

The Colorado River Commission of Nevada meeting was held at 1:30 p.m. on Tuesday, August 13, 2019 at the Grant Sawyer State Office Building, 555 E Washington Avenue, Room 4412, Las Vegas, NV 89101.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Commissioner
Commissioner
Commissioner

Puoy K. Premsrirut
Marilyn Kirkpatrick
Dan H. Stewart
Cody T. Winterton

COMMISSIONER IN ATTENDANCE VIA TELEPHONE

Vice Chairwoman

Kara J. Kelley

COMMISSIONER NOT IN ATTENDANCE

Commissioner

James B. Gibson

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 of Energy Services
Manager, Hydropower Program
Manager, Natural Resources Program
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Senior Energy Accountant
Senior Energy Accountant
Office Manager
Administrative Assistant III
Administrative Assistant II

Eric Witkoski
Sara Price
Douglas N. Beatty
Gail Bates
Craig N. Pyper
Angela K. Slaughter
Peggy Roefer
Warren Turkett, Ph.D.
Gail L. Benton
Richard M. Sanders
Stephanie Salleroli
Gina L. Goodman
Kristina Perry
LaTerria Graves

OTHERS PRESENT; REPRESENTING

College of Southern Nevada
NV Energy
Overton Power District 5
Overton Power District 5
Overton Power District 5
Overton Power District 5
Overton Power District 5
Southern Nevada Water Authority
Southern Nevada Water Authority
Valley Electric Association, Inc

Tina Dobbs
Michael Hulin
MeLisa Garcia
Terry Romero
Aaron Walker
Omar Vallejo
Randell Ozaki
Jordan Bunker
Scott Krantz
Doug Maughan

**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF August 13, 2019**

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**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF August 13, 2019 (CONTINUED)**

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The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premsrut at 1:30 p.m. followed by the pledge of allegiance.

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 Premsrut asked if there were any comments from the public. There were none.

C. For Possible Action: Approval of minutes of the May 14, 2019 meeting.

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

D. For Possible Action: Consideration of and possible action to adopt Colorado River Commission of Nevada Resolution 2019-1 commending Jayne Harkins, P.E. for her service to the Commission.

Mr. Witkoski and Senior Assistant Director Sara Price read Colorado River Commission of Nevada Resolution 2019-1 into the record commending Jayne Harkins, P.E. for her service to the Commission. A copy of the resolution is attached and made a part of the minutes. (See Attachment A.)

Each Commissioner shared their gratitude for Ms. Harkins' hard work and dedication to the Colorado River Commission of Nevada and for her personal guidance to each of them. They all wished her well in her future endeavors.

Commissioner Stewart made a motion to approve Colorado River Commission of Nevada Resolution 2019-1. This was seconded by Commissioner Winterton and approved by a unanimous vote.

Ms. Harkins received a round of applause thanking her for her service to the Commission.

E. For Possible Action: Appointment of Robert D. Reese as a Board Member and Douglas Beatty as an Alternate Board Member from the Colorado River Commission of Nevada to serve on the Silver State Energy Association (SSEA) Board of Directors.

Assistant Director of Energy Services Gail Bates explained that in June of 2007, the Commission authorized the Staffs participation in the Silver State Energy Association (SSEA) and executed the SSEA Cooperative Agreement among the City of Boulder City, the Colorado River Commission of Nevada, Lincoln County Power District No. 1, Overton Power District No. 5, and the Southern Nevada Water Authority (SSEA Cooperative Agreement).

The members of the SSEA are all public agencies that share a common goal to jointly plan, develop, own, and operate power resources to meet their own needs and those of their customers.

Pursuant to Section 8.2 of the Cooperative Agreement, the governing body of each Member appoints one Director and one Alternate Director to represent it on the Board.

Staff recommended that the Commission appoint Assistant Director of Power Delivery Robert Reese, to serve as the Commission's SSEA Board Member and Chief of Finance and Administration Douglas Beatty, to serve as the Commission's Alternate Board Member.

Commissioner Kirkpatrick made a motion to appoint Robert D. Reese as a Board Member and Douglas Beatty as an Alternate Board Member from the Colorado River Commission of Nevada to serve on the SSEA Board of Directors. This was seconded by Commissioner Winterton and approved by a unanimous vote.

F. For Possible Action: Consideration of and possible action to approve Contract No. 17-SLC-0839 between the Colorado River Commission of Nevada and the United States Department of Energy, Western Area Power Administration, Salt Lake City Area Integrated Projects for Firm Electric Service through September 30, 2057.

G. For Possible Action: Consideration of and possible action to approve Contract No. P14-SLCESC between the Colorado River Commission of Nevada and the City of Boulder City, Nevada, for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

H. For Possible Action: Consideration of and possible action to approve Contract No. P06-SLCESC between the Colorado River Commission of Nevada and Overton Power District No. 5, for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

I. For Information Only: Consideration of and possible action to approve Contract No. P08-SLCESC between the Colorado River Commission of Nevada and Valley Electric Association, Inc., for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

Items F, G, H and I were combined by Executive Director Eric Witkoski.

The Commission's current contracts with the Western Area Power Administration (WAPA) and with its customers for Salt Lake City Area Integrated Projects (SLCAIP) hydropower expire on September 30, 2024. WAPA began the process for the post-2024 allocations in 2015 and the Commission has been offered a contract through September 30, 2057 which contains the same allocation amounts it currently holds - 20,851 kW of capacity and 37,944,500 kWh of energy (Summer Season) and 27,414 kW of capacity and 50,267,119 kWh of energy (Winter Season).

At its February 12, 2019 meeting, the Commission approved the continued allocation of SLCAIP power to its current SLCAIP customers at their current levels as follows:

Applicants	Summer		Winter	
	Capacity	Energy	Capacity	Energy
	kW	kWh	kW	kWh
City of Boulder City	5,537	10,075,242	7,279	13,347,215
Overton Power District No. 5	6,279	11,427,163	8,256	15,138,176
Valley Electric Association, Inc.	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

See Order of the Commission - In the Matter Of: Allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024 dated February 13, 2019 is attached and made a part of the minutes. (Attachment B.)

Subsequent to the February meeting, staff and legal counsel to the Commission finalized contracts with its SLCAIP customers. Those contracts have been presented to the customers' governing bodies, have been approved by those bodies and executed by the appropriate individuals.

WAPA has provided its contract to the Commission for approval and execution. It will execute the contract after Commission approval.

Special Counsel Christine Guerri presented a Salt Lake City Area Integrated Projects (SLCAIP) update on the following:

- SLCAIP Information
- SLCAIP Current Allocations
- Post-2024 Allocations
- Federal SLCAIP Contract
- State SLCAIP Contracts

Commissioner Kirkpatrick asked: when some of the allocation is taken outside of hydropower into the free market to increase the return on investment for our customers, is that included in the resource plan showing how much is actually going into the market? These SLCAIP contracts go through September 30, 2057 so will present and future Commissioners be able to see what it looks like within the resource plan, perhaps every three years? How does Staff remain aware of the resource going to the market and maintain a record to provide for future Commission leaders, staff, and contract parties?

