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April 8, 2019

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

Re: **Nevada Power Company, d/b/a NV Energy, and Sierra Pacific Power Company, d/b/a NV Energy; Portfolio Standard Annual Report for Compliance Year 2018**

Dear Ms. Osborne:

Enclosed for filing are Nevada Power Company's ("Nevada Power") and Sierra Pacific Power Company's ("Sierra") (collectively, the "Companies") aforementioned filing.

The documents accompanying this report are:

1. Draft Public Notice of the filing;
2. Portfolio Standard Annual Report for Compliance Year 2018, which has a seven part Appendix that includes the required Attestation Letters in Appendix Section 5.3

This filing complies with the requirements of NAC 704.8877 and NAC 704.8879, which requires providers of electric service to submit to the Commission an annual report regarding compliance with the portfolio standard for the previous compliance year. In particular, NAC 704.8877 and NAC 704.8879 require that the following information be set forth:

NAC 704.8879(2)(a).

The capacity of each renewable energy system owned, operated or controlled by the provider, the total number of kilowatt-hours generated by each such system during the most recently completed compliance year and the percentage of that total amount which was generated directly from renewable energy.

Tables 3-3 (Nevada Power) and 4-4 (Sierra) details the capacity of each of the Companies' renewable energy systems for 2018. These tables are found at Sections 3.6 and 4.8 respectively.

NAC 704.8879(2)(b).

Whether the provider began construction on, acquired or placed into operation any renewable energy system.

Nevada Power did not started construction on or place into service any new Company owned renewable systems in 2018. Sierra also did not start construction on nor did it place into service any new Company owned renewable systems in 2017. New Company owned renewable systems are discussed in Sections 3.7 and 4-9 of the report.

NAC 704.8877(1)(a) and NAC 704.8879(2)(c).

The total number of kilowatt-hours sold by the provider to its retail customers in this State during the most recently completed compliance year.

Actual retail sales for each company for the calendar year 2018 are reported in Section 3.8 (Nevada Power) and 4.10 (Sierra).

NAC 704.8879(2)(d).

The total number of kilowatt-hours that the provider generated or acquired from renewable energy systems during the most recently completed compliance year and, for that total number of kilowatt-hours, subtotals for the number of kilowatt-hours: (1) Generated by the provider from its own renewable energy systems; (2) Acquired by the provider pursuant to preexisting renewable energy contracts; (3) Acquired by the provider pursuant to new renewable energy contracts; (4) Attributable to the provider from solar thermal systems; (5) Fed back to the provider from net metering systems used by customer-generators and (6) Carried forward by the provider from previous compliance years.”

Tables 3-4 (Nevada Power) and 4-5 (Sierra) provide the required information. Table 3-4 is found in Section 3.9 and Table 4-5 is found in Section 4.11.

NAC 704.8879(2)(e).

The total number of kilowatt-hours that the provider: (1). Sold as a result of customer participation in a voluntary option to purchase all or a portion of the customer’s energy from renewable resources; and (2) Sold pursuant to paragraphs (b) and (c) of subsection 2 of NRS 704.7828.

Table 3-5 (Nevada Power) and Table 4-6 (Sierra) provide the required information. Table 3-5 is found in Section 3.10 and Table 4-6 is found in Section 4.12.

NAC 704.8879(2)(f).

The total number of kilowatt-hours that the provider intends to carry forward from the most recently completed compliance year.

Tables 3-6 (Nevada Power) and 4-7 (Sierra) provide the required information. Table 3-6 is found in Section 3.11 and Table 4-7 is found in Section 4.13.

NAC 704.8877(1)(b)-(c) and NAC 704.8879(2)(f)-(g).

The estimated amount of retail sales the provider expects to sell to its retail customers during the current compliance year and the estimated number of kilowatt-hours that the provider must generate or acquire from renewable energy systems to comply with its portfolio standard for the current compliance year.

