

2019 JUN 24 PM 1:01

Agenda 12-169; Item No. 2D Draft Order for discussion at agenda

**THIS ORDER IS NOT A FINAL ORDER AND MAY BE SUBSTANTIALLY REVISED
PRIOR TO ENTRY OF A FINAL ORDER BY THE PUBLIC UTILITIES COMMISSION
OF NEVADA**

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint Application of Nevada Power Company d/b/a)
NV Energy and Sierra Pacific Power Company d/b/a)
NV Energy for approval of annual plans for the Solar)
Energy Systems Incentive Program, the Wind Energy)
Systems Demonstration Program, the Waterpower)
Energy Systems Demonstration Program, the Energy)
Storage and Low Income components of the Solar)
Program, and the Electric Vehicle Infrastructure)
Demonstration Program for Program Year 2019-)
2020.)

Docket No. 19-02001

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on June 26, 2019.

PRESENT: Chairwoman Ann Pongracz
Commissioner C.J. Manthe
Commissioner Hayley Williamson
Assistant Commission Secretary Trisha Osborne

[PROPOSED] ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

On February 1, 2019, Nevada Power Company d/b/a NV Energy and Sierra Pacific
Power Company d/b/a NV Energy (together, “NV Energy”) filed with the Commission a Joint
Application, designated as Docket No. 19-02001, for approval of annual plans for the Solar
Energy Systems Incentive Program (“Solar Program”), the Wind Energy Systems Demonstration
Program (“Wind Program”), the Waterpower Energy Systems Demonstration Program
 (“Waterpower Program”), the Energy Storage and Low-Income components of the Solar
Program, and the Electric Vehicle Infrastructure Demonstration (“EVID”) Program for Program
Year 2019-2020.

II. SUMMARY

The Commission grants the Joint Application as modified by this Order.

III. PROCEDURAL HISTORY

- On February 1, 2019, NV Energy filed the Joint Application. NV Energy filed the Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 701B, 703, and 704, including, but not limited to, NRS 701B.005, 701B.230, 701B.610, 701B.670, and 701B.850.
- On February 13, 2019, the Commission issued a Notice of Joint Application and a Notice of Prehearing Conference.
- The Regulatory Operations Staff of the Commission (“Staff”) participates as a matter of right pursuant to NRS 703.301.
- On February 22, 2019, the Bureau of Consumer Protection (“BCP”) filed a Notice of Intent to Intervene pursuant to NRS Chapter 228.
- On March 5, 2019, the Commission issued another Notice of Prehearing Conference, rescheduling the prehearing conference in this Docket.
- On March 6, 2019, ChargePoint, Inc. (“ChargePoint”); Nevadans for Clean Affordable Reliable Energy (“NCARE”); and Tesla, Inc. (“Tesla”) filed Petitions for Leave to Intervene (“PLTI”).
- On March 20, 2019, the Presiding Officer held a prehearing conference. BCP, ChargePoint, NCARE, NV Energy, Staff, and Tesla all made appearances. The participants discussed ChargePoint’s, NCARE’s, and Tesla’s PLTIs and a procedural schedule.
- On March 22, 2019, the Commission issued an order granting ChargePoint’s, NCARE’s, and Tesla’s PLTIs and a Procedural Order establishing a procedural schedule for this Docket.
- On March 27, 2019, the Governor’s Office of Energy (“GOE”) filed a PLTI.
- On March 28, 2019, the Commission issued Procedural Order No. 2 shortening the response times to the GOE’s PLTI.
- On March 29, 2019, NV Energy and Staff filed responses to the GOE’s PLTI stating that they had no objection to the GOE’s PLTI, and the Commission issued an order granting the GOE’s PLTI.
- On April 9, 2019, the Commission issued Procedural Order No. 3 canceling the April 10, 2019, continued prehearing conference.

