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Southline Transmission, Western Move Forward on Transmission Project

Lakewood, CO - Western Area Power Administration and Southline Transmission, L.L.C., have signed an advanced funding agreement that will pay for Western staff support for the proposed Southline Transmission Project during its development phase.

The Southline Transmission Project would collect and deliver electricity across southern New Mexico and southern Arizona, relieving congestion, strengthening the existing electrical system and improving transmission access for local renewable and other energy sources.

The project consists of two segments:

- One segment would be a new double circuit 345-kilovolt transmission line linking existing substations at Afton, south of Las Cruces, N.M., and Apache, south of Willcox, Ariz.
- The other segment would be an upgrade and rebuild of about 130 miles of existing transmission lines to provide increased capacity to transmit electricity between Apache and Saguaro substations, northwest of Tucson, Ariz.

Western Administrator Tim Meeks said, "We're pleased to be able to work with Southline during the development phase in a way that uses Western's expertise and is consistent with our principle that beneficiaries pay for Western's products and services."

"We look forward to a successful and collaborative relationship with Western as the Southline Transmission Project proceeds through the development process," said Hunter Hunt, President of Hunt Power, which is the parent company of Southline Transmission, LLC. "A fundamental premise of this project is to provide needed infrastructure in a way that minimizes impacts and maximizes benefits. Western's knowledge and experience will be critically important in developing a project that can achieve these goals."

Under the agreement, Southline will cover Western's costs related to National Environmental Policy Act compliance, Western Electricity Coordinating Council path rating, as well as Western's review and due diligence of the proposed project and development of interconnection agreements. The agreement will remain in effect throughout the proposed project's development period, after which it is anticipated that both Western and Southline will evaluate the project's progress and determine whether it should proceed to a request for Western's Transmission Infrastructure Program borrowing authority.

Western is serving as joint lead agency with the Bureau of Land Management in the preparation of the environmental impact statement for the proposed project.

Southline Transmission, L.L.C., a subsidiary of Hunt Power, is the sponsor for the Southline Transmission Project. Hunt Power develops and invests in entrepreneurial electric and gas opportunities, and is part of a larger privately-owned group of companies managed by the Ray L. Hunt family that engages in oil and gas exploration, refining, power, real estate, ranching, and private equity investments. The Southline Transmission Project is managed by Black Forest Partners, L.P. For more information, please visit www.southlinetransmissionproject.com.

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Western Area Power Administration annually markets and transmits more than 10,000 megawatts of power from hydroelectric powerplants owned and operated by the Bureau of Reclamation and the U.S. Army Corps of Engineers in 15 western and central states. It is part of the Department of Energy.

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