



Delivering Clean Energy

for the Future of the West

WestConnect Stakeholder Meeting

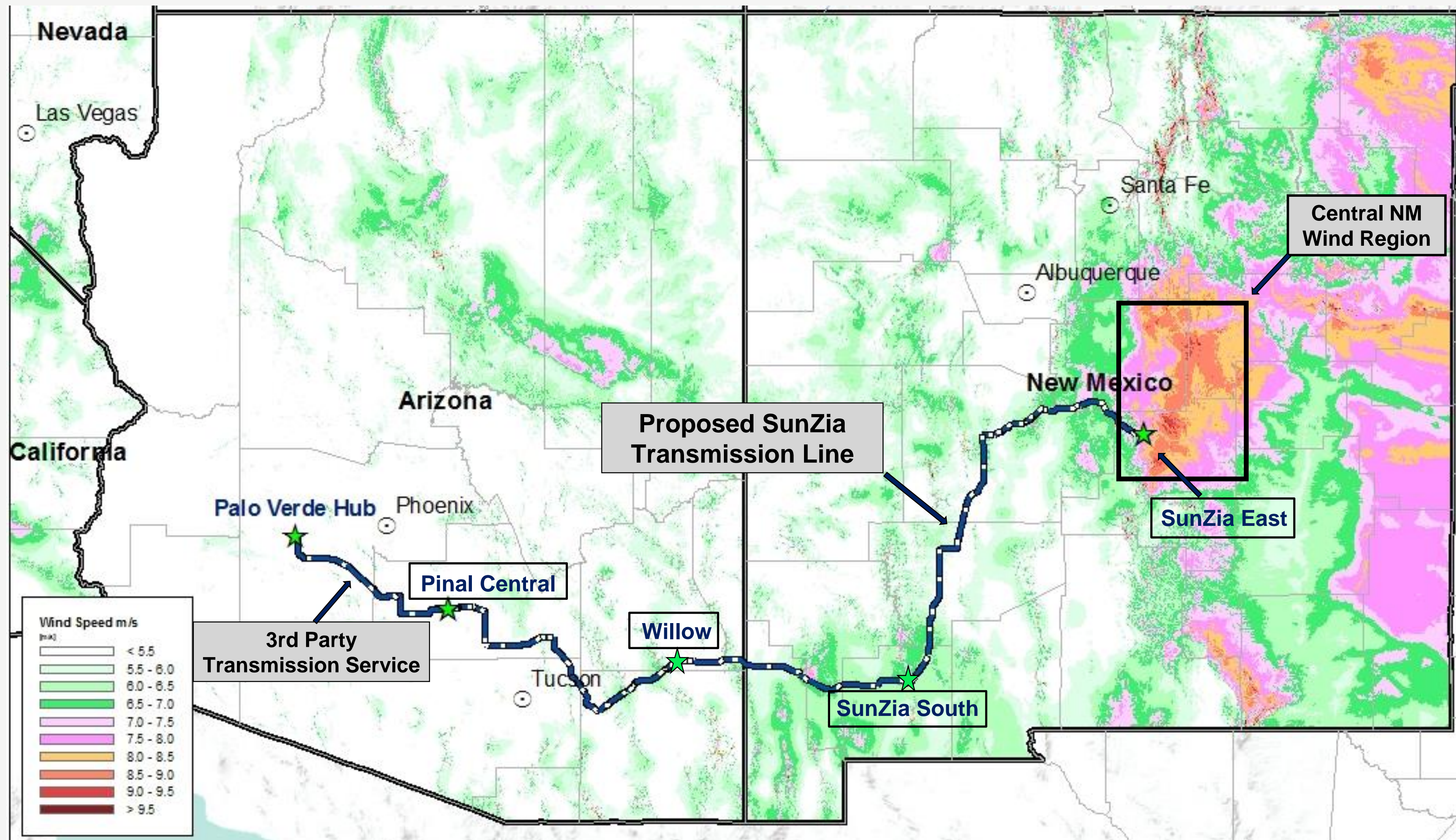
February 12, 2020

PERA Club

SunZia Southwest Transmission Project Update



500kV Project delivering NM Wind to the Palo Verde Hub



Project Summary

- *520-mile independent transmission project in New Mexico and Arizona*
- *Two 500kV AC lines providing 3,000 MW of transfer capacity from NM to AZ and CA*
- *Brings high-quality renewable energy to western utilities and power markets*
- *Pattern Development was selected in August 2016 as the anchor customer for the first 500 kV transmission line and awarded 1,500 MW of transmission capacity*
- *Obtained Declaratory Orders from FERC in May 2011 for negotiated rate authority and Sept 2017 for allocating 100% of capacity to anchor customers*
- *WECC granted SunZia an Accepted Rating of 3,000 MW for two 500kV AC lines in March 2011; rating was re-confirmed in January 2015*
- *Considering a re-route of a portion of the line in NM to avoid impacts to the U.S. Military*
- *Construction start expected in 2021/2022; Target commercial operation of the first 500kV line is 2023/2024*

Customers and PPAs

- *SunZia selected Pattern Development in August 2016 as the anchor tenant (pursuant to May 2011 FERC Order)*
- *SunZia awarded Pattern 1,500 MW of capacity and FERC issued its decision in Sept 2017 approving selection*
- *Pattern's Corona Wind Project is SunZia's first 500 kV line customer under long-term transmission service agreements with SunZia*
- *Pattern will sell Corona Wind's energy to utilities and others under long-term power purchase agreements (PPAs) and is discussing PPAs with utilities in NM, AZ and CA*