- On April 22, 2019, the Commission issued a Notice of Hearing.
- On April 29, 2019, BCP, ChargePoint, the GOE, NCARE, Staff, and Tesla each filed Prepared Direct Testimony.
- On April 30, 2019, Tesla filed Corrected Prepared Direct Testimony.
- On May 1, 2019, the GOE filed a Motion Requesting Reallocation of Clean Energy Program Funds and Electric Vehicle Infrastructure Development Funds and Order Shortening Time, and the Commission issued Procedural Order No. 4 shortening the response times to the GOE's motion.¹
- On May 6, 2019, NCARE, NV Energy, and Staff filed responses to the GOE's motion and BCP filed a Joinder to the GOE's motion.
- On May 8, 2019, the GOE filed a letter to withdraw its motion.
- On May 10, 2019, NV Energy filed Prepared Rebuttal Testimony.
- On May 15, 2019, the GOE filed a letter requesting redaction of confidential information.
- On May 17, 2019, Chispa Nevada et. al. filed Comments and the GOE filed a Notice of Appearance of Craig Burkett.
- On May 20, 2019, the Presiding Officer held a hearing. BCP, ChargePoint, the GOE, NCARE, NV Energy, Staff, and Tesla all made appearances. At the conclusion of the hearing, the Presiding Officer admitted Exhibits 1 through 14 into the record.

¹ Jennifer Taylor, on behalf of the GOE, filed the motion seeking a re-allocation of funds. In doing so, Ms. Taylor disclosed confidential settlement negotiations in violation of NRS 48.105. While Ms. Taylor did ultimately withdraw the motion, Ms. Taylor stated that she did not agree that NRS 48.105 applied to administrative proceedings. However, the Commission disagrees. First, the Commission finds that NRS 233B.123 allows the introduction of relevant evidence in contested cases before an administrative agency so long as admission of the evidence is not precluded by statute and the agency "give[s] effect to the rules of privilege recognized by law." In this case, NRS 48.105 specifically precludes admission of the type of evidence that Ms. Taylor tried to admit, namely information regarding confidential settlement negotiations. Second, the Commission finds that, while no Nevada court case explicitly extends the applicability of NRS 48.105 to administrative proceedings, the Nevada Supreme Court did imply the applicability of NRS 48.105 in the context of administrative proceedings in *Laman v. Nevada Real Estate Advisory Commission* 589 P.2d 166 (Nev. 1979). In that case, the court found that the Real Estate Commission properly admitted evidence despite the appellant's NRS 48.105 objection, not because NRS 48.105 does not apply to administrative proceedings, but because the evidence was used for a different purpose than those disallowed by NRS 48.105. *Laman*, 589 P.2d at 171. Therefore, absent a ruling to the contrary, the Commission continues to find that NRS 48.105 applies to administrative proceedings. Accordingly, the Commission finds that Ms. Taylor did violate NRS 48.105 when she presented the contents of confidential settlement negotiations in her Motion. However, given that the Motion was ultimately withdrawn, the Commission declines to sanction Ms. Taylor pursuant to NAC 703.525.

IV. Joint Application

NV Energy's Position

1. NV Energy states that it “strive[s] to achieve the legislative goals of reaching 250 installed megawatts [(‘MW’)] within the maximum allocated \$295,270,000 incentive cap, of which a budget of \$15,000,000 was set aside for the [EVID] Program.” (Ex. 3 at 3.)

2. NV Energy states that the current application rate is 1,240 per month and that, based on this rate, it is forecasting that it will reach the \$280,270,000 authorized limit for the Solar Program, Wind Program, and Waterpower Program around June 2019. (*Id.*) However, NV Energy states that it will cease accepting applications for the programs once all of the incentive funds allocated for the program year have been authorized for payment. (*Id.*)

3. NV Energy states that, due to the ongoing legislative session and the uncertainty of funding, it designed the Solar Program using two different scenarios. (*Id.* at 4). Scenario one assumes that the incentive cap is held at \$295,270,000 and that all incentive funds, minus the EVID set-aside, are exhausted around June 2019. (*Id.*) In this case, NV Energy states that all new applications will be reviewed as non-incentive interconnections and only the program administration costs will be required to wind down the program. (*Id.*) Scenario two assumes that the low-income component of the Solar Program (the “Low-Income Solar Energy Program” or “LISEP”) and the energy storage component of the Solar Program will continue with additional incentive funding limits and that all other components of the Solar Program will stop accepting applications in the same manner as in scenario one. (*Id.*)

