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NPC and SPPC

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of NEVADA POWER COMPANY d/b/a NV Energy and SIERRA PACIFIC POWER COMPANY d/b/a NV Energy, seeking approval to add 1,001 MW of renewable power purchase agreements and 100 MW of energy storage capacity, among other items, as part of their joint 2019-2038 integrated resource plan, for the three year Action Plan period 2019-2021, and the Energy Supply Plan period 2019-2021

Docket No. 18-06_____

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APPLICATION

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of NEVADA POWER COMPANY)
d/b/a NV Energy and SIERRA PACIFIC)
POWER COMPANY d/b/a NV Energy, seeking)
approval to add 1,001 MW of renewable power) Docket No. 18-06 _____
purchase agreements and 100 MW of energy)
storage capacity, among other items, as part of)
their joint 2019-2038 integrated resource plan,)
for the three year Action Plan period 2019-2021,)
and the Energy Supply Plan period 2019-2021 /

**APPLICATION TO APPROVE TRIENNIAL INTEGRATED RESOURCE PLAN,
THREE YEAR ACTION PLAN AND ENERGY SUPPLY PLAN**

Nevada Power Company, d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and together with Nevada Power, the “Companies”), make this Application, pursuant to Nevada Revised Statute (“NRS”) § 704.741 *et seq.*, and Nevada Administrative Code (“NAC”) § 704.9005 *et seq.* This application seeks approval by the Public Utilities Commission of Nevada (“Commission”) of the Companies’ 2019-2038 first ever joint triennial integrated resource plan (“2018 Joint IRP”), the plan of action for the three year period 2019-2021 (“Action Plan”), including their energy supply plan for the three year period 2019-20201 (“2018 ESP”). A triennial IRP must be processed within 210 days of filing pursuant to NRS § 704.751(1)(b), as amended by Senate Bill 146 (2017 Legislature), or it is deemed approved as filed. Thus, the “deemed approved” date for the IRP is December 28, 2018. A triennial ESP must be processed within 135 days of filing pursuant to NRS § 704.751(1)(a). Thus, the “deemed approved” date for the 2018 ESP is Friday, October 15, 2018.

**I.
SUMMARY AND INTRODUCTION**

The Companies make this 2018 Joint IRP at a time of tremendous uncertainty. Despite the uncertainty, the 2018 Joint IRP sets forth a real and achievable plan to reliably deliver more clean energy and service to our customers at low prices. The 2018 Joint IRP

1 demonstrates how NV Energy will navigate the substantial risks and uncertainties inherent in
2 today’s energy business. At the same time, the filing demonstrates sound decision-making
3 that is good for customers, our communities, our environment, and the state of Nevada.

4 Customers – residential, commercial and industrial – have been clear that they want
5 Nevada Power and Sierra to serve them with more renewable energy without impacting the
6 costs they pay. The Companies are listening and this Joint 2018 IRP delivers. This 2018 Joint
7 IRP demonstrates just how the Companies intend to maintain the pace of economic growth in
8 both northern and southern Nevada, rely more on renewable energy, and keep our rates low.
9 The overarching goal of this 2018 Joint IRP is to meet growth and shrink our exposure to
10 natural gas prices by delivering more low-cost renewable energy to our customers,
11 accelerating our transition to a cleaner energy future with near-term investments by our PPA
12 counterparties to support new Nevada-based renewable energy resources, shoring up our
13 transmission infrastructure, and increasing our investment in energy efficiency programs.

14 After analyzing several energy supply portfolios based on price impact, societal cost,
15 economic development and reliability metrics, the Companies selected the Low Carbon Case
16 as their Preferred Plan. The Low Carbon Case recommends the addition of six new solar
17 generating resources, three battery storage systems, and transmission network upgrades
18 during the Action Plan period. The Low Carbon Case represents an unprecedented, concrete
19 plan for creating more than \$2.175 billion of investment opportunities in progressive, clean
20 energy resources located in Clark, Humboldt and Washoe counties. The Low Carbon Case
21 also advances the retirement of the last of the Companies’ coal fleet, located in northern
22 Nevada, in a responsible and prudent manner. The Low Carbon Case represents a low-cost,
23 least-risk, and flexible blueprint for meeting customer energy needs. Nevada Power and Sierra
24 therefore ask that the Commission accept the Low Carbon Case as the Preferred Plan, and
25 authorize them to take all necessary steps during the Action Plan period to implement the Low
26 Carbon Case, if voters do not approve Question 3 in November.