- *Pattern has signed 400 MW of PPAs for Corona Wind with California load-serving entities*

Project Timeline

**\$110 Million
Spent
To Date**

Fourteen Years of Project Development:

- Joint Participation Agreement Executed
- Environmental Studies Completed (7-year process)
- Federal Permitting Completed and BLM Right-of-Way Acquired
- Arizona State Siting Permit Issued
- Numerous Electrical Studies Completed with WECC
- Selected Pattern Development as Anchor Customer for 1500 MW of capacity based on wind projects it will develop in New Mexico

Current Activities:

- Acquire ROW on State & Private Lands in AZ and NM
- Continue Marketing Efforts with Pattern for Line 1
- Considering a re-route of a portion of the Line in NM
- Complete Engineering Design of Line 1
- Negotiate EPC Construction Contract and Purchase Orders on Major Equipment
- Arrange Construction Financing

Construction of First 500 kV line:

- Construction will likely be conducted on multiple segments of the project, simultaneously
- Expected to start 2021/2022

Commercial Operation by 2023/2024:

- Line 1 enables delivery of up to 1500 MW of electric generation

**Estimated
\$900 Million
to Construct
Line 1**

Exhibit B
Right-of-Way Grant
NM - 114438

SunZia Southwest
Transmission Project

Map 1 of 3



SunZia Southwest Transmission
Project Features

500 kV Transmission Line Right-of-Way

- Route Group 1
- Route Group 3
- Route Group 4

- Proposed SunZia 500 kV Substation Site
- Other 500 kV Substation
- Mitigation Proposal Segment (bunded transmission line)

General Reference Features

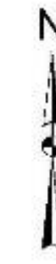
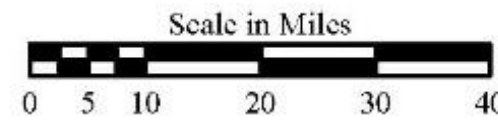
- City
- State Highway
- U.S. Highway
- Interstate
- Lake/Reservoir

