
SENATE CONCURRENT RESOLUTION NO. 46—COMMITTEE ON
LEGISLATIVE OPERATIONS AND ELECTIONS

JUNE 2, 2005

Read and Adopted

SUMMARY—Encourages Public Utilities Commission of Nevada to participate in discussions to upgrade electric transmission system in Western Interconnection. (BDR R-1447)

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

SENATE CONCURRENT RESOLUTION—Encouraging the Public Utilities Commission of Nevada to participate in discussions to upgrade the electric transmission system in the Western Interconnection.

1 WHEREAS, The existing electric transmission system in the
2 Western Interconnection was largely constructed on a control-area-
3 by-control-area basis, resulting in a system that does not result in the
4 lowest average cost per unit of energy delivered to retail customers
5 throughout the West; and

6 WHEREAS, The economic benefit of completing an optimized
7 electric transmission system in the Western Interconnection will
8 result in substantial cost reductions, most likely in the range of
9 hundreds of millions of dollars per year; and

10 WHEREAS, The investments required to achieve savings of this
11 magnitude are also quite large, most likely in the range of billions of
12 dollars; and

13 WHEREAS, The complexity of the financial transactions required
14 to support such large investments, across multiple control areas and
15 states, involving public and private sector funds, is expected to be
16 unprecedented in the electric power industry over the last 60 to 70
17 years; and

18 WHEREAS, Completion of such a project is likely to require
19 coordinated action at the federal level to obtain some level of relief
20 from the provisions of the Public Utilities Holding Company Act
21 and from the Federal Energy Regulatory Commission related to the



1 timing of cost recovery permitted in tariffs and to tariff provisions
2 governing intermittent renewable generators; and

3 WHEREAS, Utility efforts to gather information about the
4 financing and construction of such a transmission system are likely
5 to include consideration of terms and conditions and negotiations
6 with other entities that may be contrary to current regulations or
7 statutes; and

8 WHEREAS, The Western Governors' Association maintains a
9 protocol, which has been activated by the Governors of four western
10 states, including Nevada, designed to engender cooperation in the
11 siting of interstate transmission lines among the various states in the
12 Western Interconnection; and

13 WHEREAS, The interests of the State of Nevada would be served
14 by ensuring that Nevada's electric utilities are full partners in the
15 establishment of the financial, physical and operational structure of
16 new transmission lines in the West; and

17 WHEREAS, The interests of the State of Nevada would be served
18 when the Legislature and the Governor provide clear, consistent
19 policy guidance for the Public Utilities Commission of Nevada in
20 matters related to the relative value of interstate transmission and
21 the construction of local generation facilities; now, therefore, be it

22 RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE
23 ASSEMBLY CONCURRING, That the Public Utilities Commission of
24 Nevada is encouraged to participate actively in discussions that seek
25 to upgrade the electric transmission system in the Western
26 Interconnection, with the specific goal that such discussions produce
27 and accommodate regional solutions to growing demands for
28 electric energy, and to accommodate Nevada's desire for a reliable,
29 efficient network that provides market access to new generation
30 sources; and be it further

31 RESOLVED, That such discussions should take place with other
32 state utilities commissions through the National Association of
33 Regulatory Commissioners and similar organizations, with
34 transmission system developers and with developers of renewable
35 and clean fossil generation systems both inside and outside of
36 Nevada; and be it further

37 RESOLVED, That the State of Nevada should maintain four key
38 objectives in these discussions:

39 1. Fair market access to new renewable and clean fossil
40 generation;

41 2. A transmission infrastructure that will allow renewable
42 generators in Nevada to serve Nevada and interstate customers;

43 3. Potential equity participation by Nevada's electric utilities
44 both in the transmission system upgrades and in the renewable and
45 clean fossil generation constructed; and



1 4. Electrical interconnection of the two investor-owned electric
2 utilities in Nevada, Sierra Pacific Power Company and Nevada
3 Power Company; and be it further

4 RESOLVED, That the Public Utilities Commission of Nevada is
5 encouraged to coordinate its participation in such discussions
6 closely with the regulated electric utilities, to seek their advice about
7 provisions offered by other entities and to seek their assistance in
8 the development of language that reflects the areas of agreement
9 among other states including, as appropriate, public and private
10 transmission providers; and be it further

11 RESOLVED, That the Public Utilities Commission of Nevada is
12 further encouraged to open an investigatory docket to assess the
13 extent to which the Nevada Revised Statutes and Nevada
14 Administrative Code would need to be revised to implement
15 proposed agreements among the parties to such discussions; and be
16 it further

17 RESOLVED, That the Secretary of the Senate prepare and
18 transmit a copy of this resolution to the Public Utilities Commission
19 of Nevada.