Ms. Guerri suggested that the question should be addressed with the Executive Director should the Commission want reporting of updates of allocations going into the market.

Commissioner Kirkpatrick explained reporting and updates on these resources would help keep the Commission well informed and knowledgeable especially when new commissioners are introduced and tasked with approving contracts without a complete understanding of the resource. She inquired if the resource plan was currently filed with the state or how the records of the resource are maintained for the future since these contracts expire in 2057.

Ms. Guerri clarified it is her belief that there is not currently any reporting at the moment. However, the Commission will have to file a report with the Nevada state Department of Energy under the new renewable energy portfolio standards. Without being certain that the required state report will encompass the reporting of the resource going into the market she referred the request to the Executive Director. Commissioner Kirkpatrick replied that a five-year or ten-year report would

be helpful, so it is monitored and available for the future because markets are high and low, and the average must be weighted.

Commissioner Kirkpatrick noted and asked if the summary is correct; that the reason for the early signing of these new contracts before current SLCAIP hydropower contracts expire on September 30, 2024 was to create a level of stability to the customers and to allow transition time.

Ms. Guerri replied yes, that is the reason. Nevada only gets 3% of SLCAIP output. Several of the larger customers for the SLCAIP project wanted some assurances of power beyond 2024 for long-range planning and to ensure the contractual right through 2057 to the power.

Ms. Guerri continued the presentation explaining that the three separate contracts on today's agenda are all similar and have the same provisions. The three contractors: City of Boulder City, Overton Power District No. 5, and Valley Electric Association, Inc., were approved at the Commission meeting held on February 12, 2019. The contracts follow the same terminology as the federal contracts: Contract Rate of Delivery (CROD), Available Hydropower (AHP), Western Replacement Power (WRP.)

Commissioner Stewart asked what is the delta between AHP and WRP; would the contractor pay more for the delta to get to the CROD? Understanding that it varies, how are the contractors able to factor it into their long-range planning not knowing the WRP?

Ms. Guerri stated that it depends on the hydrology and because she was not sure what the delta is, as it really does depend on the water. She asked Gail Bates, Assistant Director of Energy Services to approach the Commission for a more detailed response.

Ms. Bates hypothesized an estimate of 60% to 75% of current available hydropower to the CROD and explained full CROD is generally not fulfilled. Staff gets the estimates from Western Area Power Administration (WAPA) as to what is going to be available and the contractor can elect to buy WRP on a longer-term basis which helps with planning. The contractor has a reasonable expectation for secured power that will fit their resource plan.

Commissioner Stewart asked if WRP is more expensive.

Ms. Bates confirmed that WRP is more expensive. It is a market product and is going to be market priced.

Chairwoman Premisrirt asked Staff to create an annual report or update for the active Commissioners to be kept apprised of the current status of the SLCAIP resource market and to provide continuity for successors.

The Chairwoman and Commissioners thanked Ms. Guerçi for the thorough presentation and hard work. A copy of the presentation is attached and made a part of the minutes. (See Attachment C.)

Agenda Item F

Staff recommended that the Commission approve Contract No. 17-SLC-0839 between the Colorado River Commission of Nevada and the United States Department of Energy, Western Area Power Administration, Salt Lake City Area Integrated Projects for Firm Electric Service through September 30, 2057.

Commissioner Stewart made a motion to approve Contract No. 17-SLC-0839 between the Colorado River Commission of Nevada and the United States Department of Energy, Western Area Power Administration. Salt Lake City Area Integrated Projects for Firm Electric Service through September 30, 2017. This was seconded by Commissioner Winterton and approved by a unanimous vote.

Chairwoman Premsrirut invited representatives from City of Boulder City (BC), Overton Power District No. 5 (OPD), and Valley Electric Association, Inc. (VEA) to address the Commission before moving forward with the recommendation from Staff for approval of the contracts.

Chairwoman Premsrirut asked if there were any other comments or questions from Commissioners before moving forward with the recommendation from Staff for approval of the contracts.

Commissioner Kirkpatrick commended and thanked Ms. Guerçi for her hard work and making sure the Nevada's interests were taken care of.

Ms. MeLisa Garcia representing Overton Power District 5 (OPD) thanked the Commissioners and Staff of the Commission for their work and thorough review of the allocation process for the SCLAIP allotment. This valuable resource will help OPD to continue providing quality and affordable power to all the customers in their service territory.

Mr. Dennis Porter, Utilities Director for City of Boulder City thanked the Commission and Staff for explaining SLCAIP, expressed that it an important resource for the City of Boulder City for the future, and for all the hard work.

Mr. Douglas Maughan from Valley Electric Association, Inc., gave appreciation for the hard work of getting the contract prepared. The information provided and the efforts to keep VEA informed and educated with Staff visits to Pahrump. VEA thanked everyone for all their hard work and they are grateful for their allocation.

Chairwoman Premsrirut thanked the customers as well as Staff for everything that has been put into this project.

Agenda Item G

Staff recommended that the Commission approve Contract No. P14-SLCESC between the Colorado River Commission of Nevada and the City of Boulder City, Nevada, for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

Agenda Item H

Staff recommended that the Commission approve Contract No. P06-SLCESC between the Colorado River Commission of Nevada and Overton Power District No. 5, for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

Agenda Item I

Staff recommended that the Commission approve Contract No. P08-SLCESC between the Colorado River Commission of Nevada and Valley Electric Association, Inc., for the Sale of Electric Power from the Salt Lake City Area Integrated Projects through September 30, 2057.

Commissioner Winterton made a motion to approve Contracts P14-SLCESC, P06-SLCESC, and P08-SLCESC. This was seconded by Commissioner Kirkpatrick and approved by and approved by those present. Vice Chairwoman Kelley was not present for this vote.

J. For Information Only: Update on the activities of the Financial and Audit Subcommittee.

There are no updates.

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

Navajo Nation v. Dept of the Interior

The Commission previously filed an intervention in this matter to protect the interests of Nevada.

The Navajo filed their initial complaint in 2003 challenging the 2001 Shortage Guidelines for failing to consider their water rights and asserted a breach of trust against the United States for failing to consider or protect their alleged water rights.

The case was stayed from 2004 until 2013 in order to allow settlement negotiations. When that attempt failed, active litigation recommenced. The district court granted motions to dismiss the matter. The Navajo appealed to the 9th Circuit which upheld the dismissal of the count concerning the guidelines but remanded on the breach of trust in order to allow the Navajo to amend their complaint.

The Navajo are now trying to file a Third Amended Complaint which they assert better outlines the breach of trust. The court has scheduled a hearing on their Motion for Leave to file the Third Amended Complaint for this coming Friday, August 16, 2019.

Commissioner Stewart asked if the case has been narrowed down to one specific breach of trust.

Ms. Guerci confirmed that if the case continues, it could be narrowed down but that the Navajo Nation is still trying to get a broad range of items included.

