



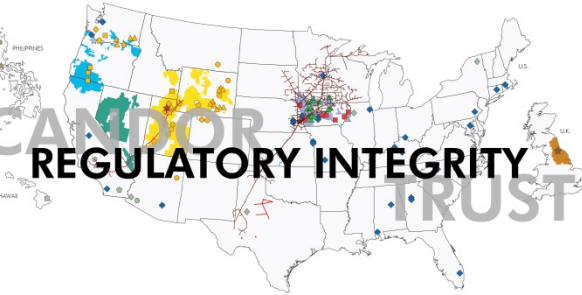
**CUSTOMER SERVICE**



**EMPLOYEE COMMITMENT**



**ENVIRONMENTAL RESPECT**



**REGULATORY INTEGRITY**



**OPERATIONAL EXCELLENCE**



**BERKSHIRE  
FINANCIAL STRENGTH  
OWNERSHIP**

## Considerations for Managing a NEM 1 Queue

New Energy Industry Task Force  
Technical Advisory Committee on Distributed Generation and Storage  
May 18, 2016

Jesse Murray – Director of Renewable Energy Programs, NV Energy

# NEM Current Customer and Capacity Counts\*

Customer Count	Installed	Pipeline	Total
Nevada Power	20,947	6,627	27,574
Sierra	2,790	631	3,421
Total	23,737	7,258	30,995

Capacity (MW)	Installed	Pipeline	Total†
Nevada Power	160.4	51.0	211.4
Sierra	48.4	7.3	55.7
Total†	208.9	58.3	267.2

\* As of May 16, 2016.

† Totals may not add due to rounding

# Pipeline Project Detail\*

Pipeline Element Description	Capacity (MW)	Customer Count
Currently Interconnected	208.9	23,737
Pipeline – Pending Interconnection (Assumed that construction is complete)	3.2	504
Pipeline – Active (Assumed that construction is not complete)	55.1	6,754
<b>TOTAL</b>	<b>267.2</b>	<b>30,995</b>

\* As of May 16, 2016.

# Pipeline Project Risk Analysis\*

High Confidence Capacity	Capacity (MW)
Interconnected	208.9
Low/No Risk Pipeline	3.2
LISEPP projects under construction	1.9
Active Capacity (applied after 1/1/16)	2.0
<b>TOTAL HIGH CONFIDENCE CAPACITY</b>	<b>216.0</b>

Other Pipeline Capacity	Capacity (MW)
Active Capacity (applied before 12/31/15)	51.2
<b>TOTAL OTHER CAPACITY</b>	<b>51.2</b>
<b>ESTIMATED ATTRITION SINCE 12/31/15†</b>	<b>6.1</b>

\* As of May 16, 2016.

† On 12/31/2015, NV Energy reported a total capacity of 273.3 MW

# Queue Policy Considerations

- All projects have a timestamp of first submittal.
- 12 month expiration (incentive).
- Most attrition is due to expiration, others have cancelled.
- Virtually all projects will expire by 12/31/16.
- Over 2,000 “NEM 2” projects interconnected.
- Continued customer confusion over which rate schedule they are under.
- Decisions made by customers after rate change.
- Could introduce several more years of management.

# Queue Management Scenario



# Path Forward

- Utilize 12/31/15 initial application date as a hard date for grandfathering, no queue.
  - Only 33% of the other pipeline projects needed to achieve 235 MW.
- A maximum of 273.3 MW may qualify for NEM 1.
- Annual subsidy could move from \$16m to \$18.6m.
- Easiest for customers to understand.
- Prevents a perpetual queue management process that could extend into 2019 or beyond.

# Committee's Recommendation Mechanics

- Assume new law becomes effective June 1, 2017.
- Customers at premises who had initial applications between June 5, 2015 and December 31, 2015 would have 90 days to apply for extension with NV Energy.
- Would be limited to same premise and capacity as original application.
- Extensions issued prior to September 1, 2017, would have 12 months to install systems.
- Expirations would occur by September 1, 2018.
- NEM 1 customer pool would be closed by September 1, 2017

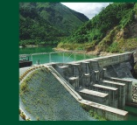




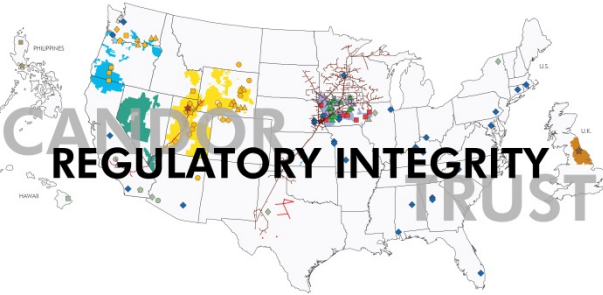
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## Overview of RenewableGenerations Program

