

-
-
-

Original Filing

Public Utilities Commission of Nevada
Electronic Filing

Submitted: 8/22/2023 3:59:27 PM

PAYMENT PENDING VERIFICATION: \$200.00

Echeck Transaction ID :

Reference: 83148dc0-3ed6-4b4f-9608-03d917becb2b

Payment Reference: 4f-9608-03d917becb2b

Filed For: NPC

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

By electronically filing the document(s),
the filer attests to the authenticity of the electronic signature(s) contained therein.

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



FILED WITH THE PUBLIC UTILITIES COMMISSION OF NEVADA - 8/22/2023

August 22, 2023

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

RE: Docket No. 23-08____ Application of Nevada Power Company d/b/a NV Energy for Approval of an Energy Supply Agreement with MSG Las Vegas, LLC.

Dear Ms. Osborne:

Enclosed for filing please find Nevada Power Company d/b/a NV Energy's (the "Company") Application for approval of an energy supply agreement ("ESA") with the MSG Las Vegas, LLC ("MSG"). Consistent with NAC § 703.535, the filing is made up of this Application, the ESA, a draft notice, testimony of Janet Wells, Jeffery Bohrman and Timothy Pollard supporting the ESA, and a letter of support from MSG.

Portions of the filing accompanying this transmittal letter are to be kept under seal pursuant to NAC § 703.527 *et seq.* This information is contained in a sealed envelope, appropriately marked, and contains the unredacted pages from of the ESA, ESA pricing model and testimony of Janet Wells and Timothy Pollard, which includes confidential customer-specific information as well as confidential commercially sensitive and/or trade secret information of the Company that derives independent economic value from not being generally known. This information is not known outside the Company and its distribution is limited within the Company. Publication of this information would also unfairly advantage competing suppliers and impair the Company's ability to achieve the most favorable pricing and terms and conditions on behalf of its customers. The Company requests that this confidential information remain under seal for a period of at least five years following the expiration or earlier termination of the attached energy supply agreement.

Enclosed with this letter please also find the workpapers supporting this filing being provided on a CD as a courtesy. Please note that the workpapers supporting the ESA pricing model and the workpapers supporting Exhibit Pollard-Direct 2 are marked as confidential.

Should you have any questions regarding this filing, please contact me at (775) 834-5696 or deborah.bone@nvenergy.com.

Respectfully submitted,

/s/Deborah Bone
Deborah Bone
Senior Attorney

APPLICATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a)
NV Energy for Approval of an Energy Supply) Docket No. 23-08___
Agreement with MSG Las Vegas, LLC. /

**APPLICATION OF NEVADA POWER COMPANY D/B/A NV ENERGY FOR
APPROVAL OF AN ENERGY SUPPLY AGREEMENT WITH
MSG LAS VEGAS, LLC.**

Nevada Power Company, d/b/a NV Energy (“Nevada Power” or “Company”), hereby makes this Application pursuant to Nevada Administrative Code (“NAC”) NAC § 703.535 for approval of an energy supply agreement (“ESA”) between Nevada Power and MSG Las Vegas, LLC (“MSG”) for purposes of providing electric service to MSG’s new entertainment venue, the Sphere, located in Clark County, Nevada. The ESA will provide a mechanism that allows MSG’s facility to take service under the Market Price Energy (“MPE”) tariff approved in Docket No. 19-10011. The Company seeks approval of both a short-term energy supply period and long-term energy supply period within the ESA to meet MSG’s business needs in a manner that complies with the MPE tariff requirements and does not result in any increased costs or forgone benefits for non-participating customers.

MSG and the Company filed a petition requesting a waiver of the eligibility requirements of the MPE tariff in Docket No. 23-05046. The intent of that petition is to allow MSG to receive service from Nevada Power while the Commission considers approval of the ESA being filed in the instant docket. This will allow MSG to retain eligibility under the MPE tariff during this process. MSG has announced that it anticipates becoming commercially operational September 29, 2023.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I.

THE APPLICANT NEVADA POWER COMPANY

Nevada Power is a Nevada corporation and wholly-owned subsidiary of NV Energy, Inc. Nevada Power is a public utility as defined in Nevada Revised Statutes (“NRS”) § 704.020 and is subject to the jurisdiction of the Commission. Nevada Power has been authorized by the Commission to conduct its business within its certificated areas in Nevada pursuant to Certificates of Public Convenience and Necessity issued by the Commission. Nevada Power is engaging in providing electric service to the public in portions of Clark and Nye Counties, Nevada.

Nevada Power’s primary business office is located at 6226 West Sahara Ave., Las Vegas, Nevada. All correspondence related to this Application should be served electronically upon the following address: regulatory@nvenergy.com. Hardcopy documents should be transmitted to Nevada Power’s counsel and to the Manager, Regulatory Services as set forth below:

Deborah Bone
Senior Attorney
6100 Neil Road
Reno, NV 89511
775-834-5696
deborah.bone@nvenergy.com

Aaron Schaar
Manager, Regulatory Services
6100 Neil Road
Reno, NV 89511
775-834-5823
regulatory@nvenergy.com

II.

OVERVIEW

The ESA provides MSG with a vehicle to receive electric service under the MPE tariff under two energy supply periods: short-term and long-term. Upon approval of the ESA and after MSG’s commercial operation of its entertainment venue, which is anticipated to be on or around September 29, 2023, the Company will serve MSG under the short-term energy supply period. Until such time as a long-term energy supply period comes into effect, the Company will serve MSG by procuring and selling wholesale market energy, to be priced at an appropriate index pricing, or in the alternative, energy from excess capacity available from the Company’s

1 generation fleet, if applicable. Non-participating customers of the utility will not experience
2 increased costs for electric service or forgo the benefit of a reduction of costs for electric service
3 during the short-term energy supply period.

4 The term of MSG's long-term ESA is expected to commence once the dedicated
5 renewable energy resource, the Sierra Solar Project,¹ reaches commercial operation. Non-
6 participating customers of the utility will not experience increased costs for electric service or
7 forgo the benefit of a reduction of costs for electric service during either the short-term energy
8 supply period or the long-term energy supply period.

9 Additional information regarding the ESA is included in the attached testimony of Janet
10 Wells, Jeffrey Bohrman and Timothy Pollard.

11 III.

12 THE FILING

13 Consistent with NAC § 703.535, the filing is made up of the transmittal letter, this
14 Application, the ESA, the ESA pricing model, a draft notice, testimony of Janet Wells, Jeffrey
15 Bohrman and Timothy Pollard, and a letter of support from MSG.

16 **The ESA (Exhibit A).** The ESA provides a means for MSG to purchase and receive
17 electric service, reflecting the market price of energy and using energy resources that will not
18 automatically subject MSG to the imposition of an impact fee, while not shifting costs to other
19 customer classes.

20 **The ESA Pricing Model (Exhibit B).** The pricing model supports the calculation of the
21 long-term energy supply rate identified in the ESA.

22 **Letter of Support (Exhibit C).** Accompanying this filing is a letter of support from
23 MSG.

24 **Draft notice (Exhibit D).** Accompanying this filing is a Draft Notice satisfying the
25 requirements of NAC § 703.162.

26
27 ¹ The Sierra Solar Project is a solar photovoltaic and battery energy storage system proposed for approval in a
28 separate integrated resource plan amendment proceeding.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Direct Testimony of Janet Wells. The direct testimony of Janet Wells supports the terms and conditions in the ESA and describes how the ESA is in the public interest.

Direct Testimony of Jeffrey Bohrman. The direct testimony of Jeffrey Bohrman describes the ESA’s fixed long-term energy price and the underlying pricing model.

Direct Testimony of Timothy Pollard. The direct testimony of Timothy Pollard supports a short-form rate design model that illustrates the estimated impacts on non-participating customers.

IV.

The MSG ESA is in the Public Interest

The ESA is in the public interest. Approval of the ESA does not subject Nevada Power’s other customers to increased costs, nor does it cause them to forego the benefit of a reduction in cost. As further described in the supporting testimony, Nevada Power’s other customers and all Nevadans receive benefits from the approval of this ESA. Specifically, the testimony of Janet Wells and Timothy Pollard explain that the proposed MSG ESA has an overall beneficial rate impact on non-participating customers. The ESA will work to reduce the bundled-service general rates retail revenue requirement through the addition of MSG’s load.

V.

TIMELINE

MSG is anticipated to be commercially operational September 29, 2023; therefore, the Company requests timely review of this application. Thus, while the processing of this Application is not subject to any statutory deadline, the Company respectfully requests the Commission to act on this Application on or before February 2, 2024.

VI.

CONFIDENTIAL INFORMATION

Portions of the testimony and excerpts of the ESA and the ESA pricing model are to be kept under seal pursuant to NRS § 703.196 and NAC § 703.527 *et seq.* This information is contained in a sealed envelope, appropriately marked, and contains the unredacted versions of

1 portions of the ESA and supporting exhibits and the testimony of Janet Wells and Timothy
2 Pollard. These materials contain customer specific information of MSG, as well as commercially
3 confidential information of the Company, which includes commercially sensitive and/or trade
4 secret information that derives independent economic value from not being generally known.
5 This information is not known outside the Company and its distribution is limited within the
6 Company. Publication of this information would also unfairly advantage competing suppliers
7 and impair the Company's ability to achieve the most favorable pricing and terms and conditions
8 from suppliers on behalf of its customers.

9 To maintain the confidentiality of the customers' information and the commercially
10 sensitive information, Nevada Power has designated this information as confidential pursuant to
11 NRS § 703.196 and NAC § 703.5274. The public version of the filing will include redactions of
12 this confidential information. Pursuant to NAC § 703.5274(2), Nevada Power requests that the
13 above-described information not be disclosed to the public and that this information remain
14 confidential for a period of five years following the expiration or earlier termination of the ESA,
15 after which the Commission may return or destroy these materials, whichever is most
16 convenient. Protective agreements with the Regulatory Operations Staff ("Staff") and the Bureau
17 of Consumer Protection ("BCP") will be provided and, once executed, Staff and BCP will be
18 served with confidential unredacted versions of the above-described material.

19 **VII.**

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Nevada Power requests that the Commission:

- 22 (1) Approve the ESA between Nevada Power and MSG;
- 23 (2) Approve Nevada Power's request to maintain MSG's customer specific
24 information and the Company's commercially sensitive information confidential
25 for a period of five years; and
- 26
- 27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(3) Grant such additional other relief as the Commission may deem appropriate and necessary.

Dated this 22nd day of August, 2023.

Respectfully submitted,
**NEVADA POWER COMPANY
D/B/A NV ENERGY**

/s/Deborah Bone
Deborah Bone
Senior Attorney
Nevada Power Company
6100 Neil Road
Reno, NV 89511
775-834-5696
deborah.bone@nvenergy.com

EXHIBIT A

**SCHEDULE NO. MPE
ENERGY SUPPLY AGREEMENT**

AMONG

NEVADA POWER COMPANY d/b/a NV ENERGY,

AND

MSG LAS VEGAS, LLC

dated, August 21, 2023

This **SCHEDULE NO. MPE ENERGY SUPPLY AGREEMENT** (this “Agreement”), dated as of August 21, 2023 (the “Execution Date”), is made by and between NEVADA POWER COMPANY, a Nevada corporation doing business as NV Energy (“NV Energy”), and MSG LAS VEGAS, LLC, a Delaware limited liability company (“Customer”). NV Energy and Customer also may be referred to as a “Party” and collectively as the “Parties”.

RECITALS

WHEREAS, NV Energy is an electric service provider in Nevada, as defined in NRS Chapter 704;

WHEREAS, Customer is in the process of constructing a entertainment venue called Sphere that will be located in Clark County, Nevada (the “Facilities”);

WHEREAS, On October 31, 2018, Customer filed with the PUCN a 704B Application (Docket No. 18-10034) to purchase energy, capacity, and/or ancillary services from a provider of new electric resources with respect to the Facilities, and pursuant to the then-applicable provisions of NRS Chapter 704B and NAC Chapter 704B (the “704B Application”), which was approved by the PUCN in a Final Order on May 30, 2019 (the “704B Order”); and

WHEREAS, Customer desires that NV Energy provide the Facilities with certain short-term and long-term electric service in accordance with the Tariff Rules of Schedule No. MPE.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

AGREEMENT

1. CERTAIN DEFINITIONS.

1.1 “**704B Application**” has the meaning set forth in the recitals above.

