



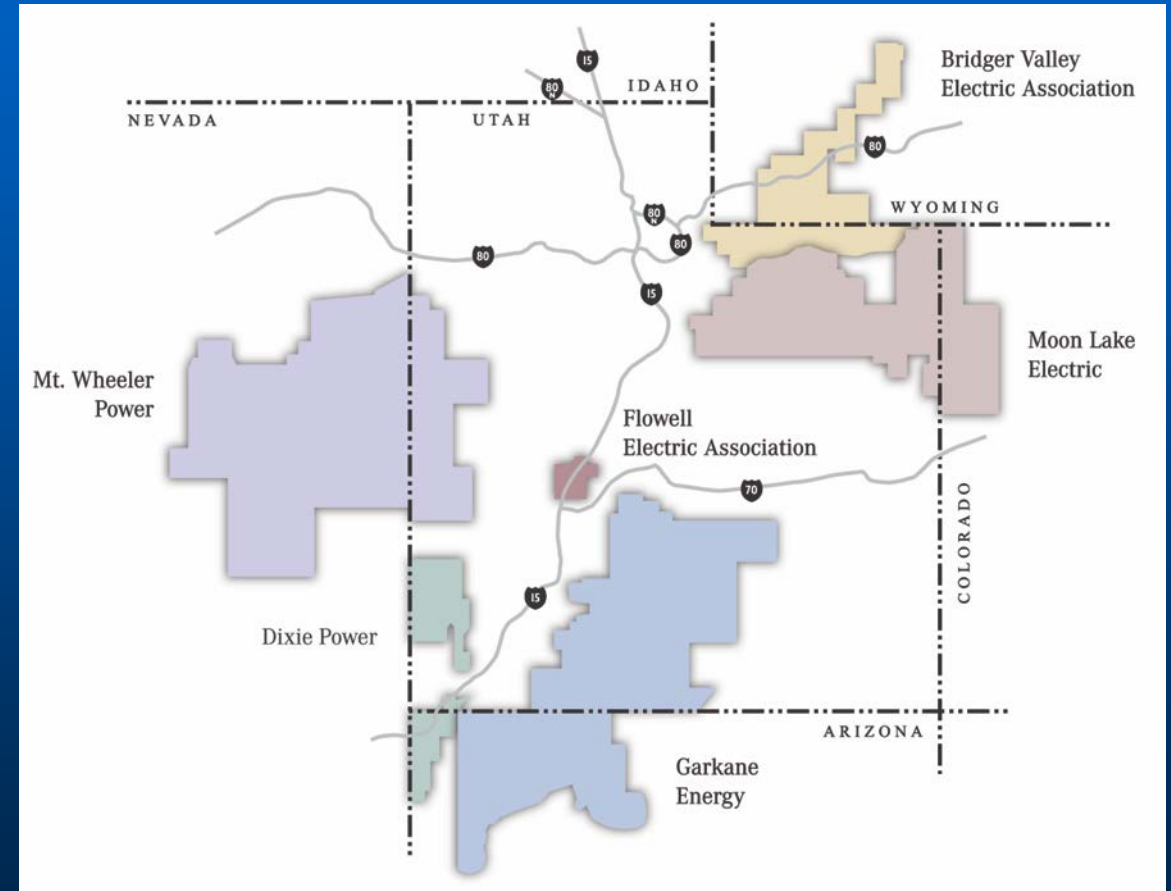
**DESERET POWER**  
ELECTRIC COOPERATIVE

