



**LS Power**

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**LS Power Announces Memorandum of Understanding with Western Area Power Administration for the Southwest Intertie Project**

**ST. LOUIS** (*July 16, 2009*) –LS Power affiliate Great Basin Transmission, LLC (“Great Basin”) announced today that it has entered into a Memorandum of Understanding (“MOU”) with Western Area Power Administration (“Western”), a power marketing administration of the U.S. Department of Energy. Under the MOU Great Basin and Western are moving forward with further detailed evaluation and consideration of a potential partnership to develop the Southwest Intertie Project (“SWIP”) under Western’s authority in Section 402 of the American Reinvestment and Recovery Act of 2009 ([www.wapa.gov/recovery](http://www.wapa.gov/recovery)).

The SWIP is a 500-mile, 500-kilovolt transmission line that will extend from southern Idaho through eastern Nevada to the Las Vegas area. The SWIP will help unleash the significant renewable resource potential that exists within Nevada and other parts of the Western U.S. The SWIP is in an advanced stage of development with the ability to begin construction later this year resulting in near-term and long-term jobs, significant economic benefits, and delivery of up to two gigawatts of renewable energy to the grid. Western’s participation in the SWIP is subject to final due diligence, negotiation and approval of definitive agreements between Great Basin and Western.

Great Basin is currently conducting an open season process to sell long-term transmission capacity rights at negotiated rates. Initial indications of interest for transmission capacity by third parties have greatly exceeded the available capacity of the line. Negotiations under the MOU do not impact Great Basin’s current open season. However, if final agreements are reached with Western, project construction could start in the near-term while arrangements for the sale of capacity with third party shippers are being finalized.

Proposals under the open season will be accepted until July 31, 2009. For more information, please visit [www.SWIPOS.com](http://www.SWIPOS.com).

Great Basin is a single purpose company formed to develop, finance, construct, own, and operate the SWIP. Great Basin is wholly owned by LS Power, a highly successful power generation and transmission group. For more information on LS Power please visit [www.LSPower.com](http://www.LSPower.com).

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