Commissioner Kirkpatrick asked if the Federal Government will reimburse the Commission for the lack of action.

Ms. Guerci replied that Mr. Witkoski can answer the financial questions, but the Commission is involved because if the Navajo Nation were to receive this allocation of water it would come from Arizona's share, but be physically taken from north of Lake Mead, impacting lake levels, the Drought Contingency Plan (DCP) and other guidelines. Ms. Guerci expressed that this decision could potentially negatively impact Nevada and it was therefore important for the Commission to be involved in the proceedings.

Mr. Witkoski explained that the last contract approved was \$100,000. And for the last proceeding, the outside counsel was limited to \$20,000.

Commissioner Kirkpatrick replied, saying she did not disagree that it is a worthy cause and hopes we can figure out the best for every community and some closure so the Western states through the DCP can do what is in the best interest of millions of people.

Chairwoman Premsrut confirmed that this case was being handled primarily through joinders.

Ms. Guerci confirmed that we have not been engaged in most of the drafting or arguing.

Chairwoman Premsrut asked if the staff envisions the next hearing's outcome to be dispositive of this proceeding.

Ms. Guerci replied that she doesn't know now, but that the Navajo Nation's current lawyer is retiring and that may affect the case.

L. 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.

Hydrology Update

Natural Resources Analyst Dr. Warren Turkett gave a status update on the hydrologic 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 D.)

Commissioner Kirkpatrick asked if the Commission does press releases for the increase of water levels Nevada has made over time.

Mr. Witkoski agreed to work with Southern Nevada Water Authority (SNWA) starting a press release concerning the increase in water levels in Nevada.

Commissioner Stewart agreed that positive reinforcement is always a good thing. He also asked what happens to the water when Nevada is required to give a Drought Contingency Plan (DCP) contribution?

Dr. Turkett explained that a DCP contribution will be accounted for and the water will be available for use in the future when certain criteria are met. Another benefit of the DCP is that SNWA will receive credit for their municipal conservation program.

M. 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 other comments or questions from the from the public.

There were none.

N. Comments and questions from the Commission members.

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

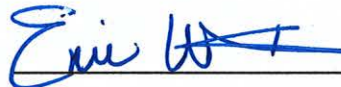
There were none.

O. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, September 10, 2019 at the Grant Sawyer State Office Building, 555 E Washington Avenue, Room 4412, Las Vegas, NV 89101.

P. Adjournment.

The meeting was adjourned at 2:42 pm.



Eric Witkoski, Executive Director

APPROVED:



Puoy K. Premsrirut, Chairwoman

RESOLUTION 2019-1
CERTIFICATE OF APPRECIATION
FOR JAYNE HARKINS

WHEREAS, Jayne Harkins has served the Colorado River Commission as its Executive Director with extraordinary dedication and distinction for over 7 years, departing from service October 24, 2018;

WHEREAS, Jayne Harkins is a native of North Dakota, having graduated with a Bachelor of Science Degree in Geological Engineering with an emphasis in hydrology and groundwater;

WHEREAS, Jayne Harkins is a registered professional engineer in Nevada and California and holds a Master's Degree in Public Administration from the University of Nevada-Las Vegas;

WHEREAS, Jayne Harkins married her sweetheart and husband of 35 years, Vernon Harkins, with whom she has two children, Breanne, who is pursuing higher education, and Chandler, who is an engineer with a degree from Rose-Hulman Institute of Technology;

WHEREAS, Jayne Harkins spent 27 years with the U.S. Bureau of Reclamation, with her last position serving as the Deputy Regional Director of the Lower Colorado Region based in Boulder City, Nevada. She led the agency in the development of the Interim Surplus Guidelines, as well as supervising water and power operations for the Lower Colorado River Region. Her tenure included leading the efforts in the development of the Inadvertent Overrun and Payback Policy, off-stream storage rule, construction and operation of Warren H. Brock Reservoir, Yuma Desalting Plant Pilot Run, and implementation of California's Quantification Settlement Agreement;

WHEREAS, as Executive Director, Jayne Harkins had a key role in the development and implementation of Minutes 319 and 323 to the 1944 Mexican Water Treaty, the 2014 Memorandum of Understanding for Pilot Drought Response Actions and the 2018 Colorado River Basin's Drought Contingency Plan;

WHEREAS, as Executive Director, Jayne Harkins was instrumental in the passage of the Hoover Power Allocation Act of 2011 which allowed new customers in Nevada the opportunity to access cost-based, clean, hydroelectric power generated at Hoover Dam for the very first time;

WHEREAS, Jayne Harkins has received numerous awards during her Career, including the Department of Interior's Superior Service Award and was inducted as a 2010 National Honorary Member of PI Alpha Alpha, the National Honor Society for Public Affairs and Administration;

WHEREAS, Jayne Harkins served on a number of boards, including the Board of Directors for the National Water Resource Association, the Colorado River Energy Distributors Association,

the Colorado River Water Users Association, and was a member of the American Public Power Association;

WHEREAS, Jayne Harkins brought outstanding personal qualities to her work: honesty, diligence and loyalty; exemplary capability in her professional efforts; a thorough knowledge of the Colorado River system, all of which set a professional tone for the Commission offices and guidance for the Colorado River stakeholder community;

WHEREAS, the Commission, the Executive Director (formerly her Deputy Director) and the staff, who she firmly and graciously supported, will miss her active leadership, her ability to problem solve, as well as her wisdom and experience; and now therefore be it;

RESOLVED BY THE COLORADO RIVER COMMISSION OF NEVADA, That JAYNE HARKINS is hereby recognized and commended for her diligence and dedication on behalf of the Colorado River Commission of Nevada, the State of Nevada and its people; and be it further;

RESOLVED, that the members and staff of the Colorado River Commission of Nevada express their gratitude for her seven years of service; and be it further;

RESOLVED, that a copy of this resolution be prepared and presented to Jayne Harkins as evidence of the Commission's highest esteem and warmest affection.

Adopted this ____th Day of _____, 2019.

Puoy K. Premsrirut, *Chairwoman*

Kara J. Kelley, *Commissioner*

James B. Gibson, *Commissioner*

Marilyn Kirkpatrick, *Commissioner*

Dan H. Stewart, *Commissioner*

Cody T. Winterton, *Commissioner*

Eric Witkoski, *Executive Director*

**BEFORE THE
COLORADO RIVER COMMISSION OF NEVADA**

In the Matter Of:

**ALLOCATION OF SALT LAKE CITY AREA
INTEGRATED PROJECTS (SLCAIP)
HYDROPOWER POST 2024**

ORDER

At the regular monthly meeting of the Colorado River Commission of Nevada ("Commission") held on February 12, 2019, a public hearing was held on the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024:

PRESENT: Chairwoman Puoy K. Premsrirut
Vice Chairwoman Kara J. Kelley
Commissioner James B. Gibson
Commissioner Marilyn Kirkpatrick
Commissioner John F. Marz
Commissioner Dan H. Stewart
Commissioner Cody T. Winterton

INTRODUCTION

The Commission represents and acts for the State of Nevada in the negotiation and execution of contracts with Western Area Power Administration (WAPA) for the purchase of hydropower from federal generation facilities. See NRS 538.161. WAPA markets and transmits SLCAIP hydroelectric power pursuant to, *inter alia*, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187). These federal generation facilities are operated by the United States Bureau of Reclamation (Reclamation). This Order involves the Federal hydroelectric facilities known as the Collbran Project, Rio Grande Project, and the Colorado River Storage Project. WAPA refers to the collection of these Federal hydroelectric facilities as the Salt Lake City Area Integrated Projects (SLCAIP).

