

**BEFORE THE NEVADA ENERGY DIRECTOR
GOVERNOR'S OFFICE OF ENERGY**

APPLICATION NO. 15-0220SPV

DIRECT TESTIMONY OF

JOHN W. LESCENSKI

ON BEHALF OF

NEVADA POWER COMPANY, DBA NV ENERGY

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1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John W. Lescenski and my business address in 6226 West Sahara Avenue, Las Vegas, Nevada 89146.

2. Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am Manager of Generation Strategy for NV Energy.

3. Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Nevada Power Company ("NPC"), d/b/a NV Energy.

4. Q. DOES ATTACHMENT LESCENSKI – DIRECT 1 ACCURATELY DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

A. Yes, it does.

5. Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to support NV Energy's request for partial tax abatement for the Nellis Solar PV II Project. I will provide specific information related to the Nellis Solar PV II Project to assist the Director,

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Nevada State Office of Energy in considering the application for partial tax abatement.

6. Q. WHAT TYPE OF ABATEMENTS IS NV ENERGY REQUESTING FOR THIS PROJECT?

A. NV Energy is requesting partial abatement of the sales and use taxes for personal property purchased for the Nellis Solar PV II Project, and the property tax on the real and personal property associated with the Nellis Solar PV II Project.

7. Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF NV ENERGY?

A. NPC is a public utility that generates, transmits and distributes electric energy in Nevada. At the end of 2010, NPC served approximately 830,000 electric customers primarily in Las Vegas, North Las Vegas, Henderson and adjoining areas, including Nellis Air Force Base and the DOE's Nevada Test Site in Nye County.

8. Q. PLEASE DESCRIBE THE PROJECT IN MORE DETAIL.

A. The project will install a 15 MW AC solar photovoltaic (PV) generating plant, a plant substation (Clinton Substation), and interconnections to NV Energy's transmission and distribution systems, as well as three feeders from the PV generating plant to Nellis Air Force Base's electrical distribution system. The solar PV generating plant will be built on the Nellis Air Force Base Landfill designated LF-01 on the southern most portion of the Nellis Air Force Base. The PV plant will be an Oasis Tracking System, provided by SunPower Corporation and will include ten

1 (10) 1.5 MW modules. The Clinton Substation will interconnect the PV
2 generating plant to NV Energy's transmission system on the Carey-
3 Debouno 69 KV transmission line and to NV Energy's distribution system
4 at the Carey Substation. The Clinton Substation will also provide an
5 interconnection point to three (3) new distribution feeders that will
6 interconnect to the Nellis Air Force Base electrical distribution system.
7 Four (4) distribution feeders are also included in the project. One
8 distribution feeder will interconnect the new Clinton Substation to the
9 existing Carey Substation. Three (3) feeders will be installed to
10 interconnect the Clinton Substation to the existing Nellis Air Force base
11 electrical distribution system. Additionally, feeder upgrades will be
12 completed on the Nellis Air Force Base electrical distribution system to
13 accomodate the additional energy from the PV plant.

14
15 **9. Q. WHAT BENEFITS WILL THE NELLIS SOLAR PV II PROJECT**
16 **BRING TO THE STATE OF NEVADA?**

17 A. The Nellis Solar PV II Project increase the renewable energy produced in
18 the State as required by the enabling legislation (AB123), while taking
19 advantage of otherwise unusable land on the Nellis Air Force Base. The
20 project has additional benefits providing additional reliability to Nellis Air
21 Force Base throught the new feeders.

22
23 **10. Q. WHAT EXPERIENCE DO THE ON LINE PARTIES HAVE IN**
24 **DEVELOPING AND OPERATING SOLAR PV FACILITIES?**

25 A. NV Energy has extensive experience in operating fossil fired generating
26 station throughout the State; however, it has contracted with SunPower
27 Corporation to build, operate and maintain the solar PV facilities.

