

## 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 the first amendment to its	)	Docket No. 22-03024
2021 Joint Integrated Resource Plan.	)	
_____	)	

At a general session of the Public Utilities  
Commission of Nevada, held at its offices  
on July 12, 2022.

PRESENT: Chair Hayley Williamson  
Commissioner C.J. Manthe  
Commissioner Tammy Cordova  
Assistant Commission Secretary Trisha Osborne

### ORDER

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

#### I. INTRODUCTION

On March 18, 2022, Nevada Power Company d/b/a NV Energy (“NPC”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC”) (collectively, “NV Energy”) filed with the Commission a joint application, designated as Docket No. 22-03024 (“Joint Application”), for approval of the first amendment (“First Amendment”) to its 2021 Joint Integrated Resource Plan (“IRP”).

On June 21, 2022, NV Energy, the Interwest Energy Alliance (“Interwest”); Nevadans for Clean Affordable Reliable Energy (“NCARE”); Nevada Bureau of Consumer Protection (“BCP”); and the Regulatory Operations Staff of the Commission (“Staff”) (collectively, the “Signatories”) filed a stipulation (“Stipulation”) in Docket No. 22-03024 resolving all issues. Google LLC (“Google”) and Boyd Gaming Corporation, Station Casinos LLC, and Venetian Las Vegas Gaming, LLC (“Southern Nevada Gaming Group” or “SNGG”) did not sign the Stipulation but also did not oppose the Stipulation.

#### II. SUMMARY

The Commission accepts the Stipulation, attached hereto as Attachment 1, and grants the Joint Application as modified by the Stipulation.

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### III. PROCEDURAL HISTORY

- On March 18, 2022, NV Energy filed with the Commission the Joint Application.
- NV Energy filed the Joint Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”) Chapters 703 and 704, including, but not limited to, NRS 704.741 and 704.751 and NAC 704.9005 through 704.9525. Pursuant to NRS 703.190, NV Energy requests confidential treatment of information submitted under seal with the Joint Application.
- On March 24, 2022, the Commission issued a Notice of Joint Application and Prehearing Conference.
- Staff participates as a matter of right pursuant to NRS 703.301.
- On March 25, 2022, BCP filed a Notice of Intent to Intervene pursuant to Chapter 228 of the NRS.
- On April 19, 2022, the Presiding Officer held a teleconference upon Staff’s request to address NV Energy’s redaction of the North Valley power purchase agreement (“PPA”) pricing. Staff, NV Energy, and BCP participated in the teleconference<sup>1</sup>.
- On April 20, 2022, Interwest; Google; NCARE; and SNGG each filed Petitions for Leave to Intervene (“PLTI”).
- On April 21, 2022, the Presiding Officer issued a procedural order directing NV Energy to address the North Valley PPA pricing redaction.
- On April 22, 2022, Ormat late-filed a PLTI.
- On April 26, 2022, NV Energy filed a stipulation pursuant to the April 21, 2022, Procedural Order regarding the redaction of the North Valley PPA pricing.
- On April 28, 2022, the Presiding Officer held a prehearing conference in accordance with NAC 703.655. NV Energy, Google, Interwest, NCARE, SNGG, Ormat, BCP, and Staff made appearances. A procedural schedule, discovery procedures, and the PLTIs were discussed.
- On May 5, 2022, the Presiding Officer issued Procedural Order No. 2, setting a procedural schedule.
- On May 6, 2022, the Presiding Officer issued Corrected Procedural Order No. 2. Additionally, NV Energy filed with the Commission additional confidential executable workpapers.
- On May 13, 2022, the Presiding Officer issued an order granting the PLTIs of Google, Interwest, NCARE, and SNGG.

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<sup>1</sup> A representative from Ormat Nevada Inc. (“Ormat”) was present during this teleconference.

