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Office of the Governor

December 15, 2014

Board of Governors
California Independent System Operator
P.O. Box 639014
Folsom, CA 95763-9014

RE: Harry Allen - Eldorado 500kV transmission line

Dear Chairman Maullin:

The State of Nevada and the Nevada Governor's Office of Energy (GOE) are pleased to support the California Independent System Operator (CAISO) management's recommendation to approve the Harry Allen - Eldorado 500kV transmission line as described in their memo dated December 10, 2014.

CAISO's analysis of this line following NV Energy's participation in their Energy Imbalance Market demonstrates net benefits to CAISO customers, but will also provide significant benefits to Nevada in terms of increased transfer capability and reduced congestion to better move Nevada's renewable energy into the western market. As stated in the staff memo, "[t]he identified benefits included energy production benefits to ISO ratepayers through more efficient overall market operation, as well as the potential for procurement of additional resource capacity from Nevada and the Desert Southwest."

Nevada is proud to have recently completed the One Nevada Line 500kV transmission project from Robinson to Harry Allen substations which connects Nevada's statewide transmission system to California's grid, strengthening grid reliability and improving integration of variable resources.

Since I issued Executive Order 2011-8 calling for the timely development of renewable energy and transmission resources I have been thoroughly impressed with coordination and cooperation of our federal land management agencies such as BLM and Reclamation to support the needs of transmission and energy development. Despite topographic challenges, they are being proactive in facilitating development through this corridor. In fact, they have already completed their NEPA review of at least one application that could connect Harry Allen and Eldorado with a 500 kV line.

This is an excellent example of a project that provides mutual benefits for Nevada and California, two states that share significant renewable energy resources and economic ties. I support and encourage solutions like this transmission line that provide value for our state and open opportunities for additional renewable energy development. I urge you to approve the Harry Allen - Eldorado 500kV transmission line and help us create a clean energy future and a more reliable and modern electric grid.

Sincere regards,

A handwritten signature in blue ink, appearing to read "B. Sandoval".

BRIAN SANDOVAL
Governor