4. With respect to its budgets, NV Energy states that: (1) under scenario one, NV Energy is requesting approval of a total administrative budget, which includes utility administration, of \$3,428,200 for the program period 2019-2020 to wind down all portions of the

NRS 701B programs with the exception of the EVID Program; and (2) under scenario two, NV Energy is requesting approval of a total administrative budget, which includes utility administration, of \$3,816,000 for program period 2019-2020 to allow for the winding down of the Wind Program, the Waterpower Program, and the Solar Program, except for the LISEP and energy storage incentives, while continuing to support the EVID Program. (*Id.* at 6-7.)²

5. NV Energy states that it is not asking that the expenditures for the 2019-2020 program period be found prudent in advance of the delivery of the programs and that the actual expenditures for the programs will be subject to a prudence review in a future proceeding when NV Energy seeks to collect those expenditures through rates. (*Id.* at 7.)

6. NV Energy states that if the total incentive budget is not increased, and the authorized limit is reached around June 2019 as forecasted, then any applications received above the incentive budget will be under a conditional reservation for all qualified applications until the end of the plan year. (*Id.* at 7-8.) NV Energy states that these conditional reservations will remain active until all incentive funds allocated for the program year have been authorized for payment and that the conditional reservations will be issued an incentive reservation in priority order, based on application submission time, when funds become available through the withdrawal, cancellation, or forfeiture of an application with a reservation. (*Id.* at 8.)

7. NV Energy proposes to allocate the administrative costs for the 2019-2020 program year as follows: (1) the Solar Program, with the exception of the LISEP and large energy storage components, will be allocated based on 2018 application volumes resulting in a split of 94 percent to NPC and 6 percent to SPPC; (2) NPC and SPPC will split the costs equally for the LISEP, Wind Program, large energy storage, and EVID Program; and (3) consistent with

² NV Energy's program-by-program administrative budgets are contained in the respective program sections within the Application.

the practice for the last several years, the Waterpower Program budget will only be allocated to SPPC. (*Id.* at 11-12.)

Solar Program

a. Solar Incentives

8. For the general solar incentives component of the Solar Program, NV Energy is requesting a scenario-one administrative budget of \$1,560,000 and a scenario-two budget of \$1,576,400. (Ex. 1 at 134). NV Energy states that under both scenarios, once the incentive cap is reached, it will take applications on a conditional reservation basis and award incentives in case any funding is made available through cancellations or withdrawals. (*Id.*) Further, NV Energy states that in both scenarios, the administrative budgets will be used to wind the programs down.

b. LISEP

9. NV Energy explains the various stages of the LISEP program. (Ex. 1 at 49-50). NV Energy states that the LISEP program was established by Assembly Bill 428 of the 77th Session of the Nevada Legislature, which created the Lower Income Solar Energy Pilot Program. (*Id.* at 49). NV Energy states that in the first phase of the program, LISEP I, eight Title 1 schools were selected for the installation of Solar systems, and in LISEP II, additional low-income sites were selected for the installation of solar systems with all LISEP II projects being completed by April 2017. (*Id.*) NV Energy states that LISEP III, which ran from November 1, 2017 through June 30, 2018, dropped the term pilot, reduced the incentive to 50 percent of total project cost, and developed partnerships with the Nevada Housing Division and the GOE for the identification of potential projects and additional funding mechanisms. (*Id.* at 49-50).

10. NV Energy states that for LISEP IV a number of changes were made to LISEP III including: (1) maximum incentive funding was changed to \$500,000; (2) the Low income

Housing Tax Credit (“LIHTC”) and Other Entity (“OE”) categories were created; (3) the conditional reservation process was adopted; (4) the maximum incentive level per applicant was restricted by the lesser of \$2.00 per production watt or 50 percent of total installed cost for all blocks; (5) the GOE’s incentive was increased to \$0.50 per installed watt for OE and remained at \$0.20 for LIHTC; and (6) a one-time 12-month extension to the incentive reservation deadline was made available to qualified applicants. (*Id.* at 50). NV Energy states that LISEP IV opened up for applications on July 2, 2018. (*Id.* at 51).