- On May 19, 2022, NCARE filed a Motion to Withdraw as Attorney of Record and Notice of Appearance of Attorney on Behalf of NCARE.
- On June 2, 2022, the Presiding Officer issued Procedural Order No. 3, setting discovery procedures.
- On June 7, 2022, NV Energy filed an amendment to its Joint Application as agreed upon in the April 26, 2022, stipulation.
- On June 8, 2022, Ormat withdrew its PLTI. NV Energy filed additional information as requested in Corrected Procedural Order No. 2.
- On June 9, 2022, NV Energy filed workpapers as requested in Corrected Procedural Order No. 2.
- On June 13, 2022, the Presiding Officer held a continued prehearing conference. NV Energy, Google, Interwest, NCARE, SNGG, Ormat, BCP, and Staff made appearances.
- On June 21, 2022, the Presiding Officer held a continued prehearing conference. NV Energy, Google, Interwest, NCARE, SNGG, BCP, and Staff made appearances. The parties filed and presented a stipulation (“Stipulation”) and there were no objections.
- On June 22, 2022, NV Energy filed the loads and resource tables as requested by the Presiding Officer during the June 21, 2022, continued prehearing conference.
- On June 23, 2022, NV Energy filed executable work papers supporting the loads and resource tables filed on June 22, 2022, and filed an errata to the direct testimony of Kimberly Hopps.
- On June 23, 2022, the Presiding Officer held a continued prehearing conference. NV Energy, Interwest, NCARE, SNGG, BCP, and Staff made appearances. The Commission asked the Signatories, and SNGG questions about the Stipulation.
- On June 28, 2022, the Presiding Officer issued Procedural Order No. 4, vacating the remaining procedural schedule set forth in Corrected Procedural Order No. 2.

#### **IV. Stipulation**

##### **Signatories’ Position**

1. The Signatories recommend that the Commission grant the Joint Application, as modified by the Stipulation. (Stipulation at 4.)
2. The Signatories recommend that the Commission approve the Joint Application’s high price fuel and purchased power (“F&PP”) forecasts (high price mid-carbon power forecast

and high price natural gas forecast) for years 2022 and 2023, and base price F&PP forecasts (base mid-carbon power forecast and base natural gas forecast) for years 2024-2051, as presenting the most accurate information upon which to base the planning decisions set forth in the filing. (*Id.*; *See* Technical Appendix FPP-1.) The Signatories agree that until updated base price F&PP forecasts result in prices that are higher than the high price forecasts for 2022 and 2023 from this Joint Application, NV Energy will continue to use the high price F&PP forecasts for 2022 and 2023 in the next energy supply plan update and any IRP amendments that include changes to supply plan resources. (*Id.*)

3. The Signatories recommend that the Commission approve NV Energy's Preferred Plan with the following resources:

- a. A Supply Plan addition of a 2-hour, lithium-ion battery energy storage system ("BESS") with a capacity of 220 megawatts ("MW") at the site of the former Reid Gardner Generating Station. (*Id.*) The Signatories state that commercial operation is expected by May 31, 2024. (*Id.*) The Signatories agree that NPC will own and pay for the BESS. (*Id.*) The Signatories note that the price of the 2-hour battery is tied to the price of lithium through May 2023 and is, thus, subject to change up or down. (*Id.*) The Signatories agree that approval of the BESS project is conditioned upon the price of the BESS project not exceeding \$257 million and commercial operation on or before May 31, 2024. (*Id.* at 4-5.) The Signatories agree that NV Energy shall file a compliance with the Commission by June 1, 2023, stating whether it 1) has executed a contract for the purchase of the BESS project at a price not exceeding \$257 million and expects to meet the target in-service date; 2) is not going forward with the project; or 3) is going forward with

the project and seeking re-approval from the Commission with a revised budget and/or commercial operation date. (*Id.*) The Signatories further agree that if NV Energy seeks re-approval of the project pursuant to option 3, NV Energy shall not proceed with the development of the project until the compliance items are resolved. (*Id.*) The Signatories agree that this Stipulation does not preclude any party from requesting a hearing on this issue in the event NV Energy seeks re-approval of the project. (*Id.*) The Signatories recommend, if NV Energy seeks re-approval of the project pursuant to option 3, that the Commission issue an order approving, modifying, or denying the project within 90 days of the compliance filing to allow the Signatories an opportunity to address the revised BESS project information. (*Id.*)

- b. A Supply Plan addition of the North Valley geothermal facility PPA for 25 MW of renewable energy, the energy profile of which is complementary to solar photovoltaic (“PV”) resources. (*Id.*) The Signatories state that commercial operation is expected in December 2022, with a 25-year term at a flat energy price of \$57.40 per megawatt-hour. (*Id.*) The Signatories agree that NV Energy is not, and will not be, seeking collection of the costs associated with the impact of the imputed debt from the North Valley PPA as a component of the base tariff energy rate, as contemplated in NAC 704.88875(5), either in this proceeding or in future cases. (*Id.*)
- c. A Supply Plan peak firing project upgrade on the Chuck Lenzie Generating Station units 1 through 4 (Blocks 1 and 2), increasing the station’s total peak

capacity by approximately 24 MW with an in-service date of May 2024. (*Id.* at 6.)

