

LS Power



Southwest Intertie Project

Update for
Legislative Commission's Committee
to Conduct an Interim Study on the
Production and Use of Energy

June 1, 2010

EXHIBIT F - ENERGY
Document consists of 13 pages.
Entire exhibit provided.
Meeting Date: 06-01-10

Bringing Energy Forward



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

- Advanced development of Southwest Intertie Project
- Designated to build 200+ miles of 2-345 kV in Texas to support renewable resources
- Active development of transmission infrastructure

Acquisition

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

Functional Expertise

Project Development

Licensing & Environmental

Regulatory & Transmission

Power Marketing

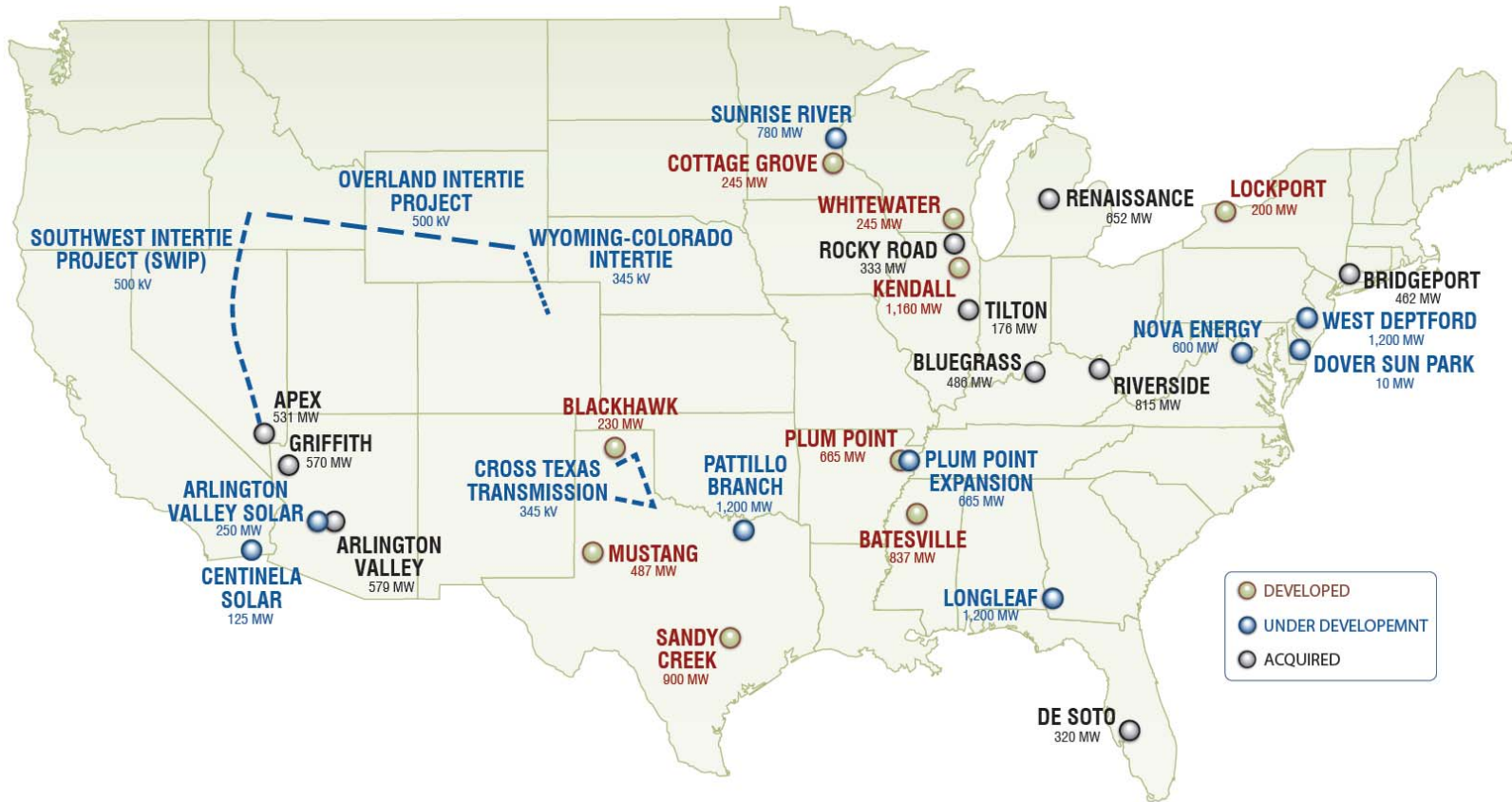
Project Finance

Construction & Operations

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Project Portfolio



