20-08014

Public Utilities Commission of Nevada

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Filed For: Nevada Power Company and Sierra Pacific Power

In accordance with NRS Chapter 719,
this filing has been electronically signed and filed
by: /s Ashleigh Sternod

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This filing has been electronically filed and deemed to be signed by an authorized
agent or
representative of the signer(s) and

Nevada Power Company and Sierra Pacific Power
May 23, 2022

Ms. Trisha Osborne, Assistant Commission Secretary  
Public Utilities Commission of Nevada  
Capitol Plaza  
1150 East William Street  
Carson City, Nevada 89701-3109

RE: Docket No. 20-08014 – Investigation Regarding Resource Adequacy and Planning to Ensure that Electric Utilities’ Supply of Energy is Sufficient to Satisfy Demands and Maintain Reliable, Continuous Service.

Dear Ms. Osborne:

Attached is Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra”) (together with Nevada Power, “NV Energy” or the “Companies”) Comments pursuant to Procedural Order No. 2 issued by the Public Utilities Commission of Nevada (“Commission”) on May 9, 2022.

Should you have any questions regarding this filing, please contact me at (775) 834-3551 or justina.caviglia@nvenergy.com.

Respectfully submitted,

/s/ Justina Caviglia  
Justina Caviglia  
Senior Attorney
BEFORE THE NEVADA PUBLIC UTILITIES COMMISSION

Investigation regarding resource adequacy and planning to ensure that electric utilities’ supply of energy is sufficient to satisfy demands and maintain reliable, continuous service. Docket No. 20-08014

COMMENTS OF NEVADA POWER COMPANY AND SIERRA PACIFIC POWER COMPANY

Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra”) (together with Nevada Power, “NV Energy” or the “Companies”) hereby submit these Comments in response to the Procedural Order 2 (“Order”) issued by the Public Utilities Commission of Nevada (“Commission”) on May 9, 2022. In the Order, the Commission directed NV Energy to respond to following questions.

i. What can consumers do to support energy reliability?

While NV Energy plans to meet the energy needs of its customers at all times including critical periods of highest demand, there are actions customers can take to reduce their energy use and support the reliability of the system. Not only do these actions help save energy and money, but they also reduce the overall energy load and amount of power NV Energy needs to supply. These include:

- Participate in PowerShift by NV Energy’s smart thermostat program. Customers will receive a programmable thermostat that can be adjusted from any mobile device.
  
  – Customers who participate in this service can also help reduce the overall amount of power NV Energy needs to supply electricity during the hottest time of the year by participating in energy events.

- Keep your thermostat set at 78 degrees Fahrenheit when you are home, and several degrees higher at night or when you are not home.

- Close blinds and drapes during the day to keep the heat out.

- Use your dishwasher, clothes washer, and dryer as late in the evening as possible.

These appliances add heat to your home and make your air conditioner work harder.
• Turn off lights, TVs, computers and chargers when not in use.
• Only run your pool pump eight to 12 hours a day and calibrate it to run at night.
• If your A/C unit is on the ground, keep the area around it clean and free of obstructions to maintain air flow to help it work more efficiently.
• Electric vehicle owners can take part in the EV Time-of-Use Rate, which provides a discounted rate to charge their vehicle during the utility’s off-peak hours between 10 p.m. and 8 a.m.

ii. Why do the requests for conservation occur and what is happening when they do occur?
When there are extreme conditions in the state of Nevada combined with significant supply risk in the Western region, NV Energy will consider sending a request to conserve. This is similar to ‘flex alerts’ which are utilized by the California Independent System Operator (“CAISO”) during summer months. NV Energy only uses this after other options have been reviewed and considered.
• In 2020, there were two days, August 18, and August 19, where NV Energy employed calls to conserve.
• In 2021, there were two days, July 10, and September 8, where NV Energy employed calls to conserve.
• The calls to conserve did impact the actuals loads but the precise magnitude is not known given the numerous other variable factors.

iii. What actions does NV Energy pursue when energy conditions are constrained to ensure reliable service?
NV Energy’s response begins with the long term and short-term planning processes. With support from the Commission in recent filings, traditional resource planning has been updated to reflect changing conditions within Nevada and the west.
- Planning reserve margin has been increased in coordination with new effective capacity values used for intermittent resources in the Integrated Resource Plan to ensure robust 1-day-in-10-year loss of load planning.

