

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM A
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Conformance to Open Meeting Law.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None

STAFF COMMENTS AND BACKGROUND:

Announcement of actions taken to conform to the Open Meeting Law will be reported at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM B
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM C
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Possible Action: Approval of minutes of the August 11, 2020 meeting.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Approval of the minutes will be recommended at the meeting.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

The minutes of the August 11, 2020 meeting is enclosed for your review.

The Colorado River Commission of Nevada (Commission) meeting was held at 1:30 p.m. on Tuesday, August 11, 2020 via video conference, pursuant to Emergency Directive 006, section 1.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Vice Chairwoman
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

Puoy K. Premsrirut
Kara J. Kelley
Allen J. Puliz
Cody T. Winterton
Dan H. Stewart
Justin Jones
Marilyn Kirkpatrick

DEPUTY ATTORNEY GENERAL

Special Counsel, Attorney General

Christine Guerri

COMMISSION STAFF IN ATTENDANCE

Executive Director
Senior Assistant Director
Chief of Finance and Administration
Assistant Director, Hydropower
Assistant Director, Engineering and Operations
Assistant Director, Energy Information Systems
Manager, Natural Resources Program
Senior Energy Accountant
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
System Coordinator
Office Manager
Administrative Assistant IV
Administrative Assistant IV
Administrative Assistant II

Eric Witkoski
Sara Price
Douglas N. Beatty
Gail Bates
Robert Reese
Kaleb Hall
Angela Slaughter
Gail L. Benton
Warren Turkett, Ph.D.
Peggy Roefer
Stephanie Salleroli
Chris Smith
Gina L. Goodman
Kathryn Aguilar
Kira Bakke
Tamisha Randolph

OTHERS PRESENT; REPRESENTING

Self
Southern Nevada Water Authority
Southern Nevada Water Authority

Aleta Dupree
Jordan Bunker
Scott Krantz

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF AUGUST 11, 2020**

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The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premsrirut at 1:32 pm. Chairwoman Premsrirut welcomed and introduced Commissioner Justin Jones to the Commission.

A. Conformance to Open Meeting Law.

Executive Director Eric Witkoski confirmed that the meeting was posted in compliance with the Open Meeting Law.

B. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)

Chairwoman Premsrirut asked if there were any comments from the public.

There were none.

C. For Possible Action: Approval of minutes of the June 9, 2020 meeting.

Commissioner Stewart moved for approval of the minutes. The motion was seconded by Commissioner Puliz and approved by those present.

D. For Possible Action: Consideration of and possible action to adopt the Colorado River Commission of Nevada's fiscal year 2022 and 2023 budget request.

Chief of Finance and Administration, Douglas Beatty, presented the CRCNV budget recommendation for fiscal year 2022 and 2023.

At the June 9, 2020 Commission meeting a draft budget was introduced to the Commission. A draft was provided to all the Commission's customers on May 2, 2020. Staff met with the power customers on May 26, 2020 to review the proposed budget and other information. The acronym USBR referenced in the budget information for the Research & Development Fund (4497) has been defined as United States Bureau of Reclamation.

No additional comments, inquiries, or requests for changes have been received from customers, Commissioners, or interested parties, but Staff has identified two changes that have been made to the budget for fund 4490. The \$900 charge for storage space has been reinstated to accommodate storage of some remaining files, and the proposed contract for hydropower billing support has been reduced from \$125,000 in each year of the biennium to \$65,000 in the first year and \$60,000 in the second year (a reduction of \$125,000 over the biennium). No additional changes impacting the budget were received.

Mr. Beatty explained once the budget was adopted by the Commission, the budget process will continue as follows:

- The budget will be conformed to the State Budget format and submitted as the agency request in the first phase of the budget process.
- The budget will then be reviewed by the agency's assigned Budget Analyst and the Director of the Governor's Finance Office (GFO) and revised as necessary for inclusion in the Executive Budget.
- The revised budget will be returned to the Commission's staff for review and a budget meeting with the Director of the GFO, assigned analysts and representatives of the Legislative Fiscal Staff will be scheduled and held if necessary.
- The Governor's Finance Office will develop the Governor's Recommended Budget for the Colorado River Commission as a component of the complete State Budget. The complete State Executive Budget, once reviewed and approved by the Governor, will be presented to the Nevada Legislature early next year.
- The budget committees of the Nevada Legislature will schedule hearing(s) to review the budget request. This usually happens late in March or early in April for the Commission's portion of the Executive Budget.
- The Legislature will develop and approve the final budget based on the Governor's request and the information provided at the various budget hearings.
- The budget as approved by the Legislature is then incorporated into the State accounting system and the Commission's funds and accounts are then controlled by the adopted amounts.

Staff recommended the Commission adopt the 2022 and 2023 budget and authorize the budget request be submitted to the Governor's Finance Office for inclusion in the Executive Budget in the form required under the State budgeting guidelines.

Chairwoman Premsrirut asked to confirm for the record that no interested party has made any comment on the proposed budget since the budget presentation.

Mr. Beatty affirmed that this was correct.

Chairwoman Premsrirut asked to confirm that the two revisions detailed in this presentation have been the only changes since the budget presentation.

Mr. Beatty again affirmed that this was correct.

Vice Chairwoman Kelley thanked Staff and moved for approval to adopt the Colorado River Commission of Nevada's fiscal year 2022 and 2023 budget request. The motion was seconded by Commissioner Stewart and approved by unanimous vote.

E. For Information Only: Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.

Special Counsel Christine Guerici presented an update on pending legal matters involving the Commission.

In *Save the Colorado v. Dept of the Interior*, record has been filed for the case and is being reviewed by those representing the intervening states.

Oral argument for *Navajo Nation v. Department of the Interior* will be conducted via videoconference on October 16, 2020 in the United States Court of Appeals for the Ninth Circuit.

Chairwoman Premsrirut expressed interest in viewing the Oral argument for *Navajo Nation v. Department of the Interior* and asked if there were any further questions or comments. There were none.

F. For Information Only: Status update from Staff on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, the drought contingency plan, impacts on hydropower generation, electrical construction activities and other developments on the Colorado River.

Dr. Warren Turkett, Natural Resource Analyst, gave a status update on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

- Summary of Lake Powell, Lake Mead, and Nevada Water Supply
- Precipitation and Temperature
- Upper Basin Snowpack Accumulation
- Water Use in Southern Nevada
- Unregulated Inflow, Current and Projected Reservoir Status

A copy of the report is attached and made a part of the minutes. (See Attachment A.)

Chairwoman Premsrirut asked to highlight for the record that as of Water Year 2019, Southern Nevada was currently banking 22% of their unused allocation, an increase from the 17% banked as of Water Year 2018.

G. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

Chairwoman Premsrirut asked if there were any comments or questions from the public.

Aleta Dupree, a member of the public, thanked the Commission for the opportunity to comment by phone. She stated that she appreciated the very detailed and easy to understand presentation regarding Southern Nevada's water use, that it is important to remember that the CRCNV should be a partner in conservation for water and electricity, and that low hydrological conditions could lead to lower levels of available electricity. Additionally, she stated that hydropower from the Hoover Dam should be able to be supplemented with renewable energy sources, especially for low-income, disabled, and senior citizens at no additional cost.

