



Western Interconnect LLC

**WI information session  
will start in a few minutes**



October 19, 2016



Western Interconnect LLC

# Western Interconnect Transmission Line Open Season

INFORMATION SESSION



October 19, 2016

# Information Session Agenda

<b>1</b>	<b>Introduction</b>
<b>2</b>	<b>Overview of the Western Interconnect Project</b>
<b>3</b>	<b>Overview of the Open Season Process</b>
<b>4</b>	<b>Q&amp;A</b>

# Western Interconnect LLC was formed by Tres Amigas LLC and Pattern Energy Group LP



**Tres Amigas LLC** is focused on providing the first common interconnection of America's three power grids to help the country achieve its renewable energy goals and facilitate the smooth, reliable and efficient transfer of power from region to region. The company was incorporated in 2009 and is headquartered in Albuquerque, New Mexico.

Tres Amigas is a portfolio company of AltEnergy, LLC, which is a private equity firm focused on identifying and developing early-stage opportunities in the power and energy sectors. Other portfolio companies of AltEnergy include Viridity Energy and Eos Energy Storage.



**Pattern Energy** is an independent power company listed on The NASDAQ Global Select Market and Toronto Stock Exchange. The company specializes in wind, solar, and transmission projects in the United States, Canada, Mexico, Chile, and Japan.

The management team has worked together for 10 years and possesses more than 20 years of experience on average in the energy industry. Pattern have developed, financed and managed more than \$12 billion of infrastructure assets, including more than 4,500 MW of wind power projects and facilities. The Pattern Energy team is driven by a creative entrepreneurial spirit which is sustained by years of experience.



**London Economics International LLC** is a global economic, financial, and strategic advisory professional services firm specializing in energy, water, and infrastructure. The firm combines detailed understanding of specific network and commodity industries, such as transmission and distribution, electricity generation, with sophisticated analysis and a suite of proprietary quantitative models that together produce reliable and comprehensible results. LEI's array of clients extends from the private sector to market and government institutions.

LEI has been selected as the Independent Examiner to assist in the design and administration of the Open Season, audit the results, and file a report with FERC attesting to the process.

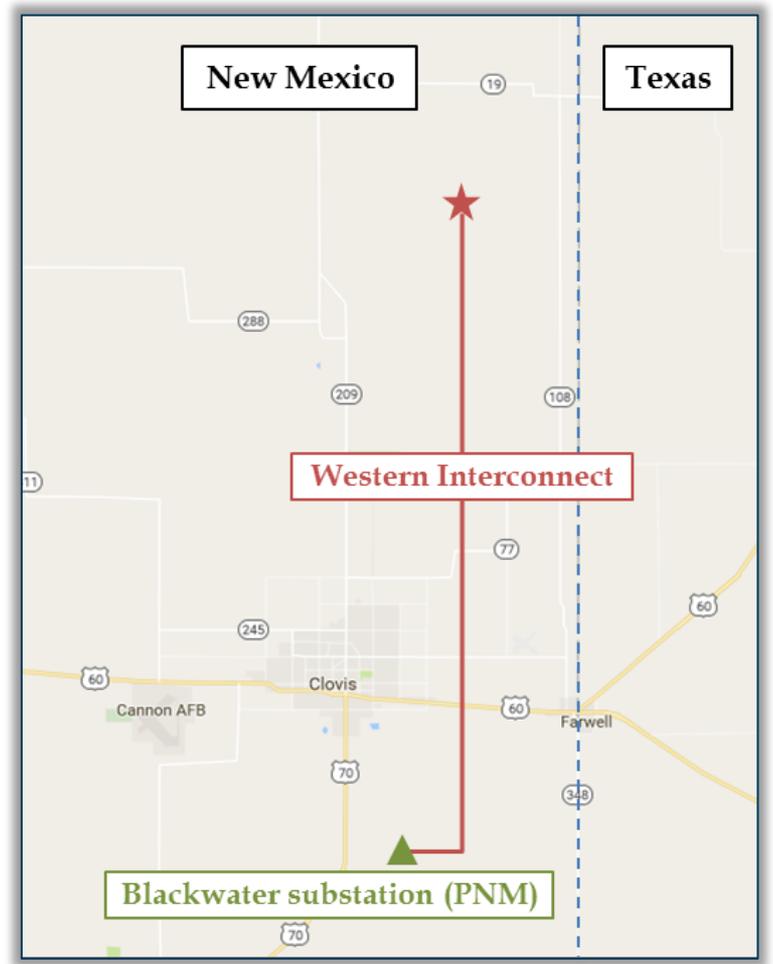
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# Western Interconnect LLC (“WI”) is building a 35 miles, single circuit 345 kV AC merchant transmission line