**II.
THE APPLICANTS**

Nevada Power and Sierra are Nevada corporations and wholly-owned subsidiaries of NV Energy, Inc. Nevada Power and Sierra are public utilities as defined in NRS § 704.020, and are subject to the jurisdiction of the Commission. Nevada Power is engaged in providing electric service to the public in portions of Clark and Nye counties, Nevada pursuant to a certificate of public convenience and necessity issued by this Commission. Sierra provides electric service to the public in portions of fourteen northern Nevada counties, including the communities of Carson City, Minden, Gardnerville, Reno, Sparks, and Elko. Sierra owns and operates a certificated local distribution company engaged in the retail sale of natural gas to customers in the Reno-Sparks metropolitan area.

Sierra’s primary business office is located at 6100 Neil Road in Reno, Nevada and Nevada Power’s primary business office is located at 6226 West Sahara Avenue in Las Vegas, Nevada. All correspondence related to this Application should be transmitted to the Companies’ counsel and to the Manager of Regulatory Services, as set forth below:

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**III.
APPLICATION EXHIBITS**

Included with this Application and incorporated herein by reference are the following exhibits:

- **Application Exhibit A** is the three-year Action Plan for the period January 1, 2019 through December 31, 2021. This exhibit is required by NAC § 704.9489.
- **Application Exhibit B** is a roadmap of applicable statutes and regulations and the location of the required information in the filing. This exhibit is not described in or mandated by the Commission’s IRP regulations or prior IRP orders, but is

1 provided to assist those performing an evaluation of the technical aspects of the
2 filing.

- 3 • **Application Exhibit C**, is a proposed notice of the Application as required by
4 NAC § 703.162.

5 In addition, as required by NAC § 704.9215, the 2018 Joint IRP contains a small, stand-alone
6 Summary Volume. Section I of that document contains a short, executive summary of the
7 2018 Joint IRP. The remainder of the Summary Volume addresses each of the items required
8 by NAC § 704.925, is written in plain English, and includes easily interpretable tables, graphs
9 and maps. An additional copy of the Action Plan is attached to the Summary Volume for easy
10 reference.

11 **IV.** 12 **SUPPORTING MATERIAL**

13 Section 704.9321 of the NAC provides that a utility's resource plan must be based on
14 substantially accurate data, adequately demonstrated and defended, and adequately
15 documented and defended. As is set forth below, included in this 2018 Joint IRP and
16 incorporated herein by reference, the reader will find all material required to adequately
17 demonstrate and defend the substantially accurate data supporting the analysis and the
18 requests for affirmative relief set forth herein. A summary of this information, which includes
19 narrative, technical appendices,¹ and supporting prepared direct testimony,² is set forth by
20 general topic below.

21 22 **A. Consistency of Resource Plan with Companies' Strategic Objectives.**

23 Included the Action Plan, the Summary Volume and Supply Side narrative are discussions of

24
25 ¹ NAC § 704.922 requires that a utility's resource plan include technical appendices that contain
26 sufficient detail to enable a technically proficient reader to understand how the resource plan and its forecasts
27 were prepared and to evaluate the validity of the assumptions and the accuracy of the data used, including,
28 without limitation, a list of the major assumptions used, a description of the forecasting methods employed and
a description of the software utilized.

² NAC § 704.9321(4) requires that all testimony offered in support of a utility's resource plan be filed
with the resource plan.

1 the consistency between the 2018 Joint IRP, especially the Preferred Plan, and the
2 Companies' strategic objectives. These discussions, as well as recommendations for an
3 alternative plan should Question 3 succeed in the November 2018 elect, are supported by the
4 prepared direct testimony of **Shawn M. Elicegui**, Senior Vice President of Business Planning,
5 Regulative and Legislative Strategy.

6
7 **B. Load, Fuel and Purchased Power Forecasts.** The first narrative in the 2018
8 Joint IRP filing addresses load forecasts, includes a comprehensive discussion of market
9 fundamentals that impact long-term fuel and purchased power pricing, and describes and
10 supports the long-term price forecasts for fuel and purchased power that underlie the analysis
11 in the 2018 Joint IRP.

