COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D
FOR MEETING OF FEBRUARY 12, 2019

SUBJECT:
For Possible Action: Public Hearing for the Allocation of Salt Lake City Area Integrated Projects (SLCAIP) hydropower post 2024 including the consideration of and possible action to approve, modify or reject, in whole or in part, the proposed Draft Order dated January 22, 2019 setting forth the recommended allocations of the hydropower resource.

RELATED TO AGENDA ITEM:
None.

RECOMMENDATION OR RECOMMENDED MOTION:
Staff recommends that the Commission approve the Draft Order.

FISCAL IMPACT:
None.

STAFF COMMENTS AND BACKGROUND:

The Colorado River Commission of Nevada (CRCNV) has existing contracts with the Western Area Power Administration (WAPA) and with its customers for SLCAIP hydropower which expire on September 30, 2024. In 2015, WAPA began the process of allocating post-2024 SLCAIP power and the CRCNV has been offered a contract through September 30, 2057 for the same allocation amounts contained in the CRCNV's current contract with WAPA - **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).

Before the CRCNV commits to taking this resource through 2057, it must ensure that there are customers in Nevada who will take the resource. To that end, the CRCNV began an allocation proceeding in accordance with the process recently revised in NAC 538.455. Staff prepared a Notice and Invitation to Apply for the resource which contained an application form and the criteria to be utilized by the Commission in determining the allocations awarded.

Staff received four (4) Applications by the due date of July 16, 2018 from the following contractors:

City of Boulder City (current SLCAIP contractor);
City of Las Vegas (new request);
Overton Power District No. 5 (current SLCAIP contractor); and
Valley Electric Association (current SLCAIP contractor).

Staff reviewed the Applications and recommended that each applicant receive an allocation. In order for some of the resource to be allocated to the City of Las Vegas, staff recommended that the three current contractors' allocations be reduced by approximately 7%.

The Commission conducted a public hearing on September 11, 2018 at which Staff provided testimony. The Commission did not reach a decision on the allocation at the September 11, 2018 public hearing.

On December 6, 2018, the City of Las Vegas delivered a Notice to the Commission that it was withdrawing its previously submitted application and would not be seeking an allocation of SLCAIP hydropower.

AGENDA ITEM D - STAFF COMMENTS AND BACKGROUND (CONTINUED) :

Staff drafted an Order (Draft Order) (attached hereto) which provided for the Commission's three existing SLCAIP contractors, the City of Boulder City, Overton Power District No. 5, and Valley Electric Association, to maintain their existing SLCAIP allocations as follows:

	Summer Energy (kWh)	Summer Capacity (kW)	Winter Energy (kWh)	Winter Capacity (kW
City of Boulder City	10,075,242	5,537	13,347,215	7,279
Overton Power District No. 5	11,427,163	6,279	15,138,176	8,256
Valley Electric Association	16,442,095	9,035	21,781,728	11,879

Staff provided the Draft Order containing the proposed allocations to each of the existing Applicants on January 22, 2019 and asked for written comments by February 5, 2019. Staff received one comment from Overton Power District No. 5 (attached).

COLORADO RIVER COMMISSION
OF NEVADA

January 22, 2019

NOTICE OF HEARING

FOR THE ALLOCATION OF SLCAIP HYDROPOWER POST 2024

The Colorado River Commission of Nevada (Commission or CRCNV) will be holding a public hearing at **1:30 p.m. on Tuesday, February 12, 2019** at the **CLARK COUNTY GOVERNMENT CENTER, COMMISSION CHAMBERS, 500 SOUTH GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA.** This public hearing will be included on the agenda for the Commission's February 12, 2019 meeting, for which notice will be issued in compliance with Nevada's Open Meeting Law.

The purpose of the hearing is for the Commission to consider and take possible action to approve, modify or reject, in whole or in part, the proposed revised Draft Order (the Draft Order) dated January 22, 2019, which is attached to this Notice. The Draft Order sets forth proposed allocations of hydropower from the Salt Lake City Area Integrated Projects (SLCAIP) for the period October 1, 2024 through September 30, 2057.

Applicants, interested parties and members of the public may provide comments to the Commission on the Draft Order either by appearing at the February 12, 2019 public hearing to provide oral comments, or by submitting written comments addressed to: Deputy Executive Director, RE: SLCAIP Allocation. Written comments must be delivered to the Commission's offices by **5:00 p.m. on Tuesday, February 5, 2019**, for inclusion in the materials provided to the Commission for the hearing.

Written comments may be submitted to the Commission via email at crcpower@crc.nv.gov or may be delivered by mail or in person to the Commission's offices at 555 East Washington Avenue, Suite 3100, Las Vegas, Nevada 89101.