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SunPower has been in operation since 1985 and has deployed 7.5 GW of solar plants

11. Q. IS NV ENERGY QUALIFIED TO CONDUCT BUSINESS IN NEVADA AND DO THEY HOLD VALID NEVADA BUSINESS LICNESES?

A. Yes, they are and they do.

12. Q. HAS NV ENERGY OBTAINED ALL MAJOR PERMITS REQUIRED TO CONSTRUCT THE PROJECT?

A. Yes.

13. Q. WILL NV ENERGY OBTAIN AND MAINTAIN ALL REQUIRED LICENSES AND PERMITS TO OPERATE THE PROJECT?

A. Yes.

14. Q. ARE YOU FAMILIAR WITH THE APPLICATION FOR PARTIAL ABATEMENT FILED ON BEHALF OF THE PROJECT?

A. Yes, I am.

15. Q. IS THE INFORMATION IN THAT APPLICATION TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes, it is.

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16. Q. WILL ANY PUBLIC LAND OR FUNDING FROM A GOVERNMENTAL ENTITY IN THIS STATE BE USED FOR THE PROJECT?

A. The Project will be located almost exclusively on public lands managed by the U.S. Department of Defense on the Nellis Air Force Base, in accordance with a lease between the United States Air Force and NV Energy. The solar PV generating plant will be built on the Nellis Air Force Base Landfill designated LF-01 on the southern most portion of the Nellis Air Force Base. No funding is or will be provided by any governmental entity in this State.

17. Q. HAS OR WILL ANY STATE OR LOCAL FUNDING BE PROVIDED FOR THE ACQUISITION, DESIGN OR CONSTRUCTION OF THE PROJECT?

A. No.

18. Q. WILL THE PROJECT BE OWNED OR OPERATED BY A GOVERNMENTAL ENTITY?

A. No.

19. Q. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING ANY OTHER TAX ABATEMENT OR EXEMPTION FOR THE PROJECT?

A. No.

- 1 **20. Q. HOW MUCH CAPITAL WILL BE INVESTED IN THE PROJECT?**
2 A. The Public Utilities Commission of Nevada approved a budget of \$54.5
3 million for the project, exclusive of AFUDC.
4
- 5 **21. Q. HOW MANY PEOPLE WILL BE EMPLOYED DURING THE**
6 **SECOND QUARTER OF CONSTRUCTION OF THE PROJECT?**
7 A. We anticipate at least 139 full-time construction employees during the
8 second quarter of construction.
9
- 10 **22. Q. WHAT PERCENTAGE OF THE ON LINE CONSTRUCTION**
11 **EMPLOYEES WILL BE NEVADA RESIDENTS?**
12 A. At least 50% of the construction employees are required to be Nevada
13 residents, but NV Energy expects that percentage to be considerably
14 higher.
15
- 16 **23. Q. WHAT WILL BE THE AVERAGE HOURLY WAGE FOR**
17 **CONSTRUCTION EMPLOYEES, EXCLUDING MANAGEMENT**
18 **AND ADMINISTRATIVE EMPLOYEES?**
19 A. We anticipate an average hourly wage of \$52.70 for construction
20 employees.
21
- 22 **24. Q. WILL THE CONSTRUCTION EMPLOYEES BE PROVIDED A**
23 **HEALTH INSURANCE PLAN WITH AN OPTION FOR**
24 **COVERAGE OF THE DEPENDENTS OF EMPLOYEES?**
25 A. Construction contractors and sub contractors are required to have labor
26 agreements with union labor for a minimum of 50% of the employees
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(including IBEW local 396 and local 1245, Operating Engineers locals 12 and 3, Teamsters locals 631 and 533), and as such are covered (including Dependent Care) per their individual compensation plans.

25. Q. HOW MANY PERMANENT EMPLOYEES WILL BE EMPLOYED BY THE PROJECT AFTER IT BEGINS OPERATIONS?

A. The Nellis Solar PV II Project will be operated and maintained by SunPower, under contract with NV Energy and SunPower will be using its existing workers already in the Las Vegas area to operate and maintain the project.