11. In this Docket, NV Energy states that if no additional funding is made available, then the program will stop taking applications when the incentive cap is met, and all reservations would be administered and fulfilled with the corresponding LISEP phase. (Ex. 3 at 11). However, NV Energy states that if additional funding is made available, then the program will be administered as LISEP V, and under the same conditions as LISEP IV, with the following recommended improvements: (1) increasing the award of unreserved funds from four months to six months after the program opening date; and (2) the award of unreserved funds would first be awarded to conditional reservations in the same block that the funds were allocated to and to all blocks thereafter. (Ex. 3 at 11; Ex. 1 at 109.)

12. NV Energy proposes that the LISEP V incentives continue to be based on the capacity of the installed solar photovoltaic (“PV”) systems and that the same expected performance-based buydown (“EPBB”) rate offered for LISEP IV be offered for LISEP V at \$2.00 per watt with a maximum incentive of the lesser of the EPBB calculation or 50 percent of the solar PV system’s actual installation cost. (Ex. 3 at 8.)

13. For the administrative budgets, NV Energy is requesting \$139,000 to wind the program down if scenario one occurs and \$374,000 if additional funding is available to LISEP under scenario two. (Ex. 1 at 148-49.)

c. Energy Storage Incentives

14. NV Energy proposes that if scenario two occurs, the non-residential small energy storage incentive be raised to \$0.35 per watt-hour for systems not eligible for the investment tax credit (“ITC”) and \$0.25 per watt-hour for ITC-eligible systems (Ex. 1 at 56-57.) Additionally, NV Energy proposes a cap for ITC- and non-ITC-eligible projects of 50 percent of equipment costs, up to \$3,000. (*Id.*) Similarly, NV Energy proposes to adjust the non-residential large energy storage incentives as follows: (1) for non-critical infrastructure, NV Energy proposes an increase to \$0.40 per watt-hour for non-ITC-eligible projects and maintaining the \$0.30-per-watt-hour for ITC-eligible projects; and (2) for critical infrastructure, NV Energy proposes an increase to \$0.50 per watt-hour for non-ITC-eligible critical infrastructure and maintaining the \$0.40-per-watt-hour for ITC-eligible critical infrastructure. (Ex. 3 at 4-5.)

15. NV Energy states that, for non-residential small energy storage systems, it is proposing an ITC-based incentive over a time-of-use (“TOU”) incentive because the ITC-based incentive will better-accelerate market adoption of advanced energy storage technologies in Nevada, as an optional TOU rate would require longer duration battery ratings, which increases the equipment cost and investment payback period. (*Id.* at 9.) NV Energy states that the ITC benefits can improve the customer’s return on investment and reduce the payback period. (*Id.* at 10.) However, because the benefits are only available to for-profit organization that file Federal tax returns or elect for third-party storage system funding and ownership, the revised incentive structure proposes to increase incentive levels for organizations not eligible for ITC benefits,

thus improving the technology adoption curves and the economic viability of energy storage systems for all organizations. (*Id.*)

16. NV Energy states that it determined the proposed incentive levels for non-residential small and large energy storage systems by conducting an in-depth cash flow and financial performance analysis for various energy storage system capacities and used actual 15-minute smart meter data profiles from non-residential accounts to develop energy storage models simulating battery charging/discharging cycles for multiple energy storage system capacities. (*Id.*) NV Energy states that it was then able to estimate bill impacts for customer accounts and perform an incentive level sensitivity analysis to identify levels that could result in a lower payback period while maintaining an acceptable percentage capital offset from the incentives. (*Id.* at 11.)

17. For residential energy storage systems, NV Energy requests an incentive level of the lesser of \$0.22 per watt-hour or 50 percent of equipment costs up to \$3,000 for TOU rates, and \$0.11 per watt-hour or 50 percent of equipment costs up to \$3,000 for non-TOU rates. (Ex. 1 at 181.)

18. For the administrative budget, NV Energy requests a \$362,000 scenario-one administrative budget to wind the program down if no more funding is available, and a \$499,000 administrative budget to continue to administer the program if funding is available. (*Id.* at 181-82.)

