



GOVERNOR'S OFFICE OF ENERGY

MINUTES
Committee on Energy Choice's
Technical Working Group on Open Energy Market Design & Policy:
Commercial & Residential

December 5, 2017

The Technical Working Group on Open Energy Market Design & Policy: Residential & Commercial held a public meeting on December 5, 2017, beginning at 10:00 A.M. at the following location:

Legislative Counsel Bureau
401 S. Carson Street, Room 2135
Carson City, NV 89701

The meeting was also available via videoconference at:

Grant Sawyer State Building
555 East Washington Avenue, Room 4401
Las Vegas, NV 89101

- 1. Call to order and Roll Call:** The meeting was called to order at 10:00 AM by Chair Jeremy Susac. Chair Susac thanked all for attending the meeting of the working group. The agenda item was opened up for roll call and a quorum was confirmed.

The following Technical Working Group members were present/absent:

Working Group Members Present

Jeremy Susac
Christopher Brooks
Adam Laxalt
Kevin Sagara

Working Group Members Absent

Andy Abboud

- 2. Public Comment and Discussion:** Chair Susac opened Agenda Item No. 2 and asked if anyone from the public sought to make a comment on the matter in both Carson City and Las Vegas locations. No public comment was provided.

Chair Susac closed agenda item No. 2.

- 3. Approval of Minutes from August 8, 2017 Meeting:** Chair Susac opened agenda item No. 3 and asked for any changes or a motion. Mr. Laxalt made a motion to approve the minutes and it was seconded. The motion carried unanimously.

Chair Susac closed agenda item No. 3

- 4. Review of Prior Presentations to the Technical Working Group by Committee on Energy Choice (CEC) Staff, Committee Discussion on Past Presentations and Approval of Policy Recommendations to the Full Committee on Energy Choice:** Chair Susac opened this agenda item and welcomed Mr. Morris.

Mr. Morris began his review by stating, I will start with the July 10, 2017 presentations. There were two presentations heard, one by Steve Berberich from CAISO and another by Maura Yates, CEO of Mothership Energy Group. Ms. Yates focused on how power is sold under the ERCOT model. Ms. Yates highlighted slides number 10, 15, 20, and 23 as the key points in her presentation. Mr. Berberich presented an overview of California's ISO structure as the only open market in the west and competitive market models. He highlighted slides number 2, 4, 6, 8, and 10. Slide 2 discussed market operators as essential elements. Slide 4 shows a chart which illustrates changes to a vertically integrated utility under a restructured market. Slide 6 illustrates that competition will need to be created among generating resources in a restructured market. Slide 8 was related to load serving entities as primary procurers of power and discussed their interfacing with the end-use customers. Slide 10 was related to the point that leveraging an existing market will dramatically shorten the time frame, cost, and effort of establishing a market operator.

The next meeting held was August 8, 2017, there were presentations by Tom Husted, Valley Electric, Bruce Rew, Southwest Power Pool, and Hank James, NREA. Mr. Husted provided an overview of their history, support for regionalization, and various consideration of a restructured market. Mr. Rew directed the Committee's attention to slides 3, 7, 9, 13, 14 of his presentation. Slide 3 states the mission of the Southwest Power Pool. Slide 7 shows a graphic illustrating the value of the Southwest Power Pool. Slide 9 presents an overview of the status and possible expansions of SPP. Slide 13 presents cost benefit considerations. Slide 14 discusses Nevada's partnering with SPP. NREA's presentation provided a history of its governance structure and allocation of revenue.

The working group had no further questions for Mr. Morris.

Mr. Susac moved on to discuss Policy Recommendations for the full Committee. I would like to hear from the PUCN since they have an interest in an interim solution like a Nevada ISO. That is very attractive to me and you want to have more competition since consumers will more than often win when there is competition. It seems contracting with CAISO would not be a good interim.

Mr. Sagara stated, what I have taken from this presentation is that it is going to be very difficult to have full retail choice without having a deep wholesale market. The CAISO is obviously not

an option today but it will be in the future. I think a fundamental question could be what a Nevada stand-alone market would look like and would it allow full retail choice. I feel it may be very small and probably not very functional.

Mr. Susac replied, Nevada is one tenth the size of ERCOT. It may have been an NV Energy who replied that Nevada is still a robust market and they are not precluded from buying from other states.

Mr. Sagara added, I haven't heard testimony that a Nevada only power market is feasible or even liquid enough for what we need.