12 **1. Load Forecasting.** The narrative addressing the load forecast is supported by
13 the prepared direct testimony of **Mr. Terry A. Baxter**, Manager of Load Forecasting, as well
14 as the following technical appendices:

- 15 • LF-1 - 2019-2048 Load Forecast (Confidential)
- 16 • LF-2 - Population Forecasts: Long-Term Projections for Clark County, Nevada
17 2016-2050, May, 2017
- 18 • LF-3 - State Demographer 2017 Population Forecasts
- 19 • LF-4 - Nevada State Demographer Intercensal Population Estimates
- 20 • LF-5 - Population of Nevada's Counties and Incorporated Cities 2000-2017
- 21 • LF-6 - Las Vegas Convention and Visitors Year to Date October executive
22 summary for 2017
- 23 • LF-7 - ADM Report on Energy Intensity Development

24 **2. Fuel and Purchased Power Forecasting.** The narrative addressing the fuel
25 and purchased power forecasts is supported by the prepared direct testimony of **Mr. Marc D.**
26 **Reyes**, Director of Resource Planning and Analysis, and **Mr. Joseph R. Brignola**, Manager,
27 Coal Operations and Procurement, as well as the following technical appendices:

- FPP-1 - CPP Cases (Redacted)

C. Demand-Side Resources. The second narrative in the 2018 Joint IRP addresses the Companies’ demand-side management (“DSM”) and planning processes, the performance of the Companies’ 2017 DSM programs, as well and their current and proposed portfolio of demand-side resources and programs. The narrative addressing demand-side resources is supported by the following technical appendices.³

- DSM-1 - Portfolio Pro Model
- DSM-2 - Lost Revenue Annual Multiplier
- DSM-3 - DSM Collaborative
- DSM-4 - M&V Process
- DSM-5 - M&V Energy Education - NPC
- DSM-6 - M&V Energy Education –SPPC
- DSM-7 - M&V Energy Reports – NPC
- DSM-8 - M&V Energy Reports - SPPC
- DSM-9 - M&V Energy Assessments – NPC
- DSM-10 - M&V Energy Assessments – SPPC
- DSM-11 - M&V Direct Install-NPC
- DSM-12 - M&V Residential Air Conditioning – NPC
- DSM-13 - M&V Demand Response – Residential - NPC
- DSM-14 - M&V Demand Response – Residential - SPPC
- DSM-15 - M&V Schools – NPC
- DSM-16 - M&V Schools – SPPC
- DSM-17 - M&V Commercial Energy Services – NPC
- DSM-18 - M&V Commercial Energy Services – SPPC

³ In addition, consistent with the Companies’ commitment in prior DSM plan proceedings, a set of electronic workpapers supporting the analysis and selection of the programs and measures discussed in the narrative have been developed. The electronic workpapers are not a part of the filing, but have been provided to the Commission’s Regulatory Operations Staff (“Staff”) and the Bureau of Consumer Protection (“BCP”).

- 1 • DSM-19 - M&V Demand Response - Commercial – NPC
- 2 • DSM-20 - M&V Demand Response - Commercial – SPPC
- 3 • DSM-21 - Market Potential Study
- 4 • DSM-22 - Net to Gross Ratios

5 The demand-side resources narrative and the technical appendices supporting the
6 narrative, are sponsored by the prepared direct testimony of the following demand-side
7 planning, implementation and evaluation experts:

8 **Ms. Anita L. Hart, Director**, Demand Side Management, sponsors all portions of the
9 DSM plan not sponsored or supported by witnesses Mr. Robert Oliver and Ms. Ingrid
10 Rohmund as well as DSM Technical Appendices DSM-1 through DSM-4, and DSM-22. **Mr.**
11 **Robert Oliver**, Director/Project Manager for ADM Associates, Inc., sponsors the
12 measurement and verification reports contained in Technical Appendix Items DSM-5 through
13 DSM-20. **Ms. Ingrid Rohmund**, Senior Vice President for Applied Energy Group, Inc.,
14 sponsors the DSM Market Potential Study contained in Technical Appendix DSM-21.

