

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue  
Implementation and Administration of California  
Renewables Portfolio Standard Program.

Rulemaking 11-05-005  
(Filed May 5, 2011)

**NV ENERGY, INC.  
NOTICE OF EX PARTE COMMUNICATION**

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April 26, 2012

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Pursuant to Rule 8.3 of the Rules of Practice and Procedures of the California Public Utilities Commission (“Commission”), NV Energy, Inc. (“NVE”) provides the following notice of ex parte communications.

On April 24, 2012 representatives from NVE met with the following persons:

- Colette Kersten, advisor to Commissioner Sandoval, at 11 am, for 30 minutes;
- Marcelo Poirier, advisor to Commissioner Florio, at 11:30 am, for 20 minutes;
- Sara Kamins, advisor to Commissioner Ferron at 2:30 pm, for one hour;
- Scott Murtishaw and Audrey Lee, advisors to Commission President Peevey at 3:30 pm, for one hour.

Representing NVE were Christopher Hilen, Associate General Counsel of NVE, David Hicks, Director, Business Development of NVE, and Andy Brown, outside counsel for NVE. The meetings took place at the Commission’s offices in San Francisco and were initiated by Mr. Brown. Written materials, a copy of which is attached hereto, were used.

NVE summarized its current transmission infrastructure initiatives and proposed transmission projects. NVE explained how its transmission initiatives could provide the California Independent System Operator and market participants with greater access to high

value renewable resource areas and fast response conventional generation resources for renewable integration.

Copies of this notice may be obtained from Eric Janssen at (916) 447-2166 or [ericj@eslawfirm.com](mailto:ericj@eslawfirm.com).

Dated: April 27, 2012

Respectfully submitted,

/s/

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Attorneys for NV Energy, Inc.

Attachment 1: Written Materials Used in April 24, 2012  
Ex Parte Meetings

# Nevada Energy/Transmission Briefing



**David N. Hicks**

*Director, New Business Development  
NV Energy*

*April 24, 2012*



# Meeting Agenda

- NV Energy Background
- Nevada Renewable and Conventional Energy Potential
- Overview of NV Energy Transmission Initiatives
- NV Energy Proposed Transmission Projects
- Recent Efforts/Next Steps