1.2 “**704B Order**” has the meaning set forth in the recitals above.

1.3 “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.4 “**Affiliate**” means, with respect to NV Energy, Berkshire Hathaway Energy Company and its direct and indirect wholly-owned subsidiaries and, with respect to Customer, any Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control of, a Person.

1.5 “**Agreement**” has the meaning set forth in the preamble hereto.

1.6 “**Alternative Option Short-Term Energy Product**” has the meaning set forth in Section 5.2.3.

1.7 “**Alternative Option Short-Term Energy Rate**” means a rate calculated by NV Energy for Short-Term Energy that includes (a) an energy charge based on NV Energy’s cost to serve the Facilities Load utilizing available generation capacity from existing electric generating facilities owned by, or contracted to, NV Energy, plus a [REDACTED] margin; (b) transmission and distribution costs based on the otherwise applicable rate class; (c) a franchise fee as set by Clark County, Nevada; (d) PC Cost (if Customer elects to have NV Energy to procure PCs on behalf of Customer); and (e) any applicable public program charges or fees, as determined by the PUCN, based on the otherwise applicable rate class, in each case, without duplication. An example calculation of the Alternative Option Short-Term Energy Rate is set forth in Exhibit B.

1.8 “**Business Day**” means any day, other than a Saturday, Sunday or legal holiday, on which commercial banks in Clark County, Nevada, are generally open for the transaction of business.

1.9 “**Customer**” has the meaning set forth in the preamble.

1.10 “**Effective Date**” has the meaning set forth in Section 2.2.

1.11 “**Event of Default**” has the meaning set forth in Section 9.1.

1.12 “**Execution Date**” has the meaning set forth in the preamble above.

1.13 “**Facilities**” has the meaning set forth in the Recitals above.

1.14 “**Facilities Load**” has the meaning set forth in Section 5.1.1.

1.15 “**Generating Facility**” means one or more energy generating facilities from which NV Energy will procure energy for Customer pursuant to a Resource Procurement Agreement.

1.16 “**Governmental Entity**” means any federal, state, or local government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

1.17 “**kPC**” means one thousand (1,000) PCs.

1.18 “**kW**” means kilowatt.

1.19 “**kWh**” means kilowatt-hour.

1.20 “**Long-Term Energy**” has the meaning set forth in Section 5.3.

1.21 **“Long-Term Energy Rate”** means either the (i) fixed rate of [REDACTED] for the hours the Resource(s) is in production or the (ii) Base Tariff Energy Rate and the Deferred Energy Accounting Adjustment rate for non-production hours, as described by Section 5.3.4 below.

1.22 **“Long-Term Energy Supply Commencement Date”** means the earlier of: (i) the date that the Generating Facility has achieved commercial operation, as determined by NV Energy, or (ii) December 31, 2027.

1.23 **“Long Term Energy Overall Rate”** means an overall rate calculated by NV Energy for Long Term Energy that includes (a) the Long Term Energy Rate pursuant to Section 1.20; (b) transmission and distribution costs based on the otherwise applicable rate class; (c) a franchise fee as set by Clark County, Nevada; and (d) any applicable public program charges or fees, as determined by the PUCN, based on the otherwise applicable rate class, in each case, without duplication, as such rate may be adjusted pursuant to Section 5.3.3. An example calculation of the Long-Term Energy Overall Rate is set forth in Exhibit C.

1.24 **“Market-Based Energy Product”** has the meaning set forth in Section 5.2.2.

1.25 **“Market-Based Energy Rate”** means a rate calculated by NV Energy for Short-Term Energy based on Platts Megawatt Daily Day-Ahead, Mead On-Peak and Off-Peak or other similar indices. The Market-Based Energy Rate will include (a) an energy charge comprised of (i) fixed prices and volumes (which may include fixed price MW blocks consisting of a 24 hour by 7 day defined MW block applicable to all months with a minimum term of twelve (12) rolling months or such other products as the Parties may mutually agree) and (ii) market-based day-ahead Platts Megawatt Daily Mead index rates for residual volumes (i.e., the difference between the metered volume and any fixed price MW blocks applicable to the delivery period), calculated as the sum of (x) Platts Megawatt Daily Day-Ahead Mead On-Peak price multiplied by the metered volume during the On-Peak period and (y) the Platts Megawatt Daily Day-Ahead Off-Peak price multiplied by the metered volume during the Off-Peak period for such residual volumes¹; (b) a [REDACTED] administrative fee; (c) transmission and distribution costs based on the otherwise applicable rate class; (d) a franchise fee as set by the Clark County, Nevada; (e) PC Cost (if Customer elects to have NV Energy to procure PCs on behalf of Customer); and (f) any applicable public program charges or fees, as determined by the PUCN, based on the otherwise applicable rate class, in each case, without duplication. An example calculation of the Market-Based Energy Rate is set forth in Exhibit A.

1.26 **“MW”** means megawatt.

1.27 **“MWh”** means megawatt-hour.

1.28 **“NAC”** means the Nevada Administrative Code, as amended.

¹ On-Peak and Off-Peak are defined per the “NAESB Inadvertent Interchange On and Off Peak Period,” as applicable to the Western Interconnection. See: www.naesb.org for more information on On and Off Peak Periods.

- 1.29 “**NRS**” means the Nevada Revised Statutes, as amended.
- 1.30 “**NV Energy**” has the meaning set forth in the preamble hereto.
- 1.31 “**Party**” and “**Parties**” have the meanings set forth in the preamble.

1.32 “**PC Administrator**” means the Person appointed by the PUCN to administer the system of Portfolio Energy Credits established pursuant to the Renewable Energy Law or a successor law if the Renewable Energy Law is replaced, superseded or preempted by another law or regulatory regime tasked with enforcement of renewable energy quotas by users or utility providers in Nevada.

1.33 “**PC Cost**” means that cost borne by NV Energy on behalf of the Customer to ensure compliance with the RPS. To determine this cost, as reasonably requested by the Customer, NV Energy will issue a request for proposal (“RFP”) to obtain indicative pricing for PCs. Customer may instruct NV Energy to procure PCs in a quantity reasonably expected to offset up to one hundred percent (100%) of Customer’s consumption, at Customer’s expense, including administrative costs incurred by NV Energy for administering the RFP on Customer’s behalf. Alternatively, Customer may instruct NV Energy to supply PCs on Customer’s behalf in a quantity reasonably expected to offset the impact of the RPS at a price based on the PUCN’s approved methodology for determining PC costs for NV Energy.

1.34 “**Person**” means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, Governmental Entity, or other entity.

1.35 “**Portfolio Energy Credit**” or “**PC**” means a unit of credit which equals one kilowatt-hour of electricity generated, acquired or saved (or deemed so), all as calculated by the PUCN Regulatory Operations Staff and certified by the PC Administrator pursuant to the Renewable Energy Law (or by a successor Governmental Entity pursuant to a successor law if the Renewable Energy Law is replaced, superseded or preempted by another law or regulatory regime tasked with enforcement of renewable energy quotas by utility providers in Nevada), and certified by WREGIS.

1.36 “**PUCN**” means the Public Utilities Commission of Nevada and any successor entity thereto.

1.37 “**PUCN Approval - ESA**” means a final order issued by the PUCN that (a) approves this Agreement, in form and substance satisfactory to NV Energy in its sole discretion, and (b) is not the subject of (i) a petition for reconsideration or rehearing, (ii) a petition for judicial review, or (iii) a petition for a preliminary injunction.

1.38 “**PUCN Approval – Replacement Resource Procurement Agreement**” means a final order issued by the PUCN that (a) approves the Replacement Resource Procurement Agreement, in form and substance satisfactory to NV Energy in its sole discretion, and (b) is not the subject of (i) a petition for reconsideration or rehearing, (ii) a petition for judicial review, or (iii) a petition for a preliminary injunction.

1.39 **“PUCN Approval - Resource Procurement Agreement”** means a final order issued by the PUCN that (a) approves the Resource Procurement Agreement, in form and substance satisfactory to NV Energy in its sole discretion, and (b) is not the subject of (i) a petition for reconsideration or rehearing, (ii) a petition for judicial review, or (iii) a petition for a preliminary injunction.

1.40 **“Renewable Energy Law”** means an act of the Nevada legislature relating to energy, or law that affects Customer’s renewable energy consumption or that requires certain electric service providers to comply with the portfolio standard for renewable energy, and providing for other matters relating thereto, codified as NRS 704.7801 through 704.7828, inclusive, and NAC 704.8831 through 704.8937, inclusive, and the rules and regulations of WREGIS, and the regulations, guidance and other requirements promulgated thereunder, in each case as such laws, regulations, guidance and requirements may be amended, preempted or superseded.

1.41 **“Replacement Generating Facility”** means one or more energy generating facilities from which NV Energy will procure energy for Customer pursuant to a Replacement Resource Procurement Agreement.

1.42 **“Replacement Resource Procurement Agreement”** one or more agreements entered into by NV Energy to replace a terminated Resource Procurement Agreement and pursuant to which NV Energy shall obtain the right to provide energy, capacity, renewable energy attributes and ancillary services from the applicable Replacement Generating Facility and its associated facilities to serve all of the Facilities Load.

1.43 **“Resource Procurement Agreement”** means one or more agreements entered into by NV Energy and pursuant to which NV Energy shall obtain the right to provide energy, capacity, renewable energy attributes and ancillary services from the applicable Generating Facility and its associated facilities to serve all of the Facilities Load.

1.44 **“RPS”** means the State of Nevada’s Renewable Portfolio Standard.

1.45 **“Schedule No. MPE”** has the meaning set forth in the Recitals hereto.

1.46 **“Short-Term Energy”** has the meaning set forth in Section 5.2.1.

1.47 **“Tariff Rules”** means the terms and conditions applicable to Schedule No. LCMPE/MPE that have been approved by the PUCN.

1.48 **“Tax”** or **“Taxes”** means the applicable federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, fees or other charges based on the use or ownership of real property), personal property, transactional, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated tax, or other tax of any kind whatsoever, or any liability for unclaimed property or escheatment under common law principles, including any interest, penalty or addition

thereto, whether disputed or not, including any item for which liability arises as a transferee or successor-in-interest.

1.49 “**Term**” has the meaning set forth in Section 3.

1.50 “**Termination Payment**” means the net present value of the commercially reasonably forecasted remaining kWh consumption by Customer with respect to the Facilities, from the date of termination through the end of the Term, taking into account historical average kWh consumption by Customer with respect to the Facilities. For purposes of calculating the Termination Payment, the price per kWh will be the difference between the Long-Term Energy Rate and the per kWh levelized cost of energy for NV Energy’s most recent PUCN-approved renewable energy plus energy storage facility for comparable periods. In the event that such per kWh levelized cost of energy is greater than the Long-Term Energy Rate, no Termination Payment shall be payable by Customer.

1.51 “**Transferee**” has the meaning set forth in Section 10.2.

1.52 “**WREGIS**” means the Western Renewable Energy Generation Information System, or a successor organization or system.

Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Southern Nevada Electric Service Rules as contained in Tariff No. 1-B approved by the PUCN October 23, 1989.

2. CONDITIONS TO EFFECTIVENESS; EFFECTIVE DATE.

2.1 Conditions to Effectiveness. The effectiveness of this Agreement, including the Parties’ rights and obligations under this Agreement, is expressly subject to the fulfillment of each of the following conditions:

2.1.1 The PUCN Approval - ESA shall have been obtained by February 15, 2024, provided that if by such date the PUCN Approval - ESA is still pending a final decision by the PUCN, then such date shall be automatically extended for successive thirty (30)-day periods; and (b) shall be in full force and effect;

2.1.2 Resource Procurement Agreement shall have been fully executed and delivered by February 15, 2024; and

2.1.3 The PUCN Approval – Resource Procurement Agreement (a) shall have been obtained by February 15, 2024, provided that if by such date the PUCN Approval - Resource Procurement Agreement is still pending a final decision by the PUCN, then such date shall be automatically extended for successive thirty (30)-day periods; and (b) shall be in full force and effect.