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Development Philosophy

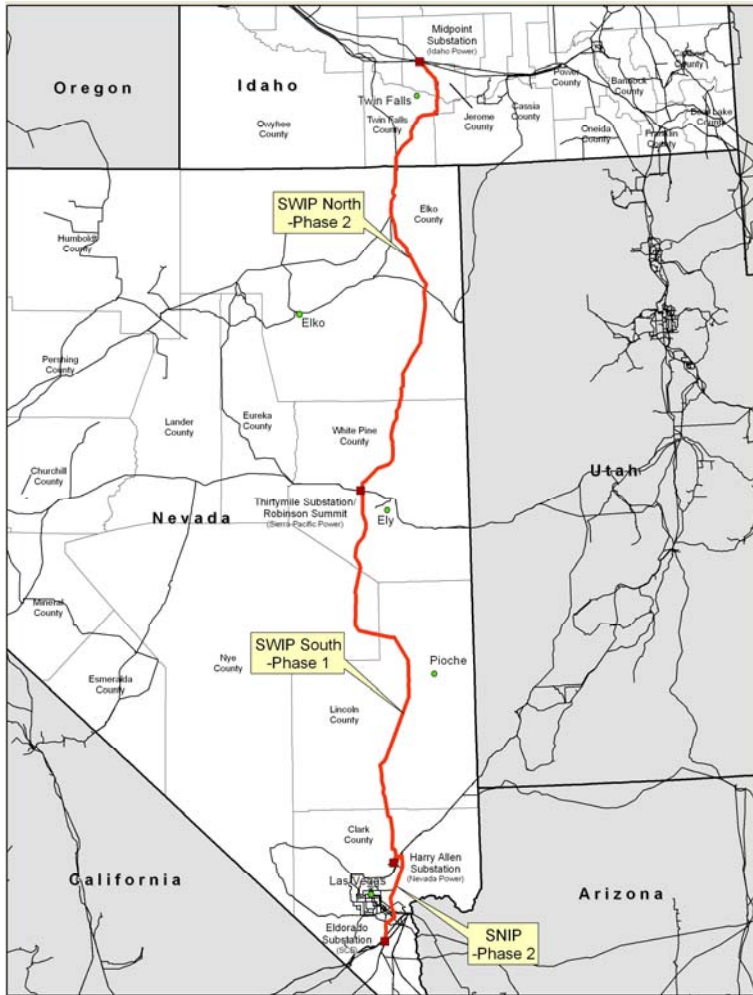
- Meet the needs of our customers
 - Safe, reliable and competitive energy
 - Renewable and fossil power generation
 - Transmission infrastructure
- Safe and protective of the environment
 - Modern designs with advanced technologies
 - Tailor projects sensitive to the locality and region
- Work with communities
 - Projects that fit with community plans and goals
 - Encourage using local subcontractors and hiring local workers



Plum Point Groundbreaking Ceremony



Southwest Intertie Project (SWIP)



- LS Power affiliate – Great Basin Transmission, LLC
- 510-mile 500 kV AC line
- ~2,000 MW of transfer capability
- Most advanced HV transmission project in the West (“shovel ready”)
- Ownership/lease agreement with NV Energy as anchor shipper
- Negotiations for financing via Recovery Act of 2009