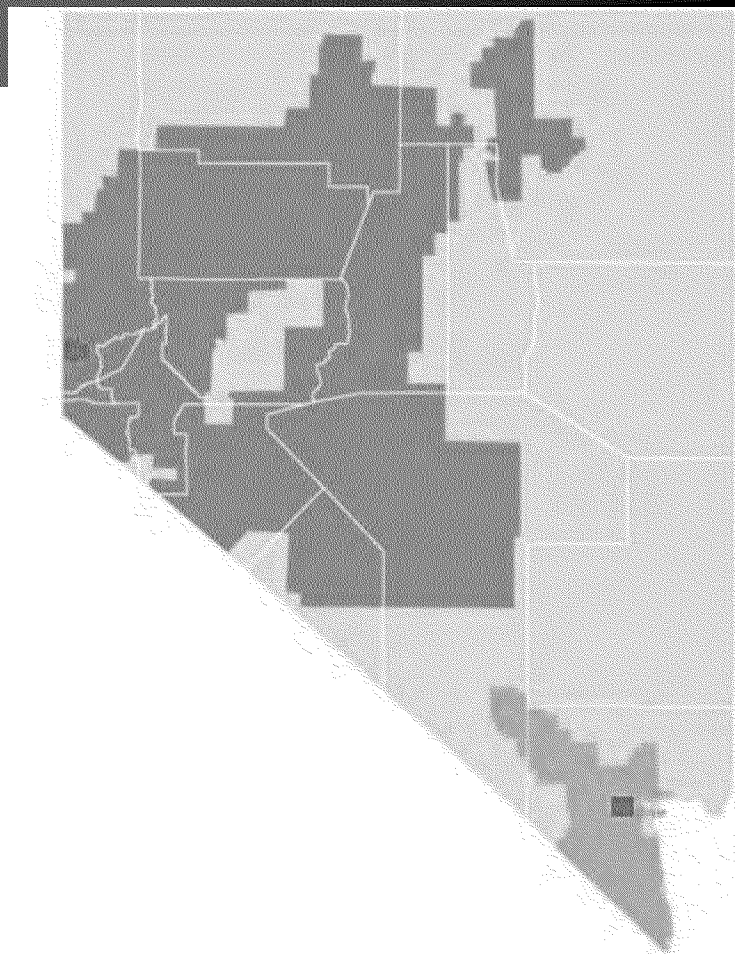
# Regulatory Context

- NV Energy approached CAISO regarding transmission projects
- CAISO's position was that the projects would be "policy driven" rather than reliability based
  - CAISO does not make policy choices and directed NV Energy to CPUC and CEC for guidance on transmission to support RPS
- NV Energy is seeking direction from California agencies as to whether projects should be pursued to provide access to high value renewable projects and renewable integration resources



# NV Energy at a Glance

- Serves 2.5 million Nevadans
- 40 million tourists annually
- 44,424 square mile territory
- 3,869 miles of transmission
- 7,052 MW consolidated peak in 2011
- 6,012 MW summer generation capacity
- Renewable Portfolio Standard (“RPS”) equal to 25% in 2025





# NV Energy Interconnections with California

- NV Energy has a 50-year history of interconnected operations with California utilities
- NV Energy is a joint owner of the Eldorado substation, a major transmission hub and CAISO interface point in Southern Nevada
- NV Energy and LADWP are joint owners of the Navajo-McCullough transmission line
- NV Energy and PG&E have jointly operated the Summit interconnection since the 1960s



# Existing Nevada Conventional Generation

## *I. Generation Owned by NV Energy*

Unit Name	Max Capacity (MW)	Primary Fuel Type	Technology	Year in Service
Frank A. Tracy	1094	Natural Gas	Combined Cycle and Peakers	2008
Fort Churchill	226	Natural Gas	Conventional Steam	1971
North Valmy	522	Coal	Conventional Steam	1985
Edward W. Clark	1139	Natural Gas	Combined Cycle and Peakers	2008
Chuck Lenzie	1202	Natural Gas	Combined Cycle	2006
Harry Allen	674	Natural Gas	Combined Cycle and Peakers	2011
Silverhawk	520	Natural Gas	Combined Cycle	2004
Reid Gardner	557	Coal	Conventional Steam	1983
Walter M. Higgins	600	Natural Gas	Combined Cycle	2004
<b>Total NV Energy Capacity</b>	<b>6534</b>			

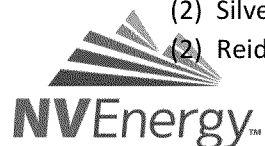
## *II. Generation Owned by Others*

Unit name	Max Capacity (MW)	Primary Fuel Type	Technology	Owner
Apex	500	Natural Gas	Combined Cycle	LS Power
Las Vegas Cogen Units 2-3	230	Natural Gas	Combined Cycle	Southwest Generation
Las Vegas Cogen 1	50	Natural Gas	Combined Cycle	Southwest Generation
<b>Total Non-Utility Capacity</b>	<b>780</b>			