The Signatories state that the project is estimated to cost \$12 million. (*Id.*)

- d. A Supply Plan peak firing project upgrade on the Harry Allen Generating Station units 5 and 6, increasing the station's total peak capacity by approximately 12 MW with an in-service date of May 2024. (*Id.*) The Signatories state that the project is estimated to cost \$6 million. (*Id.*)
  - e. A Supply Plan peak firing project upgrade on the Tracy Generating Station units 8 and 9, increasing the station's total peak capacity by approximately 12 MW with an in-service date of May 2024. (*Id.*) The Signatories state that the project is estimated to cost \$6 million. (*Id.*)
  - f. A Supply Plan thermal energy storage project at the Chuck Lenzie Generating Station, increasing the station's peak capacity by approximately 18 MW with an in-service date of May 2024. (*Id.*) The Signatories state that the project is estimated to cost \$13 million. (*Id.*)
  - g. A Transmission Plan project to construct the network upgrades to facilitate the interconnection of the BESS at the Reid Gardner substation, if NV Energy satisfies all the requirements, conditions, and terms of the Stipulation's paragraph 3(a). The Signatories state that the network upgrade costs are estimated at \$2.5 million. (*Id.*)
4. The Signatories recommend that the Commission approve \$3.5 million to support the project developer's continued progress and perform NV Energy's due diligence on a pumped storage hydro project located in White Pine County, Nevada. (*Id.*) The Signatories state that this expenditure secures NV Energy's exclusive right to acquire the project. (*Id.*) The Signatories

state that the estimated price to design, permit, and construct the project is \$2.6 billion. (*Id.* at 6-7.) The Signatories agree that NV Energy will provide a status update of this project in its 2022 energy supply plan update. (*Id.* at 7.)

5. The Signatories recommend that the Commission approve NV Energy's renewable portfolio standard ("RPS") forecast as being accurate as of the date it was filed, with the understanding that the renewable resources that are currently under development could face delays, shortfalls, and/or cancellations, due to the various market conditions surrounding the solar PV and BESS markets, such as the 2020 global shutdowns, and the on-going lockdowns in places such as Shanghai caused by COVID-19 which limit manufacturing and shipping; the March 2021 blockage of the Suez Canal that created a global supply chain disruption; and the March 2022 Department of Commerce's decision to investigate solar panels and modules from Cambodia, Malaysia, Thailand and Vietnam, which effectively froze the imports into the U.S. (*Id.*) The Signatories state that, recently, President Biden declared a 24-month pause on the implementation of the import tariff underlying the investigation and invoked the Defense Production Act to drive U.S. manufacturing of solar panels<sup>2</sup>. (*Id.*) The Signatories agree that it is not known how quickly the backlog of solar panel imports created by the Department of Commerce's investigation can be cleared by the President's decree, or how long the global supply chain issues created by the global pandemic will last. (*Id.*) The Signatories further agree that any delays, shortfalls, and/or cancellations of any renewable resources currently under development would shorten the time period of NV Energy's respective forecasted RPS compliance periods. (*Id.*)

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<sup>2</sup> "Declaration of Emergency and Authorization for Temporary Extensions of Time and Duty Free Importation of Solar Cells and Modules from Southeast Asia" available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/06/declaration-of-emergency-and-authorization-for-temporary-extensions-of-time-and-duty-free-importation-of-solar-cells-and-modules-from-southeast-asia/>.

6. NV Energy agrees that in any future resource plan amendment applications filed pursuant to NRS 704.751, on or before June 1, 2027, NV Energy will include at least one scenario of low carbon dioxide emissions that uses sources of supply that result in, by the year 2030, an 80 percent or higher reduction in carbon dioxide emissions from the generation of electricity to meet the demands of its customers as compared to the amount of such emissions in the year 2005, for each application that includes a comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands of its customers. (*Id.* at 7-8.) The Signatories agree that NV Energy is not obligated to produce a new low carbon dioxide emissions scenario more often than once every 12 months. (*Id.* at 8.)