AVAILABILITY OF DOCUMENTS

A copy of the Draft Order is attached to this Notice. In addition, this Notice and the Draft Order are available at:

- The Commission's offices at 555 East Washington Avenue, Suite 3100, Las Vegas, NV 89101, during business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.), and
- On line at: www.crc.nv.gov

A copy of the Agenda for the February 12, 2019 Commission meeting will be available on the Commission's website at least 3 business days before the meeting. Any person may request a copy of the Agenda be sent to them by calling Tamisha Randolph at the Commission's offices at (702) 486-2670. At the discretion of the Chairman, agenda items may be taken out of order or the meeting or may be continued as deemed necessary. The Commission may combine two or more items for consideration and may remove an item from the agenda at any time.

NOTICE: The Commission is pleased to make reasonable accommodations for persons who are disabled and wish to attend the workshop. If special arrangements are required, please notify the Colorado River Commission of Nevada in writing, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101 or by calling (702) 486-2670 at least 2 business days prior to the meeting.

This Notice of Public Meeting has been sent to all persons on the agency's service list and posted at the following locations:

Colorado River Commission website: www.crc.nv.gov
Nevada Public Notice website: https://notice.nv.gov
Legislative Counsel Bureau website: www.leg.state.nv.us
City of Las Vegas City Hall, 495 South Main Street, Las Vegas, NV
Clark County Government Center, 500 South Grand Central Parkway, Las Vegas, NV
State of Nevada Grant Sawyer Building, 555 East Washington Avenue, Las Vegas, NV
City of Boulder City Hall, 401 California Avenue, Boulder City, NV
City of Henderson City Hall, 240 South Water Street, Henderson, NV
City of North Las Vegas City Hall, 2250 N. Las Vegas Boulevard, North Las Vegas, NV
Laughlin Chamber of Commerce, 1585 South Casino Drive, Laughlin, NV
Laughlin Town Manager's Office, 101 Civic Way, Laughlin, NV
Lincoln County, 181 North Main Street, Pioche, NV
Nye County, 1520 East Basin Avenue, Pahrump, NV

DRAFT

SLCAIP ALLOCATION ORDER

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

Deputy Executive Director Eric P. Witkoski

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
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

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 factor[1] 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 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

[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.

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 tor 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 lo 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 lo 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, and _____ 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 _____ day of February 2019.

BY THE COMMISSION:

PUOY K. PREMSRIRUT
CHAIRWOMAN

Notice and Invitation
SLCAIP
dated
June 14, 2018

June 14, 2018

NOTICE AND INVITATION TO APPLY FOR THE ALLOCATION OF SALT LAKE CITY AREA INTEGRATED PROJECTS (SLCAIP) HYDROPOWER POST 2024 AND APPLICATION FOR ALLOCATION OF POWER

The Colorado River Commission of Nevada (CRCNV) hereby notifies all interested parties that certain hydropower resources have become available for allocation. Interested parties should review the available resources, the criteria for the allocation and the attached application form.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

Resource Available:

All, or a portion of, CRCNV's allocation of Salt Lake City Area Integrated Projects (**SLCAIP**) capacity and energy based upon its allocation of **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) and associated transmission required for delivery of the resource from October 1, 2024 through September 30, 2057.

555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065

Phone: (702) 486-2670
Fax: (702) 486-2695
http://crc.nv.gov

Criteria to be Used by the CRCNV in the Allocation of the Resource:

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.

Application Form and Submission Dates:

The Application Form is attached to this Notice and is available on the CRCNV's website at www.crc.nv.gov. The completed Application may be submitted between June 25, 2018 and July 16, 2018. Applications should be addressed to the Executive Director and submitted:

- By email addressed to: crcpower@crc.nv.gov;
- By fax to (702) 486-2695; or
- By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

Questions about this process should be directed to: crcpower@crc.nv.gov

Colorado River Commission of Nevada

Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. Applicant Information. Please provide the following:

a. Name and address of entity/organization requesting and allocation:

Entity Name	
Address	
City, State, Zip	

b. Person(s) representing Applicant:

Contact Person Title	
Address	
City, State, Zip	
Telephone	
Fax	
Email Address	

c. Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?

Yes	No

d. Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?

Yes	No

e. Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.