**Total Southern Nevada Capacity**

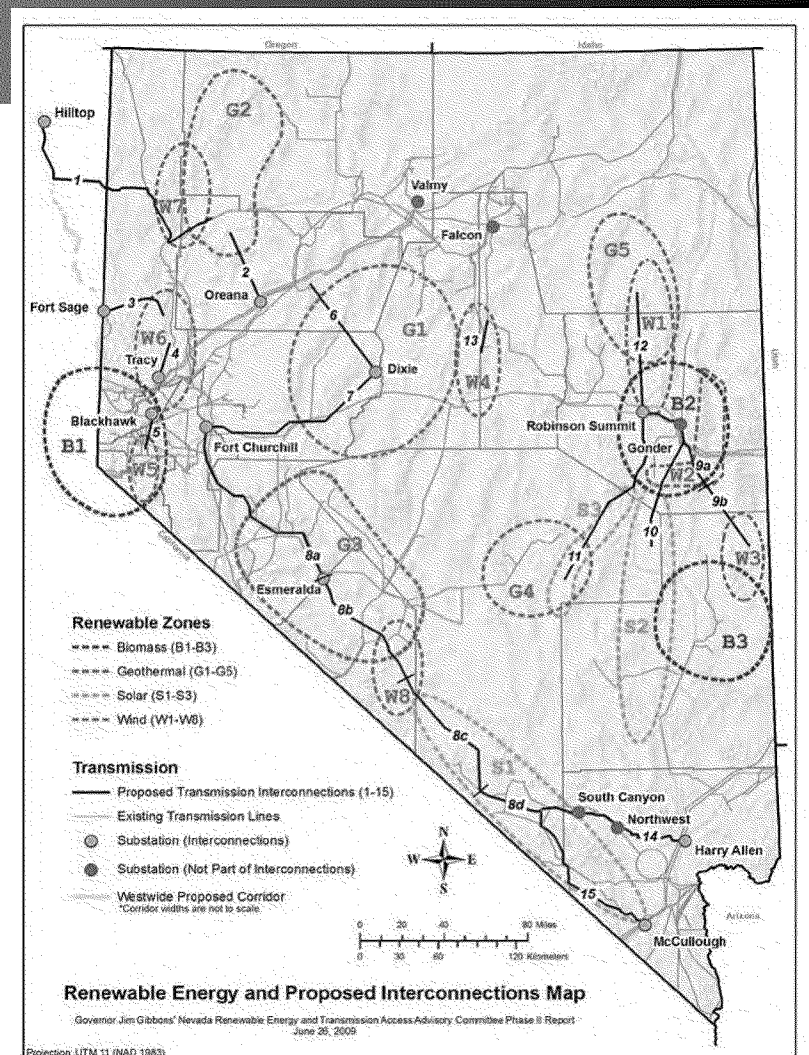
### **Notes:**

- (1) North Valmy jointly owned with Idaho Power
- (2) Silverhawk jointly owned with Southern Nevada Water Authority
- (2) Reid Gardner jointly owned with CDWR



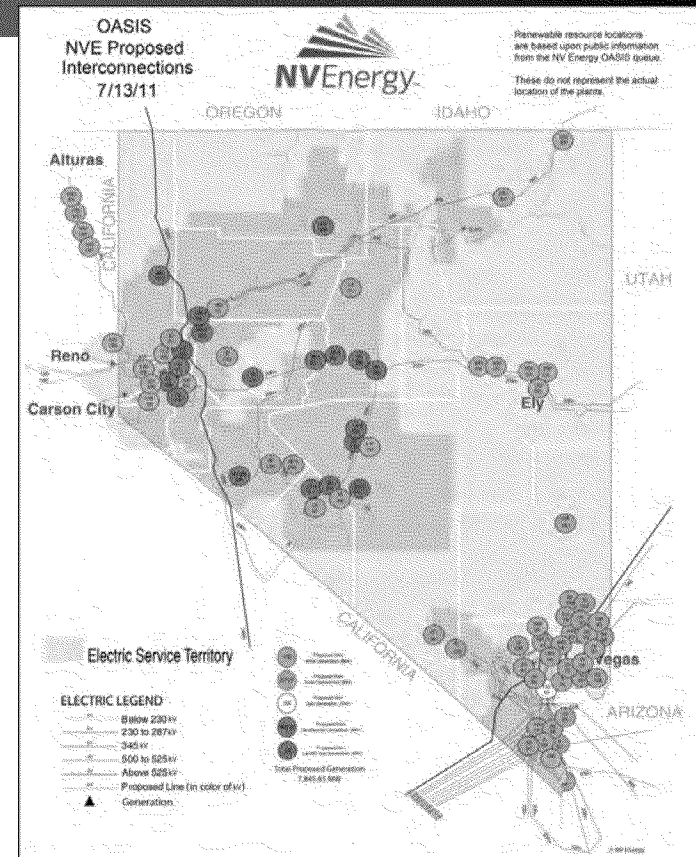
# Nevada's Renewable Potential

- Governor's task force in ("RETAAC") in 2009 identified 18 Nevada renewable generation zones ("REZs") not currently served by transmission
- These REZs included 8,450 MW of potential renewable generation
- PUCN subsequently adopted the RETAAC identified REZs



# NV Energy Interconnection Requests

- Interconnection requests are customer-driven
- Locations of requests and resource types are generally consistent with identified REZs
- ~7,465 MW of renewable requests in queue in 2011
- Queue does not include executed interconnection agreements
- Favorable RPS compliance forecast limits additional renewable procurement for NV Energy's needs



