

The NEVADA ENERGY ASSISTANCE CORPORATION

The Nevada Energy Assistance Corporation (NEAC) was formed on or about March 3, 2009, as a 501(c)(3) non-profit corporation under the powers vested to the director of the Nevada Department of Business and Industry (B&I). NRS 232.520.4 sets forth, in pertinent part, that the Director (of B&I) "...may, within the limits of the financial resources made available to the Director, promote, participate in the operation of, and create or cause to be created, any nonprofit corporation, pursuant to chapter 82 of NRS, which he or she determines is necessary or convenient for the exercise of the powers and duties of the Department." NEAC is controlled by the State through the powers of State officials acting in their official capacities to appoint seven of nine directors. The remaining two directors are appointed by entities organized to advance the interests of local governments within the State –the Nevada Association of Counties and the Nevada League of Cities and Municipalities.

NEAC was formed by B&I as a non-profit corporation to lessen the burdens of government of the State by promoting the development of renewable and sustainable energy projects within Nevada. Pursuant to the recommendations of the Governor's Renewable Energy Transmission Access Advisory Committee (RETAAC), and the Governor's Renewable Energy Transmission Access Advisory Committee, Phase II (RETAAC II), NEAC was formed to perform the essential functions of conducting feasibility, environmental and engineering studies and planning for the construction and operation of transmission lines necessary to connect renewable and sustainable energy generating sites to the state and national power grids. According to then-Governor Gibbons, "I directed the formation of NEAC because the production of electricity from renewable resources within the State is necessary to the economic stability of the State and the financial well-being of its residents and resident businesses. The State has determined that renewable energy facilities will not be developed within the State unless transmission facilities are installed and operated, and the private sector has not evidenced a willingness to engage in such projects. Therefore, the government of the State, through NEAC, must perform this essential function to promote the energy independence of the State."

NEAC does not receive State funds as a normal course of business, and instead operates through independent sources of funding. On or about June 8, 2010, the State entered in a \$3,000,000 contract with NEAC to manage the performance and delivery of, among other things, in-state and interstate trunk and feeder liner assessments, creation of transmission line and substation financial feasibility models, provide technical support for the creation of a bi-state renewable energy transmission development authority, and research and acquire program/project evaluation and review cost technologies. The source of the funding was American Recovery and Reinvestment Act (ARRA) funds provided to the Nevada State Office of Energy (NSOE) by the U.S. Department of Energy's State Energy Program (SEP). The NSOE contracted with NEAC because NEAC, as a state-created non-profit, was uniquely situated to accept the funds allocated for engineering and transmission feasibility studies and could identify the specific studies needed and subsequently procure the needed services using an RFP process. Also, NEAC was uniquely situated as a non-profit to quickly assume control of the funds and to commence identification of the studies and acquisition of the third-party resources needed to perform the studies.

On or about October 29, 2010, NEAC solicited for proposals from entities to perform the requisite work scope. On or about February 17, 2011, NEAC contracted with Tri-Sage Consulting of Reno. Work immediately commenced after execution of the contract.

In May 2011, due to the pending June 30, 2012 deadline for the expenditure of ARRA funds, NEAC voluntarily de-obligated \$1,588,948 back to the NSOE SEP program to be redirected to other tasks, leaving \$1,411,052 available to NEAC to complete the remaining trunk and feeder lines assessment and bi-state renewable development authority tasks. Work continues to progress on the studies and NEAC anticipates the completion and delivery of all remaining deliverables by the contracted deadline.