Kilowatts (summer)	*Kilowatts (summer)*
Kilowatts (Winter)	*Kilowatts (winter)*

2. Applicant Data:

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Demand (kilowatts)						
	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016
Demand (kilowatts)						

Federal Fiscal Year 2017						
	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Demand (kilowatts)						
	Apr. 2017	May 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sept. 2017
Demand (kilowatts)						

Federal Fiscal Year 2018						
	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018
Demand (kilowatts)						
Demand (kilowatts)						

b. Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

3. **Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

4. **Creditworthiness:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

c. **Provide the Applicant's most recent bond and credit rating if available:**

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

5. **Other Information:**

The Applicant may provide any other information pertinent to the application.

6. **By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:**

   i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

   ii. 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.

   iii. 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.

7. **Signature:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature_____ Title_____

Print Name_____

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018**.

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

NOTE ON SUBMITTAL OF CONFIDENTIAL
OR COMMERCIALLY SENSITIVE INFORMATION
TO THE COLORADO RIVER COMMISSION OF NEVADA

The Colorado River Commission of Nevada, as a State agency, is subject to the Public Records Law of Nevada, Nevada Revised Statutes (NRS), Chapter 239, which provides for public access upon request to all records, data and information in the possession of a state agency.

As a result, all Applications and all data or information supplied to the Commission in support of an Application will be considered "public records" subject to public disclosure upon request.

Further, the Colorado River Commission of Nevada is also subject to the Open Meeting Law, Nevada Revised Statutes (NRS) chapter 241.

The contents of the Applications will be discussed at a public meeting. Copies of the Applications and all data or information supplied to the Commission in support of an Application will be available to the Commissioners and staff, as back up material, at the Commission meeting where the applications are discussed. Any member of the public requesting copies of the backup materials will be provided them.

Any Applicant desiring to discuss issues concerning potentially confidential or sensitive information should contact the Commission through:

Christine Guerci-Nyhus
Special Counsel
(702) 486-3505
cguerci@crc.nv.gov

SLCAIP HYDRPOWER POST 2024
APPLICANT

City of Boulder City

FENNEMORE CRAIG
ATTORNEYS

Dan R. Reaser
dreaser@fclaw.com

300 E. Second Street, Suite 1510
Reno, NV 89501
PH (775) 788-2226 | **FX** (775) 788-2227
fennemorecraig.com

July 16, 2018

ELECTRONIC & U.S. MAIL

Jayne Harkins, Executive Director
COLORADO RIVER COMMISSION OF NEVADA
555 E. Washington Avenue, Suite 3100
Las Vegas, Nevada 89101
crcpower@crc.nv.gov

Re: **APPLICATION FOR ALLOCATION OF POST-2024 SLCAIP HYDROPOWER;**
Application of the City of Boulder City, Nevada

Dear Executive Director Harkins:

On behalf of our client, the City of Boulder City, Nevada (the "**City**"), we submit the accompanying Application for Allocation of Salt Lake City Area Integrated Projects Power (the "**Application**"), in accordance with the Notice and Invitation to Apply issued by the Colorado River Commission of Nevada (the "**Commission**"), and published on June 14, 2018. In the event of any questions or requests for information related to the City's Application, please contact either of the following representatives of the City:

Rory Dwyer, Electric Utility Administrator
BOULDER CITY ELECTRIC UTILITY DEPARTMENT
Telephone: 702.293.9231
Email: rdwyer@bcnv.org

Dan R. Reaser
FENNEMORE CRAIG, P.C.
Telephone: 775.788.2226
Email: dreaser@fclaw.com

The City appreciates the opportunity to submit the Application to the Commission Should you have any questions, or require additional information, please advise.

Sincerely,

Dan R. Reaser

Dan R. Reaser

Enclosure (1)
cc: Craig Pyper
Rory Dwyer

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. Applicant Information. Please provide the following:

a. Name and address of entity/organization requesting and allocation:

Entity Name	City of Boulder City, Nevada, a municipal corporation (hereinafter the "City")
Address	401 California Avenue
City, State, Zip	Boulder City, Nevada 89005

b. Person(s) representing Applicant:

Contact Person Title	Rory Dwyer, P.E., Electric Utility Administrator, Boulder City Municipal Electric Utility Dept.
Address	401 California Avenue
City, State, Zip	Boulder City, Nevada 89005
Telephone	702.293.9231
Fax	702.293.9438 (Note: Not in regular use; please use email)
Email Address	rdwyer@bcnv.org

c. Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?

Yes X	No

d. Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?

Yes	No X

e. Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.