EVID Program

19. With respect to the EVID Program, NV Energy proposes: (1) raising the incentive for non-residential direct current fast chargers (“DCFC”) to \$400 per kilowatt (“kW”) installed, up to a maximum of \$40,000 per charging system; (2) keeping the incentive for non-

residential Level 2 chargers as the lesser of \$3,000 per charging connector or 75 percent of project cost; (3) making non-residential incentives available for installations that support public charging while continuing to support the multi-family (“MUD”), fleet electrification, and workplace charging incentives; (4) adding a residential component that would grant an incentive for the installation of Level 2 chargers at single-family residential homes, set at the lesser of \$500 or 75 percent of the project costs; (5) continuing the custom grants with up to \$1,500,000 in grant funding available by application through July 1, 2020; (6) a maximum incentive amount of up to \$500,000 per site for construction of up to 15 sites³ as defined by the GOE for the Nevada Electric Highway (“NEH”)⁴; and (7) continuing to offer technical advisory services with a budget of \$200,000. (Ex. 3 at 5; Ex. 1 at 198-200.)

20. NV Energy states that the purpose of the public charging component of the EVID Program is to increase installation of charging stations at businesses, non-profits, and other public enterprises. (Ex. 3 at 12.) NV Energy states that the proposed residential incentives for the installation of Level 2 chargers at single-family dwellings will decrease the “perceived barrier to adoption of electricity as a transportation fuel for residents and encourage more Nevadans to install charging infrastructure in single family homes.” (*Id.* at 13.)

21. NV Energy states that it will track the EVID program’s reservations separately from the other programs and coordinate the reservations against the \$15,000,000 incentive set-aside. (*Id.*)

22. NV Energy justifies its proposed incentives for EVID as follows: (1) for non-residential Level 2 chargers, NV Energy will maintain the incentive at the lesser of \$3,000 per

³ Although 15 sites have been identified, NV Energy proposes incentive funding to be used toward construction of approximately 10 of the 15 NEH Phase II sites. (Ex. 1 at 226.)

⁴ NV Energy notes that the GOE has allocated \$957,500 toward the NEH and will fund 25 percent of each project’s actual costs until the GOE cap is met. (Ex. 1 at 199.)

charging connector or 75 percent of project costs, as these amounts support a significant portion of the material cost for the charging unit and therefore do not hinder their adoption; (2) for DCFC, NV Energy is proposing changing to a variable incentive of \$400 per installed kW, with a maximum of \$40,000 per charging system, because NV Energy finds the current incentive level insufficient to drive DCFC adoption and the change will increase adoption of DCFC given the significant cost required for installation; and (3) for the NEH, NV Energy is proposing to increase the incentive amount to cover up to \$500,000 per location to help fund the high costs of performing the necessary work to install infrastructure in rural and remote areas of Nevada. (*Id.* at 14-15.)

23. In addition to the \$500,000 incentive, NV Energy states that it will continue to support the NEH by issuing a request for proposals “for vendors to bid on a selection of sites to find either host owners, or self-own, and construct at a minimum two charging stations with at least one being a [DCFC] at locations along the major interstates and highway corridors...” (*Id.* at 15.)

24. For the custom grants, NV Energy states that it chooses participants after assessing various aspects of the application utilizing a scoring matrix. (*Id.* at 16.) NV Energy states that the technical assessment includes identifying how the project fits with categories such as project feasibility, community benefits, and financing. (*Id.*) NV Energy states that if a project meets a minimum assessment score, it will be granted a reservation notice with an amount that is determined by NV Energy at NV Energy’s discretion. (*Id.*)

25. NV Energy states that the primary goal of the technical advisory services is to help customers better understand, select, implement, and optimize electric charging infrastructure, and it will provide recommendations on what is best for the customer to achieve

its objectives and adopt cost-effective technologies without regard to any particular vendor. (*Id.* at 16-17.)

26. With respect to the EVID Program's administrative budget, NV Energy requests the approval of \$1,340,200 to cover all of the program administration, program marketing, education, training, application hosting, and utility administration necessary to administer the EV incentives. (Ex. 1 at 54.)

ChargePoint's Position

27. ChargePoint states that it supports the EVID Program proposal, more specifically the MUD, workplace charging, fleet charging, public charging, single-family charging, and custom grant components, because: (1) it will accelerate the electrification of transportation in NV Energy's service territory by promoting customer choice, competition, and innovation; (2) it will support the development of a self-sustaining market for electric vehicle supply equipment ("EVSE"); and (3) it reflects an appropriate role for the utility to play in transportation electrification. (Ex. 6 at 4.)

28. ChargePoint states that these programs will accelerate transportation electrification by reducing the upfront cost of installing charging stations, thus encouraging potential site hosts to adopt them, and because visible charging stations will encourage drivers who are considering purchasing an electric vehicle to do so, as drivers will know that they have a place to charge their car other than home. (*Id.* at 5.)

29. ChargePoint states that the EVID programs encourage customer choice by allowing each site-host to choose the EVSE that meets its needs, so long as the EVSE meets NV Energy's eligibility criteria⁵, and by allowing each site-host flexibility in choosing its pricing

⁵ The criteria include that the EVSE be UL listed, capable of network communications and collecting charging data, and capable of charging more than one vehicle make. (Ex. 6 at 6.) ChargePoint supports these criteria. (*Id.*)

structure, thus allowing the various site-hosts to customize the way they offer electric vehicle charging stations to cater to their customers and needs, which maximizes the utilization of the EVSE that is deployed and can help NV Energy spend the limited rebate funds in the most effective manner possible. (*Id.* at 5-7.)

30. ChargePoint states that the EVID Program promotes competition and innovation because site-hosts' ability to choose EVSE and the network services that meet their needs means that EVSE vendors will work with prospective site-hosts to understand their needs and compete to sell the EVSE at the best value; whereas, when a utility proposes to procure all of the EVSE that is deployed in a transportation electrification program, there is only one opportunity for competition and little or no incentive for vendors to innovate as the utility will procure a one-size-fits-all solution. (*Id.* at 7-8.)

31. ChargePoint states that the EVID Program supports a self-sustaining market because it uses site-host rebates that allow the EVSE market to continue to sustain itself without subsidies after the program has ended and because rebate programs better set site-hosts' expectations for how the EVSE market will operate in the future. (*Id.* at 8.) ChargePoint also states that technical advisory services will help prospective site-hosts understand and get comfortable with the new technology. (*Id.*)

32. ChargePoint states that NV Energy's proposal to cap amounts for each of its programs based on a percentage of the total cost of installing the EVSE, so that site-hosts also have to invest some money in installation, and the proposal to require site-hosts to pay for the electricity used by the EVSE while being able to control pricing for charging to drivers, is beneficial because requiring site hosts to also invest in EVSE and allowing them to control the pricing means they are motivated to maximize its utilization by: (1) selecting the optimal number

of charging points; (2) siting it in a convenient and visible location; (3) providing signage directing drivers to the EVSE; (4) generally trying to increase the utilization; and (5) experimenting with pricing structures to find one that maximizes the EVSE's value. (*Id.* at 9.)

33. ChargePoint states that the EVID Program reflects an appropriate role for NV Energy to play because the rebates, which only NV Energy can offer, allow different entities to own EVSE and provide charging services, and because NV Energy is well-positioned to offer technical advice to site-hosts and potential site-hosts. (*Id.* at 10.)

34. In addition to the arguments detailed above, ChargePoint states that it supports the Residential Program because facilitating faster home charging with a Level 2 charging station is an effective means of encouraging electric vehicle adoption. (*Id.* at 11.) ChargePoint states that faster home chargers will: (1) allow customers to charge their vehicles overnight, something that may no longer be possible with the charging cord that comes with most vehicles; (2) give customers added convenience; and (3) given the rebate for the charger, combined with the fact that most electric vehicle owners have low or zero upfront payments, provide an added incentive to purchase an electric vehicle. (*Id.* at 11-12). Additionally, ChargePoint states that a smart and networked residential Level 2 charging station can provide significant benefits to NV Energy and its ratepayers by allowing NV Energy to include these chargers in managed charging programs and/or demand response programs, something that a basic Level 1 cord cannot do. (*Id.* at 12.)

35. ChargePoint states that it supports the public charging component of the EVID Program because visible public charging stations help reduce range anxiety and encourage electric vehicle purchases. (*Id.*) Further, ChargePoint states that it is necessary to supplement the residential component because not all drivers live in single-family homes or are able to install chargers. (*Id.*)

The GOE's Position

36. The GOE recommends that the Commission direct NV Energy to set aside \$5,000,000, as directed by NRS 701B.005(3), for the sole use by the LISEP at a rate of no more than \$1,000,000 per year through December 2023. (Ex. 7 at 2.) The GOE states that the \$5,000,000 should be reallocated as follows: (1) NV Energy should be directed to reserve \$2,500,000, or as much money as is left at the time that the Commission issues its order, from the overall NRS 701B program funding limit for the installation of solar energy systems and distributed generation systems as specifically authorized under NRS 701B.005(3); and (2) the Commission should deviate from the regulations approved in Docket No. 17-08021 and reallocate between \$2,500,000 and \$5,000,000, depending on how much money is still available, from the EVID Program to the LISEP. (*Id.* at 2-3.)

37. The GOE states that the LISEP is a joint effort between NV Energy and the GOE that offers incentives for solar PV systems that serve low-income populations. (*Id.* at 3.) The GOE states that beneficiaries of the LISEP include more than 1,000 low-income households, numerous non-profits, and a number of Title One public schools; and that the savings from the LISEP allows critical social service entities to save on operational funds that can be put back into programs and provide savings to Nevada residents. (*Id.*)

38. The GOE states that it has helped partially fund the LISEP by providing \$350,000 for LISEP II, \$200,000 for LISEP III through June 30, 2018, and \$200,000 for LISEP IV through June 30, 2019. (*Id.* at 3-4.)

39. The GOE notes that the \$15,000,000 EVID set-aside was established through a rulemaking and that there was no statutory directive to set aside those funds, unlike the statutory directive to fund the LISEP. (*Id.*)

40. The GOE states that it proposes taking funds from the EVID Program because it is the only source of funding available to meet the statutory directive to fund the LISEP and the EVID set-aside was a discretionary measure, rather than a statutory directive. (*Id.*) The GOE states that its proposal is not intended to affect the currently-proposed set-aside of \$937,500 to assist the GOE in building the NEH. (*Id.*)

NCARE's Position

41. NCARE recommends that the Commission: (1) approve the residential charging component of the EVID Program as proposed; (2) expand the budget for the non-residential charging component, and dedicate a greater percentage of program resources to the MUD charging incentives; (3) establish carve-outs by use-case in order to distribute non-residential charging incentives more strategically; (4) remove the Program requirement that MUD chargers be "accessible for all residents"; (5) increase the minimum DCFC output from 25 kW to 50 kW; (6) reallocate a portion of the anticipated budget surplus from the NEH to non-residential customers; and (7) proactively pursue partnerships with school districts to electrify school buses in the through custom grants. (Ex. 10 at 3-4.)

42. NCARE states that it supports the residential component of the EVID Program because it is a necessary part of electric vehicle ownership and because off-peak overnight residential charging improves the utilization of the electric grid and puts downward pressure on electric rates and utility bills. (*Id.* at 4.) NCARE goes on to note that the Level 2 chargers will allow customers to take advantage of TOU rates, something that Level 1 chargers cannot do as drivers have to start charging too early. (*Id.* at 4-5.) NCARE also states that studies have found that lack of customer awareness and understanding of electric vehicles is a large barrier to adoption, and that this Program facilitates promotion of the benefits of EVs to customers who

live in single-family homes. (*Id.* at 5-6.) Further, NCARE states that the Program will reduce the upfront cost of switching to a new transportation fuel. (*Id.* at 6.)

43. NCARE advocates reforming the proposed MUD component of the EVID Program. (*Id.* at 6-8.) NCARE notes that just 30 charging connectors will be installed at MUDs, which represents less than three percent of all new residential chargers funded through the EVID Program, whereas 33 percent of all of NV Energy's customers live in MUDs. (*Id.* at 6-7.) NCARE states that prospective EV owners who live in MUDs face a number of challenges to access vehicle charging, including: (1) lack of dedicated parking; (2) cost of installing chargers at a further distance from the building; and (3) investments in infrastructure not being recoverable during tenancy. (*Id.* at 7.) Therefore, NCARE recommends that the non-residential allocations be revised to better serve the MUD market, including by reallocating a portion of the \$4.5 million allocated to the NEH to fund additional MUD charging stations, as the current NEH set-aside of \$500,000 per site is more than twice the \$206,866 average actual total cost for these sites. (*Id.* at 8.)