Estimated 2019 retail sales in kilowatt-hours are reported in Section 3.12 (Nevada Power) and 4.14 (Sierra). The number of PCs each Company will be required to generate or acquire in 2019 is shown in Table 3-7 (Nevada Power) and Table 4-8 (Sierra). Table 3-7 is located in Section 3.13 and Table 4-8 is located in Section 4.15.

NAC 704.8879(2)(h).

The estimated costs for the utility provider to comply with its portfolio standard for the current compliance year 2018. If appropriate, the utility provider must report such estimated costs for each major type of cost, such as general and administrative costs and costs for purchased power.

Tables 3-8 (Nevada Power) and 4-9 (Sierra) detail the required information. Table 3-8 is located in Section 3.14 and Table 4-9 is located in Section 4.16.

NAC 704.8879(3)(a)-(b).

The provider must make an affirmative showing that the provider complied with its portfolio standard and if not in compliance, the annual report must:

- a) Make a detailed explanation for its noncompliance; and**
- b) Provide any information that would support an exemption for the provider from any administrative fine or other administrative action.”**

This explanation is found at Section 3.15 for Nevada Power and is depicted in Table 3-9 in that Section. This information is found in Section 4.17 for Sierra and is depicted in Table 4-10 in that Section.

NAC 704.8879(4)(a)-(b)

If the provider acquired any kilowatt hours from a renewable energy system that is not owned, operated or controlled by the provider, the annual report must include an attestation from the owner or operator of the renewable energy system that the energy represented by those kilowatt-hours

- (a) Has not been and will not be sold or otherwise exchanged for compensation or used for credit in any other state or jurisdiction; and**
- (b) Has not been and will not be included within a blended energy product certified to include a fixed percentage of renewable energy in any other state of jurisdiction.**

The signed attestation letters are located in Appendix Section 5.3.

Trisha Osborne Assistant Commission Secretary
Public Utilities Commission of Nevada
April 8, 2019
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If you have any questions or concerns pertaining this filing, please do not hesitate to contact me directly.

Sincerely,

/s/ Douglas Brooks

Douglas Brooks

Senior Attorney

Nevada Power Company, d/b/a NV Energy

Sierra Pacific Power Company, d/b/a NV Energy

702-402-5697

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DRAFT NOTICE

PUBLIC NOTICE

(Pursuant to NAC 703.162 and NAC 703.5274)

I. Pursuant to NAC 703.160(5)(a), the title of the filing is:

Filing by NEVADA POWER COMPANY, d/b/a NV ENERGY, and SIERRA PACIFIC POWER COMPANY, d/b/a NV ENERGY, for acceptance of their Portfolio Standard Annual Report for Compliance Year 2018.

II. Pursuant to NAC 703.160(5)(b), the name of the applicants are:

NEVADA POWER COMPANY, d/b/a NV ENERGY, and SIERRA PACIFIC POWER COMPANY, d/b/a NV ENERGY.

III. Pursuant to NAC 703.160(5)(c), a brief description of the purpose of the filing is:

This is NEVADA POWER'S and SIERRA PACIFIC'S 2018 Annual Report of the Portfolio Standard for renewable energy filed pursuant to Nevada Revised Statutes ("NRS") Sections 704.7821 to 704.7828, and Nevada Administrative Code ("NAC"), Sections 704.8831 to 8893, including but not limited to NRS 704.7825 and NAC 704.8879. The Portfolio Standard Annual Report provides information to the Commission regarding the actions undertaken by the Companies to comply with the Portfolio Standard for Renewable Energy for Compliance Year 2018.

The Nevada Legislature has enacted into law a renewable energy Portfolio Standard, which mandates that a share of the energy delivered to Nevada retail customers come from renewable energy resources. For calendar year 2018 not less than 20% percent of electricity sold to Nevada retail customers must come from

renewable energy resources, and not less than 6 percent of that amount must be generated or acquired from solar renewable energy systems. Additionally, of the total amount that the utility provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 20 percent of that amount may be based on energy efficiency measures. Of the energy efficiency measures, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers, unless a different percentage is approved by the Commission.

