

February 23, 2024

Mr. Tom Carr
Mr. Doug Tucker
(Via email)

Re: Southline Transmission Project 2024 WECC Annual Progress Report

Dear Mr. Carr and Mr. Tucker:

As per WECC Progress Report Policies and Procedures, please find the following information constituting the 2024 Annual Progress Report for the Southline Transmission Project (Southline).

A) Description

The Southline Transmission Project is a high-voltage electric transmission line in southern New Mexico and southern Arizona. The project will include a New Build Section (New Build) and an Upgrade Section (Upgrade).

1. New Build -- The first section is a proposed double-circuit 345kV line originating at the Afton Switching Station outside Las Cruces, New Mexico, and terminating at Apache Switching Station in Southeastern Arizona;

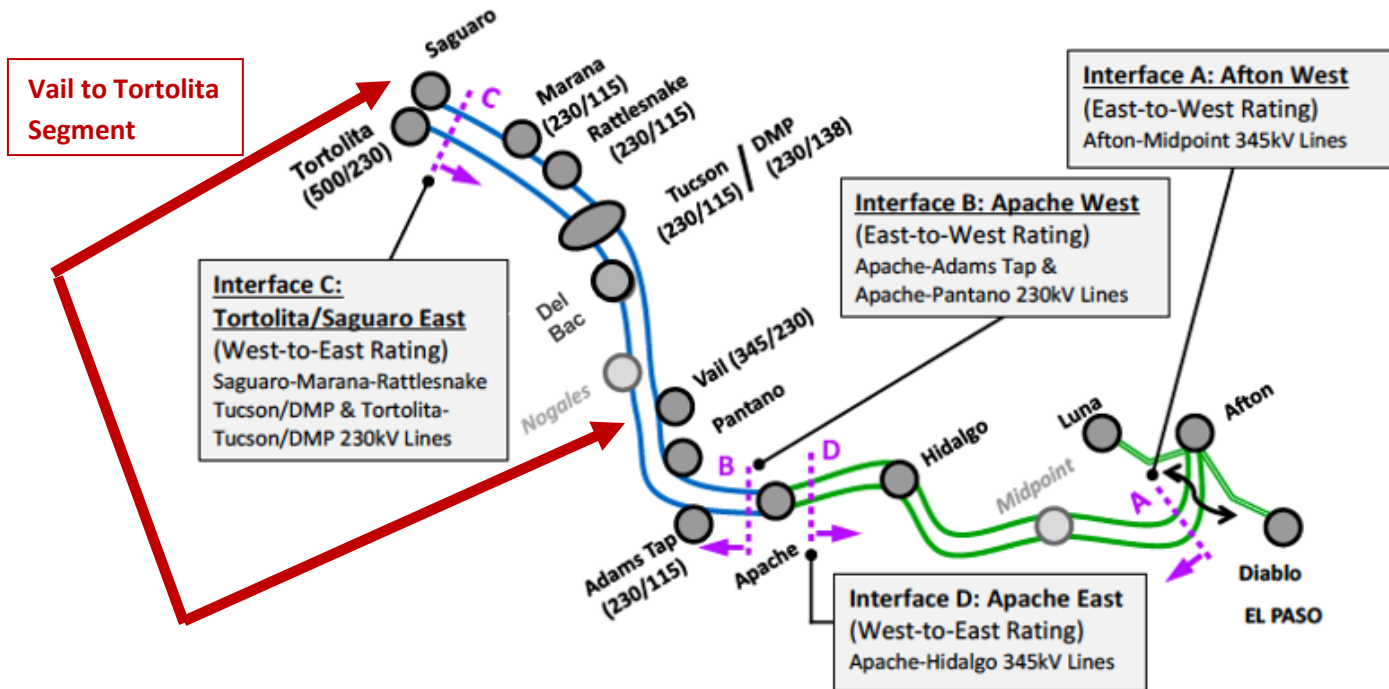
2. Upgrade -- The second section is a proposed upgrade of the Western Area Power Administration's (Western) existing 115kV Apache to Saguaro transmission line, to a 230kV double-circuit line, with new interconnections to AEP's existing Pantano and new interconnections to Tucson Electric Power's Vail, DMP and Tortolita stations.

As detailed in the table below, the Southline Phase 2 Report confirmed non-simultaneous transfer capability for the following four transmission rating interfaces: A) East-to-West of 1,037 MW for Afton West, B) East-to-West of 1,000 MW for Apache West, C) West-to-East of 430 MW for Tortolita/Saguaro East (715 MW with Western's potential Tucson-Oracle 115kV line re-conductor project), and D) West-to-East of 971MW for Apache East. Southline worked diligently and comprehensively with all of its respective PRG Members to identify necessary mitigation and follow up actions to reliably support Southline's WECC accepted ratings outlined in Southline's WECC Phase 2 Report.

SUMMARY SOUTHLINE PHASE 2 NON-SIMULTANEOUS RATINGS		
Southline Project Transmission Rating Interface	Interface Description	Phase 2 Accepted Rating
Interface A, East-to-West Rating	"Afton West": Afton-Midpoint 345 kV #1 and #2 Lines	1037 MW
Interface B, East-to-West Rating	"Apache West": Apache-Adams Tap and Apache-Pantano 230 kV Lines	1000 MW
Interface C, West-to-East Rating	"Tortolita/Saguaro East": Saguaro-Marana and Tortolita-Tucson/DMP 230 kV Lines	430/715¹ MW
Interface D, West-to-East Rating	"Apache East": Apache-Hidalgo 345 kV Lines	971 MW

¹ Higher rating value is associated with Western's potential Tucson-Oracle 115 kV line re-conductor project.

The following diagram reflects the rating interfaces for the proposed project:



B) Planned Initial Operating Date

The project is planned to have phased construction with initial operations in service by the end of 2027.

C) Status

Southline achieved WECC Phase 3 status on March 23, 2015 by letter of WECC PCC Chair. The Final Environmental Impact Statement for Southline was published in 2015, and Records of Decision by BLM and Western Area Power Administration were issued in early 2016. State permitting approvals were obtained in Arizona in February 2017, and in New Mexico in August 2017.

Southline and WAPA executed a Participation Agreement in February of 2018. In 2021, Tucson Electric Power (TEP) acquired from Southline the rights to the Vail to Tortolita portion of the project. TEP and Western Area Power Administration (WAPA) will jointly own and operate the Vail to Tortolita segment highlighted in red above.

Southline was selected by the Department of Energy's Transmission Facilitation Program for a capacity contract award of up to 50% of the project's capacity.

Wires to wires Interconnection studies are in progress, which will refine construction sequencing and in-service date scheduling.

D) Contact information

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