7. The Signatories recommend that the Commission grant NV Energy's request to maintain the confidentiality of information, as requested in the Joint Application, with the exception of the North Valley PPA pricing, which has been publicly disclosed. (*Id.*)

### **Commission Discussion and Findings**

8. The Commission finds that the Stipulation complies with the requirements of NAC 703.845 in that it settles only issues relating to the instant proceeding and does not seek relief the Commission is not otherwise empowered to grant. The Stipulation is a consensus resolution of the issues pursuant to the Signatories' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding. Therefore, the Commission accepts the Stipulation.

9. All arguments of the Parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Any agreements and recommendations contained in the Stipulation but not expressly addressed herein are either agreements by the Signatories regarding matters non-



essential to the disposition of this Docket or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the underlying Joint Application in Docket No. 22-03024.

THEREFORE, it is ORDERED:

1. The Stipulation filed by Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy; the Interwest Energy Alliance; Nevadans for Clean Affordable Reliable Energy; Nevada Bureau of Consumer Protection; and the Regulatory Operations Staff of the Commission, attached hereto as Attachment 1, is accepted.

2. The Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy is granted, as modified by the Stipulation.

**Compliances:**

3. On or before June 1, 2023, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file a memorandum stating whether they 1) have executed a contract for the purchase of the battery energy storage system project at a price not exceeding \$257 million and whether they expect to meet the target in-service date; 2) are not going forward with the project; or 3) are going forward with the project and seeking re-approval from the Public Utilities Commission of Nevada with a revised budget and/or commercial operation date.

**Directives:**

4. If Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy seek re-approval of the battery energy storage system project, they shall not proceed with the development of the battery energy storage system project until the compliance items in Ordering Paragraph 3 are resolved.

5. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall provide a status update of the pumped storage hydro project located in White Pine County, Nevada in their 2022 energy supply plan update.

6. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall provide, in any future resource plan amendment application filed pursuant to NRS 704.751 on or before June 1, 2027, at least one scenario of low carbon dioxide emissions that uses sources of supply that result in, by the year 2030, an 80 percent or higher reduction in carbon dioxide emissions from the generation of electricity to meet the demands of its customers as compared to the amount of such emissions in the year 2005, for each application that includes a comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands of its customers.

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7. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall not and will not seek collection of the costs associated with the impact of the imputed debt from the North Valley power purchase agreement as a component of the base tariff energy rate, as contemplated in NAC 704.88875(5), either in this proceeding or in future cases.

By the Commission,



HAYLEY WILLIAMSON, Chair



C.J. MANTHE, Commissioner



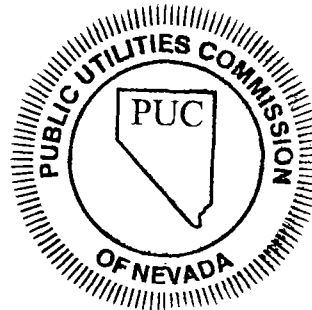
TAMMY CORDOVA, Commissioner and  
Presiding Officer

Attest:

  
TRISHA OSBORNE,  
Assistant Commission Secretary

Dated: Carson City, Nevada

7/13/22  
(SEAL)



# ATTACHMENT 1

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 the First  
Amendment to the 2021 Joint Integrated Resource  
Plan.

Docket No. 22-03024

**STIPULATION**

Pursuant to Nevada Administrative Code ("NAC") 703.750 and 703.845, 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" or "NV Energy"); the Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada ("Commission"); the Office of the Attorney General's Bureau of Consumer Protection ("BCP"); Nevadans for Clean Affordable Renewable Energy ("NCARE"); and Interwest Energy Alliance ("Interwest"); each individually a "Signatory" and together the "Signatories", enter into this Stipulation to resolve all the issues in this Docket.<sup>1</sup>

**SUMMARY OF STIPULATION**

The Signatories agree that this Stipulation provides a reasonable resolution of the issues raised in these proceedings and that the Stipulation is in the public interest. The Stipulation only seeks relief that the Commission is empowered to grant. Accordingly, the Signatories recommend that the Commission accept the Stipulation and grant certain requests for relief made by the Companies in their Joint Application for approval of the First Amendment to the 2021 Joint Integrated Resource Plan ("Joint Application"), as modified by the Stipulation.