- Decrease available resources by 90 MW to account for the Open Access Transmission Tariff ("OATT") customers reserve required by OATT schedules five and six.

- Due to NV Energy’s energy portfolio changing to one with larger quantities of variable renewable resources that drop rapidly in the evening hours, NV Energy now utilizes both the hour with the largest open position and the peak load hour to ensure reliability. Traditionally, these two hours were one and the same with respect to the size of the open capacity, but with increasing amounts of renewables, the later evening hours are showing significantly larger open positions. As such, the Companies received approval in the 2021 Integrated Resource Plan (Docket No. 21-06001) to close up to the largest open capacity position in the later evening hours rather than at the peak load hour.

- Weather normalization methodology has been updated to better reflect shorter term weather trends in both southern and northern Nevada, specifically the normalization methodology incorporates the increasing average temperatures throughout the state of Nevada.

- NV Energy has proposed reducing its reliance on increasingly uncertain markets by adding resources to reduce the open capacity position. Additional generation resources that were approved by the Commission and are expected to be available for the summer of 2022 include:
  - Natural gas upgrades totaling 146 MW approved through the Commission from Lenzie Power Block 2 (40 MW), Silverhawk (70 MW), and Tracy (36 MW).
  - Solar additions totaling 600 MW from Dodge Flat (200 MW), Fish Springs Ranch (100 MW), and Eagle Shadow Mountain (300 MW).
Battery additions totaling 75 MW from Dodge Flat (50 MW) and Fish Springs Ranch (25 MW).

- NV Energy identified additional generation resource upgrades to increase capacity that have not gone through the process of approval by the Commission due to time constraints. These improvements will add 74 MW of capacity, ramping up throughout the summer of 2022. NV Energy will seek recovery of these projects.

- NV Energy continues to work on more options to plan for adequate resources to ensure the delivery of reliable service and will bring proposals to the Commission for consideration through the integrated resource planning process.

- Near term, day ahead, and real time planning follows the approved energy supply plan and prepares to respond to conditions that impact potential demand and supply including actual weather, resource availability and conditions in the west.

In the near term, day ahead, and real time process, NV Energy will employ multiple actions to ensure the reliable delivery of energy to customers. There are limitations on resources and challenges beyond NV Energy’s and the Commission’s control that can affect the availability of resources. In addition, any market purchases are subject to factors beyond NV Energy’s control. For example:

- Power plants sourcing the supply can trip offline and the counterparty may be unable to replace. (Note: this is also a risk for internal resources).

- Wildfires or other extreme weather events can force transmission lines to be taken out of service or impact other internal distribution or transmission resources.

- Transmission constraints including overscheduled transmission paths can result in loop flow issues that result in supply curtailments.

- Record loads and temperatures can leave balancing authorities’ capacity deficient resulting in curtailments.
The major supply curtailments that have occurred the last two summers were due to a combination of the factors listed above and it highlights the risk that is associated with any market purchases. There is always risk that a counterparty will fail to deliver contracted energy supply. NV Energy can pass liquidated damages (financial penalties) to the counterparty but has no ability to physically access the missing supply in a time of need.

After employing all planning processes, if it appears there will not be enough power to meet load, NV Energy employs several actions to prevent shedding load.

- Balancing Area Operator:
  - Issues a “No Touch” condition to Generation units that helps ensure that generation is online and available to serve load.
  - Notifies the Reliability Coordinator, Western Power Pool, and other Balancing Authorities.
  - Evaluates minimizing or eliminating overnight cycling of units.
- NV Energy will continue to explore real time market purchases.
- Ensure all available generation is at peak output and call upon emergency generation.
- Public appeals for load reduction including requests for local emergency generation.
- Utilize all interruptible loads including:
  - Scheduled Demand Side Load Management (Including Interruptible Irrigation load); and
  - Emergency Demand Side Load Management will be utilized.
- Re-evaluate and revise System Operating Limits.
- Utilize operating reserves / Arm load shed blocks in the Energy Management System.
iv. What happens when there is not enough energy to meet demand? Please explain the process and include what the process is for notifying customers, including method of notification and timeframe of notification, service interruption durations, which customers may experience service interruptions, and which customers do not have their service interrupted.

