

Energy Gateway Project Update

Wyoming Infrastructure Authority

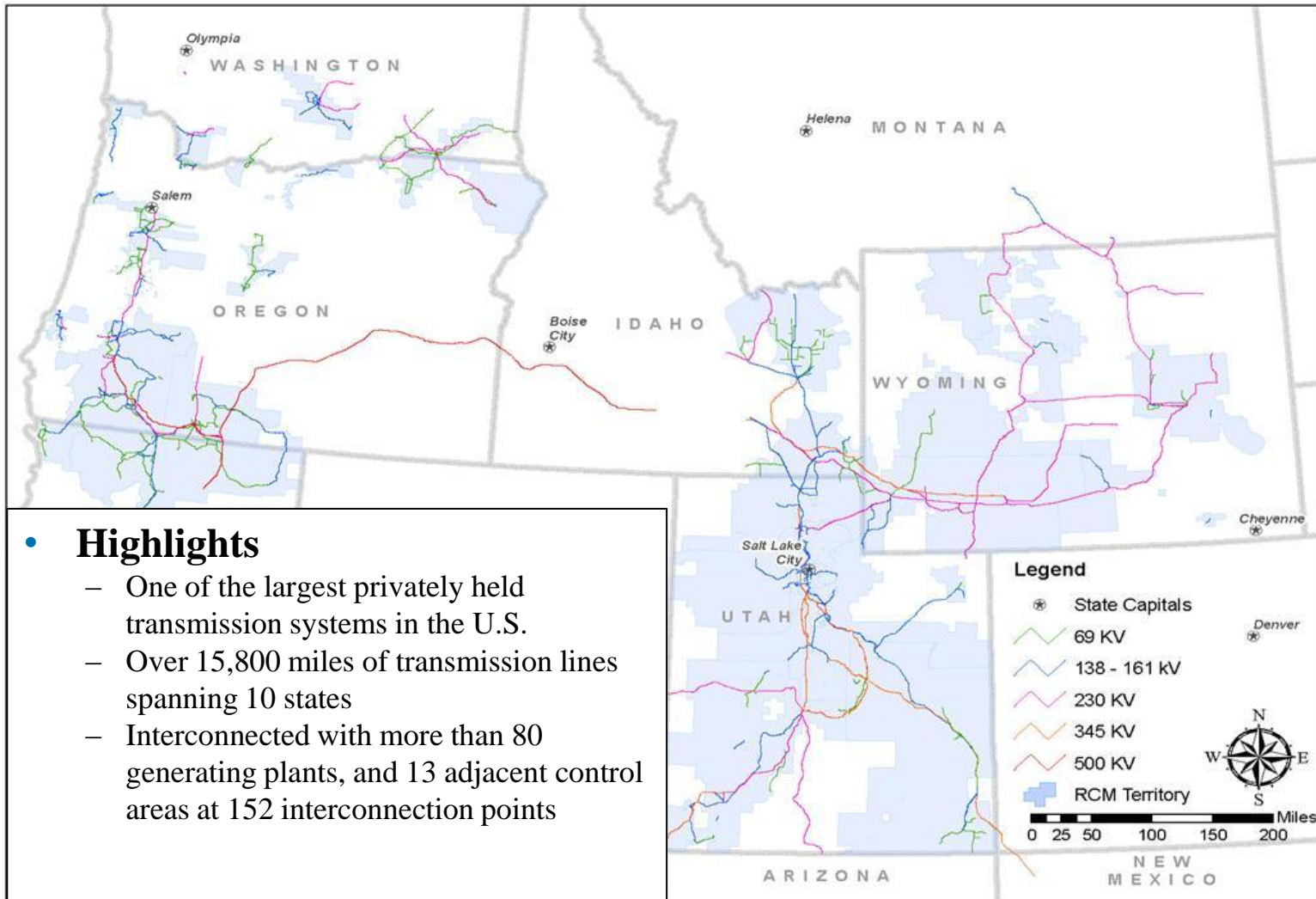
Richard Walje

President Rocky Mountain Power

February 1, 2011



PacifiCorp Transmission





Energy Gateway Overview

➤ Key Principles

- Secure capacity for the long-term benefit of customers
- Load service needs first, regional needs second
- Support multiple resource scenarios
- Secure regulatory and community support
- Build it