Chairwoman Premsrirut asked if there were any further comments or questions from the public. There were none.

H. Comments and questions from the Commission members.

Chairwoman Premsrirut asked if there were any comments or questions from the Commission members.

Vice Chairwoman Kelley again welcomed Commissioner Jones to the Commission.

I. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, September 8, 2020, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.


J. Adjournment.

The meeting was adjourned at 2:07 pm.

Eric Witkoski, Executive Director

APPROVED:

Puoy K. Premsrirut, Chairwoman



Colorado River Commission of Nevada

Hydrology and Water Use Update

Warren Turkett

August 11, 2020

1

1

Summary

Lake Powell

- Upper Basin snowpack reached the seasonal average in April.
- Dry conditions this water year have reduced the unregulated inflow forecasts.
- Water Year 2020 unregulated inflow is forecasted at 59% of average.

Lake Mead

- Reclamation will release the August 24 Month study on August 14, which determines the upcoming water years operations.
- Reclamation has essential staff continuing to operate the reservoirs water releases and hydropower generation.

Nevada Water Supply

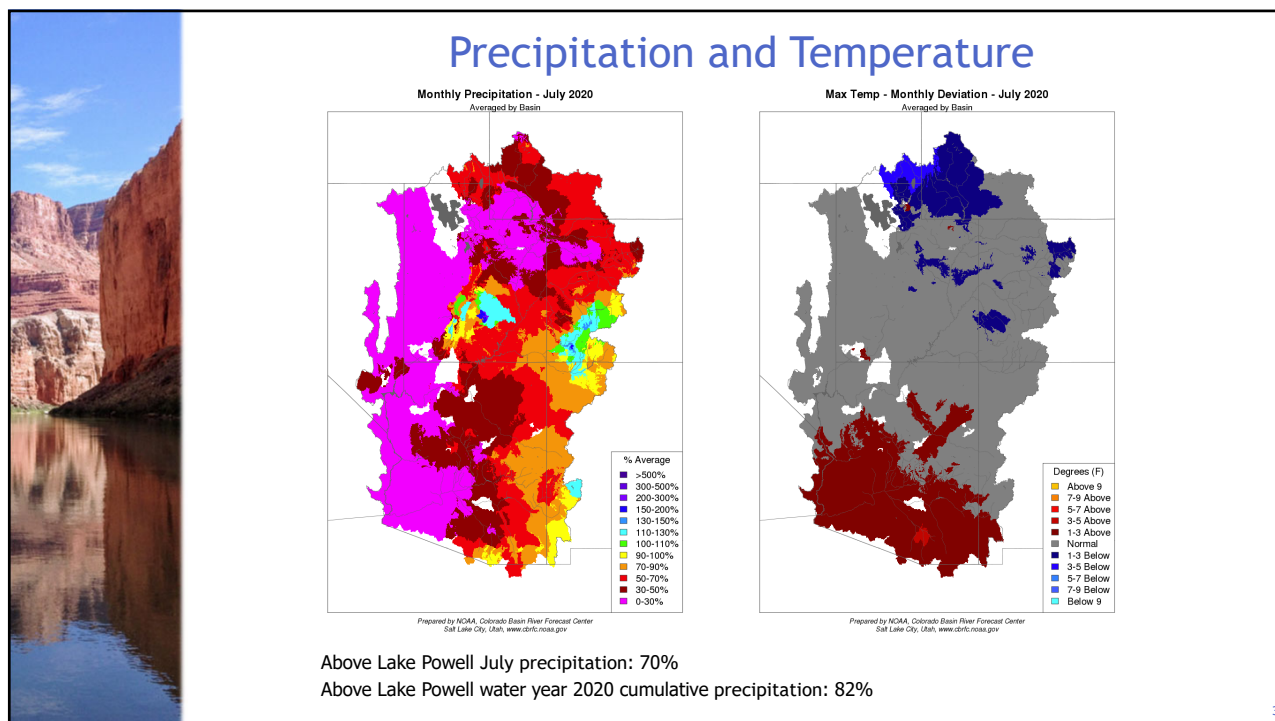
- Southern Nevada has 9 years of water supply banked. ¹
- In 2019, Southern Nevada used 22% less than its annual allocation.**

Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,084.3	40%	1.3 ft
Lake Powell	3,604.5	51%	-16.9 ft

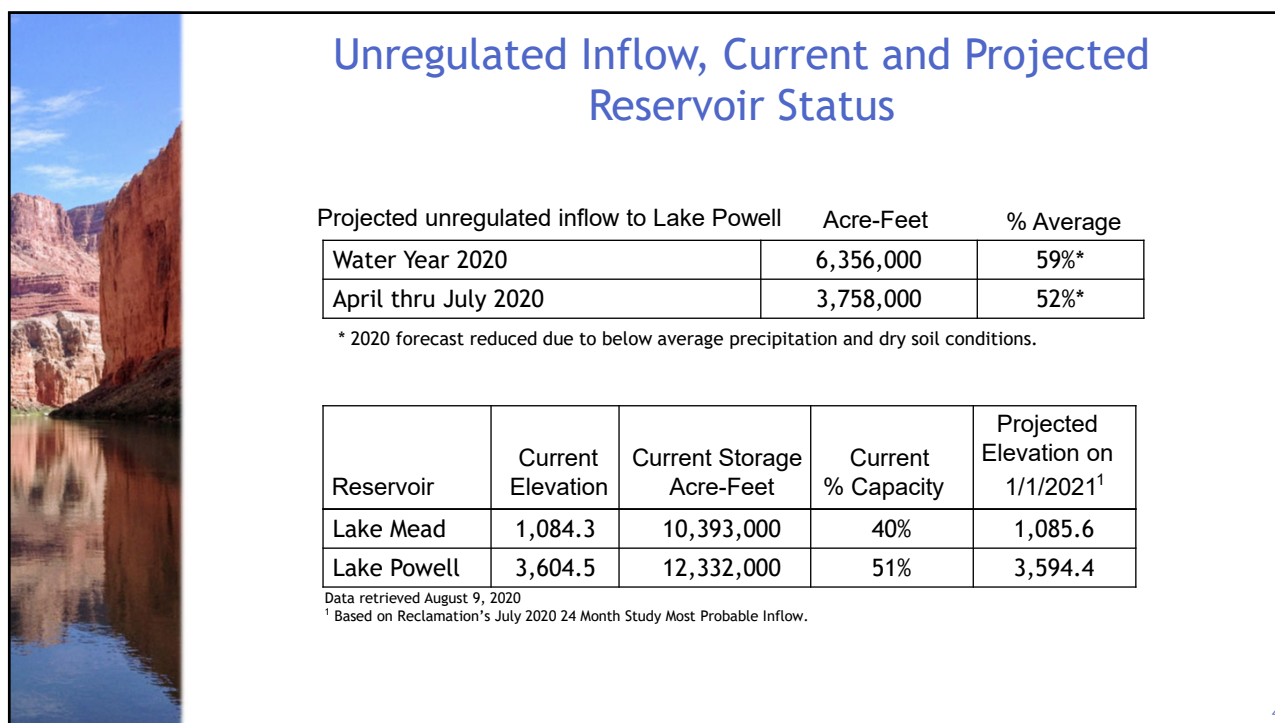
Data retrieved August 9, 2020
¹ Based on historical Southern Nevada water use.