Kilowatts (summer) 5,537 kW	*Kilowatts (summer)* 9,278,621 kWh
Kilowatts (Winter) 7,279 kW	*Kilowatts (winter)* 12,291,887 kWh

2. Applicant Data:

Historical Demand:

a. Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018. ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Demand (kilowatts)	33,341	21,539	23,447	22,322	23,312	16,917
	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016
Demand (kilowatts)	22,721	34,350	48,508	50,759	44,570	38,927

Federal Fiscal Year 2017						
	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Demand (kilowatts)	26,526	19,630	21,833	22,801	18,417	20,235
	Apr. 2017	May 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sept. 2017
Demand (kilowatts)	21,042	34,494	50,133	50,946	46,176	43,589

Federal Fiscal Year 2018						
	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018
Demand (kilowatts)	24,878	16,456	20,471	19,673	20,385	17,714
Demand (kilowatts)						

b. Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)	5,091,040	4,994,329	5,075,090	5,022,780	4,472,020	4,785,710
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,643,000	1,389,000	1,640,000	1,717,000	1,612,000	1,683,000
Purchased Power (kWh)	1,200,669	(245,107)	918,395	278,031	13,917	(348,882)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	49,926	40,633	36,501	40,267	41,119	57,112
On-Peak Load (kWh) Total of resources above	7,984,634	6,178,855	7,669,986	7,058,077	6,139,057	6,176,940
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)	5,905,740	6,411,530	7,166,170	6,481,890	5,165,920	5,410,590
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,098,000	961,000	1,118,000	1,236,000	1,286,000	1,032,000
Purchased Power (kWh)	(736,698)	(1,727)	4,736,127	5,749,113	6,397,722	2,729,664
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	60,595	63,925	61,718	57,863	56,570	54,701
On-Peak Load (kWh) Total of resources above	6,327,637	7,434,728	13,082,015	13,524,866	12,906,211	9,226,955

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	4,287,170	4,514,970	4,060,700	4,101,560	4,041,990	5,328,510
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,582,000	1,481,000	1,812,000	1,667,000	1,595,000	1,677,000
Purchased Power (kWh)	1,114,762	(42,171)	1,305,749	1,101,824	(42,289)	(745,310)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	51,601	41,996	37,725	41,618	42,499	58,143
On-Peak Load (kWh) Total of resources above	7,035,532	5,995,795	7,216,175	6,912,002	5,637,200	6,318,344
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	4,836,390	6,354,230	7,200,160	7,157,480	5,476,920	4,832,930
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,056,000	1,281,000	1,051,000	1,147,000	1,286,000	1,032,000
Purchased Power (kWh)	(61,491)	450,128	4,538,944	4,981,684	6,218,410	3,103,681
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	61,689	65,079	62,832	60,466	60,214	57,193
On-Peak Load (kWh) Total of resources above	5,892,588	8,150,438	12,852,936	13,346,631	13,041,544	9,025,804

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	4,494,748	4,327,270	4,706,150	3,659,630	4,329,080	4,399,710
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,526,000	1,286,000	1,555,000	1,684,000	1,484,000	1,678,000
Purchased Power (kWh)	366,795	(43,645)	94,192	941,531	(39,117)	(59,870)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	53,951	43,909	42,048	46,385	47,368	64,804
On-Peak Load (kWh) Total of resources above	6,441,494	5,613,534	6,397,390	6,331,546	5,821,331	6,082,645

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)	0	408,100	0	578,300	2,082,250	2,525,110
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	421,000	491,000	596,000	671,000	483,000	752,000
Purchased Power (kWh)	3,761,517	3,787,390	4,921,129	4,259,643	1,303,634	291,618
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	4,182,517	4,686,490	5,517,129	5,508,943	3,868,884	3,568,728
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)	2,352,460	695,250	0	0	0	0
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	460,000	433,000	510,000	566,000	639,000	549,000
Purchased Power (kWh)	676,837	3,556,124	6,034,516	7,636,882	5,762,640	4,625,532
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,489,297	4,684,374	6,544,516	8,202,882	6,401,640	5,174,532

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	0	1,698,190	0	779,814	247,910	2,153,045
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	481,000	399,000	424,000	721,000	491,000	758,000
Purchased Power (kWh)	3,730,087	1,792,016	4,710,378	3,784,169	2,909,796	687,183
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	4,211,087	3,889,206	5,134,378	5,284,983	3,648,706	3,598,228
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	3,123,170	1,481,000	0	0	0	0
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	502,000	759,000	577,000	655,000	639,000	549,000
Purchased Power (kWh)	103	2,264,553	5,738,464	7,867,279	5,913,132	4,843,579
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,625,273	4,504,553	6,315,464	8,522,279	6,552,132	5,392,579

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	11,670	1,410,440	100,930	0	1,638,010	2,376,350
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	538,000	589,000	680,000	704,000	611,000	757,000
Purchased Power (kWh)	3,297,696	1,623,254	4,052,991	3,645,297	1,556,462	604,512
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,847,366	3,622,694	4,833,921	4,349,297	3,805,472	3,737,862

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

See Schedule 1.