➤ Highlights

- Approximately 2,000 new line miles
- Multi-billion dollar investment
- First segment complete November 2010
- Designed to provide 3,000 MW (1,500 MW on both Gateway West and Gateway South) of new transmission capacity to serve PacifiCorp customers' load and growth needs for the long term.



This map is for general reference only and reflects current plans. It may not reflect the final routes, construction sequence or exact line configuration.



Energy Gateway – Key Components

➤ Gateway Central (Segments B & C)

- Populus to Terminal + Mona to Oquirrh
- Key customer benefits:
 - Load service
 - System reliability and transfer capability

➤ Gateway West (Segments D & E)

- Windstar to Populus + Populus to Hemingway
- Key customer benefits:
 - 500kV backbone
 - Wyoming resource integration

➤ Gateway South (Segments F & G)

- Aeolus to Mona + Sigurd to Red Butte
- Key customer benefits:
 - 500kV backbone and system reliability
 - Wyoming resource integration and imports

➤ Westside (Segments A & H)

- Wallula to McNary + Hemingway to Captain Jack
- Key customer benefits:
 - Control area connection
 - Resource integration



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Gateway Central

➤ Populus to Terminal (Segment B)

- 135 miles, double circuit 345 kV
- Completed on-time and within budget
 - The first section, connecting the Ben Lomond and Terminal substations, was put into service for customers in March 2010
 - The second section, connecting the Populus and Ben Lomond substations, was put into service for customers in November 2010
- Current status
 - Regulatory recovery process nearing completion





Gateway Central

- Populus substation located in Downey, Idaho – Sized to integrate Populus to Terminal, existing Bridger West lines (from Wyoming) and future Gateway West 500 kV line (from Wyoming)