Land Ownership

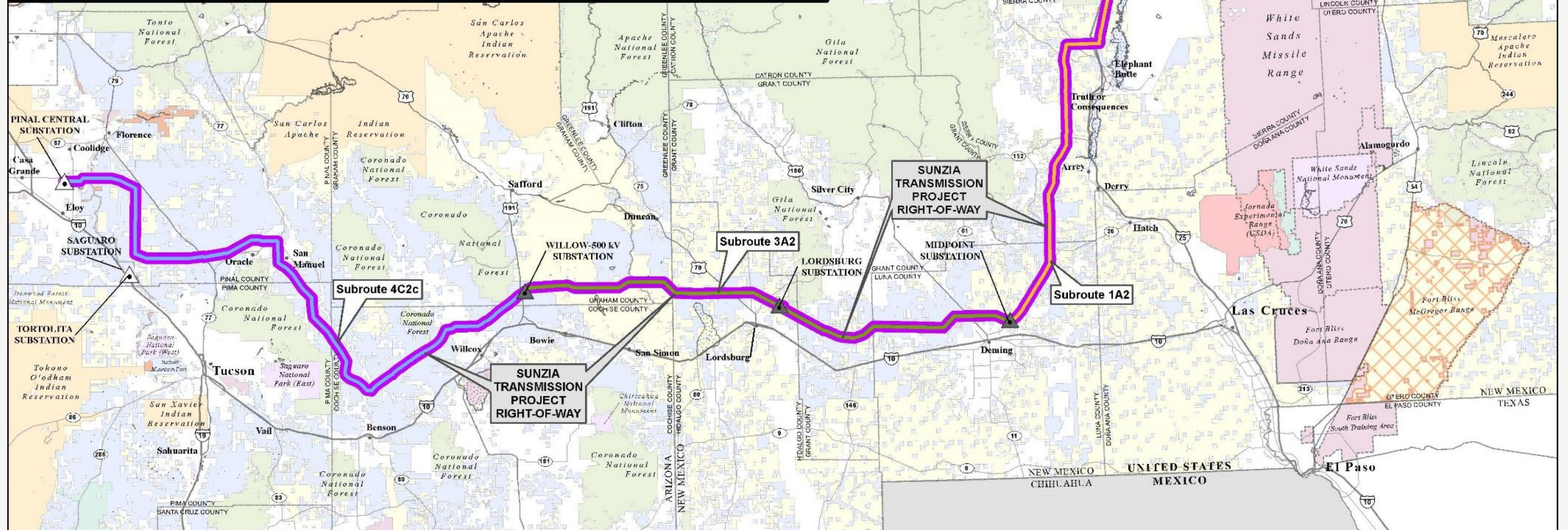
- Bureau of Land Management
- U.S. Department of Defense
- McGregor Range Withdrawal
- National Park Service
- U.S. Forest Service
- U.S. Fish and Wildlife Service
- U.S. Bureau of Reclamation
- Federal (Other)
- Indian Reservation
- State
- Private/Other

