

Answers to Questions Regarding Draft Order and Proposed Allocations

Question 1: Several Applicants asked for a better understanding of the justification of how allocations were determined by Staff. Was there a weighting amongst specified criteria?

Response 1: All “justifications” for Staff’s recommendations are listed in the draft order.

Staff did not create or use a numerical weighting of criteria or formulaic calculation to determine allocation recommendations. Having received numerous comments from applicants and interested parties questioning the mechanistic nature of the federal allocation process, the Staff adopted a more subjective allocation process to review and analyze applications received in the Nevada state process.

Staff began by reviewing all applications received by the appointed date. Staff first determined which applications met the minimum statutory requirements. Those requirements are:

- 1) an applicant must have a 1 MW annual peak demand; and
- 2) an applicant’s load must be located within the federally-defined marketing area;

Staff also was constrained by 3 other statutory requirements:

- 1) allocations must be a minimum of 1 MW;
- 2) only a total of 11.51 MW is available be allocated; and
- 3) the allocations are to provide for “the greatest possible benefit to this State”.

Applications were received from 17 applicants. Given the 1 MW minimum allocation, and the maximum of 11.5 MW available for allocation, staff recognized not all applicants can be granted an allocation.

Staff next evaluated each application for completeness, evaluated each applicant for creditworthiness and verified load data.

Staff then identified those applications which best met the approved allocation criteria and best provided the “greatest possible benefit to this State.” More specifically, Staff reviewed the applicants’ justification submitted within their application and how it supported the adopted criteria. Staff also reviewed each applicant’s current direct federal hydropower allocations from all dams, if any, and also whether the applicant received an allocation of Hoover Schedule D from Western. Likely impacts of an allocation on the applicant’s customer base as reflected in the application was also considered.

Question 2: How does someone make an official comment on the Draft Order and its proposed allocations?

Response 2: Persons wishing to comment on Staff’s proposed allocations and Draft Order may file written comments, along with any supporting data or justifications by April 8, 2015. Written comments may be submitted via e-mail at info@crchoverallocation.com, by fax to (702) 486-2695, or delivered by mail or in person at the Commission’s office at 555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101, during normal business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.). Written comments should be addressed to: Executive Director, RE: Post-2017 Hoover Allocation.