The Commission as part of its negotiations, execution and allocation of the hydropower contracts looks to achieve “the greatest possible benefit to this state.” NRS 538.161 and 538.181. Here, the Commission received four applications for the Post 2024 SLCAIP hydropower from the City of Boulder City (BC), the City of Las Vegas (CLV), Overton Power District No. 5 (OPD) and Valley Electric Association, Inc. (VEA). On December 6, 2018, the CLV withdrew its application.

Following is a summary of the allocations the Commission herein orders to each of the applicants:

	Summer		Winter	
	Capacity	Energy	Capacity	Energy
	kW	kWh	kW	kWh
Applicants				
City of Boulder City	5,537	10,075,242	7,279	13,347,215
Overton Power District No. 5	6,279	11,427,163	8,256	15,138,176
Valley Electric Association, Inc.	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

FINDINGS OF FACT

1. On February 12, 2019 and September 11, 2018, public hearings were held in the above-entitled matter in compliance with the provisions of the Nevada Open Meeting Law, Chapter 538 of the Nevada Revised Statutes (NRS) and Chapter 538 of the Nevada Administrative Code (NAC).
2. The Commission represents and acts for the State of Nevada in the negotiation and execution of contracts for the purchase of hydropower from federal generation

facilities for the greatest possible benefit to this state pursuant to NRS 538.166, NRS 538.181 and NAC Chapter 538.

3. The United States Bureau of Reclamation (Reclamation) owns and operates certain Federal hydroelectric facilities known as the Collbran Project, Rio Grande Project, and the Colorado River Storage Project.
4. The Western Area Power Administration (WAPA) markets the hydropower generated at Reclamation's facilities and refers to the hydroelectric facilities of the Collbran Project, Rio Grande Project, and the Colorado River Storage Project collectively as the Salt Lake City Area Integrated Projects (SLCAIP.)
5. The Commission has the authority to hold and administer Nevada's rights to distribution of SLCAIP power and to represent and act for the state of Nevada in contracting for such power pursuant to NRS 538.166, NRS 538.181 and NAC Chapter 538.
6. The Commission has an existing contract with WAPA for SLCAIP hydroelectric power which will expire on September 30, 2024. Under this contract, the Commission is allocated:
 - a. Capacity
 - i. Winter Season 27,414 kW
 - ii. Summer Season 20,851 kW
 - b. Energy
 - i. Winter Season 50,267,119 kWh
 - ii. Summer Season 37,944,500 kWh
7. The Commission has three existing Renewal Contracts with Nevada contractors, BC, OPD and VEA which will also expire on September 30, 2024.

8. In 1993, the Nevada legislature passed an amendment to NRS 538.181 which granted a right of contract renewal to the Commission's customers who had a contract for the purchase of power from the Commission which was in effect on July 1, 1993. In 2004, the Commission executed Renewal Contracts with BC, OPD and VEA for delivery of SLCAIP power from October 1, 2004, through September 30, 2024, to satisfy the one – time right given in that statute.
9. In the November 29, 2016, Federal Register (81 FR 85946), WAPA announced its Final 2025 Salt Lake City Area Integrated Projects Marketing Plan which extended capacity and energy allocations to existing Contractors including the Commission and provided for establishing a new federal Firm Electric Service contract based upon the existing SLCAIP contract.
10. The post 2024 contract will be for deliveries of SLCAIP hydropower from October 1, 2024 to September 30, 2057.
11. The Commission is executing a contract with WAPA for post 2024 SLCAIP power for the same allocations of SLCAIP hydropower outlined in paragraph 6.
12. Concurrent with executing the Federal post 2024 contract, the Commission will enter into contracts with Nevada entities for post 2024 SLCAIP hydropower.
13. To that end, Commission Staff (Staff) prepared a draft Notice and Invitation to Apply for the allocation of SLCAIP Hydropower Post 2024 which included draft allocation criteria as well as a draft Application.
14. Staff noted that pursuant to NRS 704.787, existing contractors that receive a SLCAIP or a Boulder Canyon Project (BCP) – Schedule A or Schedule B allocation from the Commission would be eligible for a SLCAIP allocation as well as the

Southern Nevada Water Authority and its member agencies, provided that the Southern Nevada Water Authority and/or its member agencies used the SLCAIP allocation for its water and wastewater operations.

15. On or about April 25, 2018, the Commission issued a Notice of a Public Meeting and Request for Comments on the draft Notice and Invitation to Apply, the draft allocation criteria and the draft Application. The Public Meeting was to be held on May 15, 2018 and written comments were due to the Commission by May 25, 2018.
16. The April 25, 2018 Notice included a copy of the draft documents and was sent to all current customers of the Commission, all individuals on the Commission's notification list and was placed on the Commission's website.
17. The Public Meeting was held on May 15, 2018. Staff gave a background presentation on SLCAIP hydropower, reviewed the draft documents and answered questions from the attendees.
18. On or before the May 25, 2018 deadline for written comments, the Commission received written comments from two of its customers, BC and OPD. Staff reviewed and considered the comments offered by its customers and revised the draft documents in response to some of the comments received.
19. On June 12, 2018, the Commission reviewed, considered and approved the Notice and Invitation to Apply for the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024, the allocation criteria and the Application.
20. The criteria for the post 2024 SLCAIP allocation as approved by the Commission was:

1. The award of resources to the Applicant will achieve the greatest possible benefit to the state including but not limited to:
 - a. Economic development, including but not limited to, job creation, development in, and/or support of, economically disadvantaged areas or rural communities.
 - b. Support of public entities (including but not limited to public entities engaged in natural resource management or reductions in expenses for a public entity.)
2. The award of resources to the Applicant will not place an undue administrative burden on the CRCNV.
3. The Applicant must be an entity that the CRCNV has the ability to serve under NRS 704.787.
4. If the Applicant is:
 - a. An electric utility, it must satisfy the requirements of NAC 538.410(5) which states that the electric utility must:
 - i. Have a load that:
 - 1) Has a peak demand of at least 8 megawatts; and
 - 2) Is located within Western's defined marketing area in this State for the Boulder Canyon Project, Parker-Davis Project or Southern Division of the Salt Lake City Area Integrated Projects; and
 - ii. Be qualified to receive preference power under the applicable provisions of federal law relating to preference power; or
 - b. An entity that is a qualified Applicant under NRS 704.787(b), the entity must certify that any power awarded will be used for its water and wastewater operations.
5. The Applicant must have sufficient load to fully utilize the allocated resource, in addition to existing hydropower resources contracted for with the CRCNV.
6. An Applicant requesting an allocation of SLCAIP resource must be able to accept a minimum SLCAIP schedule of 1 MW off-peak.
7. The Applicant must be willing to execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.
8. The Applicant must demonstrate, by June 1, 2024, that it will have all necessary transmission, scheduling and distribution arrangements in place prior to delivery.
9. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

10. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.
 11. The Applicant must be able to make its own, independent assessment of the need for the additional products offered under the SLCAIP Contract including Western Replacement Power (WRP) and Customer Displacement Power (CDP).
 12. The Applicant must be creditworthy and in compliance with its current Commission contracts and may be required to post collateral in accordance with and subject to any exceptions, conditions or exemptions in the CRCNV's statutes and regulations.
21. On June 14, 2018, the Commission issued the Notice and Invitation to Apply for the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024, the allocation criteria and the Application. Completed applications were due to the Commission by 5 PM PDT on July 16, 2018.
22. On or before the deadline, the following four (4) entities submitted Applications:
- City of Boulder City (BC);
 - City of Las Vegas (CLV);
 - Overton Power District No. 5 (OPD); and
 - Valley Electric Association, Inc. (VEA).
23. Staff evaluated each Application for completeness and creditworthiness, verified electric load data, and determined if the Application met the general eligibility criteria. In developing its recommendations regarding the proposed allocations, Staff considered how an Applicant's use of the SLCAIP Hydropower would fulfill the Commission's Approved Criteria and provide the "greatest possible benefit to this state". Staff considered the statements provided by the Applicants in Section

3 of the Application identifying the benefit to the state from the Applicant's receipt of the allocated resource.

24. In its application, **City of Boulder City** requested for the Summer Season 5,537 kW of capacity and 9,278,621 kWh of energy and for the Winter Season 7,279 kW of capacity and 12,291,887 kWh of energy. Staff noted that BC had used energy numbers from a previous contract and revised the request to match BC's current SLCAIP energy allocation, namely 10,075,242 kWh of Summer energy and 13,347,215 kWh of Winter energy.

25. BC stated in its response to Section 3 that:

Receipt of a Post-2024 SLCAIP allocation is important to maintaining the stability of the Utility's operations which serves over 16,000 Nevadans, 580 local businesses and 61 federal, state and local government facilities. Among the CRC's hydropower customers, the City is one of the more effective users of these allocations to satisfy broad and significant public benefits to Nevadans and government. The CRC can confidently award a Post-2024 SLCAIP allocation to the City knowing from past performance that great "actual" (instead of just "possible") benefit will accrue to Nevada.

The availability of the SLCAIP allocation satisfies 14.5 percent of the resources the Utility deploys to provide electric service at reasonable rates with an emphasis on a renewable resource reliance. The Utility's ability to count on lower-cost clean hydropower for about 60 percent of the energy it sells, allows the City to support very meaningful low-income energy assistance ("LIEA") programs. The City has done so for over 40 years and in 2017 provided 65 percent of the non-profit electric utility LIEA in the entire state. Likewise, the lower-cost hydropower provided through allocations like that made by the SLCAIP buoy the Utilities very dynamic energy efficiency rebate programs that have been available for over 27 years.

The stable portfolio of lower cost hydropower used by the Utility also allows the City to entertain conservation and renewable energy initiatives through a net metering program, tiered rates and time of use metering. These initiatives permit the Utility to focus on encouraging wiser use of energy instead of allowing policies that generate higher demand to generate revenues. That these policy choices are working is shown by the fact that in the last five years while summer peak demand has increased by 0.8 percent annually, total energy consumption has decreased by 1.2 percent.

The loss of 14.5 percent of the lower-cost hydropower resources used to satisfy the Utility's needs, would force the City to increase market purchases to meet supply-side requirements. Even with the availability of lower-cost SLCAIP allocations, the Utility has raised rates by 21 percent in the last two years. A loss of the SLCAIP allocation in 2024 would conservatively translate to another rate increase of 2.7 percent alone just to replace this hydropower resource with market power. This rate increase would be additive to a 5 percent rate increase set for July 2019 and a 2.5 percent rate increase established for each July thereafter.

The City is focused on responsible growth and economic development plans. The core elements of this plan position the City as the Southern gateway to the region, with an emphasis on the transportation infrastructure benefits of the Interstate 1-11 corridor, the availability of significant real estate in the City's ownership for public-private partnerships, reliance on municipally-delivered renewable electricity at stable prices and a local economy independent of the casino-resort industry. Despite these efforts, the Utility's residential and commercial growth prospects are not expected to dramatically change, and accordingly new service connections is not the answer to the impact of a loss of the SLCAIP allocation. Moreover, a nearly 15 percent reduction in lower-cost SLCAIP resources will further complicate the City's efforts at economic development and diversification by making the cost of electricity more expensive to businesses or governments that might locate or expand in the municipality. Disrupting the Utility's hydropower allocations could have a material adverse impact on the City to the detriment of efforts to grow this region of the State of Nevada.

26. In its application, **City of Las Vegas** requested for the Summer Season 1,000 kW of capacity and 4,380,000 kWh of energy and for the Winter Season 2,000 kW of capacity and 8,760,000 kWh of energy. Staff noted that CLV has not previously had a SLCAIP allocation and further noted that CLV was requesting an amount of energy that would equate to a 100% capacity factor¹ which is not consistent with either the Commission's Federal SLCAIP allocation or the allocations of the Commission's other customers. Using CLV load data, staff calculated an

¹ The capacity factor is defined as the ratio of the total actual energy supplied over a definite period, to the energy that would be produced if the plant (generating unit) was operating continuously at the maximum output.

appropriate level of capacity within CLV loads and resources, as well as what could be scheduled and delivered with minimum administrative burden. Thereafter, Staff revised the request to the appropriate capacity factor (41- 42%), whereby the capacity requested was modified and the energy requested was decreased, namely for the Summer season 1,500 kW of capacity and 2,729,689 kWh of energy and for the Winter Season 1,972 kW of capacity and 3,616,166 kWh of energy.

27. CLV stated in its response to Section 3 that:

Since 2009, the City of Las Vegas' renewable energy program has met the goal of providing the greatest possible benefit to the state through economic development through direct job creation, environmental protection through the use of clean power, and reductions in wastewater treatment expenses for the City of Las Vegas. For a municipal government, the City has consistently led the region in renewable energy production and greenhouse gas mitigation through solar energy production. In December 2016, the City announced that through a Renewable Energy Agreement with NV Energy, it receives 100 percent of the energy it needs from renewable sources for its retail load, most coming from Boulder Solar, a solar facility near Boulder City, Nevada, in addition to the City's solar installations at forty city buildings and facilities, parks, fire stations and community centers and a three megawatt solar plant at the city's Water Pollution Control Facility provides power for wastewater treatment. In addition, the City receives Hoover Schedule A and D hydropower allocations through the Commission and WAPA.