For the avoidance of doubt, no aspect of this Agreement, other than this Section 2.1, shall have any effect unless and until each of the foregoing conditions have been fulfilled. If any of the foregoing conditions have not been fulfilled, this Agreement (including this Section 2.1) shall become void and of no force or effect as if it had not been entered into.

2.2 Effective Date. For purposes of this Agreement, the “Effective Date” is the date as of which (a) each of the conditions set forth in Section 2.1 has been fulfilled and (b) the Facilities have first received electric service under Schedule No. MPE.

3. **TERM**. The term of this Agreement shall commence on the Execution Date and shall continue until twenty-five (25) years from the Effective Date (the “Term”), subject to earlier termination of this Agreement pursuant to Section 4.1 or Section 9.2.

4. **ELECTIVE TERMINATION BY CUSTOMER**.

4.1 In addition to all rights and remedies afforded to Customer by Section 9 of this Agreement, Customer may elect to terminate this Agreement at any time after the Long-Term Energy Supply Commencement Date and prior to the end of the Term, for any reason and at Customer’s sole discretion, upon written notice of such election to NV Energy at least thirty-six (36) months prior to the effective date of the termination.

4.2 If Customer validly terminates this Agreement pursuant to Section 4.1, Customer shall be liable for payment to NV Energy of the Termination Payment, if any, to mitigate any potential cost to NV Energy associated with such termination.

5. **ENERGY SUPPLY**.

5.1 Facilities Load; Increase in Load.

5.1.1 Facilities Load. Customer estimates, and NV Energy acknowledges, that the anticipated peak load of the Facilities is approximately [REDACTED] MW (the “Facilities Load”).

5.1.2 Increase in Load; Short-Term Energy.

(a) If during the Term there is (a) any event or circumstance that is reasonably likely to result in a material increase to the Facilities Load, including, without limitation, Customer’s intentions or activities with respect to construction, operation, maintenance, demolition or replacement of the Facilities or any equipment related thereto, or any other material modification with respect to the Facilities, or (b) Customer’s energy requirements for the Facilities otherwise materially increase from prior usage periods (as determined by NV Energy in its reasonable discretion) (each, an “Increase in Load”), the Party that becomes aware of an Increase in Load shall promptly notify the other Party in writing. An Increase in Load of less than [REDACTED] above the Facilities Load shall not constitute an Increase in Load.

(b) Within thirty (30) days following the delivery of such notice, Customer and NV Energy shall meet and confer in good faith to evaluate the effect of the Increase in Load and shall use commercially reasonable efforts to reach a mutually acceptable resolution regarding the Increase in Load. The Parties acknowledge that any amendment to this Agreement to reflect an Increase in Load will require approval of the PUCN.

(c) If, during such thirty (30) day period, the Parties are unable to reach a mutually acceptable resolution regarding the Increase in Load, the Parties agree that, for

the balance of the Term, the Increase in Load will be supplied by NV Energy and paid for by Customer in accordance with Section 5.2 below.

5.2 Short-Term Energy Supply.

5.2.1 Procurement and Payment. Commencing on the commercial operation date of the Facilities, but no later than February 15, 2024 and continuing until the Long-Term Energy Supply Commencement Date (the “Short-Term Energy Supply Period”), NV Energy shall procure, on behalf of Customer, energy and capacity to serve the Facilities Load (“Short-Term Energy”), and Customer shall pay to NV Energy the Market-Based Energy Rate or Alternative Option Short-Term Energy Rate, whichever is applicable, with respect to Short-Term Energy. Invoices shall be provided to Customer monthly by the method or methods authorized by the Tariff Rules and shall be paid by Customer in accordance with payment terms set forth therein. An example calculation of the Market-Based Energy Rate is provided in Exhibit A, and an example calculation of the Alternative Option Short-Term Energy Rate is provided in Exhibit B.

5.2.2 Market-Based Energy Product. During the Short-Term Energy Supply Period, Customer may elect to be supplied with energy and capacity pursuant to a market-based index product based on the Platts Megawatt Daily Day-Ahead, Mead On-Peak and Off-Peak or other similar indices (a “Market-Based Energy Product”). The rate to be charged to Customer for a Market-Based Energy Product shall be the Market-Based Energy Rate.

5.2.3 Alternative Option Short-Term Energy Product. Notwithstanding Section 5.2.2 above, during the Short-Term Energy Supply Period, NV Energy shall offer, and Customer may elect to be supplied with, energy and capacity from one or more electric generating facilities owned by, or contracted to, NV Energy (the “Alternative Option Short-Term Energy Product”), provided that NV Energy has determined that (a) there is sufficient excess energy and capacity at such generating facilities to serve the Facilities Load, and (b) the Alternative Option Short-Term Energy Rate is less than or equal to the Market-Based Energy Rate. The rate to be charged to Customer for an Alternative Option Short-Term Energy Product shall be the Alternative Option Short-Term Energy Rate.

5.2.4 Change in Energy Products. If NV Energy has determined that the Alternative Option Short-Term Energy Product is available, Customer may elect to change between the Market-Based Energy Product and the Alternative Option Short-Term Energy Product, provided that Customer may not make such a change more than once during each twelve (12) month period, and each such election shall be for a minimum period of twelve (12) months. Customer must provide written notice to NV Energy no later than sixty (60) days prior to the end of the then-current twelve (12) month period to make such an election. For the avoidance of doubt, if such written notice is not received by NV Energy by the date that is no later than sixty (60) days prior to the end of the then-current twelve (12) month period, the then-existing Market-Based Index Product or the Alternative Option Short-Term Energy Product (as applicable) shall remain in place for the following twelve (12) month period.

5.2.5 Short-Term Portfolio Energy Credits. At Customer’s election in accordance with Section 5.2.5(a) below, NV Energy shall procure, on behalf of Customer, PCs with respect to Short-Term Energy.

(a) Procurement of and Payment for PCs. Customer may elect that NV Energy procure, on behalf of Customer, PCs in an amount reasonably expected to offset the impact of NV Energy's sales to Customer under this Agreement, until the Long-Term Energy Supply Commencement Date. Any such election must be made by written notice to NV Energy within ninety (90) days after the Effective Date. If Customer so elects, NV Energy will supply such PCs on behalf of Customer, and Customer shall pay NV Energy for such PCs at the PC Cost (which PC Cost will be included in the Market-Based Energy Rate or Alternative Option Short-Term Energy Rate, as applicable). Alternatively, Customer may request that NV Energy issue an RFP to obtain indicative pricing for such PCs. If Customer requests NV Energy to issue an RFP, Customer shall pay NV Energy the cost of procuring such PCs (which cost will be included in the Market-Based Energy Rate or Alternative Option Short-Term Energy Rate, as applicable), plus reimbursement of administrative costs incurred by NV Energy for administering the RFP on Customer's behalf.

(b) Monthly Invoices for PCs. An invoice will be sent to Customer monthly, showing the number of PCs procured for Customer during the previous calendar month, and other applicable Taxes or fees imposed upon the PCs. Each such monthly invoice will set forth the total amount owed by Customer for the PCs.

(c) Optional Transfer of PCs to Customer. Customer may elect to either (i) take ownership of the PCs purchased on its behalf or sold to Customer under Section 5.2.5(a) or (ii) request that NV Energy retire such PCs when appropriate. If Customer elects to take ownership of such PCs, Customer shall provide written notice of same to NV Energy and Customer shall reimburse NV Energy for any costs or expenses that NV Energy incurs for the transfer of PCs to Customer. If Customer does not elect to take ownership of such PCs, NV Energy shall provide Customer with prompt notice of any retirements and deliver to Customer proof of certification of the PCs no later than the third Business Day of April for the preceding year. NV Energy shall not be liable for certification delays or denials beyond its control.

5.3 Long-Term Energy Supply.

5.3.1 Procurement and Payment. Commencing on the Long-Term Energy Supply Commencement Date and continuing through the Term, NV Energy shall procure, on behalf of Customer, energy and capacity to serve the Facilities Load ("Long-Term Energy"), and Customer shall pay to NV Energy the Long-Term Energy Rate with respect to the Long-Term Energy. Invoices shall be provided to Customer monthly by the method or methods authorized by the Tariff Rules and shall be paid by Customer in accordance with payment terms set forth therein. An example calculation of the Long-Term Energy Rate is provided in Exhibit C.

5.3.2 Forecast. Within thirty (30) days after the Effective Date, Customer shall provide NV Energy with a non-binding, forward-looking, five-year monthly forecast (the "Forecast"). Customer shall update the Forecast annually and deliver such updated Forecast to NV Energy no later than six (6) months prior to the end of the period covered by the then-existing Forecast; provided that, in the event that Customer becomes aware of any material changes to the then-existing Forecast, Customer shall update such Forecast and deliver such updated Forecast to NV Energy as soon as is reasonably practicable. If Customer fails to deliver an updated Forecast

to NV Energy as provided in this Section 5.3.2, Customer agrees that NV Energy shall use and be entitled to rely on the last Forecast received from Customer.

5.3.3 Long-Term Energy Rate Adjustment. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the Long Term Energy Rate shall be adjusted to reflect any increase in the cost to NV Energy of the applicable Generating Facility under the Resource Procurement Agreement, which increase in cost will be reflected in the Long Term Energy Overall Rate beginning on the date of the next monthly invoice to be provided to Customer following such increase in cost and continuing for the remainder of the Term. NV Energy shall provide Customer with written notice of any such increase in cost, and the resulting change to the Long-Term Energy Rate, within five (5) Business Days after any such increase in cost occurs. NV Energy shall use commercially reasonable efforts to exercise all rights and remedies that it may have under the Resource Procurement Agreement to avoid or mitigate an increase in the cost of the Generating Facility under the Resource Procurement Agreement and the resulting Long-Term Energy Rate; provided, however, that the foregoing covenant shall not restrict NV Energy from entering into any amendment, modification or supplement to the Resource Procurement Agreement (including with respect to the cost of the Generating Facility).

5.3.4 Long-Term Energy Rate Calculation. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the Long-Term Energy Rate reflects the fixed rate for the Generating Facility for the hours the Generating Facility is in production, plus the Base Tariff Energy Rate and the Deferred Energy Accounting Adjustment rates for non-production hours. NV Energy shall provide Customer with written notice of any increase in production or non-production hours cost, and the resulting change to the Long-Term Energy Rate, within five (5) Business Days after any such increase in cost occurs. The applicable production hours and non-production hours are defined in Exhibit D.

5.3.5 Long-Term Portfolio Energy Credits.

(a) Customer Entitlement to Portfolio Energy Credits. Commencing on the Long-Term Energy Supply Commencement Date and continuing through the Term, Customer shall be entitled to PCs associated with Long-Term Energy generated by the Generating Facility for each kWh of Customer's Long-Term Energy consumption. In the event that PCs from the Generating Facility are unavailable in a quantity to meet Customer's load for any reason, NV Energy will provide substitute PCs; provided that if the Generating Facility is unable to produce PCs for a period of time longer than sixty (60) days, the Parties agree to work together to find an alternative source for PCs at the PC Cost.

(b) Certification of Portfolio Energy Credits. NV Energy will take such commercially reasonable actions as may be necessary and appropriate to cause WREGIS and the PC Administrator to certify or otherwise validate in a timely manner all PCs with respect to Long-Term Energy generated by the Generating Facility to which Customer is entitled. NV Energy shall make commercially reasonable efforts to deliver to Customer proof of certification of the PCs no later than the third Business Day of April for the preceding year. The Parties acknowledge and agree that the certification of PCs is WREGIS-dependent, and that the timing of certification is solely at WREGIS' discretion. NV Energy shall not be liable for certification delays or denials beyond its control.

(c) Retirement of Portfolio Energy Credits. NV Energy will take such commercially reasonable actions as may be necessary and appropriate to retire PCs, on behalf of Customer, with respect to Long-Term Energy and to provide an annual report of such retirement which meets applicable certification and reporting requirements.

(d) Optional Transfer of Portfolio Energy Credits. If Customer elects to take ownership of the PCs to which it is entitled rather than have NV Energy retire them on behalf of Customer pursuant to Section 5.3.5(c), NV Energy shall not be required to incur any additional costs or expense for the transfer of such PCs to Customer. As such, any expense incurred for such transfer shall be borne by Customer, and invoiced as part of the next regularly scheduled invoice.