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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 filed Construction, Operation and Maintenance Plan for Northern Portion



SWIP Status

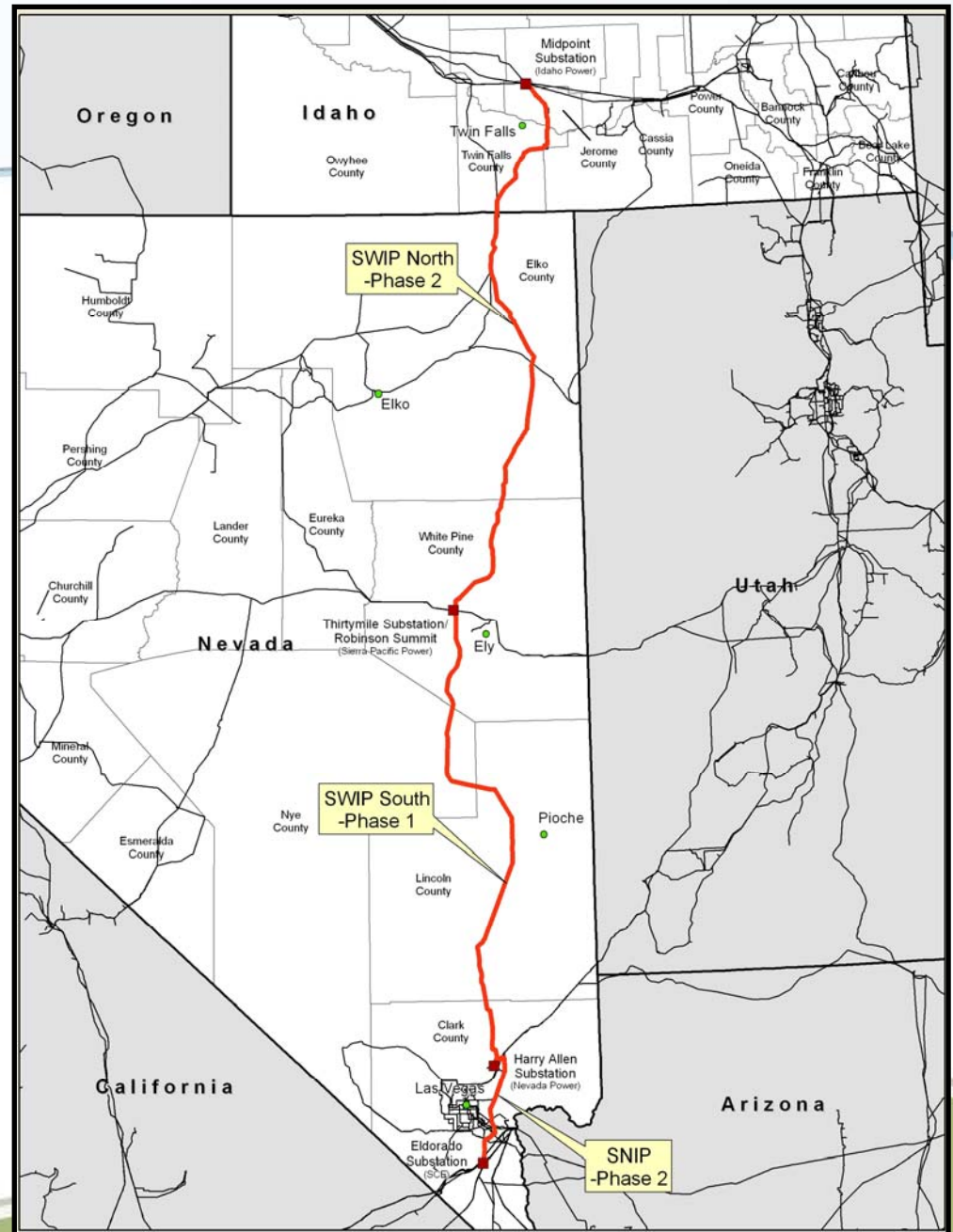
- **Southern Portion**

- All major permits secured
- Bidding construction and supply contracts
- Target construction start – Q3 2010
- Target in-service – Q4 2012