Mr. Laxalt asked, is this one of the questions that the PUCN is taking up in their investigation, the viability as well as the cost?

Mr. Susac replied, yes.

Mr. Laxalt continued, my recommendation would be that we wait for those findings because it is pretty hard to recommend anything without seeing the data and fiscal analysis that is needed.

Mr. Susac replied, I would agree.

Mr. Brooks stated, I agree with Mr. Laxalt. It seems we will have that information to be able to make a more educated recommendation.

Mr. Sagara added, I think we should ensure the PUCN knows which issues need further analysis.

Mr. Susac asked Mr. Morris to explain what the PUCN is providing.

Mr. Morris replied, there is an item on the agenda today for a brief update. The PUCN will examine a number of issues and it would be expected that there will be information that will be significant to our committees and technical working groups.

Mr. Susac added, there is no reason for us to duplicate what the PUCN is already doing. The only formal way to do that would be to file a Petition to Intervene that would allow us to ask questions. I would be supportive of creating a cooperative with the PUCN.

Mr. Sagara asked, does the PUCN already understand the scope of what they have been asked to do?

Mr. Susac answered, I think they have a good understanding what it is that they need to do. I wonder if we should file a Petition to Intervene and make sure it is included in the docket or just allow us to send a letter with our pending issues.

Mr. Laxalt asked, do we need to file these and if we take this step will we be able to get answers.

Ms. Batement stated, the investigation into this docket closes this Friday so there would be a request made and it is not the normal course. Petitions to Intervene are typically only in contested matters but there is nothing prohibiting you from doing it. A letter in my opinion would yield the same result.

Mr. Sagara added, I just want to make sure they focus on our issues versus us serially sending in issues and questions. Maybe it would save time and benefit everyone.

Mr. Brooks said, I don't think it would be worth while to file a Petition to Intervene. I don't know that we would even qualify as interveners but I don't see why we couldn't send a letter. The Chair of the PUCN made it very clear in a previous meeting that they will look at what they are going to look at and intervening is probably not the best course of action.

Mr. Susac replied, I think we should probably just file a letter highlighting the issues we have formulated.

Mr. Laxalt stated, I understand your concern but we simply don't have the technical data to have a policy recommendation.

Mr. Susac agreed and asked, should we file a letter as a committee?

Mr. Laxalt replied, how will we all agree on the questions, given the lack of time I would recommend the individual members send you the questions they have.

Mr. Morris stated, that working group can expect to have answers to most of their questions. There should be an opportunity after the workshop to see if something has not been addressed.

Mr. Susac thanked Mr. Morris for his presentation and closed agenda Item No. 4

5. Update from Committee on Energy Choice Staff on the Progress of PUCN's Investigatory Docket: Chair Susac opened agenda items No 5 and 6.

Mr. Morris began, on September 27, 2017 a formal request was sent to the PUCN from the CEC and the PUCN opened the docket on October 2, 2017 Docket Number: 17-1001. The first workshop is scheduled for January 9, 2018.

Mr. Susac asked if there was discussion of the carrier of last resort. Has the PUCN sent out a data request regarding how robust the market is.

Mr. Morris replied, best practices as well as options for a service provider of carrier of last resort were explicitly included. To my knowledge the only questions included were what the Committee agreed on, some of the more specific questions are not explicitly in the docket so we do not know if those will be answered.

Ms. Batement intervened, drafting this letter was not a part of the agenda for this meeting so it will have to be done in a future meeting where it is agendized.

Mr. Laxalt added, once we have data from the PUCN we will be able to fulfill our obligations.

Ms. Batement added, the Working Group does not have any specific legal obligations or requirements other than being an advisor.

Mr. Laxalt replied, if that is the case then I do not see a need to intervene.

Mr. Sagara added, I am fine with waiting for the findings but we do run the risk that once the report is out it may not contain all the answers we are looking for and it may require some follow up.

Mr. Laxalt recommended they take no action on items 4 and 6.

Chair Susac closed items no 5 and 6.

- 6. Committee Discussion and Approval of Filing Formal Notice to Participate in PUCN's Investigatory Docket:** Agenda items number 5 and 6 were taken together.
- 7. Public Comments and Discussion:** Chair Susac moved on to public comment and asked if anyone from the public sought to make a comment on the matter in both Carson City and Las Vegas locations. Seeing none Chair Susac closed agenda item No. 7
- 8. Adjournment:** Chair Susac thanked all for their participation and attendance and adjourned the Meeting.