilities, the WIA's business plan on all three (3) of these projects was to expedite the development and when the respective project reached the financing stage, the WIA would recoup its investment with a reasonable rate-of-return and exit the project.

Since then a number of events have occurred which have impacted the three projects listed above:

- 1) The Wyoming-Colorado Intertie (WCI) Project is continuing to be developed with the WIA's 50% ownership in the Project and we remain confident in the viability of the Project. The remaining interest formerly controlled by the AES Corporation was purchased in FY 2009 by the LS Power Group. Trans-Elect continues to play a central role in moving this project forward in its project consulting role with LS Power. To date, the WIA has invested \$1,363,000 in WCI which is subject to recoupment should the Project become commercial.
- 2) In FY 2008, the Wyoming-West Project was shelved in favor of developing the TransWest Express Project. The WIA retains intellectual property in the Project, which has value as more transmission projects are announced within the partial footprint of the Wyoming-West Project.
- 3) In FY2009, the WIA's intellectual property in the TransWest Express Project (TWE) was acquired by an Anschutz Corporation entity, TransWest Express LLC. Upon the commercial viability of the TWE Project, the WIA will recoup its investment.

The only other monetary investment in a transmission project occurred in FY 2009 when the WIA Board unanimously approved a contribution of \$40,000 out of a total of \$1.2 Million budget for the second stage of the development in the High Plains Express Project (HPX). Four Committees have been formed as follows:

- Commercial Study Committee
- Technical Study Committee

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- Communications Committee
- Routing/Permitting Study Committee

The WIA has a seat on the Executive Committee for the HPX Project. There are no further contractual obligations to contribute additional funds to the HPX Project at this time; however, the WIA remains supportive of the design of the Project, which would deliver Wyoming-based power into the Arizona marketplace via Colorado and New Mexico. This project is designed to add additional renewable resources produced in other footprint states.

FY's 2008 & 2009 brought several new transmission project developers to the State with new business plans. TransWest Express LLC, LS Power and TransCanada became engaged in developing projects either as a single developer with adequate development funds or, in the case of TransCanada, with the Anchor Tennant concept of development in mind, which has been used historically by pipeline developers. Absent a Load Serving Entity (LSE) acquiring space for its system load, the Open Season process will remain the primary vehicle being implemented for acquiring equity owners to fund the development phase of transmission projects.

Appendix B includes additional information on all projects currently under development in WY, including anticipated investment costs.

Those projects in which the WIA has no contractual financial obligation as a development partner include:

- Gateway West Project
- Gateway South Project
- TransWest Express Project
- Overland-Intertie Project
- Zephyr Project

Nonetheless, the WIA is actively engaged in supporting each of these projects in every possible venue.

Looking ahead, the WIA Board has identified the primary role of the WIA, which is to remain engaged as a development partner or participant in the WCI and HPX Projects and to promote and support the development of transmission projects by third parties originating in the State.

With a WIA strategic planning meeting scheduled on September 9-10, 2009, the WIA's Strategic Plan as we approach the 2011-2012 budget cycle will be further refined and clearly defined.

The need for the WIA is as strong as ever. Transmission & Generation developers have learned that they can rely on the WIA's continued support in a non-discriminatory manner in areas such as:

- Public Outreach Programs
- Support at the Federal Level with entities such as the Federal Energy Regulatory Commission, DOE, BLM and NREL
- An advocate for supporting quality wind resources, clean coal technology and natural-gas fired generation
- Assistance in the identification of generation resources and developers to provide the power necessary to reach the marketplace
- Active outreach efforts to appraise the marketplace of Wyoming's abundant resources
- Active participation in organizations such as the Western Governors' Association, American Wind Energy Association and other state transmission authorities

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- Siting & Permitting Issues
 - Forums such as the WIA's quarterly Board Meetings throughout the year which provide an opportunity for stakeholders to get better acquainted as well as the opportunity for developers to present their projects
 - Inform the regulatory and legislative development process through active participation in activities such as the Wyoming Wind Symposium and the Wind Energy Task Force.
 - Other Alliances:
 - o Wyoming Public Service Commission
 - o Wyoming Pipeline Authority
 - o Wyoming Department of Environmental Quality/Industrial Siting Commission
 - o University of Wyoming's School of Energy Resources
 - o Landowner Associations relative to generation development
 - o Wyoming State Geological Survey
 - o Western Area Power Administration

What Do You Propose To Do To Improve Performance in the Next 2 Years?

