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 third amendment to its 2021 Joint Integrated Resource Plan.	)	Docket No. 22-09006

At a general session of the Public Utilities Commission of Nevada, held at its offices on March 23, 2023.

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

ORDER

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

I. INTRODUCTION

On September 1, 2022, Nevada Power Company d/b/a NV Energy ("NPC") and Sierra Pacific Power Company d/b/a NV Energy ("SPPC" and together with NPC, "NV Energy") filed with the Commission a joint application, designated as Docket No. 22-09006 (the "Joint Application"), for approval of the third amendment to its 2021 Joint Integrated Resource Plan ("Joint IRP" or "IRP"). 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, NRS 704.746(1), NRS 704.7867, and NAC 704.9005 *et seq.*, and Senate Bill 448 (2021) ("SB 448"). Pursuant to NAC 703.190 and NAC 703.527 *et seq.*, NV Energy requests that certain information contained in its Joint Application receive confidential treatment.

On October 12, 2022, NV Energy amended the Joint Application, submitting additional workpapers in support of the Load Forecast section of the Joint Application (the "Amendment" and together with the Joint Application, the "Amended Joint Application").

On January 9, 2023, NV Energy, Nevada Bureau of Consumer Protection ("BCP") and the Regulatory Operations Staff of the Commission ("Staff") (together, the "Signatories") filed a stipulation ("Stipulation") in Docket No. 22-09006 resolving the issue of load forecast. Google LLC ("Google"); Clark County, Nevada ("Clark County"); Interwest Energy Alliance ("Interwest"); Caesars Enterprise Services, LLC ("Caesars"); MGM Resorts International ("MGM"); Nevada Workers for Clean and Affordable Energy ("Nevada Workers"); Tesla, Inc. ("Tesla"); Zeco Systems, Inc. d/b/a Shell EV Charging Solutions Americas ("Shell Recharge Solutions"); Nevada Resort Association ("NRA"); EVgo Services, LLC ("EVgo"); ChargePoint, Inc. ("ChargePoint"); Vote Solar; Boyd Gaming Corporation, Station Casinos LLC, and Venetian Las Vegas Gaming, LLC (collectively, "Southern Nevada Gaming Group" or "SNGG"); Enel X Way USA, LLC ("Enel X Way"); Southern Nevada Home Builders Association ("SNHBA"); Nevadans for Clean Affordable Reliable Energy ("NCARE"); Sierra Club; Nevada Governor's Office of Energy ("NGOE"); Americans for Affordable Clean Energy ("AACE"); and Nevada Department of Transportation ("NDOT") did not sign the Stipulation but also did not oppose the Stipulation.

II. EXECUTIVE SUMMARY

NV Energy's Amended Joint Application contains three main parts: the load forecast, the transportation electrification plan, and a request for regulatory asset treatment for costs related to actions in pursuit of membership in a regional transmission organization.

The Commission grants in part and denies in part NV Energy's Amended Joint Application as provided by and consistent with this Order. The Parties stipulated to Commission approval of the load forecast as modified by the Stipulation – the Commission accepts the

Stipulation. The Commission accepts in part, deems inadequate in part, and modifies the third amendment to NV Energy's 2021 Joint IRP, as provided by and consistent with this Order. The Commission accepts in part and modifies NV Energy's proposed plan to accelerate transportation electrification, as provided by and consistent with this Order. The Commission also grants in part and denies in part NV Energy's request to establish regulatory asset treatment for costs related to actions in pursuit of membership in a regional transmission organization.

The transportation electrification plan includes ten personal vehicle programs, six commercial vehicle programs, an education program, and four categories of grid integration, including revised tariffs and changes to Rule 9. The total proposed budget for all programs is approximately $348 million. The filing is required by Senate Bill 448 of the 2021 Legislative Session and followed Commission approval on January 12, 2022, of the Economic Recovery Transportation Electrification Plan in Docket No. 21-09006.

Sixteen intervening parties presented a range of recommendations at the three-day hearing. Pursuant to NRS 704.746(10), this Order considers whether the proposed transportation electrification programs: generally further transportation electrification goals, provide electric services and pricing that customers value, incorporate public reporting requirements which will serve to inform program design and Commission policy, and consider the cost of the programs to the customers of the electric utility.

Overall, the Commission finds that the scope of the requested transportation electrification plan is too broad and lacks necessary details. Given recent volatile commodity prices and inflation, which affect both NV Energy's cash-flow and credit metrics as well as NV Energy's customers' ability to absorb additional rate increases, the comprehensive financial analyses, budgets, and rate impact analyses expected to have been provided by NV Energy for this filing are of significant import; but as discussed by several parties, the offered data was largely inadequate – or in the case of the financial impact analysis – absent.

The Commission finds that implementation of the following programs in the transportation electrification plan are supported by substantial evidence, at an overall estimated budget of approximately $70 million (which will be further modified and reduced, as provided by and consistent with this Order): the Interstate Corridor Charging Depot Program, the Electric School Bus Vehicle to Grid Trial, and the Inflation Reduction Act ("IRA") Innovation Demonstration Program. The Commission also approves several tariff modifications, including proposed changes to Rule 9.

III. PROCEDURAL HISTORY

- On September 1, 2022, NV Energy filed with the Commission the Joint Application. NV Energy filed the Joint Application pursuant to the NRS and the NAC, Chapters 703 and 704, including, but not limited to, NRS 704.741, and NAC 704.9005 et seq., and SB 448. Pursuant to NAC 703.190 and NAC 703.527 et seq., NV Energy requests that certain information contained in its Joint Application receive confidential treatment.

- Staff participates as a matter of right pursuant to NRS 703.301.

- On September 7, 2022, the BCP filed a Notice of Intent to Intervene pursuant to Chapter 228 of the NRS.

- On September 13, 2022, the Commission issued a Notice of Joint Application and Prehearing Conference.

- On September 13, 2022, NV Energy submitted confidential workpapers omitted from the original filing.

- On September 30, 2022, NV Energy submitted an errata to its Joint Application, revising portions of the narrative section (the "Narrative") to the Joint Application, prepared direct testimony, and Technical Appendices LF-1 and DRP-8.

- On October 3, 2022, Google filed a Petition for Leave to Intervene ("PLTI").

- On October 4, 2022, Clark County and Interwest each filed PLTIs. Interwest also filed a Notice of Association of Counsel.

- On October 4, 2022, Charge Ahead Partnership ("CAP") filed Comments.

- On October 5, 2022, Caesars; MGM; Nevada Workers; Tesla; Shell Recharge Solutions; NRA; EVgo; ChargePoint; Vote Solar; SNGG; Enel X Way; SNHBA; NCARE; and Sierra Club each filed PTLIs.

- On October 5, 2022, CAP filed corrected Comments.

- On October 6, 2022, NV Energy amended the Joint Application, submitting additional workpapers in support of the load forecast section (the "Load Forecast" section) of the Joint Application.

- On October 11, 2022, the Presiding Officer held a prehearing conference. NV Energy, Staff, BCP, Google, Clark County, Caesars, MGM, EVgo, ChargePoint, SNGG, Interwest Energy Alliance, Vote Solar, NRA, Shell Recharge Solutions, Tesla, Nevada Workers, Enel X Way, SNHBA, NCARE and Sierra Club made appearances. The filed PLTIs and a procedural schedule were discussed.

- On October 12, 2022, NV Energy filed the Amendment.

- On October 13, 2022, the Presiding Officer held a continued prehearing conference. NV Energy, Staff, BCP, Google, Clark County, Caesars, MGM, EVgo, ChargePoint, SNGG, Interwest Energy Alliance, NRA, Tesla, Nevada Workers, Enel X Way, SNHBA, NCARE and Sierra Club made appearances. A procedural schedule was discussed.

- On October 19, 2022, NV Energy filed combined executable work papers.

- On October 21, 2022, the Commission issued a Notice of Amended Joint Application.
- On November 4, 2022, the Commission issued a Procedural Order requiring the parties to participate in an informal conference and follow-up with the Commission at a prehearing conference.
- On November 15, 2022, the NGOE and AACE each filed PLTIs.
- On November 16, 2022, the NDOT filed a PLTI.
- On November 18, 2022, the Commission held a Prehearing Conference. NV Energy, Staff, BCP, Google, Clark County, Caesars, MGM, EVgo, ChargePoint, Vote Solar, SNGG, Interwest Energy Alliance, NRA, Tesla, Nevada Workers, Enel X Way, SNHBA, NCARE, Sierra Club, Nevada Governor's Office of Energy, and AACE made appearances. A status update on the informal conference and a procedural schedule were discussed.
- On November 23, 2022, Commission issued Procedural Order No. 2, which established a procedural schedule and discovery process.
- On November 30, 2022, NV Energy filed the load forecast workpapers index requested by the Presiding Officer at the November 18, 2022, prehearing conference.
- On December 7, 2022, the Commission issued an Order granting the PLTIs of Google, Clark County, Interwest Caesars, MGM, Nevada Workers, Tesla, Shell Recharge Solutions, NRA, EVgo, Chargepoint, Vote Solar, SNGG, SNHBA, Enel X Way, NCARE, and Sierra Club.
- On December 29, 2022, the NGOE filed prepared direct testimony.
- On January 4, 2023, the Commission held a Prehearing Conference NV Energy, Staff, BCP, Tesla, EVgo, NCARE, Sierra Club, NRA, MGM, Caesars, AACE, Vote Solar, Interwest, Clark County, Enel X Way, SNGG, Google, Chargepoint, SNHBA, and Shell Recharge Solutions made appearances.
- On January 6, 2023, Sierra Club filed a Notice of Appearance of Additional Counsel as requested by the Presiding Officer at the January 4, 2023 Prehearing Conference.
- On January 6, 2023, the Commission issued an Order granting the PLTIs of the NGOE, AACE, and NDOT, and amending the Commission's December 7, 2022, Order granting the PLTI of EVgo.
- On January 9, 2023, Bonnie Billings filed a Comment.
- On January 9, 2023, NV Energy filed the Stipulation executed by the Signatories.
- On January 10, 2023, NDOT; Interwest; Caesars, MGM, and NRA; Vote Solar; SNHBA; Shell Recharge Solutions; Nevada Workers; Tesla; BCP; SNGG; ChargePoint; Enel X Way;

Staff; Clark County; EVgo; NCARE and Sierra Club; and Google each filed prepared direct testimony.

- On January 11, 2023, Caesars, MGM, and NRA filed an errata to prepared direct testimony.
- On January 11, 2023, the Commission issued a Notice of Hearing.
- On January 17, 2023, Interwest filed corrected, prepared direct testimony.
- On January 19, 2023, the Latin Chamber of Commerce filed Comments.
- On January 23, 2023, the Nevada State AFL-CIO filed Comments.
- On January 26, 2023, NV Energy filed prepared rebuttal testimony.
- On January 26, 2023, Advanced Energy United filed Comments.
- On January 31, 2023, the Commission issued Procedural Order No. 3, which established hearing procedures.
- On February 6, 2023, the Commission held a hearing. NV Energy, Staff, BCP, Google, Interwest, NCARE, Sierra Club, SNHBA, SNGG, Vote Solar, Chargepoint, Caesars, MGM, NRA, EVgo, Shell Recharge Solutions, Tesla, AACE, Nevada Workers made appearances.
- On February 8, 2023, the Las Vegas Asian Chamber of Commerce filed Comments.
- On February 15, 2023, Caesars, MGM, NRA, SNHBA, Tesla, BCP, SNGG, Vote Solar, Staff, EVgo, NCARE, Sierra Club, and Chargepoint filed briefs.
- On February 24, 2023, NV Energy filed a brief in response.

IV. AMENDED JOINT APPLICATION

A. Load Forecast Stipulation

Signatories' Position

1. The Signatories recommend that the Commission approve the Stipulation and grant the request for relief made by NV Energy in the Amended Joint Application, as modified by the Stipulation. (Stipulation at 1.)

2. The Signatories agree that NV Energy shall meet with BCP and Staff at least two months prior to the filing of an application seeking the approval of a load forecast. (*Id.* at 4.)

3. The Signatories agree that NV Energy shall provide all workpapers used to create the final load forecast at the time of filing an application requesting approval of a load forecast. (*Id.*) These workpapers shall have easily identifiable titles and shall be organized by utility as in previous dockets; shall show the population growth rates for each source of data used and how they are melded to create the final growth rates for Northern Nevada and Southern Nevada; shall provide a workpaper index that links the load forecast tables to the corresponding workbooks; and shall be provided in an executable format that is readily and easily accessible. (*Id.* at 4-5.)

4. The Signatories agree that NV Energy shall provide a load forecast workshop for all interested parties after the filing of an application requesting approval of a load forecast within 45 days after the filing. (*Id.* at 5.)

5. The Signatories agree that NV Energy shall use Northern Nevada (Nevada minus Las Vegas metro area) growth rates instead of Washoe County growth rates in an application requesting approval of a load forecast. (*Id.*)

6. The Signatories agree that NV Energy shall use Northern Nevada (Nevada minus Las Vegas metro area) economic indicators instead of Washoe County economic indicators in an application requesting approval of a load forecast. (*Id.*)

Commission Discussion and Findings

7. 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.

8. All arguments of the Signatories 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 implicated portions of the Amended Joint Application in Docket No. 22-09006 that the Stipulation resolves.

B. Transportation Electrification Plan

NV Energy's Position

9. NV Energy explains that with the passing of SB448, the Nevada Legislature embarked on statewide initiatives to accelerate transportation electrification, strengthen high-voltage transmission infrastructure, reduce greenhouse gas emissions, and set the state's transmission providers on a path to regional integration. (Ex. 100 at 6.) As a result of SB448's passage, NV Energy states that the Nevada Legislature tasked NV Energy with filing the state's first Transportation Electrification Plan ("TEP" or "Plan"). (*Id.*) More specifically, Section 51 of SB448 provides the following mandate:

> An electric utility shall, on or before September 1, 2022, file an amendment to its most recent resource plan filed pursuant to NRS 704.741, as amended by section 39 of this act, to incorporate into the resource plan a transportation electrification plan that complies with the provisions of section 14 of this act.

10. NV Energy states that on June 1, 2021, NV Energy filed the 2021 Joint IRP, which included the 2021 Distributed Resource Plan ("DRP") for the action plan period of 2022-

2024. (*Id.* at 7.) NV Energy states that this third amendment to the 2021 Joint IRP meets NV Energy's obligations under Section 14 of SB 448 to file an amendment to the 2021 Joint IRP to integrate the TEP into resource planning as a DRP component. (*Id.*) NV Energy provides that the 2022 TEP covers transportation electrification investments and programs for the remaining two years of the action plan period, 2023 through 2024. (*Id.*) At a high level, NV Energy explains that the 2022 TEP supports all customer classes across Nevada to accelerate their transition to electric vehicles ("EV") and simultaneously delivers programs that maximize grid benefits for all customers. (*Id.*)

i. *Personal Vehicle Programs*

11. NV Energy requests that the Commission approve ten programs to support transportation electrification for customers driving personal EVs. (Ex. 100 at 69.) These ten programs include: (1) Residential Technical Advisory Services; (2) Lower Income Telematics Program; (3) Lower Income Electric Vehicle Rebate Program; (4) Dealer Partner Program; (5) Residential Charging Incentive Program; (6) Residential Turnkey Charging Program; (7) Multi-family Charging Infrastructure Program; (8) Workplace Charging Infrastructure Program; (9) Interstate Corridor Charging Depot Program; and (10) Urban Charging Depot Program. (*Id.* at 69-70.) NV Energy states that these programs were designed to reduce barriers to electric vehicle purchase for residential customers. (*Id.* at 69.) Further, NV Energy provides that the total budget allocation for the programs supporting personal EVs is $155 million. (*Id.*)

Residential Technical Advisory Services

12. NV Energy states that the Residential Technical Advisory Services will provide residential customers access to NV Energy resources that can provide information and education on the benefits of transportation electrification and help facilitate program understanding and

participation. (*Id.* at 72.) NV Energy states that it plans to continue to offer call center support, self-service online tools, and access to electric vehicle and transportation electrification program experts to assist interested customers to better understand, evaluate, and participate in transportation electrification programs. (*Id.*) The budget allocation for Residential Technical Advisory Services is $333,333. (*Id.*)

Lower Income Vehicle Telematics Program

13. NV Energy states that the Lower Income Vehicle Telematics Program is intended to increase access to the use of electricity as a transportation fuel by lower-income residential customers who are interested in electrifying their vehicle but are unsure about the feasibility or value proposition offered by the switch to electric. (*Id.* at 73.) This program funds in-vehicle telematics units and data analysis software for lower-income residential customers. (*Id.*) The software applies data science to analyze driving behavior to inform personalized reports outlining the electric vehicle models that may best meet the driver's operational needs and maximize benefits. (*Id.*) The budget allocation for this program is $500,000. (*Id.*)

Lower Income Electric Vehicle Rebate Program

14. NV Energy states that the Lower Income Electric Vehicle Rebate Program offers income-qualified residential electric customers a rebate towards the purchase of a new or used electric vehicle including electric and plug-in hybrid electric vehicles. (*Id.* at 75.) The budget allocation is $500,000, which is estimated to support approximately 100 vehicle purchases. (*Id.*)

Dealer Partner Program

15. NV Energy states that the Dealer Partner Program is intended to provide information and education on the benefits of transportation electrification to customers at auto

dealership during the point of sale. (*Id.* at 76.) The budget allocation for the Dealer Partner Program is $166,500. (*Id.*)

Residential Charging Incentive Program

16. NV Energy states that the Residential Charging Incentive Program is meant to facilitate the deployment of charging infrastructure and associated electrical equipment, to support residential electric vehicle charging at homes, provide additional financial support for those customers in income qualified households, to encourage charging for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 76.) The budget allocation is $4,679,483, which is estimated to support a minimum of 200 residential charger installations. (*Id.* at 77.)

Residential Turnkey Charging Program

17. Much like the Residential Charging Incentive Program, NV Energy states that the Residential Turnkey Charging Program is meant to facilitate the deployment of charging infrastructure and associated electrical equipment to support residential electric vehicle charging, to promote vehicle charging for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 83.) The budget allocation is $14,801,139, which is estimated to support approximately 240 residential sites and 260 total charging ports. (*Id.* at 85.)

Multi-family Charging Infrastructure Program

18. NV Energy states that the Multi-family Charging Infrastructure Program is meant to facilitate the deployment of charging infrastructure and associated electrical equipment to support electric vehicle charging for residents at multi-family homes, encourage charging for optimal grid integration, and increase awareness and benefits of transportation electrification.

(*Id.* at 93.) The budget allocation is $33,997,616, which is estimated to support approximately 60 multi-family sites with 900 charging ports. (*Id.*)

Workplace Charging Infrastructure Program

19. NV Energy states that the Workplace Charging Infrastructure Program is meant to facilitate the deployment of charging infrastructure and associated electrical equipment to support electric vehicle charging for use by employees at workplaces, to encourage charging for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 98.) The budget allocation is $33,920,141, which is estimated to support approximately 60 workplace sites with 900 charging ports. (*Id.* at 99.)

Interstate Corridor Charging Depot Program

20. NV Energy provides that the Interstate Corridor Charging Depot Program was developed and approved as part of Economic Recovery Transportation Electrification Program ("ERTEP") and is proposed to continue in support of state efforts to obtain Federal Highway Administration Alternative Fuel Corridor designation and to optimize federal funding available to the state. (*Id.* at 103.) NV Energy states that the general objectives of the Interstate Corridor Charging Depot Program are to facilitate the deployment of charging infrastructure and associated electrical equipment to support electric vehicle charging along major interstates and highways in Nevada, to encourage charging for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 104.) The budget allocation is $22,664,181, which is estimated to support approximately 10 interstate corridor sites with 80 charging ports. (*Id.* at 105.)

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Urban Charging Depot Program

21. NV Energy states that the Urban Charging Depot Program is meant to facilitate the deployment of charging infrastructure and associated electrical equipment to support public electric vehicle charging for drivers in metropolitan areas of Nevada, encourage charging for optimal grid integration, and increase awareness and benefits of transportation electrification. (*Id.* at 110.) The budget allocation is $33,120,817, which is estimated to support approximately 12 sites with 120 charging ports. (*Id.* at 111.)

Commercial Vehicle Programs

22. NV Energy requests that the Commission approve six programs to support transportation electrification for commercial and government customer needs. (*Id.* at 116.) These six programs include: (1) Commercial Technical Advisory Services; (2) State, Local, and Tribal Governments Fleet Telematics Program; (3) Fleet Charging Infrastructure Program; (4) Fleet Charging Depot Program; (5) Transit Electrification Grant; and (6) Electric School Bus Vehicle-to-Grid Trial. (*Id.* at 117.)

Commercial Technical Advisory Services

23. NV Energy states that the Commercial Technical Advisory Services provide commercial customers access to NV Energy educational resources on the benefits of transportation electrification. (*Id.* at 118.) The budget for Commercial Technical Advisory Services is $416,667. (*Id.* at 119.)

State, Local, and Tribal Government Fleet Telematics Program

24. NV Energy states that the purpose of the State, Local, and Tribal Government Fleet Telematics Program is to provide information and education on the benefits of transportation electrification to governmental customers operating fleets who are interested in

electrifying their fleet vehicles but are unsure about the feasibility or value proposition. (*Id.* at 120.) The budget allocation for the State, Local, and Tribal Government Fleet Telematics Program is $1,000,000. (*Id.*)

Fleet Charging Infrastructure Program

25. NV Energy states that the purpose of the Fleet Charging Infrastructure Program is to facilitate the deployment of charging infrastructure and associated electrical equipment to support governmental and non-governmental electric fleet vehicle charging at workplaces, to promote vehicle charging for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 122.) The budget allocation for the Fleet Charging Infrastructure Program is $48,752,368, which is estimated to support approximately 60 fleet sites with 600 charging ports. (*Id.*)

Fleet Charging Depot Program

26. NV Energy states that the purpose of the Fleet Charging Depot Program is to facilitate the deployment of charging infrastructure and associated electrical equipment to support necessary public electric vehicle charging for fleets, encourage charging for optimal grid integration, and increase awareness and benefits of transportation electrification. (*Id.* at 128.) The budget allocation for the Fleet Charging Depot Program is $18,061,874, which is estimated to support approximately 10 sites with 60 charging ports. (*Id.*)

Transit Electrification Grant

27. NV Energy states that the purpose of the Transit Electrification Grant is to provide flexibility for the electrification needs of the state's transit agencies, metropolitan planning organizations, and the Department of Transportation such that the state can optimize NV Energy programs and other available funding sources while maximizing the benefits of

transportation electrification, particularly for Nevadans within historically underserved communities ("HUC"). (*Id.* at 133.) The budget allocation for the Transit Electrification Grant is $30,000,000. (*Id.*)

Electric School Bus Vehicle-to-Grid Trial

28. NV Energy states that the purpose of the Electric School Bus Vehicle-to-Grid Trial is to continue the deployment of charging infrastructure and associated electrical equipment to school bus electrification, to demonstrate vehicle-to-grid capabilities for optimal grid integration, and to increase awareness and benefits of transportation electrification. (*Id.* at 136.) The budget allocation of the Electric School Bus Vehicle-to-Grid Trial is $31,911,668, which is estimated to support approximately 9 school bus sites with 110 charging ports. (*Id.* at 137.)

ii. Grid Integration

29. NV Energy requests that the Commission approve its requested Grid Integration plan as a component of their TEP. (*Id.* at 141.) NV Energy provides that there are four primary categories of its Grid Integration plan: (1) Tariffs; (2) Managed Charging; (3) Systems Development; and (4) Building Codes. (*Id.*) The budget for Grid Integration is $14,656,913. (*Id.* at 142.)

Tariffs

30. NV Energy provides that it currently has multiple EV related schedules to support transportation electrification. (*Id.* at 142.) To support its proposed TEP, NV Energy proposes modifications to its tariff schedules; in particular, NV Energy proposes modifying the Electric School Bus Vehicle-to-Grid Trial ("ESB-V2G") schedules, the NV Energy Electric Vehicle Charging Network ("NVEVCN") schedules, the Electric Vehicle Recharge Rider ("EVRR") schedules, and the Rule 9 Electric Line Extension tariffs. (*Id.*)

Managed Charging

31. NV Energy proposes to issue active manage charging events to control EV charging for participating customers. (*Id.* at 143.) NV Energy explains that these events will temporarily reduce charging demand and shift the charging load to mitigate high energy costs, system congestion, and grid emergencies. (*Id.*) Further, NV Energy explains that during managed charging events, EV chargers for enrolled customers will receive signals that will automatically change the rate of EV charging to support a set of use cases that include economic events, reliability events, emergency events, and local distribution system demand limiting events. (*Id.*) In any event, NV Energy offers that customers will retain the capability to opt-out of events. (*Id.*) The requested budget allocation is $12,956,913. (*Id.* at 146.)

Systems Development

32. NV Energy states that it is seeking approval of ongoing and proposed initiatives that are designed to enhance NV Energy's capability to integrate EVs into the grid. (*Id.* at 146.) Among the initiatives that NV Energy outlines is the IRA Innovation Demonstration. (*Id.* at 148.) NV Energy explains that the IRA provides funding to support deployment of additional infrastructure to promote renewable integration in eligible communities. (*Id.*) Accordingly, to seek benefits under the Inflation Reduction Act, NV Energy states that it proposes to allocate $1,000,000 to support the deployment of NV Energy-owned solar generation and battery energy storage at sites that include shade canopies as part of the site profile. (*Id.*) Further, NV Energy's proposed Electric Vehicle Load Identification efforts explore partnering with a software analytics company to evaluate whether EV charging load can be identified separately from other household loads. (*Id.* at 149.) NV Energy explains that this data can help improve NV Energy's

distribution and resource planning processes by allowing NV Energy to plan for future grid constraints that might develop because of additional EV load. (*Id.*)

Building Codes

33. NV Energy states that a component of its TEP is to pursue strategies that prepare for the onset of EVs by addressing future needs brought on by evolving building codes. (*Id.* at 150.) As a part of these efforts, NV Energy is proposing a Rule 9 "EV Allowance Adder" for single-family residential projects requiring line extension work to install charging infrastructure at the home. (*Id.*) NV Energy explains that the EV Allowance Adder represents a value that is incremental to the current Rule 9 single-family standard allowance and is based on the estimated kilo-volt-ampere ("kVa") that a charger would contribute to the cost of the overall line extension project if it were required or installed. (*Id.*)

Clark County's Position

34. Clark County supports the TEP. (Ex. 600 at 2.) Clark County states that the TEP facilitates the acceleration of transportation electrification in Southern Nevada and throughout the state. (*Id.*) Clark County states that NV Energy's proposed set of programs supports the use of EVs in Southern Nevada, contributes to the diversification of the economy, and responds to a variety of policies at the local, state, and federal level that will accelerate the interest and demand for EV and the electricity to power them. (*Id.*)

35. Clark County states that it seeks to reduce all regulated pollutants to attain compliance with the National Ambient Air Quality Standards, which are designed to protect public health. (*Id.* at 2-3.) Clark County states that its goals related to air quality include reducing fine particulate matter and ozone, which are heavily influenced by vehicle emissions. (*Id.* at 3.) Clark County provides that through its "All-In Plan," it set a goal to transition to 80%

of its fleet to alternative fuel vehicles by 2030 and 100% by 2050. (*Id.*) Clark County states that as it continues to face challenges in meeting and maintaining standards for ozone and fine particulate matter, reducing emissions from the transportation sector will be important to improving air quality and implementation of the programs in the TEP will be instrumental to its efforts to address air quality challenges as well as protecting public health. (*Id.* at 6.)

36. Clark County provides that for Nevada to meet its greenhouse gas emission reduction goals, transportation must be electrified in Clark County quickly. (*Id.* at 7.) Clark County further provides that the TEP will improve public health. (*Id.*) Clark County states that the Natural Resources Defense Fund's Global Air report estimated that ozone pollution alone led to 97 premature deaths, 114 hospital admissions, and nearly $900 million in health costs to Nevadans in a single year. (*Id.*) Clark County states that there are significant societal benefits from the acceleration of transportation electrification that will be achieved with implementation of the TEP in the form of less air pollution, less negative impacts to public health, and reduced healthcare costs. (*Id.* at 8.)

EVgo's Position

37. Within the urban and interstate programs, EVgo recommends that the Commission focus on attracting private investment and keeping ratepayer costs low in the TEP by approving make-ready or incentive programs with no utility-ownership option. (Ex. 1400 at 33.) EVgo provides that the Commission could reevaluate whether utility-ownership is in the public interest. (*Id.*) EVgo reasons that, given the ample funding for utility-ownership through both ERTEP and the National Electric Vehicle Infrastructure ("NEVI") formula program, the lack of data on the cost-effectiveness of utility-ownership, and the ability and willingness of the

private market to deploy chargers in NV Energy's service territory, the authorization of additional funding for utility ownership is not warranted at this time. (*Id.*)

38. EVgo states that while utilities have an important role in supporting EV adoption, in order to effectively utilize ratepayer funding and attract private investment in the state, it is important to ensure that utility investments are complementary to private market activities. (*Id.* at 13.) EVgo states that NV Energy has already been authorized to own charging infrastructure through its $100 million ERTEP; however, it is unclear whether this approach has been effective for EV deployment as twelve months after approval, no funding has been awarded and no chargers have been deployed through the interstate and urban programs despite the Legislature's intent for these investments to be deployed rapidly. (*Id.* at 13-14.) EVgo further states that no data has been gathered to assess the cost-effectiveness and market impacts of utility-ownership in the ERTEP programs. (*Id.* at 14.) EVgo states that given these uncertainties and pre-existing authorized funds, it is premature to approve additional funding for utility-owned chargers. (*Id.*) EVgo states that given the approved ERTEP funding, the Commission could re-evaluate whether utility ownership is in the public interest in the next TEP proceeding in order to provide time for the impacts of the ERTEP to be evaluated. (Id. at 16.)

39. EVgo states that utility-owned and operated direct current fast charging ("DCFC") networks present in close proximity to a third-party operator's DCFC network results in the utility chargers consuming the usage that the private market relies on to sustain its economics, which can be compounded by utilities pricing EV charging at their own stations at prices too low for the private market to compete. (*Id.* at 14.) EVgo states that this is the case with NV Energy's pricing for EV drivers that use its utility-owned public charging stations, as the Schedule NVEVCN off-peak and recharge period rates are well below market rates. (*Id.*)

EVgo states that the pricing was not designed to recover the full cost stack for DCFC, which includes not only electricity, but operations and maintenance ("O&M"), a customer call center, and other development and operational costs. (*Id.*) EVgo states that while private sector DCFC providers must charge a price reflective of its costs, utilities are able to charge lower prices because they can recover a significant portion through ratepayers. (*Id.* at 14-15.) EVgo states that the utility-ownership option and below-market pricing will negate the benefits of offering make-ready incentives in the program and result in programs that are not cost-effective and that discourage private sector investment. (*Id.* at 15.)

40. EVgo recommends that the Commission adopt incentives for standard sites in line with the DCFC incentives in the Electric Vehicle Infrastructure Demonstration ("EVID") program of $40,000 per charging system up to a cap of $200,000 per site. (*Id.* at 15.) EVgo provides that this approach could save ratepayers up to $34.8 million across both programs. (*Id.*) EVgo further recommends that the proposed O&M incentives be eliminated as part of the standard incentive package. (*Id.*) EVgo states that these incentives are not necessary in all locations, particularly in denser areas, and that the utility could consider allowing applicants to request the incentives in certain areas, such as where traffic density and charger utilization are lower, subject to competitive solicitation. (*Id.* at 15-16.)

41. EVgo states that NV Energy could provide greater benefits to ratepayers using private investment through make-ready/incentive programs that exclude utility ownership and instead incent the private market to deploy chargers for a fraction of the cost similar to the EVID program. (*Id.* at 16.) EVgo states that under this program design, instead of requiring ratepayers to fund utility-owned stations at $2-3 million per site, the utility could incent the private market to deploy chargers for a fraction of the cost, similar to the EVID program. (*Id.*) EVgo contends

that this approach would better align the TEP with the goals of SB 448, leading to a reduce cost burden and improving the TEP's ability to "[f]oster the investment of private capital in transportation electrification." (*Id.*, SB 448, Sec. 40, para 10.)