If NV Energy does need to shed load, the following actions take place:

- The Reliability Coordinator will provide the directive to NV Energy Balancing Authority Operator to shed load.
- Customers are notified via phone, email, and text as soon as possible prior to or at the start of a load shed event.
- Non-native customers will be curtailed to achieve their load and supply balance.
- Native customer load is shed in a pro-rata fashion. NV Energy will rotate customer load shed to endeavor not to exceed one hour per customer curtailment.
- Critical facilities such as hospitals, police and fire stations, critical defense, water, and sewer facilities are not included in load reduction events. Load included in automatic load shedding schemes are excluded from manual load shed.

v. What can consumers do to prepare in case of a service interruption event?

Tips for customers to prepare for a load shed event include:

- Update your cell phone number and sign up for outage alerts via text at nvenergy.com/myaccount to ensure you receive updated outage information.
- Build or restock an emergency kit with flashlights, fresh batteries, first-aid supplies, food, and bottled water – enough for everyone in your household.
- Save your files regularly when working on your computer and consider a surge protector (not a power strip) for your computer, TV, DVR, and other electronics to help protect them from power surges associated with power disturbances.
- Learn how to manually open your garage door.
- Keep hard copies of emergency numbers and other important contacts.
• Identify backup charging methods for phones, including a cell phone charger that can be used in the car.

• During an outage event, keep your refrigerator and freezer closed to ensure food stays as fresh as possible.

vi. Who can consumers call generally regarding these issues, or in the event of a conservation or service interruption event, if they have questions?

Customers who have questions can call NV Energy at 702-402-5555 in southern Nevada or 775-834-4444 in northern Nevada. Information is also available on nvenergy.com.

vii. Please file any documents used during the Consumer Session on Wednesday, May 18, 2022.

Attachments 1 and 2 to these comments include the PowerPoint presentation and customer handout that was presented during the May 18, 2022, consumer session.
viii. In coordination with Staff, provide a formal notification protocol for the Commission for resource adequacy events similar to the protocol utilized pursuant to NRS 704.190, NAC 704.230, and in particular, NAC 704.240. By way of example, if an Emergency Energy Alert occurs in NV Energy's Balancing Area how would the Commission be notified and in what timeframe?

NV Energy and Staff agreed that NV Energy will provide formal notification when the Reliability Coordinator declares an energy emergency alert (EEA), as defined in the North American Electric Reliability Corporation’s emergency operations standards, and when calls to conserve are initiated. Notification will employ Staff’s emergency contact form and will begin with a text within an hour of an event or as soon as possible. Texts will be followed by email communication that provides more information about the event. Staff will notify the Commission using the Incident Notification process.

Respectfully submitted this 23rd day of May, 2022.

NV ENERGY

By: /s/Justina Caviglia
Justina Caviglia
Senior Attorney
Nevada Power Company
Sierra Pacific Power Company
6100 Neil Road
Reno, NV 89511
775-834-3551
justina.caviglia@nvenergy.com
• Western Electricity Coordinating Council (WECC)

• Independent, non-profit corporation that promotes Bulk Electric System reliability in the Western Interconnection

• Largest geographic area of the six Regional Entities
  – Entire Western Interconnection (1.8 million square miles) - includes all or part of 14 U.S. states, 2 Canadian provinces (Alberta and British Columbia) and northern portion of Baja California, Mexico
2022 Winter Peak Day

- Solar drops as the sun sets
- Peak Load

Available Resources vs Load
Resource Planning – Critical Hours

2022 Summer Peak Day

- Peak Load
- Market Need
- Solar drops as the sun sets

MW
1:00 AM 3:00 AM 5:00 AM 7:00 AM 9:00 AM 11:00 AM 1:00 PM 3:00 PM 5:00 PM 7:00 PM 9:00 PM 11:00 PM

Available Resources Load
NV Energy Generation and Transmission
Risks to Resource Availability

- Any market purchases are subject to factors beyond NV Energy’s control.
  - Power plants sourcing the supply can trip offline and the counterparty may be unable to replace
  - Wildfires or other extreme weather events can force transmission lines to be taken out of service
  - Overscheduled transmission paths can result in loop flow issues that result in supply curtailments
  - Record loads and temperatures can leave balancing authorities’ capacity deficient resulting in curtailments
Risks to Resource Availability

- The major supply curtailments that occurred the last two summers were due to a combination of these factors and highlights the risk associated with any market purchases.

