



STEVE SISOLAK
Governor

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION

ANN PONGRACZ
Chairwoman

C.J. MANTHE
Commissioner

HAYLEY WILLIAMSON
Commissioner

STEPHANIE MULLEN
Executive Director

November 26, 2019

VIA ELECTRONIC MAIL

ATTN: Brenda Erdoes
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701-4747
regulations@lcb.state.nv.us

RE: Public Utilities Commission of Nevada ("Commission")
Docket No. 17-07014

Dear Ms. Erdoes,

Pursuant to NRS 233B.063, I have enclosed an electronic copy of the Commission's proposed regulation in the above-referenced matter for pre-adoption review by the Legislative Counsel Bureau ("LCB"). Please let me know when it has been assigned an LCB file number.

Should you have any questions or concerns, please contact me at 775-684-6121.

Sincerely,

Donald Lomoljo
Utilities Hearing Officer
dlomoljo@puc.nv.gov

Enclosures

PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA

Docket No. 17-07014
November 20, 2019

Explanation - Matter in ***bold underline 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 1,000 megawatts by December 31, 2030 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 = 100 megawatts

2. December 31, 2022 = 200 megawatts

3. December 31, 2024 = 400 megawatts
 4. December 31, 2026 = 600 megawatts
 5. December 31, 2028 = 800 megawatts
 6. December 31, 2030 = 1,000 megawatts
- c. Biennial energy storage targets are cumulative and include Commission-approved energy storage system resources procured via contract prior to and following the adoption of these regulations 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 1,000 megawatts.

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; and
 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 megawatts;
 - X. An update on the energy storage procurement activities in the most recent Integrated Resource Plan filed pursuant to NRS 704.741(l); and
 - XI. The results of annual storage capacity tests of installed storage systems with an initial capacity greater than 1 megawatt, including a report of actual capacity expressed in megawatts and actual storage capacity expressed in megawatt-hours, and the annual degradation level, if any.
- 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 and analysis 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.