Together, this renewable energy generated and received contributes toward City Council's net-zero energy goals enumerated in the 2017 Resolution on Community Resilience, Net-Zero Energy and Sustainability (R-32-2017). The power reduces energy consumed from non-renewable source, emissions, and annual utility expenses by \$5 million, and the City similarly believes SLCAIP hydropower will further reinforce and support the City's strategy at its wastewater treatment facilities while meeting the State and Commission's goal to provide the maximum benefit possible to the state's southern region. In order to optimize facility performance and operation, this hydropower will contribute to a long-term reduction of annual electric expenses by while increasing the share of cheaper green power used for these facilities.

The City of Las Vegas respectfully requests the Commission's consideration of this application in an effort to build a resilient, sustainable, and diverse community and economy for Southern Nevadans.

28. In its application, **Overton Power District No. 5** requested for the Summer Season 6,593 kW of capacity and 14,563,065 kWh of energy and for the Winter Season 8,669 kW of capacity and 19,292,475 kWh of energy. Staff noted that OPD has a current SLCAIP contract and that the requested amounts were an increase to OPD's current allocation.

29. OPD stated in its response to Section 3 that:

Overton Power District No. 5 was formed by the State of Nevada in 1935 as a non-profit quasi-municipal special improvement district. The District's service territory is approximately 2,000 sq. miles and encompasses the northeast quadrant of Clark County Nevada which includes the City of Mesquite, and the unincorporated towns of Bunkerville, Logandale, Moapa, and Overton. The District also serves the Moapa Band of Paiutes, Valley of Fire State Park, and the northeast portion of Lake Mead Recreational Area. The District has procured hydro power contracts through the Colorado River Commission for more than 80 years. These contracts help provide energy to a variety of rural Nevadans including resorts, mining, residential, manufacturing, agricultural, water districts, school districts, State and Federal agencies, and other retail customers. The District provides service to many retired and fixed income customers who rely on affordable power. The current SLCAIP allotment allows us the opportunity to blend the low cost of hydro with our other resources to keep our rates under the state average per kilowatt hour cost. Any reduction in our current SLCAIP allotment could be detrimental to Nevada's rural residents, businesses, and recreational visitors.

30. In its application, **Valley Electric Association, Inc.** requested that all of the Commission's SLCAIP capacity and energy be allocated to it. Staff noted that VEA has a current SLCAIP contract and that the requested amounts would be a substantial increase to VEA's current allocation.

31. VEA stated in its response to Section 3 that:

The allocation of the requested resources to Valley Electric Association, Inc. (VEA) will achieve the greatest possible benefit to the state for the following reasons:

- This economical, reliable renewable power resource, if granted to Valley Electric Association, would take the place of less affordable and environmentally friendly resources and goes further in serving consumers in need than anywhere else in Nevada. In fact, it would be difficult to imagine a better source for the allocation of resources than VEA.
- More than 90 percent of the consumers of VEA power reside in Nye County, which is among the more economically depressed counties in the state.
- According to recent census data, the median income for a household in Nye County is \$41,000 and the median family income is \$50,000. By comparison, the median household income statewide is \$55,750, and the median family income is approximately \$64,500.
- Only two of Nevada's 17 counties rank below Nye, and one of them (Esmeralda) also is in the VEA service territory.
- Nye County fares a little better nationally, but not much. In the United States, the median household income is about \$52,000, and family income is \$63,000.
- As a result, energy expenses take up a far greater percentage of household income of residents of Nye County than households elsewhere in the state.
- Affordable hydropower has contributed to more than a 20% increase in VEA's load since 2010 and it will help drive a projected annual average load growth of 11 percent through 2034.
- The allocated hydropower resources will help VEA to continue to directly contribute to the economy of Nye County, which it has been doing by increasing employment by more than 100% since the depths of the last recession.
- The additional hydropower will help VEA continue to invest in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.
- It will also help VEA continue to make investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.
- It will help VEA continue its Lighthouse Assistance Program, providing up to \$200 for low income senior members in having difficulty paying their electric bill.
- This resource also helps make the renewable energy we take from the Community Solar Project (15 MW photovoltaic generator located in Pahrump, NV) viable by shaping and firming it.
- Finally, it will also help VEA continue a decade-long tradition of awarding hard - working students with currently in excess of \$10,000 in academic, vocational / technical, and continuing education scholarships to assist members and their families as well as help continue VEA's

successful energy saving solar water heater & irrigation efficiency pump testing programs.

VEA is always searching for additional renewable power resources at affordable rates, not because it serves the interests of investors but because it directly benefits our members, who are also our owners. If allocated to VEA, these resources will provide the greatest possible benefit to Nevada by keeping more money, jobs and investments for the future in the state economy.

The loss of our existing reliable, affordable and renewable SLCAIP hydropower allocation would impact VEA's ability to provide the aforementioned benefits (see above), to the detriment of the state. If these resources are not allocated to VEA, it will diminish our ability to maintain rate stability and keep more money, jobs and investments for the future in the state economy. More explicitly:

- It will diminish our ability to provide reliable, affordable and environmentally friendly electricity to consumers in need in one of the most economically depressed areas of Nevada.
- It will diminish our ability to make further investment, in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.
- It will diminish our ability to make further investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.
- It will diminish our ability to maintain or increase our current employment levels.
- It will diminish our ability to provide assistance to low income members experiencing difficulty paying their electric bill as well as diminish our ability to provide energy efficiency programs.

32. Staff performed analyses and reviewed various scenarios to look for a reasonable allocation that provided the best possible benefit for the state.
33. Staff looked at the total hydropower allocations of all applicants, including hydropower from the Boulder Canyon Project and the Parker-Davis Project.
34. Staff noted that an allocation to the CLV would require a reduction of approximately 7.2% (.0719) in the current SLCAIP allocations held by BC, OPD and VEA.

35. Staff further noted that a small allocation to the CLV would expand the benefits of SLCAIP hydropower to CLV and would help further its renewable energy goals.
36. On July 24, 2018, Staff provided a draft copy of a proposed SLCAIP Allocation Order to all applicants and requested written comment on the draft by August 14, 2018.
37. The July 24, 2018 proposed Order contained an allotment of SLCAIP hydropower to CLV and small reductions to the current allocations held by BC, OPD and VEA.
38. The Commission received one written comment on the Draft Order from VEA who supported the proposed allocation.
39. The Commission conducted a public hearing on September 11, 2018 at which Staff provided testimony.
40. The Commission did not reach a decision on the allocation at the September 11, 2018 public hearing.
41. On December 6, 2018, the CLV delivered Notice to the Commission that it was withdrawing its previously submitted application and would not be seeking an allocation of SLCAIP hydropower.
42. Staff noted that with the withdrawal of the CLV, the three current SLCAIP allottees were the only remaining applicants.
43. The Commission conducted a second public hearing on February 12, 2019 at which Staff, BC and OPD provided testimony.
44. The Commission found the oral testimony and the written statements contained in each Application compelling.
45. The Commission further determined that BC, OPD and VEA should each receive an allocation of the SLCAIP hydropower.