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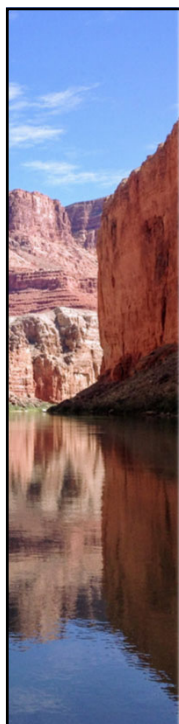
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Water Use In Southern Nevada

Southern Nevada Water Use

2019 Actual Use in Acre-Feet

Nevada Annual Allocation	300,000
Diversion	472,314
Return Flows	238,318
Consumptive Use	233,996
Unused Allocation Available for Banking	66,004 (22%)

Southern Nevada Water Use

Diversions

Return Flows

Consumptive Use

January-June 2020	224,096	112,112	111,984
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Banked Water (through end of 2019)

Acre-Feet

Ground Water Recharge in So. Nevada	358,315
Banked in Lake Mead	785,913
Banked in California and Arizona	944,071
Total	2,088,299

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**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Possible Action: Consideration of and possible action by the Colorado River Commission of Nevada (Commission) to adjust the amount of collateral posted by the Commission's retail industrial contractors for Calendar Year 2021.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Staff recommends that the Commission set the amount of the required collateral for each retail industrial contractor as shown below.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

NRS 538.181(2) requires that certain of the Commission's power contractors provide collateral "in such sum and in such manner as the Commission may require, conditioned on the full and faithful performance" of their power contracts. NAC 538.744 requires "during October of each operating year, and at any other time it deems necessary, the Commission will conduct a review to determine creditworthiness of each of its contractors." Based on that review, the Commission establishes the amount and prescribes the way the contractor is required to furnish collateral pursuant to its contracts with the Commission.

To determine the collateral required for each industrial contractor for Calendar Year 2021, Staff calculated the minimum collateral requirement which is 25 percent of that contractor's Gross Annual Purchases during the test period of October 1, 2019 through September 30, 2020. The contractor's "Gross Annual Purchase" reflects the contractor's power and related expenses during the test period and does not include revenues that might become available to the contractor to offset those expenses. Staff also reviewed each contractor's payment history.

Based on its review, Staff recommends that the collateral requirement for each of its retail contractors be set at the minimum collateral requirement with the exception of EMD Acquisition, LLC d.b.a. Borman Specialty Materials (Borman). Staff recommends no change in Borman's collateral. Borman has paid late twice in the last 12 months and is forecasting an increase in its load of approximately 22 percent. Market prices during the summer can be quite volatile and are projected to exceed \$100/MWh during the summer of 2021 during the peak periods. Consequently, if the Commission needs to acquire market purchases for Borman, especially during the Summer of 2021, the Commission faces increased financial risk. Because uncertainty in contractor loads and high prices forecasted in the market can introduce additional financial risk to the Commission, Staff recommends the collateral for Borman be maintained at the current level.

All of the Commission's retail contractors have posted cash collateral except for Titanium Metals Corporation which has posted a letter of credit. Staff recommends no change in the form of collateral being posted.

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**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D (CONTINUED)
FOR MEETING OF NOVEMBER 10, 2020**

STAFF COMMENTS AND BACKGROUND (CONTINUED):

Contractor	Minimum Collateral Requirement	Recommended Collateral Requirement	Present Collateral	Change from Present
Basic Water Company	\$275,211.50	\$275,211.50	\$270,983.82	\$4,227.68
Lhoist North America	\$21,078.60	\$21,078.60	\$18,978.84	\$2,099.76
Borman Specialty Materials	\$706,081.55	\$750,000.00	\$750,000.00	\$0.00
Olin Chlor Alkaline Products	\$67,641.39	\$67,641.39	\$77,023.62	(\$9,382.23)
Titanium Metals Corporation	\$2,002,197.30	\$2,002,197.30	\$2,693,081.13	(\$690,883.83)

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM E
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Possible Action: Consideration of and possible action to approve Letter Agreement No. 20-DSR-12963 between Western Area Power Administration (WAPA) and the Colorado River Commission of Nevada (Commission) for the Tracking and Transfer of Renewable Energy Certificates (RECs) using the Western Renewable Energy Generation Information System (WREGIS).

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Staff recommends the Commission approve Letter Agreement No. 20-DSR-12963 with WAPA and authorize the Executive Director to execute.

FISCAL IMPACT:

Contractors will pay their proportionate share of costs to implement the agreement which are estimated to be approximately \$15,363.66 annually.

STAFF COMMENTS AND BACKGROUND:

A. Renewable Portfolio Standard and SB 358 (2019)

Nevada enacted a Renewable Portfolio Standard (RPS) that requires retail electric energy providers to deliver a certain percentage of renewable energy to its end-use customers. Senate Bill 358, which was signed into law on April 22, 2019, increased the RPS for retail electric energy providers to 50% by 2030 and allowed federal hydropower resources to be used to meet the Nevada RPS.

SB358 also imposed a requirement on certain entities, including the Commission, to report to the Nevada Office of Energy, on their progress toward meeting the Nevada RPS. The Commission is subject to this reporting requirement for service to its full requirements contractors at the Black Mountain Industrial Complex. Some of the Commission's contractors have similar reporting requirements to the Nevada Office of Energy or the Public Utilities Commission of Nevada (PUCN).

B. Boulder Canyon Project (BCP) (aka Hoover) Contract Provisions

Subsection 6.11.6 of the Commission's contract with the Western Area Power Administration (WAPA) for the purchase of power from Hoover gives the Commission the right to use the Environmental Attributes available from Hoover generation for compliance purposes and the state Hoover contracts passes that right to the Commission's contractors. The Environmental Attributes include what WAPA refers to as Renewable Energy Certificates or RECs and what Nevada calls Portfolio Energy Credits or PECs.

Continued on next page...

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM E (CONTINUED)
FOR MEETING OF NOVEMBER 10, 2020**

STAFF COMMENTS AND BACKGROUND (CONTINUED):

C. Letter Agreement between the Commission and WAPA

The attached Letter Agreement with WAPA is intended to implement the provisions of Subsection 6.11.6 of the BCP Energy Service Contract. The Letter Agreement with WAPA provides for WAPA to transfer Renewable Energy Certificates (RECs) to the Commission. A REC is an electronic certificate created by an independent third party, and stored in a tracking system, that certifies that the energy produced by a generator is “renewable” energy. Certificates are tracked in a system for transparency and to prevent the double counting of RECs toward meeting compliance obligations.

Under the Letter Agreement WAPA and the Commission are agreeing to use the Western Renewable Energy Generation System (WREGIS) for tracking the certificates. WREGIS is operated by the Western Energy Coordinating Council in Salt Lake City, Utah.