5.4 Effect of Termination of Resource Procurement Agreement.

5.4.1 In the event that (a) prior to the date that the Generating Facility has achieved commercial operation, the Resource Procurement Agreement is terminated for any reason other than a material breach or default by NV Energy, or (b) after the Generating Facility has achieved commercial operation, the Generating Facility is not delivering energy and capacity as contracted for under the Resource Procurement Agreement, the following provisions will apply:

(a) NV Energy will be excused from its obligations under this Agreement to procure Long-Term Energy on behalf of Customer for a period of up to five (5) years, commencing on the date that the Resource Procurement Agreement is terminated or the date that the Generating Facility is not delivering energy and capacity as contracted for under the Resource Procurement Agreement (as applicable), and the Parties shall mutually determine a revised Long Term Energy Supply Commencement Date.

(b) NV Energy will instead procure Short-Term Energy (and, if elected by Customer, PCs) on behalf of Customer, and Customer shall pay NV Energy the Market-Based Energy Rate or the Alternative Option Short-Term Energy Rate (as applicable) with respect to such Short-Term Energy in accordance with Section 5.2, commencing on the date that the Resource Procurement Agreement is terminated or the date that the Generating Facility is not delivering energy and capacity as contracted for under the Resource Procurement Agreement (as applicable) and ending on the revised Long Term Energy Supply Commencement Date.

(c) Commencing on the revised Long Term Energy Supply Commencement Date and continuing through the remaining Term, NV Energy shall procure Long-Term Energy (and deliver substitute PCs, if necessary) on behalf of Customer, and Customer shall pay NV Energy the Long-Term Energy Rate (as it may be adjusted pursuant to Section 5.5.1 below) with respect to such Long-Term Energy, in accordance with Section 5.3.

5.5 Effect of Replacement Procurement Agreement.

5.5.1 In the event that Resource Procurement Agreement is terminated or the Generating Facility is not delivering energy and capacity as contracted for under the Resource Procurement Agreement and (a) NV Energy enters into a Replacement Resource Procurement Agreement and (b) the PUCN Approval – Replacement Resource Procurement Agreement is

obtained, the Parties agree that the Long-Term Energy Rate shall be adjusted to reflect any increase or decrease in the cost to NV Energy of the applicable Replacement Generating Facility as compared with the cost to NV Energy of the applicable Generating Facility under the Resource Procurement Agreement (as the Long-Term Energy Rate may have been adjusted pursuant to Section 5.3.3). NV Energy shall use commercially reasonable efforts to avoid or mitigate a significant increase in the Long-Term Energy Rate in connection with entering into Replacement Resource Procurement Agreement; provided, however, that the foregoing covenant shall not restrict NV Energy from entering into any Replacement Resource Procurement Agreement.

5.5.2 In the event that NV Energy does not enter into a Replacement Resource Procurement Agreement, or if the PUCN Approval – Replacement Resource Procurement Agreement is not obtained:

(a) if the Resource Procurement Agreement was terminated prior to the commencement of the Long-Term Energy Supply Commencement Date, each of the Parties shall have the right to terminate this Agreement upon written notice to the other Party, and Customer shall be liable for its payment obligations that arose prior to the date of termination, and

(b) if after achieving commercial operation the Generating Facility is not delivering energy and capacity as contracted for under the Resource Procurement Agreement (and, therefore, the Long-Term Energy Supply Commencement Date has occurred), Customer shall have the right to terminate this Agreement pursuant to Section 4.1 and shall be liable for (i) its payment obligations that arose prior to the date of termination and (ii) the payment of the Termination Payment, if any, pursuant to Section 4.2.

6. COVENANTS OF THE PARTIES.

6.1 Covenants of NV Energy.

6.1.1 PUCN Approval - ESA. Following the Execution Date, NV Energy shall use commercially reasonable efforts to obtain the PUCN Approval – ESA in a timely manner; provided that, in the event a final order is issued by the PUCN that (a) denies transactions contemplated by this Agreement, or (b) approves the transactions contemplated by this Agreement but such order imposes conditions not acceptable to NV Energy in its sole discretion, NV Energy may, but shall not be obligated to, undertake further efforts to obtain the PUCN Approval - ESA.

6.1.2 PUCN Approval - Resource Procurement Agreement. Following the Execution Date, NV Energy shall use commercially reasonable efforts to obtain the PUCN Approval - Resource Procurement Agreement in order to meet the Long-Term Energy Supply Commencement Date; provided that, in the event a final order is issued by the PUCN that (a) denies the transactions contemplated by the Resource Procurement Agreement, or (b) approves the Resource Procurement Agreement but such order imposes conditions not acceptable to NV Energy in its sole discretion, NV Energy may, but shall not be obligated to, undertake further efforts to obtain the PUCN Approval - Resource Procurement Agreement.

6.1.3 Renewable Portfolio Standard Compliance. During the Term, NV Energy shall use commercially reasonable efforts that the Short-Term Energy and Long-Term

Energy procured for Customer complies with the RPS when providing its services to Customer under Schedule No. MPE.

6.2 Covenants of Customer.

6.2.1 No Alternative Provider. After the Effective Date and during the Term of this Agreement, NV Energy shall be the sole and exclusive provider of electricity to meet Customer's electricity requirements for the Facilities. [REDACTED]

6.2.2 No Impact Fee. [REDACTED]

6.3 Confidentiality.

6.3.1 Disclosure. Neither Party shall disclose the content of this Agreement, or disclose any information exchanged between the Parties related to this Agreement, except to its Affiliates and advisors, without the prior written consent of the other Party except as required by applicable law, by any court or other Governmental Entity, but only to the extent, that, based upon reasonable advice of counsel, a Party is required to do so and prior to making such disclosure, the Party shall, to the extent legally permitted, provide the other Party with prompt notice of such disclosure. Notwithstanding the above, NV Energy may disclose this Agreement and information exchanged related to the content of this Agreement to the PUCN and the PUCN's Regulatory Operations Staff for purposes of obtaining approval of this Agreement or to otherwise advance the purposes of this Agreement.

6.3.2 Public Announcements. Neither Party will issue or make any press releases or similar public announcements concerning this Agreement without the prior written consent of the other Party.

7. NOTICES.

7.1 Method of Delivery; Contacts. Except for the monthly invoices referenced in Sections 5.2 and 5.3, each notice, consent, request, or other communication required or permitted under this Agreement must be in writing and delivered personally, transmitted by

electronic mail, or sent by certified mail (postage prepaid, return receipt requested) or by a recognized international courier or overnight delivery service provider, and addressed to a Party as follows:

Customer:

MSG Las Vegas, LLC
Two Pennsylvania Plaza
New York, NY 10121

Attention: [REDACTED]
Email: [REDACTED] and
Attention: [REDACTED]
Email: [REDACTED]

With a copy to:

Davison Van Cleve, P.C.
4675 W. Teco Ave., Suite 230
Las Vegas, NV 89119
Attention: Curt R. Ledford
Email: CRL@dvclaw.com

NV Energy:

NV Energy
7155 S. Lindell Road, MS B13RE
Las Vegas, NV 89118
Attention: Manager, Energy Supply Contract Management
Email: ContractManagement@nvenergy.com

With a copy to:

NV Energy
6226 W. Sahara Ave., M/S 2
Las Vegas, NV 89146
Attention: General Counsel
Email: legal@nvenergy.com

7.2 Receipt of Notice; Change of Information. Each notice, consent, request, or other communication is deemed to have been received by the Party to whom it was addressed (a) when delivered if delivered personally; (b) upon acknowledgement of receipt, if delivered by telecopier or electronic mail, (c) on the third (3rd) Business Day after the date of mailing if mailed by certified mail; or (d) on the date officially recorded as delivered according to the record of delivery if delivered by courier or overnight delivery. Each Party may change its contact information for purposes of the Agreement by giving written notice to the other Party in the manner set forth above.

8. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.

8.1 Representations and Warranties of Customer.

8.1.1 Customer's Standing. Customer represents that it is (a) a duly organized and validly existing limited liability company which is in good standing under the laws of the State of Nevada, and (b) licensed to do business in the State of Nevada.

8.1.2 Customer's Authority; Enforceability. Customer has the full limited liability power and authority to execute and deliver this Agreement and the other transaction documents to which it will be a party in connection with the transactions contemplated hereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Customer of this Agreement and the other transaction documents to which it will be a party in connection with the transactions contemplated hereby, and the performance by Customer of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary entity action, and assuming due and valid authorization, execution and delivery thereof by the other Party, will be when delivered, valid and binding obligations of Customer, enforceable against Customer in accordance with their terms.

8.1.3 No Pending Actions, Suits or Proceedings against Customer. Customer represents that, to its knowledge, there are no Actions pending or threatened against Customer in any court or before any administrative agency that would prevent its performance under this Agreement.

8.2 Representations and Warranties of NV Energy.

8.2.1 NV Energy's Standing. NV Energy represents that it (a) is duly organized, validly existing and in good standing under the laws of the State of Nevada, and (b) is licensed to do business in the State of Nevada.

8.2.2 NV Energy's Authority; Enforceability. NV Energy has the full corporate power and authority to execute and deliver this Agreement and the other transaction documents to which it will be a party in connection with the transactions contemplated hereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by NV Energy of this Agreement and the other transaction documents to which it will be a party in connection with the transactions contemplated hereby, and the performance by NV Energy of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary entity action, and assuming due and valid authorization, execution and delivery thereof by the other Party, will be when delivered, valid and binding obligations of NV Energy enforceable against NV Energy in accordance with their terms.

8.2.3 No Pending Actions, Suits or Proceedings against NV Energy. NV Energy represents that, to its knowledge, there are no Actions pending or threatened against NV Energy in any court or before any administrative agency that would prevent its performance under this Agreement.

9. DEFAULT; REMEDIES.

9.1 Each of the following shall be an “Event of Default” under this Agreement:

9.1.1 If NV Energy fails to deliver the Short-Term Energy or Long-Term Energy pursuant to the terms of this Agreement; provided, however, that such failure shall not be considered an Event of Default in the event of a resource or transmission outage that requires curtailment of service in order to maintain reliability, system integrity or safety;

9.1.2 If Customer fails to pay any amount when due in accordance with Schedule No. MPE, or any other amount due pursuant to this Agreement within the period specified in Schedule No. MPE (or within forty-five (45) days after such amount is due when no other period is specified in Schedule No. MPE), provided that NV Energy shall provide written notice of such non-payment to Customer and Customer shall have fifteen (15) days in which to cure such non-payment;

9.1.3 If either Party is in material breach of any representation or warranty set forth herein or fails to perform any covenant, agreement or other material obligation set forth in this Agreement, including the covenants of the Parties set forth in Section 6 (other than failure to pay referenced in Section 9.1.2), and such breach or failure is not cured within thirty (30) days after written notice of the default is provided to the defaulting Party from the non-defaulting Party; provided, however, that the cure period shall be extended by an additional thirty (30) days if (a) the defaulting Party is unable to cure such breach, (b) failure is not cured within such thirty (30) day period but such Party is diligently pursuing a cure, and (c) the material breach cannot reasonably be cured within such thirty (30) day period; or

9.1.4 If either Party files any voluntary petition in bankruptcy, or any of such Party’s creditors files an involuntary petition, which involuntary petition remains undischarged for a period of thirty (30) days.

9.2 Termination. Upon the occurrence of an Event of Default, the non-defaulting Party shall provide notice of the default to the defaulting Party and shall specify in such notice the basis for the Event of Default. In addition to the cure periods specified in Section 9.1.3, unless another cure period is specified in this Agreement, the defaulting Party shall have thirty (30) days from the date the defaulting Party receives written notice of an Event of Default to cure the Event of Default. If the Event of Default is not cured within such thirty (30)-day period, or another cure period specified in this Agreement, the non-defaulting Party may provide notice to the defaulting Party that the Agreement has been terminated. The termination shall be effective in accordance with the notice provisions of this Agreement. The defaulting Party shall remain liable for any obligations that the defaulting Party had pursuant to the Agreement prior to the date of termination, in addition to any other surviving obligations specified herein or remedies available pursuant to Section 9.3.