44. NCARE states that NV Energy's proposed non-residential component of the EVID Program, which awarded 80 percent of the charging connector incentives to workplace chargers with the remainder split between MUD and fleet applications, aligns with the existing electric vehicle market trends but does not align with Nevada housing market trends, as a more equitable distribution would award 33 percent of all residential chargers to MUD residents. (*Id.* at 8-9.) NCARE proposes that NV Energy establish carve-outs by use-case, consistent with the approach taken in Ohio, Florida, and California, which will accelerate the adoption of electric vehicles among consumers and would see the non-residential budget allocated as follows: 30 percent to MUD, 30 percent to workplace, 20 percent to public, and 20 percent to fleet. (*Id.* at 9.)

Further, NCARE states that more balance is needed between the \$4.5 million allocated to the NEH and allocations to home-charging infrastructure, access to which NCARE states is a critical consideration for a prospective electric vehicle buyer. (*Id.* at 10.)

45. NCARE further states that the MUD requirement that chargers be flexible to enable residents from any units to have access to charging is unnecessarily restrictive, as most MUD owners and developers provide assigned parking spaces, and MUD residents should have the opportunity to reliably access home-charging stations in their home parking spots. (*Id.*)

46. With respect to the incentive levels and requirements for the DCFC stations, NCARE agrees with NV Energy's proposed incentive level increase to \$400 per kW, but recommends that the minimum capacity to qualify be increased to 50 kW in order to match the current state of technology and match any future developments. (*Id.* at 11.) NCARE states that the electric vehicle industry has shifted to a battery-electric vehicle majority, which requires two and a half hours to charge at a 25-kW station and less than 25 minutes at newly-proposed public DCFC charging stations. Further, NCARE states that Electrify America has committed to future-proofing the stations to accommodate future technological upgrades of up to 350 kW per charging station, which would reduce the recharge time to 10 minutes, a dwell time more comparable to a gas pump. (*Id.*) Therefore, NCARE recommends that the Commission direct NV Energy to increase the minimum DCFC capacity requirements to 50 kW and to future-proof site locations where possible. (*Id.*)

47. NCARE recommends that, because the NEH budget set aside is \$500,000 per site, which is well above the \$206,886 average actual cost per site, the NEH budget surplus should be relocated to the non-residential component of the EVID Program. (*Id.* at 12.)

48. With respect to the custom grants, NCARE states that NV Energy should proactively pursue partnerships with school districts to electrify buses as contemplated in Senate Bill (“SB”) 229 and the distribution of Volkswagen settlement funds. (*Id.*)

Tesla’s Position

49. Commenting on the non-residential component of the EVID Program, Tesla states that, while it agrees with the expansion in the types of charging infrastructure projects that can receive incentives to include public charging, specifically with respect to DCFC⁶ charging, and the proposed changes to the DCFC incentive structure to \$400 per kW with a cap of \$40,000 per charger, it does not agree with the restrictions placed on Program eligibility requiring that charging stations be capable of charging more than one vehicle make before receiving incentives, as this excludes Tesla Superchargers from being able to participate in this Program. (Ex. 11 at 2-3.) Therefore, Tesla recommends that the proposal be modified so that all DCFC may participate, or in the alternative, Tesla recommends allowing DCFC to participate unencumbered until a capacity limit is reached in the Program, after which equipment would be subject to a co-location or diversity requirement. (*Id.* at 3.)

50. Tesla states that the exclusion of charging systems that can only charge one vehicle make is problematic because: (1) it excludes Tesla vehicles, thus limiting the efficacy of the Program in supporting the ultimate objective of expanding and accelerating the deployment of electric vehicles as described by SB 145 of the 79th Session of the Nevada Legislature; (2) Tesla vehicles account for over 90 percent of electric vehicles registered in Nevada capable of using DCFCs, 95 percent of newly-registered electric vehicles in Nevada capable of using DCFCs in 2018, and 97 percent of newly-registered electric vehicles in Nevada capable of using

⁶ Tesla’s testimony refers to these as Level 3 chargers. However, for the sake of clarity and consistency, the Commission’s order uses the term DCFC.