26. Q. WHAT WILL BE THE AVERAGE WAGE OF THESE EMPLOYEES AND WILL THEY RECEIVE BENEFITS?

A. SunPower's employees have an average wage of \$32.50/ hour with full benefits.

26. Q. HOW LONG WILL THE PROJECT BE IN OPERATION?

A. NV Energy's lease with the Air Force and its operating and maintenance agreement with SunPower has a term of 30 years. NV Energy expects the Project to operate for a minimum of 30 years or more.

27. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

STATEMENT OF QUALIFICATIONS

JOHN W. LESCENSKI
MANAGER, GENERATION STRATEGY
NV Energy

6226 West Sahara Avenue
Las Vegas, NV 89151-001
(702) 402-2304

Currently Manager, Generation Strategy at NV Energy, responsibilities include generation fleet-wide asset strategy development, working to develop a corporate strategy to ensure the existing and future generation fleet of power plants meets the energy supply requirements of our customers while meeting the stringent emissions requirements for fossil-fired power plants. Also, currently acting as Project Manager for the Nellis Solar PV II project and the Fort Churchill Solar Project.

Professional Experience

Joining Nevada Power (now NV Energy) in 1989 as an Engineer in Generation Engineering and Construction at the Reid Gardner Power Plant, progressing to Manager for strategy planning for integrating business planning with power plant operations, in conjunction as primary witness for Generation issues in regulatory filings of the Integrated Resource Planning, Depreciation Cases, and General Rate Cases. Leading development of 10-year Business Plans for all generating plants in the fleet, leading Reid Gardner 1-3 repowering/retirement analysis and providing input to Resource Planning for alternative analysis. Responsible for strategic assessments of NV Energy's generation fleet through plant condition assessments and long term life span analysis.

- Successfully completed the \$16 Million King's Beach Power Plant replacement, responsible for the project from inception through start-up
- Lead early efforts in the development of the Ely Energy Center project
- Lead the study of the Valmy expansion alternatives
- Spearheaded the resource planning efforts for the retirement and decommissioning of the Clark Units 1-3 and their replacement with the new 600 MW Clark Peaking Plant.
- Coordinated with Environmental Services on the air permit application and permitting for the contemporaneous change for the Clark Peaker Project
- Coordinated the Reid Gardner emissions alternative analysis and resource planning approval and supported the decommissioning and demolition approval for the Reid Gardner Station.
- Developed Life-Span Analysis Process (LSAP) to guide the decision making for determining the remaining economic useful life of a generating unit and reinvestment decisions to continue operations.
- Project Engineer for the Harry Allen Unit 4 simple cycle 7EA combustion turbine expansion project, supporting resource plan application/approval through turbine purchase and EPC bidding and contracting
- Lead technical analyst for the generation business services department, providing services as lead Owner/user inspector and subject matter expert supporting the Reid Gardner Plant Engineering Staff.

Professional Certifications

Owner-User Commission ▪ National Board of Boiler and Pressure Vessels ▪ # 570 (not active)
Certificate of Competency ▪ State of Nevada ▪ OU NV57 (not active)
Engineer in Training ▪ State of Nevada

Education

Graduate Certification in Renewable Energy – University of Nevada, Reno ▪ 2013
Master of Business Administration – University of Nevada, Las Vegas ▪ 1996
Bachelor of Science in Mechanical Engineering – University of Southern California ▪ 1989

Nevada Power Company
and Sierra Pacific Power Company
d/b/a NV Energy


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AFFIRMATION

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

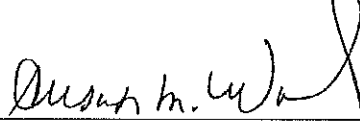
I, JOHN LESCENSKI, do hereby swear under penalty of perjury the following:

That I am the person identified in the attached Direct Testimony and that such testimony was prepared by me or under my direct supervision; that the answers and information set forth therein are true to the best of my knowledge and belief; and that if asked the questions set forth therein, my answers thereto would, under oath, be the same.



JOHN LESCENSKI

Subscribed and sworn to before me
this 27th day of April, 2015.



NOTARY PUBLIC