Once the RECs are in the system, RECs can be stored for future compliance, transferred to another entity, retired by the entity that has a compliance obligation, or taken out of circulation. In accordance with the WAPA agreement, WAPA will establish a WREGIS account so that they can register Hoover as a renewable resource and transfer RECs to the Commission. The Commission will establish an account with WREGIS and accept the transfer of RECs from WAPA. WAPA will charge the Commission for its costs to transfer RECs to the Commission, including fees charged to it by WREGIS. The total cost for WAPA's fees and Commission's fees is estimated to be approximately \$15,363.66 annually. These fees will be paid by the Commission's BCP contractors.

Once RECs are transferred from WAPA to the Commission, the RECs will be handled in accordance with each contractor's instructions.

D Commission REC Program

The attached document entitled “*Commission REC Program Use of Hydropower Renewable Energy Certificates (RECs) to Meet the Nevada Renewable Portfolio Standard (RPS)*” (aka Commission REC Program) provides further details about the Commission's proposed REC program.

E Contractor Outreach

Staff had informal meetings with contractors about ways to comply with the RPS and track the certificates. In October, Staff provided contractors with a copy of this Commission REC Program document and a draft of the proposed WAPA agreement.

Staff conducted virtual meetings with interested contractors. Following those meetings, Staff issued a notice to its contractors (sample attached) informing the contractors that the Commission would be implementing this program and informing them that the Commission would be passing through the cost of implementation for the program as provided for in section 13 of the Commission's Contract for the Sale of Electric Service from the Boulder Canyon Project with each of its contractors. Staff also requested that each contractor return a signed Exhibit 1 containing the specific instructions that Staff should follow to dispose of their RECs.



Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

September 1, 2020 Letter Agreement No. 20-DSR-12963
Colorado River Commission of Nevada
Boulder Canyon Project
Environmental Attributes

ELECTRONIC DELIVERY

Mr. Eric P. Witkoski
Executive Director
Colorado River Commission of Nevada
555 East Washington Avenue, Suite 3100
Las Vegas, NV 89101

Dear Mr. Witkoski:

Pursuant to the Boulder Canyon Project Electric Service Contract No. 16-DSR-12669 (BCP ES Contract), the Colorado River Commission of Nevada (CRCNV) received the right to utilize the Environmental Attributes associated with the hydropower in the BCP ES Contract. The CRCNV has requested that Western Area Power Administration (WAPA) Desert Southwest Region (DSR) utilize the Western Renewable Energy Generation Information System (WREGIS) to track and transfer the Renewable Energy Certificates (RECs) associated with the Environmental Attributes in the BCP ES Contract.

This Letter of Agreement No. 20-DSR-12963 (Agreement) provides the terms, costs and conditions under which WAPA-DSR will transfer RECs associated with the CRCNV's Environmental Attributes in WREGIS. CRCNV and WAPA DSR are sometimes referred to individually as Party and collectively as Parties.

Agreement: In accordance with, and subject to, the provisions of this Agreement, the Parties agree to the terms and conditions set forth as follows.

1. **Term:**

- 1.1 This Agreement shall become effective upon execution by the Parties, and shall remain in effect until December 31, 2025, and shall automatically renew for successive commitment periods of five (5) years thereafter, provided, that this Agreement is subject to termination as provided for in Subsections 1.2, 1.3, and 1.4, herein. This Agreement shall, however, not extend under any circumstances beyond September 30, 2067, the termination date of the BCP ES Contract.

- 1.2 If CRCNV provides at least six (6) months advance written notice of its intent to terminate, this Agreement shall automatically terminate on December 31 of the year in which the notice is given.
- 1.3 If WAPA DSR provides at least six (6) months advance written notice of its intent to terminate, this Agreement shall automatically terminate on December 31 of the year in which the notice is given, provided that the CRCNV has agreed to the termination or the CRCNV and DSR have agreed to a different arrangement for the Environmental Attributes, pursuant to Subsection 6.11.6 of the BCP ES Contract.
- 1.4 No such termination shall be effective until all obligations, under this Agreement, including any transfer of RECs, have been completed between the Parties for that calendar year (CY), as documented in Table 1 to Attachment No. 2, attached hereto.

2. **Definitions:**

- 2.1 “CY” shall mean a calendar year commencing immediately after midnight on January 1 and ends at midnight on December 31.
- 2.2 All terms, whether singular or plural, used in this Agreement and in the attachments, but not defined, shall have the meaning as defined in the BCP ES Contract and the WREGIS Website¹, as applicable.

3. **WAPA DSR shall:**

- 3.1 Coordinate with WREGIS as the Generator Agent to register and receive approval for the federal hydro generation facilities located at Hoover Dam as multi-fuel generating units. WAPA DSR will complete any annual review requirements and ensure that the facilities maintain an “Approved Status.”
- 3.2 Provide Qualified Reporting Entity (QRE) services, as defined by WREGIS, including but not limited to: (i) instituting Registration Verification Documentation and Interface Control Document; (ii) paying required annual account holder fees as well as all fees associated with creating and transferring RECs; and (iii) establishing all necessary WREGIS accounts to facilitate the transfer of RECs to CRCNV.
- 3.3 Upload Generation reports to WREGIS on a monthly basis and cooperate on the resolution of any Data Validity Check issues.

¹ WREGIS, <https://www.wecc.org>

- 3.4 Transfer RECs on a yearly basis to CRCNV using Schedule A, Schedule B, and Schedule D Firm Energy Allocations percentages as set forth in Attachment No. 2 of the BCP ES Contract, as estimated annually in Table 1 to Attachment No. 2, attached hereto, in the ratio of one (1) REC to one (1) MWh generated. Fractional MWhs will be carried over into the next reporting period.
 - 3.5 As soon as practical after the WAPA DSR CY settlement process is complete with WREGIS, but no later than April 2 of each year, transfer RECs generated in the previous CY to CRCNV's WREGIS account.
 - 3.6 Provide the CRCNV with a report of Generation values uploaded to WREGIS by the 15th day of the month following the end of the quarter for the previous three months of the CY.
 - 3.7 Administer the activities under this Agreement for the transfer of RECs to CRCNV.
 - 3.8 Participate as needed in any other required activities reasonably related to this Agreement.
 - 3.9 Prepare this Agreement, any other agreements determined by the Parties, and any required documentation or correspondence.
 - 3.10 Establish at least one (1) non-interest-bearing Trust Account for CRCNV in the United States Treasury for the deposit of funds as described in Section 5, herein.
 - 3.11 Perform all required closeout activities upon termination of this Agreement.
4. **CRCNV shall:**
- 4.1 Register and establish a WREGIS account; or inform WAPA DSR in writing of an already existing account with WREGIS. WAPA DSR will use the account to transfer RECs for CRCNV.
 - 4.2 Accept all transfer of RECs within the time required by WREGIS.
 - 4.3 Pay any WREGIS fees associated with the CRCNV WREGIS account.
 - 4.4 Make appropriate personnel available to attend meetings and review and provide comments as necessary under this Agreement.
 - 4.5 In accordance with Section 5, herein, advance funds to WAPA DSR for the initial transfer of RECs and associated annual costs under this Agreement.

4.6 For the term of this Agreement, advance funds upon receipt of a new invoice from WAPA DSR for REC transfers for each CY, in accordance with Section 5, herein.