15
16 **D. Supply-Side Resources.** The third narrative in the 2018 Joint IRP filing
17 addresses the Companies’ Supply-Side Plan (including the generation, renewable energy, the
18 transmission and distribution plans). Each element of the Supply-Side Plan is addressed in
19 turn below:

20 **1. Conventional Generation, Power Purchase Agreements and Fuel Supply.** These
21 portions of the Supply-Side Plan are found in Sections 2.A. (Generation), 2.B (Long-Term
22 Purchased Power Agreements (“PPAs”)), and 2.C (Fuel Supply) of the Supply-Side narrative,
23 and are supported by the following technical appendices:

- 24 • GEN-1 - Unit Characteristics Table (Confidential)
- 25 • GEN-2 - New Generation Unit Performance Data (Confidential)
- 26 • GEN-3 - 2017 Plant Emission Rates (Confidential)
- 27 • GEN-4(a) - Clark Peaker Unit 4 Life Span Analysis Plan (“LSAP”)

- 1 • GEN-4(b) - Clark Mountain 4 LSAP
- 2 • GEN-4(c) - Fort Churchill 1 LSAP
- 3 • GEN-4(d) - Harry Allen 3 LSAP
- 4 • GEN-5(e) - Sun Peak 3-5 LSAP

5 The Conventional Generation, PPA and Fuel Supply sections of the Supply-Side Plan
6 narrative, as well as the technical appendices supporting these narrative sections, are
7 sponsored by the prepared direct testimony of the following supply-side resource planning
8 and implementation experts.

9 **Mr. Kevin Geraghty**, Senior Vice President, Operations, sponsors the Supply-Side
10 Plan narrative sections for Generation and discusses the Companies' requests for changes to
11 the retirement dates for several generating units. Mr. Geraghty also supports the conditional
12 early retirement of North Valmy Unit 1 (from December 31, 2025 to December 31, 2021) and
13 the request to create a regulatory asset if North Valmy Unit 1 is retired on December 31, 2021.

14 **Ms. Patricia Rodriguez**, Manager, Gas Transportation Planning, supports the Current
15 Physical Gas Supply, Physical Gas Procurement, and Current Oil Supply discussions in the
16 Fuel Supply section of the Supply-Side plan.

17 **2. Current Renewable Portfolio, Compliance with Renewable Portfolio Plan and**
18 **New Renewable Resources.** These portions of the Supply-Side Plan are found in Section 2.D.
19 (Renewable Energy Plan) of the Supply-Side Plan narrative. This section of the narrative is
20 supported by the following technical appendices:

- 21 • REN-1 - 2018 Renewable RFP, Top Projects PPA 12x24 Supply Tables
- 22 • REN-2 - 2018 IRP Generic Placeholder 12x24 Supply Table
- 23 • REN-3 - 2018 IRP Generic Placeholder Pricing (Confidential)
- 24 • REN-4 - 2018 IRP All Renewable and market Cases
- 25 • REN-5 - 2018 Renewable RFP Protocol with Attachments
- 26 • REN-6-DFS(a) - Long-Term Renewable PPA for Dodge Flat Solar, LLC
- 27 (Redacted)

- 1 • REN-6-DFS(b) - Dodge Flat Solar Renewable Portfolio Standard (“RPS”
- 2 Regulation Roadmap
- 3 • REN-6-FSR(a) - Long-Term Renewable PPA for Fish Springs Ranch Solar, LLC
- 4 (Redacted)
- 5 • REN-6-FSR(b) - Fish Springs Ranch RPS Regulation Roadmap
- 6 • REN-6-BMS(a) - Long-Term Renewable PPA for Battle Mountain Solar SP, LLC
- 7 • REN-6-BMS(b) - Battle Mountain Solar RPS Regulation Roadmap
- 8 • REN-6-ESM(a) - Long-Term Renewable PPA for 325MK 8ME, LLC
- 9 • REN-6-ESM(b) - 8minutenergy RPS Regulation Roadmap
- 10 • REN-6-CMS5(a) - Long-Term Renewable PPA for Copper Mountain Solar 5,
- 11 LLC
- 12 • REN-6-CMS5(b) - Copper Mountain Solar 5 RPS Regulation Roadmap
- 13 • REN-6-TS5(a) - Long-Term Renewable PPA for Techren Solar V LLC
- 14 • REN-6-TS5(b) - Techren Solar V RPS Regulation Roadmap
- 15 • REN-7 - RFP Initial Short List Scoring Report (Confidential)
- 16 • REN-8 - Final Due Diligence and Selection Reports (Confidential)
- 17 • REN-9 - 2018 Renewable RFP Report of the IE or Independent Evaluator
- 18 (Confidential)

19 The Renewable Energy Plan section of the Supply-Side narrative and the technical
20 appendices supporting this narrative section are sponsored by the prepared direct testimony
21 of **Mr. David Ulozas**, Senior Vice President, Renewable Energy and Origination. Mr. Ulozas
22 supports both near-term outlook and long-term planning to meet Nevada’s RPS. He also
23 sponsors and supports the processes followed and results of the 2018 Renewable RFP,
24 including the request for approval of six PPAs for 1,001 MW of new renewable resources, as
25 well as 100 MW of co-located battery storage capacity.