In support of the projects and activities identified above, primary objectives for the WIA over the next two (2) years include:

- 1) Maintaining momentum on the Wyoming-Colorado Intertie Project's (WCI) development will be a top priority. Some of the compelling reasons to proceed in the development of the Project are (**also see Appendices A and B for additional Project details**):
 - a. Wyoming resources delivered to Colorado are cost effective.
 - b. The Project is close to being "shovel-ready". The WIA has petitioned the Western Area Power Administration for the Project to be considered relative to Western's \$3.25 Billion in ARRA stimulus funds.
 - c. The Project could become an integral part of the High Plains Express Project.
 - d. The Project would tap environmentally friendly wind resources in southeastern Wyoming as defined by State and Federal considerations.
- 2) Continuing to participate in the High Plains Express Project is supported by these positive elements around the initiative (**also see Appendices A and B for additional Project details**):
 - a. The design for the Project supports WY generation resource development.
 - b. The HPX Project is compatible with the WCI Project.
 - c. This project initiative establishes an important alliance with the eleven other development partners.
 - d. The WIA can participate and support the development of the Project without a significant investment commitment.
- 3) As a project-neutral advocate, the WIA will continue to support the success of all transmission projects under development in WY and will help balance project development with environmental considerations. Given the societal & national energy policy interest in having high-quality, cost-effective renewable energy delivered to the load centers of the west and Wyoming's quality wind resource, a number of the transmission projects should approach and ultimately achieve viability. The need

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for public outreach programs as transmission projects transition beyond the planning stage and into the siting, permitting, rights-of-way and regulatory arenas will present the WIA with both an opportunity and an obligation to assist developers.

- 4) The WIA will continue to support clean coal technology in the State. The WIA is currently engaged in discussions with Black Hills Corporation, for example, in support of its Clean Coal Power Initiative Round Three application filed with the Department of Energy. Dependent on state funding authorization and federal co-funding, the WIA will consider a possible partnership in this clean coal demonstration project. The work by WIA to support the development of transmission is important for the support of new generation and clean energy development.
- 5) Environmental considerations will be at the forefront of all project development and the WIA will continue to work closely with the Governor’s Office and Wyoming State regulatory agencies and will strive to find balance between development and the environment.
- 6) The WIA will continue to seek ways to gain federal tax exemption relative our bonding authority for use in financing transmission infrastructure.
- 7) The WIA will continue to work closely with the other state transmission authorities on regional project opportunities and in coordination with other state governor’s offices and regulatory agencies.
- 8) The WIA will maintain its role in the Wyoming Collector System Task Force initiative to optimize transmission corridors by designing a collector system that will mitigate environmental impacts. This Task Force is comprised of WY transmission project developers and the Western Area Power Administration.
- 9) The WIA can provide the needed continuity of expertise and support for transmission and generation development in the State and across the Western Interconnect relative to the gubernatorial election in 2010 and the possible transition in the Governor’s Office. This same objective holds true for ongoing changes in members of the Wyoming State Legislature.
- 10) With our Director of Governmental Relations serving as Chair of the Western Interstate Energy Board (the energy arm of the Western Governors’ Association), the WIA will maintain a leadership role in western energy policy initiatives.
- 11) As the current transmission development projects begin to reach their point of financing in coming years, the WIA plans to be actively involved in the financing of both transmission systems and generation lead lines from the generation to the transmission facility given its State authorized Bonding Authority.

Appendix B: Transmission Project Summary

Wyoming-Colorado Intertie Project (WCI)

The WCI Project addresses a long-standing transmission constraint along the Wyoming-Colorado border known as TOT 3. The 345 kV line originates at the Laramie River Station near Wheatland and terminates at PSCO’s Pawnee sub-station in northeastern Colorado. The latest status is as follows:

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- New 345 kV AC transmission line between Wyoming and the Front Range of Colorado delivering Wyoming generation in Wyoming to Colorado
 - Capacity: 850 MW
 - Length: 180 miles
 - In-service Date: 2013
 - Cost: < \$300 Million
 - Developers: LS Power, Trans-Elect; Western Area Power Administration; **Wyoming Infrastructure Authority**
 - WECC Path Rating Process: Phase I complete; currently in Phase II
 - ROW & Permitting Status: Will proceed after the awarding of capacity via Open Season
 - Status:
 - Open Season completed and results filed with FERC March 2009
 - Project has been entered into the WECC, CCPG regional planning group
 - PSCO's pending resource plan and procurement of wind are key enablers – results to be announced fall 2009
 - Business Model: merchant model, end market(s): LSE's in Colorado
 - Complementary Projects: PSCO's expansion of their system in N/E Colorado
 - Contact Information: Jerry Vaninetti at jvaninetti@trans-elect.com or 303-790-0513
 - Project Links: www.wyia.org/wci and www.WCIntertie.com

Energy Gateway South Transmission Project

- New 500kV transmission line from Wyoming to central Utah, then a new 500 kV line from central Utah through southwestern Utah into Nevada
- Capacity: Up to 3,000MW
- Length: Part of approximately 2,000 miles of new high voltage transmission lines PacifiCorp plans to build to address long-term native-load and third party needs in its six-state service territory (WY, UT, ID, OR, WA, CA)
- Estimated in-service date: 2014-2017
- Cost: Part of >\$6.1 billion total Energy Gateway estimated project cost
- Developers: PacifiCorp is leading the development
- WECC Path Rating Process: Phase II
- ROW & Permitting Status: Formal right-of-way application has been filed with the BLM in 2007; 3rd party contractor for NEPA compliance has been retained
- Status:
 - Agency scoping in process (BLM meetings complete, USFS meetings are pending)
 - Feasibility studies have been completed
 - Stakeholder meetings have been held in Utah, Wyoming, Colorado, and Nevada
 - Project has been entered into the WECC, NTTG and SWAT regional planning groups
 - Study group meetings started May 2009
- Business Model: Utility rate base model, end market(s): to address PacifiCorp's native-load needs and third party transmission service requests

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- For more information, please call (801) 220-4221, or e-mail ConstructionProjects@pacificcorp.com
- Link: <http://www.pacificcorp.com/Article/Article79554.html>

Energy Gateway West Project

- New 500 kV transmission lines between Wyoming and Idaho, and two new single-circuit 230 kV transmission lines in Wyoming
- Capacity: Up to 3,000 MW to Wyoming and Idaho
- Length: Part of approximately 2,000 miles of new high voltage transmission lines PacifiCorp plans to build to address long-term native-load and third party needs in its six-state service territory (WY, UT, ID, OR, WA, CA)
- Estimated in-service Date: 2014-2016
- Cost: Part of >\$6.1 billion total Energy Gateway estimated project cost
- Developers: PacifiCorp and Idaho Power
- WECC Path Rating Process: Phase II
- ROW & Permitting Status: Formal application was filed with the BLM in 2007
- Status:
 - Feasibility studies/Power Flow analyses continuing
 - Project has been entered into the WECC, NTTG regional planning group
 - Third party contractor to BLM has been hired
 - Study group meetings started May 2009
- Business Model: Utilities rate-base, end market(s): to address PacifiCorp's and Idaho Power's native-load and third party needs
- For more information, please call (801) 220-4221, or e-mail ConstructionProjects@pacificcorp.com
- Link: <http://www.pacificcorp.com/Article/Article79554.html>

High Plains Express Project (HPX)

With eleven (11) developers participating in this project that is being designed as a double-circuit 500 kV AC line, carrying 3,500 MW from Wyoming to Arizona with on-ramps and off-ramps in Colorado and New Mexico. The latest status is as follows:

- New 500 kV AC (double-circuit) transmission lines between Wyoming and Arizona with on-ramps and off-ramps in Colorado and New Mexico
- Capacity: 3,500 MW
- Length: 1,280 miles
- In-service Date: 2017
- Cost: >\$5 Billion
- Developers: Trans-Elect Development Company; Western Area Power Administration; Tri-state G&T; Colorado Springs Utilities; Black Hills Corporation; Public Service Company of New Mexico, Salt River Project; and Xcel Energy (Public Service Co of CO); New Mexico Renewable Energy Transmission Authority; Colorado Clean Energy Development Authority; and ***Wyoming Infrastructure Authority***

