



**Presentation
to
Colorado Clean Energy Development Authority**

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James K. Tarpey, Esq.
Holland & Hart LLP
8390 E. Crescent Pkwy, #400
Greenwood Village, CO 80111
303-290-1634
jtarpey@hollandhart.com

Wyoming Infrastructure Authority

- Created in 2004 by Wyoming Legislature
- Precedent: Natural gas; housing
- Mission: diversify and expand Wyoming's economy through improvements in the electric transmission system
- WY: Focus is exports

In the Public Interest

- Increase employment
- Stimulate economic activity
- Augment sources of tax revenue
- Foster economic stability
- Improve the state's economy

Scope

- Plan, finance, site, construct, own, operate and promote transmission facilities
- Any or all of the above
- Within or outside of Wyoming
- Power of condemnation (in Wyoming)
- Not subject to WPSC jurisdiction

Bonding Capability

- WIA can partner with the private sector
- Bonding capability
 - Projects not owned by WIA: cap of \$1 Billion
 - Projects owned by WIA: no cap
- State instrumentality
 - State not pledging full-faith and credit
 - Addresses Wyoming constitutional issues

Tax-exempt Status of Bonds

- State (Wyoming): tax-exempt
- Federal: not clear
 - Status as instrumentality not determinative
 - “Public use”
 - pursuing with IRS, FERC
 - pursuing with Congress

Possible Roles

- Catalyst/coordinator
- Advocate
- Project sponsor
- Financial backer of other projects
- Turn-key project
- Owner of transmission facilities
- Owner and operator of facilities

WIA Board

- Five members
- Two need not be Wyoming residents
- Four-year terms (staggered)
- Process
 - Appointed by Governor
 - Confirmed by Senate

Operating Budget

- 1st year: \$250K
- 2nd year: \$1.4 Million
- Treating as a loan
- Operating as a business
- Intend to pay back

Capital Budget

- \$10 Million
- Starting to draw upon
- Will be used for feasibility studies
- Intend to pay back

Feasibility Studies

- Will decide whether to build
- Working with partners (private enterprise)
- If proceed, plan to recover costs
- Partners will take major lead going forward

Principal Feasibility Studies Underway

- WCI Project (formerly TOT3)
- TransWest Express
- Frontier Project
- IGCC Pilot Project

Challenges

- Need to engage:
 - Transmission entities (utilities, others)
 - Project developers: coal, renewables
 - Landowners
 - Consumers
 - Public interest groups
 - Public policy leaders
 - Wall Street

Challenges (cont'd)

- Engineering:
 - Technology
 - Terminal locations
 - Suitable corridors
 - Impact on rest of grid

Challenges (cont'd)

- Environmental & Permitting:
 - NEPA: federal and states
 - Land use regulations
 - Federal lands
 - Tribal lands

 - Carbon emissions
 - Air quality
 - Water

Challenges (cont'd)

- Financing:
 - Credibility of WIA
 - No track record
 - Tax-exempt status (federal level) of bonds
 - Feasibility stage
 - Appropriate breadth and depth of study
 - what is best for state

Challenges (cont'd)

- Development stage: Equity financing
- Construction stage
 - Allocation of risks
 - Certainty of revenue stream

Public Policy Challenges

- Regional approach to transmission planning and development
- Coordination by state and federal regulatory commissions regarding cost allocation and investment recovery issues
- Coordination of siting approval processes (federal, state and local)

Public Policy Challenges (cont'd)

- Application of Open Meetings Law and Public Records Act
- Confidential, proprietary or market-sensitive information