1 **3. Transmission Plan.** This portion of the Supply-Side Plan is found in Section 2.E
2 (Transmission Plan) of the Supply-Side Plan. The following technical appendices support this
3 section of the narrative:

- 4 • TRAN-1 - Timing of New Transmission Sources for Northern Nevada
5 (Confidential)
- 6 • TRAN-2 - Dodge Flat Solar Large Generator Interconnection Agreement
7 ("LGIA")
- 8 • TRAN-3 - Fish Springs Ranch Solar Facilities Solar
- 9 • TRAN-4 - Battle Mountain Solar LGIA
- 10 • TRAN-5 - Eagle Shadow Mountain Solar Farm System Impact Study
- 11 • TRAN-6 - Copper Mountain Solar 5 Facilities Study
- 12 • TRAN-7 - Techren Solar 5 LGIA
- 13 • TRAN-8 - Arden to McDonald 230 kV Line Upgrade
- 14 • TRAN-9 - Renewable Energy Zone Transmission Plan

15 The Transmission Plan narrative, as well as the technical appendices supporting the
16 narrative, are sponsored by the prepared direct testimony of **Mr. Sachin Verma**, Director,
17 Transmission System Planning.

18 **4. Distribution Plan.** This portion of the Supply Side Plan is found in Section 2.F of
19 the Supply Side Plan narrative and is sponsored by the prepared direct testimony of **Mr.**
20 **Joseph Sinobio**, Manager, Major Projects – Delivery.

21
22 **E. Economic Analysis.** The Economic Analysis narrative follows the Supply-
23 Side narrative and discusses the methodologies and analytical tools used to perform the
24 integrated economic analysis that underlies the Companies' selection of the Preferred Plan
25 and Alternative Plan. This section also describes the calculation of environmental
26 externalities for the Preferred and Alternative Plans. The economic analysis narrative is
27 supported by the following technical appendices:
28

- 1 • ECON-1 - Notice of Public Meeting and Overview of the 2018 IRP
- 2 • ECON-2 - Description of Production Modeling Software
- 3 • ECON-3 - Average Generation Costs (Confidential)
- 4 • ECON-4 - Energy Mix for All Cases
- 5 • ECON-5 - Marginal Energy Costs (Confidential)
- 6 • ECON-6 - Loads and Resources Tables
- 7 • ECON-7 - Capital Projects (all cases and sensitivities) (Confidential)
- 8 • ECON-8 - PWRR (Production + Capital Costs)
- 9 • ECON-9 - Operating Reserves Calculation
- 10 • ECON-10 - PROMOD Area Diagram
- 11 • ECON-11 - Solar PV Capacity Study
- 12 • ECON-12 - NERA Report

13 The Economic Analysis narrative, as well as the technical appendices supporting the
14 narrative, are sponsored in the prepared direct testimony of **Mr. Marc D. Reyes**, introduced
15 above, as well as **Dr. David Harrison, Jr.**, economist and Senior Vice President at NERA
16 Economic Consulting. Dr. Harrison sponsors the discussion and analysis of environmental
17 externalities contained in the Economic Analysis discussion, as well as Technical Appendix
18 item ECON-12. All other material in the Economic Analysis discussion is sponsored by Mr.
19 Reyes.

20
21 **F. Financial Plan.** The 2018 Joint IRP narrative closes with a discussion of the
22 Financial Plan, and follows the Economic Analysis narrative. This section of the narrative
23 discusses the methodologies and analytical tools used to evaluate the impact of the Preferred
24 Plan and Alternative plans on the Companies' financial metrics. **Mr. Michael Cole**,
25 Treasurer, sponsors the financial narrative of the IRP.

26
27
28

1 **G. Energy Supply Plan.** The 2018 Joint IRP includes an Energy Supply Plan.
2 Because the IRP statute requires that an ESP be processed in 135 days, while the full IRP is
3 to be processed in 210 days, the Companies have segregated the ESP narrative, testimony and
4 technical appendices into stand-alone volumes filed as part of the 2018 Joint IRP. Together
5 the 2018 ESP narrative, prepared direct testimony and technical appendices provide the
6 Companies' recommended power procurement plans, fuel procurement plans, and risk
7 management strategies based on current market conditions during the 2018 ESP period. The
8 2018 ESP narrative is supported by the following technical appendices and prepared direct
9 testimony.

