

WATTS NEW



WATTS UP

QUARTERLY NEWSLETTER

JANUARY 2018

Continued from Page 1. The concern with these existing wholesale electric energy markets are pricing and timing. According to the U.S. Energy Information Administration (EIA), the average retail price of power in Nevada is 9.48 cents per kilo-watthour. The average retail price of power in California, where the CAISO operates, is 15.42 cents per kilo-watthour. The SPP, based in the Texas, Oklahoma, Arkansas area, has average retail power prices in the 8-8.2 cent per kilo-watthour range, which is slightly lower than the Nevada retail rate.

In order to meet the proposed time frame for implementing ECI, the CAISO may be the only choice. In order to meet the ECI mandate to reduce power costs, the SPP may be the only choice. We may find other options going forward but we need to know which wholesale electric energy market the state will join in order to understand if we will have lower retail power rates.

Before November we also need to understand how stranded costs will be recovered. In this case, stranded costs are the costs associated with contracts for power supply for a specific term and capital investments that a power company made to build infrastructure for their customers. If a power company has signed a purchase power agreement to buy power at a specific price for a defined term for their customers and/or if a power company carries debt that was used build infrastructure for their customers and then they subsequently lose their customers, then the costs become stranded.

In ECI meetings initiated by Governor Sandoval, Nevada's investor owned utility, NV Energy, identified over five billion dollars of stranded costs that they have claim to. There has been a great deal of talk among legislators regarding how to mitigate these costs. The most common solution discussed is what we call the "peanut butter" method, meaning the state will spread the stranded costs over every customer in Nevada.

Overton Power District is involved in the fight to make sure that the "peanut butter" method is not used for stranded cost recovery. The stranded costs of other utilities should not be spread over any rural electric customers.

There are additional questions that need to be answered before the November election. How will the state deal with long term hydropower contracts? How will the state deal with existing market based contracts? Will customers be allowed to stay with their existing utility? Who will regulate and monitor the retail electric energy market after its created? How much will that cost? How will energy choice encourage continued investment in renewable energy in Nevada? Currently, there are many more questions and very few answers.

No other state has attempted to implement ECI as an amendment to a state constitution as Nevada is attempting to do. As a constitutional amendment, changes to the ECI will be difficult, if not nearly impossible to achieve, because of the time frame and legislative procedures that must be followed in order to change the State's constitution. It is extremely important for us to know the answers to our questions and get ECI right, right from the start.

For more information on this topic please go to:

<http://energy.nv.gov/Programs/TaskForces/2017/EnergyChoice/>

Our offices will be closed on :

**FEBRUARY 19, 2018,
IN OBSERVANCE OF
PRESIDENT'S DAY**

Regular office hours will resume the next business day after each Holiday is observed.

VISIT OUR FACEBOOK PAGE AND TWITTER FEED

Our Facebook page and twitter feed are valuable resources to provide our customers with news and updates whenever an unplanned power outage occurs.

You can access both thru our website, they are setup in a way that does not require for you to have a Facebook or twitter account to view the information.

We also post great tips on energy conservation, safety and emergency preparedness.

Please remember, in the event of a power outage, do not report it via Facebook or twitter, we can't guarantee the delivery of messages received via social media to the right personnel in a timely manner.

In case of an unexpected power outage, please call us at (702) 397-2512 or (702) 346-5710. Overton Power District No. 5 has personnel on standby 24 hours a day, 7 days a week, 365 days a year, including weekends and holidays to respond as quickly as possible in the event of an emergency.

Follow us on:



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Telephone: (702) 397-2512
Fax: (702) 397-2583

MESQUITE OFFICE
731 Turtleback Road
Mesquite, NV 89027
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Fax: (702) 346-5880

OFFICE HOURS
Monday thru Friday
8:00 a.m. - 5:00 p.m.

Visit us online at
www.opd5.com

UPCOMING BOARD MEETINGS

January 18, 2018
4:00 p.m.
Overton Office
Board Room

February 15, 2018
4:00 p.m.
Mesquite Office
Engineering Building
Board Room

March 15, 2018
4:00 p.m.
Overton Office
Board Room

Board meetings are subject to change. Please check our website, Facebook page or twitter feed a day prior to the meeting for a copy of the agenda.



A message from Mendis Cooper, OPD General Manager

Since the election last year, a major point of discussion in the electric industry, both nationally and in Nevada, is the topic of energy choice. As many of you might remember, during the November 2016 election, Ballot Question 3, known as the Energy Choice Initiative (ECI), appeared before Nevada voters. ECI passed with 72.4% voter support. As a proposed Nevada constitutional amendment, ECI will appear on the Nevada ballot again in November 2018 and must pass a second time to be placed into law.

Since the last election, I have studied the ECI proposal in order to better understand the details. The writing of the initiative is quite vague and can be misleading. I have met with some of the writers and sponsors of the ECI, a number of industry experts, and state and local legislators to gain insight into the finer points of the ECI. Before the next election, I think it is important that all of us understand what a vote in support of or against the ECI means.

Although there are some great promises made, the ECI was never written with Nevada rural electrics in mind, but the wording of the ECI has brought "every person, business, and association of persons" into the mix. Every other state that has implemented an energy choice mandate excluded rural electrics, allowing them to operate without being subject to the new rules. Dragging the rural electrics under the umbrella of a big city solution will create a lot of confusion and difficulty in this process.

The origin of the ECI came from and was largely funded by several members of the casino industry and the data center industry. They were unhappy with the exit fees and costs associated with leaving their investor owned utility. In crafting a solution to their problem, they never fully considered the effect of their proposal on other customers outside their investor owned utility.

