

**Minnesota Legislative Energy Commission
September 8, 2009 Meeting**

CapX2020 Transmission Projects Update

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CapX2020

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. MN RES)
- Years of extensive public outreach and communication
- Projects are on track
 - State regulatory reviews
 - Project development
 - Route refinement

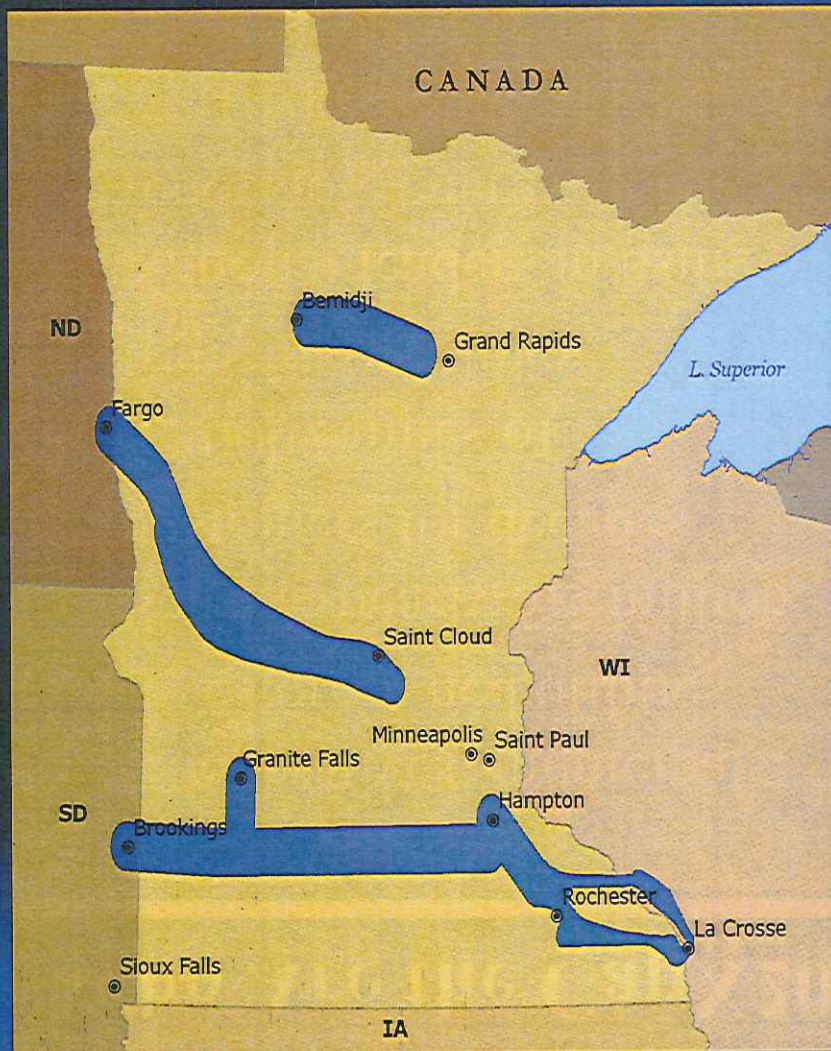
Who Are the CapX2020 Utilities?

- 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

Group 1 Projects



Nearly 700 miles

\$1.6 - \$1.9 billion (est upsized cost)

“Fargo”	250 miles, 345 kV
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“Brookings”	240 miles, 345 kV
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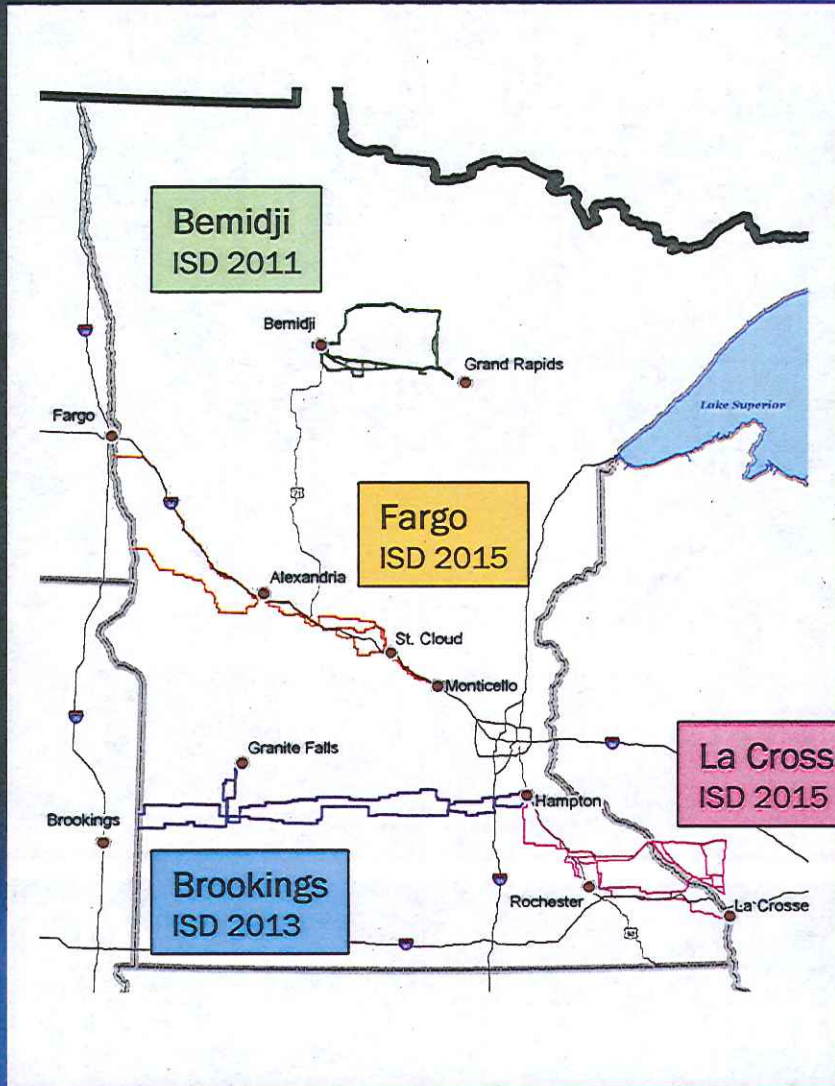
“La Crosse”	150 miles, 345 kV
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“Bemidji”	68 miles, 230 kV
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- Alleviates emerging community service reliability concerns around the state
- Critical foundation for future transmission and generation
- Provide needed transmission capacity to support renewable energy policies

Progress of Group 1 Projects

Permitting, Project Development on Target



- Extensive effort by utilities, regulators, stakeholders
- MPUC approved Certificate of Need for all projects
- MN route applications proceeding
- Coordinating reviews and permits in other states, federal agencies

Overview of MN Route Review, Approval Process

- Over a year of field work, extensive public input went into developing route options for Permit Applications
- MPUC Route Process
 - Governed by MN Statutes Chapter 216E, Rules Chapter 7849
 - Stakeholder input to process is critical
 - Public (landowners, local communities)
 - State (MnDOT, Agriculture, DNR,)
 - Federal agencies (Corps of Eng., US Fish and Wildlife, Forest Service)
 - State or public can add routes options for consideration
 - Brookings example: 47 route segment options added
- MPUC decides route

CapX Utilities Committed to Public Participation

- 2007 Communication and 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 Project - Cost Allocation and Recovery Issue

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

End
Thank You !