If the Commission determines that for Compliance Year 2018 there was not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to contract with just and reasonable terms and conditions, the Commission shall exempt the Companies from the remaining requirements of their Portfolio Standard.

AND Pursuant to NAC 703.160(5)(c), the effect of the relief upon consumers:

The Portfolio Standard Annual Report is filed pursuant to regulation and does not seek “relief” as that term is used in NAC 703.160(5).

- IV. Pursuant to NAC 703.162(2), a consumer session is not required by NRS 704.069.
- V. This draft notice does not pertain to a tariff filing.

REPORT

NV Energy

Nevada Power Company *d/b/a* NV Energy

Sierra Pacific Power Company *d/b/a* NV Energy

Portfolio Standard Annual Report

Compliance Year 2018

Docket No. 19-040__

April 8, 2019

NV Energy
Portfolio Standard Annual Report, Compliance Year 2018

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Glossary of Terms and Abbreviations

2018 Annual Report	Portfolio Standard Annual Report Compliance Year 2018
AB	Assembly Bill
Commission	Public Utilities Commission of Nevada
DSM	Demand-Side Management (energy efficiency savings)
DOS	Distribution Only Service
GRT	Green Energy Rider Tariff
kPC	One thousand Portfolio Energy Credits
kWh	Kilowatt-hours
MW	Megawatt of AC nameplate capacity, unless noted otherwise
MWh	Megawatt-hours (or one thousand kilowatt-hours)
NAC	Nevada Administrative Code
NGR	NV GreenEnergy Rider
Nevada Power	Nevada Power Company, d/b/a NV Energy
NRS	Nevada Revised Statutes
NVE	NV Energy, Inc.
PC	Portfolio Energy Credit, one kilowatt hour of renewable energy generated or one Kilowatt hour of energy saved through an efficiency program
PPA	Power Purchase Agreement
PUCN	Public Utilities Commission of Nevada
RFP	Request for Proposal
RPS	Renewable Portfolio Standard
SB	Senate Bill
Sierra	Sierra Pacific Power Company, d/b/a NV Energy
WREGIS	Western Renewable Energy Generation Information System

NV Energy
Portfolio Standard Annual Report, Compliance Year 2018

1. Introduction

Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra”) are both wholly owned subsidiaries of NV Energy, Inc., a wholly owned subsidiary of Berkshire Hathaway Energy Company. Nevada Power and Sierra, collectively referred to in this Report at times as the “Utilities” or “NV Energy” serve a combined service territory of approximately 45,592-square miles, all in the state of Nevada, and together they serve approximately 1.27 million electric customers. Nevada Power and Sierra serve approximately 942,000 electric customers in southern Nevada, primarily in the Las Vegas area, and 350,000 electric customers in northern Nevada, as well as 163,000 natural gas customers in the Reno-Sparks area of northern Nevada.

This Portfolio Standard Annual Report for Compliance Year 2018 (“2018 Annual Report”) covering the period from January 1, 2018 through December 31, 2018 is submitted by Nevada Power and Sierra to the Public Utilities Commission of Nevada (“Commission”) pursuant to section 704.7800 et seq. of the Nevada Revised Statutes (“NRS”) and the corresponding provisions of the Nevada Administrative Code (“NAC”) to document their respective compliance with Nevada’s Renewable Portfolio Standard (“RPS”).

