



PRESS RELEASE

July 29, 2008
For Immediate Release

NATIONAL GRID STUDY CONCLUDES WYOMING WIND FARMS ARE AMONG THE BEST RENEWABLE ENERGY OPTIONS FOR THE SOUTHWEST

The Anschutz Corporation, through its affiliate TRANSWEST EXPRESS LLC, acquires the TransWest Express Transmission Project and will serve as developer

(Cheyenne, Wyoming) – Realization of Wyoming’s potential to produce significant levels of renewable wind energy will depend upon the construction of a new, major transmission system to deliver clean electricity to faraway urban markets.

Two recent developments have advanced that vital link and point to the potential of Wyoming becoming the nation’s future leader in the generation of clean, wind power.

MAJOR STUDY:

A major study, *The West’s Renewable Energy Future* – a contribution by National Grid, concluded that Wyoming-produced wind power has the greatest potential for providing the West with a reliable source of clean, alternative electricity generation.

National Grid released details of the recent study – one of the most comprehensive efforts yet undertaken to identify the renewable energy options for the southwestern U.S. – which concluded that wind-generated electricity produced in Southern Wyoming and delivered through a large-scale transmission system, is the most viable option for meeting the clean power demands of the rapidly growing Desert Southwest (Arizona, Nevada and Southern California).

Many western states have followed California's lead in establishing Renewable Portfolio Standards for the generation of electricity, as well as setting substantial CO₂ reduction targets across all industry sectors. These policy decisions, along with significant increases forecasted for population growth and energy demand, create a huge demand for new, clean sources of energy.

Results of National Grid's economic analysis builds upon previous studies by the National Renewable Energy Laboratory (NREL) and several California state agencies that catalogued potential future sources of renewable energy. The new study went further however, by looking at the scale of future demand from the Desert Southwest and the cost effectiveness of providing that region with various clean energy solutions.

The National Grid study concluded that:

- The best wind sites in the West are located in Southern Wyoming (The NREL report concluded that this region has over 50% of the best-quality wind in the entire US.);
- By 2020 the West as a whole will need to develop 116,000 GWh of additional clean energy sources -- roughly 5 times the total amount of electricity currently used within the City of Los Angeles - to meet committed RPS standards alone;
- When regional and federal greenhouse reduction programs are fully developed, this clean energy demand is likely to further increase;
- Meeting this West-wide demand will require \$100 billion of investment in renewable energy infrastructure – with half of that amount needed to meet the renewable energy needs of the Desert Southwest region;
- There are only two possible renewable resources scenarios that could meet this forecasted scale of demand: new large-scale, in-state solar plants in the southwest and large-scale wind generation at the best sites in the West;
- The development of long-distance transmission lines between Wyoming and the Desert Southwest is justified by the very high level of wind resources in Southern Wyoming together with the significant demand by Southern California, Nevada and Arizona for the lowest-cost, large-scale clean energy solution.

TRANSWEST EXPRESS PROJECT:

The Anschutz Corporation, through its affiliate TRANSWEST EXPRESS LLC, headquartered in Denver, has acquired the TransWest Express Transmission Project and will assume the role of developer.

The TransWest Express Transmission Project is a proposed \$3 billion, 900-mile, 3,000MW high-voltage transmission line designed to unlock the vast, wind resources of Southern Wyoming by delivering that clean, alternative electricity to major growing markets of southern California, Las Vegas and Phoenix. The TransWest Project will have the potential to meet 25% of the forecasted 2020 clean energy needs for the Desert Southwest region.

The first phase of the TransWest Express Transmission Project has been led by National Grid, and with its successful recruitment of a developer, the company is withdrawing from the project in order to focus on its existing projects and substantial transmission opportunities related to the company's regulated territory in the Northeast, U.S..

Arizona Public Service Company will continue to participate in the project in an advisory role, with the potential for a future equity position.

Bill Miller, president of TRANSWEST EXPRESS LLC, characterized the next phase of the TransWest Express Transmission Project:

“As a long-time Wyoming resource company, Anschutz is very pleased to have acquired the TransWest Transmission Project. There is good reason to be optimistic that wind-generated power in Wyoming can actually be delivered to markets in the Desert Southwest through a major wind-dedicated transmission system. In doing so, the transmission project will play a vital role in securing renewable energy development in Southern Wyoming, including the 2,000 Mw wind project under development in Carbon County by our affiliate – Power Company of Wyoming, LCC.”

“The next steps will be to proceed with the permitting process and continue with more detailed engineering- two important prerequisites to construction of the project.”

4-4-4

National Grid

National Grid is an international energy delivery company. In the U.S., National Grid delivers electricity to approximately 3.3 million customers in Massachusetts, New Hampshire, New York and Rhode Island, and manages the electricity network on Long Island under an agreement with the Long Island Power Authority (LIPA). It is the largest distributor of natural gas in the northeastern U.S., serving approximately 3.4 million customers in New York, Massachusetts, New Hampshire and Rhode Island. National Grid is the largest power producer in New York State, owning 6,650 megawatts of electricity generation that provides power to over one million LIPA customers and supplies roughly a quarter of New York City's electricity needs.

TRANSWEST EXPRESS LLC (TWE)

TWE is the newest renewable energy project of The Anschutz Corporation, which through its affiliate – Power Company of Wyoming – is also developing a 2,000 Mw wind-generation project in Carbon County, Wyoming. The Anschutz Corporation and affiliated companies have been actively involved in Wyoming for over 50 years as landowners, ranch operators and energy developers. The Anschutz Corporation is also a diverse investment organization.

For further information, please contact:

Chris Mostyn, Media Contact, National Grid, 718-403-2747

Jim Monaghan, Media Contact, The Anschutz Corporation 303-378-8900

The West's Renewable Energy Future – [The National Grid report] is available at www.transwestexpress.net