9.3 Remedies.

9.3.1 In General. Subject to Sections 9.1 and 9.2, upon an Event of Default by a Party, the other Party shall have, in addition to any other remedies available to such Party at law or in equity, the right, but not the obligation, to terminate or suspend this Agreement with respect to all obligations arising after the effective date of such termination or suspension

(other than payment obligations relating to obligations arising prior to such termination or suspension).

9.3.2 Termination Payment. In the event this Agreement is validly terminated by NV Energy in connection with an Event of Default of Customer pursuant to Section 9.2, in addition to Customer remaining liable for its obligations prior to the date of termination, Customer shall be liable for payment to NV Energy of the Termination Payment, if any, to mitigate any potential cost to NV Energy associated with such termination.

10. MISCELLANEOUS PROVISIONS

10.1 Limitation of Liability. Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be liable to the other Party or a third party for any consequential, punitive, indirect, exemplary, expectation or incidental damages, including, but not limited to, damages based on lost revenues or profits. This Section 10.1 shall survive the expiration or earlier termination of, or any default or excuse of performance under, this Agreement.

10.2 Assignment; Binding Effect. Without the prior written consent of the other Party, which shall not be unreasonably withheld, delayed or conditioned, neither Party may assign, delegate or otherwise transfer to any third party (a “Transferee”), whether by contract, operation of law or otherwise, including in connection with any reorganization, merger or consolidation in which the other Party is not the surviving entity, this Agreement or any of a Party’s rights or obligations under this Agreement. Any assignment, delegation or other transfer in breach of this Section 10.2 will be void and of no effect. As a condition to any granting of a Party’s written consent, the Transferee must agree to assume all obligations of such Party under this Agreement pursuant to a written agreement in form and substance reasonably satisfactory to the other Party. This Agreement is binding upon, inures to the benefit of, and is enforceable by the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, either Party may assign, delegate or otherwise transfer this Agreement or any of a Party’s rights or obligations under this Agreement to its Affiliate(s), so long as such Affiliate(s) agree to assume all obligations of such Party under this Agreement pursuant to a written agreement in form and substance reasonably satisfactory to the other Party.

10.3 Taxes, Fees or Charges from Governmental Entities. Customer is responsible for any Taxes, fees or charges including, but not limited to, those from Governmental Entities imposed on or associated with the Portfolio Energy Credits or their transfer to Customer. Either Party, upon written request of the other Party, shall provide a certificate of exemption or other reasonably satisfactory evidence of exemption if such Party is exempt from Taxes, and shall use reasonable efforts to obtain and cooperate with the other Party in obtaining any exemption from or reduction of any Tax, fee or charges including, but not limited to, those from Governmental Entities.

10.4 Expenses. Except as otherwise expressly provided in this Agreement, each Party shall pay its own costs and expenses incurred in connection with the negotiation, execution, performance and enforcement of its rights and obligations under this Agreement and the transactions contemplated hereby.

10.5 No Waiver. The failure of either Party to enforce any of the provisions of this Agreement at any time, or to require performance by either Party of any of the provisions of this Agreement at any time, will not be a waiver of any provisions, nor in any way affect the validity of the Agreement, or either Party's right to enforce each and every provision hereof.

10.6 Remedies. All rights and remedies of either Party provided for in this Agreement are cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity, or otherwise, except as provided in Section 10.1.

10.7 Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of Nevada, without giving effect to any conflict of law principles that would apply the laws of another jurisdiction. In the event the PUCN has jurisdiction over a civil action or remedy brought under this Agreement, the Parties agree that they will first seek to initiate such action before the PUCN. In the event the PUCN lacks jurisdiction over such a dispute, the Parties agree the dispute will be brought in the U.S. District Court for the District of Nevada. In the event the federal court lacks jurisdiction over such a dispute, the Parties agree the dispute will be brought in the state district court in Clark County, Nevada. The Parties agree not to initiate any legal action against the other Party except in the jurisdictions as provided in this Section 10.7.

10.8 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

10.9 Integration. This Agreement represents the entire and integrated agreement between NV Energy and Customer and supersedes all prior and contemporaneous oral and written communications, representations, and agreements relating to the subject matter of the transaction, except as otherwise expressly stated herein.

10.10 Amendments. Any change, modification, or amendment to this Agreement is not enforceable unless consented to in writing by the Parties and executed with the same formality as this Agreement. The Parties acknowledge that any change, modification or amendment to this Agreement may require approval of the PUCN.

10.11 Severability. If any portion or provision of this Agreement is deemed invalid, illegal, or unenforceable, or any event occurs that renders any portion or provision of the Agreement void, including but not limited to a final order by the PUCN, the other portions or provisions of this Agreement will remain valid and enforceable. Any voided portion or provision will be deemed severed from this Agreement, and the balance of this Agreement will be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The Parties further agree to amend this Agreement to replace any stricken portion or provision with a valid provision that comes as close as possible to the intent of the stricken portion

or provision. Nothing in this Section 10.11 shall be construed to waive the conditions in Section 2.1.

10.12 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this Agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

10.13 Headings; Exhibits; Cross References. The headings or section titles contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement, nor should they be used to aid in any manner in the construction of this Agreement. All exhibits and schedules attached to this Agreement are incorporated into this Agreement by reference. All references in this Agreement to Sections, Subsections, Exhibits, and Schedules are to Sections, Subsections, Exhibits, and Schedules of or to this Agreement, unless otherwise specified. Unless the context otherwise requires, the singular includes the plural and the plural includes the singular and the neuter includes feminine and masculine.

10.14 Performance of Acts on Business Days. Any reference in this Agreement to time of day refers to local time in Clark County, Nevada. All references to days in this Agreement refer to calendar days, unless stated otherwise. If the final date for payment of any amount or performance of any act required by this Agreement falls on a day other than a Business Day, that payment is required to be made or act is required to be performed on the next Business Day.

10.15 No Construction Against Drafting Party. The language used in this Agreement is the product of both Parties' efforts and each Party hereby irrevocably waives the benefits of any rule of contract construction that disfavors the drafter of a contract or the drafter of specific words in a contract.

10.16 Business Formation. Nothing in this Agreement creates a partnership, joint venture or other similar business construct between the Parties.


10.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.18 Time of Essence. Time is of the essence with respect to all obligations of the Parties hereunder.



[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the Execution Date.

**NEVADA POWER COMPANY d/b/a NV ENERGY,
a Nevada corporation**

By: 
Name: Douglas A. Cannon
Title: President & CEO

**MSG LAS VEGAS, LLC, a Delaware limited
liability company**

 DocuSigned by:
By: 
ABA2B67CC83D4BE...
Name: Gautam Ranji
Title: Chief Financial officer

Confidential - Exhibit A

Indicative Sample of Short-Term Energy Supply Charge at [REDACTED] MW per Hour

per hour Payment of Public Program charges and fees are subject to PUCN determination

Short-Term Energy Charge	\$ [REDACTED]
Transmission & Distribution	[REDACTED]
Portfolio Energy Credits \$ [REDACTED] @ [REDACTED] % RPS	\$ [REDACTED]
Total, not inclusive of franchise fees or public program charges/fees	\$ [REDACTED]

Confidential - Exhibit B

Indicative Sample of Alternative Short-Term Energy Supply Charge at [REDACTED] MW per Hour
per hour Payment of Public Program charges and fees are subject to PUCN determination

Short-Term Energy Charge	\$ [REDACTED]
Transmission & Distribution	\$ [REDACTED]
Portfolio Energy Credits \$ [REDACTED] @ [REDACTED] RPS	\$ [REDACTED]
Total, not inclusive of franchise fees or public program charges/fees	\$ [REDACTED]

Confidential - Exhibit C

Indicative Sample of Long-Term Energy Supply Charge at [REDACTED] MW per Hour

per hour Payment of Public Program charges and fees are subject to PUCN determination

Energy Charge	\$ [REDACTED]
Transmission & Distribution	[REDACTED]
Total, not inclusive of franchise fees or public program charges/fees	\$ [REDACTED]

Exhibit D

Generating Facility production hours include both Solar Hours and Battery Hours. Non-production hours are all hours other than production hours. All hours are based upon a 24-hour day starting at midnight (zero hour).

Month	Solar Hours		Battery Hours	
	Hour Ending Begin	Hour Ending End*	Hour Ending Begin	Hour Ending End*
1	9	16	17	20
2	9	16	17	20
3	8	17	18	21
4	7	17	18	21
5	7	17	18	21
6	7	18	19	22
7	7	18	19	22
8	7	17	18	21
9	8	17	18	21
10	8	16	17	20
11	9	16	17	20
12	9	16	17	20

*Inclusive of ending hour

EXHIBIT B

NEVADA POWER COMPANY - d/b/a NV ENERGY

ESA PRICING MODEL FOR MSG, LAS VEGAS

Energy Supply Agreement Pricing Model

Docket No. 23-08XXX Direct Filing

PREPARED BY THE

REGULATORY PRICING AND ECONOMIC ANALYSIS DEPARTMENT

August 2023

**THIS ESA PRICING MODEL WAS PREPARED TO SERVE AS THE
BASIS FOR THE LONG TERM FIXED ENERGY RATE IN DOCKET NO. 23-08XXX**

Nevada Power Company ESA Pricing

Table 1: ESA Pricing

Line No.	Cost Components	Costs (\$)	Line No.
1			1
2	PV Cost		2
3	Battery Cost		3
4	Non Solar Capacity Cost		4
5	Planning Reserve Margin Cost		5
6	Total Annual Cost		6
7			7
8	Forecast Annual Energy (MWh)		8
9			9
10	Cost Components	Costs (\$/MWh)	10
11	PV Cost		11
12	Battery Cost		12
13	Non Solar Capacity Cost		13
14	Planning Reserve Margin Cost		14
15	ESA Offer Price >>		15
16			16
17			17
18			18
19			19
20			20

Table 2: ESA Pricing Cost Components

Line No.		Rate Component Calculation	Costs (\$)	Line No.
1	Component 1 PV Cost	Total PV + BESS (MWh)	[REDACTED]	1
2		PV Price (\$/MWh)	[REDACTED]	2
3		Annual PV + BESS Energy Cost	[REDACTED]	3
4				4
5	Component 2 Battery Cost	Annual Storage Demand (MW)	[REDACTED]	5
6		Battery Capacity Price (\$/MW)	[REDACTED]	6
7		Annual Storage Capacity Cost	[REDACTED]	7
8				8
9	Component 3 Non-Solar Capacity Cost	Grid Energy (MWh)	[REDACTED]	9
10		Non-Solar Capacity Price (\$/MWh)	[REDACTED]	10
11		Annual Non Solar Capacity Cost	[REDACTED]	11
12				12
13	Component 4 Planning Reserve Margin	Planning Reserve Margin Energy (MWh)	[REDACTED]	13
14		Planning Reserve Margin Price (\$/MWh)	[REDACTED]	14
15		Annual Planning Reserve Margin Cost	[REDACTED]	15
16				16
17		Total Annual Cost	[REDACTED]	17
18				18
19				19
20				20
21				21
22				22
23				23
24				24

Table 3: Billing Determinants and Pricing

Line No.			Line No.
1			1
2	Customer Profile	MWh	2
3	Energy Served by Dedicated Resource - Includes Battery Charging w/ Losses		3
4	Round Trip Battery Charging Losses		4
5	Grid Energy (MWh)		5
6	Planning Reserve Margin Energy		6
7			7
8	BESS Facility Characteristics	MW	8
9	Annual Storage Demand		9
10			10
11	Pricing		11
12	PV Price (\$/MWh)		12
13	Battery Capacity Price (\$/MW)		13
14	Non-Solar Capacity Price (\$/MWh)		14
15	Planning Reserve Margin Price (\$/MWh)		15
16			16
17	Battery Capacity Price Calculation		17
18	Monthly Battery Capacity Cost (\$/MW-Month)		18
19			19
20	Annual Battery Capacity Cost (\$/MW-Year)		20
21	Annual Charging Hours (Hours)		21
22	Hourly Battery Capacity Cost (\$/MW-Hour)		22
23			23
24			24

EXHIBIT C

August 14, 2023

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

RE: MSG Las Vegas, LLC Letter of Support for Energy Supply Agreement filed in Docket No. 23-08_____

Dear Ms. Osborne:

MSG Las Vegas, LLC (“Sphere”) is pleased to submit this letter in support of the Application of Nevada Power Company d/b/a NV Energy (“NV Energy”) for approval of the Long-Term Energy Supply Agreement between Sphere and NV Energy (the “ESA”), which, upon approval, will provide sustainable, clean, renewable energy service to Sphere.

Scheduled to open in September, Sphere is a next-generation entertainment medium that will redefine the future of live entertainment. A new Las Vegas landmark, Sphere will enable audiences to share immersive experiences at a never-before-seen scale.

Sphere was designed to achieve high standards of sustainability and to maximize energy efficiency. The venue’s exterior and interior LED screens utilize the most energy-efficient lighting available today and the venue’s advanced distributed heating and cooling system avoids wasteful reheating. Additionally, Sphere’s data centers have been designed to conform to state-of-the-art energy-efficient hot-aisle containment strategies and in-row cooling. Sphere is committed to achieve its sustainability goals both now and well into the future.

Given these goals, providing the venue with reliable, clean, and affordable energy is of paramount importance, which was a driving factor in Sphere’s initial decision to seek 704B status in 2018. However, now that the Commission has approved NV Energy’s Market Price Energy tariff (“MPE”), Sphere sees this ESA as an attractive opportunity to obtain affordable renewable energy through the MPE, which is provided by Nevada’s incumbent regulated utility.

Sphere therefore supports the ESA in this Application, and respectfully asks for the Commission’s approval. Thank you in advance for your consideration.

Respectfully submitted



Richard Claffey
Executive Vice President & COO

CC: Christopher Schimpf
Curt Ledford



thespherevegas.com
Burbank, California

EXHIBIT D

**PUBLIC UTILITIES COMMISSION OF
NEVADA DRAFT NOTICE
(Applications, Tariff Filings, Complaints, and Petitions)**

The Commission requires a draft notice be included with all applications, petitions and complaints. See Nevada Administrative Code 703.162. Please include one copy of this form with all the above filings.

- I. A title that generally describes the relief requested (see NAC 703.160(5)(a)):

Application of Nevada Power Company d/b/a NV Energy for Approval of an Energy Supply Agreement with MSG Las Vegas, LLC.

- II. The name of the applicant, complainant, petitioner or the name of the agent for the applicant, complainant or petitioner (see NAC 703.160(5)(b)):

Nevada Power Company d/b/a NV Energy.

- III. A brief description of the purpose of the filing or proceeding, including, without limitation, a clear and concise introductory statement that summarizes the relief requested or the type of proceeding scheduled **AND** the effect of the relief or proceeding upon consumers (see NAC 703.160(5)(c)):

Nevada Power Company is requesting the Public Utilities Commission of Nevada issue an Order approving an energy supply agreement with MSG Las Vegas, LLC (“MSG”) for purposes of providing electric service to its entertainment venue, located in Las Vegas, Nevada. The ESA will provide a mechanism to allow MSG’s facility to take service under the Market Price Energy tariff (“MPE Tariff”).

- IV. A statement indicating whether a consumer session is required to be held pursuant to Nevada Revised Statute (“NRS”) 704.069(1):¹

No. A consumer session is not required pursuant to NRS 704.069.

- V. If the draft notice pertains to a tariff filing, please include the tariff number **AND** the section number(s) or schedule number(s) being revised.

Not Applicable

¹ **NRS 704.069 Commission required to conduct consumer session for certain rate cases; Commission required to conduct general consumer session annually in certain counties.**

1. The Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which:

(a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale or an application to clear its deferred accounts; and

(b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant’s annual gross operating revenue, whichever is less.

2. In addition to the case-specific consumer sessions required by subsection 1, the Commission shall, during each calendar year, conduct at least one general consumer session in the county with the largest population in this state and at least one general consumer session in the county with the second largest population in this state. At each general consumer session, the Commission shall solicit comments from the public on issues concerning public utilities. Not later than 60 days after each general consumer session, the Commission shall submit the record from the general consumer session to the Legislative Commission.

TESTIMONY

JANET WELLS

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Nevada Power Company d/b/a NV Energy

Docket No. 23-080__

Application for approval of an Energy Supply Agreement
with MSG Las Vegas LLC

Prepared Direct Testimony of

Janet Wells

1
2
3
4
5
6
7
8
9 **1. Q. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS ADDRESS**
10 **AND PARTY FOR WHOM YOU ARE FILING TESTIMONY.**

11 A. My name is Janet Wells. My current position is Vice President of Regulatory for
12 Nevada Power Company d/b/a NV Energy (“Nevada Power” or the “Company”)
13 and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and, together with
14 Nevada Power, the “Companies”). My business address is 6100 Neil Road, Reno,
15 Nevada 89511. I am filing testimony on behalf of Nevada Power.
16

17 **2. Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE IN THE**
18 **UTILITY INDUSTRY.**

19 A. I hold a Bachelor of Arts Degree in Geography and a Master of Science Degree in
20 Applied Economics and Statistics. I have more than 15 years of utility experience
21 within the Rates and Regulatory Affairs department. Prior to joining the
22 Companies, and during an absence from the Companies, I worked in economic
23 consulting and research. The details of my background and experience are provided
24 in **Exhibit Wells-Direct-1.**
25
26
27

1 3. Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES IN YOUR
2 CURRENT POSITION?

3 A. My responsibilities are to oversee the preparation of regulatory filings before the
4 Public Utilities Commission of Nevada (“Commission”), and specifically, the work
5 performed by the Load Research and Forecasting, Pricing, and Regulatory Affairs
6 technical teams.

7
8 4. Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC
9 UTILITIES COMMISSION OF NEVADA (“COMMISSION”)?

10 A. Yes, most recently in Docket No. 23-06007, Nevada Power’s General Rate Case.
11 **Exhibit Wells-Direct-1** provides a full list of proceedings in which I have testified
12 before the Commission.

13
14 5. Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?

15 A. Yes. I am sponsoring the following Exhibit:

16 **Exhibit Wells-Direct-1** Statement of Qualifications

17
18 6. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A. The purpose of my testimony is to provide support for Nevada Power’s request for
20 approval of the Energy Supply Agreement (“ESA”) with MSG Las Vegas LLC
21 (“MSG”). The ESA includes both a short-term energy supply period and long-term
22 energy supply period. Specifically, I will provide an overview of the framework of
23 the ESA and explain how it provides a unique opportunity to meet the sustainability
24 objectives of MSG, while also providing value to the Companies’ non-participating
25 customers. In addition, I will explain why the ESA is in the public interest. In
26 summary, my testimony shows that the ESA between Nevada Power and MSG is

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

in the public interest, advances Nevada’s sustainability and economic policies and objectives, and benefits all customers of the Companies. Jeffrey Bohrman provides testimony in support of the calculation of the long-term energy supply rate for the ESA, and Tim Pollard supports the short form Statement O to reflect the addition of MSG’s load and relative impacts to non-participating customers.

7. Q. IS NEVADA POWER REQUESTING CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION CONTAINED IN YOUR TESTIMONY?

A. Yes. Confidential information is redacted in my testimony and the ESA.

8. Q. PLEASE DESCRIBE THE CONFIDENTIAL MATERIAL.

A. Portions of my testimony and the ESA contain customer specific information of MSG, as well as confidential information of Nevada Power which is commercially sensitive and/or trade secret information that derives independent economic value from not being generally known. This information is not known outside the Companies and its distribution is limited within the Companies.

9. Q. FOR HOW LONG DOES NEVADA POWER REQUEST CONFIDENTIAL TREATMENT?

A. The requested period for confidential treatment is for no less than five years.

///
///
///

1 10. Q. WILL CONFIDENTIAL TREATMENT IMPAIR THE ABILITY OF THE
2 COMMISSION'S REGULATORY OPERATIONS STAFF ("STAFF") OR
3 THE BUREAU OF CONSUMER PROTECTION ("BCP") TO
4 PARTICIPATE IN THIS DOCKET.

5 A. No. In accordance with the accepted practice in Commission proceedings, the
6 confidential material will be provided to Staff and the BCP under standardized
7 protective agreements with them.
8

9 11. Q. PLEASE PROVIDE AN OVERVIEW OF THE ESA BETWEEN NEVADA
10 POWER AND MSG.

11 A. The ESA between Nevada Power and MSG (collectively the "Parties") is an
12 agreement that requires Nevada Power to serve up to ■ megawatts of MSG's load
13 at its new entertainment venue (the "Sphere") located near the Las Vegas Strip.
14 MSG meets the eligibility requirement of the Market Price Energy Tariff ("MPE")
15 that provides a path for MSG to have its energy needs served by Nevada Power
16 through an ESA as opposed to an alternative energy provider. MSG has opted into
17 a 25-year ESA contract.¹ The 25-year contract provides for a fixed price for all
18 energy provided by the resource² while using the variable base tariff energy rate
19 ("BTER") and deferred energy accounting adjustment rate ("DEAA") to apply to
20 all other provision of energy. After 25 years, MSG will retain the option to pursue
21 an alternative provider for its energy if notice of that choice is provided to the
22 Company at least three years prior to the conclusion of the ESA contract.
23
24

25 _____
26 ¹ The details of the 25-year contract have been presented in Docket 23-02010 and 23-02011 within the context of the
Large Customer Market Price Energy Tariff ("LCMPE").

27 ² The resource is Sierra Solar, a combined 400 MW solar and 400 MW battery energy storage facility being requested
for approval in the 5th amendment to the 2021 Integrated Resource Plan.

1 MSG's ESA is composed of two distinct energy supply periods: a short-term energy
2 supply period and a long-term energy supply period. The short-term energy supply
3 period encompasses the time between the approval of this ESA and the earlier of
4 the commercial operation of the renewable energy facilities or December 31, 2027.
5 The long-term energy supply period begins after the short-term period is set to
6 conclude by December 31, 2053. By December 31, 2050, MSG will notify Nevada
7 Power of its intention to either seek another ESA for approval to remain on the
8 MPE tariff, move to fully bundled service, or exercise the option to seek energy
9 from an alternative supplier.

10
11 **12. Q. HOW HAS NEVADA POWER APPROACHED THIS ESA IN LIGHT OF**
12 **PAST APPLICATIONS AND THE INVESTIGATORY DOCKET**
13 **RELATED TO THE SIMILAR LCMPE TARIFF?**

14 A. While this ESA is presented under the MPE tariff, Nevada Power has implemented
15 certain comments received in the LCMPE investigatory docket in building the
16 current application. For example, the ESA is requested for approval at the time of
17 the Integrated Resource Plan ("IRP") amendment where the resource is proposed
18 for approval. By filing the ESA application concurrently, the Commission has a
19 transparent view of the request for the resource as approved to serve existing
20 customers as well as this ESA.

21
22 In addition, Nevada Power approached the development of the ESA price to reflect
23 increased transparency into the pricing model. As described in detail in the
24 testimony of Mr. Bohrman, Exhibit B – MSG ESA Pricing is an Excel file that
25 reflects all resource and customer specific inputs to develop the fixed ESA price as
26 well as the development of the designation of each hour of the year based on the
27

1 resource serving the load needs of MSG during that hour. The model is supported
2 by a workpaper that includes all other applicable tariff charges, public program
3 costs and multiple potential future BTER and DEAA rates to show an overall
4 effective rate. Nevada Power is committed to ensuring transparent review of the
5 ESA model and will schedule a walk-through of the specific inputs and calculations
6 within the model with Staff, BCP, and MSG as soon as practicable after filing this
7 testimony. The Company is committed to continuing this offer with each ESA to
8 provide transparency into the development of the ESA price with descriptions of
9 the specific characteristics of each agreement as well as building familiarity with
10 the structure of the model.

11
12 **13. Q. HOW WILL NEVADA POWER SERVE MSG DURING THE SHORT-
13 TERM ENERGY SUPPLY PERIOD?**

14 A. The short-term energy supply period encompasses the time MSG's Sphere begins
15 taking electric service upon approval of the ESA until such time as the Sierra Solar
16 Project's renewable energy facilities reach their respective commercial operation
17 dates. During this time, Nevada Power will serve MSG using a market-based
18 energy rate outlined in the ESA contract. Prior to the approval of the ESA, MSG
19 will be served as provided in the waiver request in Docket No. 23-05046.
20

21 **14. Q. ARE THERE COSTS ASSOCIATED WITH IMPLEMENTING THE
22 SHORT-TERM ENERGY SUPPLY PERIOD?**

23 A. Yes. During the short-term energy supply period, Nevada Power will follow the
24 terms of the ESA, including procuring market-based index product and related
25 responsibilities of the transactions, such as additional communication with MSG
26 representatives, billing, and record keeping. For the short-term energy supply
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

period, Nevada Power will assess MSG a [REDACTED]/megawatt hour (“MWh”) administrative fee, which will be equally allocated between Nevada Power and non-participating customers. This allocation helps ensure that there is no harm to non-participating customers.

