

CapX2020 Transmission Projects Update

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Overview

- CapX2020 is one of the largest transmission-development initiatives in the nation
 - Serves customers' reliability needs and growth
 - Enables regional energy policies (e.g. Minnesota Renewable Energy Standard)
- Years of extensive public outreach and communication
- Projects are on track
 - State regulatory reviews
 - Project development
 - Route refinement

Who Are the CapX2020 Utilities?

- Cooperatives, municipals, investor-owned utilities
- Serving nearly 5.5 million customers for decades
- 42,000+ miles of transmission lines
- National leaders in using renewable energy
 - 4,100 megawatts of wind on systems

CapX Utilities:

- Central Minnesota Municipal Power Agency
- Dairyland Power Cooperative
- Great River Energy
- Minnesota Power
- Minnkota Power Cooperative
- Missouri River Energy Services
- Otter Tail Power Cooperative
- Rochester Public Utilities
- Southern Minnesota Municipal Power Agency
- WPPI Energy
- Xcel Energy

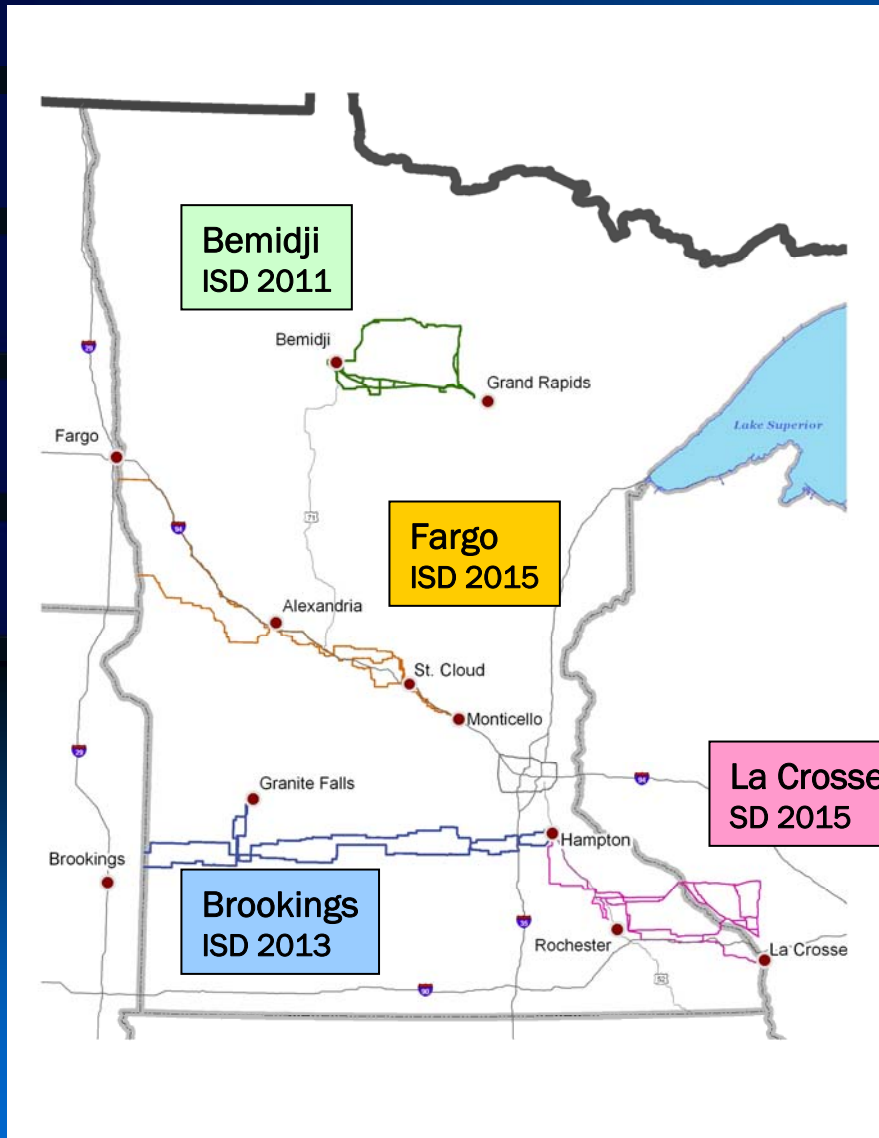
CapX2020 Group 1 Projects



Nearly 700 miles \$1.6 - \$1.9 billion (estimated upsized cost)	
Fargo-St. Cloud-Monticello	250 miles, 345 kV
Brookings County-Hampton	240 miles, 345 kV
Hampton-Rochester-La Crosse	150 miles, 345 kV
Bemidji-Grand Rapids	68 miles, 230 kV
<ul style="list-style-type: none">• Alleviates emerging community service reliability concerns around the state• Critical foundation for future transmission and generation• Provides needed transmission capacity to support renewable energy policies	

Progress of Group 1 Projects

Permitting, Project Development on Target



- Extensive effort by utilities, regulators, stakeholders
- Minnesota Public Utilities Commission (MN PUC) approved Certificate of Need for all projects
- Minnesota route applications proceeding
- Coordinating reviews and permits in other states, federal agencies

Overview of Minnesota Route Review, Approval Process

- More than one year of field work
- Extensive public input went into developing route options for permit applications
- MN PUC route process
 - Governed by Minnesota Statutes Chapter 216E, Rules Chapter 7849
 - Stakeholder input to process is critical
 - Public (landowners, local communities)
 - State (Mn/DOT, Department of Agriculture, Department of Natural Resources)
 - Federal (U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, Forest Service)
 - State or public can add route options for consideration
 - Brookings County-Hampton project example: 47 route segments added
- MN PUC determines route

CapX2020 Utilities

Committed to Public Participation

- 2007 communication and public outreach
 - 100+ meetings with local governments, civic groups, media
 - Mailings to 73,000 landowners, 500 local officials
- 2008
 - 130 public meetings
 - 275,000 direct mail pieces; 225 newspaper ads
- 2009
 - 60+ public meetings
 - 145,000 direct mail pieces; 93 newspaper ads

Brookings County-Hampton Project

Cost Allocation and Recovery Issue

- Brookings County-Hampton project is a foundation for future regional needs
 - Accesses wind-rich area
 - “Boosts” performance of future lines
 - Maintains system reliability as customer needs grow
- CapX2020 engaged with other stakeholders to craft a solution
- CapX2020 utilities need cost allocation and cost recovery resolved before starting construction
 - Permitting and development activities moving forward
 - Construction could start in 2010 if resolved

Conclusions

- CapX2020 is one of the largest transmission-development initiatives in the nation
 - Serves customers' reliability needs and growth
 - Enables regional energy policies (e.g. MN RES)
- Projects are on track
 - State regulatory reviews
 - Project development
- CapX2020 utilities committed to working with stakeholders to resolve Brookings County-Hampton cost allocation issue



Thank You

CapX2020