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North Gila-Imperial Valley #2 500 kV Project WECC 2021 Annual Progress Report

I. INTRODUCTION

The North Gila-Imperial Valley #2 Transmission Project ("Project") is being proposed as a 500 kV AC transmission project between southwest Arizona and southern California. The proposed in-service date for the project is as early as December 2029, however the CAISO has suggested no later than June 2032. The Project is being proposed by NGIV2, LLC ("Project Sponsor").

On April 7, 2011, Project Sponsor initiated the WECC Project Coordination Review ("PCR") process for the proposed North Gila – Imperial Valley #2 ("NGIV2") Project. The Project Sponsor solicited interest from WECC members in forming a Project Coordination Review Group ("PCRG") to review the project as it conforms to the WECC PCR guidelines. The group was formed, and a meeting was held in Phoenix, Arizona on June 24, 2011, after the Hassayampa – North Gila #2 Project Coordination Review Group ("PCRG") meeting. The results of that meeting and the subsequent comments from WECC members formed the basis of the NGIV2 PCR report.

On August 1, 2011, the PCR Report for the Project was provided to the Planning Coordination Committee ("PCC") for a 30-day comment period. This comment period allowed WECC members the opportunity to review and comment on the project's conformity with the PCR Guidelines. Only one comment related to the PCRG Participant list was received during the 30-day comment period, and it was incorporated into the final report that was shared with the PCRG. On September 2, 2011, the PCC accepted the North Gila – Imperial Valley #2 Project regional planning compliance report as complete.

On February 18, 2016, the Comprehensive Progress Report ("CPR") for the Project was submitted to both the PCC and Technical Studies Subcommittee ("TSS") to initiate the 60-day review period. On November 28, 2016, the PCC granted the Project Phase 2A status.

A Project Review Group ("PRG") was formed during the summer of 2016, and PRG Meeting #1 was held on August 11, 2016 to discuss the preliminary Study Plan and coordination with the Western Arizona Transmission Study ("WATS") group. PRG Meeting #2 was held on November 2, 2017 to finalize comments on the Study Plan to proceed with the Phase 2A analysis. The final Study Plan incorporating comments received to date was finalized on December 18, 2017. The Project Sponsors opted to complete Phase 2A of the WECC Project Rating Review Process. The PRG interim report that fulfils Phase 2A requirements was completed and submitted to the PRG on July 3, 2018. The Project completed the Phase 2B on July 7, 2019 and received an Accepted Rating on September 5, 2019.

The addition of the proposed Project is a major intertie expansion between the southern Arizona and southern California areas. This project will become an additional component of the West of Colorado River ("WOR") path (i.e. WECC Path 46) and is expected to provide the benefit of increasing reliability and 1,250 MW of transfer capability between Arizona and load centers in southern California. The addition of the Project is also envisioned to increase the East of Colorado River ("EOR"), or WECC Path 49, transfer capability, and conceivably an increase in the Accepted Rating of WECC Path 49.

The project is envisioned to provide the following benefits:

- 1) Provides California additional access to export/import from generation resource zones where limited transmission access exists
- 2) Increases diversity of the regional energy resource zones
- 3) Increases the reliability and import capability to the Southern California Import Transmission System
- 4) Make efficient use of existing available transmission corridors

II. PROJECT DESCRIPTION

The NGIV2 500 kV project is a major intertie expansion between the North Gila area (southwest Arizona) and the Imperial Valley area (southern California); this line would parallel the existing North Gila-Imperial Valley line (also known as the Southwest Power Link, or SWPL).

The current configuration that the Project Sponsor received the incremental rating for following the completion of the WECC Path 46 Rating Increase Study is to have a single 500 kV line and with the loop-in is to create a new 500/230 kV station near the existing IID Highline 230 kV substation as an intermediate interconnection. Specifically, the NGIV2 project would consist of a new 500 kV transmission line in parallel with the existing North Gila – Imperial Valley 500 kV transmission line. The NGIV2 project would run approximately 85 miles from the existing North Gila 500 kV substation in Yuma, AZ into California where it would terminate at the existing Imperial Valley 500 kV substation in Imperial Valley, CA. NGIV2 line would be constructed to loop in a new Dunes 500/230kV substation plus a new 230 kV line from Dunes into the existing 230 kV Highline substation (pending final interconnection agreements with the Imperial Irrigation District). A new 500/230 kV transformer may also be installed in the Dunes Substation as part of the NGIV2 project.

