

Economic impact of the Zephyr Power Transmission Project

Power line project to create jobs, increase GDP and generate tax revenue for communities

Duke-American Transmission Co. plans to construct the Zephyr Power Transmission Line to move high-quality wind energy from the Pathfinder Wind Development in eastern Wyoming to markets in the southwestern U.S. that have a demand for clean, reliable and affordable energy. The Zephyr Power Transmission Project includes a 500-kilovolt, high-voltage direct-current transmission line with two converter stations at end points near Chugwater, Wyo., and the Eldorado Valley in Nevada. The proposed 850-mile route, which largely follows existing utility corridors, would traverse portions of four states: Wyoming, Colorado, Utah and Nevada.

Overall economic impact

The states and communities in which the Zephyr project will be constructed will benefit from significant job creation, higher GDP, and increased tax revenues. While the project is in its preliminary stages, a recent study of the economic impacts shows that in total the Zephyr project will provide these overall benefits during the 3-4 year construction period across the states:

- **11,000** total jobs created
- **\$1.1 billion** in total spending
- **\$1 billion** in total additional economic output
- **\$94 million** in tax revenues

Benefits to communities along the route

- **Jobs** – The direct jobs created by the Zephyr project will result in an increase in demand for other goods and services. Construction workers and engineers will spend a portion of their salaries on food, lodging and recreation in the vicinity of the construction areas. The additional revenues and sales may enable local businesses to increase staff and/or investments. In addition, the project will incur direct spending in impacted counties, including permit fees and installation costs paid to the local and state governments. During the construction phase, a total of **more than 2,800 direct, indirect and induced jobs** are expected to be created per year.
- **Economy** – State and community Gross Domestic Product, or GDP, is expected to rise significantly during Zephyr's construction. As a consequence of the new line, the economies of the four states will benefit from an **average economic stimulus of approximately \$256 million per year**.
- **Tax revenues** – Economic activity brought about by the Zephyr project will increase tax revenues generated in the counties and states crossed by the new transmission line. On average, an additional **total tax revenue generation of \$94 million** is forecasted—an average of \$23.4 million per year.

Economic benefits following construction

When Zephyr project goes into commercial operation in 2021, in-state spending in the four states will continue as DATC will perform operation and maintenance, and pay taxes, service fees and leases. During the first five years of commercial operations, DATC expects **total in-state spending of approximately \$220 million**.



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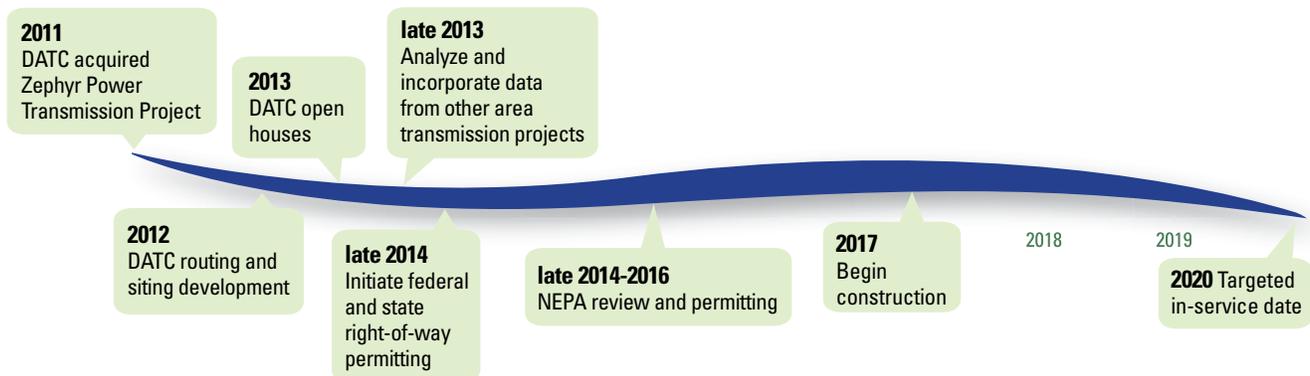
Summary of economic benefits during construction period (2017 - 2020)

State	Line miles	Converter station	Estimated total jobs ¹	GDP benefit	Tax revenues
Wyoming	203.6	1	2,528	\$195M	\$9.1M
Colorado	91.9	0	1,651	\$162M	\$17.7M
Utah	432.2	0	4,648	\$358M	\$49.8M
Nevada	106.9	1	2,416	\$306M	\$16.9M
All states	834.6	2	11,243	\$1,022M	\$93.6M

¹ US Bureau of Economic Analysis defines total jobs as the sum of direct, indirect and induced jobs, which includes, full-time, part-time and seasonal employment; London Economics International, Ltd. Utilized the Regional Economic Models, Inc. (REM) PI+ Model to estimate the macroeconomic benefits of the Zephyr Power Transmission Project (May 2013).

Project timeline

The Zephyr project is in its preliminary stages, and the proposed route is subject to change during the federal and state regulatory and permitting phases, 2013 to 2016. The installed cost of the project is being paid for by the developer, DATC – not by electric consumers. At this time, DATC has not selected vendors, but will be soliciting bids from local contractors prior to the construction period, which is anticipated from 2017 to 2020.



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