

Colorado River Commission of Nevada

Workshop to Solicit Comments on Proposed Changes to
Nevada Administrative Code Chapter 538
(LCB File No. R148-13)
April 21, 2014

*Clark County Commission Chambers
Clark County Government Center
500 S. Grand Central Parkway, Las Vegas NV 89155*



CRC Rulemaking Workshop

- Welcome (Jayne Harkins, Executive Director)
- Consideration of Proposed Revision to CRC Regulations in Nevada Administrative Code (NAC) Chapter 538
 - Overview of NAC Rulemaking Process
 - Overview of Proposed Amendments
 - Review and Discussion of Proposed Regulations and Solicitation of Comments
 - Next Steps
- Adjournment

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Purpose of the Workshop

The purpose of the Workshop is to solicit comments from interested persons regarding the proposed revision of regulations contained in NAC Chapter 538.

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Topics in Proposed Regulations

- **Rules of Practice and Procedure before the Commission**
 - Sections 1-2, 4-6, 17-18, XX, 19-25
- **Allocation of Schedule D power from the Boulder Canyon Project to new allottees**
 - Sections 3, 7-8, 11-13
- **Various provisions governing the marketing of electric power by the Commission**
 - Sections 9-10, 14-16, 26-33, 35, 37-39
- **Other matters addressed in NAC 538, including but not limited to metering and risk management**
 - Sections 34, 36, 40 and 41
- **General Rules - NAC 538.490 and 538.580 Repealed**

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Rulemaking Process

- CRC staff developed proposed changes to NAC 538 subject to Legislative Counsel Bureau (LCB) review. Staff considered revisions proposed by the LCB.
- CRC issued a public Notice of Workshop to informally address the proposals and solicit comments from interested persons.
- Written comments on proposed revisions must be received by the CRC by 5:00 p.m. on Friday, April 25, 2014.
- A hearing on the proposed revisions before the Commission is planned for the June Commission meeting.
- Any proposed revisions adopted by the Commission must be submitted for approval by the Legislative Commission.

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CRC Rules of Practice and Procedure

Sections 1-2, 4-6, 10, 17-18, XX, 19-25

- Update of practice and procedures
 - e.g. use of email, website
 - Service Lists
- Clarifying edits to update language
- Update or add definitions

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CRC Schedule D Hoover Power Allocations

Sections 3, 7-8, 11-13

Commission allocation of Schedule D power from the Boulder Canyon Project to new allottees

- Implements provisions of the Hoover Power Allocation Act of 2011 directing the Commission to allocate Schedule D power to new allottees.
- Describes the steps the Commission will take to allocate the power.
- Describes the eligibility requirements for applicants seeking an allocation of Schedule D power from the Commission.

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CRC Electric Power Marketing Rules

Sections 9-10, 14-16, 26-33, 35, 37-39

- **Describes contract provisions that require an entity to:**
 - pay its proportionate share of costs of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP).
 - Pay a pro rata share of Hoover Dam repayable advances (***Schedule D Contractors only***).
 - Pay applicable fees, tariff rates and charges if the contractor is located in NV Energy's service area.
 - Participate in the Implementation Agreement with the Commission (***Schedule D Contractors only***).
 - Develop and maintain an Integrated Resource Plan (IRP).

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CRC Electric Power Marketing Rules

Sections 9-10, 14-16, 26-33, 35, 37-39

- Removes specificity of delivery points.
- Describes the steps the Commission will take to reallocate power when:
 - Any contractor loses or surrenders its allocation of any hydropower resource, or
 - When an entity does not accept a hydropower contract offered by the Commission.
- Specifies term of contract.
- Specifies Schedule A and B Hoover Contractors Post-2017 allocations of capacity and energy.
- Creates a placeholder for Schedule D Contractors Post-2017 allocations of capacity and energy.

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Risk Management

Sections 34, 36, 40, and 41

Other matters addressed in NAC 538, including but not limited to, metering and risk management

- The CRC is a customer funded agency and does not receive revenues from the General Fund.
- Overall goal is to provide financial protection for the State of Nevada, the CRC, and its Contractors from losses resulting from late payments or non-payments from any Contractor.
- Avoid becoming a credit risk to power suppliers including Western, Reclamation and market power providers.

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Risk Management

Sections 34, 36, 40 and 41

Other matters addressed in NAC 538, including but not limited to, metering and risk management

- Establishes appropriate meter and meter data requirements.
- Provides the Commission flexibility to adjust its admin charge rate.
- Annual creditworthiness review of all Contractors.
- Does not change which customers provide or not provide collateral.
- Allows the Commission to implement prepayment of power purchases and/or establish a cash working capital fund if and when needed.
- Allows for short-term reallocation of hydropower to other Contractor(s) following suspension of a Contractor's hydropower allocation.

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Review and Discussion of Proposed Regulations

- Persons wishing to comment upon the proposed regulations are encouraged to provide them at this time.

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Next Steps

- Written comments are due by 5:00 p.m. on **Friday, April 25, 2014** to the Executive Director via:
 - Email to info@crchoverallocation.com
 - Fax at (702) 486-2695
 - Hand delivered or via postal mail to the CRC's office at 555 East Washington Avenue, Suite 3100, Las Vegas, Nevada 89101
- Notice of Intent to Adopt Regulations: May 2014
- Public Hearing: June 2014
- Consideration of Public Comments: June 2014
- Final Adoption: July 2014

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(702) 486-2670
email: info@crchoverallocation.com
<http://www.crchoverallocation.com>
<http://crc.nv.gov/index.asp>



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