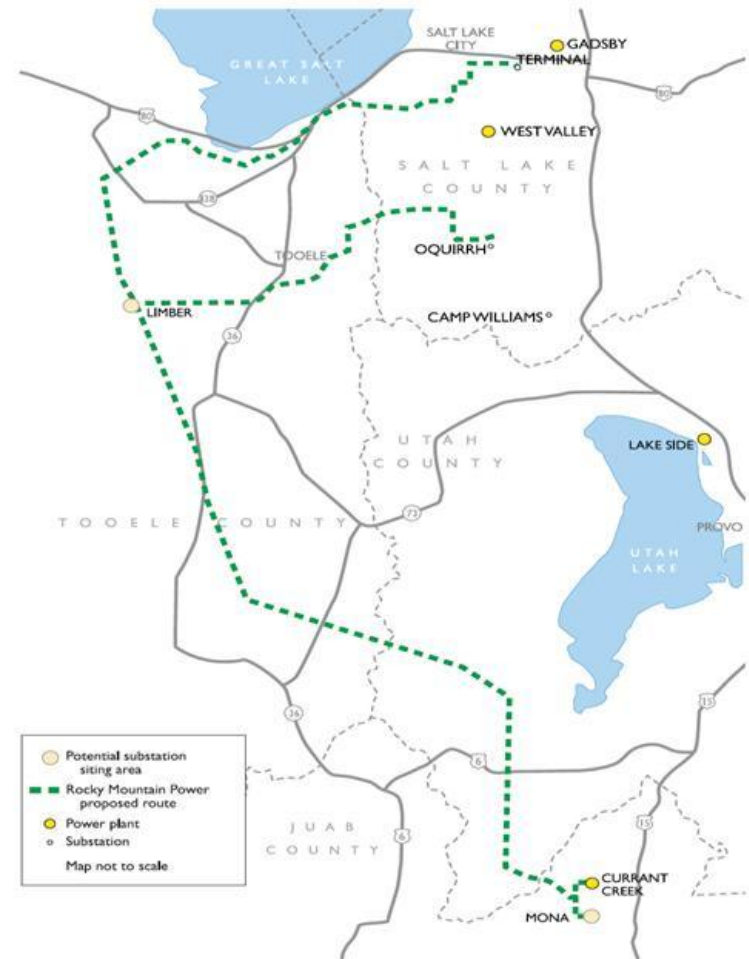
Gateway Central

➤ Mona to Oquirrh (Segment C)

- 114 miles – double-circuit 345 kV & single-circuit 500 kV construction
- Construction schedule begins 2011 and the estimated in-service date for customers is 2013-2014

➤ Oquirrh to Terminal

- 14 Miles – double-circuit 345 kV construction
- Construction schedule begins 2011 and the estimated in-service date for customers is 2013-2014





Gateway West

➤ Windstar to Populus (Segment D)

- Approximately 500 miles – single circuit 500 kV & single circuit 230 kV construction
- Estimated in-service date for customers is 2015-2017

➤ Populus to Hemingway (Segment E)

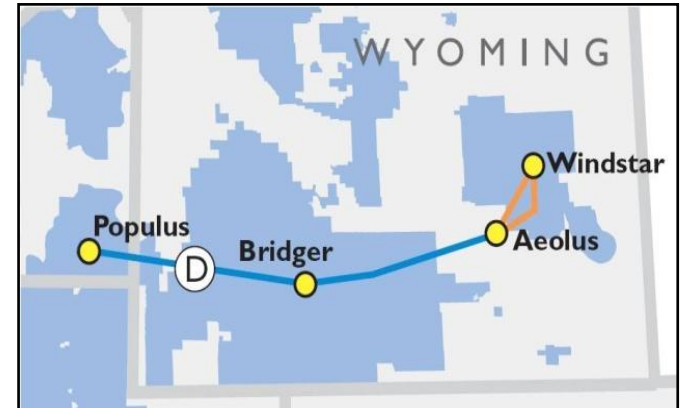
- Approximately 600 miles – single circuit 500 kV construction
- Estimated in-service date for customers is 2015-2018

➤ Status

- Permitting underway
- Draft EIS delayed – March 2011 target

➤ Key risks/issues

- Public resistance to wind, transmission development
- Policy conflicts with energy, environmental and land use
- Permitting delays





Gateway South

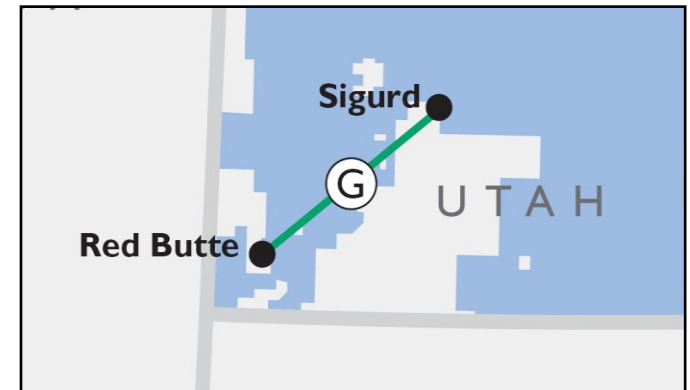
➤ **Aeolus to Mona (Segment F)**

- 395 miles, single circuit 500 kV construction
- Estimated in-service date for customers is 2017– 2019
- Status
 - Public scoping beginning 1st Quarter 2011
- Risks
 - Permitting delays
 - Reliability ratings process
 - Public and agency opposition



➤ **Sigurd to Red Butte (Segment G)**

- 165 miles, single circuit 345 kV construction
- Construction scheduled to begin 2012
- Estimated in-service date for customers is 2014





Energy Gateway Risks and Challenges

- Delayed in-service dates, a significant issue for customers
 - NEPA or siting processes prolonged or delayed
 - Public, agency and/or NGO opposition
 - Legal challenges
 - Re-planning required or requested by multiple entities
 - Federal government intervention – e.g. significant routing changes, mandated renewable only transmission or super-sizing requirements
- Cost recovery issues
- Public vs. private land use
- Minimum corridors and lines vs. reliability requirements.