15. Q. HAS THE SHORT-TERM ENERGY SUPPLY PERIOD COMMENCED?

A. No, the short-term supply period will not commence until the Commission approves the ESA. Nevada Power is prepared to begin to serve MSG under the short-term energy supply period upon commercial operation of MSG’s Sphere and approval of the ESA.

16. Q. HOW WILL NEVADA POWER SERVE MSG UNDER MPE WHILE THE ESA IS IN THE PROCESS OF COMMISSION REVIEW AND APPROVAL?

A. The ESA’s renewable energy resources proposed to serve MSG through the ESA are included in the Fifth Amendment to the 2021 IRP filed concurrently with this Application. Nevada Power and MSG jointly previously requested that the Commission approve a waiver prior to the commercial operation of MSG’s Sphere understanding that the ESA would not be approved by the Commission prior to the Sphere’s commercial operation date. The joint waiver petition seeks to preserve MSG’s ability to be served under the MPE tariff, while the ESA is reviewed by the Commission. The joint waiver petition proceeding is currently before the Commission in Docket No. 23-05046. As proposed in the waiver petition, using market-based energy to serve MSG while the ESA application is being considered by the Commission provides protection for existing customers.

1 17. Q. **WHY DID THE PETITION FOR WAIVER NOT INCLUDE THE ESA**
2 **APPLICATION?**

3 A. Nevada Power and MSG filed the waiver petition concurrently with MSG’s request
4 to suspend the compliance schedule in its Nevada Revised Statutes Chapter 704B
5 application proceeding, Docket No. 18-10034. Nevada Power did not wait to file
6 the petition for waiver with this ESA application because the Fifth Amendment to
7 the 2021 IRP was not anticipated to be filed until late summer of 2023. Waiting
8 until that time to file the waiver petition would have left limited time between the
9 filing of the waiver petition and the anticipated commercial operation date for
10 MSG’s Sphere.

11
12 18. Q. **WILL NEVADA POWER ENSURE MSG IS COMPLIANT WITH THE**
13 **RENEWABLE ENERGY PORTFOLIO STANDARD DURING THE**
14 **SHORT-TERM ENERGY SUPPLY PERIOD?**

15 A. Yes. Per terms of Schedule No. MPE and Condition 6.1.3 of the ESA, Nevada
16 Power will retire portfolio energy credits on behalf of MSG to ensure compliance
17 with the Renewable Portfolio Standard (“RPS”) by using commercially
18 reasonable efforts during the Short-Term Energy Supply Period. Condition 1.33 of
19 the ESA also allows Nevada Power to procure additional portfolio credits on
20 MSG’s behalf and expense to offset the impact of the RPS.

21
22 19. Q. **WHEN DOES THE LONG-TERM ENERGY SUPPLY PERIOD**
23 **COMMENCE?**

24 A. The long term-energy supply period is expected to commence once the Sierra Solar
25 Project, proposed in the Fifth Amendment to the 2021 IRP, is approved by the
26 Commission and reaches commercial operation. The long-term energy supply
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

period will continue until such time that the ESA is either terminated or reaches its natural term expiry.

20. Q. PLEASE EXPLAIN THE PRICE MSG PAYS FOR ENERGY UNDER THE LONG-TERM ENERGY SUPPLY PERIOD.

A. During the long-term energy supply period, MSG will pay a fixed price of [REDACTED]/MWh for energy consumed by the Sphere for the hours designated as solar or battery hours. A description of how the fixed price was calculated is provided in the testimony of Jeff Bohrman and detailed in the Excel workbook provided as Exhibit B to this Application.

21. Q. DOES MSG HAVE A RIGHT TO TERMINATE THE ESA? IF SO, WHEN AND UNDER WHAT CONDITIONS?

A. Yes. The ESA provides MSG the right to terminate once the long-term energy supply period commences. However, MSG must provide timely notice of such intent per the terms of the ESA. In the event it elects to terminate the ESA, the ESA also includes a provision requiring an early termination payment that is meant to hold non-participating customers harmless for the period encompassing the effective date of termination until the expiry of the ESA term.

22. Q. WILL THE ENTIRE OUTPUT OF THE RENEWABLE ENERGY FACILITIES SERVE MSG EXCLUSIVELY?

A. No. The output of the renewable energy facilities will be shared by the Sphere and the Companies' other customers. The nameplate capacity of Sierra Solar for both the solar and battery projects is 400 MW. MSG will pay a fixed long-term energy

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

rate for every MWh of energy consumed by the Sphere during hours identified as solar or battery, up to an instantaneous peak of [REDACTED] MW.

23. Q. IF ENERGY FROM THE RENEWABLE ENERGY FACILITIES IS BEING SHARED WITH NON-PARTICIPATING CUSTOMERS, WHAT RATE WILL NON- PARTICIPATING CUSTOMERS PAY FOR ENERGY FROM THE FACILITIES?

A. Non-participating customers will pay the base generation rates derived from the costs of the underlying renewable energy facility in the request for approval of the project. MSG’s revenue contribution from the ESA decreases these costs for remaining customers. Nevada Power’s witness, Tim Pollard, provides the rate impact of the ESA in his testimony.

24. Q. IS THE ESA BETWEEN NEVADA POWER AND MSG IN THE PUBLIC INTEREST?

A. Yes, the ESA is in the public interest for the reasons stated below.

First, this transaction facilitates the addition of a new customer to the Companies’ systems, which leads to more efficient planning, procurement, and utilization of utility-controlled assets. This stability and efficiency tends to drive down the costs of many of the activities Nevada Power undertakes on behalf of all customers.

Second, the model informing the long-term price in the energy supply agreement uses the same cost of the resource being requested in the 5th amendment to the integrated resource plan for use by existing customers and MSG. That cost is applied during hours designated as resource hours and adds in the cost of planning

1 reserve margin for MSG. This results in no additional cost being spread to existing
2 customers.

3
4 Third, during hours where the resource is not designated as the energy source, MSG
5 will pay the variable BTER and DEAA rates for all non-solar and non-battery
6 hours. By paying this variable rate, MSG is contributing to the fuel and purchased
7 power costs, including a portion of the existing renewables contracts identified in
8 the R-BTER rate component. There is a benefit to existing customers from MSG's
9 contribution to fuel and purchased power costs because the hours where MSG will
10 be relying on the grid to serve its load are lower cost hours, yet MSG will pay the
11 flat BTER and DEAA rate, calculated as the average of all hours. During these
12 hours, MSG is also contributing to system capacity costs based on the capacity
13 portion of the approved long-term avoided costs. This results in ensuring no
14 additional cost to existing customers and provides a benefit in the difference
15 between the average fuel and purchased power costs paid versus the cost of fuel
16 and purchased power when serving MSG under this rate.

17
18 Fourth, as an MPE customer, MSG will contribute to all public program rates that
19 DOS customers do not currently pay. These include the temporary renewable
20 energy development rate, renewable energy program rate, and the energy efficiency
21 rate. By contributing to these programs, the rates for existing customers will
22 decrease, providing a benefit.

23
24 Fifth, MSG choosing to be served by Nevada Power through an ESA rather than as
25 a distribution-only service ("DOS") customers means its alternative supplier is not
26 competing with Nevada Power for limited market resources. Increased demand as
27

1 would occur if MSG was being served by an alternative supplier, coupled with
2 potential short supply may lead to upward pressure on prices for all customers.

3
4 Sixth, approximately [REDACTED] of MSG's load will be served by renewable energy with
5 the procurement of renewable energy credits ensuring the customer will reflect
6 100% renewable energy. This proportion exceeds the current state mandated
7 renewable portfolio stand and therefore increases the overall renewable proportion
8 for Nevada Power as a total, furthering the Company's sustainability goals.

9
10 Finally, the ESA will continue to serve as a template for other new large customers
11 to replicate, bringing new investment and employment opportunities to Nevada,
12 which will result in the further development of new renewable and carbon free
13 energy resources located throughout the State.

14
15 **25. Q. DOES RETIRING THE PORTFOLIO ENERGY CREDITS ON MSG'S**
16 **BEHALF OR TRANSFERRING THE PORTFOLIO ENERGY CREDITS**
17 **TO MSG UNDER THE ESA ADVERSELY AFFECT NEVADA POWER?**

18 A. No. The renewable energy facilities proposed for the Sierra Solar Project are
19 concurrently being considered by the Commission for approval. Nevada
20 Power's position relative to compliance with Nevada's RPS will not be
21 adversely impacted, especially because MSG is being served using only a
22 portion of the renewable energy facilities proposed for the Sierra Solar Project.

23
24 **26. Q. PLEASE SUMMARIZE YOUR RECOMMENDATION.**

25 A. I recommend that the Commission approve the ESA between MSG and Nevada
26 Power.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

27. Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes.

EXHIBIT WELLS-DIRECT-1

Janet C. Wells
Vice President of Regulatory
Rates and Regulatory Affairs
NV Energy
6100 Neil Road
Reno, Nevada 89511-1137
(775) 834-4135

Mrs. Wells has been an employee of NV Energy for more than fifteen years and her time at the company includes her previous positions as Regulatory Policy Director, Manager of Load Research, Senior Economist and Staff Economist in the Rates and Regulatory Affairs department and her current position as Vice President of Regulatory. Her current responsibilities are focused on the analytical and strategic approaches to regulatory issues and filings.

Prior to joining NV Energy, Mrs. Wells had experience in economic consulting and research in both corporate and academic environments, detailed below, as well as other non-profit business experience not specifically detailed below.

Employment History

NV Energy

October 2011 to Present

December 2000 to August 2005

Vice President of Regulatory

May 2022 to Present

- Oversee the preparation of regulatory filings before the Public Utilities Commission of Nevada and specifically the Load Research, Pricing, and Regulatory Affairs technical teams.

Regulatory Policy Director, Rates and Regulatory Affairs

March 2020 to April 2022

- Direct analytical and strategic approaches to regulatory issues and filings as well as corporate deliverables. Conduct research and analysis in support of new regulatory initiatives. Collaborate with regulatory groups in developing analysis and strategic approaches to integrating regulatory, load research, load forecasting, and pricing.
- Continue to support the management and technical production of class loads and other regulatory filings employing load data analyses.

Manager, Load Research, Rates and Regulatory Affairs

April 2017 to February 2020

Supervisor, Load Research, Rates and Regulatory Affairs

July 2012 to March 2017

- Manage all data and analysis related to producing hourly class loads for all Nevada Power and Sierra Pacific customer classes. Specifically, this process includes verification and estimation of interval data from multiple systems, population identification and validation, statistical sampling from populations, expansion of sample classes to produce class level total loads, and verification of final class loads to historical loads.

