



NEVADA RURAL ELECTRIC
ASSOCIATION

***Representing Nevada's Rural Electric Cooperatives,
Power Districts, and Municipal Utilities.***

***Prepared for the Governor's Committee on Energy Choice Workgroups
Generation, Transmission & Delivery
Energy Consumer & Investor Impacts***

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Rural Electrics: Governance



- Each NREA member is an individual association of people with a common purpose to procure and distribute aggregated energy load solely for the members of their Association.
- Local, democratically elected boards are at the center of each member's electric distribution system with a common mission to distribute:
 - safe, reliable, and low-cost electric service for their owner-member/consumers
- PUCN oversight is limited as prescribed in various NRS enabling statutes relative to the Association's entities:
 - Electric Cooperatives --- Power Districts --- Municipalities.
 - NRS Chapter 81 --- NRS Chapter 318 --- NRS Chapter 268

Fundamental Characteristics of NEVADA'S RURAL ELECTRIC DISTRIBUTION SYSTEMS



- NREA Members currently offer **meaningful choice** to their member/consumers...
 - In their power supply options, their rates, and in the make-up of their Boards’.
 - All owner-members have one vote regardless of the amount of energy purchased.
- Each Cooperative, Power District, and Municipality aggregates member-owners' energy requirements and procures the best available resource at the best available price.
- In accordance with each NREA members’ Board policies related to safety and reliability, individual members have the right and potential ability to seek and procure energy generation resources for themselves, with other owner-members, or, outside of the Board approved resource mix.

Fundamental Characteristics of NEVADA'S RURAL ELECTRIC DISTRIBUTION SYSTEMS



- **NREA Distribution Systems Are Not Vertically Integrated**
 - Procure energy from providers of choice
 - Net metering for individual consumer-owned Distributed Generation
- Each Association's Board establishes standards for the expansion of the distribution system through a line extension policy. This policy ensures all members will benefit from the expansion of the system and who pays the costs. All members share in the operating and maintenance of the system, but also enjoy the low costs of the system.
- NREA utility members have **no excess margin component** when setting rates.
 - Rate components = Energy + Demand + Cost of managing Association business

Rural Electrics: Operations



- NREA owner-member/consumers own and operate their Association's electric transmission and distribution systems.
- Each member in an NREA member Association owns a portion of the Association's physical assets.
- These systems are solely used to serve their own requirements and meet high reliability standards. These systems directly benefit the owner-member because the system is operated at cost.

Rural Electrics: Operations



Through their elected representatives, member-owners choose:

- Their source of electricity
 - One member, one vote.
 - Or, terminate membership as an owner.
- Structure conservation and energy efficiency programs to fit local conditions
- Aid fellow consumers in need
 - Low-income and energy assistance programs
- Enable individual member and Community Renewable Resource generation
 - Net-metering
 - Individual and/or Community-based DG projects
- Employ local community resources
- Strengthen their communities by supporting schools and community-based service.



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