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Xcel Energy planning new 240-mile high-voltage line

Westward extension of 345-kilovolt transmission service to boost New Mexico, Texas grid

AMARILLO, Texas (June 22, 2016) – Xcel Energy is planning a major addition to the power system as part of its Power for the Plains grid enhancement initiative that will deliver a more reliable and abundant electricity supply to customers in New Mexico and Texas.

The company is currently seeking route approvals in both New Mexico and Texas for a 345-kilovolt transmission line that eventually will connect the TUCO Substation north of Abernathy, Texas, to the China Draw Substation more than 240 miles away in southern Eddy County, New Mexico. The combined cost of all line segments is estimated at $400 million.

A similar transmission project was completed in 2014 connecting the TUCO Substation to a substation near Woodward in northwestern Oklahoma. When all the segments between TUCO and China Draw are completed by 2020, a 345-kilovolt line will stretch more than 400 miles from western Oklahoma to southeastern New Mexico, where there is a significant increase in electricity demand.

“The TUCO projects are critical upgrades to Xcel Energy’s New Mexico and Texas transmission grid that not only boost the reliability and capacity of our network, but also enable us to tap more economical sources of power in the east,” said David Hudson, president of Xcel Energy – New Mexico, Texas. “This westward extension ensures power can move freely into one of the nation’s most prolific oil and gas producing regions, which also happens to be rich in agricultural and mining resources and renewable energy prospects as well.”

These core industries are the job creation engines for a vast region, Hudson said, and can only reach their potential with a reliable, abundant source of electric power. And the greater connectivity has already opened new markets for less expensive power, delivering close to $60 million in energy cost savings annually, he said.

“It’s our responsibility to plan and build the best possible solutions to our region’s power needs, both today and well into the future,” Hudson said. “Increasingly those solutions must address customer preferences for a more diverse power mix by building a resilient, flexible power grid that can quickly adapt to changing economic needs.”

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In May, the company submitted possible routes to the New Mexico Public Regulation Commission for a segment of line from Hobbs, N.M., to the China Draw Substation near Carlsbad, N.M. Later this month, Xcel Energy will submit possible routes to the Public Utility Commission of Texas for a segment of the line running from TUCO Substation to Yoakum County Substation near Denver City, Texas. Additionally, two line segments are planned to continue the line between the Yoakum County Substation and a substation west of Hobbs.

Cost, length and in-service dates of the TUCO-China Draw segments are as follows:

- The 86-mile Hobbs-China Draw segment is anticipated to be in service by June 1, 2018 at a total project cost of more than $160 million.
- The 110-mile TUCO-Yoakum County segment is planned to be in service by June 1, 2020. Combined with the two segments that will connect the TUCO-Yoakum County line to Hobbs, the total project cost for the TUCO-Yoakum County-Hobbs segments is estimated at $240 million.
- Plans for one of the two connections across the state line will be submitted later in the summer to New Mexico regulators. The Texas segment running from Yoakum County Substation to the New Mexico state line has already gained regulatory approval.

The TUCO projects are part of a larger capital investment initiative launched in 2010 that is improving the grid across Xcel Energy's 50,000 square-mile New Mexico and Texas service area. Information on these and other projects can be found at www.powerfortheplains.com.

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About Xcel Energy

Xcel Energy (NYSE: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on Twitter and Facebook.