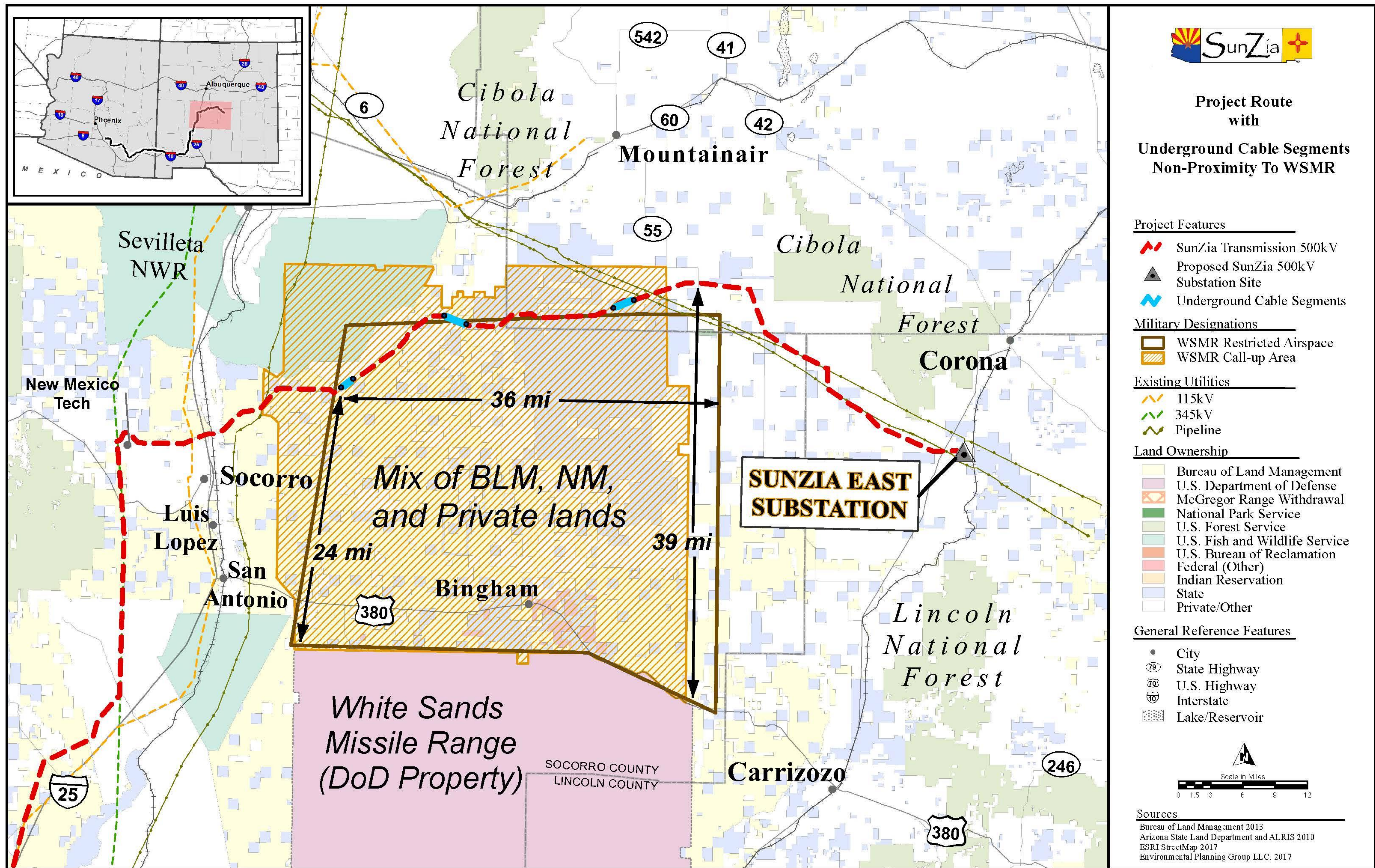
Sources

- Arizona Bureau of Land Management 2010
- Arizona State Land Department and ALRIS 2010
- New Mexico Bureau of Land Management 2013
- Esri StreetMap 2010
- Environmental Planning Group LLC 2014



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Environmental Permits

<i>September 2008</i>	<i>Started permitting activity</i>
<i>January 2015</i>	<i>Completed NEPA with BLM (Record of Decision)</i>
<i>February 2016</i>	<i>Received the AZ state permit (Certificate of Environmental Compatibility)</i>
<i>March 2016</i>	<i>Executed agreement with Department of Defense and Department of Army to mitigate all impacts</i>
<i>September 2016</i>	<i>Executed ROW Grant Agreement with BLM</i>
<i>September 2018</i>	<i>NM Public Regulation Commission approved SunZia's ROW width and denied without prejudice SunZia's location</i>