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

Boulder City Tap; Mead Substation

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

See Schedule 1.

3. **Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

See Schedule 1.

4. **Creditworthiness:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

Not applicable.

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

Not applicable.

c. **Provide the Applicant's most recent bond and credit rating if available:**

See Schedule 1.

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

See Schedule 1.

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

See Schedule 1.

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

None

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

See Schedule 1.

5. **Other Information:**

The Applicant may provide any other information pertinent to the application.

See Schedule 1

6. **By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:**

   i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

   ii. 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.

   iii. 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.

7. **Signature:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature Rory Dwyer Title Electric Utility Administrator

Print Name Rory Dwyer

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018.**

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

SCHEDULE 1

SCHEDULE 1

CITY OF BOULDER CITY, NEVADA
SLCAIP APPLICATION FOR ALLOCATION OF POWER
JULY 16, 2018

SCHEDULE 1

Question 2(b). Applicant's Power Resources.

The City notes that certain data in the tables in this section of the Application are stated in negative numbers. This is a result of the pricing and timing of balancing trades through the City's scheduling energy deliveries through the Western Area Power Administration. The negative values do not reflect that the City would not be able to place the requested SLCAIP allocation to full and continuous beneficial use. The City believes that the CRC is aware of this situation. If the City is in error concerning CRC's understanding of this on-peak trading issue, please advise.

Question 2(c). Future Demand.

The Boulder City Municipal Electric Utility Department (the "**Utility**"), experienced an 0.8 percent average annual change in peak demand during the preceding five years. *See* Boulder City Municipal Electric Utility Department, 2018-2022 Integrated Resource Plan, at 11 (Adopted July 10, 2018)(the "**City IRP**")(**Attachment A**, *infra*). The City's residential population growth has averaged 0.5 percent during the preceding five years, and under existing growth ordinances this should remain the case. Residential service accounts for about 64 percent of the Utility's demand-side requirements.

Commercial customers account for almost 19 percent of the Utility's customers with government, nonprofit, educational and customers accounting for 14 percent of demand-side requirements. Business activity expansion within the City has remained fairly consistent at 0.65 percent annually in the preceding five years. The City's economic development initiatives might result in modest increases in business peak demand, but the City expects business, commercial and government growth to range between 3.0 to 3.5 percent in the next five years.

Question 2(e). Ability to Use.

The City is a current contractor of the Colorado River Commission of Nevada (the "**CRC**"), and receives a SLCAIP allocation under Renewal Contract No. P14-52R, effective October 1, 2004, in the range of approximately 22.9 to 23.0 million megawatt hours annually. The Utility uses the existing SLCAIP allocation to satisfy between 16.2

percent (Summer) and 21.5 percent (Winter) of the utilities non-market supply-side requirements. In 2017, the SLCAIP allocation accounted for 14.5 percent of the Utility's energy requirements. The City is able to immediately receive and place to similar and full beneficial use by the Utility a Post-2024 SLCAIP allocation.

Question 3. Statement on Benefit.

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. *See* City IRP at 9.

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. *See* City IRP at 10-11.

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 a 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 positions the City as the Southern gateway to the region, with an emphasis on the transportation infrastructure benefits of the Interstate I-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.

Question 4(c). Municipal Bond Rating.

The City's most recent municipal bond rating is Aa3 set on June 19, 2018 by Moody's. The City has current bonded debt of $27.315 million.

Question 4(f). Rate Setting Authority.

Yes. The City Council of Boulder City has the authority to establish an electric utility and set and collect rates for electric service. *See generally* NEV. REV. STAT. § 266.285. The City Council increased rates by 15 percent in 2016 and 6 percent in 2017. These rate increases have met increased operating costs and will fund $45 million in capital improvements for service efficiency and reliability in the next decade.

Question 4(h). Taxing Authority.

Yes. As a Nevada municipal corporation, the City has the general taxation powers accorded cities by the Nevada Legislature. *See generally* NEV. REV. STAT. §§ 266.600, .605.

Question 5. Other Information.

The City's history and economic vitality is very closely associated with the development of hydropower resources on the Colorado River. Because of that history, Congress and

the Nevada Legislature have recognized that the City should be a special beneficiary of these resources. The City has built a stable electric service delivery model using these resources and demonstrated remarkable stewardship of the resources through the Utility. Awarding a Post-2024 SLCAIP allocation to the City continues that legacy with great tangible benefit to the State of Nevada, and avoids the detriments associated with withdrawing this resource from the City.