5. **Compensation to WAPA:** The estimated cost associated with the transfer and development, execution, and administration of this Agreement is Eleven Thousand, Eight Hundred Fifty-Nine Dollars (\$11,859), which includes allocable expenses. Upon execution of this Agreement, WAPA DSR will provide CRCNV an invoice. Upon receipt of the invoice, CRCNV shall advance the full amount of funds indicated on the invoice, which shall be applied to the cost of transferring RECs under this Agreement. Please pay by Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) and reference the invoice number to ensure proper payment to your account.

If you are sending your payment via **EFT** (New York Federal Reserve Bank), please provide your bank the following information:

ABA (Routing Identifier): 021030004
ALC (Agency Locator Code): 89001602

If you are sending your payment via **ACH** (Richmond Federal Reserve Bank), please provide your bank the following information:

ABA (Routing Identifier): 051036706
Account Number: 312003

WAPA shall be under no obligation to transfer RECs until such funds have been received. In the event the funds advanced by CRCNV are insufficient to cover WAPA DSR's costs under this Agreement, CRCNV shall, within twenty (20) days after receipt of written notice from WAPA, advance such additional funds as requested by WAPA. WAPA shall not be required to transfer RECs or make expenditures pursuant to this Agreement until WAPA has received the additional funds.

Any funds advanced by CRCNV in excess of the costs incurred by WAPA DSR during the initial year shall be applied to the subsequent year if the Agreement automatically renews in accordance with Section 1, herein; provided, that if the Agreement does not automatically renew, all unobligated and unexpended funds will be returned to CRCNV, without any interest whatsoever, as soon as practicable. WAPA shall be under no obligation to return to CRCNV any funds which are obligated and/or expended for transferring RECs under this Agreement, as conclusively determined by WAPA.

6. **Amendments and Modifications:** This Agreement may be amended or modified by mutual written agreement duly executed by the Parties.

7. **Attachments:** Inasmuch as certain terms of this Agreement may change during the term of this Agreement, they may be set forth in attachments as formulated and modified from time to time. The initial attachments are attached hereto, and each is incorporated into this Agreement in accordance with its respective terms until superseded by a subsequent attachment. WAPA shall provide CRCNV written notice of, and opportunity to approve, any modifications to the attachments. Modifications shall be reflected in new or revised attachments and will be distributed in accordance with Section 8, herein.
8. **Notices:** Any notice, demand, or request authorized in connection with this Agreement shall be in writing and will be deemed properly served or given if delivered in person, sent by certified or first class mail (postage prepaid), email with confirmation of receipt, or fax to the Authorized Representative at the address(es) set forth in Attachment No. 4, attached hereto.
9. **Relationship to Other Contracts:**
 - 9.1 In the event of any conflict or inconsistency among the BCP ES Contract, the Restated Implementation Agreement No. 95-PAO-10616 (Restated Agreement), and this Agreement, the BCP ES Contract shall control. If there are any conflicts between the Restated Agreement and this Agreement, the Restated Agreement shall control.
 - 9.2 The CRCNV retains all rights and obligations set forth in the BCP ES Contract and the Restated Agreement, respectively.
10. **Access to Books and Records:** Subject to applicable Federal laws and regulations, and subject to a Party's right to assert in good faith that certain of its documents or records are subject to a claim of attorney-client privilege, attorney work product privilege, or another applicable privilege recognized under Federal laws, regulations, and WAPA's retention policies, each Party to this Agreement shall have the right, during regular office hours, to examine and make copies, at its sole expense, of the other Parties' books and records relating to matters covered by this Agreement.
11. **Dispute Resolution:** If a dispute arises between or among the Parties under this Agreement which is not resolved through discussions, the Parties shall meet in an attempt to resolve the dispute. If the Parties are unable to resolve the dispute through discussion or by mediation, if the Parties in dispute mutually agree to pursue mediation, either Party may bring the dispute to a Federal court of competent jurisdiction.
12. **Governing Law:** This Agreement shall be governed by and construed under the laws of the United States of America.

13. **General Power Contract Provisions:** The General Power Contract Provisions (GPCP), effective September 1, 2007, Attachment No. 1, attached hereto, are hereby made a part of this Agreement the same as if they had been expressly set forth herein; provided, that if the provisions in the GPCP are in conflict with this Agreement, the terms of this Agreement shall control.
14. **Execution by Counterparts:** This Agreement may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together shall have the same force and effect as an original instrument as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form thereto, by having attached to it one or more signature pages.
15. **Electronic Signatures:** The Parties agree that this Agreement may be executed by either handwritten signature or digitally signed using Adobe Sign or Adobe E-Sign pursuant to Section 16, herein. A digital signature is the same as a handwritten signature and shall be considered valid and acceptable.
16. **Authority to Execute:** Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to execute this Agreement that binds and obligates the Party.

Please provide acceptance of this Agreement by having an authorized representative date and sign the Agreement by handwritten signature or affix a digital signature by using Adobe Sign or Adobe E-Sign that provides a certificate-based identification to authenticate the signer's identity and which binds each signature to the document with encryption. Return the dated and signed Agreement, as soon as possible, using one (1) of the following options:

1. Digital Signature: email Agreement to Manion@wapa.gov,
2. Handwritten Signature: email scanned Agreement to Manion@wapa.gov and mail both originals to one (1) of the following addresses:

If by U. S. Postal Service:
Western Area Power Administration
Desert Southwest Regional Office
ATTN: G6211 (Manion)
P.O. Box 6457
Phoenix, AZ 85005-6457

If by Overnight Delivery:
Western Area Power Administration
Desert Southwest Regional Office
ATTN: G6211 (Manion)
615 South 43rd Avenue
Phoenix, AZ 85009

Letter Agreement No. 20-DSR-12963
Colorado River Commission of Nevada
Boulder Canyon Project
Environmental Attributes

If the Agreement is signed by handwritten signature, please provide attestation on the signature page and affix your corporate seal. If a seal is not available, then please provide a signed letter of authorization from the Corporate Secretary, or any applicable certificates, resolutions, or minutes to indicate the signatory is duly authorized to commit CRCNV to the terms of the Agreement. If digitally signed, please provide the applicable certificates, resolutions, or minutes.

(Remainder of page intentionally blank)

Letter Agreement No. 20-DSR-12963
Colorado River Commission of Nevada
Boulder Canyon Project
Environmental Attributes

Any metering, settlements, or WREGIS questions related to this Agreement should be directed to Mr. Trent Nunn, Settlements and Resource Planning Manager at (602) 605-2862; and any contractual questions should be directed to Mr. Randolph Manion at (602) 605-2628 or Ms. Patricia Weeks at (602) 605-2594.

Sincerely,

JIMMY
KENDRICK

Digitally signed by JIMMY
KENDRICK
Date: 2020.09.01
10:44:06 -07'00'

Jimmy Kendrick
Vice President of Power Marketing
for Desert Southwest Region

IN DUPLICATE

Accepted and agreed to this _____ day of _____, 2020.