10 **1. Policy including Prudence Determinations and Compliance with Prior**
11 **Commission Directives.** Mr. Marc D. Reyes, introduced above, is the overall policy witness
12 for the 2018 ESP and sponsors Sections 2.B (Capacity Requirements), 2.C (Energy
13 Requirements), 3.A (Power Fundamentals), 3.B (Natural Gas Fundamentals), 3.D.1 (Natural
14 Gas Price Forecast), 3.D.2 (Power Price Forecast), 4 (Power Procurement Plan), 5.C
15 (Recommend Gas Hedging Plan), 8 (Determination of Prudence), 9 (Commission Directives)
16 of the ESP narrative and Technical Appendix Items ECON-1, FPP-1 and GAS-1.

17 **2. Load Forecasting.** Terry Baxter, introduced above, sponsors the 2018 ESP
18 load forecast ESP. The Technical Appendix items LF-1 through LF-7 are identical as between
19 the ESP and IRP, and thus are included only once, with the 2016 Joint IRP.

20 **3. Fuel and Purchased Power Forecasting.** Mr. Reyes and Mr. Joseph R.
21 **Brignola**, both introduced above, sponsor the market fundamentals narrative accompanying
22 the ESP, as well as the following Technical Appendix:

- 23 • FPP-1 - Fuel and Purchased Power Price Forecasts (Confidential)⁴

24 **4. Power Procurement Plan.** Mr. Reyes, and Mr. David Ulozas, both of whom
25 have been introduced above, as well as Ms. Elena P. Mello, Manager, Revenue Requirements

26 _____
27 ⁴ The fuel and purchased power price forecast for the ESP period from 2019 through 2021 is identical to the
28 IRP forecast contained in IRP Technical Appendix FPP-1

1 & FERC, and Mr. Vernon Taylor, Director, Market Analytics, sponsor portions of the
2 power procurement plan, as well as the following Technical Appendices:

- 3 • POWER-1 - Forward Power Sales Procedures Manual (Confidential)
- 4 • GAS-1 - Gas Hedge Strategies Simulation
- 5 • GAS-2 - Summary of Actual and Forecasted BTERs and DEAAAs

6 5. **Fuel Procurement Plan.** Mr. Reyes and Ms. Patricia Rodriguez, both of
7 whom have been introduced above, sponsor the fuel procurement plan. In addition, Ms.
8 Rodriguez sponsors the following Technical Appendix:

- 9 • GAS-3 - Gas Hedging Workshop Presentations (Confidential)

10 6. **Economic Analysis.** Mr. Reyes, introduced above, sponsors Economic
11 Analysis discussion in the ESP and the following Technical Appendix item:

- 12 • ECON-1 - PROMOD Results (Confidential)

13 7. **Risk Management Strategy.** Mr. Cole, introduced above, sponsors the
14 narrative addressing the Companies' risk management strategies, policies and processes, as
15 well as the following Technical Appendices:

- 16 • RM-1 - Risk Management and Control Policy
- 17 • RM-2 - Energy Risk Management and Control Policy
- 18 • RM-3 - Credit Risk Management and Control Policy

19
20 **V.**
CONFIDENTIALITY

21 Certain information set forth in the narratives and Technical Appendices is
22 commercially confidential and/or trade secret information subject to protection pursuant to
23 NRS § 703.190. Specifically, the confidential information in this filing, along with the basis
24 for the assertion of confidentiality, is set forth below.

25 **Load Forecasts.** The Companies have prepared comprehensive load forecasts for the
26 2018 Joint IRP and the 2018 ESP. Certain information in the narratives and Technical
27 Appendix item LF-1 in both the 2018 Joint IRP and 2018 ESP are confidential because they

1 contain usage of discrete and specific customers. This information cannot be made public
2 without the consent of the customers identified and qualifies for confidential treatment under
3 NRS § 703.190.

4 **Fuel and Purchased Power Price Forecasts.** The Companies have prepared price
5 forecasts for natural gas, coal and purchased power for the 2018 Joint IRP and the 2018 ESP.
6 The following figures in the market fundamentals narrative in the 2018 Joint IRP are
7 confidential and have been redacted in the public version of the filing.

