

MINUTES
New Energy Industry Task Force (NEITF)
October 17, 2012
1:00 p.m.

The New Energy Industry Task Force held a public meeting on October 17, 2012, beginning at 1:00 p.m. at the following locations:

State Capitol, the Guinn Room, 101 North Carson Street, Carson City, Nevada 89703; via videoconference at the Grant Sawyer State Office Building, 555 East Washington, Suite 5100, Las Vegas, Nevada 89101; and via teleconference.

- 1. Call to order and Roll Call.** Stacey Crowley, Chairman, opened the meeting at 1:10 p.m. and opened this agenda item.

<u>Task Force Members in Carson City</u>	<u>Task Force Members in Las Vegas (via videoconference)</u>	<u>Task Force Members Absent</u>
Stacey Crowley Ellen Allman John Tull (via teleconference) Jack McGinley Lawrence Willick (via teleconference)	Ian Rogoff Tom Husted	Matt Frazier Tom Morley Jim Woodruff Paul Thomsen

<u>Advisory Members in Carson City</u>	<u>Advisory Members in Las Vegas (via videoconference)</u>	<u>Advisory Members Absent</u>
Alex Gamboa Connie Westadt Rebecca Wagner (via teleconference) Jim Baak Kathleen Drakulich (via teleconference) Rebecca Wagner Jason Geddes (via teleconference) Senator James Settlemeyer Vic Lozano (for Amy Lueders) Joni Eastley Dan Jacobsen	John Candelaria	Marilyn Kirkpatrick

Also present were Karen Davis, NV Energy; Charles Pottey, NV Energy; Brian Whalen, NV Energy; Sam Routson, W.F.I.; Lindsay Knox, McDonald Carano; Sue Stephens, NSOE; Cathy Erskine, L.R. Law; Brenda Gilbert, BEC Environmental, Inc. (via teleconference); Mike Hazard; and Wendy Ellis.

2. Public Comment and Discussion

Chair Crowley opened this agenda item. Wendy Ellis commented that she would like the email that she sent to the NSOE posted on the website. Hearing no further public comments or discussion, this agenda item was closed.

3. Review and Approval of the Minutes from September 19th, 2012 Task Force Meeting.

Ellen Allman moved that the minutes be approved as submitted. The motion was seconded by Jack McGinley. The motion was put to a vote and passed unanimously. The agenda item was closed.

4. Status of NV Energy FERC 1000 filing and inter-regional plans.

Chair Crowley opened this agenda item. Jack McGinley introduced Charles Pottey and Brian Whalen, both of NV Energy, who made the presentation. Mr. McGinley mentioned that NV Energy's requirement under FERC 1000 was make a filing by October 11, 2012. Mr. Whalen explained that the purpose of the process was to participate in an inter-regional planning process for transmission as a member of West Connect as well as various sub-regional planning groups. These groups held six regional meetings and results are posted on their website. The planning management committee drives the process for transmission planning and cost allocation. Production Cost Modeling is also performed to determine the benefits of the various proposed projects. A Regional Plan is the final product of the group and it is coordinated with the Western Electricity Coordinating Council. Charles Pottey explained the cost allocation methods related to FERC Order 1000. Order 1000 requires a cost allocation methodology based on six allocation principals established by FERC and ensures that costs are allocated commensurate with benefits and that there are no involuntary costs absorbed by others. Slides from the presentation have been posted on the NSOE website. Ms. Wagner asked about voting rights described on page 7 of the presentation. Mr. Whalen explained that the voting rights were based on attendance, which requires members to actively participate in the process; a member is excluded if more than three meetings are missed. Ms. Wagner also asked about the public policy requirements and asked for an example. The example of greenhouse gas regulations was given.

5. Review and discussion of NEAC Supplemental Report.

Chair Crowley opened this agenda item and reviewed the analysis that was documented in the NEAC Supplemental report. Chair Crowley gave examples of how the calculations of the costs in the report are related to the various options for construction and are derived based on capacity factors; the costs are ultimately expressed in dollars per kilowatt-hour for the various options. Chair Crowley stated that the value of this economic analysis is 1) it provides information on how each of the project construction costs would look rolled into NV Energy transmission rates, CAISO rates or not rolled, and 2) it provides an "order of magnitude" of the economic impacts of each of these

projects during the construction period as well as for 30 years following. The impacts include job creation, property tax and sales and use taxes. This document has been posted to the NSOE website.

6. Update, Discussion and Possible Action on Subcommittees from Subcommittee Chairpersons.

Chair Crowley opened this agenda item and asked for a report from the Business Case Subcommittee.

Business Case Subcommittee - Ian Rogoff provided an update on the status of review of the Synapse Draft Report and announced that the next meeting of the Subcommittee would be held October 23, 2012 at 3:00 P.M. Several members had indicated that they would provide comments on the report for review prior to the October 23 meeting so that the group could map out their next steps. Co-Chair Jason Geddes indicated that policy topics had been developed and would be discussed by the Subcommittee members, then presented for consideration by the full Task Force.

7. Review, Discussion and Possible Action on Upcoming Meeting Topics.

Chair Crowley opened this agenda item. In response to a question regarding timing from Ellen Allman, Chair Crowley indicated that there was a “place holder” for a Bill Draft Request (BDR) that could be used by the Task Force in the event that it was needed to move related legislation along in the current session, but that would depend on whether recommendations could be developed by December 1, 2012. Ms. Allman asked whether a discussion of all of the proposed energy-related BDRs would be helpful. The members concluded that such a discussion would be difficult due to the large quantity of BDRs being considered. The group was directed to the Legislative website for pending BDR information. Chair Crowley, hearing no further comments, closed this agenda item.

8. Set Time and Date of Next Meeting

Chair Crowley opened this agenda item and reminded the group that the next meeting is scheduled for the day before the holiday. Therefore, the majority of members indicated that November 19, 2012 at 1:00 PM would be the preferred date for the next meeting.

9. Public Comments and Discussion

Chair Crowley opened this agenda item and asked for public comments. Hearing none, this agenda item was closed.

10. Adjournment

The meeting was adjourned at 2:43 p.m.