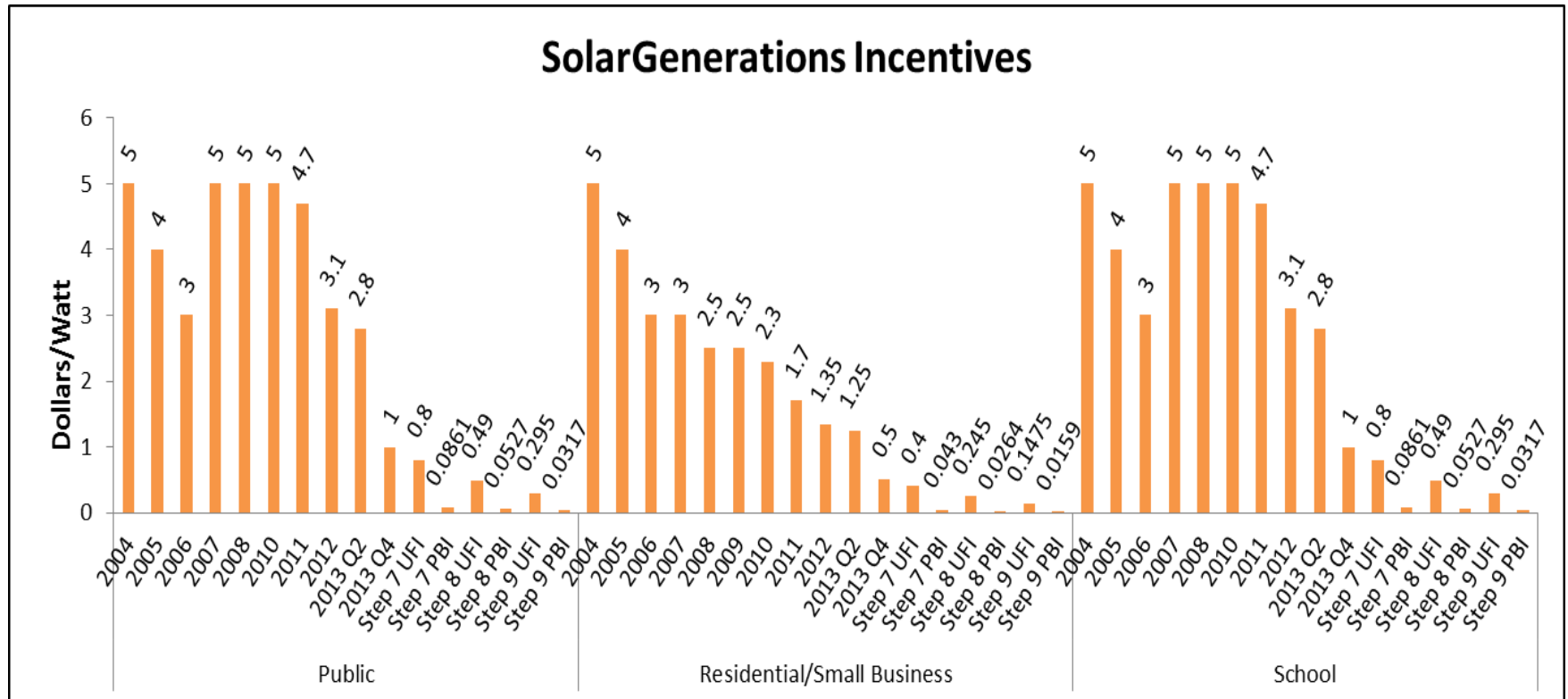
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# Renewable Generations Overview

- Created by 2003 Legislature. (NRS 701B)
- Modified substantially by AB 428 of the 2013 Legislature.
- Provides for programs to install solar, wind, and hydro NEM/distributed generation systems.
- Programs provide incentives to offset installation cost of systems.
- \$255,270,000 for 250 MW of solar.
- \$40,000,000 for wind and hydro.
- Funded through the REPR rates on all customers.

# SolarGenerations Incentive Rates



# Current Funding Statistics\*

SolarGenerations	Amount (\$mil)	Capacity (MW)
Completed	\$201.1	136.5
Interconnected, Pending Payment	\$6.6	23.1
Low Income Solar Energy Pilot Projects	\$7.0	2.0
Active (yet to complete)	\$7.7	44.3
<b>TOTAL COMMITTED FUNDING</b>	<b>\$222.3</b>	<b>205.9</b>
TOTAL NRS 701B.005 ALLOWANCE	\$255.3	N/A
ESTIMATED ALLOWANCE FOR 250 MW GOAL	\$6.5	44.1
<b>ADDITIONAL FUNDING OPPORTUNITY</b>	<b>\$26.5</b>	<b>N/A</b>

WindGenerations and HydroGenerations	Amount (\$mil)	Capacity (MW)
Completed	\$27.6	10.3
Reserved and Active	\$0.7	0.8
<b>TOTAL COMMITTED FUNDING</b>	<b>\$28.3</b>	<b>11.1</b>
TOTAL NRS 701B.005 ALLOWANCE	\$40.0	N/A
<b>ADDITIONAL FUNDING OPPORTUNITY</b>	<b>\$11.7</b>	<b>N/A</b>

\* As of May 16, 2016.

# Funding Reallocation Potential Options

- Solar underserved customer sectors
  - Expanded low income projects
  - Multi-family residential
  - Large commercial and industrial
- Emerging technology development
  - Battery storage pilot
    - Large scale integrated with solar
    - Residential applications
  - Geothermal heat pumps
  - Other geothermal development activities
- Increased incentive rates
- Merging funding into one pool (SB 282 – 2015)