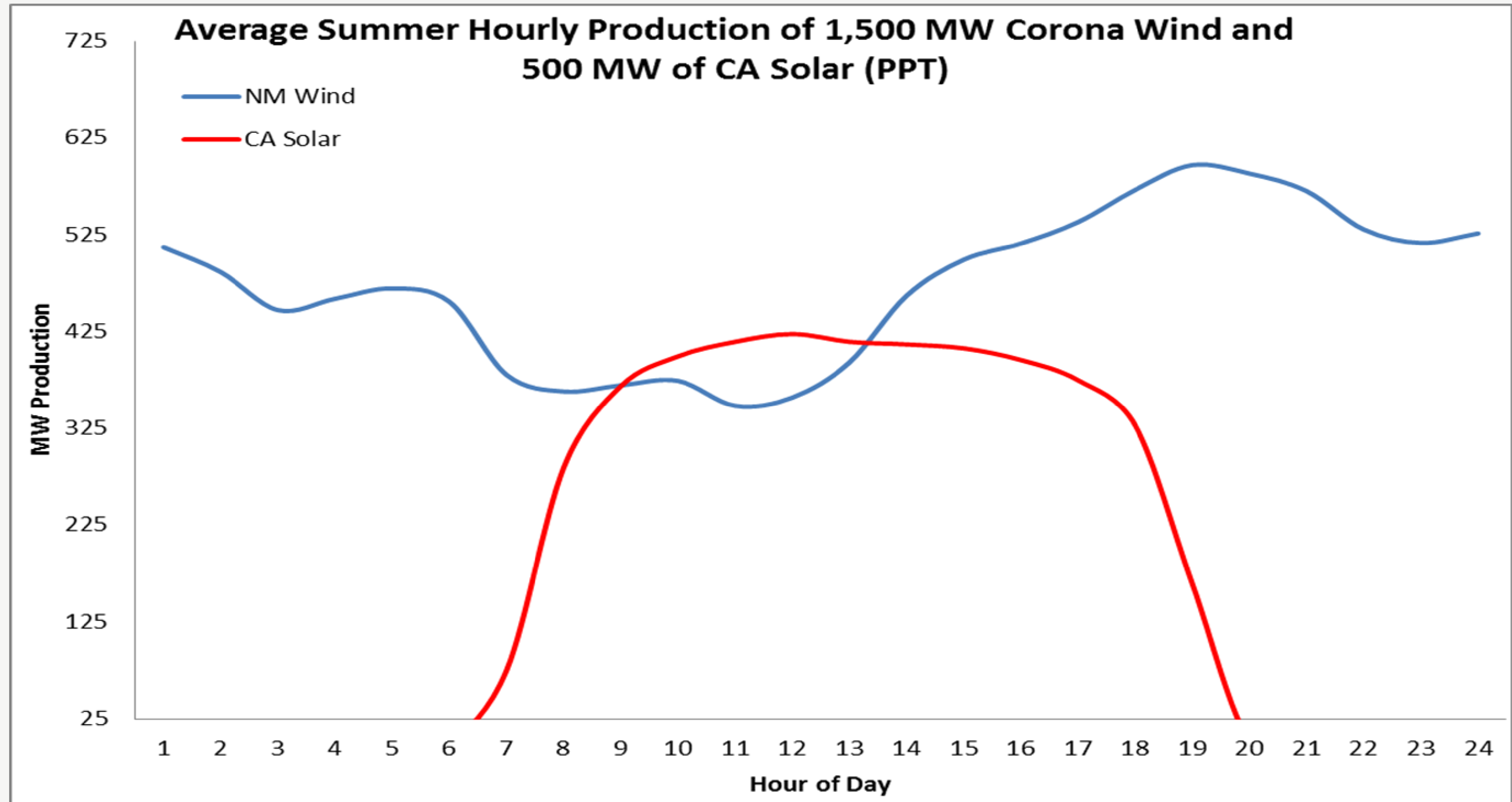
Engineering and Construction

- *Burns & McDonnell provided initial design & engineering of SunZia; Power Engineers is now the Engineer of Record.*
- *Engaged Power Engineers as Owners Engineer in May 2017*
- *Design is 60% complete (underground design is 90% complete); triple bundled 1590 ACSR (Lapwing), 70% series compensated line*
- *Selected EC Source as the preferred contractor in July 2018*
- *Have signed contracts with several suppliers for key items - Towers, Underground Cable & Series Compensation*
- *Have fully tested the family of lattice towers*
- *SunZia and EC Source have finished a constructability review and all tower locations and access plans are being finalized*

Rights of Way

Category	Entity	AZ	NM	Total Miles	Number	Status
Federal	BLM	50	134	184	1	ROW Grant signed, being amended
State	Arizona	134		134	1	ROW Application in-process
	New Mexico		96	96	1	ROW Application in-process
Private	Arizona	16		16	39	Nearly complete
	New Mexico		90	90	85	Nearly complete
Aerial Crossings	Various				89	In-progress
	Total	200	320	520		

NM Wind complements Solar



NW Wind + SunZia is Commercially Attractive

- *Pattern has signed 400 MW of PPAs with load-serving entities using SunZia for delivery*
- *In mid-2018, Pattern signed two 15-year power purchase agreements with CA load-serving entities:*
 - *Silicon Valley Clean Energy (SVCE) for 110 MW*
 - *Monterey Bay Community Power (MBCP) for 90 MW*
- *In late-2018, Pattern Development signed a 3rd PPA for 20 years for 200 MW with a CA muni in Northern California.*



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