- ▶ WI will connect Public Service Company of New Mexico’s (“PNM”) Blackwater substation to a new 345 kV switching station located northeast of Clovis in Curry County, New Mexico

<b>Line characteristics</b>	<b>345 kV AC transmission line</b>
<b>Length</b>	<b>35 miles</b>
<b>Normal transfer capacity</b>	<b>1,100 MW</b>
<b>Start of commercial operations</b>	<b>January 1, 2017</b>



# WI has executed a Transmission Construction and Interconnection Agreement with PNM

- ▶ **WI has executed a Transmission Construction and Interconnection Agreement with PNM to interconnect up to 750 MW at the Blackwater substation**
  
- ▶ **If total transmission service reservations on the WI from anchor customers and selected Open Season participants exceed 750 MW, WI will submit to PNM on behalf of its transmission customers a request to increase the interconnected capacity**
  - studies by PNM (and/or eventual upgrades, if necessary, on their system) to interconnect more than 750 MW may entail additional costs for prospective transmission customers of WI

# Anchor customer agreements represent 497 MW of transmission capacity on the WI

## ► WI Existing Transmission Customers

- anchor customers Transmission Service Agreements total 497 MW of transmission service rights (all have FERC approval)

Transmission Customer	Beginning Date of Service	Term (years)	Contract Capacity	Contract Rate (\$/MW-month)
Broadview Energy JN, LLC	January 1, 2017	25	167 MW	\$2,292
Broadview Energy KW, LLC	January 1, 2017	25	130 MW	\$2,292
Grady Wind Energy Center, LLC	April 1, 2018	25	200 MW	\$2,292

*\*TSAs were filed with FERC, see Docket# ER17-73*

- **Through the Open Season, WI seeks to allocate up to 603 MW of remaining transmission capacity on the line to qualifying parties at the same rates, terms and conditions as the anchor customer agreements**

# Constructions of the Western Interconnect transmission line is in its final stage



Photos taken in September 2016



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# WI is holding an Open Season to allocate up to 603 MW of remaining transmission capacity

- ▶ **WI is offering to any qualifying party the same rates, terms, and conditions as reflected in the anchor customers TSAs and LGIAs**

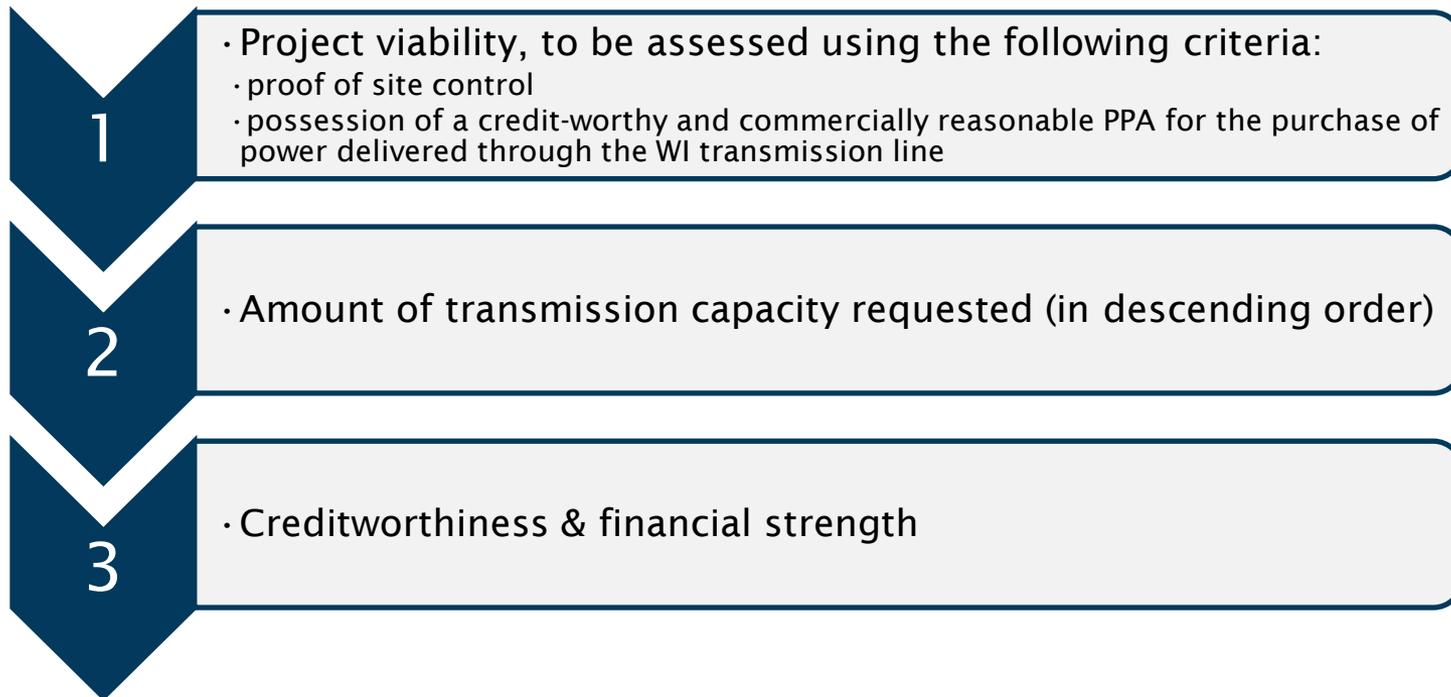
## Minimum eligibility criteria on this WI Open Season