III. PLAN OF SERVICE

The detailed plan of service for the proposed NGIV2 Transmission Project will be finalized by the Project Sponsor over the next several months with potential partners of the project. The Project Sponsor anticipates that NGIV2 configurations will consist of the following facilities (note that Configuration A is the anticipated base configuration):

A. Single Circuit Configuration (as modeled in the Phase 2 Study):

- Constructing a new 55-mile 500 kV AC single-circuit line from the North Gila Substation near Yuma, AZ to the existing Highline 230 kV substation near Holtville, CA. A new proposed Dunes 500/230 kV substation would be constructed near the existing Highline 230 kV substation that is owned and operated by the Imperial Irrigation District (IID). An electrical interconnection via a new 230 kV tie would is utilized to interconnect the new Dunes Substation with the existing Highline 230 kV substation.
- 2) Constructing a new 30-mile 500 kV AC single-circuit line from the proposed Dunes 500 kV substation to the Imperial Valley Substation near El Centro, CA.

IV. PROJECT'S CURRENT STATUS

The Project Sponsor completed the WECC 3-phase rating process on September 5, 2019.

The Project Sponsor is currently evaluating potential alternative routes and working with the responsible regulatory agencies to obtain all necessary Project approvals.

The Project Sponsor is also currently working with the local utilities, specifically Arizona Public Service for the North Gila 500kV interconnection, Imperial Irrigation District for the IID 230kV interconnection, and San Diego Gas & Electric for the Imperial Valley 500kV interconnection, for the transmission-to-transmission interconnection process. The respective System Impact Studies related to the interconnection process should be completed in 2024.

The CAISO 2022-2023 Transmission Planning Process approved the addition of a second 500kV line between North Gila and Imperial Valley and is currently evaluating project proposals from several entities to own and construct the new line. NGIV2, LLC and their partners have submitted a proposal, and expect the CAISO to decide by April 2024 on the selection of the project sponsor.

V. PLANNED PROJECT IN-SERVICE DATE

The Project is anticipated to be in commercial service as early as June 2029, and no later than June 2032.

VI. NORTH GILA-IMPERIAL VALLEY #2 AC NETWORK CONFIGURATION

A one-line diagram for the North Gila- Imperial Valley #2 Transmission Project depicted in Figure 1.

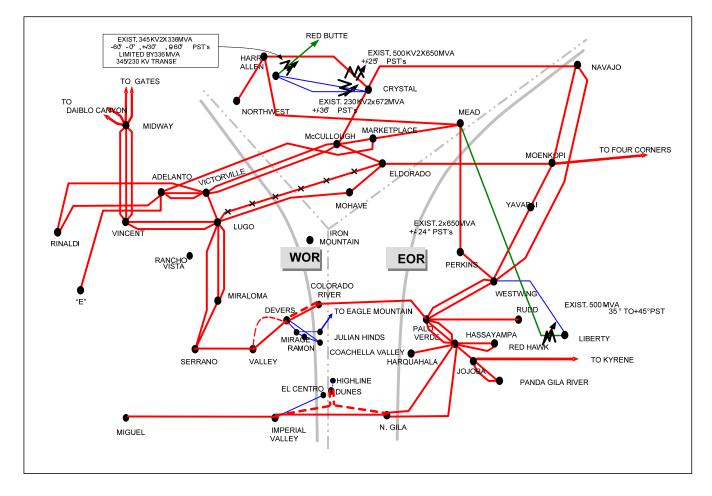


FIGURE 1: NORTH GILA-IMPERIAL VALLEY #2 500 kV ONE-LINE DIAGRAM

VII. NORTH GILA-IMPERIAL VALLEY #2 PROPOSED CORRIDOR

The following map, Figure 2, is the current proposed corridors under evaluation for the North Gila – Imperial Valley #2 Project.

FIGURE 2: NORTH GILA-IMPERIAL VALLEY #2 500 kV POTENTIAL CORRIDOR