- **Northern Portion**

- Finalizing BLM COM Plan
- Finalizing real estate acquisition in Idaho
- Target construction start – 2011
- Target in-service – 2013

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SWIP Commercial Arrangements

- Agreement with NV Energy as anchor shipper and co-owner of SWIP-South
 - Deal under review in NV Energy's current Integrated Resource Plan filing before the Public Utilities Commission of Nevada.
 - Two (2) Phases:
 1. Phase 1: NV Energy would become 25% owner of SWIP-South facilities and hold rights to 100% of the initial capacity on SWIP-South (approx 600 MW).
 2. Phase 2: Once SWIP-North and a new segment in Clark County called the Southern Nevada Intertie Project (SNIP) are completed, NV Energy's rights to capacity over the entire 570 mile pathway from Midpoint to Eldorado increase to 760 MW at no additional cost. GBT maintains rights to approx. 1240 MW.
- Ongoing negotiations with DOE/WAPA for financing under the Recovery Act of 2009
- GBT negotiating contracts for sale of excess capacity pursuant to FERC Open Season



Benefits of Joint Project with NV Energy

- Advanced permitting status enables construction to begin in third quarter of 2010 = ***jobs and taxes in 2010***
- Benefits of low cost federal financing flow to NV Energy ratepayers.
- Brings together best parts of SWIP-South and ON Line projects.
- Phase 2 segments (SWIP-N and SNIP) provide NV Energy with additional transmission capacity at no additional cost.
- Additional capacity available to serve new renewable energy projects.



SWIP Overall Benefits

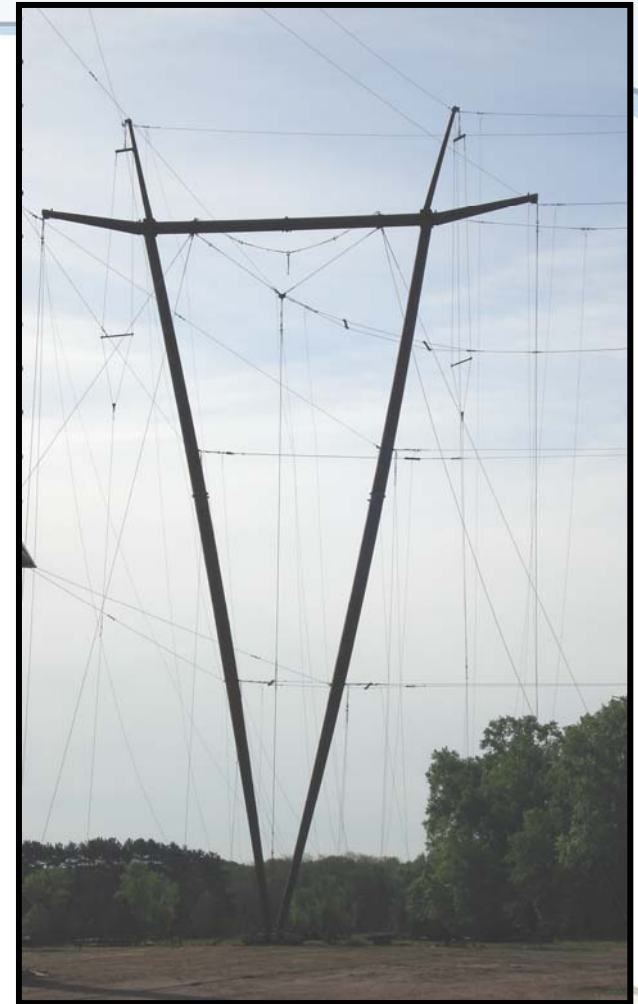
- Provides access to transmission for renewable generation
- Spurs development of wind, geothermal, and solar generation
- “Shovel Ready” project puts stimulus funds to work in Nevada in 2010
- Near term and future construction employment and tax revenues for the state and the counties
- Improves capacity and reliability for the western grid
- Improves operational flexibility and facilitates seasonal economy energy transfers for regional utilities
- Significant capital investment in critical infrastructure



