

Enhancing Nevada's Electric Regulatory Capabilities

**Grant Application Submitted to:
U.S. Department of Energy, National Energy Technology Laboratory**

In Response to Funding Opportunity No. DE-FOA-0000100

Budget Justification

Salaries and Benefits

The proposed budget is based on hiring two electricity specialists for terms of two years. It is expected that the electricity specialist positions will require persons with professional training and experience in engineering, business administration or economics. Salaries would be commensurate with education and experience, but the budget assumes the one person would be hired as a Policy Advisor at a salary of approximately \$90,000 per year. Policy Advisors provide policy advice and technical expertise to Commissioners and Hearing Officers. One person would be hired as an Electrical Engineer on the Regulatory Operations Staff (Staff) at a salary of approximately \$86,000 per year. It is anticipated that the two positions will become permanent positions in the next biennial budget in the 2011. Employees hired under this program will be paid full state benefits and will serve in the unclassified service.

Equipment

Equipment costs for two new FTE's are estimated to be \$9,866 for fiscal year 2010 and \$344 for fiscal year 2011. In the first year costs are included for new office furniture, computers, printers and telephones. In both years costs are included for data processing supplies such as toner and e-mail service.

Operating

Operating costs for two new FTE's are estimated to be \$2,225 for fiscal year 2010 and \$4,450 for fiscal year 2011. Operating costs would include office rent and general office supplies such as copies, paper pens, files, postage, telephone and long distance charges and additional costs to include insurance and attorney general tort.

Training

Training of existing employees in specific topical area accounts for a large portion of this request. While the PUCN staff has been dealing with renewable energy and energy efficiency matters for quite some time, there is still a need for very specific training in the emerging technology areas. Training is necessary throughout all disciplines including engineering, economics, finance, accounting and law. Training costs vary widely and the types of training that would be most helpful are not generally held in

Nevada. The training costs are expected to be about \$1000 per employee and may include travel out of state. The training budget is based on an assumption that 30 employees (including the two requested) will attend training three times per year for two years at an average cost of \$1000 (program costs only).

Travel

Travel will be necessary for training, regional events, and the verification of renewable energy systems. It is expected that most of the travel for training will be out of state – mostly within the West, but potentially Washington D.C. for federal issues. Travel for the verification of renewable energy systems will be limited to Nevada. The travel budget is based on \$979 per employee which includes airfare, lodging and per diem.

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Summary Narrative for Funding Opportunity No. DE-FOA-0000100

The Public Utilities Commission of Nevada (PUCN) submits for the Department of Energy (DOE) consideration this proposal for funding to enhance the PUCN's capabilities for addressing regulatory issues related to renewable energy, energy efficiency, demand response, transmission/distribution and smart grid technology. The PUCN regulates investor-owned utilities in Nevada and provides oversight of the electric utilities renewable energy and energy efficiency programs. For the last decade, the State of Nevada has adopted policies in these areas and the PUCN has seen an increase in its workload in these areas and expects even more in the next two years. Nevada's investor-owned electric utility, NV Energy, has submitted an application to the DOE for funding of Smart Grid activities under the American Recovery and Reinvestment Act (ARRA). Funding under this Opportunity will enable the PUCN to enhance the expertise of existing staff as well as add two positions that can focus entirely on renewable energy and energy efficiency issues.

The PUCN expects that it will conduct or participate in many of the topic areas over the next two years, including the following activities:

- Providing testimony/advice on renewable energy/energy efficiency dockets (including, but not limited to, rulemakings, IRP filings, and annual Renewable Portfolio Standard compliance filings).
- Providing oversight on the utility renewable incentive programs.
- Tracking and verifying Portfolio Energy Credits generated by net-metered customers.
- Inspecting renewable energy generators for compliance and applicability.
- Providing educational outreach on renewable energy and energy efficiency programs.
- Providing testimony/advice on proposed transmission lines.

The budget developed by the PUCN for this grant allows for the hiring of two (2) new full-time employees for a period of two (2) years. These will be entirely new positions that supplement the full complement of currently-existing PUCN positions. The PUCN anticipates including the two new positions in its next biennial budget request in 2011. The PUCN proposes to utilize the remainder of the funds for topic-specific training of existing personnel. The PUCN proposes a total grant performance period of two (2) years.