# **Nevada Energy Choice Initiative**

**Clay MacArthur, Vice President**  
**August 2017**

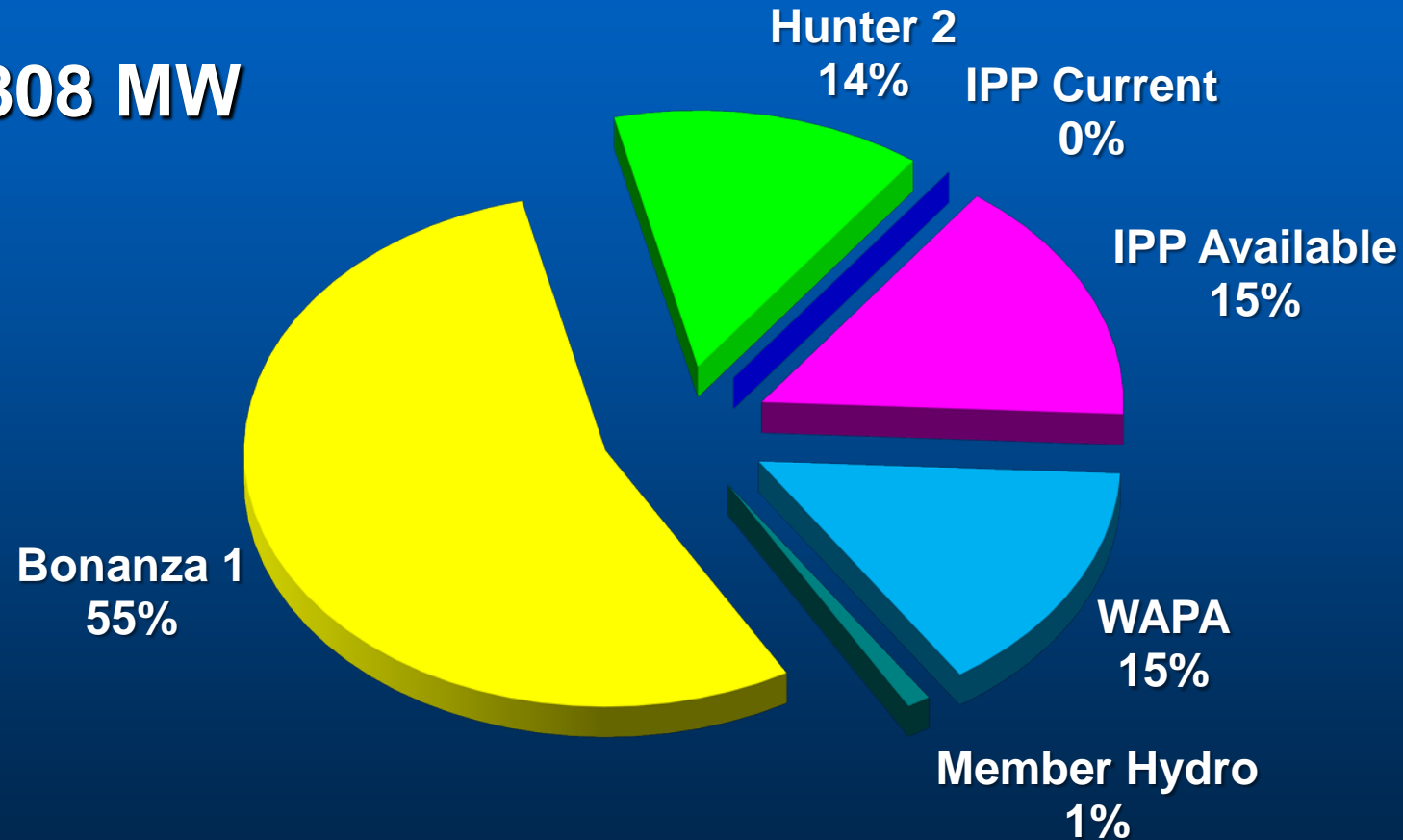
# Deseret Power

- Established May 25, 1978 to provide power to six member coops
- Mt. Wheeler's "All Requirements" provider through December 1, 2077
- FERC Regulated



# Deseret Power Resources

Total 808 MW



# What is an Electric Cooperative?

- **Grassroots organizations**
- **Democratically elected representatives**
- **Locally controlled**
- **Cooperative Principles?**



# Seven Cooperative Principles

- I. Voluntary and Open Membership**
- II. Democratic Member Control**
- III. Members' Economic Participation**
- IV. Autonomy and Independence**
- V. Education, Training and Information**
- VI. Cooperation Among Cooperatives**
- VII. Concern for Community**



# Mt. Wheeler Power

- Incorporated in 1963
- 6,000+ Residential Members
- Serves Economically Sensitive Communities
- Lowest cost Residential provider with >500 Customers
- Along with Munis, not Regulated by PUCN



# Comparison of Utility Structures

Structure	Ownership	Incentive	Financing
Investor Owned	Shareholders	For-profit	Investment
Municipal	Government	Non-profit	Taxes
Cooperative	Members	Non-profit	All Requirements Contract/Service Territory

**900 Cooperatives exist in 47 States covering 75% of the United State's landmass**

# Mt. Wheeler Residential Rate

## 2015 Utility Bundled Retail Sales- Residential

(Data from forms EIA-861- schedules 4A & 4D and EIA-861S)

Entity	State	Ownership	Customers (Count)	Sales (Megawatthours)	Revenues (Thousands Dollars)	Average Price (cents/kWh)
SolarCity Corporation	NV	Behind the Meter	3,373	29,526	2,906.1	
Sunnova	NV	Behind the Meter	779	7,736	1,299.4	167.97
Nevada Power Co	NV	Investor Owned	781,871	9,245,833	1,218,322.0	13.18
Valley Electric Assn, Inc	NV	Cooperative	18,729	262,944	32,401.8	12.32
Sierra Pacific Power Co	NV	Investor Owned	287,725	2,315,402	273,387.0	11.81
Overton Power District No 5	NV	Political Subdivision	12,148	164,077	17,695.0	10.78
Wells Rural Electric Co	NV	Cooperative	4,331	50,045	4,997.0	9.99
Raft Rural Elec Coop Inc	NV	Cooperative	1,463	14,711	1,389.0	9.44
City of Boulder City - (NV)	NV	Municipal	6,866	93,691	7,699.7	8.22
Harney Electric Coop, Inc	NV	Cooperative	600	10,379	779.4	7.51
<b>Mt Wheeler Power, Inc.</b>	<b>NV</b>	<b>Cooperative</b>	<b>5,032</b>	<b>72,279</b>	<b>5,089.1</b>	<b>7.04</b>





# Impact of Stranded Costs

## Current Energy Rate

- + Stranded Cost Allocation
- + Profit
- + Infrastructure upgrades (e.g., metering & comm.)
- + Costs of market design and operation
- Credits?
- Reductions in other costs?

---

## New Energy Rate

# Impact to All Mt. Wheeler Members

## Assumptions include:

- ❑ No cost shifting/subsidizing of stranded costs
- ❑ All utilities and ratepayers subject to equal stranded costs
- ❑ NV Energy 2015 Total Load: 29,912,147 MWh
- ❑ NV Energy Stranded Costs: \$7.4 Billion
- ❑ Amortized over 24 years @ 3% = 1.46 cents/kWh

**30% increase to energy component of rate**

The background of the slide features a close-up, low-angle shot of window blinds. The blinds are partially open, allowing warm, golden light to filter through, creating a pattern of light and shadow. The blinds themselves are a dark, possibly black or dark brown color. Overlaid on this background are several geometric shapes: a large dark blue horizontal bar across the middle, a smaller dark blue horizontal bar below it, a vertical dark blue bar on the left side, and a solid orange horizontal bar at the bottom left corner.

**End of Presentation**