# Transmission Initiative Objectives

- Further Nevada State Policy objective to develop a renewable generation export economy providing Nevada renewable access to adjacent California market
- Further California State Policy objective to achieve 33% RPS at reasonable cost, through increased access to economic renewable, conventional energy and integration resources
- Realize operational efficiencies through generation and ancillary services interchange between CAISO and NV Energy balancing areas



# PPTO and LCRIF Options

- Partial Participating Transmission Owner (“PPTO”)
  - NV Energy engineers, permits and constructs transmission line
  - Operational control ceded to CAISO
  - New NVE-CAISO intertie point, under CAISO control
  - Requires FERC approval (WAPA Path 15 Upgrade)
- Location Constrained Resource Interconnection Facility (“LCRIF”)
  - Generators pay future costs as they interconnect
  - Commercial interest demonstration required
  - Interconnection must be to CAISO grid point
  - Generators enter CAISO Generator Interconnection Process
  - SCE Tehachapi project originally approved as LCRIF



# Transmission Initiatives

- Harry Allen to Eldorado
  - PPTO reliability benefits and access to renewables
  - Dry Lake North to Harry Allen provides access to new renewable and conventional generation as an LCRIF
  - Mesquite to Harry Allen provides access to new renewable and conventional generation as an LCRIF
- Eldorado to Higgins
  - PPTO reliability benefits and access to renewables
- Westside Tie
  - Provides reliability benefits and access to renewable generation as a combination PPTO and LCRIF project



# Eldorado to Harry Allen

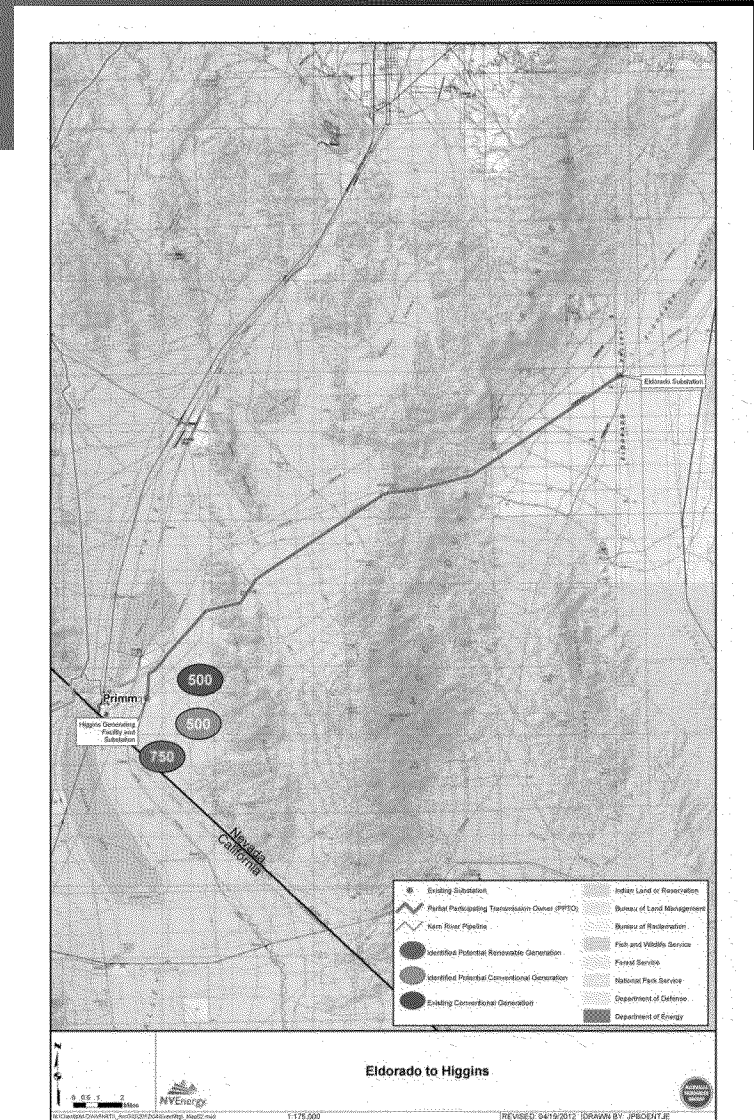
- 500kV PPTO transmission from Harry Allen to Eldorado
  - Harry Allen becomes new NVE-CAISO interconnection point, under CAISO control after transition
  - NVE engineers, permits, and constructs line from Harry Allen to Eldorado
  - NVE turns operational control over to CAISO and becomes Partial Participating Transmission Owner (“PPTO”)
  - Transmission upgrades downstream from Eldorado determined and funded through CAISO process
- Generator interconnection through CAISO process
- Projects provides access to two potential LCRIF extensions