Nevada’s history with respect to renewable energy policy dates back to utility restructuring legislation in 1997. It was then that the Nevada Legislature enacted the initial RPS requirement, which mandates that a specific minimum portion of the energy delivered to Nevada retail customers be met by renewable energy resources. Since that time, Nevada has made several revisions to its RPS, both increasing the overall RPS percentage and revising the statutes that determine the eligibility for and calculation of the energy credits. Renewable resources, as defined under the NRS and NAC, include geothermal, solar, wind, small hydro, biomass and recovered energy from waste-heat sources. Nevada’s current RPS, adopted in 2009, required that for calendar year 2018, not less than 20 percent of electricity sold to Nevada retail customers must be met with renewable energy resources and credits, and that not less than 6 percent of that amount must be met with solar resources. Additionally, of the total amount that the utility is required to generate, acquire or save from renewable energy systems or energy efficiency measures during each calendar year, not more than 20 percent of that amount may be met through energy efficiency measures. Of the energy efficiency measures, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers. Energy saved by customers through energy efficiency and conservation measures is referred to as Demand-Side Management (“DSM”).

The RPS is stated in terms of the number of Portfolio Energy Credits (“PCs”) required for compliance. A PC is equal to one kilowatt hour (“kWh”) of renewable energy generated or one kWh of energy saved through an efficiency program. Similarly, one megawatt hour (“MWh”) of energy from renewable resources or savings from an efficiency program would result in one thousand PCs, or a “kPC”. Various regulatory or statutory provisions may allow for a different number of PCs for specific types of energy or efficiency measures as set forth in the NRS and the NAC.

The RPS is scheduled to increase from its current level of 20 percent to 22 percent of retail sales starting in 2020 and finally rise to 25 percent of retail sales starting in 2025. In 2016, the number of renewable credits from allowable DSM programs was capped at 20 percent of the overall credit total. The DSM limit will further decrease to no more than 10 percent of the RPS credit total in 2020, and finally zero percent of the RPS credit total starting in 2025.

NV Energy
Portfolio Standard Annual Report, Compliance Year 2018

2. Executive Summary

Both Nevada Power and Sierra successfully met the 2018 RPS requirement. For Nevada Power, the 2018 RPS required the utility to supply 4,099,183 kPCs, of which 245,951 kPCs were required to be supplied from solar resources. Nevada Power exceeded both requirements by accumulating 4,998,114 eligible kPCs in total, of which 2,068,872 kPCs were solar energy credits.

For Sierra, the 2018 RPS required the utility to supply 1,776,866 kPCs, of which 106,612 kPCs were required to be supplied from solar resources. Sierra has exceeded both requirements, accumulating 2,106,643 eligible kPCs in total of which 590,325 kPCs were solar energy credits.

Table 2-1 below summarizes the calculation of the 2018 RPS credit requirement, the total number of eligible credits by credit type, the overall RPS percentage, for each utility and for NV Energy in total.¹

Table 2-1 Nevada Power, Sierra, & NV Energy 2018 Compliance Summary

	Nevada Power	Sierra	NV Energy
Retail Sales (MW hrs.)	20,495,914	8,884,329	29,380,243
RPS Requirement	<u>20%</u>	<u>20%</u>	<u>20%</u>
Credit Requirement	4,099,183	1,776,866	5,876,049
Solar Carve Out (5%)	245,951	106,612	352,563
DSM Allowance (20%)	819,837	355,373	1,175,210
Eligible 2018 Credits (kPCs)			
Non-Solar/Non-DSM	2,109,405	1,160,945	3,270,350
Solar	2,068,872	590,325	2,659,197
DSM	<u>819,837</u>	<u>355,373</u>	<u>1,175,210</u>
Total	4,998,114	2,106,643	7,104,757
Overall RPS %	24.4%	23.7%	24.2%

The 2018 Portfolio Standard Annual report is divided into two parts, one for each utility, and each part is further divided into sections. The sections provide a comprehensive update for each of the key areas, activities and/or metrics that determine the overall results that each utility achieved in 2018 in meeting its statutory and other renewable energy credit commitments. This filing complies with the requirements of NAC 704.877 and NAC 704.998 which require that certain information be set forth.

A map of all facilities operating, in construction or in development for Nevada Power and Sierra is set forth in the following page in Figure 1 and shows the individual projects by name, type, nameplate megawatt rating, and corresponding map location.

¹ Total NV Energy is shown for illustration. The RPS requirements apply to each utility individually.