42. EVgo explains that instead of utility-ownership of chargers, the utility can invest in make-ready infrastructure and provide incentives to the private market for EV chargers. (*Id.* at 16-17.) EVgo states that this approach would spur private investment while reducing ratepayer expenses because the competitive market "is ready and available to deploy chargers in NV Energy's territory if market conditions encourage, rather than hinder private sector investment." (*Id.* at 16-17.) EVgo provides that "make-ready" infrastructure refers to the electrical equipment necessary to operate a charging station and explains that a utility might invest in rate-based distribution upgrades and branch line extensions while leaving investments in chargers, charger ownership, operations and maintenance, marketing, customer service, and network operation to experienced private sector providers. (*Id.* at 17.) EVgo further provides that an incentive program, such as NV Energy's EVID program, could offer rebates to customers to cover a portion of the cost for EV charger installation. (*Id.*)

43. EVgo states that a make-ready/incentive program without utility ownership where NV Energy covers grid side and make-ready costs, and an incentive capped at $200,000 per standard site similar to the EVID DCFC program, would allow for ten interstate program sites to be deployed for a total ratepayer expenditure of $9.1 million (or 60 percent less than NV Energy's proposed program), assuming a maximum cost of $911,124 per site. (*Id.* at 19.) EVgo states that for the urban program, under a make-ready/incentive program with a $200,000 incentive cap similar to the EVID DCFC program, 12 urban program sites could be deployed at a total ratepayer expenditure of $11.9 million (or 64% less than NV Energy's proposed program

design), assuming a maximum total cost of $995,509 per site. (*Id.* at 19-20.) EVgo states that other state commissions have approved successful make-ready and/or incentive programs and NV Energy's own EVID program, which was an incentive program, was also successful, as 100% of its budget was reserved or spent (although the program was meant to run until mid-2023). (*Id.* at 20-22.)

44. For the site profiles in the interstate and urban programs, EVgo recommends establishing minimum site requirements for the number and power levels of chargers that align with the proposed NEVI formula program minimum requirements, rather than requiring prescriptive site profiles. (*Id.*) EVgo explains that this approach will reduce ratepayer costs and be more inclusive, while still allowing the utility to ensure reliability, control costs, enable a positive customer experience, and ensure efficient grid integration. (*Id.* at 31-32.) EVgo states that imposing minimum requirements in line with the proposed NEVI program is appropriate because the federal government seeks to instill standardization of EV charging infrastructure deployment throughout its NEVI programs, and NV Energy's programs that include DCFC deployments should follow suit. (*Id.* at 32.) EVgo states that adopting these requirements will ensure that charging locations have redundancy through multiple chargers and power levels that will allow EV drivers to charge quickly while still allowing applicants the flexibility to go beyond minimum requirements. (*Id.*) EVgo states that adopting these minimum requirements will also enable the deployment of power-sharing chargers which can benefit both EV drivers and the grid. (*Id.*) EVgo provides that these minimum requirements will not discourage participation by imposing prescriptive site profiles on applicants and will provide the flexibility necessary for charging sites to be tailored to a customers' particular needs, similar to the EVID DCFC program. (*Id.* at 32-33.)

Tesla's Position

45. Tesla states that it is generally supportive of the TEP; however, it is concerned with the proposed third-party ownership limitations and restrictive equipment eligibility requirements for NV Energy's proposed programs. (Ex. 1100 at 3.) Further, Tesla states that it is concerned that NV Energy did not include any evaluation in the proposed plan on increased staffing needs to support deployment of infrastructure, improvements to the application-to-energization process for new service connections, or capacity planning needs to reasonably support the growing charging infrastructure investments. (*Id.* at 3-4.) As such, Tesla provides several recommendations aimed at improving the TEP. (*Id.*)

46. Tesla recommends that the Commission either include third-party ownership as an ownership option for EV charging infrastructure or clarify how third-party ownership would be eligible under the customer ownership option. (*Id.* at 7.) Tesla explains that it is important to provide ownership flexibility to NV Energy customers by providing multiple ownership options and to incentivize lowest cost options through increased customer choice. (*Id.*) Tesla argues that it is important to ensure that all stakeholders involved in the deployment, ownership, and operation of EV charging equipment are on as equal of a playing field as possible. (*Id.* at 6.) Tesla elaborates that utilities should undergo the same cost-based exercise to set EV charging station prices as the private sector and aim to set rates that keep public charging affordable, but not at a level that undercuts private charging services. (*Id.*) As such, Tesla provides that utilities, like NV Energy, should pay the same underlying electric rate it charges third-party owned stations for energy usage, as a best practice. (*Id.*)

47. Tesla recommends the proposed Residential Turnkey Charging Program expand eligibility to third-party and customer ownership. (*Id.* at 8.) Tesla explains that limiting programs

to only NV Energy ownership will provide NV Energy with an unfair advantage compared to third-party ownership models that are not able to access identical funding covering permitting and storage and solar offerings. (*Id.* at 7.) Tesla points out that SB448 does not explicitly direct exclusive utility ownership of charging infrastructure and instead states that equipment *may* be owned by the electric utility or a third-party provider. (*Id.* at 8.) (emphasis added.)

48. Tesla states that NV Energy's proposed baseline requirements for charging infrastructure for NV Energy's proposed programs, provided in Section 9 of the TEP, are not all reasonable. (*Id.* at 8-9.) Tesla provides that some of these baseline requirements provided by NV Energy include, but are not limited to, minimum power levels, connector technology, safety certifications, network communication protocols, payment types and security, grid integration capabilities, weights and measures, data collection, and reporting. (*Id.* at 8.) Tesla argues that many of NV Energy's proposed requirements are unnecessarily restrictive and result in limited equipment eligible for participation at significantly higher costs to ratepayers without sufficient rationale or data demonstrating the need for the requirements. (*Id.* at 9.)

49. As such, Tesla recommends that NV Energy's requirement for 350 kilowatt ("kW") DCFC be excluded from the Interstate Corridor Program. (*Id.*) Tesla explains that currently, no light-duty EVs are capable of charging at or above 350 kW and that DCFC capacity should be built to support vehicle capabilities, maximize public and private investment, and expand charger usage and electric vehicle adoption. (*Id.*) Tesla provides that mandating charging capacity above 150 kW may be well-intended, but is premature given current vehicle charging capabilities and higher infrastructure costs. (*Id.*) Tesla states that chargers greater than 150 kW should be allowed and enabled in NV Energy's proposed programs but should be permitted on a competitive basis to ensure the optimal use of funding. (*Id.*)

50. Tesla recommends the removal of the requirement for CHAdeMO connectors at DCFC stations. (*Id.*) Tesla states that NV Energy's proposed plan requires at least one CHAdeMO connector per site in the Interstate Corridor Program. (*Id.*) Tesla argues that the CHAdeMO connector has become largely obsolete and services few EV models. (*Id.*) Tesla also points out that two large EV infrastructure funding programs in North America, the United States' NEVI and Canada's "Zero Emission Vehicle Infrastructure Program," do not mandate a CHAdeMO connector. (*Id.*)

51. Tesla recommends expanding the payment methods accepted at charging equipment by modifying NV Energy's requirement that charging equipment accept only physical credit or debit cards. (*Id.* at 11.) Tesla states that EV charging technology is generally moving away from physical card readers and that NV Energy should instead provide flexibility in payment method by requiring more than one payment method from a set of options, including mobile, contactless, and in-vehicle payment options. (*Id.*) Tesla explains that mobile payments offer a more simplified and seamless charging experience and will become increasingly popular. (*Id.*)

52. Tesla disagrees that charging infrastructure should include ISO 15118 capabilities. (*Id.* at 12.) Tesla explains that rather than focusing the payment method requirement for "Plug-and-Charge" capability on the ISO 15118 standard that is actively being revised and not backwards compatible between versions, it would be more efficient and economical to implement an outcome-based standard by instead requiring a "hardware ready" standard for ISO 15118. (*Id.*)

53. Tesla recommends that the charging infrastructure uptime requirement be modified from 90% to 97% or higher. (*Id.* at 13.) Tesla states that uptime is essential for ensuring

EV drivers have reliable access to charging at EV charging stations. (*Id.*) Tesla explains that Tesla's 2021 "Impact Report" highlighted that reliability is a key factor for its charging network. (*Id.*) Tesla further recommends that uptime be set at the site level instead of for each individual charger. (*Id.*)

54. Tesla recommends publishing a detailed application-to-energization process for new service connections for EV charging infrastructure that contains expected timelines, responsible parties, and NV Energy's contact information. (*Id.* at 5.) Tesla expresses concerns that NV Energy will not be able to meet reasonable energization timelines for the significant number of DCFC new service connection applications expected during the 2023-2024 plan period. (*Id.* at 17.) Tesla points out that NV Energy's plan proposes around 336 DCFC chargers, mostly at 150 kW per charger over the 2023-2024 TEP period, in addition to the DCFC chargers which will need to be built outside of the plan during the plan period. (*Id.*) Tesla states that even excluding DCFC charging stations by other third-party EV charging providers outside of the plan, the number of DCFC station applications NV Energy will need to review, process, and energize during the plan period is substantial and notably does not include medium- and heavy-duty EV charging infrastructure projects and other fleet applications outside of the plan. (*Id.*) Tesla expresses concerns about how NV Energy will handle this significant increase in DCFC station applications. (*Id.*)

55. Tesla recommends setting a target average application-to-energization timeline of 125 business days for NV Energy to meet for new service connections for EV charging infrastructure; Tesla also recommends requiring quarterly public meetings between NV Energy and the EV charging industry to discuss current timelines and process improvements. (*Id.* at 17-20.) Tesla explains that an approximate 6-month timeframe generally aligns with the timelines

of other non-utility work required as part of a DCFC site build, such as land-use contracting, permitting, equipment sourcing, and construction. (*Id.* at 19.) To complement its other recommendation to streamline the application-to-energization timeline, Tesla also recommends that NV Energy should evaluate current staffing resources and needs, and as needed, provide a staffing plan that ensures sufficient support to meet the anticipated volume of EV charging station applications during the plan period as well as to meet future infrastructure needs. (*Id.* at 20-21.)

56. Finally, to further improve the TEP, Tesla recommends continuing to expand the DRP web portal, including the "Hosting Capacity Analysis," to support siting EV charging infrastructure and ensure up-to-date and accurate information with real time or at minimum quarterly updates. (*Id.* at 21.) Tesla also recommends that NV Energy should solicit public comments from EV charging providers and other interested stakeholders on how distribution grid transparency tools can be improved. (*Id.*)

Enel X Way's Position

57. Enel X Way recommends that the Commission approve the TEP largely as filed; however, Enel X Way proposes three modifications aimed at streamlining implementation of the TEP. (Ex. 1800 at 3-4.)

58. First, Enel X Way argues that the Commission should require NV Energy to allow for slight deviations from standardized site profiles if it otherwise enables deployment at strategic or optimal sites that can help accelerate access to transportation electrification across NV Energy's service territory. (*Id.* at 4.) While Enel X Way states that it largely supports NV Energy's standardized site profile designs, Enel X Way states that it holds concerns that over prescriptiveness in these site profiles may disqualify otherwise well positioned or qualified sites.

(*Id.* at 5.) As an example, Enel X Way explains that site profiles for EV charging infrastructure under NV Energy's current plan may require 350 kW DCFC in conjunction with 150 kW DCFC stations, yet the market for cars that can accept a 350 kW charge is still limited and 350 kW installations may be prohibitively expensive. (*Id.* at 6.) In this scenario, Enel X Way provides that, if an otherwise eligible and strategically sited customer is not able to support the required number of 350 kW chargers, consideration should be provided to permit the installation of 150 kW chargers instead. (*Id.*) This flexibility, Enel X Way explains, may allow budgeted funds to be extended to include additional host sites, which may further accelerate transportation electrification. (*Id.*)

59. Second, Enel X Way argues that the Commission should reject the proposal to require ISO 15118 compatibility for qualifying EV supply equipment for deployment in the TEP. (*Id.* at 4.) Enel X Way explains that the ISO 15118 standard has not been adequately defined, tested, certified, or implemented for commercial use in the United States and thus its use in the TEP is premature. (*Id.* at 6-7.) Enel X Way points out that full program design and requirements that may require ISO 15118 readiness under the IRA have not been finalized by the Treasury Department, making this requirement premature. (*Id.* at 7.) Enel X Way recommends further discussions among industry stakeholders, the Commission, EV supply equipment manufacturers, service providers, automotive original equipment manufacturers, industry consortia, and independent testing labs to determine an appropriate start-date, level of certification and testing, and other readiness requirements. (*Id.* at 7.) Rather than proceeding with the ISO 15118 standard, Enel X Way also recommends that the Commission look to the recent directive of the Public Utilities Commission of the State of California ("CPUC") in Decision 22-08-024 and dated August 4, 2022, for guidance on implementing a "Hardware Ready" standard. (*Id.*)

60. Finally, Enel X Way states that it generally supports the Plan's overall budget across the personal vehicle program and the commercial vehicle programs. (*Id.* at 8.) Nonetheless, Enel X Way explains that it is concerned that the proposed Residential Turnkey Charging Program has a budget that is three times that of the Residential Charging Incentive Program. (*Id.* at 8.) As such, Enel X Way argues that, should the Commission reduce or reallocate the budget for the Residential Turnkey Charging Program, such funding should be redistributed to the Residential Charging Incentive Program, the Multi-family Charging Infrastructure Program, or one of the other TEP programs that permit multiple ownership options. (*Id.* at 4.)

Shell Recharge Solutions' Position

61. While providing several program modifications, Shell Recharge Solutions states that it overall supports the approval of NV Energy's TEP as the TEP will support the development of the private EV charging market, will meaningfully increase charging options for EV drivers, and will support grid integration. (Ex. 1200 at 3.) Shell Recharge Solutions states that, by implementing Shell Recharge Solution's recommendations, NV Energy will have satisfactorily demonstrated that the TEP meets the considerations and requirements under SB 448. (*Id.* at 5.)

62. Shell Recharge Solutions proposes that, for programs that offer behind the meter make-ready support, NV Energy should provide an option for customers to develop and own behind the meter make-ready infrastructure – with a rebate covering those costs up to what NV Energy's costs would have been. (*Id.* at 4.) Specifically, Shell Recharge Solutions provides that customers and third parties should have the option to build and develop this infrastructure themselves, with the contractor of their choice, rather than being required to have this provided

by NV Energy exclusively. (*Id.* at 7.) Further, Shell Recharge Solutions states that, for administrative simplicities and other practicalities, this option should likely be limited to sites that also choose to own the EV chargers themselves. (*Id.*) Shell Recharge Solutions explains that customers may not wish for the utility to own or be involved with infrastructure behind the meter on their property or they may desire access and the ability to modify this infrastructure. (*Id.*) Shell Recharge Solutions explains that the customer may be able to design, permit and install this make-ready infrastructure more quickly than NV Energy, which may be an important consideration given supply chain constraints and shortages around switchgear and other components. (*Id.* at 8.) Shell Recharge Solutions offers that its recommendation would permit sites and developers to complete their projects on a timeline they more directly control rather than being bound by the timeline provided by NV Energy. (*Id.*)

63. Shell Recharge Solutions also recommends that the prescriptive site profiles be altered from requirements to design suggestions for customers or third parties who choose to own the charging infrastructure. (*Id.* at 4.) Shell Recharge Solutions explains that reasonable flexibility to determine site configurations based on locational or site realities, including factoring for real estate constraints, user experience, power availability, and other considerations will help enable a broader spectrum of potential sites and greater program access. (*Id.* at 8.) Shell Recharge Solutions provides that NV Energy's site profile requirements could be an impediment, rather than an accelerant, in advancing projects, as their design and rigidity may be making it difficult to find suitable sites or site hosts willing to develop projects on their property adhering to the requirements specified by the various site profiles. (*Id.* at 10-11.) Shell Recharge Solutions offers that, while NV Energy may reasonably use cost estimates associated with site profiles in determining cost or reimbursement caps for customers and third parties, deviations

from or beyond the site profile should remain the prerogative of those entities as long as the program's various other minimum technical or other requirements are met – understanding that costs may not be covered beyond that estimated for the site profile. (*Id.* at 9.)

64. Further, Shell Recharge Solutions recommends that the Commission provide NV Energy with explicit budget flexibility as well as a directive to reallocate budget dollars to programs that may experience more than anticipated demand from those that may experience less than anticipated demand. (*Id.* at 5.) Shell Recharge Solutions states that it is making its recommendation with the goal of ensuring that no programs become oversubscribed or otherwise unable to accommodate customer requests. (*Id.*) Shell Recharge Solutions also points out that the contingency in the budget appears not to be intended for allocation into any specific program but instead for changes in cost estimates. (*Id.*) Thus, Shell Recharge Solutions argues that the budget flexibility it recommends will help ensure that program support is going to where the market demand exists or develops, and that otherwise viable proposed projects are not sidelined or left behind for administrative reasons. (*Id.* at 13.)

65. Additionally, Shell Recharge Solutions recommends that any CHAdeM0 requirements for DCFC be removed, at least for sites developed and owned by customers and third parties. (*Id.* at 5, 13.) Shell Recharge Solutions explains that customers can determine the port type needs of drivers in their community and make accompanying decisions to maximize utilization and public benefit. (*Id.* at 13.) Shell Recharge Solutions provides that this modification would also be aligned with the NEVI program's proposed technical requirements, which include no CHAdeMO port requirement. (*Id.*) Additionally, Shell Recharge Solutions offers that no auto manufacturer selling vehicles in North America is releasing new vehicles with a CHAdeMO port, and that the vast majority of existing or legacy public DCFC are dual port

CCS/CHAdeMO combo – meaning that there are often significantly more CHAdeMO DCFC available than demand requires. (*Id.*)

66. Finally, Shell Recharge Solutions recommends that the Commission establish application review timelines or goals for NV Energy. (*Id.* at 5.) Shell Recharge Solutions states that, because very few ERTEP projects have progressed towards installation, it is difficult to provide constructive feedback regarding the project development process under these programs. (*Id.* at 14.) Shell Recharge Solutions states that establishing application review timelines or goals for NV Energy may provide an opportunity to accelerate program processes in the TEP. (*Id.* at 14.) Shell Recharge Solutions provides that if meeting the goals of the TEP requires additional staffing at NV Energy, Shell Recharge Solutions would support a program or budget modification within the TEP to provide for additional staff resources. (*Id.*)

SNGG's Position

67. SNGG recommends that NV Energy refile a plan for public charging that allows and encourages third-party ownership; however, short of this, it recommends that the Commission disallow public charging costs to be socialized by non-charging customers by using SNGG's proposed accounting treatment and recommendations. (Ex. 1700 at 25.)

68. More specifically, SNGG recommends that NV Energy's proposed regulatory asset methodology be deemed appropriate, but only for program costs that should be socialized. (*Id.* at 27.) SNGG recommends that some of the costs that could be socialized might include some public charging costs. (*Id.*) SNGG states that the regulatory asset methodology should be modified for costs that should not be socialized; specifically, SNGG proposes a modification where the costs in the applicable regulatory asset account would not be rolled into rate base in the next rate case, but instead would remain in the regulatory asset account until the balance is

offset with revenue credits received from charging customers who use and pay for these facilities. (*Id.*)

69. SNGG provides that the Commission must decide which programs should move forward and what portion of those programs should be socialized. (*Id.*) SNGG states that the treatment for socialized costs will follow NV Energy's proposed regulatory asset treatment where the costs are rolled into rates in the next rate case. (*Id.*) SNGG states that the treatment for the other costs should follow a modified regulatory asset approach where the costs of the program stay in the regulatory asset account until recovered from customers using the service. (*Id.*)

70. SNGG states that SB 448 made competition an important goal of the law and that NV Energy's proposed programs do not provide for third-party participation (e.g., competition). (*Id.*) NV Energy states that this alone makes the Joint Amended Application fatally deficient. (*Id.* at 27-28.) SNGG states that if the Commission moves forward with the Joint Amended Application, some portions should be refiled to allow for and encourage third-party ownership in charging services. (*Id.* at 28.)

71. SNGG is also critical of the TEP's overall budget and recommends that the Commission take an incremental approach to transportation electrification spending in light of the current status of NV Energy's approved investments in EV infrastructure, its ongoing investments in other areas including but not limited to Greenlink, its proposed investments in the fourth amendment to its IRP, likely incoming additional proposals, and NV Energy's failure to provide reliable data to evaluate the credibility of its cost proposals and related rate impact. (*Id.*) Accordingly, SNGG recommends that to the extent the Commission grants any aspect of the TEP, it should not approve a total amount but rather only an amount reasonably necessary to

advance transportation electrification while keeping in mind that ratepayers are already financing $100 million[1] in such investments and are being asked to pay for other investments that NV Energy contends are necessary to provide reliable service and to satisfy non-EV policy objectives. (*Id.*)

72. SNGG states that in Docket No. 21-09004, the Commission approved NV Energy's ERTEP with nearly $100 million in proposed spending, but because the spending has not been fully rolled out, it is unclear what the impact of that spending will be with respect to transportation electrification goals. (*Id.* at 7.) Given that, SNGG states that it is unclear why the Commission would approve 3.5 times that initial investment before obtaining more information about the efficacy of the initial spending. (*Id.*) SNGG provides that NV Energy intends to spend approximately $57,000 per port in the residential turnkey program despite the average cost of a high-speed residential charger only totaling about $2,000. (Id.) SNGG states that the application does not explain the need for the additional costs and why they are essential to a program designed to accelerate the use of EVs. (*Id.*) Similarly, the transit grant program has a $30 million budget with no support for the calculation and few details on how the money will be used to accelerate use of EVs. (*Id.* at 7-8.)

73. SNGG states that in NV Energy's fourth amendment to its Joint IRP, NV Energy provides that it intends to spend $7.2 billion in new capital over the period 2022-2026; assuming annual depreciation recoveries of about $520 million for the two utilities, SNGG states that this results in annual net increases in rate base of about $920 million. (*Id.* at 8.) SNGG states that assuming a revenue requirement conversion factor of 14%, the revenue requirement on $920 million would result in rate increases of $128 million per year over the next five-year period.

[1] SNGG provides that NV Energy already previously received approval for a $100 million ERTEP budget and little progress has been made to date in rolling out the initial spending. (*See Id.* at 6.)

(*Id.*) SNGG states that it does not believe such increases will occur in those exact amounts; however, NV Energy has "dramatic rate increases planned for Nevada ratepayers." (*Id.*) Moreover, the Commission recently approved a material rate increase for SPPC's customers. (*Id.*)

74. SNGG states that in multiple cases over the past several years, NV Energy has complained that SPPC's credit metrics are not sufficient to support the spending levels sought by it and that NPC and SPPC would have to merge to support the credit metrics needed for the projects in its fourth amendment to its Joint IRP. (*Id.* at 8-9.) SNGG contends that the planned rate increases and SPPC's credit problems suggest that more third-party participation is needed for the EV programs and that the Commission should be cautious and incremental in approving additional transportation electrification funding. (*Id.* at 9.)

75. SNGG states its concern regarding what it characterizes as a lack of a credible "rate impact analysis," which is required by LCB File No. R005-22, Section 1(1)(3)(g)(2). (*Id.*) SNGG states that NV Energy's Joint Amended Application purports to show the rate impact to each class from its proposed plan; however, in this proceeding, NV Energy testifies that the rate impacts depend on many unknown variables, such as the number of sites that select company-owned charging stations, Base Tariff General Rate ("BTGR") revenues to be realized, O&M costs, cost of capital, and rate design adopted in future cases. (*Id.* at 9; *see* also Ex. 109 at 5-6.) SNGG notes that NV Energy characterizes its analysis as "intended to present an illustrative estimate only" and does not account for all of the uncertain variables, including those that will lower the per kWh costs of the TEP. (*Id.*) SNGG states that NV Energy's rate impact analysis does not meet the requirements of the governing regulation. (*Id.* at 9-10.)

76. SNGG states that competition is an important goal of SB 448 and the proposed TEP has a lack of meaningful opportunities for third-party involvement. (*Id.* at 10.) SNGG notes that NRS 704.7867 provides that the Commission must consider whether the TEP "supports increased consumer choice in electric vehicle charging and related infrastructure services" and addresses that healthy competition would provide more charging stations at lower costs over a shorter period of time while attracting private capital and creating high-paying jobs. (*Id.*) SNGG states that the TEP does not allow for meaningful third-party participation as the Plan makes no provision for third-party ownership of planned facilities, which SNGG states is a goal of SB 448. (*Id.* at 10-11) SNGG states that the TEP is so deficient in this area that it favors restructuring the Plan to include and encourage such third-party participation. (*Id.* at 11.)

77. SNGG states its concern regarding the legal basis of the TEP. (*Id.*) SNGG states that NV Energy holds the privilege of providing electricity to its customers throughout most of Nevada; however, it does not have an exclusive right to provide charging stations for EVs. (*Id.*) SNGG states that the EV charging station market is competitive and not regulated by the Commission; consequently, SNGG states that there is no explicit authority for NV Energy or the Commission to finance NV Energy's entry into the market. (*Id.*) SNGG states that the absence of express legal authority is worrisome given NV Energy's proposal that customers other than just those that charge their vehicles at NV Energy's charging stations pay for these contemplated costs. (*Id.*)

78. Regarding NV Energy's proposed regulatory asset treatment of the TEP, SNGG states that such treatment may be a workable approach to record and recover Plan costs; however, in its current form, it socializes TEP costs among all customers, not just customers using the charging equipment. (*Id.* at 12.) SNGG states that this subsidizes the charging

infrastructure installation and creates issues regarding fairness to non-charging customers and to potential competitors that would have to compete against a subsidized price from the monopoly utility. (*Id.*) SNGG additionally states that if charging revenues are not sufficient to cover TEP costs, the difference will be paid by all customers as part of their overall electric bills, regardless of whether they use charging stations or not. (*Id.* at 15.)

79. SNGG states that the proposed regulatory asset treatment should be changed to deferred accounting treatment. (*Id.* at 16.) SNGG states that, from an accounting perspective, the two treatments are virtually identical, but from a ratemaking perspective, regulatory asset treatment presupposes recovery while deferred accounting does not. (*Id.*) SNGG states that a prudence evaluation of TEP expenditures should occur in a rate case where the deferred balances would be submitted for inclusion in rates. (*Id.*) Moreover, SNGG provides that NV Energy's request to accrue a return on the asset balance of the TEP may not be necessary given the short period of time between when the assets go into service (and stop accruing Allowance for Funds Used During Construction ("AFUDC"")) and when they go into rate base in NV Energy's next rate case(s). (*Id.*)

80. SNGG states that it disagrees with NV Energy's proposal to allocate charging station costs to all customers and provides that while there may be policy reasons for some subsidization, the subsidization in areas where competition could potentially develop would have a chilling effect on that potential competition. (*Id.*)

81. As mentioned above, SNGG states that competition is not only a goal of SB 448 but will provide more charging stations at a lower cost (*Id.* at 18.) SNGG argues that NV Energy's Plan discourages competition through its lack of a provision for third-party ownership of any of the planned facilities. (*Id.* at 19.) SNGG states that NV Energy asserts that unlike

Section 49 of SB 448 (the ERTEP), Section 14 (the TEP) "does not require third-party ownership." (*Id.*) SNGG states that it is inaccurate to state that Section 14 of SB 448 does not require third-party ownership because it also does not exclude it. (Ex. 1700. at 19-20.) SNGG contends that considering SB 448 contemplates third-party ownership as an important means to accelerated deployment, the TEP should have provided for third-party ownership for some of the installations. (*Id.* at 20.) SNGG states that NV Energy's TEP discourages competition by socializing the cost of installation of charging stations, thereby reducing costs significantly to the customers that use the charging stations. (*Id.*) As such, SNGG provides that the cost of NV Energy's facilities become much less expensive than the costs of competitors because competitors cannot collect their costs from anyone other than the customers using the charging stations that they (the competitors) install. (*Id.* at 20-21.)

82. SNGG states that the Commission will have to balance the goal of accelerating widespread utilization of EVs with creating an environment that attracts competition that will bring in additional private capital, create jobs, reduce costs, and add more infrastructure in a shorter period. (*Id.* at 21.) SNGG states that in the long run, third-party investment will help achieve the goals of SB 448 faster than NV Energy's monopoly plan with subsidized rates. (*Id.*) SNGG states that this could be accomplished by accepting portions of the Plan now and instructing NV Energy to file other parts of the Plan with proposals to encourage third-party investment. (*Id.*) SNGG proposes drawing a line between residential and public charging stations where the utilities would proceed now with their residential programs and proposed regulatory asset (with deferred accounting) rate treatment, but then resubmit a proposal for the public charging stations that encourage third-party ownership. (*Id.* at 21-22.)

83. SNGG states that the residential programs propose a budget resulting in a cost of about $40,000 per port, and that the Residential Turnkey Charging Program includes costs totaling approximately $57,000 per port. (*Id.* at 22.) SNGG states that considering the average cost to a homeowner to install a rapid charge, 220v Level 2 charging system is less than $2,000, NV Energy must explain 1) the cost difference, 2) what customers are getting for the extra $55,000 per port, 3) why such costs are necessary and cost effective, and 4) why the costs should be paid by non-charging customers. (*Id.* at 22-23.) SNGG states that if such costs are deemed necessary and justifiably socialized, NV Energy's proposed regulatory asset method for residential program costs could be workable for ratemaking purposes. (*Id.* at 23.) However, SNGG states that such costs that can be borne by third parties should not be socialized. (*Id.*) SNGG contends that the same is not true for the public programs because they could be provided by third-party owners as contemplated in SB 448. (*Id.*)

84. SNGG states that if the Commission allows NV Energy to proceed with its current plan, the accounting and rate recovery proposal should be modified to eliminate the rate subsidization currently embedded in the proposal, particularly on the public side where competition could best help accelerate deployment and reduce costs. (*Id.* at 24.) SNGG states that the primary change to accounting and rate recovery would be that the costs deferred in the regulatory asset accounts would not be socialized to other classes in the next rate case; instead, the costs of the charging programs would remain in the regulatory asset accounts and the only credit to those accounts would be from revenues received from charging customers. (*Id.*) SNGG states that under this approach, all charging costs would be collected only from customers using the service. (*Id.*) SNGG states that at some point in the future, NV Energy could then set up separate classes for charging customers where all charging costs and revenues would be assigned

to those classes, and where rates would be designed to recover all the costs of the service from customers using the service without subsidies from other classes. (*Id.*) SNGG states that in the meantime, accounting for all the costs and revenues within the regulatory asset accounts themselves could help solve the subsidy problem. (*Id.*)

85. SNGG states that the Commission could decide whether any part of the public costs should be socialized among non-charging customers; however, SNGG recommends that NV Energy refile a plan for public charging that allows and encourages third-party ownership. (*Id.* at 25.) SNGG states that short of this, at a minimum, the Commission should not allow the public charging costs to be socialized to non-charging customers by using SNGG's proposed accounting treatments. (*Id.*)

NRA et al.'s Position

86. While MGM, Caesars, and NRA ("NRA et al.") generally support vehicle electrification initiatives, NRA et al. recommends that NV Energy's proposed TEP should undergo several modifications. (Ex. 800 at 2.)

87. NRA et al. recommends that program management and administration costs be recovered in base rates and not through regulatory asset accounting. (*Id.* at 22.) NRA et al. explains that this recommendation would enable the Commission to avoid approving any specific administrative budget. (*Id.*) NRA et al. also cautions that allowing general administrative and operating expenses to receive regulatory accounting treatment will incentivize NV Energy to overspend, as NV Energy will earn a higher rate of return with larger expenses. (*Id.* at 23.) Additionally, due to the confusing nature of NV Energy's presentation of administrative costs in its TEP, NRA et al. recommends that all program management and administrative costs presented in the future be tracked in a single category. (*Id.* at 22.)