- Ultimately there is always risk that a counterparty will fail to deliver contracted energy supply. NV Energy can pass liquidated damages (financial penalties) to the counterparty but has no ability to physically access the missing supply in a time of need.
Customer Actions

While NV Energy plans to meet the energy needs of its customers during times of highest demand, there are actions customers can take to reduce their energy use and support the reliability of the system.

Not only do these actions help save energy and money, but they also reduce the overall energy load and amount of power NV Energy needs to supply. These include:

- Participate in PowerShift by NV Energy’s smart thermostat program. Customers will receive a programmable thermostat that can be adjusted from any mobile device.
Customer Actions

- Keep your thermostat set at 78 degrees when you are home, and several degrees higher at night or when you are not home.
- Close blinds and drapes during the day to keep the heat out.
- Use your dishwasher, clothes washer and dryer as late in the evening as possible. These appliances add heat to your home and make your AC work harder.
- Turn off lights, TVs, computers and chargers when not in use.
Customer Actions

- Only run your pool pump eight to 12 hours a day and calibrate it to run at night.
- If your AC unit is on the ground, keep the area around it clean and free of obstructions to maintain air flow to help it work more efficiently.
- Electric Vehicle owners can take part in the EV Time-of-Use Rate, which provides a discounted rate to charge their vehicle during the utility's off-peak hours between 10 p.m. and 8 a.m.
Outage Preparation

- Build or restock an emergency kit with flashlights, fresh batteries, first-aid supplies, food and bottled water – enough for everyone in your household
- Save your files regularly when working on your computer and consider a surge protector (not a power strip) for your computer, TV, DVR and other electronics to help protect them from power surges associated with power disturbances
- Learn how to manually open your garage door
- Keep hard copies of emergency numbers and other important contacts
- Identify backup charging methods for phones, including a cell phone charger that can be used in the car
Outage Preparation

- Update your cell phone number and sign up for outage alerts via text at nvenergy.com/myaccount to ensure you receive updated outage information.
- During an outage event, keep your refrigerator and freezer closed to ensure food stays as fresh as possible.
- Customers who have questions can call NV Energy at 702-402-5555 in southern Nevada or 775-834-4444 in northern Nevada. Information is also available on nvenergy.com.
EXHIBIT 2
Resource Adequacy Flyer
Frequently Asked Questions

Is NV Energy prepared to meet summer energy demands?
Yes, NV Energy plans ahead to ensure its customers have safe, reliable energy, even during times of highest demand. Our customers are served by energy generated by NV Energy owned and contracted resources and purchased on the energy market. In summer 2022, we will have additional generation available to serve our customers, including new solar and storage resources, and have secured a diversity of market purchases.

What are the greatest threats to summer reliability?
Wildfires and extreme weather events can force transmission lines, distribution, generation and other infrastructure, to be taken out of service, which impacts our ability to deliver purchased market energy to our customers.

What can consumers do to support reliability?
While NV Energy has some of the best reliability in the nation,* customers can take actions to reduce their energy use. This helps save them energy and money and also reduces overall energy demand.

- Participate in PowerShift by NV Energy’s smart thermostat program. Customers will receive a free programmable thermostat that can be adjusted from any mobile device.
  - Customers who participate in this service can also help reduce the overall amount of power NV Energy needs to supply electricity during the hottest time of the year by participating in energy events.
- Keep your thermostat set at 78 degrees when you are home, and several degrees higher at night or when you aren’t home.
- Close blinds and drapes during the day to keep the heat out.
- Use your dishwasher, clothes washer and dryer as late in the evening as possible. These appliances add heat to your home and make your AC work harder.
- Turn off lights, TVs, computers and chargers when not in use.
- Only run your pool pump eight to 12 hours a day and calibrate it to run at night.
- If your AC unit is on the ground, keep the area around it clean and free of obstructions to maintain air flow to help it work more efficiently.
- Electric Vehicle owners can take part in the EV Time-of-Use Rate, which provides a discounted rate to charge their vehicle during the utility’s off-peak hours between 10 p.m. and 8 a.m.

