

NEWS RELEASE

For Immediate Release

Date: June 14, 2011
Contact: Loyd G. Drain
Email: loyd.drain@wyo.gov
Phone: 307.635.3573



Wyoming Releases NREL Study Confirming Significant Jobs and Economic Development Relative to New Transmission

Cheyenne, WY; June 14, 2011: The development of 9,000 MW of new power transmission lines in Wyoming for export to California and other states would add \$12 billion to \$15 billion in total economic output in the State of Wyoming (construction plus 20 years of operation). An estimated average of 4,000 to 5,900 jobs would be supported from construction of infrastructure between 2011 and 2020 and a total of 2,300 to 2,600 permanent jobs were estimated during operation. New infrastructure considered includes high voltage interstate transmission (required to export new electricity generation from the state); wind and natural gas-fired generation; and a collector system. The premised operating life of the generation facilities is 20 years following construction; however, transmission lines are expected to be operational well beyond the economic life of generation facilities. The Study does not address any benefits associated with new transmission infrastructure beyond 2040

Under the leadership of the **WIA's Board of Directors**, the **National Renewable Energy Laboratory (NREL)** was commissioned to conduct the Study in June, 2010. Preliminary findings of the Study were formally presented at the WIA's Winter Board Meeting in Jackson Hole, WY on February 1, 2011. The Study identified projected benefits to the State in terms of property and other taxes; direct benefits associated with jobs; indirect benefits; and those benefits which will come from supply chain expenditures. The notable majority of total project investments are expected to flow to out-of-state beneficiaries (NREL estimated about 30% of the investments will accrue to Wyoming). To the extent the State can attract manufacturing facilities and other power sector service related companies, more in-State benefits could be achieved. Wyoming is positioned to increase its share of direct project investment, particularly in the wind industry supply chain where manufacturers have already expressed an interest. An example:

In February, 2011, Gestamp Renewables and the Worthington Energy Group, a subsidiary of Worthington Industries, Inc., announced a joint venture to build a 160,000-square-foot wind tower manufacturing facility on 30 acres of land in the Cheyenne Logistics Hub at Swan Ranch in Cheyenne, Wyoming. The venture anticipates hiring 150 local employees and investing nearly \$40 million on construction of the facility, land improvements and equipment. **Governor Matt Mead said, "We are certainly pleased to see this added level of economic benefit from the use of our nationally recognized wind resource."** The company selected Wyoming because of its pro-business climate and strong fiscal standing. The Wyoming Business Council worked closely with Cheyenne LEADS to help facilitate the company's announcement of the ultimate location in Cheyenne.

There are currently six (6) major transmission projects under various phases of development in Wyoming and totaling nearly 15,000 MW of capacity. The projects are detailed in the Study.

The Study does not predict how much transmission and generation will be built. The following premises were developed, in part, from the amount of current transmission development in the State:

- a) 9,000 MW of export transmission limited to the applicable investment for the portion of the lines that lie within the State borders;
- b) 9,000 MW of wind generation (equal to 4,500, 2.0 MW turbines)
- c) 1,800 MW of natural gas-fired generation to assist in mitigating the variability of wind
- d) An intrastate transmission system(s) sufficient to gather energy for the generation facilities for delivery to the export lines

According to the U.S. Energy Information Administration, Wyoming ranks 2nd in the U.S. in natural gas production and represents approximately 10% of U.S. production. Wyoming currently has less than 200 MW of natural gas-fired generation in the State. Wyoming ranks 9th among states relative to installed wind capacity of 1,412 MW (AWEA) in 2010. The Department of Energy reports that Wyoming ranks 7th in the U.S. in wind energy potential (before further State exclusions) and is home to more than 2/3 of the most productive onshore wind (class 7) in the country.

The WIA applied for and received a \$20,000 grant from the Department of Energy which significantly mitigated the cost of the Study.

Contact Information:

For more information, contact Loyd Drain, Executive Director, Wyoming Infrastructure Authority at 307.635.3573 or loyd.drain@wyo.gov ; or the study's authors at NREL, Eric Lantz, Research Analyst, at 303.384.7418 or eric.lantz@nrel.gov and Suzanne Tegen, Senior Research Analyst, at 303.384.6939 or suzanne.tegen@nrel.gov . Visit the Wyoming Infrastructure Authority website to view/download the Study:

- a) *Fact Sheet*: <http://wyia.org/wp-content/uploads/2011/05/nrel-study-fact-sheet-may-20111.pdf>
- b) *Study*: <http://wyia.org/wp-content/uploads/2011/05/nrels-jobs-and-economic-development-from-new-transmission-and-generation-in-wyoming1.pdf>

About the Wyoming Infrastructure Authority:

The WIA, an instrumentality of the State, was created by the State Legislature in 2004 to diversify and expand the Wyoming economy through improvements in the state's electric transmission infrastructure and to facilitate the consumption of Wyoming energy. The authority is governed by a Board of Directors composed of five (5) members appointed by the Governor, with the advice and consent of the Senate. It is responsible for promoting the planning, development and financing of transmission facilities in the State including associated generation. In addition, the WIA has \$1 Billion in bonding authority relative to the financing of transmission infrastructure in Wyoming. In 2005, the WIA closed its first successful financing, with a private placement of bonds to the State Treasurer of \$34.5 million. In 2006, the State Legislature further authorized the WIA to support the development of electric generation resources.