

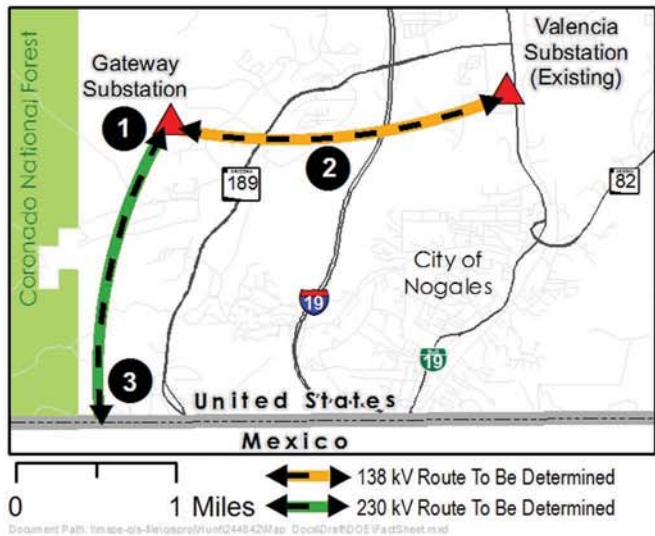
## What is the Nogales Interconnection Project?

The Nogales Interconnection Project (Project) is a proposed 300 megawatt (MW) direct current (DC) interconnection (commonly known as a DC Tie) and associated electric facilities, which will allow for an asynchronous interconnection between the electric grid in southern Arizona and the electric grid in the northwest region of Mexico.

The Project will be constructed in two phases. The first phase of the Project will include the components listed below and a converter capacity of 150 MW with a planned in-service date of mid-2019. The second phase, to be constructed at a time that has not yet been determined, will expand the DC Tie capacity to 300 MW.

### The Project will consist of the following components:

- 1 A new, approximately 11-acre Gateway Substation where the DC Tie and other substation facilities will be located.
- 2 A new, approximately 3-mile, 138-kilovolt (kV) alternating current (AC) transmission line between the existing UNS Electric, Inc. Valencia Substation and the new Gateway Substation.
- 3 A new, approximately 2-mile, 230-kV AC transmission line extending south from the new Gateway Substation to the proposed international border crossing.



## Anticipated Project Timeline

2014 - 2016	2017	2018	2019
<ul style="list-style-type: none"> <li>- Initiate preliminary project planning</li> <li>- Initiate and conduct public outreach</li> <li>- Conduct project feasibility and design</li> <li>- Begin federal permitting</li> <li>- Initiate survey work</li> </ul>	<ul style="list-style-type: none"> <li>- Continue federal, and initiate state permitting</li> <li>- Begin right-of-way acquisition</li> </ul>	<ul style="list-style-type: none"> <li>- Finalize federal, state, and local permitting</li> <li>- Finalize right-of-way acquisition</li> <li>- Begin construction</li> </ul>	<ul style="list-style-type: none"> <li>- Finalize construction</li> <li>- Place project in service</li> </ul>

## What purpose does the Nogales Interconnection Project serve?

The purpose of the Project is to provide an asynchronous interconnection in the vicinity of Nogales, Arizona, that will enable bi-directional electricity transfer capability between the Western Electricity Coordinating Council and Mexico in order to facilitate cross-border commercial electricity transactions and to enhance transmission grid reliability.

## What are the Project benefits?

The Project will provide several important benefits:

- Enabling cost savings through firm and non-firm energy transactions and diversity of peak demand patterns on both sides of the border.
- Supporting reliability by providing bi-directional power flow and voltage support to each side of the border.
- Creating emergency assistance options for the electrical systems of both the U.S. and Mexico.
- Supporting economic growth by improving the electric grid and region's ability to meet future electric capacity requirements.