(SEAL)

Attest:

COLORADO RIVER COMMISSION
OF NEVADA

By _____

By: _____

Title _____

Name: _____

Title: _____

Address 555 East Washington Avenue, #3100

Las Vegas, NV 89101

Email To:

Colorado River Commission of Nevada, Eric P. Witkoski, ewitkoski@crc.nv.gov,

cc:

Ms. Gail A. Bates
Gbates@crc.nv.gov

Ms. Lisa M. Ray
Lray@crc.nv.gov

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*Legal Citation Revised September 1, 2007

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. **APPLICABILITY.**

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. **DELIVERY OF SERVICE PROVISIONS.**

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. Conditions of Transmission Service.

8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which

is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

13. Billing and Payment.

13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.

13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: 1) at the beginning or end of electric service; 2) at the beginning or end of irrigation pumping service each year; 3) for a fractional billing period under a new rate schedule; or 4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period, to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.

16. Adjustments for Curtailments to Firm Service.

16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.

17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase

facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.

30. Responsibility for Regulated Materials.

When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. **OTHER PROVISIONS.**

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.

35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale,

foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.

37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.

38. Choice of Law and Forum.

Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

ANNUAL REC TRANSFER APPROXIMATION AND COST ESTIMATE

1. This Attachment No. 2, effective under and as a part of Letter Agreement No. 20-DSR-12963 (Agreement), shall remain in effect until superseded by another Attachment No. 2; provided, that this Attachment or any superseding Attachment shall terminate upon expiration of the Agreement.
2. Table 1 below shows the CY 2021 annual approximation of RECs to be transferred to CRCNV, and the estimated costs associated with the transfer; and development, execution, and administration of this Agreement in accordance with the DSR REC Program.

Table 1¹

Settlements:	Contract:	WREGIS:	Cost:
Annual labor	Contract ²	Annual WREGIS fee:	
\$3,000	\$308	\$125	\$3,433
		Hoover (23.26% actual energy minus station service) MWh: 1,053,156 (\$0.04 creation \$4213) & (\$0.04 for transfer \$4213)	\$8,426
\$3,000	\$308	\$8,551	
		Subtotal	\$11,859
		Grand Total	\$11,859

3. Changes to Attachment No. 2 will be in accordance with Section 7 and 8 of this Agreement.

¹ All costs will be reviewed and revised as needed by DSR annually.

² An amendment to the Agreement or revision to Attachment shall incur future contract costs.

GENERATING UNIT WREGIS REGISTRATION INFORMATION

1. This Attachment No. 3, effective under and as a part of Letter Agreement No. 20-DSR-12963 (Agreement), shall remain in effect until superseded by another Attachment No. 3; provided, that this Attachment or any superseding Attachment shall terminate upon expiration of the Agreement.
2. Table 1 below identifies the Federal hydropower plant to be registered with WREGIS under this Agreement.

Table 1

Power Plant Name and Location	MW	Unit Size(s) MW	Energy Information Administration Number
Hoover Power Plant Clark County Nevada	2078.8	Unit A0: 2.4 Unit A1-A4: 130 each Unit A5: 127 Unit A6-A7: 130 each Unit A8: 61.5 Unit A9: 68.5 Unit N0: 2.4 Unit N1-N6: 130 each Unit N7: 127 Unit N8: 130	8902

3. Changes to Attachment No. 3 will be in accordance with Section 7 and 8 of this Agreement.

NOTICES

1. This Attachment No. 4, effective under and as a part of Letter Agreement No. 20-DSR-12963 (Agreement), shall remain in effect until superseded by another Attachment No. 4; provided, that this Attachment or any superseding Attachment shall terminate upon expiration of the Agreement.
2. Any authorized notice, demand, or request must be in accordance with Sections 8 of this Agreement.
3. Persons designated to receive notices as of the date of this Agreement shall be considered properly served by delivery to one (1) of the following addresses:

Postal Service Address

Senior Vice President and
Desert Southwest Regional Manager
Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457

Executive Director
Colorado River Commission of NV
555 East Washington Avenue, #3100
Las Vegas, NV 89101

Overnight Delivery Address

Senior Vice President and
Desert Southwest Regional Manager
Western Area Power Administration
615 South 43rd Avenue
Phoenix, AZ 85009-5313

Executive Director
Colorado River Commission of NV
555 East Washington Avenue, #3100
Las Vegas, NV 89101

4. The following are the Parties points of contact for questions regarding the Agreement:

Name, Title, and Location	Phone Number	Area of Responsibility
WAPA		
Patricia Weeks Manager Attn: G6200 P.O. Box 6457 Phoenix, AZ 85005-6457 Weeks@wapa.gov	602-605-2594	Contracts
Trent Nunn Manager Attn: G6300 P.O. Box 6457 Phoenix, AZ 85005-6457 Nunn@wapa.gov	602-605-2862	Settlements and Resource Planning
Ethel Redhair Manager Attn: G8000 P.O. Box 6457 Phoenix, AZ 85005-6457 Redhair@wapa.gov	602-605-2566	Finance
Colorado River Commission of Nevada		
Gail A. Bates Assistant Director 555 East Washington Avenue, #3100 Las Vegas, NV 89101 Gbates@crc.nv.gov	702-496-3162	Energy Services

5. Any Party may change the designation of the person or the address to which such notices, formal or informal, are to be sent in accordance with Sections 7 and 8 of this Agreement.

Commission REC Program
Use of Hydropower Renewable
Energy Certificates (RECs) to Meet the Nevada
Renewable Portfolio Standard (RPS)

CRCNV REC Program

Use of Hydropower Renewable Energy Certificates (RECs) to Meet the Nevada Renewable Portfolio Standard (RPS)

Legislation

Senate Bill 358 (SB358) was signed into law on April 22, 2019. Among other things, SB358 increased the Nevada Renewable Portfolio Standard (RPS) to 50% by 2030 and made it applicable to certain public entities, including the CRCNV. The law allows certain federal hydropower to be used toward meeting the Nevada RPS.

Most entities that have a compliance obligation under SB358 must file a compliance report with the Public Utilities Commission of Nevada (PUCN). Entities, including the CRCNV, that are subject to NRS 704.787 must file a report with the Nevada Office of Energy instead of the PUCN. Section 9 of SB 358, in pertinent part, states:

“A provider of electric service that is subject to NRS 704.787 shall, on or before July 1 of each year, submit to the Director of the Office of Energy... a report that contains the information described in subsection 4 of NRS 704.7825.”

CRCNV Contracts with WAPA

The CRCNV's contracts with Western Area Power Administration (WAPA) for the purchase of hydropower from the Boulder Canyon Project (Hoover Dam) and the Salt Lake City Area Integrated Projects (SLCAIP) contain provisions under which federal contractors, such as the CRCNV, have the right to use Environmental Attributes associated with their hydropower contracts. Environmental Attributes are environmental characteristics that are attributable to renewable energy resources and in this context are tracked using Renewable Energy Certificates or RECs¹.

While the CRCNV's current contract for Parker-Davis Power provides no specific provisions for the use of Environmental Attributes, WAPA is willing to facilitate its contractors use of Environmental Attributes from that project consistent with WAPA policy since in Nevada the power produced from Parker-Davis would qualify under NRS 704.7804, as a renewable energy system.

