

MINUTES
New Energy Industry Task Force (NEITF)
Subcommittee on Business Case
(Development of Key Metrics, Draft RFP and Manage Business Case)
September 7, 2012
9:00 a.m.

The meeting was held via conference call

- 1. Call to order and Roll Call.** Ian Rogoff, Co-Chairman opened the meeting at 9:00 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 Settelmeyer	X	
James Baak	X	
Brenda Gilbert		X
Sue Stephens	X	
Jack McGinley	X	
Brian Whelan		X
Rebecca Wagner	X	

- 2. Public comments and discussion**

Members of the public in attendance: Wendy Ellis and Mike Hazard, public members; Ezra Hausman, Nehal Divekar, and Tyler Comings, Synapse members.

Mike Hazard (Las Vegas) stated transmission-focused initiatives that leverage higher levels of investment in renewable generation are likely to yield the highest economic and employment benefits for the state. He questioned whether this has been proven historically. With regard to ratepayer impact of financing and revenue recovery for transmission investments being altered, Mr. Hazard's commented there should not be any impact on Nevada ratepayers. He further commented that throughout the proposal

Nevada Energy has met the 20 percent RPS standards. He questioned, "Why do we need more?"

Wendy Ellis (Las Vegas) requested clarification with regard to what subsidies are being referenced in the proposal. There being no further public comments, the agenda item was closed.

3. Review and approval of Minutes from July 11, 2012 and July 17, 2012 Business Case Subcommittee Meetings.

This agenda item was opened. Joni Eastley made a motion to approve. The motion was seconded. The motion was put to a vote and passed unanimously. The agenda item was closed.

4. Discussion of possible action regarding Synapse draft Preliminary Analysis.

Co-Chair Rogoff opened this agenda item by asking members to express their concerns with regard to the Synapse Analysis.

Joni Eastley: I thought it was very thorough.

Dan Jacobsen: I think the report was pretty frank. He did note however the conclusion that a strong opportunity exists really did not match the substance of the report. Mr. Jacobsen commented the study provided no consideration to the fact that when Nevada tries to sell into California, it paints a picture that Nevada is competing against instate California projects. He further commented that the study mentions that if Nevada joins CALISO, there is the possibility that Nevada could end up being allocated quite a bit of cost from California. He questioned how much of that cost would be borne by Nevada ratepayers.

Mr. Jacobsen noted also that the study paints a picture that the Nevada ratepayer will probably experience no benefit from having the Nevada network used to transport and bears the risk of lines being built but not utilized. He stated the study was thorough, but leaves a lot of unanswered questions.

John Candelaria stated some areas of the report could use some further enhancement. He expressed concerns with regard to some of the low cost estimates. He suggested overall more information needed to be provided to support the conclusions in the report. He also suggested more information be provided with regard to the future cost of energy from resources in California and other places. Mr. Candelaria would like to see more information concerning not only cost to the delivery point, but also the cost to get from the delivery point to the load centers in order for him

to support the report. He noted it would be easier to support the report with further understanding of how cost estimates were developed.

Jack McGinley stated the conclusions should also be included in the Executive Summary. He suggested that a member from Synapse be permitted to address Ms. Ellis's questions regarding the meaning of subsidized and unsubsidized.

Ellen Allman expressed her concern that the timing for the transmission and installation of the renewable project is too short. She reminded the members that there are rules and anti-commerce clauses that prevent discrimination against out of state resources. Ms. Allman noted confusion by the use of the term merchant. She was impressed overall with the report.

Alex Gamboa questioned what sort of greenhouse gas emission reductions would be seen and what sort of pollutants would be reduced as a result of not burning fossil fuels for the production of energy needs. He suggested that information would be helpful in understanding the full picture to make a better decision. He requested that Synapse respond to the questions and concerns posed.

Stacey Crowley noted the presentations made thus far, as well as the Synapse report. She explained the role of the Task Force is to discuss all of the information, in addition to the draft report, and make recommendations to the Governor.

Chair Rogoff summarized the feedback from members. He stated the Synapse report was excellent given the amount of time to synthesize all of the information. He stated the positive comments presented today will make the report that much better.

Ezra Hausman thanked the subcommittee members for their feedback and expressed his eagerness to work with the Office of Energy.

Hearing no further comments, this agenda item was closed.

5. Discussion and possible action regarding goals and recommendations

This agenda item was opened. Chair Rogoff suggested having another subcommittee meeting prior to the general meeting of the full task force. Ms. Crowley added the subcommittee should consider possible policy recommendations. Hearing no further recommendations, the agenda item was closed.

6. Set time and date of next meeting

The next meeting is scheduled for Wednesday, September 19, 2012, starting at 11:00 a.m.

7. Public comment and discussion

Mike Hazard (Las Vegas) thanked Mr. Hausman and his team for doing a great job on the report. He previously contacted the California Department of Energy and requested feedback with regard to the Nevada efforts. He challenged the subcommittee and the Synapse team to do the same.

Wendy Ellis (Las Vegas) appreciated the in-depth analysis from Dan Jacobsen, Jack McGinley and John Candelaria. She referred to an article that was published in the newspaper concerning whether Nevada consumers should pay for out-of-state energy use. She commented that Nevada already has plenty of cheap electrical power and opposed increasing RPS for Nevada when there are existing power purchase agreements. Hearing no further public comments, the agenda item was closed.

8. Adjournment.

The meeting was adjourned at 10:15 a.m.