- ✓ meet the Eligible Customer criteria as defined in Section 1.11 of the WI OATT
- ✓ agree to all TSA and LGIA rates, terms and conditions
- ✓ request a minimum of 50 MW and a maximum of 603 MW of transmission service rights
- ✓ agree to the start of transmission service no later than 18 months following execution of TSA and LGIA
- ✓ meet creditworthiness procedures detailed in Attachment L of the WI OATT

- ▶ **Deadline for submission is November 11, 2016 at 5:00 pm Mountain time**
  - applications must be sent to the following email: [WesternInterconnect-os@londoneconomics.com](mailto:WesternInterconnect-os@londoneconomics.com)
  - submission documents will be treated as confidential by LEI, Tres Amigas LLC ("TA") and WI
- ▶ **Submissions which are deemed not to meet these minimum criteria will be discarded from further evaluation and consideration**

# Transmission Service Requests meeting the minimum eligibility criteria will be reviewed by LEI and accepted in order of ranking

- ▶ In the event that the total amount of Transmission Service Requests (“TSR”) meeting the minimum eligibility criteria exceeds available transmission capacity on the WI (603 MW), the following criteria (shown in order of importance) will be used to rank eligible requests:



## Additional interconnection studies might be needed before execution of TSA & LGIA

- ▶ **TSRs might be subject to interconnection studies by WI or PNM, and as a result, the applicant might incur additional costs for these studies or eventual upgrades on either WI's or PNM's transmission systems**
  - failure to comply with any future deadline related to funding interconnection studies or system upgrades will result in termination of the application for transmission service
  
- ▶ **Selected applicants must execute the TSA and LGIA agreements no later than 30 calendar days following the date where:**
  - applicant is notified by WI that its TSR was accepted, in the case where no additional interconnection studies are required; or
  - the conclusion of any required additional interconnection study, and agreement by the applicant to fund necessary transmission system upgrades identified on WI or PNM's (if any)

# The deadline to submit TSRs is November 11, 2016

- ▶ The Open Season was launched on October 3, 2016 and the deadline to submit a Transmission Service Request is November 11, 2016 at 5:00 pm Mountain time

Description	Date
Launch of Open Season	October 3, 2016
Virtual information session	October 19, 2016 <i>1:00 pm Mountain time</i>
Deadline to submit an NDA, if desired	November 4, 2016 <i>5:00 pm Mountain time</i>
Deadline to submit a Transmission Service Request	November 11, 2016 <i>5:00 pm Mountain time</i>
Review of TSR submissions	November 14 - 18, 2016
Notification to participants of whether application is selected	November 21 - 25, 2016
Submit Section 205 filing to FERC	on or about January 11, 2017

# Throughout the duration of the Open Season, LEI will maintain the website up to date with the latest information

[www.WesternInterconnect-os.com](http://www.WesternInterconnect-os.com)

- ▶ **Latest versions of legal and other documents related to the WI Open Season, and other pertinent information, are available on the website**
  - It is not necessary to execute a non-disclosure agreement to access the website or any Open Season document
  - However, if a party wishes to execute one, TA and WI will accommodate that request. An NDA template is available in the “Documents” section of the Open Season website

<b>Questions?</b>	<b>“Contact Us” section of the website</b>
	Email <a href="mailto:WesternInterconnect-os@londoneconomics.com">WesternInterconnect-os@londoneconomics.com</a>

- ▶ **All answers to questions related to the WI project or the Open Season process will be published on the website**
  - Potential transmission customers should not contact Tres Amigas and/or Pattern directly

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# Q&A

