



For Immediate Release

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Project to Deliver Renewable Electric Energy Takes Major Step
Agreement Reached to Proceed With Arizona/New Mexico Transmission Project

PHOENIX, AZ (June 2, 2008) – SouthWestern Power Group (SWPG) announced today an agreement with four other partners to proceed with development of the SunZia Southwest Transmission Project (SunZia). SunZia is a high-capacity transmission project planned between Arizona and New Mexico.

In addition to SWPG, companies joining the SunZia project development team include Salt River Project, Tucson Electric Power, Energy Capital Partners and Shell WindEnergy Inc. Salt River Project and Tucson Electric Power are both Arizona electric utilities which serve retail customers in the state.

SunZia will provide new delivery paths to electricity markets for existing and developing energy resources, primarily renewable resources such as wind, solar and geothermal projects in both states. Through strategic interconnections, customers in Arizona, New Mexico, Nevada and California will have access to these new resources to help meet their local power needs. SunZia will also substantially improve the efficiency and reliability of power transfers across the transmission grid in the West.

“In addition to promoting development of wind, solar and geothermal energy production, by creating regional access to these renewable resources, SunZia increases the reliability of the underlying extra high-voltage transmission system in southern New Mexico and southern Arizona”, said Tom Wray of SWPG and SunZia’s project manager. “SunZia will help create a critical link between existing and planned transmission and generation facilities, while providing new opportunities for the efficient delivery of new resources to meet growing power demands in the southwest.”

The Southwest Area Transmission Group (SWAT), a regional transmission planning organization, originally identified the need for SunZia in 2006 based on regional population growth projections, increased system transfer and import capability requirements, and growing energy demands for renewable energy resources. SWAT promotes coordinated regional planning of the transmission grid in the Desert Southwest and includes transmission owners and users, environmental interests and governmental organizations.

SWPG will act as project manager overseeing the permitting, environmental studies and engineering design of the SunZia Transmission Project. When fully developed, the 500-mile SunZia transmission line project will provide an expected 3,000 megawatts of new transmission capacity. The specific alignment will be determined after detailed evaluation of alternative transmission system configurations and routes. Local, state and federal permitting efforts will begin immediately, including an extensive public involvement process, with the first phase expected to initiate commercial operation by 2013. For more information on the project, visit SunZia's website at www.SunZia.net.

SunZia Southwest Transmission Project partners:

- *SouthWestern Power Group (www.SouthWesternPower.com): develops, and through its affiliates, constructs, owns and operates power generation projects in the western US. SWPG is a subsidiary of the MMR Group, a privately-held construction services firm based in Baton Rouge, Louisiana. Media contact: Ian Calkins, 602-229-1010*
- *Energy Capital Partners (www.ecpartners.com): a private equity investment firm active in the development of energy infrastructure projects in North America. Media contact: Paul Parshley, 973-671-6106.*
- *Shell WindEnergy Inc. (www.shell.com/wind): "Shell WindEnergy Inc." refers to the companies of the Royal Dutch Shell plc that are engaged in the pursuit and development globally of businesses related to wind power generation. Each of the companies that make up the Royal Dutch Shell plc is an independent entity and has its own separate identity. Principal offices of Shell WindEnergy are located in Houston. Media contact: Tim O'Leary, 713-241-1478.*
- *Salt River Project (www.srpnet.com): the third-largest public power utility in the nation, provides water and electric services in Arizona; electricity provided to over 935,000 customers in the greater Phoenix metropolitan area. Media contact: Scott Harelson, 602-236-3021*
- *Tucson Electric Power (www.tep.com): since 1892, provides electric services in southern Arizona to over a million residents. Media contact: Joe Salkowski, 520-884-3625*

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