46. The Commission further found that it was in the best interest of the state to maintain BC's, OPD's and VEA's respective current SLCAIP allocations for the post-2024 period.

CONCLUSIONS OF LAW

1. The Commission has the authority through NRS and NAC Chapters 538 to allocate hydropower resources.
2. An allocation of the SLCAIP hydropower resources to the three remaining applicants provides the greatest possible benefit to the state.

ORDER

CAUSE APPEARING THEREFORE:

IT IS HEREBY ORDERED that:


1. The Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024 is hereby allocated as follows:

	Summer		Winter	
	Capacity	Energy	Capacity	Energy
Applicants	kW	kWh	kW	kWh
City of Boulder City	5,537	10,075,242	7,279	13,347,215
Overton Power District No. 5	6,279	11,427,163	8,256	15,138,176
Valley Electric Association, Inc.	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

2. Upon execution of this Order, Staff will cause to be published the notice required by NRS 538.181(4) and NAC 538.455(10).
3. Applicants who have received an allocation of SLCAIP hydropower must execute contracts within sixty (60) days of the date of the formal offer from the Executive Director of the allocated resource. Formal offers are sent following the publication required in paragraph 2, supra.

Dated this 13th day of February 2019.

BY THE COMMISSION:



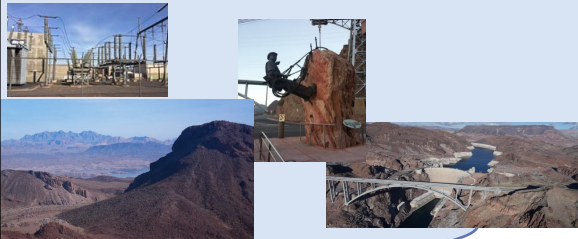
PUOY K. PREMSRIRUT
CHAIRWOMAN

Colorado River Commission of Nevada (CRCNV)

Federal and State SLCAIP Contracts

Christine Guerri
Special Counsel

August 13, 2019



SLCAIP Information

- SLCAIP = Salt Lake City Area Integrated Projects
- Initial hydroelectric generation began in 1963.
- It is comprised of two Utah Dams:

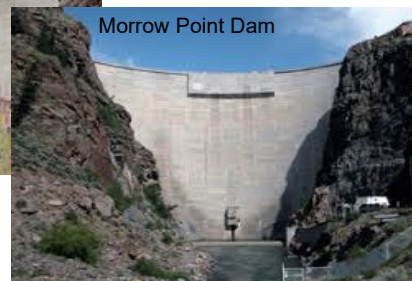


8/13/2019

2

SLCAIP Information

- And three Colorado Dams

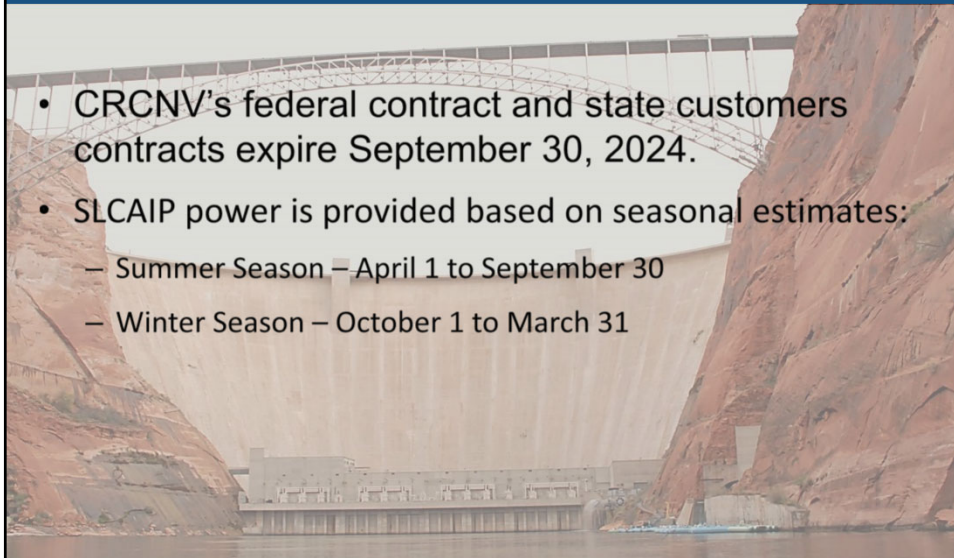


- As well as six power plants

8/13/2019

SLCAIP Current Allocations

- CRCNV's federal contract and state customers contracts expire September 30, 2024.
- SLCAIP power is provided based on seasonal estimates:
 - Summer Season – April 1 to September 30
 - Winter Season – October 1 to March 31



8/13/2019

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SLCAIP Current Allocations

- Summer Season
 - 20,851 kW of capacity and
 - 37,944,500 kWh of energy
- Winter Season
 - 27,414 kW of capacity and
 - 50,267,119 kWh of energy

8/13/2019

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Post-2024 Allocations

- By Federal Register Notice dated November 29, 2016, the CRCNV's SLCAIP allocation was extended through September 30, 2057.
- By Order of the Commission dated February 13, 2019, Allocations to the CRCNV's three contractors will remain at the same levels for the new contract term October 1, 2024 – September 30, 2057.

8/13/2019

6

Federal SLCAIP Contract

- Term: Effective upon execution for delivery of Firm Electric Service commencing on October 1, 2024 through September 30, 2057.
 - The previous Federal Contract for deliveries through September 30, 2024 will run concurrently with the Post-2024 Contract.

8/13/2019

7

Federal SLCAIP Contract

- Contract terminology:
 - CROD – Contract Rate of Delivery – is the CRCNV's maximum level of power that the CRCNV is entitled to receive in each season.
 - AHP – Available Hydropower – maximum amount of power available each season as determined by WAPA based on water conditions.
 - WRP – Western Replacement Power – Acquired by Western at the request of the Contractor for a shortage of AHP.

8/13/2019

8

Federal SLCAIP Contract

- No later than June 1 for the Winter Season and January 15 for the summer season, Western will notify the CRCNV of the AHP expected for the upcoming season.
- If there is a deficit between the AHP and the CROD, the CRCNV can obtain WRP or procure additional power from its own sources.

8/13/2019

9

Federal SLCAIP Contract

- The Post-2024 Federal Contract allows the CRCNV to establish its continuing right to a portion of the hydropower produced by SLCAIP through 2057.
- The Post-2024 Federal Contract also provides for the following provisions to be effective upon execution:
 - Updated Federal Creditworthiness Policy.
 - Use of Environmental Attributes.
 - Transactions in Markets provision.
 - 5 Years notice of a change in the firm energy commitment due to a change in hydrology or river operations.