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- Initiated WECC Regional Planning Process in April 2009
 - ROW & Permitting Status: Developers have funded four study committees
 - Technical Study
 - Commercial Study
 - Routing/Permitting Study
 - Communications Study
 - Status:
 - Feasibility study completed
 - Executive committee has been formed to further the oversight of the development process
 - Project has been introduced into the WECC, CCPG, SWAT and WestConnect regional planning groups
 - Business Model: Yet to be defined, could be a combination of utility rate-base, merchant and anchor tenant models, end market(s): LSE's in Colorado, New Mexico and Arizona
 - Contact Information: Robert Kondziolka at Robert.Kondziolka@srpnet.com or 602-236-0971
 - Link: <http://www.highplainsexpress.com>

TransWest Express Transmission Project (TWE)

The TWE Project is designed to reliably and cost-effectively deliver renewable energy produced in Wyoming to meet the growing renewable energy needs of Arizona, Nevada and Southern California. It offers the shortest, most economic route between Wyoming's wind energy resources and the Desert Southwest market.

- New 600 kV DC line extending from south-central Wyoming through northwestern Colorado and central Utah, ending near Las Vegas
- Capacity: 3,000 MW
- Length: ~800 miles
- In-service date: 2014
- Cost: ~\$2.7 billion
- Developers: Transwest Express LLC, an affiliate of The Anschutz Corporation, which acquired the TWE Project in 2008 and has been accelerating development efforts
- WECC Path Rating Process: Phase I
- ROW and Permitting Status: BLM is lead NEPA agency. Public scoping planned for 3rd quarter 2009
- Status:
 - Initial feasibility studies completed
 - Stakeholder meetings have been held in Utah, Wyoming, Arizona and Nevada
 - Project has been entered into the WECC, NTTG regional planning group.
- Business Model: Focused on permitting, business model to be determined
- Complementary Projects: PacifiCorp's Energy Gateway Project
- Contact Information: David Smith at David.Smith@tac-denver.com or 303-299-1000
- Link: <http://www.transwestexpress.net>

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Wyoming On Line Financial Codes
DEPT DIVISION UNIT FUND APPR
032 0100 0101 001 101

Zephyr Project (ZTP)

The ZTP Project is being designed as a 3,000 MW line from Wyoming to satisfy load growth in the southwest. TransCanada, the lead developer, is to be commended for its successful FERC filing obtaining approval for use of the **Anchor Tenant** model as a development tool to enhance the viability of transmission projects. This is the first application of the anchor tenant model for electric transmission approved by FERC. The latest status is as follows:

- New 500 kV DC line between the Medicine Bow area in Wyoming to Borah, ID and southward down the eastern side of Nevada to the Eldorado Valley, south of Las Vegas
- This line is one of two transmission lines TransCanada is developing to the Eldorado Valley, the one listed here and the Chinook Power Transmission Line, a complementary line 500 kV DC line from Montana (see links below)
- Capacity: 3,000 MW
- Length: 1100 miles
- In-service Date: late 2014
- Cost: \$3 Billion
- Business Model, re: Market(s): LSE's in Nevada, Arizona and California
- Developer: TransCanada
- Status:
 - Commercial Status:
 - Open Season scheduled for 2009
 - FERC approval of negotiated rate authority and anchor shipper presubscription of 1500 MW of capacity, February 2009
 - Bilateral agreement with wind anchor shipper for 1500 MW of capacity
 - WECC Path Rating Process
 - Initiated the WECC Regional Planning Project Review Process, April, 2009
 - ROW & Permitting Status:
 - Preliminary application filed with the BLM
 - Project has been presented at a NTTG Meeting in 2007 and in subsequent planning sessions
- Complementary Projects:
 - Chinook Power Transmission Line Project
 - Gateway West, Gateway South
 - TransWest Express
 - Mountain States Transmission Intertie Project
 - Wyoming Overland Intertie Project
- Primary contact person for general inquiries: John Dunn, Project Manager - Zephyr Power Transmission Line Project Director – Power Transmission Development at john_dunn@transcanada.com or 403-920-5566
- Link: http://www.transcanada.com/company/zephyr_chinook

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Wyoming On Line Financial Codes				
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Overland Intertie Project

The Overland Intertie Project is the latest entrant into the transmission development arena in Wyoming. The Project is being designed to carry up to 3,000 MW of power to markets in the southwest. LS Power, the lead developer, also recently acquired the rights in the WCI Project announced the Project in 2009 and the latest status is as follows:

