

DATC PROJECT TO DELIVER WYOMING WIND POWER TO CALIFORNIA AND SOUTHWESTERN UNITED STATES

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CHARLOTTE, N.C. – Duke-American Transmission Co. has acquired the Zephyr Power Transmission Project and will continue the design and development of the proposed 950-mile transmission line that would deliver wind energy generated in eastern Wyoming to California and the southwestern United States.

DATC, a joint venture of Duke Energy and American Transmission Co., acquired the Zephyr Power Transmission Project from a subsidiary of Pathfinder Renewable Wind Energy LLC. Pathfinder is developing a wind power project on more than 100,000 acres near Chugwater, Wyo., and has committed to use at least 2,100 megawatts (MW) of the Zephyr project's 3,000-MW capacity.

The Zephyr project would originate in Chugwater and terminate in the Eldorado Valley just south of Las Vegas, Nev. The 500-kilovolt high-voltage direct current project, estimated at approximately \$3.5 billion, will include an AC/DC converter station at each terminus.

Phil Grigsby, Duke Energy Commercial Businesses senior vice president, said, "Zephyr is an ambitious energy infrastructure project that is laser-focused on providing an integrated solution to a recurring problem facing America: How do we get clean, renewable energy to the population centers?"

Grigsby notes that California may be the largest market for renewable power in the country with a renewable energy portfolio standard of 33 percent. DATC's Zephyr project creates a highly efficient and strategic connection between the wind-rich areas of Wyoming and electricity load centers in California and the southwestern U.S.

While wind generation and transmission development are being pursued separately, Pathfinder and DATC have agreed to work together to increase the viability of the integrated projects. "The success of this transmission project is dependent upon on the success of Pathfinder's generation project, and vice versa," said John Flynn, vice president, Strategic Planning and Business Development for American Transmission Co. "By working together on a parallel development path, we avoid 'the chicken and the egg' dilemma that has often challenged major projects like this."

Jeff Meyer, managing partner of Pathfinder, said, "Pathfinder remains a Wyoming-based company, and we look forward to continuing our commitment to the state. The time was right to bring a proven, experienced transmission developer to the team, and in DATC we found an ideal partner."

In 2012, DATC will continue its studies, begin environmental analysis, and design routing and siting before seeking regulatory approvals. If approved, the transmission line would be in service in 2020.