



Fast-tracked SunZia project releases economic impacts study

by Kerry Bleskan

Building the SunZia transmission project in southern New Mexico and Arizona would create thousands of construction jobs, but the real boom would be in renewable energy projects, state universities found.

SunZia Transmission released economic impact studies on Nov. 22 for the 500-mile, 500-kV line itself and the renewable energy projects that could interconnect to it. The line alone would create 6,200 jobs over a four-year construction period, paying more than \$420 million. The project also would pay more than \$90 million in state and local taxes during construction, researchers said. Operations and maintenance jobs would pay \$7 million annually.

The SunZia line, which would run from central New Mexico to the Pinal Central station northwest of Tucson, Ariz., is one of seven transmission projects nationwide recently selected for a federal regulatory streamlining experiment.

Associated renewable energy projects could create several times more jobs, albeit over a shorter, two-year construction period. The 36,700 workers would be building solar photovoltaic, solar thermal, wind and geothermal generation projects, which have varying costs and construction times. Researchers came up with costs and jobs estimates for each type of generation project and presented a range of possible project construction scenarios.

Researchers looked at three possible designs for the 500- to 550-mile line: a single 500-kV, alternating current line; double-circuit, 500-kV AC; and one 500-kV AC line run parallel to a 500-kV DC line. Depending on the route, the single-line option would cost between \$826 million and \$869 million. The double-circuit plan would range between \$1.475 billion and \$1.6 billion, and the hybrid AC-DC plan would cost between \$2.5 billion and \$2.6 billion.

The hybrid plan is by far the most expensive plan but creates more jobs and brings in more economic benefits than the others, researchers said. During the construction period in one of the route options, for example, the single-line scenario creates 3,540 jobs paying a total of \$239.4 million and would generate US\$52.3 million in state and local taxes, not including property taxes. The 6,805 jobs created under the hybrid scenario would pay US\$458.2 million; state and local taxes would total \$133.4 million. The studies were written by research teams from the University of Arizona and New Mexico State University. They broke their results down to the county level, covering five southeast Arizona counties and 13 southern and central New Mexico counties. The line itself may cross all five Arizona counties and eight of the New Mexico counties. All but one of the affected counties have higher unemployment rates than their state's averages.

The SunZia project has a number of participants. SunZia

Transmission, owned by Southwestern Power Group II, Shell WindEnergy Inc. and Tucson Electric Power Co., will own 86% of the completed project. The remainder will be owned by Salt River Project, 13%, and Tri-State Generation & Transmission Association Inc., 1%. Shell WindEnergy Inc. is a subsidiary of Royal Dutch Shell plc. Tucson Electric Power is a subsidiary of UniSource Energy Corp.

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