

MINUTES
New Energy Industry Task Force (NEITF)
Subcommittee on Transmission

July 12, 2012
3:00 p.m.

The meeting was held via conference call

- 1. Call to order and Roll Call.** Rebecca Wagner, Co-Chairperson, opened the meeting at 3:00 p.m. and opened this agenda item

<u>Member Names</u>	<u>Present</u>	<u>Absent</u>
Stacey Crowley	X	
Rebecca Wagner	X	
John Candelaria	X	
Paul Thomsen		X
John Tull	X	
Jim Baak	X	
Jack McGinley	X	
Brian Whalen	X	
Matt Frazier		X
Tom Husted		X
Marilyn Kirkpatrick		X
Amy Leuders (Vic Lozano)	X	
Connie Westadt	X	
Lawrence Willick	X	
Kathleen Drakulich	X	

- 2. Public comments and discussion**
Co-Chairperson Wagner opened this agenda item. After hearing no public comments, this agenda item was then closed.
- 3. Review and Approval of Minutes of June 1, 2012 Transmission Subcommittee Meeting**
John Candelaria made a motion to approve. The motion was seconded by John Tull. The motion was put to a vote and passed unanimously. The agenda item was closed.
- 4. Discussion and Possible Action on Transmission Financing Options**
Co-Chairperson Wagner opened this agenda item. Lawrence Willick requested the committee review a draft memorandum for policy recommendations to facilitate

renewable transmission financing. Co-Chairperson Wagner will not be offering her thoughts on the matter due to her position. Mr. Willick discussed the options listed in the memorandum. He noted marketing assistance as one of the top items on the list.

Jim Baak inquired whether any sort of interaction was contemplated with Western Area Power Administration PMAs with regard to stakeholder input to determine what their future role in developing the grid to support renewable energy development and modernize and advance the grid.

Lawrence Willick commented that Western has this, it is something that is out there and he was not sure how that relates to what Nevada can do. He questioned whether the state should be active in trying to attract Western's assistance for projects that are instate or help export renewables from the state.

Jim Baak stated the Sonoran Mohave Renewable Transmission Project did not really end up going anywhere. Western was not very aggressive in making things happen. He stated that in light of the happenings with the federal government, Western is trying to leverage some of their borrowing authority and determine what their potential role would be in moving forward.

There was discussion with regard to marketing assistance through coordinated procurement. Determinations in FERC Order 1000 were also discussed.

Mr. Willick questioned Mr. Baak with regard to modeling on California PUC's 399.2.5 backstop cost recovery mechanism in place for building the trunk lines for the RPS. Mr. Baak noted it could be the form of the trunk lines or it could be the assembly bill from last year's legislature where the utility would undertake development of the line. That could be where the state could step in to recover that risk. Mr. Willick noted a discussion with the California Energy Commission reiterating its desire to go beyond 40 percent, which Mr. Willick commented is a good way to develop dialog in order to move forward.

John Candelaria mentioned that Jim's comments on Western Area Power Administration are good and should be included. There was clarifying discussion with regard to state-owned transmission and independent transmission company buckets.

Brian Whalen discussed development assistance moving forward similar to what was proposed previously for transmission corridors around Las Vegas. He agreed there should be lobbying efforts within the State of California to be more receptive to Nevada renewable energy. Mr. Whalen questioned the advantage of high level of state control. He did not understand how a reduction in property taxes would not end up being a "net wash" by reduction in state budget, which is going to have to come from somewhere else.

James Baak asked whether California ISO and NV Energy or another entity could do a joint developed line so that part of the funding could be borne by the California ratepayers, who are benefiting from the renewable energy. Binding obligations to facilitate people's willingness to expend this amount of money could come through

PPAs, a transmission service request or a transmission use agreement. It was noted that finding opportunities with California ISO for lines that have some congestion relief benefits with the procurement to meet the RPS or facilitate balancing energy exchanges to help fund and co-develop the project should be added to the list.

Connie Westadt agreed with Brian Whalen's suggestion the best option is an independent transmission company/public utility with a transmission OATT.

Mr. Willick suggested that recommendations be discussed at the next meeting. Hearing no further questions/comments, this agenda item was closed.

5. Presentation by NV Energy on Section 18.8 of Assembly Bill 416 of the 2011 Legislature (Discussion)

Co-Chair Wagner opened this agenda item for discussion.

Jack McGinley provided an overview of Section 18.8 of AB 416 by first noting it as a modification to the resource planning regulations, specifically with regard to transmission planning and transmission facilities. He noted that sections four and five of that section were an attempt to modify the existing regulations to allow the Commission to consider projects that would be used for utilities planning and construction to meet the RPS and also to allow the ability to build these facilities for the purpose of exporting. He discussed section six, which states the Commission can approve in phases, and section seven, which is the cost recovery provision. Mr. McGinley then discussed the last section, which he identified as the notification requirement section.

The group further discussed a time frame that did not support a resource planning, filing and decision from the Commission. Co-Chair Wagner questioned why an investor-owned utility should build for export when it is not for the benefit of native load. Mr. Whalen answered that federal laws, the Federal Power Act, and the Open Access Transmission Tariffs may require the same. Kathleen Drakulich questioned whether a requestor for that type of transmission is held responsible for all of those costs. Mr. Whalen responded by stating the Federal Power Act is the authorizing document over OATT, that if the customer is willing to pay, the transmission services requested will be provided.

The group continued its discussion regarding the securitization process. Mr. McGinley did not know whether or not this same legislation would be proposed in 2013 Nevada session but suggested that any proposed legislation be jointly developed. The agenda item was closed.

6. Discuss Future Agenda Items and Announcements

Co-Chair Wagner opened this agenda item. The group discussed recommendations for future agenda items. Mr. Baak suggested sending out the link information to the state EIM webinar, which would be very informative for the group. Ms. Crowley will be attending the DRCP meeting and will provide the group with a short summary of the

discussion. Co-Chair will provide times and dates with regard to the joint DOE western workshop sessions around the west. The agenda item was closed.

7. Set Time and Date of Next Meeting

The frequency of meetings was discussed. Co-Chair Wagner will notify the group of possible dates for the next meeting.

8. Public Comments and Discussion

Co-Chair Wagner opened this agenda item. Wendy Ellis found NV Energy's presentation very helpful. She asked for clarification of the meaning of a webinar. The link to the webinar will be placed on the Office of Energy's website. The agenda item was closed.

9. Adjournment

The meeting was adjourned at 4:20 p.m.