- 8 • Figure PF-2 - Annual Average Gas Price Forecast
- 9 • Figure PF-3 - Average Market Implied Heat Rate Forecast - Southern Nevada
- 10 • Figure PF-4 - Average Market Implied Heat Rate Forecast - Northern Nevada
- 11 • Figure PF-5 - Average Annual Price Forecast - Mead
- 12 • Figure PF-6 - Average Annual Price Forecast - Northern Nevada
- 13 • Figure PF-7 - Average Annual Price Forecast - Southern California
- 14 • Figure PF-8 - Base, High and Low Gas Price Forecast - Malin
- 15 • Figure PF-9 - Base, High and Low Gas Price Forecast - Mead
- 16 • Figure PF-10 - Base, High, Low Power Price Forecast - Northern Nevada
- 17 • Figure PF-11 - WoodMac Long-term Outlook Reserve Margins for Desert
18 Southwest, Northwest Power Pool, and Mead
- 19 • Figure PF-12 - Projected Coal Prices

20 In addition, in the 2018 Joint IRP, Technical Appendix item FPP-1 provides additional
21 confidential fuel price information.

22 In the 2018 ESP narrative, Figure ESP-33 sets forth the coal price forecast and
23 Technical Appendix FPP-1 contains confidential fuel price information.

24 Fuel and purchased price forecasts qualify for confidential treatment under NRS §
25 703.190. They derive independent economic value from not being generally known and
26 disclose the Companies' views and expectations of the relevant markets. This information is
27 not known outside the Companies and its distribution is limited within the Companies.
28

1 Releasing this highly sensitive information would disadvantage the Companies by limiting
2 their ability to foster competition among prospective suppliers, compromising the
3 Companies' negotiating position and reducing its bargaining leverage. Publication of this
4 information would unfairly advantage competing coal buyers and impair the Companies'
5 ability to achieve the most favorable pricing and terms and conditions from suppliers on
6 behalf of its customers.

7 **Gas Premiums.** Portions of the Companies' Physical Gas Procurement plan in the
8 2018 ESP contain the premiums that the Companies may be willing to pay for physical gas
9 supplies. Similarly, portions of Technical Appendix item GAS-3 Gas Hedging Workshops
10 contain the same premiums for physical gas supplies. This confidential information is
11 commercially sensitive and/or trade secret information that derives independent economic
12 value from not being generally known. Disclosure of this confidential information to any third
13 party would adversely affect The Companies' ability to obtain favorable terms from its gas
14 suppliers.

15 **Operational Data.** A comprehensive IRP analysis necessarily relies on confidential
16 information regarding the performance characteristics of the Companies' generating fleet. In
17 the 2018 Joint IRP, the following Technical Appendix items are provided in redacted form in
18 the public version of the filing.

- 19 • GEN-1 - Unit Characteristics Table
- 20 • GEN-2 - New Generation Unit Performance Data
- 21 • GEN-3 - 2017 Plant Emission Rates
- 22 • ECON-3 - Average Generation Costs
- 23 • ECON-5 - Hourly Marginal Costs
- 24 • ECON-7 - Capital Projects

25 Similar information is included in POWER-1 and ECON-1 in the 2018 ESP.

26 Generation unit characteristics and similar operational data qualify for confidential
27 treatment under NRS § 703.190. The information in these Technical Appendices derive
28

1 independent economic value from not being generally known. This information discloses the
2 Companies' views and expectations of the relevant markets and its future procurement
3 opportunities. This information is not known outside the Companies and its distribution is
4 limited within the Companies. Releasing this highly sensitive information would
5 disadvantage the Companies by limiting their ability to foster competition among prospective
6 energy suppliers and buyers; compromising the Companies negotiating positions and
7 reducing their bargaining leverage. Publication of this information would unfairly advantage
8 competing market participants and impair the Companies' ability to achieve the most
9 favorable pricing and terms and conditions from suppliers on behalf of its customers.

10 **Transmission Infrastructure.** In the 2018 Joint IRP, the Companies have prepared
11 a comprehensive transmission plan to address system requirements to address Sierra's load
12 growth. Technical Appendix TRAN-1 contains customer specific load information that is
13 included in the study and qualifies as for confidential treatment under NRS § 703.190.

14 **Forecasted Financial Data.** A comprehensive IRP analysis necessarily relies on
15 confidential information regarding the impact of the Preferred Plan on the Companies'
16 financial performance. That information is discussed in the narrative of the Financial Plan.
17 The following figures in the Financial Plan narrative are confidential and have been redacted
18 in the public version of the filing.