88. NRA et al. provides that certain activities outlined in NV Energy's Residential Technical Advisory Services program are types of activities that NV Energy can undertake without necessarily seeking approval from the Commission and are indeed services NV Energy is already providing. (*Id.* at 23-24.) NRA et al. states that these are activities that do not necessarily need to be tracked as a separate program as the cost is small. (*Id.* at 24.) Instead, NRA et al. state that the Residential Technical Advisory Services program is better considered as an overall administrative cost, rather than a separate program. (*Id.* at 24.) NRA et al. points out that these costs were already considered an administrative cost in the context of ERTEP. (*Id.*) Moreover, NRA et al. recommends that the Residential Technical Advisory Services category be considered in the overall program administration budget and not be recovered through regulatory accounting. (*Id.*)

89. Moreover, NRA et al. explains that NV Energy has been recovering the cost of its website development in base rates for many years and that carving out these particular pages of its website for regulatory accounting treatment not only leads to questions of incrementality, but also double recovery of costs already included in base rates. (*Id.*)

90. NRA et al. recommends that the Commission not approve the Lower Income Vehicle Telematics Program due to the program's perceived economic inefficiencies and the likelihood that the program will see a low rate of participation from customers. (*Id.* at 25.) NRA et al. explains that there are already many low-income individuals who would like to own an EV and that the installation of telemetric devices on the cars of these individuals may not provide any novel information and, moreover, it is possible that only a small proportion of the individuals who participate in the telematics program will ultimately take the recommendation to

purchase an EV. (*Id.*) Thus, as a matter of prioritizing funding to the most efficient uses, NRA et al. recommends rejecting this program. (*Id.*)

91. NRA et al. recommends modifying the Lower Income Electric Vehicle Rebate Program such that NV Energy be required to review an applicant's financing application that was used to purchase the eligible vehicle to ensure applicants are appropriately meeting eligibility requirements. (*Id.* at 25-26.) NRA et al. argues that such an application will show the sources of funds used to qualify for purchasing the vehicle and may be a secondary source for verifying lower-income customers' eligibility. (*Id.* at 27.) Further, to avoid potential customer abuse of the rebate program, NRA et al. recommends that there be a requirement that the lower income customer owns the eligible vehicle for at least 12 months to obtain the rebate. (*Id.*) NRA et al. explains that this would be to avoid the scenario where a customer may use an incentive to purchase a vehicle and subsequently sell the vehicle shortly after purchasing it for a profit. (*Id.*) NRA et al. also recommends that the program be limited to one incentive per lower income customer for the life of the program. (*Id.* at 27-28.)

92. NRA et al. recommends that the Dealer Partner Program be captured in NV Energy's overall administrate budget as NV Energy's interaction with auto dealers is better considered an administrative activity rather than a discrete program. (*Id.* at 28.) Additionally, NRA et al. argues that the Dealer Partner Program be excluded from a regulatory asset because building relationships with auto dealers has been an activity that NV Energy has undertaken historically and is an activity that is better suited to be recovered via base rates. (*Id.*)

93. NRA et al. provides three recommendations to improve the Residential Charging Incentive Program. (*Id.* at 30.) First, NRA et al. recommends that a cap of $2,000 be established so that the program can serve more customers. (*Id.*) NRA et al. explains that, in the EVID, the

"Single-Family Electric Vehicle Charging Incentive" was fully subscribed for 1,000 customers, showing that that there is demand for incentives to install chargers in single family residences even when the incentive was only $500. (*Id.* at 31.) Being that NV Energy's proposal in this Docket is intended to only serve 200 customers, NRA et al. reasons that the program design is unfair as many more customers would like to participate. (*Id.*) Thus, NRA et al. argues that adopting a smaller incentive that will enable more customers to participate is a more equitable approach because it is better to provide a smaller incentive to a larger number of customers than a large incentive to a few. (*Id.*) NRA et al. states that a $2,000 cap is appropriate because it should, in most cases, cover 75% of the cost of the charger and installation costs, and would also allow NV Energy to provide incentives for at least 2,340 customers in contrast to the 200 customers proposed in the TEP. (*Id.*) Second, NRA et al. recommends that O&M reimbursement be excluded from the program because NRA et al. argues that it is more reasonable to require customers to maintain their charging systems on a forward basis. (*Id.* at 32.) NRA et al. maintains that having the customer pay for maintenance expenses will encourage the customer to take good care of the equipment. (*Id.*) NRA et al. further states that providing a $200 per year incentive to customers, when the customer did not actually incur any costs, would be an undesirable windfall to participating customers. (*Id.*) Third, NRA et al. recommends that the Smart Panel Integration Trial be removed from the Plan because it falls outside of the scope of this Docket. (*Id.*) NRA et al. points out that this portion of the Residential Charging Incentive Program was not described in detail in the TEP. (*Id.*) Regardless, NRA et al. provides that smart panels tend to produce more value in unregulated markets, particularly for customers paying spot market rates that change hour-to-hour. (*Id.*)

94. NRA et al. recommends that the Commission reject the Residential Turnkey Charging Program. (*Id.* at 33.) NRA et al. provides that the proposed Residential Turnkey Charging Program calls for utility ownership in behind-the-meter charging equipment, which is not expressly authorized in the TEP by the Nevada Legislature. (*Id.*) NRA et al. reasons that the Residential Turnkey Charging Program is unfair due to being duplicative of the Residential Charging Incentive Program while providing a higher incentive covering 100% of the cost. (*Id.*) NRA et al. states that a fairer way to design these programs would be to adopt a single program that provides the same incentive to as many individuals as possible. (*Id.* at 34.) Additionally, NRA et al. argues that NV Energy has not provided information to demonstrate that its proposed costs are anywhere near market prices or within a similar range as to what the cost would be for a private third party to install the same equipment. (*Id.*) NRA et al. estimates that the typical cost of such an installation is typically only $400-$2,500 – in contrast to NV Energy's estimate of $61,671 under a utility ownership model. (*Id.*) NRA et al. states that there are unique risks and costs involved in owning electrical wiring and appliances behind the meter for which NV Energy has not adequately planned. (*Id.* at 36.)

95. NRA et al. raises concerns that the Multi-family Charging Infrastructure Program being limited to residences with 50 or more units is overly restrictive and discriminatory to customers who live in apartment complexes with 50 units or less. (*Id.* at 37.) Accordingly, NRA et al. recommends that this limitation on residences be removed. (*Id.* at 38.) NRA et al. states that the decision to limit residences at 50 units or more was arbitrary as NV Energy was unable to identify the number of multi-family residences in its service territory with more or less than 50 units. (*Id.*) NRA et al. questions how NV Energy can claim that setting the availability threshold at 50 units, and excluding all other applicants, is optimal and in the public interest when NV

Energy lacks basic information about multi-family residences in its service territory. (*Id.*) NRA et al. recommends that the site profiles for the Multi-family Charging Infrastructure Program be flexible and allow a site to select whatever site configuration suits their residence. (*Id.*) NRA et al. explains that rigid site profiles will limit the number of customers who can participate in the program. (*Id.* at 38-39.) NRA et al. also recommends that the turnkey alternative and the O&M reimbursement be removed from the program because NRA et al. argues that it is best for the owners of the property to be responsible for equipment located behind the meter. (*Id.* at 39-40.) NRA et al. provides that the same desired economic effects can be achieved whether NV Energy is the contractor installing the charging equipment or if a local business is selected as the contractor. (*Id.* at 39.) NRA et al. argues that, regardless of how the equipment is funded, it is best for the owners of the property to be responsible for equipment located behind the meter. (*Id.*)

96. Similar to the Multi-family Charging Infrastructure Program, NRA et al. recommends that site profile for the workplace charger infrastructure program be open, with smaller site footprints available, to enable any site configuration to participate in the program. (*Id.* at 40.) In addition, NRA et al. recommends that the ongoing O&M incentive be eliminated from this program. (*Id.*) Finally, NRA et al. recommends that the turnkey solution also be eliminated from the workplace charger infrastructure program. (*Id.*) NRA et al. explains that because the turnkey alternative was not described in detail in the TEP or supporting testimony, and because of the high cost of utility ownership, this turnkey alternative should be removed. (*Id.*) NRA et al. also provides that the private market will (in most cases) be the most cost-effective means for constructing and installing charger sites due to the private market being subject to competition. (*Id.*)

97. NRA et al. recommends that the Commission wait until the existing Interstate Corridor Charging Depot Program sites have been developed prior to expanding the program as requested in NV Energy's proposed Plan. (*Id.* at 41.) NRA et al. expresses concerns about the customer demand for the program given that the existing Interstate Corridor Charging Depot Program from the ERTEP had only four sites express interest in the program. (*Id.*)

98. NRA et al. also recommends that the Commission wait until the existing Urban Charging Depot Program sites have been developed prior to expanding the program as requested in NV Energy's proposed Plan. (*Id.* at 41.) NRA et al. explains that the existing Urban Charging Depot Program from the ERTEP has had no specific site selected and has made no progress with respect to any specific site. (*Id.* at 42.) NRA et al. provides that without having concrete information about the sites selected and developed under the ERTEP, it is difficult to conclude that it is appropriate to expand the program. (*Id.*) More specifically, NRA et al. states that information like the utilization of charging equipment between utility and non-utility owned stations is necessary to be considered before determining how to expand this program. (*Id.*)

99. NRA et al. recommends that the Commission consider the Commercial Technical Advisory Services program as an administrative cost and decline to approve it for regulatory accounting. (*Id.* at 43.) NRA et al. explains that it has concerns that NV Energy did not describe what specific activities it would be undertaking for this program. (*Id.*) NRA et al. provides that, if the purpose of this program is website development, such activities are better recovered in base rates. (*Id.*)

100. NRA et al. recommends that the Commission reject the State, Local, and Tribal Government Fleet Telematics Program in order to focus the TEP budget on higher priority projects. (*Id.* at 44.) NRA et al. explains that state, local, and tribal governments are sufficiently

knowledgeable to make informed decisions about vehicle electrification. (*Id.*) NRA et al. also provide that state, local and tribal governments are able to self-fund a telematics system if they find it necessary to further evaluate the use case for electrification. (*Id.*)

101. Like the residential charging turnkey project, NRA et al. recommends that a utility ownership alternative for the Fleet Charging Infrastructure Program be eliminated. (*Id.* at 45.) NRA et al. explains that customers are the ones that are best suited to be responsible for the electric facilities located on their premises. (*Id.*) NRA et al. also recommends that the customers be responsible for all ongoing maintenance expenses. (*Id.*)

102. NRA et al. also recommends that the utility ownership alternative for the Fleet Charging Depot Program be eliminated. (*Id.*) NRA et al. reasons that customers should be responsible for all ongoing maintenance expenses. (*Id.*)

103. NRA et al. recommends that NV Energy continue to work with the school districts within its existing funding on the Electric School Bus Vehicle-to-Grid Trial and come back to the Commission in the next plan with an update on discrete projects for Commission review and/or approval. (*Id.* at 47.) NRA et al. expresses uncertainty about the interest of this program amongst school districts. (*Id.*)

Vote Solar's Position

104. Vote Solar recommends approving a budget based on reasonable per-site or per-port costs rather than assuming all installations will match NV Energy's worst-case scenario cost estimates. (Ex. 1600 at 4.) Vote Solar explains that the Commission can protect ratepayers by looking to real-world cost data from other utility programs to approve a reasonable budget and by capping administrative costs at ten percent of the overall budget. (*Id.*)

105. Vote Solar states that it compared NV Energy's TEP budget to costs in other utility TEP budgets in other states including Colorado, Ohio, and Maryland. (*Id.* at 8-9.) Vote Solar states that although there are a range of total costs and numbers of ports, the estimated per port costs by NV Energy are much higher than in other utility plans. (*Id.* at 9.) Vote Solar provides that the per port costs for residential sites in the Plan are between $23,397 and $56,927, that multi-family sites costs are $566,627 per site or $37,775 per port, and that workplace charging averages $565,336 per site or $37,689 per port. (*Id.* at 9-10.) Vote Solar states that for residential ports, the cost per port in the Plan is around 40 times the average; for multi-family ports, the costs are quadruple the highest reported cost by AEP Ohio, an Ohio utility. (*Id.* at 10.)

106. Vote Solar states that NV Energy may argue that its proposed residential programs will deliver more value than other utilities because its Residential Turnkey Charging Program will also deploy solar and storage; however, NV Energy's cost estimates for installing single-port home chargers without solar or storage far exceed the costs incurred by other utility programs. (*Id.*) Vote Solar states that the TEP assumes an average cost per installed port of $31,882 for these simple projects in the turnkey program, and a cost of $23,397 per installed port in the program for customer-owned residential charging – more than an order of magnitude greater than the costs other utilities incurred to support similar charging infrastructure. (*Id.* at 11-12.) Vote Solar contends that adding solar and storage options to the Residential Turnkey Charging Program does more than further the costs of this program relative to other utilities – it represents an anti-competitive strategy. (*Id.* at 12.) Vote Solar states that there are multiple reasons why NV Energy's cost estimates are high. (*Id.*)

107. With respect to program administration costs, Vote Solar states that NV Energy includes multiple instances of such line items in its budget. (*Id.* at 14.) Vote Solar states that

when adding up the total instances of program administration and management costs, the total budgeted for program administration and management represents about 19% of the total plan budget. (*Id.* at 14-15.) Vote Solar argues that because NV Energy's budget assumes maximum costs for all its sites, the contingencies are a form of double counting. (*Id.*)

108. Vote Solar states its concern that the current cost estimates in NV Energy's budget are unreasonably high and the utility will have little incentive to prudently manage the costs of the program if the budget is based on inflated cost estimates. (*Id.*) Vote Solar states that the bill impacts of such costs would disproportionately affect lower income customers already experiencing high energy burdens without adequately benefiting these customers – instead exacerbating their burdens. (*Id.*) Accordingly, Vote Solar recommends that the Commission order NV Energy to revise its cost estimates to reflect costs more consistent with sites that would apply to its program rather than assuming without basis that most will require expensive upgrades. (*Id.* at 16-17.) Vote Solar further recommends that NV Energy reduce the combined total of its administrative costs to 10% of the overall budget. (*Id.* at 17.) Vote Solar also recommends that the Commission consider revising NV Energy's line extension rules to protect the few customers whose EV load will trigger distribution costs, regardless of whether those customers participate in a TEP program. (*Id.*)

109. Vote Solar states that it is also critical of NV Energy's budget plan to "release" remaining funds (not spend them) as part of the TEP in scenarios where participation limits are not met within the plan period. (*Id.*) Vote Solar recommends that the dedicated budget for lower-income programs and historically underserved communities be excluded from being released and instead roll over into the next TEP budget and stay within the lower-income and historically underserved community sites. (*Id.*) Vote Solar further recommends that the

Commission consider offering a performance incentive mechanism for going above the 50% reserved budget for lower-income and historically underserved community programs. (*Id.*)

110. Vote Solar recommends rejecting the Residential Turnkey Charging Program as proposed and order NV Energy to revise customer-owned and utility-owned incentives to put participants on an equal footing. (*Id.* at 4.) Vote Solar states its concern about the extent of proposed utility ownership of assets behind customers' electric meters given the bias of regulated electric utilities toward investments in capital assets. (*Id.* at 18.) Vote Solar states that this phenomenon implicitly creates a preference for electric utilities to invest in capital assets rather than selecting an option that may only incur operating expenses. (*Id.*) Vote Solar explains that this effect is caused by the profit component of the utility's capital structure, the return on equity, being applied only to capitalized assets whereas operating expenses are passed through dollar for dollar. (*Id.*) Vote Solar states that to increase profits, a utility would rather invest in assets than non-utility assets that only result in operating expenses. (*Id.*) Vote Solar notes that the CPUC decided to eliminate all ownership of behind-the-meter infrastructure in its next cycle of transportation electrification funding, recognizing that it increases costs for ratepayers. (*Id.* at 19.)

111. Vote Solar states that capital expenditure bias is impacting the instant TEP by encouraging participants to select the turnkey option rather than other options, such as customer-owned infrastructure. (*Id.*) Vote Solar states that the turnkey programs also include additional behind-the-meter assets that are not present in the non-utility owned options, representing anti-competitive behavior. (*Id.*). Vote Solar states that NV Energy proposes utility-owned, or "turnkey" alternatives for most programs; Vote Solar provides that in the personal vehicle driver programs alone, the programs with turnkey options represent $115.8 million of the $155 million

budget. (*Id.* at 20.) Vote Solar states that it would not be surprising to see a far higher uptake of turnkey programs as NV Energy assumes an uptake of 48%. (*Id.*) Vote Solar contends that this would lead to higher spending because the utility-ownership options are cheaper and administratively simpler for participants. (*Id.*) Vote Solar states that customers selecting a turnkey option effectively receive an incentive for 100% of costs compared to customer-owned options that receive an incentive for 75% of the costs. (*Id.*) Vote Solar states that NV Energy claims that the Plan budget is the same regardless of ownership model; however, Vote Solar disagrees and notes that there is an additional $6,845 assumed for every site in the utility-owned program but not the customer-owned program. (*Id.* at 20-21.)

112. Vote Solar states that utility-owned, single family home options contain other programmatic options not available in non-utility-owned options, including two single-port chargers integrated with battery storage, a single port charger integrated with battery storage and rooftop solar, and a single-port vehicle to grid capable charger. (*Id.* at 21-22.) Vote Solar states that these options provide additional features that are certain to make the utility-owned program more attractive to participants, especially if the cost of the battery storage and rooftop solar costs are covered by the utility. (*Id.*) Vote Solar contends that these are anti-competitive, non-transportation related offerings that should not be included in the filing. (*Id.* at 22.)

113. Vote Solar recommends clarifying and ensuring customers have a leasing option for electric vehicle supply equipment ("EVSE") to expand customer choice. (*Id.* at 4.) Vote Solar states that NV Energy's programs do not appear to provide incentives for leased equipment and argues that inclusion of the option would potentially reduce costs to participants and non-participants while expanding customer choice. (*Id.* at 22.)

114. Given its foregoing positions, Vote Solar also recommends that the integrated battery storage and rooftop solar options in the turnkey programs be rejected. (*Id.* at 24.) Similarly, Vote Solar recommends that the vehicle-to-grid option in the turnkey program be rejected or added to the Residential Charging Incentive Program so that there is parity between the two single-family home programs. (*Id.*)

115. Vote Solar recommends modifications to the TEP to enable NV Energy to support the comprehensive programming required to unlock private EV ownership for low-income households and renters, and to ensure that its programs deliver other benefits to historically underserved communities. (Ex. 1601 at 3-4.) Specifically, Vote Solar recommends:

> 1) allocating at least 50% of the education services budget to outreach by community-based organizations ("CBOs") that are led and serve historically underserved communities;
> 2) eliminating the Lower Income Telematics Program and using the funding to expand the Lower Income Electric Vehicle Rebate Program;
> 3) converting the Lower Income Vehicle Program into a "cash on the hood" needs-based program that includes financial literacy and a loan cap;
> 4) modifying the residential and commercial charging infrastructure incentive programs to provide point-of-sale rebates;
> 5) eliminating the Dealer Partner Program and reallocating the designated funds to community-led outreach; and
> 6) explicitly setting aside 50% of funds for historically underserved communities or low-income residents in all approved charging infrastructure programs for the duration of the programs; and ensuring equitable workforce development opportunities by establishing an advisory committee that represents diverse interests, builds partnerships to maintain an inclusive contractor network, and partners with businesses innovating workforce development programs across the supply chain. (*Id.* at 4.)

116. Vote Solar states that it recommends its proposed modification to the education services budget because the proposed budget is too small to ensure the outreach will be intentional and impactful. (*Id.* at 5.) Vote Solar also states its concern that funding will not be allocated to areas where it is most needed given NV Energy's statement that the budget "is not

reserved only for outreach to low-income households and/or members of [historically underserved communities.]" (*Id.* at 5-6.)

117. Vote Solar states that it recommends removal and reallocation of the Lower Income Telematics Program to the Lower Income Electric Vehicle Rebate Program for three reasons: 1) a telematics program that provides results in the form of presentations and reports does not bring rideshare drivers closer to being able to purchase an EV; 2) the program is proposed to be led and implemented by a telematics company but does not specify its qualifications or whether it will limit its contracting to companies with experience working with low-income community members or within historically underserved communities to develop trust; and 3) the program does not have a clear incentive for drivers to participate in the program and it would be more effective to provide dedicated grants for the drivers to purchase the vehicles. (*Id.* at 8-9.)

118. Vote Solar states that it recommends converting the Lower Income Vehicle Program into a "cash on the hood" needs-based program that includes financial literacy and a loan cap because NV Energy's proposal is not appropriately designed to serve the community members it is intended to serve. (*Id.* at 10.) Vote Solar states that many low-income residents do not have the means to bear the upfront costs of purchasing a new or used vehicle. (*Id.*) Vote Solar states that the program will use a system that will take 4-6 weeks to issue rebate checks from the time NV Energy approves a rebate form. (*Id.*) Vote Solar states that given the $40,000 cap on vehicles, and most purchasers putting down ten percent of the price of the car, the upfront costs could be as much as fifty percent of their monthly gross income. (*Id.*) Vote Solar states that the program does not protect participants during their purchase and lacks an interest rate cap. (*Id.* at 11.) Vote Solar states that participants could be vulnerable to predatory high interest rate

loans, explaining that the program could ensure participants do not receive a loan with an interest rate higher than 8%. (*Id.*) Similarly, Vote Solar states that the Commission should require a point-of-sale rebate in its residential charging program to ensure that it is meaningfully accessible to households that do not have cash on hand to install chargers in their homes. (*Id.* at 12.) Vote Solar states this should also apply to the commercial charging program for businesses that meet a set of requirements established through community engagement and feedback. (*Id.*)

119. Vote Solar states that it recommends eliminating the Dealer Partner Program and reallocating the funds to the education services section of the budget because it is a more cost-effective means to achieve the aims of this program. (*Id.*) Vote Solar provides that car dealerships cannot be trusted to center the customers' best interests. (*Id.* at 12.) Vote Solar states that Access Clean California Outreach Partners deploys ways to protect community members when they purchase vehicles at authorized dealerships by coordinating group visits to dealerships, leveraging checklists of steps to navigate dealerships, and only sending people to dealerships with which organizations have a personal relationship. (*Id.*) As proposed, Vote Solar states its concern that NV Energy's program could exclude smaller dealerships given the requirement that dealers be part of the Nevada Franchised Auto Dealers Association. (*Id.* at 13.) Vote Solar states that smaller dealerships may have more inclusive sales environments and have relationships with CBOs. (*Id.*)

120. Regarding all of NV Energy's charging infrastructure programs, Vote Solar recommends explicitly setting aside 50% of funds for historically underserved communities and low-income residents. (*Id.* at 15.) Vote Solar states that NV Energy has not dedicated an explicit portion of these programs to income-qualified customers, tribal communities, or sites in historically underserved communities. (*Id.*) Vote Solar states that NV Energy's intention to

focus on historically underserved communities is inadequate, especially considering historic and current disinvestment in infrastructure in Nevada's historically underserved communities. (*Id.*) Vote Solar opines that Nevada, and many other states in the U.S., have been subjected to racist federal planning, zoning, and development practices. (*Id.*) Vote Solar states that NV Energy's investments should recognize the relationship that historically underserved communities have experienced and evaluate how these investments could repair and rebuild from the harm inflicted on certain communities in Nevada. (*Id.* at 15-16.) Vote Solar states that it is inadequate to just reserve a percentage of funding for low-income customers or historically underserved communities for a certain period of time. (*Id.* at 17.)

121. Vote Solar states that the Commission should also require that at least half the funds spent in the Transit Electrification Grant and Electric School Bus Vehicle-to-Grid Trial be spent to support the electrification of buses with routes in historically underserved communities to ensure that as Nevada transitions to electric buses, standards are put in place to ensure benefits of those vehicles flow to communities that have experienced disenfranchisement. (*Id.* at 18-19.)

122. Vote Solar further recommends that, to ensure adequate workforce development opportunities are created and maintained through these investments, NV Energy should create a workforce development advisory committee that includes representatives from a diverse set of industries, including labor and organizations that support under-resourced community members. (*Id.* at 19.) Vote Solar also recommends that NV Energy partner with minority chambers of commerce to establish and maintain an inclusive contractor network that prioritizes selection of minority and women-owned businesses. (*Id.*) Vote Solar further recommends that NV Energy pursue partnerships with companies promoting workforce development across the EV supply

chain such as ChargerHelp! (an organization that provides operations and maintenance to EV chargers and works with local community members to join their team). (*Id.*)

123. Vote Solar states that in order to design a TEP that adequately addresses the needs of historically underserved communities and advance transportation electrification in those communities, NV Energy must engage in outreach that allows it to distill data and recommendations specific to those communities in partnership with the CBOs already embedded in those communities to effectively address their needs. (Ex. 1602 at 7-8.) Vote Solar states that once NV Energy has input from those communities, it can design a program addressing those needs. (*Id.* at 8.) Vote Solar states that NV Energy should be held accountable for community outreach in designing and implementing its TEP in a manner that benefits those communities. (*Id.*)

124. Vote Solar states that NV Energy should be required to report on its outreach efforts to historically underserved communities, including its efforts to build partnerships with CBOs in those communities and information regarding program participation and performance – with specific data for low-income customers and underserved communities. (*Id.*) Vote Solar states that workforce development is also important to address inequities in historically underserved communities and the Commission should ensure that members of those communities have access to training and jobs that will be necessary to deploy transportation electrification at scale (as envisioned by SB 448). (*Id.* at 8-9.)

125. Vote Solar states that NV Energy's specific program proposals do not adequately advance the interests of historically underserved communities. (*Id.* at 12.) Vote Solar states that the TEP lacks details regarding how NV Energy will advance those interests, and that there are no mechanisms to hold NV Energy accountable to its commitment to serving those interests.

(*Id.*) Vote Solar provides that there is very little funding earmarked in the budget specific to programs for low-income and historically underserved communities. (*Id.*)

126. Vote Solar states that NV Energy does not know how many of its customers are "low-income" as defined by the TEP, nor does it know how many residential customers reside in historically underserved communities within its service territory. (*Id.* at 14.) Vote Solar states that NV Energy has provided "lip service" to the inclusion of low-income and historically underserved communities in its programs; however, without specific commitments and accountability, as was required by the ERTEP filing in September of 2021, Vote Solar expresses concern that insufficient funding and attention will reach those communities. (*Id.* at 14-15.)

127. Vote Solar states that NV Energy's engagement with low-income and historically underserved communities has not been sufficient. (*Id.* at 15.) Vote Solar states that one of the main components of NV Energy's stakeholder engagement was an online survey and just 15% of participants who provided income data had a pre-tax annual household income of less than $50,000. (*Id.*) Vote Solar states that NV Energy's current approach places the burden on community members already facing various struggles to take time to participate in surveys. (*Id.*) Vote Solar states that the best way to seek community feedback would be to attend neighborhood meetings and events to ask residents about their interest in EVs. (*Id.*)

128. Vote Solar states that enhanced partnerships with community-based organizations representing low-income and historically underserved communities' interests will be central to the development of future plans, particularly NV Energy's community education and outreach components, as well as overall TEP program execution. (*Id.*) Vote Solar states that NV Energy should leverage existing successful outreach efforts by replicating, enhancing, and growing community and neighborhood engagement programs with existing CBOs and community

leaders, recognizing the uniqueness of different communities. (*Id.* at 15-16.) Vote Solar states that NV Energy should also work with relevant stakeholders to develop a broader and more comprehensive list of organizations that serve those customers and support outreach and program implementation. (*Id.* at 16.) Vote Solar provides that NV Energy should also identify local businesses serving the community and hire them to provide needed services for program implementation as a means to invest in the social and economic well-being of those communities on a long-term basis. (*Id.*)

129. Vote Solar recommends that NV Energy file an annual report to update the Commission on program participation, charging network performance, information regarding the percentage of its spending benefiting underserved communities, and its customer outreach and education efforts. (*Id.*) Vote Solar recommends that information regarding program participation be broken out in a manner that is data specific to low-income and historically underserved communities' participation by TEP program and by census block group. (*Id.* at 17.) Vote Solar states that charging network performance should include data specific to low-income and historically underserved communities' program participation, and that program spending should be broken out by specific spending data by TEP program and census block group. (*Id.*)

130. Vote Solar states that reporting on customer outreach and education should include NV Energy's efforts to expand the group of CBOs that it engages with and the communities served by those organizations. (*Id.*) Vote Solar states that NV Energy should also report on the economic support provided to the communities and the businesses within those communities that NV Energy hires to provide needed services. (*Id.*) Vote Solar states that the report should also evaluate how funds earmarked for low-income and historically underserved communities were used to support customer education and outreach, resultant impacts on

program participation, and proposed shifts in areas of emphasis in the future. (*Id.*) Vote Solar states that the report should also summarize remaining barriers to program participation by low-income and historically underserved communities. (*Id.*)

131. Vote Solar states that it performed outreach using a methodology to identify relevant respondents through zip code and income in order to determine needs of relevant respondents. (*Id.* at 17-20.) Vote Solar states that the lowest income groups emphasized the need to address congestion, costs, access to charging stations, and the need for additional funding for transportation services outside of traditional work hours. (*Id.* at 20.) Vote Solar provides that respondents also stressed the need for safer, more reliable, and more extensive public transit. (*Id.*) Vote Solar states that thematically, gas prices were one of the biggest transportation issues. (*Id.*) Vote Solar states its concern that much of people's budgets go to fuel costs, and that they do not have the resources to transition to an EV. (*Id.*) Vote Solar states that the Commission should use information from its studies to base its decisions on the TEP while considering the lived experiences of the people that need the support the investments can offer. (*Id.* at 23.)

132. Vote Solar states that the TEP incorporates the potential for an enormous amount of construction, a significant part of which is likely to occur in historically underserved communities. (*Id.*) Vote Solar provides that many of those community members are unemployed or underemployed and that the TEP has the potential to not only provide good-paying jobs, but also the necessary training to lead to viable, long-term careers. (*Id.*) Accordingly, Vote Solar states that the TEP should not only dedicate funding for infrastructure that people in those communities need, but also ensure that those people have access to jobs that deploy that infrastructure. (*Id.*)

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NCARE/Sierra Club's Position

133. NCARE and Sierra Club recommend the approval of NV Energy's proposed TEP with a number of modifications, as outlined below. (Ex. 2001 at 5.)

134. NCARE and Sierra Club recommend requiring dealers participating in the Dealer Partner Program to undergo training on how they can offer NV Energy's Low-Income EV Rebate at the point of sale. (*Id.*) NCARE and Sierra Club reason that educating auto dealers to help customers make more informed purchasing choices for their next vehicle will serve to provide information and education on the benefits of transportation electrification to customers (per the directive in SB 448). (*Id.* at 17.)

135. NCARE and Sierra Club recommend requiring NV Energy to offer training to dealers in the Dealer Partner Program on how they can also offer relevant, federal electric vehicle tax credits at the point of sale. (*Id.* at 5.)

136. NCARE and Sierra Club recommend requiring NV Energy to offer its Residential Technical Advisory Services call center support resource and all public-facing educational materials in Spanish. (*Id.*)

137. NCARE and Sierra Club explain that lowering the price of the vehicle at the time of purchase can be a powerful tool to increase EV adoption. (*Id.* at 18.) NCARE and Sierra Club recommend requiring NV Energy to make its Lower Income Electric Vehicle Rebate Program rebates available at the point of sale at participating Dealer Partner Program dealerships in order to encourage customers to adopt an electric vehicle. (*Id.* at 5, 19-20.)

138. NCARE and Sierra Club recommend implementing a cost cap of either 75% of the total project total cost or $2,500, whichever is less, for standard customers participating in the Residential Charging Incentive Program. (*Id.* at 5-6.) NCARE and Sierra Club also recommend

implementing a cost cap of $3,125 for income-qualified customers participating in the Residential Charging Incentive Program. (*Id.* at 6.) From examining residential charger installation cost data from other jurisdictions, NCARE and Sierra Club opine that it is highly unlikely that the full incentive amounts will be needed for many customers. (*Id.* at 29-32.)

