PROPOSED TAC - CLEAN ENERGY SOURCES QUESTIONS - KYLE DAVIS

1. As a state policy do we prioritize procurement of clean energy (non-fossil) first? Yes

2. How do you propose we integrate more clean energy into our energy sources? NV must integrate clean energy for fuel diversification. When natural gas increases in cost, which it will, NV ratepayers will be severely hurt. New energy demand should be met with energy efficiency then Nevada renewable energy to transition away from volatile resources. A policy to use clean energy sources to meet any increased load needs, and to start to phase out older fossil fuel plants like Valmy.

3. Are there existing statutes that need revision/amendment/deletion in order to implement the broad policy of prioritizing clean energy first? If so, what statutes do you propose be revised/amended/deleted and what is the general direction for your proposal to do so? Yes. The RPS needs to be increased and something needs to be done to deal with the backlog of portfolio energy credits that keeps the RPS from driving new renewable demand. There also needs to be a policy to encourage utilities to take advantage of all cost-effective energy efficiency opportunities.

4. Are there specific legislative instructions that need to be provided to the PUC?

- Decoupling? Yes, PUCN should have the authority however legislative directive would expedite the process.

- Loading Order? Yes, to give direction to the PUC that energy efficiency measures and renewable native energy sources should be the first priority.

- Consideration of externalities and how to quantify? A study should be undertaken to determine a monetary value for ancillary benefits, economic benefits to Nevada and a monetary cost for environmental harm. Then the PUCN should take these values into account when making resource decisions.

- Transparency – Establish a pre-filing stakeholder process for resource procurement. Currently, NVE develops their own possible plans, then the path is only chosen from one of their options. Stakeholders should be allowed to give suggestions to NVE before they are proposed to the PUC.

5. What broad policies are necessary to increase Nevada's opportunities for exportation? What policies do we need to coordinate with the Grid Mod TAC? Coordination makes sense. My understanding is that transmission and siting issues are key for export, and these are largely federal issues. To the extent that state policy can help with transmission, we should consider it. There should be a review and possible abatement given on wheeling charges that NVE applies to in state generators who sell out of the state.

6. Should we revise/expand the RPS? If so, what is your proposal for revision/expansion? Yes. We should remain competitive with our western neighbors and maintain our profile as a clean energy leader. I would propose 50% by 2040, which would align us with Oregon, a geothermal heavy state that borders CA and their large load.

- What are the impediments to revising/expanding the RPS?

- Should we phase out banked credits? Yes

7. What specific policy actions should occur, if any, related to EE? We should consider policies like an energy efficiency resource goal with incentives, and we should give authority for decoupling to the PUCN. We need to sever the relationship between how many electrons NVE sells, and how much money they make. By taking away this disincentive to energy efficiency, NVE will start to treat EE as a supply side resource.

8. Are there existing impediments to further clean energy development that can be controlled by the state? Access to capital, stable demand (RPS fix), misinformation on the cost and economic benefit to NV.

9. Will any/all of the proposals set forth above ensure that:

- Nevada will be CPP compliant at the time the stay is lifted? Implementation of the Policy above will not only ensure compliance but also allow NV to support other western states who may fall short on compliance.

- Nevada will be in a position to adopt CEIP early-action compliance? Policy details above should ensure that we have this opportunity.

- Nevada will be trade read at the time the CPP stay is lifted? Ideally, yes.