<sup>1</sup> Boyd Gaming Corporation, Station Casinos LLC, and Venetian Las Vegas Gaming, LLC (collectively, "Southern Nevada Gaming Group" or "SNGG") and Google LLC ("Google") indicated that they would neither be joining the stipulation nor opposing it.

RECITALS

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2           1.       On March 18, 2022, the Companies filed with the Commission their Joint  
3 Application for approval of the First Amendment to the 2021 Joint Integrated Resource Plan  
4 (“2021 IRP”). The Commission designated the proceeding as Docket No. 22-03024.

5           2.       The Joint Application was filed pursuant to the applicable provisions of the  
6 Nevada Revised Statutes ("NRS") and the NAC Chapters 704, including, but not limited to, NRS  
7 704.741 *et seq.* and NAC 704.9005 *et seq.* Pursuant to NRS 703.190 and NAC 703.527 *et seq.*,  
8 the Companies identified certain portions of the Joint Application as being confidential. The  
9 confidential designation included pricing of the North Valley geothermal power purchase  
10 agreement (“PPA”).

11           3.       Pursuant to NRS § 703.301, Staff participates as a matter of right.

12           4.       On March 24, 2022, the Commission issued a Notice of Joint Application and  
13 Notice of Prehearing Conference.

14           5.       On March 25, 2022, BCP filed a Notice of Intent to Intervene pursuant to Chapter  
15 228 of the NRS.

16           6.       On April 20, 2022, SNGG, Interwest, Google, and NCARE filed petitions for  
17 leave to intervene (“PLTI”).

18           7.       On April 21, 2022, the Commission, after holding a teleconference upon Staff’s  
19 request to address NV Energy’s redaction of the North Valley PPA pricing, issued a procedural  
20 order listing the options to remedy the redaction of the North Valley PPA pricing.

21           8.       On April 22, 2022, Ormat Nevada Inc. and ORNI 36, LLC (collectively,  
22 “Ormat”) filed a PLTI.

23           9.       On April 26, 2022, NV Energy, Staff, and BCP filed a stipulation, consistent with  
24 the procedural order, to disclose the North Valley PPA pricing by June 7, 2022.

11. On May 6, 2022, the Commission issued a procedural schedule which established a procedural schedule and required the Companies to file the residential rate impact analysis by June 8, 2022.

13. On June 2, 2022, the Commission issued a procedural order adopting Docket-specific discovery procedures.

15. On June 8, 2022, the Companies filed the required residential rate impact analysis. Ormat withdrew its PLTI.

16. The Signatories have conducted their analysis of the Companies' Joint Application and agree to enter into the Stipulation.

17. By this Stipulation, the Signatories seek to resolve all issues pertaining to the Joint Application.

1 NOW THEREFORE, in light of the foregoing considerations, the Signatories agree and  
2 recommend the following:

3 **AGREEMENT**

4 In light of the foregoing recitals, the Signatories agree and recommend the following:

5 1. Granting the Joint Application, except as modified by this Stipulation.  
6 2. Approval of the Joint Application's high price fuel and purchased power  
7 ("F&PP") forecasts (high price mid-carbon power forecast and high price natural gas forecast)  
8 for years 2022 and 2023, and base price F&PP forecasts (base mid-carbon power forecast and  
9 base natural gas forecast) for years 2024-2051, as provided in Technical Appendix FPP-1, as  
10 presenting the most accurate information upon which to base the planning decisions set forth in  
11 the filing. Until updated base price F&PP forecasts result in prices that are higher than the high  
12 price forecasts for 2022 and 2023 from this Joint Application, NV Energy will continue to use  
13 the high price F&PP forecasts for 2022 and 2023 in the next energy supply plan update and any  
14 IRP amendments that include changes to supply plan resources.