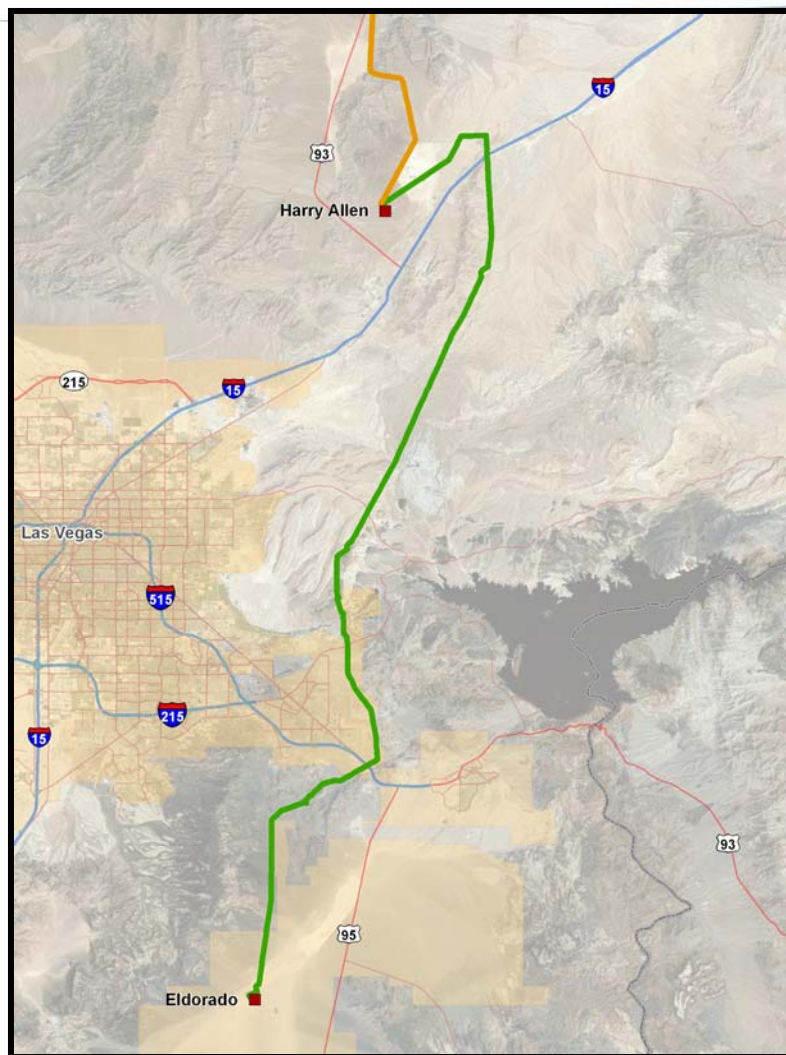
SWIP Design & Mitigation Considerations

GBT has worked closely with BLM, NDOW 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



Southern Nevada Intertie Project (SNIP)



- LS Power affiliate – Great Basin Transmission, LLC
- 60 mile 500 kV AC single or double circuit line running between Harry Allen and Eldorado Substations
- ~2,000 MW of transfer capability
- Strengthens the connection between Southern Nevada and Southern California
- Applications filed with Bureau of Land Management and Public Utilities Commission of Nevada 4Q08
- Target in service 2013

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SNIP Status

- Ongoing Activities
 - Real estate acquisition
 - Bureau of Land Management environmental review process
 - Engineering studies
 - Biological field 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 – 2011
 - Target in-service – 2013

