LS Power

• LS Power is a power generation and transmission group

**Power Generation**
- Over 20,000 MW of development, construction, or operations experience
- Active development of renewable and fossil generation resources

**Transmission**
- 235-mile, 500 kV ON Line Transmission Project under construction
- Advanced development of 275-mile, 500 kV Southwest Intertie Project
- Designated to build 200+ miles of 2-345 kV in Texas to support renewable resources

**Acquisition**
- Over $4 billion in private equity capital dedicated to energy sector
- Acquired ~ 15,000 MW of power generation

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**Functional Expertise**
- Project Development
- Licensing & Environmental
- Regulatory & Transmission
- Power Marketing
- Project Finance
- Construction & Operations

*Bringing Energy Forward*
Project Portfolio

* One-third ownership interest in Safe Harbor

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Development Philosophy

- Meet the needs of our customers
  - Safe, reliable and competitive energy
  - Renewable and fossil power generation
  - Transmission infrastructure

- Safe and protective of the environment
  - Modern designs with advanced technologies
  - Tailor projects sensitive to the locality and region

- Work with communities
  - Projects that fit with community plans and goals
  - Encourage using local subcontractors and hiring local workers
Transmission Projects – Central Idaho to Southern Nevada

- **Southwest Intertie Project – Northern Portion (SWIP-North)**
  - 275-mile 500 kV AC line
  - Northern Terminus near Twin Falls, Idaho (Midpoint Substation)
  - Southern Terminus near Ely, Nevada (Robinson Summit Substation)
  - Great Basin Transmission, LLC project sponsor

- **One Nevada Transmission Line (ON Line) (formerly known as SWIP-South)**
  - 235-mile 500 kV AC line
  - Northern Terminus near Ely, Nevada (Robinson Summit Substation)
  - Southern Terminus near Las Vegas (Harry Allen Substation)
  - Co-owned project – 75% by Great Basin Transmission South, LLC and 25% by NV Energy.

- **Southern Nevada Intertie Project (SNIP)**
  - 60-mile double or single circuit 500 kV AC line
  - Northern Terminus at Harry Allen Substation
  - Southern Terminus at Eldorado Substation (South of Boulder City)
  - Great Basin Transmission, LLC project sponsor
SWIP-North, ON Line, and SNIP

- 570-miles of 500 kV AC transmission
- >2,000 MW of transfer capability
- ON Line (SWIP-South) – Construction underway. In service December 2012.
- SWIP-North – Construction, Operation, and Maintenance Plan approved by BLM. BLM Notice to Proceed issued in October 2010.
- SNIP – BLM performing NEPA review
SWIP History

- Late 1980’s – Project initiated by Idaho Power
- 1994 - Environmental Impact Statement completed
- 1994 - BLM Record of Decision and Right-of-Way Grant
- 2005 - Great Basin acquired exclusive rights to ROW Grant
- 2008 - Great Basin completed major approvals for Southern Portion
- 2009 - Great Basin MOU with NV Energy
- 2010 – BLM Notices to Proceed
- 2011 – ON Line Financing and Start of Construction
In 2010, GBT and NVE entered into Transmission Use and Capacity Exchange Agreement (TUA) whereby:

- For 235-mile Phase I (Robinson to Harry Allen), GBT-South owns 75% and NVE owns 25%, NVE controls all capacity (approx. 600 MW), “ON Line” is the official project name.
- For Phase II (SWIP-North + SNIP), GBT owns 100% of new segments, NVE controls 38% of capacity from Midpoint to Eldorado.

- Project Financing / Acquisition Closing for ON Line occurred in February 2011
- GBT-South obtained financing through DOE Loan Guarantee Program
- NV Energy leading construction management
- Construction activities have commenced
- Sturgeon Electric is main contractor for transmission line. Wilson Construction is main contractor for the new Robinson Summit Substation.
- Planned in-service – December 2012
SWIP-North Status

- SWIP-North - 275 miles from Robinson Substation to Midpoint Substation
- Part of Phase II under TUA (GBT owns 100%, NVE controls 38% capacity)
- Construction, Operation and Maintenance Plan Approved by BLM
- Notice to Proceed issued by BLM in October 2010
- Finalizing real estate acquisition
- White Pine County Special Use Permit issued in October 2010
- Other local approvals expected in 2011
- Target construction start – 2012
- Target in-service – 2014
Overall Benefits

- First high voltage connection between Sierra Pacific Power and Nevada Power
- Provides new access to transmission for renewable generation
- Spurs development of wind, geothermal, and solar generation
- Near term and future construction employment and tax revenues for the state and the counties
- Improves capacity and reliability for the western grid
- Improves operational flexibility and facilitates seasonal economy energy transfers for regional utilities
- Significant capital investment in critical infrastructure
Design & Mitigation Considerations

Great Basin has worked closely with BLM, Dept of Wildlife and other stakeholders to identify sensitive resources and develop solutions to avoid or mitigate concerns.

- New innovative tower design that reduces impacts to sensitive species and the environment, designed to reduce predation of sage grouse and desert tortoise by reducing raptor perching
- Alignment shifts to avoid key sage grouse leks
- Selective tower placement in sensitive habitat
- Seasonal construction restrictions based on resource type
- Funding of long term studies of actual impacts

Bringing Energy Forward
Southern Nevada Intertie Project (SNIP)

- 60 mile 500 kV AC double or single circuit line running between Harry Allen and Eldorado Substations
- Up to 3,000 MW of transfer capability
- Link critical for the development of renewable energy projects in Nevada and the West.
- Agreement with NV Energy to subscribe a portion of the capacity
- DOE & Western Area Power Administration have expressed an interest to participate in the project
SNIP Alignment

• Preliminary routing established within designated utility corridors and parallel to existing utility facilities.
• Alignment consistent with land use planning documents
• Existing corridor infrastructure reduces new environmental impacts
SNIP Status

- Ongoing Activities
  - Real estate acquisition
  - Bureau of Land Management environmental review process
  - Engineering studies
  - Interaction with local government agencies
  - WECC Rating Process
  - Initial UEPA permit application filed with Public Utilities Commission of Nevada

- Next Steps
  - Complete real estate acquisition
  - BLM Environmental Assessment & Right-of-Way Grant
  - Local special use permits
  - UEPA permit from Public Utilities Commission of Nevada
  - Target construction start – 2012
  - Target in-service – 2014
SNIP Need and Benefits

• New access to the regional electricity market for existing and proposed generation resources
• Economic transmission service to foster the development of new renewable energy resources
• New energy pathway to reduce congestion and increase reliability on the existing transmission grid
• In connection with the ON Line and SWIP-North, provides access to transmission for renewable generation
  • Encourages development of new renewable generation
  • >4,000 MW of renewable projects proposed in Nevada
  • Enables delivery of renewable energy and RECs to southern load
• Significant capital investment in critical infrastructure for southern Nevada
• Construction employment, property taxes, sales/use tax revenues
• Foundation for continued economic growth in the state and region