15 3. Approval of the Companies' Preferred Plan with the resources listed below:  
16 a. A Supply Plan addition of the 2-hour, lithium-ion battery energy storage  
17 system ("BESS") with a capacity of 220 megawatts ("MW") at the site of the  
18 former Reid Gardner Generating Station. Commercial operation is expected  
19 by May 31, 2024.<sup>2</sup> The BESS will be owned and paid for by Nevada Power.  
20 The price of the 2-hour battery is tied to the price of lithium through May  
21 2023 and is, thus, subject to change up or down. This approval of the BESS  
22 project is conditioned upon the price of the BESS project not exceeding \$257  
23

24 <sup>2</sup> The Joint Application alleged, "[c]ommercial operation [of the BESS project] is expected by May 31, 2023[.]"  
25 Joint Appl., at 10.



1 million and commercial operation on or before May 31, 2024. NV Energy  
2 shall file a compliance with the Commission by June 1, 2023, stating whether  
3 it 1) has executed a contract for the purchase of the BESS project at a price  
4 not exceeding \$257 million and expects to meet the target in-service date; 2)  
5 is not going forward with the project; or 3) is going forward with the project  
6 and seeking re-approval from the Commission with the revised budget and/or  
7 commercial operation date. If NV Energy seeks re-approval of the project  
8 pursuant to option 3, NV Energy shall not proceed with the development of  
9 the project until the compliance items are resolved. This stipulation does not  
10 preclude any party from requesting a hearing on this issue in the event NV  
11 Energy seeks re-approval of the project. If NV Energy seeks re-approval of  
12 the project pursuant to option 3, the parties recommend that the Commission  
13 issue an order approving, modifying or denying the project within 90 days of  
14 the compliance filing to allow the parties an opportunity to address the revised  
15 BESS project information.

- 16 b. A Supply Plan addition of the North Valley geothermal facility PPA for 25  
17 MW of renewable energy, which energy profile is complementary to solar  
18 photovoltaic ("PV") resources. Commercial operation is expected in  
19 December 2022, with a 25-year term at a flat energy price of \$57.40 per  
20 megawatt-hour. NV Energy is not, and will not be, seeking collection of the  
21 costs associated with the impact of the imputed debt from the North Valley  
22 PPA as a component of the base tariff energy rate, as contemplated in NAC  
23 704.88875(5), either in this proceeding or in future cases.

- 1 c. A Supply Plan peak firing project upgrade on the Chuck Lenzie Generating  
2 Station units 1 through 4 (Blocks 1 and 2), increasing the station's total peak  
3 capacity by approximately 24 MW with an in-service date of May 2024. The  
4 project cost is estimated at \$12 million.
- 5 d. A Supply Plan peak firing project upgrade on the Harry Allen Generating  
6 Station units 5 and 6, increasing the station's total peak capacity by  
7 approximately 12 MW with an in-service date of May 2024. The project cost  
8 is estimated at \$6 million.
- 9 e. A Supply Plan peak firing project upgrade on the Tracy Generating Station  
10 units 8 and 9, increasing the station's total peak capacity by approximately 12  
11 MW with an in-service date of May 2024. The project cost is estimated at \$6  
12 million.
- 13 f. A Supply Plan thermal energy storage project at the Chuck Lenzie Generating  
14 Station, increasing the station's peak capacity by approximately 18 MW with  
15 an in-service date of May 2024. The project cost is estimated at \$13 million.
- 16 g. If NV Energy satisfies all of the requirements, conditions, and terms of this  
17 Stipulation's paragraph 3(a), then a Transmission Plan project to construct the  
18 network upgrades to facilitate the interconnection of the BESS at the Reid  
19 Gardner substation. The network upgrade costs are estimated at \$2.5 million.
- 20 4. Approval of \$3.5 million to support the project developer's continued progress  
21 and perform the Companies' due diligence on a pumped storage hydro project located in White  
22 Pine County, Nevada. In addition, this expenditure secures the Companies' exclusive right to  
23 acquire the project. The estimated price to design, permit, and construct the project is \$2.6  
24  
25

1 billion. NV Energy will provide a status update of this project in its 2022 energy supply plan  
2 update.

3 5. Approval of the Companies' renewable portfolio standard ("RPS") forecast as  
4 being accurate as of the date it was filed, with the understanding that the renewable resources  
5 that are currently under development could face delays, shortfalls, and/or cancellations, due to  
6 the various market conditions surrounding the solar PV and BESS markets, such as the 2020  
7 global shutdowns, and the on-going lockdowns in places such as Shanghai caused by COVID-  
8 19 which limit manufacturing and shipping; the March 2021 blockage of the Suez Canal that  
9 created a global supply chain disruption; and the March 2022 Department of Commerce's  
10 decision to investigate solar panels and modules from Cambodia, Malaysia, Thailand and  
11 Vietnam, which effectively froze the imports into the U.S. Recently, President Biden declared a  
12 24-month pause on the implementation of the import tariff underlying the investigation, and  
13 invoked the Defense Production Act to drive U.S. manufacturing of solar panels.<sup>3</sup> It is not known  
14 how quickly the backlog of solar panel imports that was created by the Department of Commerce  
15 investigation can be cleared by the President's decree, or how long the global supply chain issues  
16 created by the global pandemic will last. Any delays, shortfalls, and/or cancellations of any  
17 renewable resources currently under development would shorten the time period of the  
18 Companies' respective forecasted RPS compliance periods.

19 6. In any future resource plan amendment application filed pursuant to NRS 704.751  
20 on or before June 1, 2027, NV Energy agrees that, for each application that includes a  
21 comparison of a diverse set of scenarios of the best combination of sources of supply to meet the  
22

23 <sup>3</sup> "Declaration of Emergency and Authorization for Temporary Extensions of Time and Duty Free Importation of  
24 Solar Cells and Modules from Southeast Asia" available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/06/declaration-of-emergency-and-authorization-for-temporary-extensions-of-time-and-duty-free-importation-of-solar-cells-and-modules-from-southeast-asia/>.

1 demands of its customers, NV Energy will include at least one scenario of low carbon dioxide  
2 emissions that uses sources of supply that result in, by the year 2030, an 80 percent or higher  
3 reduction in carbon dioxide emissions from the generation of electricity to meet the demands of  
4 its customers as compared to the amount of such emissions in the year 2005. NV Energy is not  
5 obligated to produce a new low carbon dioxide emissions scenario more often than once every  
6 12 months.

7 7. Grant the Companies' request to maintain the confidentiality of the information  
8 as requested in the Joint Application with the exception of the North Valley PPA pricing, which  
9 has been publicly disclosed.

#### 10 **GENERAL PROVISIONS**

11 8. This Stipulation represents a compromise. Except as specifically indicated,  
12 neither the Stipulation nor the Commission's acceptance of the Stipulation shall have any  
13 precedential effect in future proceedings.

14 9. This Stipulation represents a negotiated settlement. No provision of the  
15 Stipulation is severable. If the Commission does not accept the Stipulation in whole, then the  
16 Stipulation shall be withdrawn, without prejudice to any claims or contentions that may have  
17 been made or are made in this Docket; no part of the Stipulation shall be admissible in evidence;  
18 and no Signatory shall be bound by any of the provisions of the withdrawn Stipulation.

19 10. In accordance with NAC 703.845, this Stipulation settles only issues relating to  
20 the present proceedings and seeks relief that the Commission is empowered to grant.

21 11. This Stipulation may be executed in one or more counterparts, all of which  
22 together shall constitute the original executed document. This Stipulation may be executed by  
23 the Signatories by electronic transmission, which signatures shall be as binding and effective as  
24 original signatures.

This Stipulation is entered into by each Signatory as of the date entered below.

NEVADA POWER COMPANY,  
d/b/a NV Energy  
SIERRA PACIFIC POWER COMPANY,  
d/b/a NV Energy

Dated: June 21, 2022

By: /s/ Roman Borisov  
Name: Roman Borisov  
Title: Senior Attorney

REGULATORY OPERATIONS STAFF

Dated: June 21, 2022

By: /s/ Donald Lomoljo for  
Name: Jesse Panoff  
Title: Assistant Staff Counsel

OFFICE OF ATTORNEY GENERAL,  
BUREAU OF CONSUMER  
PROTECTION

Dated: June 21, 2022

By: /s/ Whitney Digesti  
Name: Whitney Digesti  
Title: Senior Deputy Attorney General

INTERWEST ENERGY ALLIANCE

Dated: June 21, 2022

By: /s/ Carolyn "Lina" Tanner  
Name: Carolyn "Lina" Tanner  
Title: Counsel

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NEVADANS FOR CLEAN AFFORDABLE  
RENEWABLE ENERGY

Dated: June 21, 2022

By: /s/ Robert Johnston  
Name: Robert Johnston  
Title: Senior Staff Attorney