Agreements for the Transfer and Tracking of RECs

CRCNV Staff has reviewed various ways to transfer and track the RECs and Staff has determined that the best and most transparent method is to use the Western Renewable Energy Generations Information System better known as “WREGIS”. WREGIS is operated by the Western Energy Coordinating Council (WECC) in Salt Lake City, Utah. WREGIS facilitates transfers, enables retirement of used certificates, and brings transparency to the use of the RECs and is generally accepted in the energy markets in the West. WREGIS issues one REC for each MWh of renewable

¹ In Nevada, environmental attributes are tracked through a system using “portfolio energy certificates” or PECs. See NRS 704.78215. For consistency with WAPA and WREGIS, the CRCNV will use the term REC instead of PEC.

generation. WREGIS accounts are similar to bank accounts. RECs are deposited and managed within these accounts. RECs can be banked in a sub-account, transferred, retired, or exported to a WREGIS Compatible Tracking System at the discretion of the certificate holder.

To facilitate the transfer of RECs from WAPA to the CRCNV, the CRCNV and WAPA have entered into various agreements including a letter agreement with WAPA – DSR that provides for the terms of the transfer of RECs from the Boulder Canyon Project using WREGIS, an anticipated similar letter agreement with WAPA – DSR regarding Parker Davis RECs and a short notice to WAPA – CRSP for SLCAIP RECs.

These Letter Agreements and Notice require WAPA to transfer 100% of the hydropower RECs associated with the CRCNV's allocations of hydropower into WREGIS. The CRCNV is required under the WAPA-DSR agreements to pay all of WAPA-DSR's costs for such transfers.

CRCNV Guidelines

The CRCNV's will maintain consistency with its hydropower contracts with WAPA and WAPA policies in its treatment of RECs and to utilize a WREGIS account to both accept the transfer of hydropower RECs from WAPA and provide those RECs to its own Contractors.

Transfer Process

By April 2 of each year, starting with April 2022, WAPA will transfer RECs for the prior calendar year into the CRCNV's WREGIS account. Calendar year 2021 RECs will be the first vintage of RECs that are transferred to the CRCNV. The CRCNV will, within 10 business days following the deposit of RECs into the CRCNV's WREGIS account, dispose of its' contractors share of RECs in the manner agreed to between the CRCNV and the Contractor.

If requested by the Contractor, the CRCNV will, within 45 business days from the conclusion of each quarter, following receipt from WAPA, provide a report of generation values for each quarter to the Contractor showing the Contractors' share of generation uploaded by WAPA to WREGIS.

Contractor Disposition of RECs

The CRCNV will document, through a signed Exhibit to the CRCNV's Contractor REC Notice, the process that the CRCNV Staff will follow for the disposition of that Contractor's RECs. Contractors may request that the CRCNV Staff:

- transfer RECs to a WREGIS account held by the Contractor;
- hold the Contractors' RECs in an active subaccount;
- retire RECs in WREGIS that the Contractor is claiming to be used to meet the Nevada RPS;
- place the RECs in a reserve account if the RECs have been transferred out of the WREGIS system to a third party who is not a WREGIS Account Holder or have been exported to a tracking system other than WREGIS.

Lay Off/Pooling of Hydropower and RECs

RECS are associated with the Contractors' hydropower allocations. As a result, whenever the CRCNV lays off or pools power among its Contractors, the RECs will remain associated with the hydropower energy. That is, the recipient of the hydropower that has been laid off or pooled will also receive the associated RECs.

Third Party Transactions and RECs

Consistent with the Commission's contracts with WAPA and the Commission's contracts with each of its Contractors, the Commission must approve the third-party sale, transfer, or exchange of RECs from the federal Hydropower projects. A "Third Party" is an entity outside of the CRCNV and its current Contractors.

Contractor Payment for RECs

The CRCNV expects to incur, and pass through to its Contractors each year, their pro-rata share of the following fees to implement this REC transfer program:

- A one-time contract development fee assessed by WAPA-DSR to develop the REC Agreement with CRCNV. One-time contract development fees are applicable to each Hoover and Parker-Davis REC agreement.
- An annual fee assessed by WAPA-DSR for the upcoming calendar year to recover WAPA-DSR's estimated labor and expenses, and fees assessed by WREGIS to transfer RECs to the CRCNV's account.
- An annual fee and costs assessed by WREGIS to the CRCNV for the upcoming calendar year, to establish a WREGIS account, transfer RECs, dispose of contractor RECs, and provide reports.

For Calendar year 2021, each Contractors' pro-rata share of estimated REC transfer program costs will be included in the December 2020 service invoice. For subsequent year transfers, the CRCNV will include estimated costs in the October service invoice for the upcoming calendar year.

Each year, following transfer of RECs from WAPA to the CRCNV, estimated costs will be trued up to actual costs. If actual costs are less than the estimated costs, the difference due to the Contractor will be applied towards the next calendar year costs. If the actual costs are more than the estimated costs, the difference due to the CRCNV will be billed in the next service invoice.

Additional Provisions Specific to BMI Contractors

The CRCNV Staff will file a Report of Compliance with the Nevada Energy Office each year which will demonstrate the CRCNV's compliance with the Nevada RPS for its energy sales to the BMI Complex. The CRCNV Staff will report compliance at the Complex level, not the individual contractor level.

The CRCNV Staff will retire RECs in WREGIS that the CRCNV Staff is using to meet the Nevada RPS.

COLORADO RIVER COMMISSION OF NEVADA (CRCNV) REC PROGRAM

The CRCNV Staff will bank 100% of the excess RECs that are not needed to meet its compliance obligation for the BMI Complex in any given year unless the Commission has approved the sale or transfer of such RECs to a party that is not a CRCNV contractor.

The CRCNV will take whatever actions are needed to comply with the Nevada RPS and pass through any associated costs to the BMI Contractors.

SAMPLES

NOTICE & EXHIBIT 1

STATE OF NEVADA

STEVE SISOLAK, *Governor*
PUOY K. PREMSRIRUT, *Chairwoman*
KARA J. KELLEY, *Vice Chairwoman*
ERIC WITKOSKI, *Executive Director*



JUSTIN JONES, *Commissioner*
MARILYN KIRKPATRICK, *Commissioner*
ALLEN J. PULIZ, *Commissioner*
DAN H. STEWART, *Commissioner*
CODY T. WINTERTON, *Commissioner*

**COLORADO RIVER COMMISSION
OF NEVADA**

October 12, 2020

Name _____
Title _____
Contractor _____
Address _____
City, State, Zip _____
Email Address _____

SUBJECT: Environmental Attributes and Western Renewable Energy Generation
Information System (WREGIS)

Dear Contractor:

Pursuant to your Contract No. PXX-BCPESC-X for the Sale of Electric Service from the Boulder Canyon Project (the "ESC"), you received the right to utilize the Environmental Attributes (defined in section 5.27 of the ESC) associated with the hydropower generated at Hoover Dam, subject to certain conditions, from the Colorado River Commission of Nevada (CRCNV).

The CRCNV has requested that Western Area Power Administration (WAPA) Desert Southwest Region (DSR) utilize the Western Renewable Energy Generation Information System (WREGIS) to track the Hoover Environmental Attributes and transfer the Renewable Energy Certificates (RECs) associated with those Environmental Attributes.

