



Energy+Environmental Economics

September 8, 2014

To: Hayley Williamson, Administrative Attorney (hwilliamson@puc.nv.gov)
From: Snuller Price, Energy and Environmental Economics
Re: Addendum on Nevada Net Energy Metering Study

Dear Ms. Williamson,

I would like to provide this addendum to the Nevada Net Energy Metering study completed by Energy and Environmental Economics (E3) and released by the Public Utility Commission of Nevada (PUCN) in July 2014 to identify a small error in the calculation identified during stakeholder workshop¹. This study was a part of PUCN Docket No. 13-07010 and commissioned in response to Nevada AB 428.

The E3 study was designed to provide as much transparency to stakeholders as possible in the Nevada commission process. As part of the process, the calculations for the analysis were made available to a stakeholder group convened by the PUCN, and then publicly after the stakeholder comment period was completed through download on the PUCN website.

After the completion of the review period for the stakeholder group and subsequent public release of the spreadsheet tool, NV Energy identified an error in the calculation. In particular, a calculation of the avoided cost calculation was referencing the incorrect utility for a component of the calculation. While we regret making a calculation error, we do think that making the spreadsheets publicly available is working as intended so that all stakeholders can review all of the calculations and have confidence in the results.

Correcting the error decreases the avoided costs for the southern utility by \$0.006/kWh for NEM systems. In other words, the value for NEM systems in the south is overestimated by \$0.006/kWh in the published study and would be slightly less cost-effective than in the published study. However, this is a small error. A change of this size is not enough to change the findings or conclusions from the analysis.

Since learning of the problem, we have corrected the error in the publicly available spreadsheet and are providing an updated spreadsheet tool to the PUCN which can produce all updated results in the study.

Thank you again for the opportunity to work with the PUCN.

Sincerely,

Snuller Price, Senior Partner

Energy and Environmental Economics, Inc.

Attachments: Updated Public Nevada Tool

¹ The final report is available for download on the PUCN website at

http://pucweb1.state.nv.us/PDF/AxImages/DOCKETS_2010_THRU_PRESENT/2013-7/39428.pdf