139. NCARE and Sierra Club recommend requiring customers receiving incentives in the Residential Charging Incentive Program to enroll in and take service on a time-of-use rate for at least one year. (*Id.* at 6.) NCARE and Sierra Club argue that this recommendation will encourage EV charging in off-peak periods, aiding the Plan's goals of grid and renewable integration per the statutory objectives of SB 448. (*Id.* at 36.) NCARE and Sierra Club provide that the most logical rate for customers to take service on would be the EV-specific time-of-use rates, which are Schedule RECRR-TOU for Nevada Power customers and Schedule OD-REVRR-TOU for Sierra customers; NCARE and Sierra Club provide that other time-of-use rate options available to residential customers would also be acceptable. (*Id.*)

140. NCARE and Sierra Club recommend updating the port goal for the Residential Charging Incentive Program to a minimum of 2,500 ports. (*Id.* at 6.) Given NCARE and Sierra Club's recommendation for a cost cap that will lower the projected amount of spending per each port installed, NCARE and Sierra Club reason that NV Energy should update the minimum number of ports the Residential Charging Incentive Program is intended to support. (*Id.* at 32.)

141. NCARE and Sierra Club recommend modifying the site profiles in the Residential Turnkey Charging Program to be either one or two single-port Level 2 chargers. (*Id.* at 6.) NCARE and Sierra Club explain that they have concerns with the broad, variable range of spending NV Energy may undertake depending on which site profile a customer selects and the lack of program design to support the effective deployment of the technologies in these site

profiles. (*Id.* at 38.) NCARE and Sierra Club state that certain site profiles – such as the single-port charger with battery energy storage and rooftop solar, the two single-port chargers with battery energy storage, and the one single-port vehicle-to-grid capable charger – do not include details on how these technologies will be deployed to provide value to the grid. (*Id.* at 38.)

142. NCARE and Sierra Club recommend removing the Smart Panel Integration Trial and its associated infrastructure from the Residential Turnkey Charging Program and the Residential Charging Incentive Program. (*Id.* at 6.) While NCARE and Sierra Club are supportive of the concept of the Smart Panel Integration Trial, NCARE and Sierra Club are concerned with the trial's design because NV Energy does not explain how it will prioritize customer applications for participation in the Smart Panel Integration Trial nor how it will measure whether smart panel installation and programming results in avoided grid-side costs. (*Id.* at 40.) NCARE and Sierra Club also provide that removing the Smart Panel Integration Trial will reduce costs in the Residential Turnkey Charging Program. (*Id.* at 40-41.)

143. NCARE and Sierra Club recommend implementing a cost cap of either 75% of the total project cost or $2,500, whichever is less, for standard customers participating in the Residential Charging Turnkey Program with a single-port site profile. (*Id.* at 6.) NCARE and Sierra Club recommend implementing a cost cap of $3,125 for income-qualified customers participating in the Residential Turnkey Charging Program with single port site profiles. (*Id.*) NCARE and Sierra Club recommend implementing a cost cap of 75% of the total project cost or $5,000 for standard customers, whichever is less, for two port site profiles. (*Id.*) NCARE and Sierra Club also recommend implementing a cost cap of $6,250 for income-qualified customers with two port site profiles. (*Id.*) NCARE and Sierra Club argue that a cost cap will prevent NV Energy from spending an unduly large amount on a single project site, and will ensure that NV

Energy can support a larger number of ports without increasing the overall program budget. (*Id.* at 41-42.)

144. NCARE and Sierra Club recommend requiring standard customers participating in the Residential Turnkey Charging Program to pay back 25% of total project costs because, given the costs of providing charging infrastructure to residential customers, an extent of customer financial buy-in should be required. (*Id.* at 6; 42-43.)

145. NCARE and Sierra Club recommend requiring NV Energy to provide an on-bill financing option with monthly payments for Residential Turnkey Charging Program customers. (*Id.* at 6.) NCARE and Sierra Club explain that investing in a home charger can be a financial burden for customers who may not have the ability to pay back the full amount in a lump sum. (*Id.* at 43.) Thus, NCARE and Sierra Club reason that spacing the payment amounts out through monthly on-bill financing would allow for more flexible financing for customers. (*Id.*)

146. NCARE and Sierra Club recommend requiring customers participating in the Residential Turnkey Charging Program to enroll in and take service on a time of use rate for at least one year. (*Id.* at 6.) NCARE and Sierra Club argue that this recommendation will encourage EV charging in off-peak periods, aiding the Plan's goals of grid and renewable integration per the statutory objectives of SB 448. (*Id.* at 46.)

147. NCARE and Sierra Club recommend removing the requirement for customers participating in the Residential Turnkey Charging Program to install a separate meter. (*Id.* at 6.) NCARE and Sierra Club explain that a whole-home time-of-use rate with EV specific components accomplishes the same goals as what NV Energy intends to do with the NVEVCN tariff. (*Id.* at 47.) Accordingly, NCARE and Sierra Club argue that this eliminates the need for a separate meter and reduces total project costs. (*Id.*)

148. NCARE and Sierra Club recommend updating the port goal for the Residential Turnkey Charging Program to a minimum of 2,500 ports. (*Id.* at 7.) NCARE and Sierra Club explain that their recommendations of removing certain site profiles and establishing per-port cost caps would significantly reduce the capital NV Energy would need to expend per port, thereby allowing the Residential Turnkey Charging Program additional port capacity. (*Id.* at 42.)

149. NCARE and Sierra Club recommend requiring NV Energy to propose a cost cap for its multifamily housing portfolio in its next plan, based on data gathered from this first TEP on actual costs incurred. (*Id.* at 7.)

150. NCARE and Sierra Club recommend removing the requirement of a 50-unit minimum for eligibility to participate in the Multi-family Charging Infrastructure Program. (*Id.*) NCARE and Sierra Club explain that this will unnecessarily prevent customers living in smaller complexes from participating in NV Energy programs and will unnecessarily reduce their access to electricity as a transportation fuel, which cuts against the goals of SB 448. (*Id.* at 55.)

151. NCARE and Sierra Club recommend requiring NV Energy to allow participants in the turnkey Workplace Charging Infrastructure Program to purchase the charging infrastructure from NV Energy by paying back 25% of total project costs through monthly on-bill financing or a lump sum payment. (*Id.* at 7.) NCARE and Sierra Club explain that, should workplace property owners like to own the charging infrastructure on their property, NV Energy should provide a pathway for them to do so. (*Id.* at 57.)

152. NCARE and Sierra Club recommend updating the Workplace Charging Infrastructure Program to include a goal of supporting at least 2,500 ports. (*Id.* at 7.) NCARE and Sierra Club argue that NV Energy's cost estimates greatly overestimate the cost to install the

charging infrastructure they have proposed, and as such, NV Energy's goal of supporting 60 sites with 900 ports is lower than what their budget could support. (*Id.* at 58.)

153. NCARE and Sierra Club recommend implementing a cost cap of $15,000 per port across its site profiles for the Workplace Charging Infrastructure Program for NV Energy-owned infrastructure or customer-owned infrastructure receiving 100% cost coverage. (*Id.* at 7.) NCARE and Sierra Club explain that this recommendation would yield total project spending caps of $150,000 per project for small workplace parking structures, $300,000 for large parking structures, $150,000 for small parking lots, and $300,000 for large parking lots. (*Id.*)

154. NCARE and Sierra Club recommend requiring NV Energy to report on its actual total project costs for the Urban Charging Depot Program. (*Id.*) NCARE and Sierra Club also recommend requiring NV Energy to propose in subsequent TEPs cost caps for the Urban Charging Depot Program informed by costs incurred during this Plan. (*Id.*) NCARE and Sierra Club explain that, due to the lack of sufficient data on the total project costs of installing site profiles akin to what NV Energy is proposing, NCARE and Sierra Club's recommendations will provide greater insights on cost caps for a future iteration of this program. (*Id.* at 64-66.)

155. NCARE and Sierra Club recommend requiring NV Energy to offer its Commercial Technical Advisory Program's call center support resource and all public-facing educational materials in Spanish in addition to English. (*Id.* at 7.) NCARE and Sierra Club argue that this recommendation will provide an important tool to help educate customers in their transition to electric vehicles. (*Id.* at 68.)

156. NCARE and Sierra Club recommend requiring standard customers participating in the Fleet Infrastructure Charging Program with turnkey sites to pay back 25% of total project costs, after which NV Energy shall transfer ownership to the customer. (*Id.* at 7.) NCARE and

Sierra Club explain that under NV Energy's proposal, NV Energy-owned infrastructure ends up being the more financially attractive option for customers whose sites are not in historically underserved communities ("HUC") and non-government-owned sites. (*Id.* at 72.) NCARE and Sierra Club argue that this bias towards NV Energy-owned infrastructure makes this program less cost-effective and diminishes the amount of charging it can support. (*Id.*)

157. NCARE and Sierra Club recommend requiring NV Energy to offer on-bill financing for the payback of costs by Fleet Charging Infrastructure Program customers. (*Id.* at 8.)

158. NCARE and Sierra Club recommend implementing a cap on the charger spending in the Fleet Charging Infrastructure Program so that NV Energy may offer a maximum of $1,500 for each Level 2 charger and $45,000 for each DCFC charger as a component of total project costs. (*Id.* at 8.) NCARE and Sierra Club state that this proposal will allow NV Energy to support a greater number of fleet charging ports within NV Energy's proposed budget. (*Id.* at 76.)

159. NCARE and Sierra Club recommend requiring NV Energy to gather data on each Fleet Charging Infrastructure Program project's total costs and present such data in an annual report. (*Id.* at 8.) NCARE and Sierra Club argue that this information will ensure future iterations of the program will have data-based cost caps that maximize the cost effectiveness of the Plan and accuracy of the requested budget. (*Id.* at 76.)

160. NCARE and Sierra Club recommend requiring customers participating in the Fleet Charging Depot Program with a turnkey site to pay back 25% of total project costs via monthly or lump sum payments, after which NV Energy shall transfer ownership of the infrastructure to the customer. (*Id.* at 8.) NCARE and Sierra Club provide that NV Energy's

current proposal incentivizes customers to choose NV Energy-owned infrastructure, which makes such expenditures less cost-effective. (*Id.* at 77.)

161. NCARE and Sierra Club recommend requiring NV Energy to propose a cost cap for its Fleet Depot Charging program in its next plan, based on data gathered from this first TEP on actual costs incurred. (*Id.* at 8.) NCARE and Sierra Club provide that there is currently not adequate data to implement a well-informed cost cap for this Plan iteration. (*Id.* at 78.)

162. NCARE and Sierra Club recommend altering the managed charging program incentive structure to include an upfront incentive and incremental incentives proportional to the number of managed charging events they participated in for the year. (*Id.* at 8.) NCARE and Sierra Club make this recommendation because the current program design does not incentivize participating customers to cease or reduce charging during managed charging events as customers may voluntarily opt out of managed charging during events with no monetary penalty or limit on opt-outs. (*Id.* at 84.)

163. NCARE and Sierra Club recommend requiring NV Energy to report on the percentage of events to which Bring Your Own Charger ("BYOC") customers responded. (*Id.* at 8.)

164. NCARE and Sierra Club recommend directing NV Energy to include an updated proposal on its managed charging program explaining how it intends to compensate or otherwise reward customers based on their response to events in its next DRP update. (*Id.* at 8.) NCARE and Sierra Club provide that this will allow NV Energy to gather initial data on responses to managed charging events and propose incentives in line with curtailing charging effectively. (*Id.* at 86-87.)

165. NCARE and Sierra Club recommend incorporating a requirement for NV Energy to update program reliability requirements in the future to align with soon-to-be adopted federal uptime guidance to avoid inconsistency between programs and simplify compliance. (*Id.* at 8.)

166. NCARE and Sierra Club recommend requiring NV Energy to compile and report on costs to install charging infrastructure for all its programs and report average costs for each site profile within each program in its annual update. (*Id.*) NCARE and Sierra Club specify that NV Energy should provide these averages for programs by differentiating them based on the ownership option selected as well as whether the site is located in a historically underserved community. (*Id.*)

167. NCARE and Sierra Club recommend removing the requirement for participants in the Residential Charger Incentive Program to file Rule 9 line extension applications. (Ex. 2000 at 7.) NCARE and Sierra Club argue that this requirement is an unnecessary barrier to participation that could have unintended consequences. (*Id.*) Instead, NCARE and Sierra Club provide that NV Energy should cover all grid-side costs that may occur as a result of homeowners installing their own EV chargers and recover those expenditures through rates. (*Id.*)

168. NCARE and Sierra Club recommend reducing potentially inconvenient eligibility requirements by allowing the following: allow customers that already own or have a reservation to purchase an EV, but have not yet installed a level two charger, to participate in the Residential Charging Incentive Program; allow customers who have reserved an electric vehicle, but not actually obtained it yet, to sign up for the Residential Turnkey Charging Program and to schedule installation in advance; and allow Fleet Charging Infrastructure and Fleet Charging Depot customers to apply for an extension of the 6-month EV delivery requirement to account for potential supply chain challenges. (*Id.*)

169. NCARE and Sierra Club recommend requiring NV Energy to increase efforts to steer customers toward off-peak charging by explicitly specifying that part of its advisory services program for commercial and general service customers will include advice on choosing a rate and an optimized charging schedule that maximizes both customer and grid benefits. (*Id.*)

170. For future TEPs, NCARE and Sierra Club recommend requiring NV Energy to forecast and present the annual cost to serve comprehensive, anticipated EV charging load in terms of energy, transmission, distribution, capacity and TEP programs, and directly compare that to utility revenues from EV charging. (*Id.* at 8.)

Nevada Workers' Position

171. Nevada Workers states that it supports the approval of the TEP because the investments called for in the TEP will lead to reliable access to energy and earlier adoption of electric vehicles by the public. (Ex. 1002 at 3.) Nevada Workers states that NV Energy cannot wait to make these investments because delays would leave adopters of EVs with a short supply of charging equipment and risk precariously high capacity on certain segments of the distribution grid. (*Id.* at 3.) Nevada Workers states that delays to increase consumer access to EV charging would slow the adoption of vehicles, contrary to SB 448 and recent congressional action to incentivize the purchase of EVs. (*Id.*) Nevada Workers states that these investments will improve electric infrastructure for all customers and ensure reliable service, even during heat storms and high load days. (*Id.* at 3-4.)

172. Nevada Workers states that charging equipment in the TEP should only be customer or utility owned because there is already a model and structure in place for customer or utility ownership. (*Id.* at 4.) Nevada Workers provide that NV Energy is fully regulated by the state, must set reasonable and fair rates, and is responsible for supporting its customers. (*Id.*)

Nevada Workers contends that third parties are outliers - novices without the experience or obligation to provide services to customers and are motivated by unregulated profit. (*Id.*) Nevada Workers further contends that from the viewpoint of customer safety and service, third party ownership is not justifiable. (*Id.*) Nevada Workers states that NV Energy's Plan "strikes the proper balance." (*Id.*) Moreover, Nevada Workers states that it supports NV Energy's request to treat the TEP as a regulatory asset because whenever there is a policy-driven demand for a utility to act, or a legislative direction to undertake a specific investment or incremental cost, such accounting treatment is appropriate. (*Id.*) Moreover, Nevada Workers states that regulatory asset treatment is appropriate because it would treat the TEP in the same manner as the ERTEP, which was approved in Docket No. 21-09004. (*Id.* at 4-5.)

173. Nevada Workers states that it particularly supports the Residential Turnkey Charging Program and NV Energy's proposal that it be built with proposed design specifications owned by the utility. (Ex. 1000 at 5.) Nevada Workers states that the proposal would be the quickest way to build out cost-efficient charging stations to Nevadans' homes, particularly in underserved communities. (*Id.*at 6.) Nevada Workers states that the program's set site design will allow for decreased cost and time in installation and would remove some of the financial barriers of EV supply equipment installation. (*Id.*)

174. Nevada Workers states that the turnkey program is much easier for consumers to access than other related incentive programs. (*Id.* at 7.) Nevada Workers explains that because NV Energy will own and maintain the chargers in the program, the utility, not the customer, will be responsible for items like assessment of utility capacity to support the infrastructure and other design activities – creating a seamless process. (*Id.*)

175. Nevada Workers states that it supports NV Energy's proposal to build the residential turnkey program in only four site models because it will allow for increased speed and decreased cost in construction over the life of the program. (*Id.*) Nevada Workers states that it will also benefit the public in pursuit of stated legislative goals of quickly increasing the public's uptake of EVs and EV supply equipment for charging EVs. (*Id.*) Nevada Workers states that the four proposed set models ensure quality construction and cost savings given that designs will be used repeatedly. (*Id.*) Nevada Workers state that constructing a limited number of familiar designs leads to quicker and more reliable construction. (*Id.* at 8.) Nevada Workers notes that the program allows for modification based on customer need. (*Id.*)

SNHBA's Position

176. SNHBA supports the overall approval of the TEP, particularly the EV Allowance Adder, as discussed more in Section C of this Order. (Ex. 1900 at 2.)

BCP's Position

177. The BCP contends that NV Energy's proposed TEP did not meet the requirements set forth in NAC 704.9237, Section 1(3)(g)(2), provided below:

> (g) A plan to accelerate transportation electrification in this State that:
> (1) Complies with the requirements of NRS 704.7867; and
> (2) Includes all financial impacts associated with the plan and separately identifies the financial impacts of any proposed financial incentives or special accounting treatment requested, including, without limitation, a rate impact analysis that specifies the rate impact of any such proposal on each rate class.

(Ex. 400 at 1-2, 4.)

178. While BCP notes that NV Energy provided Table TEP-49: *Estimated Customer Bill Impacts for All Classes of Customers*, BCP argues that the financial analysis in this table was insufficient and thus does not meet the requirement under NAC 704.9237. (*Id.* at 4-5.) BCP

explains that this table provided information on the major classes of customers, but not the subcategories within these major classes, and that the allocation of customer revenue to customer classes is done on a pro rata basis from current rate designs. (*Id.* at 4.) BCP explains that NV Energy applied the allocated revenue requirement to the forecasted test year electric retail sales to calculate the average system cost of the Plan on each customer class. (*Id.*) BCP states that NV Energy cites PUCN Docket Nos. 22-03024 and 20-07023 as precedent in using this approach; however, BCP notes that those dockets did not have to meet the requirement under NAC 704.9237, Section 1(3)(g)(2). (*Id.*) BCP also points out that NV Energy did not seek a deviation from NAC 704.9237 that would permit noncompliance with that regulation. (*Id.* at 3-4.)

179. Ultimately, BCP argues that Table TEP-49, which purportedly supports NV Energy's proposed Plan, does not satisfy NAC 704.9237, Section 1(3)(g)(2). (*Id.* at 4.) BCP provides that Table TEP-49 is not a true financial impact analysis but a ballpark estimation by NV Energy's own admission. (*Id.* at 4-5.) BCP quotes NV Energy's Plan to support its contention: "[t]his estimate is intended to provide a sample order of magnitude on bill impacts and is not indicative of future rate design." (*Id.*; Ex. 100 at 133.) BCP also provides that NV Energy's Plan explicitly recognizes that Table TEP-49 is not a true financial impact as BCP provides the following quote from the Plan: "[t]he true financial impact will depend upon many unknown variables, including the number of sites that select utility-owned charging stations, the base tariff general rate revenue to be realized from proposed utility-owned charging stations, O&M costs associated with the charging stations, cost of capital authorized in future rate cases, and more." (*Id.*) BCP further argues that to evaluate "all financial impacts associated with the plan" under NAC 704.9237, Section 1(3)(g)(2), it is necessary to know the financing costs of either a short-term revolver facility or long-term debt issuance vs. equity, which is dependent on

credit metrics. (Ex. 400 at 5.) BCP states that NV Energy did not perform a credit metrics analysis despite ongoing concern of declining credit metrics. (*Id.*)

180. Accordingly, BCP recommends that the Commission find that NV Energy's proposed TEP did not meet the standard set forth in NAC 704.9237, Section 1(3)(g)(2). (*Id.* at 6.) Alternatively, BCP recommends that the Commission provide a waiver of the regulation on behalf of NV Energy. (*Id.*)

181. BCP argues that NV Energy's proposed TEP does not satisfy the statutory requirement of NRS 704.746(10)(b), which in pertinent part inquires "[w]hether the proposed investments, incentives, rate designs, systems and programs provide electric services and pricing that *customers value*." (emphasis added) (Ex. 401 at 1.) Generally, BCP is unconvinced that Nevada customers will attain any value from the proposed Plan as the vast majority of Nevada customers do not participate in the electric vehicle market – and those that do are predominately wealthier customers. (*Id.* at 2-3.) BCP points out that currently the number of electric vehicles in Nevada account for less than 1% of the total vehicles in Nevada; and at the current growth rate for EV adoption in Nevada, BCP states that it will take past 2030 for EVs in Nevada to account for 5% of the total vehicle registrations. (*Id.* at 2.)

182. BCP states that the TEP programs that allow for NV Energy ownership of the charging stations and its infrastructure circumvent Rule 9 because if there was non-utility private ownership, those entities would use the Rule 9 process to install the required infrastructure. (*Id.*) BCP argues that this will negatively impact the majority of ratepayers if the Commission agrees to allow NV Energy ownership of these facilities. (*Id.*) BCP points out that private, non-utility companies are adequately providing the Nevada market with sufficient quantities of public charging stations in the urban area of Nevada. (*Id.*) Thus, BCP argues the proposed TEP will

create a non-competitive market environment with NV Energy as monopolistic supplier of charging services. (*Id.* at 2.) BCP provides that, because of the high cost of EVs, ownership of EVs is currently restricted to wealthy and upper middle-class customers; therefore, BCP opines that any programs that NV Energy proposes will only benefit this class of wealthier customers at the expense of the rest of the customer base for the foreseeable future. (*Id.* at 3.) Further, BCP argues that, under NV Energy's proposed Plan, Nevada ratepayers will be subsidizing the EV charging and associated infrastructure for a predominantly non-Nevada population as public charging will largely be used by out-of-state customers in Nevada's resort industry. (*Id.* at 3.)

183. BCP also raises generalized concerns about the appropriateness of NV Energy's proposed Plan being filed now given various macroeconomic factors affecting ratepayers – namely high inflation and high natural gas prices. (*Id.*) BCP notes that some of these increased costs have yet to be reflected on ratepayer's bills and that ratepayers, by and large, have no vested interest in electric vehicles. (*Id.*) BCP takes the position that the TEP is not necessary for the provision of electric services to NV Energy customers and is instead viewed by the BCP as a tool for NV Energy to monopolize certain EV charging services. (*Id.*)

184. Regarding specific programs within the TEP, BCP recommends that the Commission approve the Lower Income Electric Vehicle Rebate Program, the Commercial Technical Advisory Services program, the customer load identification program, and NV Energy's efforts to establish standards for EV charging stations. (*Id.* at 4-6.)

185. Regarding the Lower Income Electric Vehicle Rebate Program, BCP states that the $500,000 proposed for this program will be money well spent to help insure low-income people have access to personal transportation. (*Id.* at 10.)

186. In contrast, BCP recommends that the Commission not approve the education services programs, the Dealer Partner Program, the Residential Charging Incentive Program, the Residential Turnkey Charging Program, the Multi-Family Charging Infrastructure Program, the Workplace Charging Infrastructure Program, the Interstate Corridor Charging Depot Program, the Urban Charging Depot Program, the State, Local and Governmental Fleet Telematics Program, the Fleet Charging Infrastructure Program, the Transit Electrification Grant, the Electric School Bus Vehicle to Grid Program, the commercial vehicle program administration, the managing EV charging systems program, the transportation planning data program, the IRA Innovation Demonstration program, Residential Technical Advisory Services, lower income vehicle telematics services, and the Rule 9 allowance adder. (*Id.*; Ex. 402 at 15.)

187. Overall, BCP reasons that the above programs should not be approved for the following reasons: (1) NV Energy failed to show that there is an existing market failure to justify why NV Energy's customers should fund the programs within the TEP; (2) NV Energy failed to justify that these programs are a reasonable use of ratepayer funds; and (3) NV Energy would unfairly leverage its monopoly power over competitors. (Ex. 402 at 16.)

188. Regarding the education services programs, BCP provides that the $3 million proposed for customer education will be wasteful and redundant. (*Id.* at 9.) BCP explains that NV Energy currently has similar programs approved in other dockets that provide such customer education. (*Id.*)

189. BCP opposes approving the Dealer Partner Program because it appears that the program is a competitive marketing service for the promotion of EVs and is not involved in enhancing electric service to ratepayers. (*Id.* at 10.)

190. BCP opposes the Residential Charging Incentive Program for a number of reasons, including the following: the program increases rates to the vast majority of ratepayers who are middle- and low-income without providing any benefit to the vast majority of these individuals; NV Energy is taking on the liability of operations and maintenance of equipment under this program, which is an additional risk that the ratepayer should not be forced to shoulder; and the IRA already gives an owner a 30% tax credit for installation of chargers and thus the ratepayer should not be forced to further subsidize the upper-middle- and high-income customers who are the chief purchasers of EVs. (*Id.* at 11-12.)

191. BCP recommends rejecting the Residential Turnkey Charging Program for several reasons. (*Id.* at 12-13.) BCP states that this program totally circumvents Rule 9, which leads to costs ratepayers should not incur for installations made by participating ratepayers; further, the program does not place a limit on the line extension costs for the owner of the facility, which could be quite extensive depending on the nature of the facility. (*Id.*) BCP also argues that the Residential Turnkey Charging Program is a competitive program that can be offered by any business interested in providing this service. (*Id.* at 13.) Therefore, BCP argues that NV Energy entering this market may discourage competitive industries from entering, as well. (*Id.*) Additionally, BCP states that NV Energy is taking on the liability of operations and maintenance of program equipment, which is an additional risk that the ratepayer should not be forced to incur. (*Id.*) Notably, BCP states that the program increases rates for the vast majority of ratepayers which are middle- and low-income. (*Id.*) Further, if ownership is changed, BCP explains that NV Energy may have to assume the costs of removal of equipment if the owner wants the equipment removed. (*Id.*) Finally, BCP reiterates that the IRA already gives the owner a 30% tax credit for installation of these chargers; thus, the ratepayer should not be forced to

further subsidize the upper-middle- and high-income customers who are the chief purchasers of EVs. (*Id.*)

192. Similar to its concerns regarding the Residential Turnkey Charging Program, BCP identifies many of the same concerns in its assessment of the Multi-family Charging Infrastructure Program. (*Id.* at 13-15.)

193. Likewise, BCP raises many of the same concerns regarding the Residential Turnkey Charging Program in addressing its reasoning behind its decision to not recommend the Workplace Charging Infrastructure Program. (*Id.* at 17-19.)

194. BCP provides its reasoning to reject the Interstate Corridor Charging Program. (*Id.* at 19.) BCP states that many of the locations that public charging stations will be in are not within NV Energy's service territories. (*Id.* at 20.) BCP argues that ratepayers should not be responsible for these remote charging services because, if a utility cooperative or local government believes a station is necessary for the Nevada highway system, funding should come out of their respective budgets. (*Id.*) BCP states that allocating a budget to install such stations in remote areas should be a decision reached by the Nevada Legislature, not NV Energy. (*Id.*) Moreover, BCP provides that the installation and ownership should be put out to bid by the appropriate Nevada state agency, a utility cooperative, or local government because the technical expertise to install these charging stations is not particular to NV Energy. (*Id.*) Finally, BCP points out that Nevada has already established a Nevada Electric Highway Program to provide charging stations in non-economic installations to reduce range anxiety for long-range electric customers driving across rural Nevada. (*Id.*)

195. BCP raises many of the same concerns regarding the Residential Turnkey Charging Program in addressing why it chooses to not recommend the Urban Charging Depot

Program. (*Id.* at 21.) Additionally, BCP points out that there has already been $26,300,000 allocated for urban charging in Docket No. 21-09004. (*Id.*) Thus, BCP reasons that already-approved funding coupled with existing charging stations should be more than sufficient for the existing and future charging needs of metropolitan areas in Nevada. (*Id.*) BCP reiterates its position that these charging stations may be largely used by out-of-state users whom the Nevada ratepayer should not be subsidizing. (*Id.* at 22.) Finally, BCP argues that allocating incentives to facilities like charging stations to subsidize business owners should be a decision of the Nevada Legislature, not NV Energy. (*Id.*)

196. Regarding the State, Local and Governmental Fleet Telematics Program, BCP provides that $6,000,000 was already allocated for similar services for non-governmental vehicles in Docket No. 21-09004. (*Id.* at 23-24.) BCP also states that, if there is a need for such services, the respective government agency should be the entity that issues requests for proposals (*Id.* at 24.) BCP points out that NV Energy will not be charging an agency requesting this service; thus, BCP states that should the Commission approve this program, the Commission should order NV Energy to charge a fee (not to exceed the cost of providing this service) so that the ratepayer may recapture the cost of such service. (*Id.*)

197. BCP raises many of the same concerns regarding the Residential Turnkey Charging Program in addressing its recommendation to reject the Fleet Charging Infrastructure Program; additionally, similar to one of its concerns regarding the Urban Charging Depot Program, BCP argues that allocating incentives to facilities like charging stations to subsidize business owners should be a decision of the Nevada Legislature, not NV Energy. (*Id.* at 25-26.)

198. Regarding the Transit Electrification Grant program, BCP argues that NV Energy is essentially requesting that the Commission provide NV Energy with a $30 million blank check

given that NV Energy has not demonstrated any specific projects it intends to implement – only concepts. (*Id.* at 29.) BCP also argues that the services of this program can be provided by the private market if there is a need. (*Id.* at 29-30.)

199. BCP explains why the Electric School Bus Vehicle to Grid Program should be rejected. (*Id.* at 30-31.) BCP states that the Commission already approved a $18 million pilot for school buses in Docket No. 21-09004 and that this approved funding should be sufficient to accumulate the necessary information for school district operation of electric school buses. (*Id.* at 31.) BCP explains that there are a handful of issues with school bus electrification from that docket, including the high purchase price of buses, logistics around route planning, and necessary driver and technical maintenance training. (*Id.*) In light of these issues, BCP states that NV Energy should share its findings with the Commission from Docket No. 21-09004 before further allocations for school busses are made. (*Id.*) BCP also provides that there is a risk that any charging ports that NV Energy installs from this proposed program may be incompatible with any final design plans for a complete charging network. (*Id.*) Finally, BCP argues that if a school district wants to proceed further with electric school buses, it should hire an experienced engineering firm to plan for charging infrastructure because NV Energy has not demonstrated this particular area of expertise. (*Id.* at 31-32.)

200. BCP explains that the Commission should not approve the commercial vehicle program administration costs because NV Energy failed to provide any explanation justifying the need for money to be spent on the administration of this program. (*Id.* at 32-33.)

201. BCP opposes the IRA Innovation Demonstration program because there has been no economic analysis to support these investments which increase rates to the vast majority of ratepayers who are middle- and low-income. (*Id.* at 35.) BCP also argues that the private market

is capable of supplying this service and that the need for such a program should be determined by state or federal governments, not NV Energy. (*Id.*)

Staff's Position

202. Staff recommends that the Commission find that the cost estimates contained within the TEP cannot be relied on to inform the Commission's deliberations pursuant to NRS 704.746(10)(d) as they do not represent the cost to customers to implement the TEP. (Ex. 305 at 7.) Staff states that NV Energy proposed a TEP budget of $348,450,914 that, based off of representations made by NV Energy, incorporates actual costs where available, conservative estimates where actual costs are not available, and considers multiple levels of contingencies to account for cost fluctuations and uncertainties regarding inflation. (*Id.*) Staff states that even though customers' participation is for the two-year period of 2023-2024, NV Energy included in its budget the maximum expenditures that can be reserved or incurred over the lives of the assets deployed. (*Id.*)

203. Staff states that NV Energy's TEP includes a contingency of $15 million for programs that do not include site profiles, and every program budget with site profiles includes two contingencies – an 8.5% contingency to account for additional or unexpected labor costs and an additional 7% for variability in materials costs or unexpected costs during construction – resulting in a 16.1% total contingency added to the cost estimates for the TEP programs that include site profiles. (*Id.*) Staff states that it estimates the total contingency budget in the TEP is approximately $53 million, or 15% of the entire amount proposed. (*Id.* at 8-9.)

204. Staff states that it was unable to determine the costs to ratepayers for NV Energy to implement its TEP in the instant filing as addressed by NRS 704.746(10)(d), which requires that the Commission consider the cost to the customers of the electric utility to implement the

TEP. (*Id.* at 9.) Staff states that NV Energy's estimated budget is not representative of the costs to implement the TEP because 1) the $348 million estimate is an all-inclusive conservative cost estimate to implement and administer the TEP; 2) it assumes all currently installed utility infrastructure requires upgrades in order to install the EV charger infrastructure at each of the site profiles; 3) it deems any costs to implement and administer the TEP as incremental to its existing operations; and 4) it does not represent the incentives that NV Energy proposes to provide participants of the program or the costs NV Energy will incur to implement and administer the TEP. (*Id.*) Staff states that the TEP cost estimates appear to have been developed under a worst-case scenario methodology, including every cost imaginable, in order for NV Energy to be able to justify prudency and just and reasonableness by the mere fact that the $348 budget was not exceeded. (*Id.*)

205. Staff states that it was unable to determine how NV Energy developed its budgets and the companies did not provide a detailed breakdown of costs making up the budgets or how the budgets correspond to the TEP estimates. (*Id.* at 9-10.) Staff states that it was also unable to reconcile NV Energy's budgets to its consulting firm's (Black & Veatch) cost estimates to NV Energy's proposed incentives. (*Id.* at 11.) Staff states that NV Energy provided the budget and cost estimates in this manner as a matter of transparency and to aid the Commission in developing an order in the event it decides to modify any of the programs. (*Id.*) However, Staff states that NV Energy did not explicitly describe how it used Black & Veatch's cost estimates to develop the TEP budget or proposed TEP incentives; moreover, Black & Veatch did not file direct testimony to support its cost estimates. (*Id.*) Therefore, Staff states that further narrative, testimony, and formulaic representations that provide a detailed cost breakdown of each budget

and incentive and how it was derived from the cost estimates are necessary in furtherance of true transparency. (*Id.*)

206. Staff recommends that the Commission modify NV Energy's proposed managed charging program to add a requirement that participation in the BYOC program requires automatic enrollment in the managed charging program. (*Id.* at 12.) Staff states its concern that unlike all the other TEP programs, NV Energy is allowing BYOC program participants the choice of participating in the managed charging program. (*Id.* at 13.) Staff contends that BYOC participants should be required to automatically enroll in the managed charging program upon receipt of an incentive like all the other TEP program participants that are required to be automatically enrolled into the managed charging program. (*Id.*)

207. Staff recommends approving the following programs as filed: Residential Technical Advisory Services, Interstate Corridor Charging Depot, Transit Electrification Grant, Electric School Bus Vehicle to Grid Trial, and Commercial Technical Advisory Services. (Ex. 307 at 9.)

208. Staff explains that assessing whether to purchase an EV could be a confusing process, factoring in the unknown elements such as charging availability, range anxiety, and calculating the cost differentials from switching vehicle fuel sources. (*Id.* at 11.) Staff reasons that the residential and commercial technical advisory services will help guide ratepayers through this potentially complicated educational process and enable customers to confidently convert to EVs. (*Id.*)

209. Similarly, Staff provides that the Dealer Partnership Program will provide information at the source and provide another educational avenue to customers. (*Id.* at 11-12.)

210. Staff states that the interstate corridor program will help meet the state's plan to obtain Federal Highway Administration Alternative Fuel Corridor designation through a mix of federal and ratepayer funding. (*Id.*)

211. Staff provides that the Transit Electrification Grant and the Electric School Bus Vehicle to Grid Trial can help bring the benefits of electrification to customers who cannot, or choose not to, drive EVs. (*Id.* at 12.)

212. Staff recommends modifying the following programs to remove the option of NV Energy ownership of the charger: Workplace Charging Infrastructure Program, Urban Charging Depot Program, Fleet Charging Depot Program, and the Fleet Charging Infrastructure Program. (*Id.*) Staff states that, if the Commission denies NV Energy ownership in this filing, NV Energy will not be precluded from requesting NV Energy ownership options in future plans. (*Id.* at 14.) Staff explains that if NV Energy provides supporting data for utility ownership from the ERTEP, then Staff is happy to reassess NV Energy ownership for publicly accessible and fleet charging infrastructure. (*Id.*) Staff points out that NV Energy is already allowed to spend up to $100 million of ratepayer monies in the ERTEP, and the Commission should take the time to learn lessons about participant desires, third party interest in providing charging infrastructure services, and the cost impacts from various ownership models before committing more ratepayer dollars to fully fund company-owned EV charging infrastructure, especially when there are willing third parties who can step in and potentially reduce the cost to ratepayers of building out EV infrastructure. (*Id.* at 14-15.)

213. Staff recommends modifying the Residential Charging Incentive Program's eligibility to only accept customers who live in HUCs and/or are lower-income, and who own and reside in the participating residence. (*Id.* at 15.) Staff explains that it has not seen any data

showing that the average consumer would not purchase an EV unless they were given an incentive that paid for 75% of the cost to purchase a level 2 charger plus any needed electrical upgrades and installation costs, especially those customers choosing to purchase a higher end EV. (*Id.* at 15-16.) Staff states that currently NV Energy is not sure how many single-family homes would need an electrical upgrade to install a level 2 charger, meaning that the participant's out-of-pocket cost could be as low as several hundred dollars for an off-the-shelf level 2 charger capable of managed charging. (*Id.* at 17.) Staff goes on to explain that while a non-low-income customer purchasing an EV should be able to afford the small out-of-pocket cost to purchase and install a level 2 charger, a low-income customer who might want to purchase an EV may only do so if it can save certain charger installation costs, including costs associated with electrical panel upgrades. (*Id.*) Thus, Staff explains that tailoring this program to HUC and lower-income customers only would test if the cost to purchase, install, and maintain a charger really is a barrier to EV adoption for that segment of the population. (*Id.*)

214. Staff recommends modifying the Multi-Family Charging Infrastructure Program to remove the option for NV Energy ownership, to extend the time period that incentive funding is held for properties located in HUCs, and to reduce property size requirements. (*Id.* at 18.) Staff states that NV Energy did not provide support for requiring a multi-family property to have at least 50 units to participate in this program. (*Id.* at 19.) Staff explains that, without knowing how many multi-family properties qualify, particularly those located in HUCs, Staff is unsure if this 50-unit requirement will place a needless limitation on HUC participants. (*Id.*) Accordingly, Staff recommends using the EVID's multi-unit definition of two or more units for its property size requirement and allowing for a reduced number of chargers for participants who do not want to utilize the standard site profile. (*Id.* at 19-20.)

215. Staff also recommends extending the time period reserved for HUC applicants from three to six months. (*Id.* at 20.) Staff explains that extending the time period where funding is reserved for HUC customers could enable more applications to be filed, considering the time needed for a participant to be made aware of the program and to gather the necessary approvals and cite planning needed prior to applying. (*Id.*) Staff disagrees that extending the reserve time period to six months is too long to withhold funds considering the abbreviated Plan time period. (*Id.*) Staff explains that NV Energy has the ability to fully subscribe the 50 percent of the funding for non-HUC applicants and then issue conditional reservations on a first come, first serve basis for those who apply after the funds have been fully subscribed during the six-month window. (*Id.*) Staff provides that, after the six-month reserve period has ended, and if the funding set aside for HUC properties has not been fully subscribed, NV Energy can then start approving the conditional applications until all program funding has been claimed. (*Id.*) Further, Staff encourages NV Energy to utilize its geographic information systems (GIS) mapping and available census tract information, and possibly even its commercial technical advisory services, to identify eligible HUC multi-family properties to provide face-to-face marketing and ensure that every eligible applicant is aware of the program and its benefits, instead of hoping the general marketing attempts reach every intended property owner and decision maker. (*Id.*)

216. Staff recommends modifying the State, Local, and Tribal Government Telematics Program to include a technology rental fee that will be refunded if the participant purchases or leases fleet EVs within one year from the conclusion of their program participation. (*Id.* at 21.) Staff states that NV Energy does not know how many fleets will be able to participate in the program. (*Id.* at 22.) Staff states that NV Energy plans to issue a request for proposal ("RFP") to select the telematics technology and determine the number of telematics units that can be

deployed. (*Id.*) As such, Staff states that NV Energy does not have a cost per telematics device estimate. (*Id.*) Having no information as to what the potential benefits of this program could be (e.g., how many fleets would participate, how likely is it that a fleet who participates in the program would electrify), Staff recommends that participants should be required to pay a rental fee as a condition of participation if the Commission chooses to approve this program. (*Id.*) Staff reasons that such a novel and unproven program should not be undertaken at the sole expense of ratepayers; so, Staff reasons that applicants should have to pay a rental fee for the telematics device to participate in the program. (*Id.* at 23.) Staff provides that the rental fee would be fully refundable if the applicant purchases fleet EVs within one year of completing the program. (*Id.*) Staff explains that the rental fee would incentivize a customer to electrify their fleet so that they get their money back; also, in situations where a participant was refunded and ratepayers were assessed with the cost of the telematics devices, ratepayers would receive the emission reduction and grid benefits generally gained from transportation electrification. (*Id.*)

217. Staff recommends denying the Lower Income Vehicle Telematics Program. (*Id.* at 24.) Staff states that NV Energy is unable to provide information regarding both how many eligible customers will be able to participate in this program and the per person cost of the telematics devices because NV Energy needs to issue an RFP to select the telematics technology and needs to determine the number of telematics units that will be available to be deployed. (*Id.*) Staff also states that NV Energy does not know if there will be limitations on vehicle age, make, or model of the light duty passenger vehicles that can participate in the program. (*Id.*) Accordingly, Staff explains that this unproven and untested program should not be rolled out with full force until there is some reliable proof of concept first. (*Id.* at 25.) Further, Staff notes that, because an EV's purchase price is the most cited limiting factor in EV adoption, merely

having data that could show long-term savings by purchasing an EV does not mean a lower-income customer has the upfront cash and/or credit to purchase an EV. (*Id.*)

218. Staff recommends denying the Lower Income Electric Vehicle Rebate Program. (*Id.* at 26.) While Staff recognizes that it was a signatory to an EVID stipulation that continued the EVID lower-income EV rebate pilot program, Staff states that its reasoning for stipulating in that instance is confidential and not necessarily contradictory to its position to deny the program in this Plan. (*Id.* at 27.) Staff further explains that, while the EVID lower-income EV pilot program was potentially open to 150 customers, it had only 12 approved applications. (*Id.*) Staff states that this shows that while the pilot may have had the good intention to reduce one of the stated barriers to becoming an EV driver, the incentive was just not high enough to convince low-income customers to purchase an EV. (*Id.*) Staff argues that while this proposed program appears to recognize that the EVID lower-income pilot incentive was not high enough and seeks to turn the pilot program into a permanent program with double the incentive, Staff reiterates its arguments from the EVID that ratepayer funds should not be used to purchase vehicles for another ratepayer's personal use. (*Id.*) Staff states that its recommendation to deny this program is not in contradiction with its recommendation to modify the Residential Charging Incentive Program because this proposed program has several vehicle limitations that the Residential Charging Incentive Program does not have, making this program less friendly to customers who are utilizing the used EV market. (*Id.* at 27-28.)

219. Staff recommends denying the Residential Turnkey Charging Program (*Id.* at 28.) Staff provides that one of NV Energy's participation requirements is the acceptance of participation agreements, which NV Energy states are not yet available for review. (*Id.* at 31.) Staff is concerned that there is no cost to participate in this program, and that the participant

agreements are not available for Commission review and approval. (*Id.*) Staff states that the program would have been more acceptable if the participant financially contributed in exchange for getting the favorable NVEVCN tariff, free level 2 charging equipment with on-going O&M, and possibly even free storage/renewable devices. (*Id.*) However, Staff states that NV Energy provides no support as to why ratepayers should fully finance this program, and in particular, why customers who are lower income and/or reside in HUCs should pay for customers who have the means to own or lease at least one, if not two, EVs in addition to a solar system (depending on the configuration). (*Id.* at 31-32.)

220. Regarding the participant agreements, Staff provides that it is concerned with the rights customers will sign over to NV Energy, and NV Energy's responsibility to the customer that comes from owning and maintaining the charger infrastructure that resides within a private residence. (*Id.* at 32.) While Staff concedes that NV Energy may not have a history of providing customers agreements to the Commission for approval, Staff argues that the concept of owning and operating technology that resides in a private residence brings up new questions regarding liability, insurance requirements, and NV Energy's ability to make repairs. (*Id.*) Staff notes that the Commission has a duty to protect ratepayers, and that until clarification is provided on the rights and responsibilities a customer is signing away to NV Energy, as well as the additional responsibilities NV Energy will take on, Staff cannot recommend the program for approval. (*Id.*)

221. Staff recommends approving the Community-Based Organization Educational Services Grant and the Transportation Planning Data requests. (*Id.* at 33.) Staff explains that it understands that NV Energy may not want to provide too many details on these programs as it may hinder the responses it receives in its RFP for these programs; however, Staff states that little information was provided as to what exactly these requests entail, how long it will take

until usable information comes out of transportation planning data request, what amount of grant funding is needed per organization to achieve the program's goals, or how either of the budgets were developed. (*Id.* at 34-35.) Nonetheless, Staff states its recommendations to approve these programs should not be construed as support for the limited manner in which NV Energy presented their proposals. (*Id.* at 35.) Staff states that the community grant, if run effectively, can help market the Plan to members of HUCs and community members who may not read bill inserts, follow the company on social media, have basic cable to see TV ads, or those who have a general distrust of NV Energy. (*Id.*) Additionally, Staff states that the Transportation Planning Data request may help move NV Energy toward a public charger siting model that is methodically planned and based, in part, upon traffic patterns and ease of access by EV drivers. (*Id.*)

222. For programs offering EV charger infrastructure incentives, Staff recommends modifying the site profiles to allow for more flexibility. (*Id.*) Staff is concerned that potential applicants could be under the impression that these are the site configurations they must take and will not bother to apply if a different configuration would better suit their needs. (*Id.* at 37.) Considering that NV Energy seems amenable to modifications, Staff opines that site profile flexibility should be memorialized in any marketing and educational materials. (*Id.*) More specifically, Staff provides that the site profile wording should be changed to say "up to" in the site profile configurations: for example, in the multi-family program, Staff states that instead of saying the program provides banks of chargers for 10 or 20 parking spaces with 5 or 10 level 2 dual-port chargers, NV Energy should state that the program provides banks of chargers *up to* 10 or 20 parking spaces with *up to* 5 or 10 level 2 dual-port chargers. (*Id.*) This way, Staff points out, barring an individual site design modified at NV Energy's discretion, the sites will stay

equal to or less than the budgets created from the standard site profiles, but the flexibility to modify the site profile will be in the participants' hands and not up to NV Energy's discretion. (*Id.*)

223. Staff recommends modifying the information an applicant must provide to prove low-income eligibility. (*Id.* at 38.) Staff proposes two modifications: First, Staff proposes that eligibility for any EV program allowing lower income applicants should have the applicant's income eligibility automatically approved if they are currently participating in another NV Energy-operated income qualified program, such as one of the DSM programs; Second, Staff states that, like NV Energy's expanded solar access program ("ESAP") that allows customers to prove income eligibility by providing documentation showing that they are currently enrolled in another state-operated income qualified program, such as the Low Income Home Energy Assistance Program ("LIHEAP") or the Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC"), customers should similarly be allowed to do the same under the Plan. (*Id.*) Staff explains that these changes can help streamline the application process by eliminating the need for an applicant to provide proof of income multiple times in the same year to various NV Energy and/or state-run income qualified programs. (*Id.*)

224. Staff recommends denying NV Energy's request to use Plan funding to replace existing EV chargers. (*Id.* at 39.) Staff is concerned that because all managed charging participants are allowed to opt out of events in perpetuity, there is no guarantee that managed charging would actually take place during the desired time periods if charging infrastructure was replaced to enable managed charging. (*Id.*) Additionally, Staff explains that chargers have relatively short useful lives of five or eight years for level 2 and DCFC, respectively, and after a customer's 'noncompatible' charger is obsolete, the owner could procure replacement

infrastructure that enables managed charging either through an available NV Energy EV program or by purchasing a compatible off the shelf charger. (*Id.* at 40.) Accordingly, Staff argues that this Plan's funding should be used to add charging infrastructure to the state instead of replacing existing usable charging infrastructure. (*Id.*)

225. Staff recommends denying the Smart Panel Integration Trial. (*Id.*) Considering that Staff is recommending denying one of the two programs needed to operate this trial and modifying the other (Residential Charging Incentive Program and the Residential Turnkey Charging Program), and given NV Energy's position that it would not operate this program without either residential programs, Staff is unsure how this trial could proceed. (*Id.* at 41.)

226. Staff recommends accepting NV Energy's proposed modifications to the Electric School Bus Vehicle-to-Grid Trial tariff schedules for both utility's service territories. (Ex. 301 at 1.) Staff notes that the restriction on the number of participants has been removed from the tariff sheets. (*Id.* at 6.)

227. Staff recommends that the Commission approve NV Energy's request for activities associated with Electric Vehicle Load Identification, conditioned on an accompanying directive requiring NV Energy, in its next TEP and any associated cost recovery filings, to demonstrate how the data collected from Electric Vehicle Load Identification helped improve NV Energy's distribution and resource planning processes. (Ex. 302 at 2.) Importantly, Staff states that it is not recommending the approval of the proposed $500,000 budget for Electric Vehicle Load Identification because Staff cannot accurately determine how this proposed budget was formulated. (*Id.* at 4.) Staff also provides that NV Energy decided to use an existing vendor for load identification rather than researching other electric vehicle load data analytics companies. (*Id.*) As such, Staff argues that its proposed directive is warranted as the directive

will enable the Commission to better evaluate the program and whether or not to continue with Electric Vehicle Load Identification activities in subsequent TEPs. (*Id.*) As part of its recommendation, Staff states that NV Energy should provide, at a minimum, data collected and information regarding how such load identification efforts support the continuous portfolio optimization of TEP projects, including data collected regarding how many EV customers were identified of whom NV Energy was not aware. (*Id.*)

228. Staff explains that, in NV Energy's IRA Innovation Demonstration, NV Energy proposes to support the deployment of NV Energy-owned solar generation and battery storage at sites that include shade canopies as part of the site profile for the following programs: Multi-family Charging Infrastructure Program, Workplace Charging Infrastructure Program, Urban Charging Depot Program, and Interstate Corridor Charging Depot Program. (*Id.* at 6.) Staff states that NV Energy is also proposing battery energy storage and rooftop solar in its Residential Turnkey Charging Program as an infrastructure option (one single-port charged integrated with battery energy storage and rooftop solar). (*Id.*)

229. Staff recommends that the Commission deny the IRA Innovation Demonstration because Staff argues that NV Energy neither has an implementation plan for this program nor does it provide adequate reasoning or support for this program. (*Id.* at 7.) More specifically, Staff states that NV Energy has not obtained any building permits, evaluated specific sites, or drafted official engineering or technical designs. (*Id.* at 8.) Staff also states that NV Energy neither provides information on how it plans to achieve optimal grid integration, nor does it provide any support in the filing on how the budget was determined. (*Id.*)

230. Staff recommends denying NV Energy's request to establish a regulatory asset for expenses related to the TEP. (Ex. 304 at 1). Staff points out that SB 448 does not contain any

language regarding NV Energy being allowed special rate recovery of the costs related to the TEP; Staff notes that this is in contrast to the very specific language regarding the accounting treatment and budget cap for the ERTEP. (*Id.* at 2.)

231. Staff explains that many of the programs being proposed as part of the TEP involve NV Energy ownership of assets behind the meter, which is not typical in standard rate making. (*Id.* at 3.) Staff states that if NV Energy proposes a project and part of that project includes charging infrastructure owned by the utility, that project should be treated just like any other plant project executed by the utility and placed into service once the plant is used and useful and included for recovery in a subsequent general rate case. (*Id.*)

232. Staff disagrees that assets with short useful lives should receive special accounting treatment to ensure that the cost of the equipment is fully recovered. (*Id.*) Staff points out that NV Energy currently has plant accounts with five-year lives, and while some of those accounts have a relatively small overall balance, the miscellaneous plant account and the computer equipment account balances are significantly higher. (*Id.*) Additionally, Staff provides that while NV Energy has stated that the proposed depreciable life of some of the charging infrastructure is too short to be properly recovered during the current three-year rate case cycle, there is very little data available regarding the lives of these items. (*Id.*) Moreover, Staff states that once the charging stations are placed into service, they will begin generating incremental revenue, which NV Energy is not including in base rates. (*Id.*) Thus, Staff explains, by requesting special recovery for these items, NV Energy is placing the risk of these projects onto ratepayers who will be required to pay any difference between the costs and the revenues generated from these projects. (*Id.*)

233. Staff disagrees with NV Energy's position that any O&M performed with respect to the TEP is incremental to what is included in base rates and should be recorded in a regulatory asset with carry charges. (*Id.* at 4.) Staff explains that during any given year, a utility's workforce can fluctuate in response to market conditions, increasing or decreasing load on the system, or any number of other factors. (*Id.*) Thus, Staff argues that focusing on any one program or project in isolation gives (at best) an incomplete picture of the needs and resources available. (*Id.*) Staff provides that if the Commission approves carry on the O&M expenses, there would be an incentive for the utility to "invest" in incremental O&M. (*Id.*)

234. Staff states that all incremental BTGR revenue generated from TEP programs should be included as an offset to any regulatory asset if those programs do indeed receive special accounting treatment and not just the revenue NV Energy is able to track using a third-party vendor for customers using the NVEVCN tariff. (*Id.* at 5.)

235. Staff provides that transportation electrification is expected to increase load on the system, and that NV Energy should treat any of the approved programs as it would any other project during normal course of business; thus, NV Energy should place projects into service when they become used and useful, record any expenses or revenues associated with these projects in its books and records, and eventually include them as test year expenses and revenues during each subsequent general rate case. (*Id.*)

NV Energy's Rebuttal

236. NV Energy argues that many of the intervenors' recommendations must be viewed in the context of the Legislature's directives in SB 448. (Ex. 119 at 7.) Accordingly, in contrast to what NV Energy characterizes as the prioritized interests of particular stakeholders,

NV Energy points to the express language of SB 448 as memorializing the directives that the Commission must consider. (*Id.* at 7-9.)

237. NV Energy disagrees with suggestions that proposed TEP investments be limited in light of other investments. (*Id.* at 12.) NV Energy points out that SB 448 requires NV Energy to file two back-to-back plans – the ERTEP and the proposed TEP – that entail significant investments. (*Id.*) As such, NV Energy argues that making simultaneous investments is a fundamental requirement under SB 448 and is not an appropriate reason to reduce the scope of the proposed TEP. (*Id.*)

238. While NV Energy argues that the investments proposed in the TEP are critical to pursuing a once-in-a-generation shift in transportation fuel, NV Energy maintains that, to the extent that the Commission determines that the Plan should be downsized, reducing the size of proposed programs would be the preferred approach as opposed to scrapping a program altogether. (*Id.* at 13.)

239. Moreover, NV Energy argues that the scope of the TEP is already limited as filed. (*Id.* at 14.) In response to intervenor recommendations that certain programs be expanded or have their participation limits increased, NV Energy states that certain limitations on programs are intentional for this inaugural TEP in order to limit budget expenditures. (*Id.*)

240. While certain intervenors argue against the need for utility-owned charging infrastructure, NV Energy counters that utility-owned charging infrastructure will provide several unique benefits over other options, including the following benefits: it provides regulated fuel pricing; it incentivizes customer behavior to better integrate renewable energy resources through required time of use ("TOU") rates; it provides increased consumer choice in electric vehicle charging and related infrastructure and services by creating a new ownership and

operation option for customers; and it incorporates public reporting requirements that will serve to inform program design and Commission policy. (*Id.* at 15-16.)

241. While NV Energy states that SB 448 does not require any third-party ownership of charging infrastructure nor does it prohibit utility ownership, NV Energy clarifies that the TEP does permit customers to utilize third-parties for charging infrastructure and services. (*Id.* at 17-18.)

242. NV Energy contends that certain intervenors' concerns that utility-owned charging infrastructure will inhibit private investment are unwarranted as NV Energy argues that utility investment must come first to lay the building blocks for the transition to transportation electrification. (*Id.* at 19-20.) Accordingly, NV Energy argues that utility investment will only further other investment in charging infrastructure and EVs as the TEP will increase EV adoption. (*Id.*) NV Energy also points out that while the TEP was not required to foster private investment under SB 448, the TEP was nonetheless formulated with the goal of fostering private investment and job growth in Nevada. (*Id.* at 20.)

243. In light of intervenor criticism that certain cost estimates for programs are too high, NV Energy acknowledges that the total cost estimates for certain sites within a program are higher than what they expect to incur at the individual site. (*Id.* at 23-24.) NV Energy explains that the site profile budgets are over-inclusive as they include costs for equipment and upgrades that may not be required at each site. (*Id.*) Nonetheless, NV Energy maintains that cost estimates are not inflated; rather, they are reasonable and based on the experience of its expert consultants. (*Id.*)

244. NV Energy refutes accusations that it did not provide a detailed breakdown of costs that makeup the TEP budget. (*Id.* at 26.) NV Energy points to the numerous tables within

the Plan and the Technical Appendix outlining proposed budget spend by program and by cost category. (*Id.*) NV Energy also points out that it provided additional information in response to discovery requests from Staff and other intervenors. (*Id.*)

245. NV Energy also refutes insinuations that the TEP budget was inflated to maximize recoverable costs. (*Id.* at 27.) NV Energy explains that TEP expenditures, like all utility expenditures, must eventually undergo a prudency review in future general rate cases. (*Id.*)

246. NV Energy disagrees with assertions that the cost information provided in the TEP cannot adequately inform the Commission's deliberations pursuant to NRS 704.746(10)(D), which states in relevant part: "[i]n considering whether to accept or modify a plan to accelerate transportation electrification submitted pursuant to NRS 704.7867, the Commission shall consider ... (d) The cost to the customers of the electric utility to implement the plan." (*Id.* at 28.) NV Energy asserts that it provided adequate customer cost information in two ways: (1) NV Energy provided a total estimated Plan cost of $348 million, with estimated costs by program and by site profile; and (2) NV Energy also provided a rate impact analysis showing the effects of the Plan costs on customer rates. (*Id.*)

247. NV Energy rebuts criticisms that certain intervenors were unable to reverse calculate the TEP budget due to inconsistencies within the budget. (*Id.* at 29.) NV Energy explains that certain intervenors were unable to arrive at the total program budget because they attempted to oversimplify the complex models used in the Plan. (*Id.*)

248. While a number of intervenors propose various modifications to TEP program design and eligibility, NV Energy explains that it created programs with a spectrum of customer classes in mind as opposed to specific individualized interests. (*Id.* at 30-31.) Additionally, NV Energy provides that certain TEP programs were created to maximize customer benefits from its

initial transportation electrification investments. (*Id.*) Should certain programs be initially successful, NV Energy states that it may evaluate the program to expand the eligibility requirements in future filings. (*Id.*)

249. NV Energy maintains that TEP programs are not created with the intention of monopolizing a market; rather, NV Energy states that programs were designed and site profiles were standardized to ensure that the foundation of transportation electrification infrastructure meets a diverse set of needs. (*Id.* at 31-32.) NV Energy states that these efforts include meeting the charging demands of future EVs while also meeting the charging needs of earlier models of EVs. (*Id.* at 32.)

250. NV Energy disagrees with proposals to remove O&M incentives from TEP programs. (*Id.* at 33.) NV Energy argues that these proposals, which apparently aim to adjust the TEP's budget by lowering or reallocating costs, inappropriately prioritize perceived cost savings over other significant TEP goals of ensuring and incentivizing reliability and customer experience. (*Id.*) NV Energy offers that after NV Energy and the Commission have an opportunity to evaluate the implementation of the O&M incentives, adjustments to remove O&M incentives can be made in future plans. (*Id.* at 33-34.)

251. NV Energy provides that, under its current proposed Plan, NV Energy proposes to cover 75 percent of approved site costs for most customers, with 100 percent of approved site costs covered for customers within HUCs and governmental entities. (*Id.* at 34.) NV Energy argues that this approach provides a reasonable middle ground. (*Id.*) Nonetheless, to the extent the Commission adopts some intervenor's recommendation to increase the customer incentives to 100 percent of approved site costs, NV Energy asks that the Commission be clear in this Order

that under no circumstances may customers receive more than 100 percent of costs, including when adjusted for available federal or state incentives. (*Id.*)

252. NV Energy disagrees with Staff's proposal to increase lower-income and HUC customer participation in one program (the Residential Charging Incentive Program) and remove any opportunity for customer participation in another program (the Residential Turnkey Charging Program). (*Id.* at 37.) NV Energy opines that approval of both programs as proposed, with a mix of participation opportunities for all customers, best achieves the objectives of SB 448. (*Id.* at 38.) However, to the extent the Commission seeks to limit participation in the residential charging programs to customers in HUCs and lower-income customers, NV Energy argues that this decision should be applied to both the Residential Charging Incentive Program and the Residential Turnkey Charging Program. (*Id.*)

253. NV Energy states that Staff's rationale for denying the Residential Turnkey Charging Program – that there is no cost to participate in the program and that the participant agreements are not available for review – should not preclude the Commission from granting the program. (*Id.* at 38.) While it is not NV Energy's preferred approach, NV Energy does not oppose Staff's proposal to collect payment from customers for the Residential Turnkey Charging Program. (*Id.*) NV Energy provides that another solution to Staff's concerns could be to limit the program to lower-income and HUC customers as there may be no need to collect payment from those customers to participate. (*Id.* at 38-39.) NV Energy provides that either solution would better facilitate meeting SB 448's objectives than denying the program. (*Id.* at 39.) Moreover, NV Energy notes that NV Energy does not typically develop customer agreements before a program is approved, nor does it provide them in customer program plans for approval. (*Id.*) However, to alleviate some of Staff's concerns, NV Energy states that it did share other customer

participation agreements in discovery, and that feedback on those agreements (as it relates to the Residential Turnkey Charging Program) could have been provided in Staff's testimony. (*Id.*) NV Energy argues that while the customer agreements for the Residential Turnkey Charging program will be unique in certain aspects, the concepts applied are not novel or beyond solution. (*Id.*)

254. NV Energy argues that if the Commission approves both residential charger programs in some capacity, there is no need to deny the Smart Panel Integration Trial as recommended by Staff. (*Id.* at 40.)

255. NV Energy provides that the Commission has four other routes to address Staff's concerns about uncertainty or eligibility as it pertains to the Residential Turnkey Charging Program and the program's components. (*Id.*) First, NV Energy opines that the Commission could direct NV Energy to file the customer participation agreements prior to program launch. (*Id.*) Second, NV Energy opines that the Commission could limit the scope of the programs. (*Id.*) Third, NV Energy opines that the Commission could direct NV Energy to limit eligibility across multiple issues, such as: participation to only low-income or HUC customers; home ownership; and existing electric vehicle charger replacement. (*Id.*) Fourth, NV Energy opines that the Commission could direct NV Energy to collect payment from customers for participation in either of the residential charging programs. (*Id.* at 41.)