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Applicant:

Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701-3109

Application Summary

Date: August 31, 2009
Funding Request: \$816,274.00
Total Project Cost: \$816,274.00
Project Period: January 1, 2010 – December 31, 2011
Organization Type : State Government Agency

Technical Point of Contact:

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Project Narrative

Objectives

1. Increase the capacity of the Public Utilities Commission of Nevada (PUCN) to manage an anticipated increase in regulatory activity resulting from the following electricity-related topical areas stimulated by the American Recovery and Reinvestment Act of 2009 (ARRA):
 - Energy Efficiency
 - Renewable Energy
 - Smart Grid
 - Plug-in Electric Vehicles
 - Demand Response
 - Coal with Carbon Capture and Storage
 - Transmission
 - Distribution
2. Create capacity on staff to address issues relating to the topics listed above and to specifically address the impact of renewable energy, energy efficiency, demand response, transmission/distribution and smart grid technology on Nevada's electrical system and its ratepayers.
3. Facilitate timely consideration by the PUCN of rulemakings, investigations, integrated resource plans (IRPs), and other regulatory actions pertaining to the listed electricity-related topical areas.
4. Create two (2) new full-time jobs for limited term of service for a period of two (2) years.

5. Train thirty (30) PUCN staff in key emerging areas needed for effective regulatory decision-making and streamline regulatory approval in modernizing and ensuring a reliable and affordable electric system.

Scope of Work

The American Recovery and Reinvestment Act of 2009 (ARRA) will provide billions of dollars of funding in the next few years to support a wide variety of electricity-related topical areas, both directly to utilities and in areas that will indirectly spur utility spending. In addition, electric utilities and other entities in the electric power sector will invest unprecedented amounts of their own money in the same topical areas. The PUCN is already experiencing an increase in filings and action in this arena that will require its oversight and approval. And all of those investments, ultimately, will have an impact on the reliability, security, cost, and environmental impacts of electricity delivered to Nevada ratepayers. Consequently, the PUCN anticipates a substantial increase in workload stemming from this wave of federal and private sector investment which will add to our already full docket.

With this grant, the PUCN will be able to hire and train electricity specialists with a variety of skills that will enable it to manage the additional workload expected in the listed electricity-related topical areas. The PUCN intends to hire two energy specialists with the professional backgrounds and skills to enhance the Commissions capabilities in addressing the anticipated increase in workload. The electricity specialists will be available to work on dockets and other regulatory activities related to any and all of the listed topical areas. It is impossible to know for certain at this date which topical areas will require the most attention. However, a working knowledge of electrical engineering is expected to be of greatest use. The PUCN intends to hire generalists capable of working on any of the listed topical areas. Details of all tasks to be performed under this grant are provided below.

The budget developed by the PUCN for this grant allows for the hiring of two (2) new full-time employees for a period of two (2) years. These will be entirely new positions that supplement the full complement of currently-existing PUCN positions. The PUCN anticipates including the two new positions in its next biennial budget request in 2011. The PUCN proposes to utilize the remainder of the funds for topic-specific training of existing personnel. The PUCN proposes a total grant performance period of two (2) years.

Activities

State of Nevada policy objectives for renewable energy, energy efficiency, demand response, transmission/distribution and smart grid technology require that the PUCN stay abreast of these evolving areas. The PUCN expects that it will conduct or participate in many of the topic areas over the next two years, including the following activities:

- Providing testimony/advice on renewable energy/energy efficiency dockets (including, but not limited to, rulemakings, IRP filings, and annual Renewable Portfolio Standard compliance filings).
- Providing oversight on the utility renewable incentive programs.
- Tracking and verifying Portfolio Energy Credits generated by net-metered customers.

- Inspecting renewable energy generators for compliance and applicability.
- Providing educational outreach on renewable energy and energy efficiency programs.
- Providing testimony/advice on proposed transmission lines.

Deliverables

1. Project Management Plan

The PUCN shall deliver to DOE a Project Management Plan as described above no later than 60 calendar days after acceptance of the award. The PUCN shall deliver revised Project Management Plans as necessary throughout the performance period.

2. Workforce Development Plan

The PUCN shall deliver to DOE a Workforce Development Plan as described above no later than 90 calendar days after acceptance of the award. The PUCN shall deliver revised Workforce Development Plans if necessary throughout the performance period.

3. ARRA Case Monitoring Reports

The PUCN shall deliver to DOE an initial ARRA Case Monitoring Report as described above no later than six (6) months after acceptance of the award. For the remainder of the performance period, the PUCN shall deliver subsequent ARRA Case Monitoring Reports no later than three (3) months after delivery of the previous such report.

Metrics Summary

This program will result in the following outputs:

Description	Units
Jobs created within PUCN	2
Number of new hours of previously-unbudgeted electricity specialist hours created within State government agencies	8320
Employee training events attended	180
Employees trained	30