

MINUTES
New Energy Industry Task Force (NEITF)
Subcommittee on Business Case
(Development of Key Metrics, Draft RFP and Manage Business Case)
December 3, 2012
3:00 p.m.

The New Energy Industry Task Force Subcommittee on Business Case held a public meeting on December 3, 2012, beginning at 3:00 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.

1. Call to order and Roll Call. Jason Geddes, Co-Chairman, opened the meeting at 3:11 p.m. and opened this agenda item.

<u>Member</u>	<u>Present</u>	<u>Absent</u>
Ian Rogoff, Co-Chair	X	
Jason Geddes, Co-Chair	X	
Ellen Allman	X	
Tom Morley		X
John Candelaria	X	
Alex Gamboa	X	
Dan Jacobsen	X	
Paul Thomsen	X	
Joni Eastley		X
Kathleen Drakulich	X	
Jim Baak	X	
James Settelmeyer		X
Jack McGinley	X	
Stacey Crowley	X	

Others in attendance: Laura Walsh, Brian Whalen, Cory Hunt, Sue Stephens, Lindsay Knox, Karen Davis, Bob Cooper, Brenda Gilbert.

2. Public comments and discussion.

Co-Chair Geddes opened this agenda item and noted that public comments will be permitted on agenda matters which are before the Subcommittee for consideration or action. He asked that comments be limited to three minutes. Hearing no public comments or discussion, this agenda item was closed.

3. Presentation and discussion on LSR, SSR, and net-metering costs.

Co-Chair Geddes opened this agenda item. Jack McGinley introduced Laura Walsh of NV Energy who provided a presentation on NV Energy's Standby Rates for Customer Generation. Ms. Walsh explained how the applicable tariffs are derived, including the net metering rider, net-metering credits, the net metering subsidy, and other factors affecting how NV Energy's bills are computed for customers who have generation located on their premises. She also explained how standby tariffs are designed and the application of diversity factors. Demand charges are designed to recover demand-related costs required to serve standby load. These costs include Transmission and Generation capacity that vary depending on whether the customer's generator runs at full output and serves the customer's entire load throughout the billing period. In conclusion, she provided bill comparisons with key bill components that compared customers with generation running at various capacity factors. At the conclusion of the presentation, Mr. McGinley and Ms. Walsh answered questions from the subcommittee members.

4. Presentation and discussion on net-metering and pricing.

Jim Baak, Vote Solar, commented that two of his associates, Annie Lappé, and Rick Gilliam, might join the call, and provided a presentation on the costs and benefits of DG Solar and Net Metering. Mr. Baak stated that net-metering was similar to "roll over minutes" on a cell phone bill. He reviewed the value of solar generation and recommended that any cost benefit analysis should measure the benefits and costs of net metering, including benefits to the utility and costs to the utility. He also reviewed the results of an analysis completed by Navigant Consulting, which was hired by NV Energy to undertake a study focused on evaluating the technical and economic impacts of DG on NV Energy's system and its ratepayers. Then, Mr. Baak compared the results of the Navigant study to a study by Crossborder Energy that was commissioned by Vote Solar and is currently underway to demonstrate the benefits of net metering across customer classes in California. Mr. Baak also reviewed the results of other studies from firms such as R.W. Beck consulting and Clean Power Research. In conclusion, Mr. Baak recommended that the Navigant study be updated to include a credible stakeholder process, a study of the full range of benefits, and an updated report within three to six months. At the conclusion of the presentation, Mr. Baak answered questions from the subcommittee members. During questions, Mr. Baak said that he would try to obtain a copy of the final Crossborder report before the next meeting on December 17.

5. Discussion and possible action regarding policy topics.

Co-Chair Geddes opened this agenda item and reviewed changes that he recently made to the Policy Topic document which included re-formatting to break the document into three categories: 1) Transmission, 2) Net-metering and Portfolio Standard, and 3) Other. He commented that two items, net-metering and transmission, are related to BDRs that are currently under development. Two items that are new to the list are: 1) tax policy related to geothermal

and 2) the education language that had been lost from a previous draft. Mr. Geddes noted that these topics would be discussed at the next meeting and the subcommittee would determine at that time which of the recommendations should be presented to the full task force.

6. Discussion of future agenda items and announcements.

Co-Chair Geddes noted that additional information is needed before the next meeting. Those items are:

- 1) Dan Jacobsen will obtain a copy of a report by E3 from the California Energy Commission
- 2) Paul Thomsen will provide language regarding the geothermal topic.
- 3) Jack McGinley will obtain a copy of the Navigant study related to net-metering as well as some facts discussed earlier regarding net-metering that so that Jason can confirm certain calculations.

All of the above items will be sent out to the full subcommittee for their review as soon as they are received. Co-Chair Geddes also asked that the members provide their suggestions regarding additional items that should be discussed. The members were also invited to prepare, in writing, any counter-arguments to the material discussed in today's presentations, or the policy items, and to send them in advance of the next meeting for distribution to the members.

Co-Chair Geddes stated that the members should be prepared to vote on the policy topics at the next meeting so that the recommendations can be presented to the full task force on December 19.

7. Set time and date of next meeting

The next meeting was scheduled for Monday, December 17, 2012, starting at 3:00 p.m. (later revised to 9:00 a.m.).

8. Public Comment and Discussion.

Co-Chair Geddes opened this agenda item and noted that public comments will be permitted on agenda matters which are before the Subcommittee for consideration or action. He asked that comments be limited to three minutes. Hearing no public comments or discussion, this agenda item was closed.

9. Adjournment.

The meeting was adjourned at 5:10 p.m.