WREGIS issues and tracks RECs for generation of renewable-source electricity in the geographic area covered by the Western Electricity Coordinating Council (WECC). WREGIS also facilitates REC transfers, enables permanent retirement of RECs, assists regulators with the implementation of their renewable energy programs, and brings transparency to REC markets. WREGIS issues one REC for each MWh of renewable generation. WREGIS accounts are similar to bank accounts; RECs are deposited and managed within these accounts. RECs can be transferred, held in an active sub-account, retired, placed in a reserve account, or exported to a Compatible Tracking System at the discretion of the certificate holder.

There are fees associated with the WREGIS process as well as WAPA's costs in implementing and maintaining the Environmental Attribute program. Because each CRCNV Contractor is unique in its disposition of RECs, the estimated annual cost associated with management of your RECs is shown on the attached Exhibit 1 to this Notice. Pursuant to section 16.1.9 of the ESC, charges for the REC program will start appearing on your invoice in December of 2020.

The Commission of the CRCNV will be considering the REC Agreement between the CRCNV and WAPA, as well as discussing Contractor arrangements, at its November 2020 meeting. A copy of that proposed Agreement is enclosed.

Please review Exhibit 1 and make sure that it contains the disposition you require for your RECs. If it does not, please contact Lisa Ray at lray@crc.nv.gov as soon as possible. If Exhibit 1 is accurate, please sign it and return to the CRCNV no later than October 20, 2020. Exhibit 1 is intended to document how you desire your RECs be handled, subject to the requirements contained in the ESC, CRCNV's REC Program, and the CRCNV's renewable energy reporting requirements. It is your obligation to inform the CRCNV of any changes and have Exhibit 1 updated accordingly.

The CRCNV appreciates your cooperation as we institute this new aspect of our hydropower program. If you have any questions or concerns, please do not hesitate to contact Lisa Ray at lray@crc.nv.gov.

Eric Witkoski
Executive Director
Colorado River Commission of Nevada

EW/gle

Enclosures (2)

Cc:
GBates@crc.nv.gov
LRay@crc.nv.gov

**Exhibit 1 to REC Notice
Contract No. PXX-BCPESC-X
October 12, 2020**

Disposition of Contractor Renewable Energy Certificates (RECs):

In accordance with the terms and conditions of Colorado River Commission of Nevada (CRCNV) and (Contractor) Contract No. PXX-BCPESC-X for the Sale of Electric Service from the Boulder Canyon Project, as amended (ESC), CRCNVs REC Program, and for Nevada Renewable Portfolio Standards (RPS) compliance purposes, the Contractor's proportionate share of RECs will be:

- Held, on behalf of the Contractor, in a CRCNV sub-account until such time the contractor is required or desires to participate in the Nevada RPS.

Estimated Annual Cost to Manage Contractor's RECs:

CY2021 Initial Cost: \$

Estimated On-going Cost: \$

These costs are estimates only and will be trued-up to actual costs following disposition of contractor RECs. Costs will vary from calendar year to calendar year due to fluctuations in generation, Western Area Power Administration (WAPA) labor costs and Western Renewable Energy Generation Information System (WREGIS) fees.

Acknowledgement:

I have reviewed the foregoing Exhibit 1 and it accurately describes Contractor's desired disposition of the RECs associated with the ESC. I understand it is my obligation to inform the CRCNV and seek its permission, if applicable, to change the disposition of such RECs.

Name, Title
Contrator

Date

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM F
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Possible Action: Consideration of and possible action to approve a four-year contract in the amount of \$1,200,000 for services of an independent contractor among PAR Electrical Contractors, Inc. (PAR) and the Colorado River Commission of Nevada (Commission) for Transmission and Distribution System Support Services.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Staff recommends the Commission approve a four-year contract in the amount of \$1,200,000 for services of independent contractor among PAR Electrical Contractors, Inc. and the Commission for Transmission and Distribution System Support Services and authorize the Executive Director to execute.

FISCAL IMPACT:

Four-year contract with a not to exceed amount of \$1,200,000.

STAFF COMMENTS AND BACKGROUND:

A. Background on Operations

The Colorado River Commission of Nevada (Commission) owns and operates high-voltage transmission and distribution system consisting of two 230/69-kV substations, three 230/14.4-kV substations, four 69/13.8-kV substations, seven 69/4.16-kV substation, 32 miles of 230-kV transmission lines, 5 miles 69-kV overhead transmission lines, eleven miles of 69-kV underground transmission lines and other related facilities in Clark County, Nevada. In addition, the Commission is responsible for the operation and maintenance of ten additional substations owned by the Southern Nevada Water Authority and three owned by the Clark County Water Reclamation District.

B. Request for Proposal

The RFP for labor services was posted in the Las Vegas Review Journal, on the Commission website and on NVEPro beginning on June 8, 2020. In addition to being posted, it was also sent to 17 vendors directly through NVEPro and 3 vendors independently via email.

On July 15, 2020, the question period ended with no questions submitted. Submissions for the proposals were hosted electronically by NVEPro and were downloaded and then emailed to the Commission Staff. Deadline for submissions ended at 1:59 pm on August 24, 2020. One proposal was received in response to the RFP. The evaluation period took place the week of September 21, 2020 and was determined the proposal complied with the requirements of the RFP.

PAR Electrical Contractors Inc., submitted a proposal through a Request for Proposal (RFP) process carried out by the Commission.

Continued on next page...

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM F (CONTINUED)
FOR MEETING OF NOVEMBER 10, 2020**

STAFF COMMENTS AND BACKGROUND (CONTINUED):

C. Agreement for Consideration

The agreement proposes to retain the services of PAR Electrical Contractors, Inc. for a contract term of four years, anticipated to begin December 1, 2020. Work under the agreement will be at the request of the Commission's customers, such as Southern Nevada Water Authority (SNWA) and Clark County Water Reclamation District (CCWRD), and Base Substation Project. Additionally, the contract will cover services if needed for the Commission's high-voltage facilities, which provides power to our water pumping, wastewater treatment and industrial power customers.

The work will be authorized by Commission Staff through the development and execution of written task authorizations. The total combined value of task authorizations under this agreement shall not exceed \$1,200,000 over the term of the contract. The amount of the contract is based on an estimated cost of a catastrophic event. The contract enables the Commission Staff to be prepared with resources if such a contingency occurs.

Under the contract, Each Task Authorization shall contain:

- a detailed description of the work to be performed by the contractor;
- a detailed breakdown of costs to be paid by the Commission to the contractor for performance of the work; and
- a schedule identifying the timeframe under which the work is to be completed.

Staff recommends the Commission approve the contract and authorize the Executive Director to execute.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM G
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Information Only. Update on Legislative, Audit, and Budget matters.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

Staff will provide report at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM H
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Information Only: Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

Special Counsel will provide an update at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM I
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

For Information Only: Status update from Staff on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, the drought contingency plan, impacts on hydropower generation, electrical construction activities and other developments on the Colorado River.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

Staff will provide report at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM J
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM K
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Comments and questions from the Commission members.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM L
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Selection of the next possible meeting date.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, December 8, 2020, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM M
FOR MEETING OF NOVEMBER 10, 2020**

SUBJECT:

Adjournment.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND: