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17-07014

Public Utilities Commission of Nevada  
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In accordance with NRS Chapter 719,  
this filing has been electronically signed and filed  
by: /s LynnDInnocenti

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This filing has been electronically filed and deemed to be signed by an authorized  
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NPC and SPPC



September 12, 2019

Trisha Osborne  
Assistant Commission Secretary  
Public Utilities Commission of Nevada  
1150 East William Street  
Carson City, Nevada 89701

Re: Docket No. 17-07014; Investigation and rulemaking to implement Senate Bill 204 (2017)

Dear Ms. Osborne:

Enclosed for filing on behalf of the parties in the above-referenced Docket is the draft consensus regulation for the implementation of Senate Bill 204 (2017) ("SB 204"). This document is being filed in compliance with paragraph 25 of Procedural Order No. 5 issued by the Hearing Officer on August 22, 2019.

Please note that not every provision of the draft regulation represents an agreed-to consensus of the parties. These provisions are denoted in two ways: (1) the redlining in Section 7(a) and (g), where the parties cannot agree on whether the deleted language should be included in the draft regulations; and (2) the use of "XX" in Section 7(a), (b) and (g) to show where the parties could not reach a consensus on the precise numbers to include in the regulation.

The parties will provide their comments on the attached draft regulation pursuant to the schedule set out in Procedural Order No. 5.

Please contact the undersigned if you have any questions regarding this filing.

Sincerely,

/s/ Douglas Brooks

Douglas Brooks  
Senior Attorney  
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Sierra Pacific Power Company, d/b/a NV Energy  
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PROPOSED REGULATION OF THE  
PUBLIC UTILITIES COMMISSION OF NEVADA

Docket No. 17-07014  
July 29, 2019

Explanation - Matter in *italic* is new; matter in brackets ~~omitted material~~ is material to be omitted

Section 1. Chapter 704 of the NAC is hereby amended by adding thereto the provisions set forth as sections 2 - 8 of this regulation.

Sec. 2. ***“Affiliated Utilities”*** means the utilities required to file a joint triennial integrated resource plan pursuant to NRS 704.741.

Sec. 3. ***“Biennial energy storage targets” defined.*** *“Biennial energy storage targets” means the biennial energy storage targets established by the Commission pursuant to Section 7 of this regulation.*

Sec. 4. ***“Energy storage plan” defined.*** *“Energy storage plan” means a plan developed by the affiliated utilities to meet or exceed the biennial energy storage targets as established by the Commission by December 31, 2030.*

Sec. 5. ***“Energy storage system”*** has the meaning ascribed to it in NRS 704.793 and may be connected to and used as a component of the transmission and distribution systems of an affiliated utility.

Sec. 6. ***“Energy storage target” defined.*** *“Energy storage target” means a goal for procurement of cost effective energy storage established by the Commission pursuant to Section 7 of this regulation.*

Sec. 7. ***Establishment of statewide targets for energy storage systems.***

- a. *The 2030 statewide energy storage target shall be **XX** megawatts ~~above the Commission approved level of energy storage~~ by December 31, 2030~~19~~ of energy storage system resources procured by affiliated utilities required to file a joint triennial integrated resource plan pursuant to NRS 704.741.*
  1. *Energy storage systems may be either centralized or distributed and either owned by the utilities or by any other person.*
  2. *Energy storage systems must meet the requirements of subsection 2 of NRS 704.797. Equivalent megawatts and megawatt hours will be reported when units of storage for a particular energy storage system and technology need to be converted.*
- b. *Pursuant to NRS 704.796, the Commission establishes the following initial biennial energy storage targets up to the 2030 statewide energy storage target:*
  1. *December 31, 2020 = **XX** megawatts*
  2. *December 31, 2022 = **XX** megawatts*

3. December 31, 2024 = **XX** megawatts
  4. December 31, 2026 = **XX** megawatts
  5. December 31, 2028 = **XX** megawatts
  6. December 31, 2030 = **XX** megawatts
- c. Biennial energy storage targets are cumulative, and include Commission-approved energy storage system resources procured by affiliated utilities required to file a joint triennial integrated resource plan pursuant to NRS 704.741.
  - d. The Commission shall review biennial energy storage target amounts and dates in each Integrated Resource Plan filed pursuant to NRS 704.741, and determine whether the biennial storage targets previously set in subsection b of this Section should be altered.
    1. The Commission may establish new biennial targets in an order denying, approving or modifying an Integrated Resource Plan.
  - e. Biennial energy storage targets established by the Commission do not limit the amount of energy storage system resources the affiliated utilities may procure.
  - f. The affiliated utilities may receive a waiver or deferral of any biennial storage target in accordance with Section 8 of this regulation.
  - g. The biennial energy storage targets and the requirements in Section 8 of this regulation shall expire the earlier of December 31, 2030, or on the date when the sum total of Commission approved energy storage systems resources procured by the affiliated utilities meets or exceeds the energy storage target of **XX** megawatts ~~above the Commission approved level of energy storage on December 31, 2019.~~

**Sec. 8. Requirements for energy storage plan; consistency with action plan and distributed energy resources plan; biennial update reports.**

- a. The resource plan of affiliated utilities filing jointly pursuant to NRS 704.741 must contain an energy storage plan;
- b. The resource plan must be consistent with the action plan and distributed resources plan of the affiliated utilities, and must identify all energy storage system projects for which the affiliated utilities seek approval of in the action plan or distributed resources plan.
- c. The energy storage plan must include, without limitation:
  1. The affiliated utilities' proposal to meet or exceed the biennial storage target goals that fall within the action plan period;
  2. A summary of all energy storage system projects for which the affiliated utilities seek approval in the action plan or the distributed resource plan;
  3. A description of how energy storage system resources are being modeled and considered in the existing planning process;
  4. An evaluation of the cost and benefits for the deployment of energy storage, including a description of the affiliated utilities' cost-benefit analysis framework where benefits includes all reductions in resource costs as well as cost savings associated with other services or alternatives that would have otherwise been procured. The analysis should include recent and relevant publicly available storage price and storage performance intelligence, and findings from any request for proposals when applicable.

- d. *Beginning in calendar year 2022, in each year immediately following a biennial storage target, the affiliated utilities must file an energy storage update within the energy supply plan.*
- e. *The energy storage update must include, without limitation:*
  1. *A description of the affiliated utilities' progress in meeting the energy storage target, including biennial storage targets established by the Commission. This description must include the following information:*
    - I. *The cumulative level of installed and operational energy storage and energy storage under contract. The description should identify where in the development timeline the projects under contract are if they are not operational. This shall include energy storage projects previously identified in a distributed resource plan;*
    - II. *The type of technology being deployed for each of the projects;*
    - III. *The procured equivalent nameplate capacity of the projects in both megawatts and megawatt-hours;*
    - IV. *The location of the project, including the city and zip code if the information is public;*
    - V. *The primary and secondary, if applicable, application of the storage project;*
    - VI. *The process in which the energy storage project was procured, including if it was done through a request for proposal, bilateral negotiations, or other means;*
    - VII. *Relevant dates for the project, including contract date and estimated commercial operation date for planned projects or actual commercial operation date for projects that have already begun operating;*
    - VIII. *The project owner and operator of each of the projects, including product manufacturer;*
    - IX. *Actual equivalent capacity in both megawatts and megawatt-hours of projects with capacity greater than 20 MWs; and*
    - X. *An update on the energy storage procurement activities in the most recent Integrated Resource Plan filed pursuant to NRS 704.741(l).*
- f. *The affiliated utilities may seek and obtain a waiver or deferral of a biennial storage target that falls within the three year action plan period. The waiver or deferral request must include:*
  1. *Explanation of why the procured cumulative amount did not meet the biennial target;*
  2. *Data or reference to data, supporting the electric utility's assertions in the explanation; and*
  3. *A demonstration that an effort was made to solicit or develop the resources needed to meet the biennial storage target under consideration, with an explanation of why energy storage was not solicited or not selected if other resources were selected. The explanation may include the cost and benefits for energy storage, where benefits includes all reductions in resource costs as well as cost savings associated with other services or alternatives that would have otherwise been procured.*

**CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing filing of **NEVADA POWER COMPANY D/B/A NV ENERGY and SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY** in Docket No. 17-07014 upon the persons listed below by electronic mail:

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DATED this 12<sup>th</sup> day of September, 2019.

/s/ Lynn D'Innocenti  
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