- New 500 kV (possibly AC or DC) line between southeastern Wyoming and Idaho with plans to interconnect with the Southwest Intertie Project (SWIP) to southern Nevada
- Capacity: 2,000 to 3,000 MW
- Length: 560 miles
- In-service date: 2014/2015
- Cost: Confidential
- Developer: Jade Energy Associates, LLC (affiliate of LS Power Group)
- WECC Path Rating Process: N/A
- ROW & Permitting Status: SF-299 Application has been filed with the BLM
- Business Model: Independent or anchor tenant model, end market(s): Arizona, Nevada and Southern California
- Status:
 - Right-of-Way Application filed
 - Open Season announced; <http://www.swipos.com>
 - Stakeholder outreach ongoing
- Primary contact person for general inquires: Ryan Miller, rmiller@lspower.com or 636-532-2200
- Links: www.lspower.com/projects.htm

Part B: Revenue

In September, 2005, the WIA closed its first successful financing, with a private placement of bonds to the State Treasurer of \$34.5 million. The proceeds were loaned to Basin Electric Cooperative to support the construction of a 130-mile, 230,000-volt line called the Hughes Transmission project. The line connects the Hughes substation, north of Rozet, to the Carr Draw substation, west of Gillette and a substation north of Sheridan. The transaction included a WIA transaction fee of 0.125%, producing an annual revenue stream to the WIA at an amount initially of \$43,125 per year, declining over time as the principal loan amount is retired and accumulating to nearly \$600,000 over the 20-year term of the transaction. These revenues are reflected in this budget proposal as a set-aside for future repayment of the loan amounts appropriated by the Wyoming legislature. The amount of revenues projected under this transaction for the budgetary period is \$84,742.

There are no further anticipated revenues during this period.

GOVERNOR'S RECOMMENDATION

I recommend approval of the standard budget as submitted.

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032	0100	0101	001	101

SECTION 3. EXCEPTION BUDGET REQUEST

No exception requests for this unit.

DEPARTMENT		Wyoming On Line Financial Codes					
DIVISION		DEPT	DIVISION	UNIT	FUND	APPR	
UNIT		032	0100	0101	001	101	
1		2	3	4	5	6	7
Description	Code	Base Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENDITURES							
UTILITIES	0203	0	21,052	0	21,052	0	21,052
COMMUNICATION	0204	31,594	500	0	500	0	500
DUES-LICENSES-REGIST	0207	20,000	17,226	0	17,226	0	17,226
ADVERTISING-PROMOT	0208	0	37,688	0	37,688	0	37,688
MISCELLANEOUS	0210	7,000	0	0	0	0	0
TRAVEL IN STATE	0221	56,000	74,572	0	74,572	0	74,572
TRAVEL OUT OF STATE	0222	144,000	56,841	0	56,841	0	56,841
OFFICE SUPPL-PRINTNG	0231	30,890	36,040	0	36,040	0	36,040
MTR VEH&AIRPLANE SUP	0233	9,041	0	0	0	0	0
SOFT GOODS&HOUSEKPNG	0237	0	3,784	0	3,784	0	3,784
OFFICE EQUIP-FURNISH	0241	13,000	0	0	0	0	0
REAL PROPERTY RENTAL	0251	17,040	35,622	0	35,622	0	35,622
EQUIPMENT RENTAL	0252	0	9,685	0	9,685	0	9,685
INSURANCE-BOND PREMS	0254	0	16,859	0	16,859	0	16,859
PAYMENTS	0255	0	9,579	0	9,579	0	9,579
SUPPORTIVE SERVICES	0200	328,565	319,448	0	319,448	0	319,448
PROFESSIONAL FEES	0901	1,380,000	1,376,117	0	1,376,117	0	1,376,117
CONTRACTUAL SERVICES	0900	1,380,000	1,376,117	0	1,376,117	0	1,376,117
EXPENDITURE TOTALS		1,708,565	1,695,565	0	1,695,565	0	1,695,565
SOURCE OF FUNDING							
GENERAL FUND	1001	1,708,565	1,695,565	0	1,695,565	0	1,695,565
GENERAL FUND/BRA	G	1,708,565	1,695,565	0	1,695,565	0	1,695,565
TOTAL FUNDING		1,708,565	1,695,565	0	1,695,565	0	1,695,565