CapX2020 Transmission Projects Update

Minnesota Legislative Energy Commission
September 8, 2009

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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
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

- 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