- 19 • Figure FP-3 - Nevada Power Summary of External Debt Financing
- 20 • Figure FP-4 - Sierra Summary of External Debt Financing
- 21 • Figure FP-11 - Nevada Power Funds from Operations to Total Debt
- 22 • Figure FP-12 - Nevada Power EBITDA Interest Coverage
- 23 • Figure FP-13 - Nevada Power Total Debt to Total Capital
- 24 • Figure FP-14 - Nevada Power Cash from Operations to CAPEX
- 25 • Figure FP-15 - Sierra Funds from Operations to Total Debt
- 26 • Figure FP-16 - Sierra EBITDA Interest Coverage
- 27 • Figure FP-17 - Sierra Total Debt to Total Capital

- Figure FP-18 - Sierra Cash from Operations to CAPEX

The financial analysis accompanying the 2018 Joint IRP qualifies for confidential treatment under NRS § 703.190. It derives independent economic value from not being generally known and discloses the Companies' views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies. Moreover, the financial analysis contains non-public financial data.

Renewable Projects. A comprehensive IRP analysis necessarily relies on confidential information regarding renewable projects and pricing. That information is discussed in the following Technical Appendix items:

- REN-3 - 2018 IRP Generic Placeholder Pricing
- REN-6-DFS(a) - Long-Term Renewable PPA for Dodge Flat Solar, LLC;⁵
- REN-6-FSR(a) - Long-Term Renewable PPA for Fish Springs Ranch Solar, LLC;
- REN-7 - RFP Initial Short List Scoring Report
- REN-8 - Final Due Diligence and Selection Reports
- REN-9 - 2018 Renewable RFP Report of the IE or Independent Evaluator

REN-3 contains the Companies' internal views, expectations and analysis of the renewable energy market and costs. Confidential Technical Appendix Items REN-7 and REN-8 contains the initial short list of bidders, along with the pricing and scoring results for each of the bids submitted under the 2018 Renewable RFP. Exhibits 21 in the PPAs for the Dodge Flat and Fish Springs projects (REN-6-DFS(a) REN-6-FSR(a)) set forth the site plans for these two projects, which the developer has requested remain confidential in order to protect its own commercially confidential and trade secret information. REN-8 contains the due diligence reports from subject matter experts. All of these appendices are confidential because they derive independent value to the Companies and would hinder the Companies abilities from negotiating the best economic terms for its customers if the information was publically disclosed.

⁵ Only Exhibit 21 to the two NextEra PPAs, REN-6-DFS(a) and REN-6-FSR(a) are confidential.

1 Pursuant to NAC § 703.5274(1), one unredacted copy of the confidential information
2 will be filed with the Commission’s Secretary in a separate envelope stamped “confidential.”
3 Redacted versions of confidential information will be submitted for processing and posting
4 onto the Commission’s public website.

5 Pursuant to NAC § 703.5274(2), the Companies hereby request that the above-
6 described information not be disclosed to the public. The Companies request that this
7 information remain confidential for a period of five years.

8 Confidential treatment of the above-described information will not impair the ability
9 the Staff or the BCP to fully investigate the Companies’ proposals. Pursuant to NAC §
10 703.527 and § 703.5274, Staff and BCP have already have executed a protective agreement
11 for this case and will be immediately provided unredacted copies of the filing.

12
13 **VI.**
REQUEST FOR DEVIATION FROM REGULATION

14 NAC § 704.0097 provides that the Commission may allow deviation from any
15 provision of NAC Section 704 if:

- 16 (1) Good cause for the deviation appears;
17 (2) The person requesting the deviation provides a specific reference to each provision
18 of the chapter from which the deviation is requested; and
19 (3) The Commission finds that the deviation is in the public interest and is not contrary
20 to statute.

21 NAC § 704.9492 requires that in its triennial IRP filing, the utility must propose a
22 methodology and calculate and file its long-term avoided costs (“LTAC”) and preliminary
23 LTAC rates that reflect the utility’s Preferred Plan. These calculations are set forth in Section
24 3.I in the Supply Side Plan narrative, and form the basis of a preliminary administratively
25 determined LTAC and LTAC rates.

26 Under NAC § 704.9496, the Commission must specifically address in its IRP order
27 the utility’s proposed estimated rates for LTAC, including the methodology and limits to be
28