256. NV Energy clarifies that requiring the residential customer to follow NV Energy's typical Rule 9 process for line extensions is not a new requirement. (*Id.*) NV Energy provides that the incentive is designed to reimburse the customer for some, or all, of the project costs, including utility upgrades resulting from Rule 9 (depending on income eligibility). (*Id.*) NV

Energy notes that not all customers will require system upgrades and a line extension agreement. (*Id.*)

257. Given Staff's concerns, NV Energy provides that it is not opposed to holding off on the proposed telematics programs and reoffering them in a future plan when further detail can be provided. (*Id.* at 42.) NV Energy argues that this would be a better outcome for customers rather than altering these programs in ways that would defeat the objectives of the proposed program. (*Id.*) Nonetheless, NV Energy notes that its willingness to pause its pursuit of the telematics programs should not be attributed to other proposed programs throughout the Plan. (*Id.*)

258. NV Energy states that Staff's recommendation to deny the Lower Income Electric Vehicle Rebate Program is based on Staff's incomplete understanding of a similar lower income rebate program previously offered through EVID. (*Id.* at 43.) NV Energy offers that Staff is recommending the rejection of the Lower Income Electric Vehicle Rebate Program because Staff argues that there was insufficient interest in the previously-approved EVID lower income rebate program. (*Id.*) However, NV Energy provides that the previous EVID lower income rebate program was prematurely ended due to EVID funds becoming fully subscribed – not because of a lack of customer interest. (*Id.*) Further, NV Energy states that SB 448 explicitly directs NV Energy to increase access to the use of electricity as a transportation fuel in HUCs. (*Id.*) NV Energy opines that customers cannot access this fuel if they cannot access the vehicles; thus, the proposed Lower Income Electric Vehicle Rebate Program is designed to help overcome this barrier. (*Id.*)

259. Regarding the IRA Innovation Demonstration program, NV Energy states that the program will provide important information that will benefit future programs and plan

development, particularly as it pertains to onsite renewable generation, battery storage, and public charging infrastructure. (*Id.* at 44.) Given the directives of SB 448, NV Energy argues that the best time to start learning about distributed energy resource integration at charging stations is now– especially given the availability of the IRA tax benefits and various federal competitive grants. (*Id.*)

260. NV Energy provides that some intervenor proposals to alter the design of the Plan's programs would result in different accounting treatment that would require clarity in this Order to ensure that the alterations would not be harmful to NV Energy – including ensuring that NV Energy would still be allowed to earn a reasonable return on program investments. (*Id.* at 46.) NV Energy is not in support of such proposals, and to the extent that the Commission is to adopt some of these proposals, NV Energy argues further support may be warranted for regulatory asset treatment of the Plan. (*Id.*)

261. NV Energy explains that certain intervenors assert that Residential Technical Advisory Services and Commercial Technical Advisory Services should not receive regulatory asset treatment because these activities are already in base rates. (*Id.* at 47.) NV Energy opines that assertions that these programs are already in base rates are incorrect. (*Id.*) NV Energy explains that similar, existing services were run through EVID, which is recovered through the Renewable Energy Program Rider (a regulatory asset). (*Id.*) NV Energy further states that services proposed in the Plan, namely the Residential Technical Advisory Services and Commercial Technical Advisory Services, are incremental to those existing EVID services and should similarly be recovered in a regulatory asset with the other incremental costs related to the TEP. (*Id.*)

262. NV Energy responds to certain intervenor claims that the implementation of certain ERTEP programs is delayed or yet to be implemented by rejecting these claims and stating that ERTEP implementation is ongoing, with certain programs still open and accepting applications. (*Id.* at 48-49.)

263. In response to intervenor criticisms that participants of the BYOC component of the managed charging program should be automatically enrolled in the program, NV Energy provides some clarification on the BYOC program. (Ex. 118 at 3.) NV Energy clarifies that utility customers who already own their own electric vehicle chargers will not be automatically enrolled in managed charging; rather, these customers must actively sign up to participate in managed charging and will then be enrolled in the program as long as they meet the eligibility requirements. (*Id.*) Providing additional context, NV Energy explains that a BYOC participant would be enrolled in the managed charging program upon confirmation that the participant meets the eligibility requirement, and that the program incentives will not be provided to customers who are not enrolled to participate in managed charging events. (*Id.* at 3-4.)

264. NV Energy disagrees with Staff's assertion that customers must add or replace old EV infrastructure in order to be eligible to participate in the BYOC managed charging program. (*Id.* at 4.) NV Energy provides that any customer with a level 2 charger or DC fast charger that meets the technical requirements can participate in the BYOC program without adding or replacing any EV charging infrastructure, provided that the customer is not already participating in other Plan programs. (*Id.*) NV Energy states that the BYOC program is not limited to those customers who are adding new or replacing existing EV charging infrastructure. (*Id.*)

265. NV Energy opposes intervenor recommendations to provide participants in the BYOC managed charging program an initial incentive at sign up and then additional incentive

amounts at the end of each year based on actual participation in managed charging events, rather than the Plan's proposal to only provide an incentive for enrollment. (*Id.* at 5.) NV Energy states that this proposal will likely increase the costs to administer the program. (*Id.*) NV Energy also explains that the proposed BYOC program will allow NV Energy to identify charging behaviors for peak demand reduction and load shifting opportunities so that NV Energy may use this information to evaluate whether a performance-based design that incentivizes customers based on number of participating events should be considered in future plans. (*Id.*)

266. NV Energy disagrees with intervenor assertions that NV Energy is reluctant to provide a rate impact analysis. (Ex. 115 at 3.) NV Energy provides that it is not opposed to providing budgets and documentation to demonstrate the costs that will be borne by customers for the Plan or any other plan that is being submitted to the Commission for approval. (*Id.*) NV Energy states that it holds concerns with projecting the estimated revenue requirement for the Plan to customer rates (e.g., rate design). (*Id.*) NV Energy states that it is not proposing a rate design for the Plan or predicting the outcomes of future general rate cases. (*Id.* at 4.)

267. NV Energy rejects the assertion that because SB 448 did not explicitly authorize a regulatory asset, the Legislature did not intend for the creation of a regulatory asset. (Ex. 116 at 4.) Instead, NV Energy offers that if a regulatory asset is not approved, NV Energy would be disincentivized from making investments in furtherance of its TEP and would therefore thwart the legislative intent behind SB 448. (*Id.*) NV Energy further disagrees with the characterization that TEP expenses, borne out of SB 448, are part of NV Energy's normal course of business. (*Id.* at 4-5.) Instead, NV Energy states that the deployment of the TEP and the acceleration of the transportation electrification market will be incremental to NV Energy's current business and normal operating costs. (*Id.* at 5.)

268. NV Energy argues that at this early stage of the TEP, regulatory asset treatment is needed for the very same reasons it was needed in the previously approved ERTEP because these are new and incremental expenses for NV Energy that are not currently reflected in rates or test year costs. (*Id.* at 4.) NV Energy explains that with the TEP incentive payments not currently in base rates, and if not allowed to be deferred into a regulatory asset, those incentive dollars would fall on and directly burden NV Energy with no method for recovering those costs. (*Id.* at 4-5.)

269. NV Energy disagrees with intervenor assertions that TEP costs to maintain the electrical system to ensure circuits can handle increased electric vehicle load are part of NV Energy's ordinary course of business and thus should not be included in a regulatory asset. (*Id.* at 5.) NV Energy counters that the TEP is a unique situation as NV Energy was directed to implement a plan to accelerate transportation electrification in Nevada — not just to facilitate normal and expected increased load, which would be NV Energy's normal business. (*Id.*) NV Energy further argues that if such TEP activities were indeed the normal course of business for NV Energy, neither the proposed Plan nor SB 448 would have been necessary. (*Id.*) Instead, NV Energy states that the accelerated adoption of more EVs creates the need for additional investment above what would otherwise be considered the normal course of business. (*Id.*) Further, NV Energy explains that the increased load creates the need for incremental investment until EV charging infrastructure is largely in place and a component of the BTGR. (*Id.*)

270. Regarding intervenor arguments that O&M should not receive a carry charge, NV Energy argues that carry on costs deferred to the regulatory asset is appropriate and necessary because it compensates NV Energy for carrying the cost of the investment until the regulatory asset is submitted for review and recovery in a future general rate proceeding. (*Id.* at 6.)

271. Regarding the criticism that special recovery for assets with short useful lives will place unacceptable risk onto customers, NV Energy provides that the absence of a regulatory asset will potentially result in under recovery of depreciation of short-lived assets because these assets are not currently included in base rates and are not being recovered. (*Id.*) NV Energy states that, given that current Nevada law provides that the next general rate review will not take place for the next three years, using the test year for a five-year depreciation life would result in a significant portion of depreciation costs being unrecoverable – effectively resulting in a disallowance without any finding of imprudence. (*Id.* at 6-7.)

272. In response to intervenor arguments that incremental costs would at least partially be offset by incremental revenue from an increase in sales, NV Energy states that this scenario is possible but clarifies the proposed cost recovery mechanism. (*Id.*) NV Energy provides that the costs for the TEP will be recovered through the BTGR rates. (*Id.*) NV Energy explains that for utility-owned charging stations specifically, station sales will be applied to offset the regulatory asset. (*Id.*) Further, NV Energy states that as it relates to electric vehicle charging stations not owned by NV Energy, as sales to those charging stations ramp up through the years, that additional revenue would be considered in future rates cases and be used to set rates. (*Id.* at 8.) NV Energy concludes that it would be highly speculative to determine the revenue from these charging stations this early. (*Id.*) NV Energy explains that if NV Energy put all the BTGR revenue collected to offset the regulatory asset, NV Energy would not get recovery of any of the TEP cost. (*Id.*)

273. NV Energy characterizes certain intervenors' suggestions to modify regulatory asset accounting into deferred accounting as a fundamental misunderstanding of how the proposed regulatory asset is to operate. (*Id.* at 9.) NV Energy states that these intervenors

suggest that such a modification away from regulatory asset treatment will provide a prudency evaluation of expenditures by means of a rate case. (*Id.*) However, NV Energy explains that if the Commission approves NV Energy's proposal to establish a regulatory asset to track and defer TEP costs until a future rate review proceeding, all costs recorded to the regulatory asset will undergo a prudency review in that future rate review proceeding. (*Id.*) NV Energy further provides that the use of a regulatory asset ensures that NV Energy will have an opportunity to recover prudently incurred costs in a subsequent rate review proceeding, rather than ensuring that they cannot recover their costs. (*Id.*)

274. NV Energy maintains that the socialization of TEP costs across all customers is essential to accomplishing the goals of SB 448. (*Id.* at 11.) NV Energy states that certain intervenors propose eliminating the broad funding for the state's transportation electrification by crediting the regulatory asset solely with revenue collected from EV charging stations. (*Id.* at 10.) NV Energy counters that SB 448 has specific provisions to encourage transportation electrification in HUCs as well as optimal integration of transportation electrification into the electric grid. (*Id.*) Therefore, NV Energy argues that funding the TEP solely through EV users, including those residing in HUCs, runs contrary to the policy goals of SB 448. (*Id.*) Further, NV Energy provides that a proposal to fund the TEP solely through EV users would discourage the installation of charging infrastructure in less-traveled areas. (*Id.*)

275. NV Energy responds to intervenor arguments that claim it is difficult, if not impossible, to determine incrementality of TEP costs, and arguments asserting that regulatory asset accounting for these costs will incentivize NV Energy to overspend, whereas recovery through base rates and the resulting regulatory lag will encourage cost-effective spending. (*Id.* at 13.) First, NV Energy reiterates its argument that TEP costs are indeed incremental and all costs

are subject to a prudency review in a future rate review proceeding. (*Id.*) Next, NV Energy provides that, should the regulatory asset not be allowed, the costs incurred until the next rate effective period would not be recovered, which means that imposing this regulatory recovery lag would harm NV Energy and discourage investment in the program. (*Id.*) Furthermore, NV Energy explains that such a scenario would send a negative signal to rating agencies about the recovery of these costs in this Plan. (*Id.*)

276. In response to intervenor concerns on the impact TEP spending may have on NV Energy's credit metrics, NV Energy provides that if the Commission approves a regulatory asset to track and defer TEP costs for recovery, it will instill confidence from the rating agencies and investors that prudent costs will be recovered. (*Id.* at 16.) While NV Energy admits that this is subject to change, NV Energy states that it currently anticipates the TEP to be paid for through the normal course of business with no specific debt facility. (*Id.* at 17.) NV Energy also provides that it has a merger application open that, if granted, will further help support credit metrics. (*Id.*) Additionally, NV Energy states that it has reduced, and can continue to reduce, dividends, and that it can receive a reasonable level of equity infusions from its parent entity. (*Id.* at 18.) NV Energy concludes that the establishment of the TEP regulatory asset will have a favorable view from rating agencies when evaluating credit metrics and will further mitigate the possibility of a credit downgrade. (*Id.*)

Commission Discussion and Findings

277. The Commission acknowledges that NV Energy is directed in Section 51(2) of SB 448 to file with the Commission a TEP as an amendment to its Joint IRP that complies with NRS 704.7867. As codified, pursuant to NRS 704.7867, NV Energy files its Plan "to accelerate transportation electrification in this State," outlining a broad scope of programs that it proposes

will incentivize the adoption of transportation electrification in Nevada in a manner consistent with the goals of SB 448.[2]

278. SB 448 also amends NRS 704.746 to outline the criteria the Commission is to use in evaluating NV Energy's TEP. Specifically, pursuant to NRS 704.746(10), "[i]n considering whether to accept or modify a plan to accelerate transportation electrification submitted pursuant to NRS 704.7867, the Commission shall consider:

> (a) Whether the proposed investments, incentives, rate designs, systems and programs are reasonably expected to achieve one or more of the following:
>
> (1) Improve the efficiency of the electric utility's electrical system, operational flexibility or system utilization during off-peak hours;
>
> (2) Improve the ability of the electric utility to integrate renewable energy resources which generate electricity on an intermittent basis into the transmission and distribution grid;
>
> (3) Reduce greenhouse gas emissions and air pollution;
>
> (4) Improve air quality in communities most affected by air pollution from the transportation sector;
>
> (5) Support increased consumer choice in electric vehicle charging and related infrastructure and services;
>
> (6) Increase access to the use of electricity as a transportation fuel by low-income users by including investments, incentives or programs for those users, or for entities operating in communities or at locations that will benefit low-income users;
>
> (7) Foster the investment of private capital in transportation electrification, as defined in NRS 704.7867, and the demand for skilled jobs in related services; and
>
> (8) Provide information and education on the benefits of transportation electrification to customers.
>
> (b) Whether the proposed investments, incentives, rate designs, systems and programs provide electric services and pricing that customers value.
>
> (c) Whether the proposed investments, incentives, systems and programs incorporate public reporting requirements which will serve to inform program design and Commission policy.
>
> (d) The cost to the customers of the electric utility to implement the plan.

279. Pursuant to the considerations in NRS 704.746(10), and as is discussed in more detail below, the Commission accepts some, but not all, of the Plan programs requested by NV

[2] Notably, this filing follows the Commission's approval of the ERTEP in Docket No. 21-09004 (including its authorization of $100 million in transportation electrification investments).

Energy based on a balancing of the criteria in NRS 704.746(10) and the substantial evidence in this record; the Commission thereby modifies the proposed Plan consistent with this Order.

280. In considering whether to accept or modify NV Energy's Plan pursuant to both the required considerations listed under NRS 704.746(10) and the policies delineated by the Legislature in SB 448, the Commission seeks to effectuate legislative intent by continuing to appropriately incentivize the adoption of transportation electrification in a manner sustainable for ratepayers who are already being asked to shoulder the costs of other substantial planning activities related to transmission expansion, natural disaster protection, and resource adequacy. In this Order, the Commission ensures that certain programs from the ERTEP maintain forward movement, that additional steps are taken to gather the necessary data for the 2024 Distributed Resources Plan filing to target spending requests in the areas of most critical benefit,[3] and that NV Energy is able to maximize participation in any state- or federal-related opportunities to the benefit of all Nevadans (with particular attention to those from HUCs).

281. Notably, the Commission received testimony on the Plan from a wide range of interested participants, often with conflicting viewpoints on individual programs; however, almost all parties, other than NV Energy, oppose the acceptance of the Plan without modifications, and in many instances, the parties lament the lack of information necessary to even adequately vet some of the programs and proposals included in the Plan. Importantly, given volatile commodity prices and inflation, which affect both NV Energy's cash-flow and credit metrics as well as NV Energy's customers' ability to absorb additional rate increases, the comprehensive financial analyses, budgets, and rate impact analyses expected to have been provided by NV Energy for this filing are of significant import, but as discussed by several

[3] This Plan is intended to be a bridge plan until the utilities file their next IRP, in June of 2024. At that time, the TEP will be integrated into the larger IRP and DRP to be reviewed holistically with those components.

parties, the offered data was largely inadequate, or in the case of the financial impact analysis – absent. Indeed, most parties raised concerns over the level of detail regarding program components and the budget analyses made available in the filing,[4] and the Commission shares these concerns.

282. While the Commission recognizes that historical, utility-specific data is not available when NV Energy introduces new programs, the dearth of information and analyses regarding some of the programs and their accompanying budgets frustrated the Commission's ability to perform its statutory review of the requested programs and budgetary levels. Accordingly, given the lack of evidentiary support for some of the programs and for the overall budget of $348 million, the Commission is only accepting the implementation of the following programs in the Plan as these programs are supported by the evidentiary record: Interstate Corridor Charging Depot Program, Electric School Bus Vehicle to Grid Trial, and the IRA Innovation Demonstration Program.[5]

283. Pursuant to the considerations listed in NRS 704.746(10), the Commission finds that these foregoing, approved programs generally further transportation electrification goals by supporting increased consumer choice in electric vehicle charging and related infrastructure and services, as well as increasing access to the use of electricity as a transportation fuel. Moreover, the Commission finds that two of these programs were previously accepted in the ERTEP that will serve to inform program design and Commission policy as required by SB 448. Therefore, consistent with its required considerations in NRS 704.746(10), the Commission finds that this

[4] According to BCP and Staff, the inadequacy of the data provided by NV Energy in the Plan warrants rejection of the entire Plan as filed.

[5] Due to the confusion expressed by parties over the budgets and components of this filing, the Commission notes that the program names and estimated budgets discussed herein generally reference and are consistent with Ex. 113, Table TEP-39 of Exhibit Steele Rebuttal-1 ("TEP-39"). This reference to the categories, projected budgets, and wording presented in TEP-39 is an effort to conform some of the naming conventions, acronyms, and budget estimates presented across the filing and in intervenor testimony.

limited set of accepted programs generally furthers the state's transportation electrification goals, provides electric services and pricing that customers will likely value, incorporates public reporting requirements that will serve to inform program design and Commission policy, and considers the current upward cost pressure that NV Energy customers are experiencing by limiting the number of new electrification programs being accepted in this filing.

284. Moreover, by accepting only those programs that have substantial evidentiary support, the Commission estimates that the maximum authorized budget for the Plan is approximately $70 million (which will be further modified and reduced, as discussed below and as provided by and consistent with this Order) based upon the information provided in TEP-39. The Commission finds that this budget mitigates some of the potential rate and credit metric impacts of cumulatively large capital investments by focusing on investments that have not otherwise attracted private investment and by leveraging federal funding, which is available for a limited time. In short, the accepted programs help NV Energy progress and build upon in its previous efforts to satisfy legislative initiatives requiring transportation electrification investments, including continuing the ERTEP, which prioritizes HUCs and directs limited funds to HUCs.

285. The Commission finds that because it is accepting only three programs (the Interstate Corridor Charging Depot Program, the Electric School Bus Vehicle to Grid Trial, and the IRA Innovation Demonstration Program), the overall scope and accompanying budget of the TEP will be smaller than that proposed by NV Energy. Consequently, the Commission expects program management and contingency budget amounts to be lower than those proposed in the TEP, and the Commission further finds that a cap on such budgets is appropriate given the limited and inadequate information regarding these budgets in the underlying record. Moreover,

the Commission finds that the record reflects that proposed program management costs appear to be in significant excess of similar costs incurred by utilities in other jurisdictions and even similar program management costs authorized by the Commission for similar transportation electrification programs in Docket No. 21-09004.

286. The Commission notes that only one party (Vote Solar) proposes a specific cap (10%) on program management costs to protect ratepayers.[6] The Commission finds that this proposed cap, supported by Vote Solar's analysis of similar program costs for utilities in other jurisdictions, would result in a percentage of program management costs that is similar to the percentage of program costs attributable to program management costs that were authorized in the Commission's Modified Final Order in Docket No. 21-09004.[7] Therefore, given the substantial evidence provided by Vote Solar in support of a 10% cap, and consistent with recent Commission authorization for similar management costs for similar programs, the Commission caps the overall program management budget (stated as $13.727 million in Table TEP-39) at 10% of the accepted program budgets, estimated as approximately $5.558 million.

287. Similarly, the Commission caps the contingency budget for the Plan (stated as $15 million in Table TEP-39) at 16.1% in conformance with NV Energy's site-specific contingency budgets. Specifically, the Commission accepts NV Energy's contingency percentage of 16.1% of the total costs of the accepted programs, as explained in Staff's prepared direct testimony, as the cap on the accepted TEP contingency budget for accepted programs, estimated as approximately $8.948 million.[8]

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[6] *See* Ex. 1600 at 17.

[7] Of the $100 million approved for the programs accepted in the Commission's Modified Final Order in Docket No. 21-09004, $8.7 million was attributable to the budget for "Plan Development, Administration and Execution." (*See* Docket No. 21-09004, Modified Final Order at 98, par. 280.)

[8] Staff explains that every TEP program budget with site profiles includes a 16.1% total contingency added to the cost estimates for the TEP programs. (Ex. 305 at 7.)

288. The estimated $5.558 million cap to the program management budget and the estimated $8.948 million cap to the contingency budget are calculated on the overall accepted TEP program budget of approximately $55.576 million (i.e., the $22.664 million budget for the Interstate Corridor Charging Depot Program, the $31.912 million budget for the Electric School Bus Vehicle to Grid Trial, and the $1 million budget for the IRA Innovation Demonstration Program). In total, the Commission estimates NV Energy's accepted TEP budget to be no greater than approximately $70 million. However, the Commission orders NV Energy to further adjust these budgets to reflect reductions for Plan program O&M expense in a manner consistent with the Commission's modifications of the Plan in this Order. Such adjustments must be made in the compliance filing responsive to the compliance item in ordering paragraph 6 of this Order below.

289. The Commission makes the following specific findings regarding the accepted programs:

a. The Commission accepts the IRA Innovation Demonstration Program funding for matching funds up to $1 million because the $1 million is proposed as matching funds for possible federal IRA funding, which would be otherwise inaccessible to Nevada. Therefore, the Commission finds that earmarking $1 million to match federal funding, which may not even be spent if NV Energy does not secure federal grants under the IRA, is a small commitment of ratepayer funds for a potentially large gain in federal grant funding.

b. The Commission accepts NV Energy's proposed Electric School Bus Vehicle to Grid Program because it builds on efforts approved in previous programs to help schools purchase and integrate electric busses.

1. To the extent that NV Energy incurs O&M costs related to the Electric School Bus Vehicle to Grid Program, the Commission rejects NV Energy's request to include these costs in this program's budget. In the 2025 Sierra and/or 2026 Nevada Power general rate case proceedings and subsequent rate cases, NV Energy may include O&M costs for its infrastructure expense related to this program and seek recovery of these costs in the appropriate general rate case. This does not constitute a finding of prudence of these expenses by the Commission at this time.

c. The Commission accepts NV Energy's proposed Interstate Corridor Charging Depot Program because it builds on previous programs that were approved to build out charging infrastructure along major interstate highways. The Interstate Corridor Charging Depot Program, as proposed, permits both utility and third-party ownership (like programs approved in the ERTEP in Docket No. 21-09004), and the Commission similarly approves both types of ownership for this program in the Plan.

1. To the extent that O&M costs related to the Interstate Corridor Charging Depot Program are estimated in the proposed program budget, the Commission rejects NV Energy's request to include these costs in this program's budget whether the charging infrastructure is owned by the customer, third party or NV Energy.

2. With respect to NV Energy's investment and ownership of the charging infrastructure, in the 2025 Sierra and/or 2026 Nevada Power general rate case proceedings and subsequent rate cases, NV Energy may include

O&M costs for its infrastructure expense related to this program and seek recovery of these costs in the appropriate general rate case. This does not constitute a finding of prudence of these expenses by the Commission at this time.

d. Any federal, state or third-party funding received by NV Energy as grants, etc. that is directed to the accepted TEP programs shall be used to reduce the program budget(s) and associated costs to ratepayers. This funding shall not be used to expand the scope or budgets of the accepted TEP programs.

290. The Commission accepts NV Energy's recommendation to defer implementing the Telematics Programs (State Local & Tribal Government Fleet, Low Income) until the next Transportation Electrification Program.[9] NV Energy acknowledges that some intervenors expressed concerns with the Telematics Programs being proposed and conceded that it may be possible to improve the program descriptions for approval in the next TEP. NV Energy states that if the Commission wishes to proceed with transportation electrification at a more cautious pace, deferring the Telematics programs appears to be the least disruptive mechanism to trim the TEP. Therefore, the Commission rejects the Telematics Programs in this TEP.

291. The Commission modifies the Plan to remove the following programs (and corresponding budgets): Education Services, Dealer Partner Program, Electric Vehicle Load Integration component of Managed Charging, Commercial Technical Advisory Services, Residential Technical Advisory Services, and Transit Electrification Grant. While these programs may have merit, the Commission finds that NV Energy would benefit from waiting to apply information and lessons learned from deploying similar programs in ERTEP before

[9] Ex. 119 at. 42.

funding additional programs. The Technical Advisory Services may also be helpful to offer in the future as NV Energy expands its transportation electrification offerings. However, at this time, it is unclear that Technical Advisory Services are needed. NV Energy may bring these rejected programs back for Commission consideration in a future TEP.

292. The instant TEP is effective through December 31, 2024, after which the updated TEP that will be filed as part of the NV Energy's next joint DRP in 2024 will be in place. Accordingly, the Commission finds that any remaining budget funding that has not been committed or otherwise reserved for the TEP programs approved by this Order shall expire and not be carried over beyond that date.

293. Due to a lack of evidentiary support, the Commission rejects and modifies the proposed Plan to remove the following programs (and corresponding budgets): Residential Charging Incentive, Residential Turnkey Charging, Multi-family Charging Infrastructure, Workplace Charging Infrastructure, Managed Charging, Low Income Electric Vehicle Rebate, Urban Charging Depot, Fleet Charging Infrastructure, and Fleet Charging Depot.

294. The evidentiary record fails to support the adoption of the rejected programs as the Commission was unable to adequately vet these projects under the scope of NRS 704.746(10) due to the issues of inadequate data discussed above.[10] Specifically, supporting data regarding the benefits of these programs relative to their costs remains outstanding, and these programs are not authorized in this Docket due to a lack of adequate and comprehensive supporting analyses. As of the date of the hearing in the instant Docket, no charging infrastructure approved pursuant to the ERTEP programs has been put in operation. Moreover,

[10] The Commission notes that NV Energy will benefit from waiting to apply lessons learned from deploying similar programs in the ERTEP and in the Electric Vehicle Infrastructure Demonstration Program before funding these additional programs. In particular, the Charging Depot Programs being proposed here may benefit from improvements made because of NV Energy's experience with ERTEP deployment.

no evidence was provided in the record that NV Energy could execute on the newly-proposed programs or those that are extensions of previously-approved programs. As will be discussed in more detail in the following paragraphs, the Commission is also rejecting these programs because the Commission cannot determine from the evidence in this Docket that any regulatory asset treatment would be sufficient or necessary to allay NV Energy's concerns surrounding the credit impacts of additional cashflow requirements on the utilities for these rejected programs.

295. Accordingly, to resolve this concern, in part, the Commission modifies the Plan by accepting only the smaller set of programs (discussed above) and a correspondingly smaller budget than requested by NV Energy for the programs and budgets that have evidentiary support in the record. As a compliance filing, NV Energy shall file revised budgets for the approved TEP programs, as modified by this Order.

296. The Commission grants in part and rejects in part NV Energy's request for regulatory asset treatment for Plan costs. Regulatory asset treatment is approved for any customer or third-party infrastructure and incentive payments made pursuant to the Interstate Corridor Charging Depot program. The Commission notes that this would be similar to how other energy policy incentive programs have been treated. Regulatory asset treatment is not appropriate for any capital investments made by NV Energy under the proposed Plan. The Commission also finds, for the reasons expressed below, that carrying charges are not approved for any regulatory asset established for TEP program costs.

297. While one of NV Energy's primary arguments for seeking regulatory asset treatment is to mitigate the credit impacts of the proposed $348 million of spending in the Plan, the Commission finds that NV Energy has not provided substantial evidence that negative credit impacts are imminent or that the regulatory asset treatment itself would be sufficient to mitigate

the credit impacts of the proposed $348 million spend. Rather unfortunately, as explained in Staff's post-hearing brief, it appears that these credit concerns may have been allayed or explained by a credit impact analysis conducted by NV Energy – an analysis NV Energy stated in pre-filed rebuttal testimony that it did not conduct. However, while NV Energy later confirmed in live testimony at hearing that the analysis was indeed conducted, that analysis has not been made available in this Docket. Therefore, it is impossible to determine in this Docket whether regulatory asset treatment would be required to mitigate credit and cashflow concerns being raised by NV Energy because there is no evidentiary record to support such concerns. Worse yet, the Commission cannot definitively determine from the evidence in this Docket that any regulatory asset treatment would be sufficient to mitigate any surrounding the credit impacts of additional cashflow requirements on the utilities.

298. Accordingly, the Commission finds that, in this instance, given the legislative direction in SB 448 to incentivize the deployment of transportation electrification beyond current levels, and the limited programs approved in this Order for implementation, regulatory asset treatment of approved program costs that excludes capital costs for NV Energy program investments is reasonable and no carrying charges shall accrue on this regulatory asset.

C. Rule 9 EV Allowance Adder

NV Energy's Position

299. NV Energy requests approval of its proposed tariffs, including a Rule 9 EV Allowance Adder. (Ex. 100 at 12, Ex. 111 at 3.) NV Energy states that for both of its service territories, the EV Allowance Adder would be available to new-build and existing home projects installing EV infrastructure that requires a Rule 9 extension agreement. (Ex. 111 at 5.) NV Energy states that the Rule 9 EV Allowance Adder represents a value that is incremental to

current single-family standard allowance and is based on the estimated kVA that an EV charger would contribute in addition to the cost of a standard line extension project. (*Id.*)

300. NV Energy states that the proposed allowance amount is calculated based on the current standard allowance for NPC and SPPC. (*Id.* at 6.) NV Energy explains that because the expected peak demand of an EV charger impacts the total cost of new construction line extension projects, the Rule 9 EV Allowance Adder is based on a kVA rate, whereas the standard allowances are based on a per-unit rate. (*Id.*) NV Energy states that the proposed adder will provide an appropriate supplemental allowance for residential design to support the incremental demand imposed by the charging infrastructure. (*Id.*) NV Energy states that the adder is also adjusted from the base standard allowance to account for estimated future EV adoption. (*Id.*)

Clark County's Position

301. Clark County recommends approval of the Rule 9 EV Allowance Adder. (Ex. 600 at 8.) Clark County further recommends that the Rule 9 EV Allowance Adder be expanded for multi-family and non-residential development projects, particularly in Southern Nevada where Clark County and other possible municipalities will require the inclusion of charging infrastructure in new development. (*Id.*) Clark County states that current Rule 9 extension policies are an obstacle to Clark County's adoption of an electric vehicle infrastructure ordinance. (*Id.* at 5.) Clark County states that the proposed Rule 9 EV Allowance Adder applies to both new and existing single-family homes; however, Clark County has a proposed model ordinance that applies to new construction of all new building development. (*Id.*) Clark County states that NV Energy's plan should support the concept of additional Rule 9 adders for multi-family and non-residential development in its Plan because as local governments adopt ordinances over time (such as Clark County's model ordinance), Rule 9 adders for multi-family

and commercial buildings will be an important component in EV transportation implementation. (*Id.*)

SNHBA's Position

302. SNHBA supports the overall approval of the Plan, particularly the Rule 9 EV Allowance Adder. (Ex. 1900 at 2.) However, SNHBA contends that the current allowance is insufficient to accommodate additional electric vehicle charging infrastructure, and that an increase to off-set those additional costs is needed to avoid negatively impacting housing attainability. (*Id.*) Accordingly, SNHBA proposes some modifications to the Rule 9 EV Allowance Adder, namely that the methodology to calculate the Rule 9 EV Allowance Adder be revised to divorce the rate of reimbursement from the kVA of the electric charger that will ultimately be installed given that home builders are not the ideal installers of EV charger. (*Id.* at 7.) Additionally, SNHBA recommends that NV Energy expand the Rule 9 EV Allowance Adder to other rate classes, particularly residents of single-family attached and multi-family homes. (*Id.* at 7-8.) SNHBA provides that residents who live in single-family attached and multi-family housing would like the option to charge at home just as conveniently as those living in single-family homes. (*Id.* at 7.)

303. SNHBA explains that inadequate line extension allowances would hamper electric vehicle adoption and increase the cost of construction of new homes. (*Id.* at 4.) SNHBA provides that the Rule 9 EV Allowance Adder acknowledges the necessity to balance affordability with the public policy goal of encouraging electrical vehicle adoption. (*Id.*) SNHBA states that, without the Rule 9 EV Adder Allowance, any additional infrastructure, materials, and labor associated with installing EV chargers will increase the price of a home, pricing out many Nevadans from the new home market and thus from access to residential EV

charging. (*Id.*) SNHBA point out that only a small percentage of new homes currently include the necessary infrastructure to install an EV charger. (*Id.*)

304. SNHBA outlines three reasons why home builders should not be required to install chargers to receive the Rule 9 EV Allowance Adder. (*Id.* at 4.) First, SNHBA states that most home builders have little to no experience installing chargers and would not know the type of charger that will be used at the time of design. (*Id.*) Second, SNHBA states that homeowners should be able to select the charger that works best for their needs, explaining that should builders install a certain type of charger, homeowners would be restricted to vehicles compatible with the charger installed, thereby limiting customer choice. (*Id.*) Lastly, SNHBA explains that installation of electric vehicles by home builders could unduly influence the electric vehicle charging market. (*Id.*)

305. Therefore, to more accurately reflect how new homes are constructed and line extension costs are incurred, SNHBA argues that NV Energy should amend its proposal to allow for the Rule 9 EV Allowance Adder to be calculated based upon estimated incremental demand imposed by EV charging infrastructure by unit. (*Id.*) SNHBA explains that without the Rule 9 EV Allowance Adder rate being divorced from the kVA of any charger ultimately installed by the homeowner, new home construction costs will continue to rise. (*Id.* at 6.) Thus, SNHBA proposes that NV Energy amend its Rule 9 EV Allowance Adder proposal to allow the value to be calculated on the estimated additional peak demand instead. (*Id.*)

Vote Solar's Position

306. Vote Solar recommends revising NV Energy's Rule 9 policies to provide an allowance for all costs of upgrades needed to serve new residential EV charging to support the

few residential customers who may trigger distribution upgrade costs by installing EV charging. (Ex. 1600 at 4.)

307. Vote Solar states that by assuming the worst-case scenario for sites, NV Energy includes line items in the budget not applicable to all sites (such as subpanel upgrades, submetering, and additional entrenchment). (*Id.*) Vote Solar states that it is unreasonable to use an assumption that all residential charging installations will trigger grid costs when a small fraction of residential customers who charge EV's require distribution system upgrades. (*Id.* at 12-13.) Vote Solar states that in California, costs to upgrade California utilities' distribution systems to accommodate residential EV charging has been trivial, and notes that a 2019 Southern California Edison report showed that out of 163,594 residential EVs in its service territory, only 0.15% of those vehicles required upgrades where the EV load was the sole reason for the upgrade. (*Id.* at 13.) Vote Solar states that NV Energy has not shown that residential charging is more likely to require distribution upgrades in its service territory, and that the Commission should consider revising NV Energy's line extension rules to protect the very few customers whose EV load triggers distribution system costs – regardless of whether those customers participate in a TEP program. (*Id.* at 13-14.)

Tesla's Position

308. Tesla states that it strongly supports the proposed Rule 9 EV Allowance Adder for single-family homes. (Ex. 1100 at 15.) Tesla explains that, given that EV charging will increase a new building's electrical load requirement, it is reasonable that the additional EV charging load be included in the Rule 9 allowance. (*Id.*) As such, Tesla recommends that NV Energy develop a Rule 9 EV Allowance Adder update for multi-family and commercial buildings before January 1, 2024, in order to ensure equity across residential building types, and to ensure commercial

buildings, such as workplaces, are able to effectively meet any new ordinance requirements for EV readiness. (*Id.*) Tesla explains that more certainty on potential requirements should be available by that date to support analysis of appropriate allowance amounts. (*Id.*)

309. Tesla explains that commercial EV charging stations, specifically DCFC stations, currently use Rule 9 to determine the refundable and non-refundable amounts and terms for new projects requiring line extension work to install EV charging infrastructure. (*Id.* at 16.) Tesla states that, relative to other utilities, NV Energy's Rule 9 allocation and process is overly complex and the division between refundable and non-refundable costs is often unclear. (*Id.*) Additionally, Tesla states that NV Energy does not provide a full allowance up-front for EV charging customers and instead requires that the refundable costs are held until sufficient usage is demonstrated. (*Id.*)

310. Tesla states that to improve the Rule 9 process for DCFC projects, it recommends that NV Energy revise it to simplify and clarify cost breakdowns between refundable and non-refundable costs, and provide an allowance for construction costs up-front based on projected revenues. (*Id.*) Tesla provides that these changes would support streamlining the application-to-energization process, reduce up-front costs for DCFC, encourage EV charging build-out, and align with industry best practices. (*Id.*) Tesla notes that Southern California Edison's Rule 29 clearly defines non-refundable and refundable costs and provides an upfront allowance. (*Id.*) Similarly, Tesla provides that National Grid, which serves Massachusetts, includes a helpful formula breakdown of allowance costs in their Distribution Service Tariff, and offers the construction advance in full prior to the start of construction. (*Id.*)

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BCP's Position

311. BCP recommends that the Rule 9 EV Allowance Adder be rejected because this program increases rates to the vast majority of ratepayers who are middle- and low-income by subsidizing the upper-middle and high-income ratepayers who represent the vast majority of EV purchasers, and because such Rule 9 allowance programs should be determined by the legislature. (Ex. 401 at 36-37.)

Staff's Position

312. Staff recommends accepting NV Energy's proposed modifications to SPPC's Rule 9 Electric Line Extensions tariff sheets, but recommends rejecting NV Energy's proposed modifications to NPC's Rule 9 Electric Line Extensions tariff sheets. (Ex. 305 at 1.) Staff states that it has concerns giving a Rule 9 Electric Line Extensions tariff adder to new construction projects where local jurisdictions are pursuing ordinances requiring the installation of EV charging infrastructure as part of all new developments. (Ex. 305 at 15.) Notably, Staff states that it is aware of an impending Clark County ordinance that would require new residential home construction to have one level 2 EV charging outlet. (*Id.* at 16.) Accordingly, Staff argues that it would be an inappropriate use of ratepayer funds to provide an incentive to developers to install EV charging infrastructure in an environment where developers may be already required to do so by local governmental ordinances. (*Id.*) Staff states that new residential home developers will not incur additional line extension costs installing the EV infrastructure as required by Clark County's proposed model EV infrastructure ordinance. (*Id.*) Staff notes that during the December 20, 2022, Clark County Board of Commissioners Agenda, it was provided that based upon a survey conducted by Clark County, requiring one level 2 EV charging outlet in a garage would not materially increase costs to developers. (*Id.*) Accordingly, Staff recommends that the

Commission approve NV Energy's proposed Rule 9 EV Allowance Adder for SPPC but deny the Rule 9 EV Allowance Adder for NPC. (*Id.*)

NV Energy's Rebuttal

313. In response to intervenor recommendations, namely SNHBA, to alter the Rule 9 EV Allowance Adder, NV Energy provides an adapted proposal. (Ex. 117 at 5.) Specifically, NV Energy recommends basing the Rule 9 EV Allowance Adder amount on a "standard" kVA instead of using the nameplate charger capacity as initially proposed. (*Id.* at 6.) NV Energy states that this recommendation would allow for homes to be charger-ready, but would not require an actual charger to be installed at build. (*Id.*) Accordingly, NV Energy explains that the "standard" kVA can be applied to homes considered EV-capable without having to address SNHBA's concern regarding which charger to install. (*Id.*)

314. While several intervenors recommended expanding the Rule 9 EV Allowance Adder to multifamily and commercial customers, NV Energy continues to recommend limiting the Rule 9 EV Allowance Adder to single-family customers at this time. (*Id.* at 6.) By limiting the Rule 9 EV Allowance Adder in the current Plan, NV Energy states that it will allow NV Energy to evaluate the use of the Rule 9 EV Allowance Adder and determine whether and how to expand it in future filings. (*Id.*)

315. NV Energy responds to intervenor concerns that NV Energy does not provide a full allowance upfront for DC charging customers and instead requires that the refundable costs are held until sufficient usage is demonstrated. (*Id.* at 7.) NV Energy explains that customers with DC fast charging stations are subject to the same Rule 9 processes as other large customers and do not receive any discriminatory treatment. (*Id.*) NV Energy states that while the current Rule 9 process serves as a mechanism for governing line extensions, the Rule 9 process also

operates as an effective risk management tool for all customers. (*Id.*) In recognizing this, NV Energy states that it does not provide an upfront allowance for larger class customers to safeguard the interests of all customers. (*Id.*) By not providing a full allowance upfront, NV Energy reasons that it mitigates potential risks that may arise from some larger customers and industries. (*Id.*) As such, NV Energy explains that if these customers do not produce loads that support these investments, there is a risk of costs being passed on to other classes of customers. (*Id.*)

316. NV Energy disagrees with Staff's recommendation that the Rule 9 EV Allowance Adder should only be approved for SPPC customers. (*Id.* at 8.) NV Energy argues that the Rule 9 EV Allowance Adder is necessary for NPC's service territory—with or without the Clark County model ordinance—in order to appropriately compensate customers for the additional EV requirements – at least until enough time has passed such that the standard Rule 9 allowance includes only projects with those required costs incorporated into the calculations. (*Id.*) NV Energy explains that because the current calculation includes data over an eleven-year period, it will likely be appropriate to reflect these incremental costs as a Rule 9 EV Allowance Adder for at least this time period. (*Id.* at 8-9.) NV Energy reasons that if the Rule 9 EV Allowance Adder is rejected for NPC, then the current Rule 9 process will provide a lower allowance for future projects required to have an EV component without considering the additional costs, which NV Energy argues is contrary to both the intent of the Clark County ordinance and the state's electrification policy. (*Id.* at 9.)

317. NV Energy also argues that denying the Rule 9 EV Allowance Adder for NPC would adversely impact homeowners because, in the absence of the Rule 9 EV Allowance Adder, customers in existing homes that are not subject to the proposed ordinance will still incur

incremental costs when adding EV infrastructure. (*Id.*) Moreover, NV Energy explains that the incremental project cost of an EV installation for current homeowners will be solely the burden of these customers. (*Id.*)

318. NV Energy argues that assumptions by intervenors that the Rule 9 EV Allowance Adder will lead to an increase in rates are premature and unfounded, and claims that the Rule 9 EV Allowance Adder will disproportionately impact middle and low-income ratepayers is based on a flawed understanding. (*Id.* at 10.) NV Energy explains that rates are determined based on class, not income, and the standard Rule 9 allowance is not a mechanism that disproportionately benefits one customer class over another. (*Id.*) Therefore, NV Energy concludes that the Rule 9 EV Allowance Adder should be treated in the same manner. (*Id.*)

Commission discussion and Findings

319. For both of NV Energy's service territories, the Commission approves NV Energy's proposed Rule 9 EV Allowance Adder as modified by the prepared rebuttal testimony of an NV Energy witness (Pascal) in Ex. 117 at question and answer 9 on page 6, which implements a standard 9.6 kVA Level 2 charger assumption, providing for a Rule 9 EV charger allowance of $1,230 for Sierra and $1,751 for NV Power for the single-family rate class. This 9.6 kVA Level 2 charger assumption would allow home builders to make-ready home wiring for any Level 2 charger with the allowance funds while leaving actual charger selection to the homeowner. The Commission finds that the proposed Rule 9 EV Allowance Adder as modified by Ex. 117 will reduce the upfront costs of installing EV charging and make-ready equipment for EV charging when builders construct a residence with the appropriate infrastructure. The Commission finds that reducing the upfront costs of installing EV chargers will lower hurdles to consumers' purchase and use of EVs.

320. The Commission finds support in the underlying record to expand the proposed Rule 9 EV Allowance Adder to the multi-family residential rate classes. The Commission finds that allowing all residential rate classes, not just single-family, would promote uniform treatment of similar rate classes. Certainly, many Nevadans and NV Energy ratepayers live in multi-family residences and would not have access to home EV charging without their multi-family buildings investing in the infrastructure. Therefore, the Commission finds that uniformly offering a Rule 9 EV Allowance Adder to both single-family and multi-family residential rate classes would promote equity and more equitable access to charging infrastructure regardless of residential rate class. Thus, approval of the Rule 9 EV Allowance Adder incentivizes transportation electrification in line with the policy goals of SB 448.

321. However, approving NV Energy's proposal will raise Rule 9 allowances, which could raise ratepayer costs until the increased demand from EV charging results in new billing determinants and pays back the allowance in usage. Therefore, as a directive, the Commission order NV Energy to conduct and file an analysis of the impact of adding EV charger allowances on the Rule 9 study median cost for residential rate classes in the next general rate case.

D. Miscellaneous Tariffs and EVRR TOU Definitions

NV Energy's Position

322. NV Energy requests approval of the proposed tariffs and schedules provided in Exhibit C of the Amended Joint Application. (Ex. 100 at 12, 187-206.) Among those proposed tariffs and schedules, NV Energy recommends modification of NPC's EVRR TOU period to align its EVRR TOU period definition with the changes proposed in SPPC's general rate case by changing the TOU period from 10:01 p.m. to 8:00 a.m. to 12:01 a.m. to 12:00 p.m. (Ex. 111 at 10.) NV Energy states that with the increasing adoption of EVs combined with concentrated

costs, it is prudent to move the beginning of the EVRR period from 10:01 p.m. to 12:01 a.m. because the highest cost hours for baseline generation and energy are increasingly occurring following daytime solar production. (*Id.* at 11.) NV Energy states that as for morning hours, marginal costs are declining over time from the hours of 8:00 a.m. to 10:00 a.m. due to increasingly large amounts of solar energy delivered on the system. (*Id.*) Accordingly, NV Energy proposes to add an additional two hours to extend the end of the daily NPC EVRR TOU period to 12:00 p.m. to incentivize EV charging when low-cost solar energy is plentiful. (*Id.*)

NCARE and Sierra Club's Position

323. NCARE and Sierra Club agree with NV Energy's proposal to include morning hours in NPC's EVRR tariff because it will encourage EV owners to absorb excess solar generation during morning hours. (Ex. 2000 at 52.)

Staff's Position

324. Staff recommends that the Commission reject NV Energy's proposed modifications to NPC's EVRR schedules and accept NV Energy's proposed modifications to NPC's Electric Vehicle Charging Rider ("EVCCR") and NVEVCN schedules. (Ex. 301 at 1.)

325. Staff provides that, while the Commission approved a 12:01 a.m-12:00 p.m. off-peak charging period for SPPC's EVCCR and NVEVCN schedules because these schedules can be limited to sub-metered EV charging stations, the Commission also previously rejected SPPC's proposal to change the off-peak charging period for the EVRR schedule. (*Id.* at 4; Docket No. 22-06014, Order (dated 12/27/22), ¶ 894.) Staff explains that the Commission rejected SPPC's proposal to change the off-peak charging period for the EVRR schedule because the EVRR schedule does not require sub-metering, and as a result, the entire customer premises would benefit from off-peak rates, not just the EV charger. (Ex. 301 at 4.)

326. Accordingly, Staff argues that because the Commission rejected the proposed EV recharge period for SPPC's EVRR schedules, the proposed change for NPC's EVRR schedules should also be rejected. (*Id.*) Similarly, Staff argues that because the Commission approved the proposed EV recharge period for SPPC's EVCCR and NVEVCN schedules, the corresponding changes to NPC's EVCCR and NVEVCN schedules also should be approved. (*Id.*)

327. Staff explains that, under NV Energy's proposal, EV owners in NPC's territory on the EVRR schedule would receive a discount on all metered load used during a 12-hour period per day regardless of end use, while non-EV owners would still pay the full BTGR. (*Id.* at 4-5.) Staff further provides that because the current 10-hour EVRR recharge period is during a time when most customers have lower loads, the rate inequity between EV owners and non-EV owners is limited. (*Id.* at 5.) However, Staff explains, that moving the recharge period from 10:01 p.m.-8:00 a.m. to 12:01 a.m.-12:00 p.m. extends the recharge period into hours when load is ramping up, which in turn increases the inequity between EV owners and non-EV owners. (*Id.*) As such, Staff argues that the rejection of NV Energy's proposal is warranted because it is unjust and unreasonable to offer a discount on all metered consumption to a certain group based on vehicle ownership, especially during a high inflationary environment where many customers who cannot afford EVs are already financially struggling. (*Id.*)

328. Regarding the proposed changes to NPC's EVCCR and NVEVCN schedules, Staff points out that fast-charging EV stations must be separately metered to be eligible for the EVCCR and NVEVCN. (*Id.* at 5-6.) As such, Staff argues that, because the metered load is restricted to EV charging, Staff does not oppose changing the recharge period to 12:01 a.m.-12:00 p.m. for the EVCCR and NVEVCN schedules. (*Id.* at 6.)

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NV Energy's Rebuttal

329. NV Energy disagrees with Staff's recommendation to reject all changes to the proposed EVRR period. (*Id.* at 11.) NV Energy argues that Staff's recommendation only focuses on benefitting one class of customer rather than recognizing the broader underlying benefits of moving the EVRR periods on both sides of the TOU period. (*Id.* at 11-12.) NV Energy maintains that the proposed changes incentivize EV owners to charge their vehicles during off-peak demand hours and when solar generation is abundant and cost-effective, thus supporting the integration of transportation electrification into the overall grid, which is an objective of SB448. (*Id.* at 12.) NV Energy explains that the aim in modifying the EVRR is to capitalize on the adjustments of customer behavior, regardless of other household load, so that all customers reap greater benefits. (*Id.*)

330. NV Energy states that ideally, changing the low cost EVRR period to reflect lower cost hours should occur in both service territories to reflect those times of lowest cost on the overall system; however, the change would have beneficial impact even if it is only instituted with NPC. (*Id.* at 13.) Accordingly, NV Energy states that the fact that the change was rejected for SPPC is not grounds to deny it for NPC. (*Id.*) NV Energy states its concern that Staff's reasoning for rejecting the proposed EVRR period definitions sacrifices the potential benefits that can be reaped by all customer classes. (*Id.*) NV Energy states that the Commission could seek additional support to justify adjusting the EVRR period, and that NV Energy could further demonstrate that changes to the EVRR periods can lead to a shift in charging habits during low-cost time periods – taking advantage of renewable resources during the morning hours in NPC's upcoming general rate case. (*Id.*) However, NV Energy states that the Commission should capitalize on this opportunity in this proceeding. (*Id.*)

Commission Discussion and Findings

331. The Commission finds that the new off-peak charging period from 12am-12pm for two of the three EV charging rate schedules is reasonable. The Commission approves the change to off-peak charging periods for the EVCRR and NVEVCN schedules in NPC's tariff to align with the Commission's Order in SPPC's last general rate case (Docket Nos. 22-06014/15/16). The Commission rejects NV Energy's proposal to change the off-peak charging period for the EVRR schedule to 12am-12pm because the EVRR rate schedule is not sub-metered and thus the entire customer premises benefits from off-peak rates, not just the EV charger. The Commission finds that without any kind of sub-metering for EV charging at customer premises, the 12-hour off-peak rate period would incentivize customers to shift their entire household load as well as EV charging and possibly drive more load into the morning peak time. Moreover, the Commission rejected SPPC's proposed changes to the TOU off-peak period for the EVRR tariff for the same reasons above, as noted in Ex. 301.

E. Proposed Recommendations to Improve DRP Processes

Staff's Position

332. Staff recommends that the Commission open an investigation and rulemaking to amend the DRP regulations pertaining to annual DRP updates and the DRP amendment process. (Ex. 305 at 1.) Staff explains that NAC 704.9239 requires the annual DRP update to comply with requirements and contents of the triennial DRP filing contained in NAC 704.9237 for the remaining years of the IRP action plan, and as such, NV Energy could propose wholesale changes to the DRP through the annual DRP update process, which creates problematic practical consequences. (*Id.* at 4.) Staff states that NV Energy intends to use the annual DRP update process to propose intra-plan adjustments to the Commission-approved TEP programs similar to

the update process for DSM programs. (*Id.*) Staff states that NV Energy has not yet contemplated any specific intra-plan adjustments yet but would use these adjustments to request currently unforeseeable adjustments to a Commission-approved TEP to best implement the TEP programs and achieve statutory goals. (*Id.*)

333. Staff states that it is concerned about NV Energy's proposed use of the annual DRP update to propose intra-plan adjustments that could materially change the Commission-approved TEP. (*Id.* at 5.) Staff states that NAC 704.9241 requires the Commission to hold a hearing within 60 days of the annual DRP filing; therefore, Staff would have just a little over a month to conduct discovery and draft and file testimony prior to the hearing that must be held within 60 days. (*Id.*) Staff states that the annual DRP update process is not similar to the DSM Update process because the Commission has 180 days to consider the annual DSM Update compared to the 120-day deadline for DRP updates. (*Id.*)

334. Staff states that NV Energy may deviate from a Commission-approved DRP to the extent necessary to respond adequately to any significant change in circumstances[11] not contemplated by the DRP. (*Id.*) Staff states that if NV Energy deviates from the Commission-approved DRP, NAC 704.9238(2) allows NV Energy to seek recovery of the costs associated with the deviation in a general rate case if a description of and justification for the deviation is provided, which puts the burden on NV Energy to prove that the deviation was prudent to recover any costs associated with the deviation. (*Id.* at 6.)

[11] NAC 704.9238(1) defines a significant change in circumstances as, without limitation: (a) A material change in net system, feeder or nodal customer load or demand; (b) A material difference between the estimated and actual locational net benefit results for any or all resources analyzed in the grid needs assessment; (c) A material difference between estimated and actual in-service dates or performance of the distributed resources analyzed and selected pursuant to the distributed resources plan; and (d) Any other circumstance that the utility demonstrates to the Commission warrants a deviation.

335. Staff states that pursuant to NAC 704.9238(3), NV Energy can amend its DRP to deviate prospectively from a Commission-approved DRP using the annual DRP update process or by seeking approval to amend its DRP through the IRP amendment process within the 165-day timeline. (*Id.*) Staff contends that prospective deviations to the TEP should require a DRP amendment, subject to NAC 704.9238(4), through the IRP process outlined in NRS 704.751(2)(a). (*Id.*) Staff states that the TEP has enormously expanded the scope of the DRP and notes that the budget proposed in the instant proceeding is a five-fold increase over the 2021 triennial DRP. (*Id.*) Staff states that prospective TEP deviations, which could involve a material cost and/or policy considerations, require more in-depth analyses that cannot be reasonably conducted in 60 days. (*Id.*)

336. Staff states that timelines for Commission approval and guidance regarding the DRP annual update and amendment processes require revisions now before potential problems arise. (*Id.* at 7.) Staff additionally states that since the DRP regulations were first developed in 2018, stakeholders have gained experience with the DRP process and may be able to provide additional input to refine the DRP regulation. (*Id.*) Accordingly, Staff recommends that the Commission open an investigation and rulemaking proceeding to refine and provide additional clarity to the DRP process. (*Id.*)

NV Energy's Rebuttal

337. NV Energy disagrees with Staff's proposal that the Commission should open an investigation and rulemaking docket to amend the DRP regulations pertaining to the annual DRP update and DRP amendment process. (Ex. 118 at 6.) NV Energy argues that such a recommendation is beyond the scope of this Docket and not appropriately addressed here. (*Id.*) Further, NV Energy points out that the Commission just recently held proceedings to address the

inclusion of the Plan into the Commission's DRP regulations (Docket No. 21-06036) and no parties advocated for changes to the regulatory process for the DRP at that time. (*Id.*) NV Energy additionally provides that, should additional time be required to consider a particular filing, the Commission has the ability to deviate from its regulations pursuant to NAC 704.0097. (*Id.*)

Commission Discussion and Findings

338. The Commission finds that Staff's concerns are reasonable, but premature. NV Energy has not yet filed a complete DRP and TEP in a triennial IRP. The Commission believes lessons learned during the next triennial IRP would be valuable in updating the regulations regarding the DRP.

F. RTO Regulatory Asset

NV Energy's Position

339. NV Energy seeks Commission authority for regulatory asset treatment for certain costs that will be expended to meet the mandate in SB 448 that requires Nevada transmission providers to join a regional transmission organization ("RTO") on or before January 1, 2030 (the "RTO Regulatory Asset"). (Ex. 100 at 17.) NV Energy explains that Subsection 1 of Section 33 of SB 448 creates a Regional Transmission Coordination Task Force which advises the Governor and the Nevada Legislature on the following:

(a) The potential costs and benefits to transmission providers and their customers in this State of forming or joining a regional transmission organization which provides access to an organized competitive regional wholesale electricity market;

(b) Policies that will accommodate entrance by transmission providers in this State into a regional transmission organization by January 1, 2030;

(c) Policies that will site transmission facilities necessary to achieve this State's clean energy and economic development goals;

(d) Potential areas in this State where growth in demand for electricity or growth in renewable energy generation would be accommodated by additional transmission or regional market opportunities; and

(e) Businesses and industries that could locate in this State as a result of this State's position in an organized competitive regional wholesale electricity market. (*Id.* at 30.)

340. To comply with SB 448, NV Energy states that the Commission's approval of a regulatory asset is necessary for the incremental costs it incurs to complete the activities that lead up to and include joining an RTO. (*Id.*) NV Energy provides that these activities may include, but are not limited to, exploring and comparing RTO options, participation in market design and tariff drafting for these market services and governance, and testing and implementation of each service in the pathway towards a full RTO. (*Id.*) NV Energy states that such activities needed to form an RTO would proceed on an incremental basis. (*Id.* at 32.)

341. NV Energy explains that the majority of western transmission providers are currently participating in a real time imbalance market, either the western Energy Imbalance Market ("EIM") operated by the California Independent System Operator ("CAISO") or the western energy imbalance service operated by the Southwest Power Pool ("SPP"). (*Id.*) NV Energy states that these transmission providers view entering into regional day-ahead market services as the first incremental step towards joining an RTO. (*Id.*)

342. NV Energy states that, as a precursor to potentially fully joining an RTO, NV Energy is currently engaged in the review and design of potential day ahead markets to ensure that the anticipated benefits are realized. (*Id.*) NV Energy states that it is currently evaluating the

CAISO's Extended Day-Ahead Market ("EDAM"), which CAISO projects would commence in 2024. (*Id.*)

343. NV Energy states that it is concurrently evaluating SPP's Markets + day-ahead market ("Markets +"). (*Id.*) NV Energy further states that potential members of Markets +, such as NV Energy, would eventually be required to provide implementation funding to participate in Markets +. (*Id.*)

344. NV Energy also states that many western utilities and other stakeholders have formed the Western Markets Exploratory Group ("WMEG") to evaluate the different market design elements of the two proposed day-ahead markets and to produce a cost-benefit study that WMEG's constituent entities will fund on a load ratio share basis. (*Id.* at 32.)

345. NV Energy further states that it is engaged in discussions with Western Power Pool on the continued development of standards to ensure that all entities joining a market have sufficient resources to meet load. (*Id.* at 33.) NV Energy explains that such standards would be enshrined in Western Power Pool's Western Resource Adequacy Program ("WRAP"), which would serve as a common resource adequacy and resource sufficiency standard that supports a forward showing of resources to serve load. (*Id.*)

346. As a result of many of these above-described activities and programs borne from the directives of SB 448, NV Energy states that it has hired two new employees with the purpose of actively monitoring and participating in proposals that seek to develop and implement a day-ahead market. (*Id.*) NV Energy argues that these two employees' labor is incremental and a direct consequence of the legal mandate from SB 448. (*Id.*) Nonetheless, NV Energy provides that there are also other employees who are engaged in the development of the market that are non-incremental and whose time will not be included in the requested regulatory asset. (*Id.*)

347. While NV Energy explains that it cannot provide a precise cost estimate for the expenditures related to day-ahead and RTO market activities, NV Energy anticipates that the costs for such activities will increase over the next several years as NV Energy continues to allocate more time and resources toward day-ahead market products and longer-term RTO market services. (*Id.* at 34.)

348. Ultimately, NV Energy requests that the Commission approve a regulatory asset because NV Energy states that the costs being incurred to enter an RTO, as directed by SB 448, are incremental in relation to NV Energy's current business operations. (*Id.*)

NRA et al.'s Position

349. NRA et al. recommend that the Commission not approve NV Energy's request for the RTO Regulatory Asset. (Ex. 800 at 47.) NRA et al. disagrees with NV Energy's position that the costs associated with evaluating and joining an RTO are incremental. (*Id.*) Instead, NRA et al. argues that such costs are an ordinary operating cost for a large electric utility like NV Energy. (*Id.* at 48.) NRA et al. states that exploring RTO formation is something that NV Energy should be doing regardless of a legislative mandate, and that it is an activity already being undertaken by NV Energy. (*Id.* at 4.) NRA et al. explains that SB 448 contains no language that authorized or otherwise required the creation of a regulatory asset for RTO-related costs. (*Id.* at 50.) Accordingly, NRA et al. argues that the absence of such language was intentional and thus the creation of a regulatory asset for RTO costs was not something the legislature intended. (*Id.*)

350. NRA et al. expresses concern that NV Energy is using the term RTO loosely and is including the costs of exploring several programs that are not directly related to an RTO into its request for the RTO Regulatory Asset. (*Id.*) NRA et al. states that this is a reason to exercise

caution with the regulatory asset that NV Energy has proposed as NV Energy could seek to inappropriately include the cost of nearly any regional policy making body in the regulatory asset and not just the costs associated with joining an RTO. (*Id.*). Further compounding these ambiguities, NRA et al. references NV Energy's inability to provide any comprehensive cost estimate for such the proposed RTO Regulatory Asset. (*Id.*)

Interwest's Position

351. While Interwest expresses some concerns regarding NV Energy's request for the RTO Regulatory Asset, Interwest ultimately recommends that the Commission approve the RTO Regulatory Asset subject to certain conditions. (Ex. 700 at 20.)

352. Interwest explains that the development of a Western RTO stands to provide benefits to Nevada's energy system. (*Id.* at 6.) Interwest references a study that demonstrates that an RTO, if properly developed, has the potential to bring significant economic benefits and economic development activity to the Western region and to each state therein. (*Id.*) Interwest provides that, for Nevada specifically, the study found that the creation of a West-wide RTO is expected to result in about $32 million per year in electricity cost savings for Nevada compared to operation of the electrical grid without a west-wide RTO. (*Id.*) Interwest explains that this is true even after considering likely RTO operational costs for Nevada. (*Id.*) Furthermore, Interwest offers a study the shows that the greater the footprint of an RTO, the more savings will result to Nevada's electricity system. (*Id.* at 8.)

353. Interwest states that it is concerned that NV Energy has not provided much information about its RTO efforts prior to this proceeding. (*Id.* at 7.) While Interwest points out that NV Energy has made public statements regarding investigating various regional markets, Interwest is concerned that NV Energy has not discussed how it would evaluate each effort and

has not provided a timeline for its evaluation. (*Id.*) Interwest points out that the RTO decisions of other western utilities will impact each other, and that, should a consensus form in favor of any one path, it may become very difficult or costly for NV Energy to later choose an alternative path – even if that path turns out to be better for Nevada. (*Id.*)

354. Interwest provides that joining an RTO may have implications for the value of NV Energy's recent transmission investments, namely the Greenlink North and Greenlink West projects. (*Id.* at 9.) Interwest states that the incremental transmission capability unlocked through the Greenlink projects can potentially increase Nevada's access to energy resources throughout the region as well as the deliverability of those resources. (*Id.*) Interwest states that accessing a broader pool of resources, like an RTO, has the potential to lower NV Energy's overall generation costs – thereby increasing the value of the Greenlink projects to NV Energy customers. (*Id.*) However, Interwest provides that the degree to which NV Energy customers can capture these benefits will depend partly upon how and when NV Energy is integrated into an RTO. (*Id.* at 10.)

355. Interwest offers that the use of a regulatory asset may not be technically required in this instance and that NV Energy may instead seek to recover RTO-related costs through the standard practice of future general rate cases. (*Id.* at 15.) Nonetheless, Interwest provides that the use of a regulatory asset may be advisable for a number of reasons, including alleviating uncertainty for NV Energy about timely cost recovery. (*Id.*) Interwest also identifies concerns regarding the ambiguities as to which costs and how much of each cost would be ultimately included in the proposed RTO Regulatory Asset. (*Id.* at 16–20.) However, even in light of concerns about the uncertainties of anticipated costs, Interwest states that approval of the

regulatory asset is a reasonable course of action due to the significant benefits that could accrue to NV Energy customers through eventual RTO formation. (*Id.* at 19.)