Passage of the ECI in November 2018 will require the state legislators to amend the state constitution and to provide legislation which creates "an open, competitive retail electric energy market by July 21, 2023. The law passed by the legislature must include, but is not limited to, provisions that reduce costs to customers, protect against service disconnections and unfair practices, and prohibit the granting of monopolies and exclusive franchises for the generation of electricity." We can all agree that those principles sound great! However, the devil is in the details.

The ECI calls for a retail electric energy market. The problem here, Nevada does not have an existing retail electric energy market. Who will be given the authority to create the market and how much will it cost to create and operate the retail market place? No one knows yet. A consumer advocate from another state that implemented choice, said that their state spent tens of billions of dollars to create a retail electric energy market. The consumer advocate stated that the customers in their state would never save enough money in their lifetimes to recover the cost of creating a regulated market, and their state has many more customers than Nevada has. An example of this very process occurred in Texas where Texans paid an extra 26 billion dollars to create and participate in the their newly created market place. Can Nevada create such a market place at a lower cost? Hopefully, by learning from others we can, but I think it makes sense for us to at least understand the costs involved before moving forward. We need to know the cost and it must be proven that spending significant dollars will ultimately lower our electric bills.

To have a functioning retail electric energy market, there must be a wholesale electric energy market. Again, Nevada does not have such an existing market place. Nevada is too small to create its own wholesale electric energy market. In this case however, there are functioning wholesale electric energy markets that Nevada could join, such as the California Independent System Operator (CAISO) or the Southwest Power Pool (SPP).

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**20% OFF
on your next
Water Heater
Blanket
purchase at:**



*Ace Stores are independently owned and operated. This coupon is good only in-store at the Mesquite and Overton Ace Hardware locations. Limit one coupon per customer. Not to be combined with any other offer. Additional exclusions may apply. See store for details. Expires April 1, 2018.

Safety Tips

Look out for scams

By Meghaan Evans



Unfortunately, in today's world, scams are inevitable. Scammers can threaten you with everything from legal action involving the IRS to turning off power to your home.

Utility scams often involve an individual or group posing as an employee of your electric utility. The scammer may use threatening language in order to frighten you into offering your credit card or bank account information. Don't fall victim to these types of scams. Understand the threats posed and your best course of action:

- If someone calls your home or cell phone demanding you to pay your electric bill immediately, gather as much information as you can from that individual, hang-up the phone and contact the local authorities. Scammers often use threats and urgency to pressure you into giving them your bank account number or loading a pre-paid credit or debit card (such as a Green Dot card). Overton Power District No. 5 will never ask you to offer

up personal or finance information over the phone.

- If you have any doubts about your utility bill, contact your local Overton Power District No. 5 office either in person, or over the phone at (702) 346-5710 or (702) 397-2512).
- If someone comes to your home claiming to be an employee of Overton Power District No. 5 that needs to collect money or inspect parts of your property, call us to verify they are, in fact, an employee. If they are not, call local authorities for assistance and do not let the individual into your home.

There are other types of scams consumers should watch out for:

Government agencies like the IRS will never call to inform you that you have unpaid taxes or other liens against you. You will always receive this type of information in the mail.

- If someone calls claiming to be the IRS, hang-up immediately.

- If you receive an email from an unknown sender; an email riddled with spelling errors and typos; or an email threatening action unless a sum of money is paid, do not click any links provided within the email, and do not respond to the email. Simply delete the email, or send it to your spam folder.

- If someone calls your home claiming to have discovered a virus on your computer, hang-up. This caller's intent is to access personal information you may be keeping on your computer.

Overton Power District No. 5 wants to make sure you avoid any and all types of scams that could put you or your financial information in jeopardy.

Meghaan Evans writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Virginia-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

ASK KATIE

Can I pay my bill online?


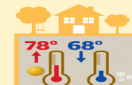








Yes. You can pay your bill online, it's very simple, just visit our website at www.opd5.com.

You can also access and pay your account through our mobile App, available now at the Google Play and iOS Apple stores.



Energy Conservation

10 Quick Tips to Avoid High Winter Bills

-  **Seal air leaks and insulate well to prevent heat escaping and cold air from entering your home.**
-  **Reduce waste heat by installing a programmable thermostat.**
-  **Turn off lights when not in use.**
-  **Lower your water heater temperature. The Dept. of Energy recommends using the warm setting (120 degrees) during fall and winter months.**
-  **Unplug electronics like kitchen appliances and TVs when you are away.**
-  **Open blinds and curtains during the day to allow sunlight in to warm your home.**
-  **Close blinds and curtains at night to keep cold, drafty air out.**
-  **Use power strips for multiple appliances, and turn off the main switch when you are away from home.**
-  **Wash clothes in cold water, and use cold-water detergent whenever possible.**
-  **Replace incandescent light bulbs with LEDs, which use at least 75 percent less energy.**

Wrap it up!

Installing a blanket around your water heater could reduce standby heat losses by 25 to 45 percent and save you about 7 to 16 percent in water heating costs, according to the Dept. of Energy. For a small investment of about \$25, you can purchase pre-cut jackets or blankets and install them in about one hour. On a safety note, the Dept. of Energy recommends that you not set the thermostat above 130 degrees Fahrenheit on an electric water heater with an insulating jacket or blanket; the higher temperature setting could cause the wiring to overheat. We want to help you get on your way to save on your next electric bill. Once again we partnered with the local Ace Hardware stores in Mesquite and Overton, and by presenting the coupon in this edition you can save 20% on your next water heater blanket purchase.

Source: U.S. Department of Energy