

MINUTES
New Energy Industry Task Force (NEITF)
Subcommittee on Business Case
 (Development of Key Metrics, Draft RFP and Manage Business Case)
July 11, 2012
8:00 a.m.

The meeting was held via conference call

- 1. Call to order and Roll Call.** Ian Rogoff, Co-Chairman, opened the meeting at 8:00 a.m. and opened this agenda item

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

- 2. Public comments and discussion**
 Members of the public in attendance: Chris McKenzie, Wendy Ellis, Mike Hazard.

- 3. Discussion and Possible Action Regarding Synapse Outline.**
 The July 6 draft of the Synapse Outline was discussed.

Discussion of Section I. Introduction:

Dan Jacobsen - interested in the Introduction (a) (iv) with regard to overall societal benefit of a more efficient electric system, least-cost compliance with 33 percent RPS. He noted Synapse will broaden the

scope for addressing the least costly way for California to comply with a very large requirement.

John Candelaria - the same concern with (iv) and also with (a) (i), exploring benefits of accessing Nevada's renewable energy potential and export to California. He suggested clarifying (a) (i) to be comparable to a resource-sharing type of arrangement.

Jim Baak - California is looking for mutually beneficial arrangements.

Co-Chairman Rogoff - suggested adding the word mutual between explore and benefits.

Brian Whalen - it is important to keep the export transmission separate from any combination or balancing area issues. He suggested that balancing area expansion can be captured under (a) (ii) with regard to opportunities to improve coordination.

Co-Chairman Rogoff - a market for Nevada's renewables will be an economically interesting transaction to California, which implies a mutual benefit.

Jim Baak - even though the focus of Synapse work pertains to the benefits for Nevada specifically, needs to be characterized in a broader context and clarify the context for a mutually beneficial arrangement with California.

Dan Jacobsen – Under II, Background (c) to (vii)(3), obstacles, acknowledges the need for mutual benefit in order to sell into California.

Co-Chairman Rogoff – to consummate a deal with California will have to be of mutual benefit, which may include some level of resource sharing. Assure transactions with California that contemplate a comfortable agreement. Does it make sense for Nevada to do this, get behind the development of these domestic resources.

Stacey Crowley – I'm in agreement.

Dan Jacobsen – I have the same concerns that the scope seems to have gotten broader. If Nevada ends up buying energy from California, my hope is this analysis would identify the rate impact on Nevada ratepayers.

Co-Chairman Rogoff – recognizing whatever is entered into has to be mutually acceptable, limiting the results of this report to whether economically sensible for Nevada to develop its renewable resource does not mean that Nevada has to deal with California.

Stacey Crowley – I don't think we should recommend anything unless we understand the impact to ratepayers on either side.

John Candelaria – if we develop a report that says we think we can sell Nevada renewable resources to California that does not address mutual benefit, California may say so what.

Brian Whalen – if you can prove to the buyers in California that coming to Nevada is materially cheaper, that is an important piece of information. Adding shared resources as a sweetener to the export transmission is okay, but we should know what those separate costs are.

Co-Chairman Rogoff – this report has to acknowledge that whatever we do has to be of mutual benefit. Update the Introduction; Section(a)(i).

Discussion of Section II Background:

Co-Chairman Rogoff – the background is very straightforward.

Dan Jacobsen – list as an obstacle that there appears to be a bias that the people of California want to generate their own renewable energy and sell it to other states.

Stacey Crowley – there are two sides, the political issue and the regulatory side.

Paul Thomsen – as a developer, we should exploit that one of the advantages in Nevada is we fit into bucket one.

Kathleen Drakulich – if we do not agree whether or not it is advantageous, maybe it is not clear on the California side either.

Co-Chairman Rogoff – be explicit that we are talking about bucket one regardless of geographic siting.

John Candelaria – add accommodating legislation, which addresses bucket one in section II (c) (ii). Geographic proximity needs to be replaced or added.

Discussion of Section III Scenarios:

Brian Whalen - Scenario (ii) Valley Electric – El Dorado, what is the scope?

John Candelaria - it is further north than the Amargosa Valley by about 100 miles or so.

Joni Eastley – it looks like there are no-go corridors for energy transmission over most of the State of Nevada in the settlement agreement.

Stacey Crowley – I will post the agreement letter and map online for reference.

Discussion of Section IV Energy Exchange and Cooperation Rate Impact Analysis – Short Term Scenarios:

Co-Chairman Rogoff – the key area of controversy is going to be Section IV. I recommend that we schedule another one or two-hour conference call to get through the remainder of the outline.

Dan Jacobsen – I have a number of comments about some of the scenarios here pointing right at the Nevada ratepayer paying over the long term for development of transmission.

Stacey Crowley – if folks can send written comments, we can try to incorporate them. Discussion is the right way to go.

Co-Chairman Rogoff – I suggest we invite Synapse to join the call. The group had no objection to pausing the meeting at Item III and deferring the balance of the discussion to Tuesday, July 17, 2012. Hearing no further comments, this agenda item was closed.

4. Discussion and Possible Action Regarding Goals and Recommendations

Co-Chairman Rogoff deferred this topic to Item Three. The agenda item was closed.

5. Discussion of Future Agenda Items and Announcements

Co-Chairman Rogoff suggested continuing the review of the Synapse Outline. The agenda item was closed.

6. Set Time and Date of Next Meeting

Sue stated notification will go out today scheduling the next conference call for Tuesday, July 17, 2012, 8:00 to 10:00 a.m. The agenda item was closed.

7. Public Comment (Discussion)

Mike Hazard asked if renewable resources can be marketed to another buyer, presumably California, that is it mutually beneficial and how does it affect Nevada

ratepayers. Mr. Hazard explained that once the results of this report are published, the public will be at the next meeting. Hearing no further comments/questions, the agenda item was closed.

8. Adjournment

The meeting was adjourned at 9:04 a.m.