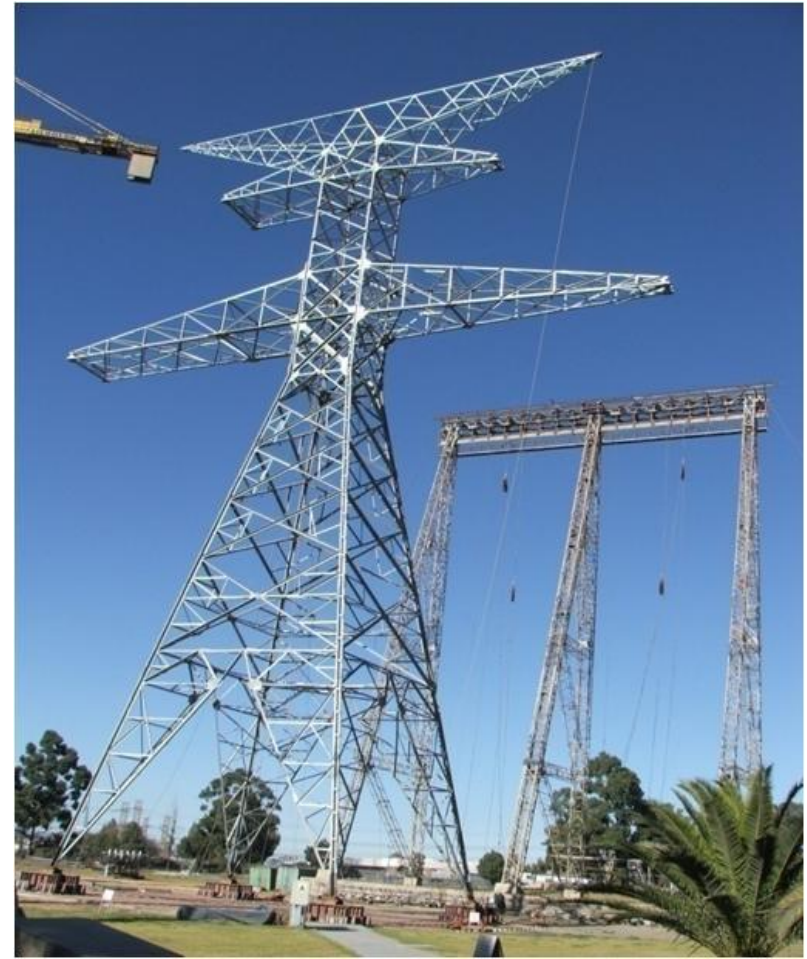


“Right-Sizing” Transmission

Single-circuit tower



Double-circuit tower





Opportunities

- Continue the current plan by meeting all requirements
 - Respond to public opposition and concerns
 - Reasonable flexibility in routing
 - Meet all mitigation requirements

- Continue coordination with WIA and other project developers
 - Work with Wyoming, Idaho, Idaho Power, federal agencies
 - Develop a corridor and right-sizing baseline
 - Determine cost allocation methodology and ownership rights



Summary

- Energy Gateway projects are well underway
- Siting and permitting activities are increasingly complex
 - Potential conflicts between energy and environmental policies
 - National, regional, state and local policies and perspectives differ
 - Various projects have different objectives, requirements and timelines
- Multiple planning forums and processes create project risk
- Irrespective of challenges, PacifiCorp has an obligation to serve