*The most recent report by the Institute of Electrical & Electronics Engineers ranks southern Nevada in the top 10 percent for reliability.
What is a Call to Conserve?
When NV Energy is at risk of not being able to provide enough energy to serve demand, as a last resort, the company will issue a customer request for voluntary energy conservation. This is done directly via phone, text and email and through nvenergy.com, social media and traditional media channels.

What is a load shed event?
If NV Energy is unable to meet the energy demands of its customers, it will be directed to shed load. It is important to note that NV Energy has never initiated a load shed event. During a load shed event, blocks of customers will experience a power outage for approximately one hour at a time. (This is sometimes called a rolling blackout.) Critical facilities, such as hospitals, police and fire stations, water and sewer facilities, are not included in load shed events.

NV Energy will notify customer in advance, when possible, of a load shed event directly via phone, text and email and through nvenergy.com, social media and traditional media channels.

What can consumers do to prepare in case of a load shed event?
Tips to prepare for a load shed outage include:

- Update your mobile phone number and sign up for outage alerts via text at nvenergy.com/myaccount to ensure you receive updated outage information.
- Build or restock an emergency kit with flashlights, fresh batteries, first-aid supplies, food and bottled water – enough for everyone in your household.
- Save your files regularly when working on your computer and consider a surge protector (not a power strip) for your computer, TV, DVR and other electronics to help protect them from power surges associated with power disturbances.
- Learn how to manually open your garage door.
- Keep hard copies of emergency numbers and other important contacts.
- Identify backup charging methods for phones, including a cell phone charger that can be used in the car.
- During an outage event, keep your refrigerator and freezer closed to ensure food stays as fresh as possible.

Who can the consumer call generally, or in the event of a Call for Conservation or load shed event, if they have questions?
Customers who have questions can call NV Energy at 702-402-5555 in southern Nevada or 775-834-4444 in northern Nevada. Information is also available on nvenergy.com.
CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing of NEVADA POWER COMPANY D/B/A NV ENERGY and SIERRA PACIFIC POWER COMPANY D/B/A/ NV ENERGY in Docket No. 20-08014 upon the persons listed below by electronic mail:

Donald Lomoljo
Public Utilities Comm. of Nevada
1150 E. William Street
Carson City, NV 89701-3109
dalomlojo@puc.nv.gov

Staff Counsel Division
Public Utilities Comm. of Nevada
9075 West Diablo, Suite 250
Las Vegas, NV 89148
pucn.sc@puc.nv.gov

Ernest Figueroa
Bureau of Consumer Protection
100 N. Carson St.
Carson City, NV 89701
bcpserv@ag.nv.gov

Paul Stuhff
Bureau of Consumer Protection
8945 W. Russell Road, Suite 204
Las Vegas, NV 89148
pstuфф@ag.nv.gov

Peter Colussy (CAISO)
Phil Pettingill
Stacey Crowley
250 Outcropping Way
Folsom, CA 95630
pcolussy@caiso.com
ppettingill@caiso.com
scrowley@caiso.com

Richard G. Campbell, Jr. (Great Basin)
Kaempfer Crowell
50 W. Liberty Street, Suite 700
Reno, NV 89501
rcampbell@kcnvlaw.com

Renae Steichen
LS Power
5000 Hopyard Road, Suite 480
Pleasanton, CA 94588
rsteichen@lspower.com

Steven E. Tackes (Great Basin)
Kaempfer Crowell
510 W. Fourth Street
Carson City, NV 89703-4254
stackes@kcnvlaw.com

Vicki Baldwin (Tenaska)
Parsons Berle & Latimer
201 S Main Street, Suite 1800
Salt Lake City, UT 84111
v baldwin@parsonsbehlle.com

Christian Spaulding (Shell)
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Ste. 600
Las Vegas, NV 89135
Spauldingc@gtlaw.com
Anthony Ivancovich  
Jordan Pinjuv  
Roger Collanton  
California Independent System Operator  
250 Outcropping Way  
Folsom, CA 95630  
jpinjuv@caiso.com

Thomas Brill  
Greenberg Traurig LLP  
18565 Jamboree Rd., Ste. 500  
Irvine, CA 92612  
brillt@gtlaw.com

DATED this 23rd day of May, 2022.

/s/Ashleigh Sternod  
Ashleigh Sternod  
Regulatory Operations Analyst  
Nevada Power Company  
Sierra Pacific Power Company