8/13/2019

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Federal SLCAIP Contract

- Use of Environmental Attributes (Sec. 13) – Environmental attributes are considered bundled with the energy allocation and the CRCNV has the right to take its proportionate share based on its allocation.
- Transactions in Markets Provision (Sec. 14) – Utilizing capacity and/or energy in organized markets is not considered a sale for resale.

8/13/2019

11

Federal SLCAIP Contract

- **Transmission** - Delivery to Pinnacle Peak is provided for in this Federal SLCAIP Contract.
- Further transmission to Parker-Davis Points of Delivery continue through September 30, 2024 pursuant to 1987 agreement.
- Post – 2024 Transmission from Pinnacle Peak will be provided for in a separate agreement at the Parker-Davis Firm Transmission Rate in effect at the time service is taken.

8/13/2019

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State SLCAIP Contracts

- The State Contracts will become effective upon execution for delivery of Firm Electric Service commencing on October 1, 2024 through September 30, 2057.
- The previous State Contract for deliveries through September 30, 2024 will run concurrently with the Post-2024 Contract.
- The current State contracts are twenty-year renewal contracts that run from October 1, 2004 through September 31, 2024.

8/13/2019

13

State SLCAIP Contracts

- The CRCNV will enter separate contracts with each of its Contractors. The contracts will all have similar language and provisions.
- The CRCNV has the following three contractors:
 - City of Boulder City
 - Overton Power District No. 5
 - Valley Electric Association

8/13/2019

14

State SLCAIP Contracts

Applicants	Summer		Winter	
	Capacity	Energy	Capacity	Energy
	kW	kWh	kW	kWh
City of Boulder City	5,537	10,075,242	7,279	13,347,215
Overton Power District No. 5	6,279	11,427,163	8,256	15,138,176
Valley Electric Association, Inc.	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

8/13/2019

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State SLCAIP Contracts

- The State contracts follow the same terminology as the Federal Contracts:
 - CROD, AHP, WRP
- After the CRCNV receives the notice of Seasonal AHP available from Western, the CRCNV then notifies its Contractors of the available AHP and asks whether they wish to purchase WRP.

8/13/2019

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State SLCAIP Contracts

- Environmental Attributes (Sec. 11) – Contractors have the right to utilize Environmental attributes for compliance with any requirements applicable to the Contractor or to transact with third parties, with approval of the CRCNV.
- After consultation with the Contractor, the CRCNV may utilize any of Contractor's unused Environmental Attributes for the benefit of the Contractor, the State of Nevada or the SLCAIP.

8/13/2019

17

State SLCAIP Contracts

- Transactions in Markets provision (Sec. 6.1.2) – Contractor transactions with independent system operators, regional transmission organizations and their successor organizations is not considered a resale under NAC 538.540.
- Contractor may request permission from CRCNV to engage in transactions with other similar entities.
- Contractor must still be using the full Electric Power resource available to it under the Contract.

8/13/2019

18

State SLCAIP Contracts

- **Transmission** - CRCNV is required to enter into the agreement with WAPA for transmission post-2024 from Pinnacle Peak to Parker-Davis Points of Delivery.
- Contractors are required to enter into a new contract, prior to June 1, 2024, with the CRCNV for transmission service from Pinnacle Peak to Parker-Davis Points of Delivery.
- Contractors utilizing continuous or back-up transmission, or directly interconnected to the Parker-Davis Southern Nevada facilities must also enter into a contract for such service prior to June 1, 2024.

8/13/2019

19

Questions?



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Colorado River Commission of Nevada

Hydrology and Water Use Update August 13, 2019



Summary

Lake Powell

- Water Year 2019 Upper Basin snowpack peaked at 126% of average.
- Water Year 2019 Upper Basin cumulative precipitation is 122% of average.
- Water Year 2019 unregulated inflow is forecasted at 125% of average.

Lake Mead

- A Lower Basin shortage is not projected for Water Year 2020.
- Lake Mead is projected to increase about 5 feet by end of calendar year.

Nevada Water Supply

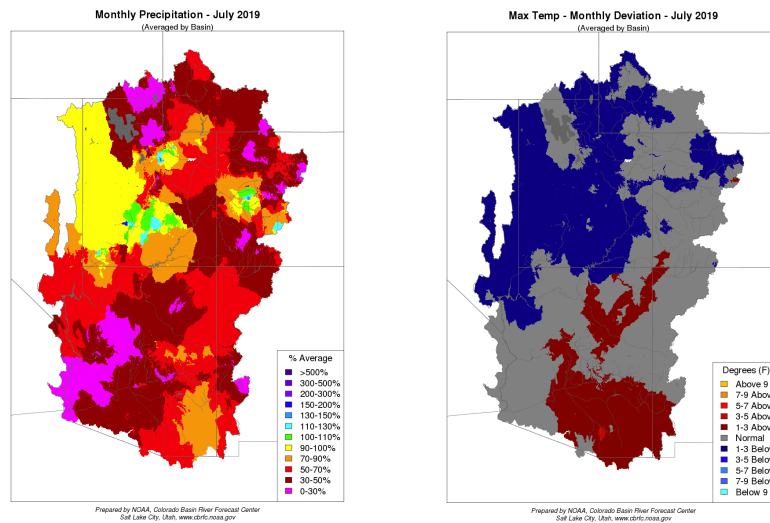
- Southern Nevada has 7 years of water supply banked.
- **In 2018, Southern Nevada used 19% less than its annual allocation.**

Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,083.0	39%	4.5 ft
Lake Powell	3,621.7	57%	36.0 ft

Data retrieved August 5, 2019

2

Precipitation and Temperature



Above Lake Powell July precipitation: 52%

3

Unregulated Inflow, Current and Projected Reservoir Status

Projected unregulated inflow to Lake Powell	Acre-Feet	% Average
Water Year 2019	13,535,000	125%
April thru July 2019	10,410,000	145%

Reservoir	Current Elevation	Current Storage Acre-Feet	Current % Capacity	Projected Elevation on 1/1/2020 ¹
Lake Mead	1,083.0	10,260,000	39%	1,087.5
Lake Powell	3,621.7	13,940,000	57%	3,622.4

Data retrieved August 5, 2019

¹ Based on Reclamation's July 2019 24 Month Study.

4

Water Use In Southern Nevada

Southern Nevada Water Use		2018 Actual Use in Acre-Feet
Nevada Annual Allocation		300,000
Diversion		479,279
Return Flows		235,176
Consumptive Use		244,103
Unused Allocation Available for Banking		55,897 (19%)

Southern Nevada Water Use		Diversions	Return Flows	Consumptive Use
January-June 2019		209,181	119,435	89,746

Banked Water (through end of 2018)		Acre-Feet
Ground Water Recharge in So. Nevada		358,045
Banked in Lake Mead		700,448
Banked in California and Arizona		943,821
Total		2,002,314

5