

Conclusions

■ Routing/Permitting Conclusions

- No specific routes identified
- Review of permitting requirements and constraints did not identify fatal flaws at this time.
- Existing infrastructure presents routing opportunities
- Permitting will require several years increase in difficulty with the passage of time

■ Technical Conclusions

- Project configurations of one or two corridors of single- or double-circuit 500 kV, potentially including 345 kV elements, are feasible
- Each interstate border is effectively a new transfer path
- Series compensation cost effectively improves transfer capability

■ Commercial Conclusions

- Benefit-cost ratio is generally greater than 1.0 under base assumptions
- The uncertainty of assumptions is greater than the benefit-cost ratio margin over 1.0
- There is no clear method for cost allocation and cost recovery over multiple jurisdictions with varying benefits

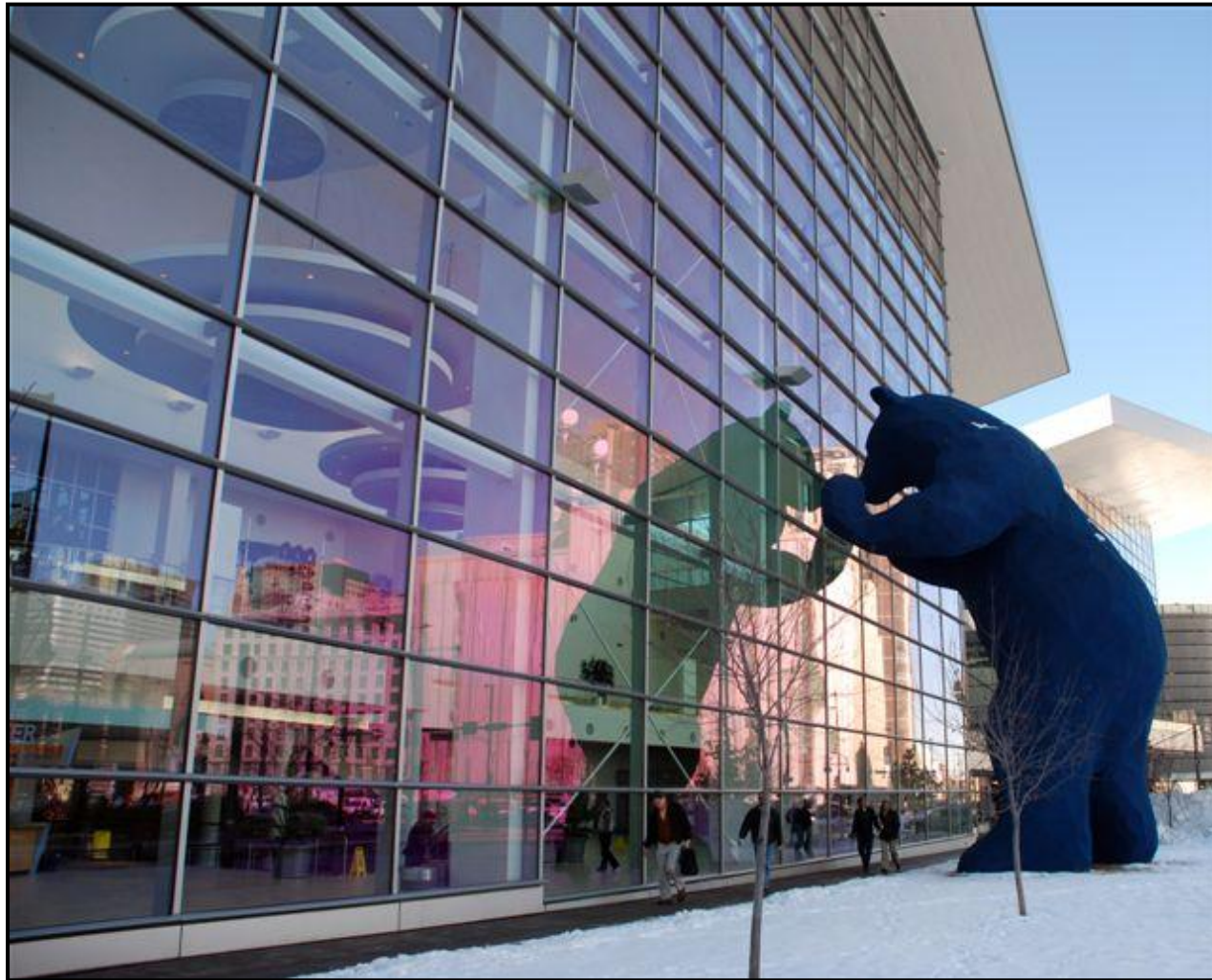
Overall Conclusions

- The HPX project could feasibly be developed
- Under many scenarios the project benefits appear to outweigh the costs
- There is significant uncertainty around the base-case assumptions
- The project risk in terms of both development capital and construction capital is very large
- At this time, it is not reasonable to risk significant development capital based on the benefit-cost ratio for the entire project, in light of the uncertainties
- Individual elements of the project may be advanced as needed by one or more project participants
- Changes in assumptions such as load growth, resource cost, renewable energy policy, or transmission policy could have a material impact on the benefit-cost ratio and project uncertainty
- Additional monitoring and studies of economic drivers, costs, and public policy is warranted
- Project participants will proceed with a Stage 3 evaluation of the HPX initiative

Stage 3

- Continued assessment of project benefit-cost metrics and uncertainty
- Monitoring of key project economic drivers:
 - Load growth
 - Natural gas prices and forecasts
 - Carbon policy
 - Renewable energy costs
 - Wind
 - Solar
 - Others
 - National renewable policy
 - Regional and state renewable policy
 - Advancement of element projects
 - Energy markets in project area
- Stakeholder and beneficiary outreach
- Several years

Questions?



HPX

High Plains Express