356. To help alleviate some of the concerns Interwest identified, Interwest offers a recommendation that the Commission approve the RTO Regulatory Asset subject to the condition that NV Energy report on its activities related to joining an RTO at least biannually. (*Id.* at 20.) Interwest and that any such reporting should include a detailed accounting of NV Energy's activities and expenditures along with a summary of its plan and any progress made toward accomplishing the plan. (*Id.*) Interwest explains that these reports should include a brief justification of NV Energy's choice to investigate a particular RTO or participate in a particular RTO forum; additionally, these reports should describe other RTOs or RTO forums for which NV Energy did not choose to participate, with corresponding justification for its decisions. (*Id.* at 20-21.)

Google's Position

357. While Google expresses concerns about the public transparency of NV Energy's RTO efforts, Google argues that the Commission should approve NV Energy's request for the RTO Regulatory Asset contingent on five conditions. (Ex. 500 at 17.) Specifically, Google recommends the following:

> (1) NV Energy should create a public webpage on its website that provides up-to-date information on its efforts to comply with SB 448 including at a minimum: a) an up-to-date calendar of events listing all RTO-related activities that NV Energy participates in; b) an action plan with associated timeline detailing all key decision points and milestones by which NV Energy will join an RTO no later than 2030; c) NV Energy's RTO-related regulatory filings; and d) relevant resources to inform the public about SB 448 and markets in the West;
> (2) NV Energy should file key documents for public comment in a newly-established or the existing RTO rulemaking docket, such as cost-benefit analyses, straw proposals, and biannual reports documenting NV Energy's planned and recent incremental actions to join an RTO by 2030, supported by regulatory, financial, and operational timelines;

> (3) NV Energy should publicly commit to joining an integrated day-ahead market no later than the end of 2023 and join that day-ahead market within a year of that market's launch;
> (4) Require NV Energy to explicitly model the impacts of joining an RTO by 2030 in future integrated resource plans; and
> (5) the Commission should lead periodic stakeholder meetings to receive stakeholder input on RTO-related issues and for NV Energy to provide status reports on its RTO-related progress.

(*Id.* 17–19.)

358. Google states that NV Energy's customers are not adequately informed about its RTO-related activities and the information provided in this proceeding is the first time that an overall picture of its activities have been provided to customers. (*Id.* at 10.) Google states that NV Energy is asking its customers to pay for the costs of its RTO-related activities, and therefore customers have the right to be informed about NV Energy's plans and their associated costs. (*Id.*) Moreover, Google states that customers should be allowed to provide input in RTO-related decisions because such choices will affect the reliability, adequacy, diversity, environmental impact, and cost of its generation mix in Nevada, which are issues of importance to all ratepayers whether residential, commercial, or industrial. (*Id.*) Accordingly, Google recommends the processes and mechanisms outlined above to enable customer participation in NV Energy's RTO decision-making. (*Id.* at 10-14.)

359. Google states that NV Energy's request for a regulatory asset to cover the incremental cost of joining an RTO should require it to make commitments to minimize costs and provide certainty to its customers. (*Id.* at 14-15.)

Nevada Workers' Position

360. Nevada Workers states that it supports NV Energy's request to treat its exploration of entering into an RTO as a regulatory asset. (Ex. 1002 at 5.) Nevada Workers provides that NV Energy is pursuing an RTO at the request of the Legislature, and it is

customary for a regulatory asset to be created when a public utility undertakes new and incremental costs based on clear legislative directives. (*Id.*) Nevada Workers states that it supports this treatment for incremental costs, and provides that because the utilities will ensure that any time or resources for the incremental employees that are not used for SB 448 purposes will not be included in the regulatory asset, it will ensure that only appropriate costs are included. (*Id.*, Ex. 1001 at 5-6.)

NCARE and Sierra Club's Position

361. NCARE and Sierra Club state that they support NV Energy's pursuit of a regulatory asset as a reasonable method to recover costs associated with RTO-activities. (Ex. 2001 at 96.)

BCP's Position

362. Due to the extended and uncertain period of time forming an RTO will entail, BCP recommends that the Commission not approve any costs associated with joining an RTO in a regulatory asset. (Ex. 401 at 7.) In order to avoid duplicative efforts, BCP also recommends that the Commission order NV Energy to only pursue RTO exploratory efforts in a supporting role to the Regional Transmission Task Force ("RTTF") that was borne out of SB 448. (*Id.* at 8-9.)

363. BCP explains that NV Energy has been studying and analyzing RTO membership for over 20 years and there is the possibility that such efforts will continue for several more years and still not result in any RTO formation. (*Id.* at 7.) BCP states that RTO formation is an expensive endeavor, even though the RTO costs would be shared by the constituent utilities in the RTO. (*Id.*)

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Staff's Position

364. Staff recommends that the Commission reject NV Energy's request to establish a regulatory asset for costs associated with exploring whether to join an RTO. (Ex. 300 at 1.) Staff states concerns about an overarching theme with NV Energy inappropriately seeking additional revenue streams via requests for regulatory assets. (*Id.* at 2.) Staff provides that NV Energy has for the past several years consistently sought and attained additional revenue streams outside of base rates in order to get customers to either pay more or pay quicker than they would have otherwise been required per the normal general rate case process. (*Id.*) Staff argues that a vital component of the regulatory paradigm is that regulatory lag is allowed to work in both directions. (*Id.*) As such, Staff argues that if NV Energy is consistently able to eliminate its side of regulatory lag, but consumers are still burdened with their side of regulatory lag, the regulatory system becomes unfair, unjust, and unreasonable. (*Id.*) Staff also states that NV Energy's RTO Regulatory Asset request is problematic because such an asset may seek to include open-ended costs that are without clear limitation or defined parameters. (*Id.* at 2–3.)

365. Staff argues that SB 448 does not provide NV Energy with any mandate or directive to seek a regulatory asset for the costs associated with exploring RTO participation. (*Id.* at 3.) In contrast, Staff points out that the Nevada Legislature has been explicit when expressing its desire that NV Energy seek out cost recovery. (*Id.*) Staff states that many similar statutes exist that specifically outline cost recovery requirements, via a regulatory asset, when ordering the utility to undertake certain tasks. (*Id.*) Staff states that it is insightful that the Nevada Legislature did not include any provisions for cost recovery in SB 448, and that this silence by the Nevada Legislature should be interpreted as purposeful. (*Id.*)

366. Additionally, Staff argues that NV Energy is already performing many legislatively-mandated activities, such as complying with Nevada's renewable energy portfolio, for which NV Energy does not seek any regulatory asset treatment. (*Id.*)

367. Further, Staff provides that, for over 20 years, NV Energy has already been exploring joining an RTO and the associated costs with this long-running analysis has always been included in base rates rather than a regulatory asset. (*Id.*) Staff outlines that NV Energy has previously embarked on the task of examining whether to join CAISO's EIM. (*Id.* at 4.) Staff explains that, in Docket No. 14-04024, when evaluating whether to join the EIM, NV Energy put together a team of employees, attended numerous meetings with the CAISO, negotiated a participation agreement, met with regulators and other utilities, and paid for a detailed third-party study. (*Id.*) In undertaking all this work, Staff explains that NV Energy never requested a regulatory asset for the costs NV Energy incurred. (*Id.*) Instead, Staff states NV Energy paid for the costs and included the costs as a part of the base rate process. (*Id.*) Staff concludes that there is no task that NV Energy is going to have to perform in studying whether or not to join an RTO that is not going to be similar in nature to what was required to study EIM participation. (*Id.*) Therefore, Staff provides that NV Energy should include RTO costs into base rates just like it did for EIM costs. (*Id.*) Staff argues that, because NV Energy intends to file annual general rate cases as outlined in NV Energy's 2023 Core Principles Business Plan Review, NV Energy may easily include any RTO-related costs in a general rate case. (*Id.* at 4–5.)

368. Staff argues that, if benefits from an RTO are not immediately realized and thus new large transmission line projects are warranted, this creates the possibility that NV Energy may use the regulatory asset to store costs until the RTO eventually materializes benefits at some distant point in the future. (*Id.* at 5.)

369. Although Staff recommends rejecting the request for the RTO Regulatory Asset, Staff could foresee justifying the authorization of a future regulatory asset for costs associated with a third-party consulting firm's preparation of a final cost-benefit report that could serve as the final piece of information on whether or not NV Energy should join an RTO. (*Id.*) Staff explains that such a study could be the type of task that is not something the utility would do as part of normal operations. (*Id.*) Regardless, Staff states that the costs associated with this theoretical study would be the only cost that Staff can envision as potentially being outside the course of normal business, and that any approval to recover the cost of such a study would have to come later and include a full justification of why such costs are extraordinary and require special accounting treatment. (*Id.* at 5-6.)

NV Energy's Rebuttal

370. NV Energy states that it continues to support a regulatory asset to defer all incremental costs associated with the SB 448 mandate to evaluate and join an RTO by 2030. (Ex. 116 at 24.) NV Energy proposes removing incremental labor from its request to reflect the future need of those positions, and, therefore, appropriate treatment in base rates. (*Id.*) NV Energy states that, if approved, the RTO Regulatory Asset would be put forth for a prudency review and for inclusion in rates in future rate case proceedings. (*Id.*) NV Energy states that this would ensure both that NV Energy is not harmed for complying with the legislative mandate and that only prudently-incurred costs are subject to recovery. (*Id.*)

371. NV Energy disagrees with Staff's recommendation to deny its request for the RTO Regulatory Asset. (*Id.* at 20.) NV Energy provides that SB 448's directive to investigate and potentially join an RTO by 2030 results in incremental work that will create significant costs

far above normal levels. (*Id.*) NV Energy further provides that because such costs are uncertain and unstable, it needs a regulatory asset until costs become known and stable. (*Id.*)

372. NV Energy states that regulatory assets should not be viewed negatively because they generally result in more accurate and transparent recovery of costs. (*Id.* at 20-21.) NV Energy states that as significant changes are implemented, regulatory assets are important recovery vehicles to help encourage advancement of the industry without penalizing utilities for doing so. (*Id* at 21.)

373. NV Energy argues that historic regulatory assets have allowed the utilities to use the recovery mechanism to make a transition of a cost allocation easier and fairer to customers, and to advance legislatively-mandated initiatives and policy objectives. (*Id.* 21-22)

374. NV Energy notes that it responded to Staff's concerns by suggesting removal of the incremental internal labor costs associated with the RTO from the proposed RTO Regulatory Asset and recovery of all related internal labor costs through general rates. (*Id.*)

375. NV Energy states that it does not necessarily agree with Staff's comments that it would be premature for the Commission to approve an allocation factor for any items related to an RTO. (*Id.* at 22-23.) NV Energy states that it chose its proposed allocation in the interest of transparency and contends that it was a reasonable basis for RTO cost allocation. (*Id.* at 23.) NV Energy states that it is open to further analysis regarding the appropriate allocation, which can be trued up as necessary. (*Id.*)

376. NV Energy disagrees with NRA et al.'s position that costs associated with evaluating and potentially joining new markets and regional organizations are an ordinary operating cost for a large utility. (*Id.*) NV Energy states that because these costs are not currently in base rates and are the result of directives in SB 448, NV Energy will bear these costs

without recovery if they are not deferred into a regulatory asset for recovery in a future rate review proceeding. (*Id.* at 23-24.)

377. NV Energy also disagrees with NRA et al.'s assertion that the items that NV Energy seeks to include in the regulatory asset are ambiguous and could include the cost of nearly any regional policy making body. (*Id.* at 24.) NV Energy explains that the regulatory asset is proposed to record direct costs associated with joining an RTO, and that these costs will be put forth for prudency review and inclusion in rates in a future general rate case. (*Id.*)

378. NV Energy states that its RTO efforts and costs are incremental and not incurred over the course of regular business as contended by some intervenors. (Ex. 114 at 2.) NV Energy states that while it consistently evaluates actions that are best for its customers, the characterization of its efforts leading to joining an RTO as within the regular course of business is inaccurate. (*Id.*) NV Energy states that although it has been involved in efforts with other western utilities and stakeholders in the early 2000s and started analyzing potential benefits of joining CAISO's EIM in 2013, at the time SB 448 was executed, NV Energy's RTO efforts were far less involved than they are currently. (*Id.*) For example, NV Energy states that in 2021, it participated in infrequent meetings regarding CAISO's EDAM. (*Id.* at 2-3.) Additionally, NV Energy provides that although the WRAP design was underway, it was not actively participating. (*Id.* at 3.)

379. NV Energy states that after SB 448 was enacted, it initiated incremental steps toward participation in an RTO that involved collaboration with other western utilities on steps to join an RTO or day-ahead market, as well as the formation of the WMEG. (*Id.*) NV Energy states that it also participated in a robust stakeholder process with CAISO and another with SPP's Markets+ to develop a service offering. (*Id.*) NV Energy states that it needed to actively

participate in providing comments and feedback on market design proposals and brought on a Market Policy Manager and Director of Market Development to participate in WRAP, EDAM, WMEG, and Markets+. (*Id.*) NV Energy states that throughout 2022, both EDAM and Markets+ went through several iterations of design proposals and published final proposals and service offerings. (*Id.*) NV Energy provides that by the fourth quarter of 2022, the WMEG had grown to 25 entities expressing interest in an incremental step toward an RTO and executed a contract with Utilicast and E3 to project manage the group's efforts in developing a cost-benefit study and pathway toward an RTO. (*Id.*)

380. NV Energy states that there is renewed interest in a broader western market given state legislative and regulatory action as well as experience with regional markets. (*Id.* at 3-4.) NV Energy states that while SB 448 contains a mandate to join an RTO or explain why it is not in Nevada's best interest to do so by 2030, NV Energy cannot explore movement to join an RTO or form a new RTO on its own. (*Id.*) NV Energy provides that diverse western utility participation is critical for the ultimate success of an RTO, which is why participation in these groups and forums are incremental to its normal course of business. (*Id.*)

381. NV Energy states that efforts to join a regional transmission planning group do not compare with those required to join an RTO. (*Id.* at 6.) NV Energy states that the scale of efforts required for joining an RTO include a much larger range of topics. (*Id.* at 6.) NV Energy, noting Staff's testimony referencing that NV Energy had previously explored whether to join regional transmission planning groups and that those costs were always part of base rates, explains that in 2011, the Federal Energy Regulatory Commission ("FERC") issued an order requiring public utilities to participate in such processes and that NV Energy did not have to

provide significant amount of analysis and participation in order to choose which transmission planning group to join in response to that regulatory requirement. (*Id.* at 5.)

382. NV Energy states that its current vision leading to an RTO is an incremental path where it will participate in the development and refining of market designs and tariff language for both EDAM and Markets+. (*Id.* at 6.) NV Energy states that it foresees continued participation in all regional groups and forums that lead to expanded organized market opportunities as incremental steps to RTO participation. (*Id.*)

383. NV Energy states that to receive west-wide support for a future RTO and provide choices to customers and regulators with expanded opportunities, it must be part of the development of the two day-ahead markets. (*Id.*) NV Energy provides that it will make a recommendation on joining an RTO or day-ahead market once the tariff language has been drafted for both markets, the cost-benefit study by E3 has been provided and reviewed, discussions with the Commission and stakeholders have taken place, and following approval. (*Id.*) NV Energy anticipates recommending a day-ahead market in 2025 but states that such a recommendation cannot be based only on the benefits of the day-ahead market alternatives. (*Id.*) NV Energy further provides that it must consider how the day-ahead market will affect the overall roadmap for NV Energy to participate in a full RTO by 2030. (*Id.* at 6-7.) NV Energy states that this analysis will consider whether Nevada is appropriately represented in governance structures, potential market footprints and diversity of load and supply, transmission development and cost allocation proposals, and the manner in which load and resource profiles of various market footprint alternatives impact customers. (*Id.* at 7.) NV Energy states that it anticipates participation simultaneously in a day-ahead market and in the design of a future western RTO. (*Id.*)

384. NV Energy states that it provided a budget of all currently known costs anticipated to be incurred between 2023-2025 for its efforts leading to an RTO; however, NV Energy states that it has not provided anticipated costs or charges beyond 2025 as those costs of movement from a day-ahead market to an RTO would be speculative. (*Id.*) NV Energy states that the only known costs are incremental to those that lead to a day-ahead market, and provides that it is willing to file an updated budget in the future as costs become identifiable and known. (*Id.* at 7-8.)

385. Given Interwest's concerns regarding WRAP penalties, NV Energy states that it does not intend to record any such penalties into the requested regulatory asset as penalty charges are a result of operations within a day-ahead market and not a result of activities to research and choose a day-ahead market. (*Id.* at 9.)

386. NV Energy states that it had originally planned to include the incremental internal labor in its regulatory asset request; however, its revised proposal removed those costs. (*Id.*)

387. NV Energy states that SB 448 requires the Regional Transmission Coordination Task Force to meet at least twice a year to advise the Governor and Legislature on the potential costs and benefits to transmission providers and their customers for forming or joining an RTO. (Id.) NV Energy states that it must submit a report biannually on its activities, including any recommended legislation needed to enable entrance by transmission providers in Nevada into an RTO. (*Id.*)

388. NV Energy states that it can provide more transparency on its analysis of joining an RTO where feasible. (*Id.* at 10.) NV Energy states that it agrees to the following:

> 1) post information to a public website including links to various calendars of the organizations (SPP, WRAP, CAISO, and the SB 448 Task Force) facilitating meetings and the agenda topics and presentations that NV Energy attends in an effort to keep the public up to date; 2) post relevant proposals from entities and

> NV Energy's filed comments on these proposals stating NV Energy's position; 3) provide a public version of the cost-benefit study performed under the WMEG group by E3 stripped of other entities' confidential information; 4) provide access to reports on efforts leading to an RTO; 5) develop and post an action plan for steps to get to an RTO, including timelines for the day-ahead markets, next steps, and projected timelines for decision points; 6) attend Commission-led meetings or public stakeholder workshops to provide updates of NV Energy's participation and analysis to obtain stakeholder feedback; and 7) engage in public stakeholder workshops once NV Energy has substantive items to present on its participation in market efforts leading to an RTO to gauge public feedback prior to bringing forth any recommendations through an IRP.

(*Id.* at 10-11.)

389. NV Energy states that it is not able to commit to joining a day-ahead market by the end of 2023 because it has not received the cost-benefit study to analyze differences between the proposed footprints and market designs of Markets+ and EDAM and does not have sufficient time to make a recommendation. (*Id.* at 11.) NV Energy states that the study is expected to be completed in Q2 of 2023. (*Id.*) Given anticipated timelines, NV Energy provides that it will not be able to make a recommendation prior to 2025. (*Id.* at 11-12.)

390. NV Energy states that it is also unable to model the impacts of joining an RTO in future resource plan filings. (*Id.* at 12.) NV Energy states that to comply with this recommendation, a full regional model would have to be run to model the diversity of load and resources for the entire region to determine RTO/market impacts. (*Id.*) NV Energy states that this would have to be performed by a market operator or RTO administrator after-market footprints are fully defined. (*Id.*) NV Energy states that it is not opposed to modeling a day-ahead market or RTO in future IRPs; however, until the modeling inputs are fully known and NV Energy has the WECC modeling runs, it would be unable to complete this request. (*Id.*) NV Energy states that the 5th amendment to its IRP would be too soon to have such detailed

information, but that it is willing to discuss the modeling of future IRPs in public workshops. (*Id.*)

Commission Discussion and Findings

391. The Commission accepts in part and rejects in part NV Energy's request to establish a regulatory asset to recover the costs of joining an RTO. Specifically, the Commission: 1) rejects the inclusion of any staff or labor costs in the proposed RTO Regulatory Asset as well as the inclusion of any penalties incurred in relation to NV Energy's participation in regional entities (to the extent NV Energy seeks such recovery); 2) limits the RTO Regulatory Asset to costs directly related to fees required to fund the two day-ahead markets (CAISO and SPP) being developed as incremental steps towards a full RTO; and 3) limits NV Energy to recovering market development costs through 2025 to avoid approving mere speculative spending.

392. The Commission finds that approval of the RTO Regulatory Asset under these foregoing conditions is appropriate for the following reasons: (1) the Commission considers NV Energy's proposal to participate in the development of both market options (CAISO and SPP) a reasonable strategy to maintain optionality as various day-ahead markets develop; (2) SB 448 indeed requires NV Energy to join a RTO by 2030, and while neither Markets+ nor EDAM will be a RTO, these day-ahead market options could be incremental steps towards a multi-state RTO; (3) the fees charged by the two day-ahead market operators (CAISO and SPP) are unknown at this time and should be temporally limited for inclusion in the RTO Regulatory Asset; and (4) the Commission generally supports the continued development of such regional markets, which could potentially reduce energy costs for customers and help better integrate renewables in Nevada.

393. Regarding the allocation of the costs associated with the RTO Regulatory Asset between the two utilities, the Commission orders NV Energy to allocate the costs approved for inclusion in the RTO Regulatory Asset as 75% to NPC and 25% to SPPC. The RTO Regulatory Asset should accrue carrying charges at the respective utility's authorized rate of return.

394. The Commission finds that approval of the RTO Regulatory Asset as modified by this Order will bridge the transitory period of day-ahead market development, allowing reasonable cost recovery in the time between IRPs and allowing NV Energy the time necessary to develop a more long-term plan for meeting SB 448's RTO mandate. Therefore, as a directive, NV Energy must file in its next IRP in 2024 a comprehensive plan to meet SB 448's requirement to join an RTO by 2030, including another proposal for cost recovery for costs related to market development. This directive will ensure that NV Energy can begin to incorporate RTO activities into its normal course of business planning in the future.

395. Finally, to address concerns regarding access to information related to NV Energy's RTO-related activities, the Commission orders NV Energy, as a compliance item and within 90 days of this Order, to make a filing in this Docket detailing how it will implement more robust information sharing on this matter.

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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 Nevada Bureau of Consumer Protection, and the Regulatory Operations Staff of the Commission, appended hereto as Attachment A, 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 in Docket No. 22-09006 is granted in part and denied in part, as modified by this Order and the attached Stipulation.

3. The Commission accepts in part, deems inadequate in part, and modifies the third amendment to Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy's 2021 Joint Integrated Resource Plan, as provided by and consistent with this Order.

4. The Commission accepts in part and modifies Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy's proposed plan to accelerate transportation electrification, as provided by and consistent with this Order; and the Commission grants in part and denies in part Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy's request for regulatory asset treatment of approved program costs that excludes capital costs for program investments, but no carrying charges shall accrue on the regulatory asset, as provided by and consistent with this Order.

5. The Commission grants in part and denies in part NV Energy's request to establish regulatory asset treatment for costs related to actions in pursuit of membership in a regional transmission organization.

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Compliances:

6. Within 30 days of the date of issuance of this Order, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy must file in this Docket the approved Transportation Electrification Plan budgets as modified by this Order.

7. Within 30 days of the date of issuance of this Order, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy must file in this Docket revised tariffs consistent with this Order.

8. Within 90 days of the date of issuance of this Order, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy must file in this Docket information detailing how it will implement more robust information sharing of regional transmission organization and market-related analyses.

Directives:

9. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy must file in its next joint integrated resource plan in 2024 a comprehensive plan to meet Senate Bill 448's (2021) requirement to join a regional transmission organization by 2030, including a proposal for cost recovery for costs related to market development.

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10. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy must conduct and file an analysis of the impact of adding electric vehicle charger allowances on the Rule 9 study median cost in the respective next general rate case.

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
3/24/23
(SEAL)

PUBLIC UTILITIES COMMISSION OF NEVADA PUC

ATTACHMENT A

FILED WITH THE PUBLIC UTILITIES COMMISSION OF NEVADA - 1/9/2023

January 9, 2023

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. 22-09006 - 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 Third Amendment to its 2021 Joint Integrated Resource Plan.

Dear Ms. Osborne:

Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy ("NV Energy" or the "Companies") hereby submit the enclosed proposed stipulation solely focused on NV Energy's request to approve the updated Load Forecast filed with the Third Amendment to the 2021 Joint Integrated Resource Plan, as corrected with the September 30, 2022, Errata.

In addition to NV Energy, the proposed stipulation has been executed by the Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada ("Commission") and the Office of the Attorney General's Bureau of Consumer Protection ("BCP"). The signatories circulated the proposed stipulation to the rest of the parties in this Docket on Saturday, January 7, 2023. While a number of parties informed the signatories that they take no position on the proposed stipulation, the continued prehearing conference will provide a forum for the remaining parties to express their positions on the proposed stipulation.

Should you have any questions regarding this filing, please contact me at 775-834-3470 or at roman.borisov@nvenergy.com.

Sincerely,

/s/ Roman Borisov
Roman Borisov
Senior Attorney

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 Third Amendment to the 2021 Joint Integrated Resource Plan.	)))))	Docket No. 22-09006

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"); each individually a "Signatory" and together the "Signatories", enter into this Stipulation to resolve Load Forecast issues in Docket No. 22-09006.

SUMMARY OF STIPULATION

The Signatories agree that this Stipulation is in the public interest. The Stipulation only seeks relief that the Public Utilities Commission of Nevada (the "Commission") is empowered to grant. Accordingly, the Signatories recommend that the Commission accept the Stipulation and grant the request for relief made by the Companies in the Joint Application for approval of the Load Forecast in this Third Amendment to the 2021 Joint Integrated Resource Plan ("IRP") as modified by this Stipulation.

RECITALS

1. On September 1, 2022, the Companies filed with the Commission their Joint Application for approval of the Third Amendment. The Commission designated the proceeding as Docket No. 22-09006.

2. Pursuant to the Nevada Revised Statutes ("NRS") § 703.301, Staff participates as a matter of right.

3. On September 7, 2022, the Bureau of Consumer Protection ("BCP") filed a Notice of Intent to Intervene pursuant to Chapter 228 of the NRS.

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

5. On September 13, 2022, NV Energy submitted two confidential Transportation Electrification Plan workpapers inadvertently omitted from the original filing.

6. On September 28, 2022, NV Energy submitted additional Load Forecast models via its online database.

7. On September 30, 2022, NV Energy submitted an errata to the Joint application revising portions of the Narrative to the Joint Application, Prepared Direct Testimony of Timothy Pollard, and Technical Appendices LF-1 and DRP-8.

8. On October 3, 2022, Google filed a petition for leave to intervene ("PLTI").

9. On October 4, 2022, Clark County, Nevada, filed a PLTI.

10. On October 5, 2022, Interwest Energy Alliance ("Interwest") filed a PLTI.

11. On October 5, 2022, Caesars Enterprise Services, LCC ("Caesars") filed a PLTI.

12. On October 5, 2022, MGM Resorts International ("MGM") filed a PLTI.

13. On October 5, 2022, Nevada Workers for Clean and Affordable Energy filed a PLTI.

14. On October 5, 2022, Tesla, Inc. ("Tesla") filed a PLTI.

15. On October 5, 2022, Zeco Systems, Inc. d/b/a/ Shell EV Charging Solutions Americas and Asia ("Shell Recharge Solutions") filed a PLTI.

16. On October 5, 2022, Nevada Resort Association ("NRA") filed a PLTI.

17. On October 5, 2022, EVgo Services, LLC ("EVgo") filed a PLTI.

18. On October 5, 2022, ChargePoint, Inc. ("ChargePoint") filed a PLTI.

19. On October 5, 2022, Vote Solar filed a PLTI.

20. On October 5, 2022, Boyd Gaming Corporation ("Boyd"), Station Casinos LLC ("Station"), and Venetian Las Vegas Gaming, LLC ("Venetian") (collectively, Southern Nevada Gaming Group ("SNGG")) filed a PLTI.

21. On October 5, 2022, ENEL X WAY USA, LLC ("Enel X Way") filed a PLTI.

22. On October 5, 2022, Southern Nevada Home Builders Association filed a PLTI.

23. On October 5, 2022, Nevadans for Clean Affordable Reliable Energy ("NCARE") and Sierra Club filed a PLTI.

24. On October 6, 2022, NV Energy submitted additional workpapers in support of the Load Forecast.

25. On October 11, 2022, the Commission held a prehearing conference and continued it on the record to October 13, 2022.

26. On October 12, NV Energy submitted confidential and non-confidential supplemental executable workpapers in support of the load forecast.

27. On October 13, 2022, the Commission held a continued prehearing conference. At the continued prehearing conference, the Commission determined that the errata submitted on September 30, 2022, constituted a substantial amendment to the Joint Application warranting re-noticing of the Joint Application. As a result, the statutory deadline was reset pursuant to NRS 704.751, and a new procedural schedule was established and adopted by the Commission.

28. At the direction of the Commission at the October 13, 2022, prehearing conference, NV Energy submitted all previously filed workpapers in a single, consolidated filing on October 19, 2022.

29. On October 21, 2022, the Commission re-noticed the Joint Application setting November 16, 2022, as the new PLTI deadline.

30. On November 15, 2022, the Governor's Office of Energy ("GOE") and Americans for Affordable Clean Energy filed PLTIs.

31. On November 16, 2022, Nevada Department of Transportation filed a PLTI.

32. On November 23, 2022, the Commission issued a procedural order setting a procedural schedule with a continued prehearing conference on January 4, 2023, and direct testimony from Staff, BCP and interveners due by January 10, 2023.

33. With the orders issued on December 7, 2022, and January 6, 2023, the Commission granted the PLTIs filed.

34. On January 4, 2023, the Commission held a continued prehearing conference and, at the request of the parties, further continued the prehearing conference to January 9, 2023.

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

36. By this Stipulation, the Signatories seek to resolve issues pertaining to the Companies' Load Forecast approval request in Docket No. 22-09006.

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

AGREEMENT

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

1. Granting the Companies' request to approve the long-term base load forecast presented in the Load Forecast section of the Joint Application as based on substantially accurate data and an adequate method of forecasting, except as modified by this Stipulation.

2. NV Energy agrees to meet with BCP and Staff at least two months prior to the filing of an application requesting approval of a load forecast.

3. NV Energy agrees:

   a. To provide all workpapers used to create the final load forecast at the time of filing an application requesting approval of a load forecast;

   b. The workpapers shall have easily identifiable titles and shall be organized by utility as in previous dockets;

c. The workpapers shall show the population growth rates for each source of data used and how they are melded to create the final growth rates for northern Nevada and southern Nevada;

d. A workpaper index shall be provided with the workpapers that links the load forecast tables to the corresponding workbooks; and

e. The workpapers shall be provided in an executable format that is readily and easily accessible, including third-party files converted to a common executable format (*e.g.*, Excel); in the event the workpapers require assistance from third-party software, NV Energy shall contemporaneously provide access to the software that allows access to the workpapers.

4. NV Energy agrees to provide a load forecast workshop for all interested parties after the filing of an application requesting approval of a load forecast within 45 days after the filing.

5. NV Energy agrees to use northern Nevada (Nevada minus Las Vegas metro area) growth rates instead of Washoe County growth rates in an application requesting approval of a load forecast.

6. NV Energy agrees to use northern Nevada (Nevada minus Las Vegas metro area) economic indicators instead of Washoe County economic indicators in an application requesting approval of a load forecast.

GENERAL PROVISIONS

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

8. This Stipulation represents a negotiated settlement. No provision of the Stipulation is severable. If the Commission does not accept the Stipulation in whole, then the Stipulation shall be withdrawn, without prejudice to any claims or contentions that may have

been made or are made in this Docket; no part of the Stipulation shall be admissible in evidence; and no Signatory shall be bound by any of the provisions of the withdrawn Stipulation.

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

10. This Stipulation may be executed in one or more counterparts, all of which together shall constitute the original executed document. This Stipulation may be executed by the Signatories by electronic transmission, which signatures shall be as binding and effective as 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: January 9, 2023

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

REGULATORY OPERATIONS STAFF

Dated: January 9, 2023

By: /s/ Jesse Panoff
Name: Jesse N. Panoff
Title: Assistant Staff Counsel

OFFICE OF ATTORNEY GENERAL,
BUREAU OF CONSUMER
PROTECTION

Dated: January 9, 2023

By: /s/ Michelle Newman
Name: Michelle Newman
Title: Senior Deputy Attorney General