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News Release

CapX2020 releases economic impact study, breaks ground on Monticello-St. Cloud 345-kV transmission line project

Economic impact study projects thousands of jobs will be created during construction

St. Cloud, Minn.—FOR IMMEDIATE RELEASE—Nov. 10, 2010—CapX2020 officials broke ground for construction of the Monticello-St. Cloud 345 kV transmission line at the Quarry substation west of St. Cloud. The substation and transmission facilities are part of the CapX2020 projects, a series of high voltage transmission lines that will provide reliable and affordable electric service to Minnesota and the surrounding region, while also expanding access to renewable energy.

The utilities also released a study that determined construction of the five CapX2020 projects will result in the creation of thousands of construction and related jobs. The study, conducted by the University of Minnesota Duluth's Bureau of Business and Economic Research, also estimates the projects will collectively provide nearly \$50 million in tax revenue to the four states in which the projects will be built.

"The CapX2020 projects will provide significant benefits to Minnesota and regional electric customers, while also providing a large boost in employment," said Priti Patel, Xcel Energy, co-executive director, CapX2020.

"Ensuring electric reliability and providing capacity for new power generation outlets, particularly in southern and western Minnesota and the Dakotas, is a lasting benefit to the Upper Midwest," added Terry Grove, Great River Energy, co-executive director of CapX2020.

The study projects the following job impacts in each year of construction (direct, indirect and induced):

- 2010: 571 jobs
- 2011: 2,257 jobs
- 2012: 4,580 jobs

- 2013: 7,802 jobs
- 2014: 5,907 jobs
- 2015: 2,425 jobs

University of Minnesota Duluth researchers note that because the jobs may be carried over from year to year, they can't be added together.

For each dollar spent on construction, an additional \$1.93 will be returned to the economy due to multiplier effects, as estimated by the study's modeling software; the money will circulate through the economy creating additional benefit to the state and surrounding region.

The full study is posted at www.CapX2020.com.

Local contractors providing materials for Monticello-St. Cloud project

Local companies are under contract to provide materials for the projects, increasing the impact of the construction projects. For example, Ambassador Steel's Minnesota facilities are providing enhanced rebar for the Monticello-St. Cloud project. The rebar, which is inserted in a 25 to 60-foot deep hole and provides the base of the transmission structure, is made from recycled and scrap metal. An estimated 916 tons of rebar will be fabricated at the company's Minneapolis facility. Ambassador Steel district manager Dan Yerks estimates that eight to 10 employees will be involved in preparing rebar for the project.

"The CapX2020 project is a valuable one for Ambassador to be a part of," said Yerks. "It's a large construction project, and providing steel for the construction helps our company and employees. It helps the suppliers we purchase steel from, and it helps our community at a time when job growth is desperately needed."

Elk River, Minn.-based AME Red-E-Mix, Inc. will provide approximately 16,000 cubic yards of concrete for the project.

"The CapX2020 Monticello-St. Cloud project will save us from closing a facility for the winter and laying off 10 to 15 fulltime employees," said Steve Linegar, president of AME Red-E-Mix, Inc. "It's a valuable project for our company and employees, and comes at just the right time." Linegar estimates that 15 workers will be enlisted to work on the CapX2020 project.

Thomas and Betts, Inc. is supplying the steel monopoles for the Monticello-St. Cloud project's transmission structures; they will be manufactured at their Hager City, WI plant near Red Wing, MN. The company will build more than 150 structures for the Monticello-St. Cloud project and use more than 10 million pounds of steel.

"We are proud this regional project is being built by our employees; it helps to support our local economy," said Jeff Boigenzahn, Thomas and Betts Corporation.

Project-specific projections

The economic impact study evaluated the cost of each project and estimates the following results:

- *Monticello-St. Cloud* 345 kV line – about 28 miles (*peak construction year: 2011*)
 - Construction jobs: 708 and an equivalent number of indirect and induced jobs
- *Fargo-St. Cloud* 345 kV line – about 210 miles (*peak construction year: 2013*)
 - Construction jobs: 708 and an equivalent number of indirect and induced jobs
- *Bemidji-Grand Rapids* 230 kV line – about 70 miles (*peak construction year: 2012*)
 - Construction jobs: 255 and an equivalent number of indirect and induced jobs
- *Hampton-Rochester-La Crosse* 345 kV line – about 125 miles (*peak construction year: 2013*)
 - Construction jobs: 556 and an equivalent number of indirect and induced jobs
- *Brookings County-Hampton* 345 kV line – about 240 miles (*peak construction year: 2013*)
 - Construction jobs: 2,258 and an equivalent number of indirect and induced jobs

About CapX2020

CapX2020 is a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region to upgrade and expand the electric transmission grid to ensure continued reliable and affordable service. The CapX2020 Group 1 projects include four proposed 345 kV transmission lines and a proposed 230 kV line. It is the largest development of new transmission in the upper Midwest in 30 years. The projects are projected to cost nearly \$2 billion and cover a distance of more than 700 miles. The new infrastructure will provide a foundation for the region's projected electric growth as well as connect into renewable energy sources in southern and western Minnesota and the Dakotas.

Along with Great River Energy, Maple Grove, Minn., and Xcel Energy, Minneapolis, utilities that expect to participate in one or more of the CapX2020 projects are: Central Minnesota Municipal Power Agency, Blue Earth, Minn.; Dairyland Power Cooperative, La Crosse, Wis.; Minnesota Power, Duluth, Minn.; Minnkota Power Cooperative, Grand Forks, N.D.; Missouri River Energy Services, Sioux Falls, S.D.; Otter Tail Power Company, Fergus Falls, Minn.; Rochester Public Utilities, Rochester, Minn.; Southern Minnesota Municipal Power Agency, Rochester, Minn.; and WPPI Energy, Sun Prairie, Wis.