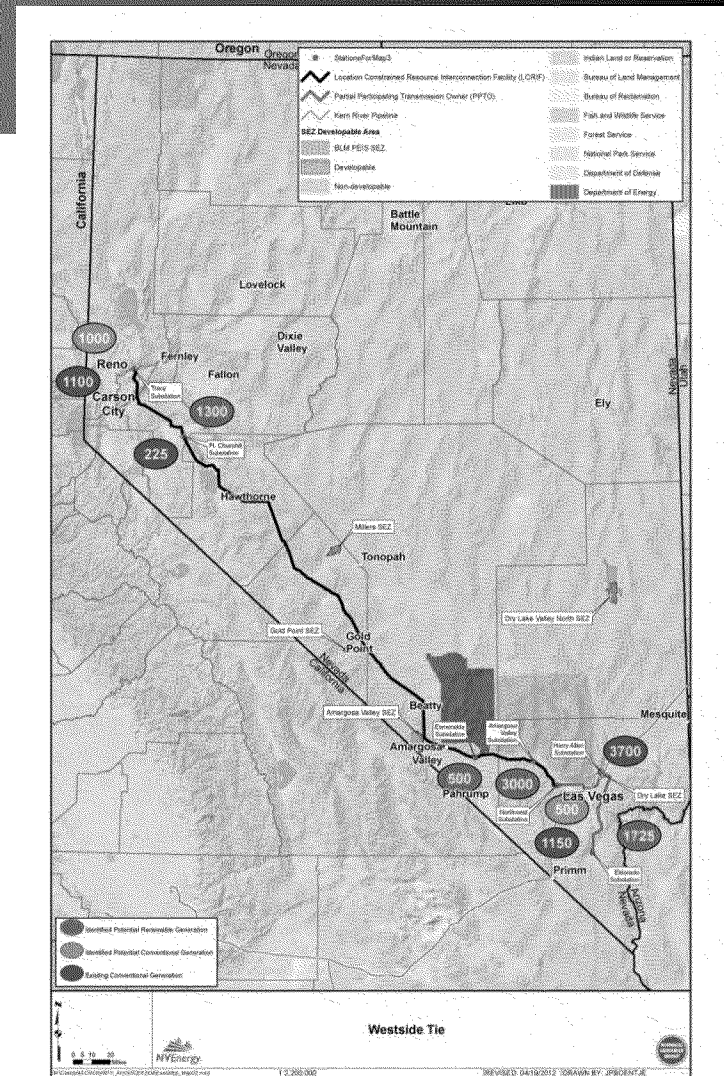
# Eldorado to Higgins

- New CAISO 230/500kV “collector” substation connecting to existing Higgins 230kV Switchyard
- 29 miles of new 500kV line from collector sub to CAISO interface point at Eldorado 500kV substation
- Kern River interstate gas pipeline near Higgins
- BrightSource Ivanpah and First Solar Silver State Projects nearby



# Westside Tie

- Three new substations at Tracy, Esmeralda, and Amargosa Valley
- Initial interconnection to NV Energy South at Northwest Substation
- 400 miles of new 500kV line from Tracy to Harry Allen
- Includes the proposed Harry Allen to Eldorado Project



# Recent Efforts

- NV Energy sought Memorandum of Understanding (“MOU”) approach with CAISO
  - Generation/ancillary services interchange between CAISO and NV Energy balancing areas (not present in VEA/CAISO MOU)
  - New renewable generation resources within NV Energy balancing area in close proximity to California
  - Access to new conventional quick-start generation
  - Projects will utilize NV Energy-controlled strategic transmission corridors and leverage NV Energy permitting efforts
- NV Energy seeks direction from California agencies as to whether projects should be pursued to provide access to high value renewable projects and renewable integration resources