- Support all regulatory filings and data requests with load data and analysis ranging from: providing actual data, drafting responses, providing feedback to responses, and documenting completed analysis. Write and support testimony as needed.
- Provide validated load data and analysis to numerous areas within the company including Major Accounts, Load Forecasting, Energy Efficiency, Billing, Contracts, and to specific projects within the company such as the Energy Imbalance Market and Advanced Metering Infrastructure. In addition, provide validated load data where appropriate for external requests.
- Provide expertise and support to other major projects related to load data management and analysis including all work from raw data integrations and management, customer specific deliverables, original programming to produce needed calculations, and both data and statistical support of final analyses and report writing for projects such as the Nevada Dynamic Pricing Trial (NDPT)

Senior Economist, Advanced Service Delivery Project

October 2011 to July 2012

- Managed statistical sampling for U.S. Department of Energy reporting on metrics and recruitment
- Contributed to development of statistical design for analysis
- Managed data integrations needed for implementation of project

Staff Economist, Rates and Regulatory Affairs

October 2001 to August 2005

- Updated the Nevada Power Cost of Service Study as an input to rate cases
- Updated Customer Weighting Factor Study for Nevada Power and Sierra Pacific as an input to rate cases
- Supported all regulatory filings with testimony review and responses to data requests

Senior Economist, Rates and Regulatory Affairs

December 2000 to October 2001

- Developed Nevada Power Cost of Service Study as an input to rate cases
- Developed automated system for completing Customer Weighting Factor Studies

Other Related Employment

University of Nevada, Reno

May 2005 to August 2006

Research Associate

- Developed statistical programs for data management and analysis of 20 years of data to assess the Economic Value of Hiking for publication in a book chapter
- Developed survey instrument, data management from the survey, and econometric analysis related to wild horse adoption

Triangle Economic Research, Durham, NC

July 1997 to December 2000

Senior Economist, March 2000-December 2000

Economist, July 1997-March 2000

- Prepared preliminary estimate of recreational fishing damages from hazardous substance release using revealed preference data in a random utility model
- Estimated random utility models to determine expected catch using multiple methods, including non-parametric estimation and a multinomial logit estimation of catch (presented at American Agricultural Economics Association annual meeting)
- Developed and administered survey of recreational boaters; acquired survey research firm and validated data. Developed analysis plan for probit model of probability of site choice and conditional logit model of recreational benefits from restoration projects. Results were published with estimates of recreational benefits from proposed restoration projects using benefit transfer from other cases in Arizona Law Review
- Completed data collection, data management, econometric modeling and analysis, and report writing to estimate aggregate values of recreational activities using a nested price index, published in Environmental and Resource Economics

Prior Testimony Before Public Utilities Commissions

PUCN Docket Nos.: 15-07041, 15-07042, 16-06006, 17-06003, 17-06014, 17-06015, 18-08007, 18-10034, 19-02002, 19-04002, 19-06002, 20-06003, 21-09031, 21-09032, 22-06014, 22-09002, 22-09006, 22-11032, 23-02010, and 23-02011.

Education

University of Nevada, Reno

Master of Applied Economics and Statistics, August 1996

University of Manitoba, Winnipeg, Manitoba

Bachelor of Arts in Geography, June 1992

Continuing Education

NERA Marginal Cost Methodology for Electric Utilities

SAS Programming I and II

CORE Leadership Training

Six Sigma Green Belt Certification


1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, JANET WELLS, states that she is the person identified in the foregoing prepared testimony and/or exhibits; that such testimony and/or exhibits were prepared by or under the direction of said person; that the answers and/or information appearing therein are true to the best of her knowledge and belief; and that if asked the questions appearing therein, her answers thereto would, under oath, be the same.

I declare under penalty of perjury that the foregoing is true and correct.

Date: August 22, 2023


Janet Wells

JEFF BOHRMAN

1 **BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

2 Nevada Power Company d/b/a NV Energy

3 Docket No. 23-08_____

4 Application for approval of an Energy Supply Agreement
5 With MSG Las Vegas LLC

6 Prepared Direct Testimony of

7 **Jeffrey R. Bohrman**
8

9 **I. INTRODUCTION**

10 **1. Q. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS ADDRESS**
11 **AND PARTY FOR WHOM YOU ARE FILING TESTIMONY.**

12 A. My name is Jeffrey R. Bohrman. My current position is Director of Regulatory
13 Pricing and Economic Analysis for Nevada Power d/b/a NV Energy (“Nevada
14 Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra,” and
15 together with Nevada Power, the “Companies”). My business address is 6100 Neil
16 Road, Reno, Nevada. I am filing testimony on behalf of Nevada Power.

17
18 **2. Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE IN THE**
19 **UTILITY INDUSTRY.**

20 A. I have been employed by the Companies since May 2005. I have held several
21 positions in the Accounting and Regulatory departments, with the last seven years
22 in the role as a Director/Manager/Supervisor of the Regulatory Pricing and
23 Economic Analysis group. I hold a Bachelor of Science in Business Administration
24 from Humboldt State University in Arcata, California, and a Master of Business
25 Administration degree from Santa Clara University. My statement of qualifications
26 is attached as **Exhibit Bohrman Direct-1**.

1 3. Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC
2 UTILITIES COMMISSION OF NEVADA (“COMMISSION”)?

3 A. Yes. I have testified before this Commission many times during my 18 years with
4 the Companies, including in Nevada Power’s General Rate Case (“GRC”)
5 proceeding this year (Docket No. 23-06007). A complete list of dockets in which I
6 have provided testimony before this Commission is included with my statement of
7 qualifications.
8

9 4. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

10 A. Nevada Power seeks approval of an Energy Supply Agreement (“ESA”) between
11 Nevada Power and MSG Las Vegas, LLC (“MSG”) for purposes of providing
12 short-term and long-term electric service to MSG’s facility under the Nevada
13 Power’s Market Price Energy (“MPE”) rate schedule. I support the ESA’s fixed
14 long-term energy price and the underlying pricing model. Timothy Pollard supports
15 a short-form rate design model that illustrates the estimated impacts on non-
16 participating customers. Janet Wells supports the terms and conditions in the ESA
17 and describes benefits to non-participating customers in her prepared direct
18 testimony.
19

20 5. Q. PLEASE PROVIDE AN OVERVIEW OF HOW YOUR TESTIMONY IS
21 ORGANIZED.

22 A. My testimony is comprised of three sections:
23 I. Introduction;
24 II. ESA Pricing and Modeling; and
25 III. Conclusion.
26
27

1 **6. Q. ARE YOU SPONSORING ANY EXHIBITS?**

2 A. Yes. I am sponsoring the following Exhibits:

- 3 • Exhibit Bohrman Direct-1 – Statement of Qualifications.

4
5 **II. ESA PRICING AND MODELING**

6 **7. Q. WHEN WILL MSG COMMENCE SERVICE UNDER THE ESA?**

7 A. MSG will be served under a short-term energy supply period, using market energy
8 purchases, upon approval of the ESA until the time service under the long-term
9 energy supply period can commence. The term of MSG’s long-term ESA is
10 expected to commence once the dedicated renewable energy resource, the Sierra
11 Solar Project, reaches commercial operation. The Sierra Solar Project is a solar
12 photovoltaic (“Solar”) and battery energy storage system (“BESS”). The long-term
13 energy supply period will continue until such time that the ESA is either terminated
14 or reaches its stated expiration. Ms. Wells discusses the terms of the ESA in her
15 prepared direct testimony.

16
17 **8. Q. PLEASE EXPLAIN THE FIXED ENERGY PRICE DEVELOPED FOR THE
18 ESA WITH MSG.**

19 A. During the long-term energy supply period, MSG will pay a fixed price per
20 megawatt hour for hours in which Solar or BESS can be utilized for MSG’s electric
21 consumption. This fixed price is calculated by modeling the forecasted electric
22 consumption for MSG against the annual revenue requirement of a Solar and BESS
23 project sized appropriately to serve MSG’s load. The pricing model provides the
24 revenue requirement per MWh required from the Sierra Solar Project and charges
25
26
27

1 that price to MSG.¹ Below, I detail components of the fixed price calculations and
2 how they are used to determine the per MWh ESA price:

- 3
- 4 1) MSG’s hourly load is assigned, for each hour of the year, to one of three
5 predetermined hourly categories, Solar, BESS, and Grid hours based on the
6 expected PV production of the underlying dedicated resource and expected
7 BESS daily dispatch. Grid hours represent those hours that fall outside of
8 those in which MSG’s load can be served by Solar and/or BESS. For
9 derivation see the provided workpapers for Exhibit B.
- 10 2) The annual total cost of providing Solar energy directly to the customer to
11 meet the load needs during solar hours, as well as the Solar energy required
12 to charge the BESS, including roundtrip energy losses, sufficient to meet
13 the customer’s load for the four hours immediately following the daily end
14 of Solar production. See worksheet named “Table 2: ESA Pricing Cost
15 Components” in the Application Exhibit B – MSG Pricing Model, lines 1
16 to 3.
- 17 3) The annual total cost for the BESS storage capacity required to serve the
18 customer’s full BESS period load. See worksheet named “Table 2: ESA
19 Pricing Cost Components” in the Application Exhibit B – MSG Pricing
20 Model, lines 5 to 7.
- 21 4) The annual total cost for the capacity portion of the Long-Term Avoided
22 Cost (“LTAC”) for the Grid served energy. See worksheet named “Exhibit
23 Table 2: ESA Pricing Cost Components” in the Application Exhibit B –
24 MSG Pricing Model, lines 9 to 11.
- 25
- 26

27 ¹ See Exhibit B MSG Pricing Model, worksheet named “Table 1: ESA Pricing”, lines 6, 8, and 15.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 5) The annual total cost for the planning reserve margin (“PRM”) held on behalf of this customer by Nevada Power. In this case the PRM is reflected as 16% of the most recently approved generation functional revenue requirement divided by fully bundled megawatt-hours at the time consistent with the development of that functional revenue requirement. See worksheet named “Table 2: ESA Pricing Cost Components” in the Application Exhibit B – MSG Pricing Model, lines 13 to 15.
- 6) The calculation of the per MWh ESA price to be charged to MSG as the sum of the annual total costs from items 2 through 6 divided by the MWhs during the solar and BESS hours. See worksheet named “Table 1: ESA Pricing” in the Application Exhibit B – MSG Pricing Model, lines 11 to 15.

9. Q. HOW DID NEVADA POWER ASSIGN SOLAR, BESS, OR GRID STATUS TO EACH HOUR OF THE YEAR?

A. To mirror how Nevada Power will bill MSG, each hour of the day was assigned one of the following categories, Solar, BESS or Grid. For hours of the day in which MSG will not be served by the Solar and BESS, MSG will pay the same energy rates as if they were being served under the otherwise applicable fully bundled rate schedule. Nevada Power reviewed the Solar production data for the Sierra Solar Project and assigned Solar hours by month for hours when the Solar is producing for over 50 percent of anticipated highest hour of production in each month.² For example, in January if the solar production estimated during hour ending 8 am is at least 50 percent of the hour with the highest production in that month, that hour is defined as a solar hour. This definition is a conservative measure by ensuring at

² See the provided Exhibit B Workpapers 2 for the calculation assigning solar hours from the estimated solar production from the Sierra Solar Project.

1 least half of the production is available prior to assigning to MSG. When Nevada
2 Power models BESS dispatch, Nevada Power assumes that the four immediate
3 hours following the daily end of defined Solar hours will be BESS discharge hours.
4 In other words, the four hours immediately following the last hour defined as Solar
5 were assigned to BESS dispatch. The remaining hours that were not assigned either
6 Solar or BESS designation were assigned as Grid hours. During Grid hours, Nevada
7 Power is serving the loads of the customer with energy that is not dispatched from
8 the dedicated Solar and BESS resources and charged the existing base tariff energy
9 rate and deferred energy accounting adjustment.

10
11 **10. Q. PLEASE EXPLAIN THE CAPACITY COST FOR ENERGY PROVIDED**
12 **DURING GRID HOURS.**

13 A. When Nevada Power bills MSG on the MPE rate schedule, the customer will
14 receive credits applied to all consumption and Time-of-Use (“TOU”) demand
15 billing determinants that reflect the cost of generation which is built into fully
16 bundled rates.³ To add back in capacity costs that are removed when applying the
17 generation credits to grid delivered energy, Nevada Power has applied the cost of
18 the capacity-only portion of the calculated long term avoided cost (“LTAC”) to the
19 grid delivered energy. The LTAC is the incremental cost that Nevada Power avoids
20 by having to utilize one less MW of generation capacity. In this case, Nevada Power
21 utilized the capacity portion of the LTAC computed in support of the Companies’
22 preferred plan in its compliance filing in Docket No. 21-06001, which represents
23 the most recent Commission accepted LTAC.

24
25
26
27 ³ The generation credits will be applied to billing determinants based on energy from all sources including PV, BESS,
and Grid sources.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

11. Q. WHY IS NEVADA POWER INCLUDING THE ANNUAL COST FOR PRM IN THE TOTAL ESA PRICE FOR MSG?

A. The rate design structure for MPE customers includes credits for the overall generation revenue that is embedded in fully bundled TOU demand and energy rates. This allows for the customer to be excluded from the overall system costs of generation and be served directly from the dedicated resource included in the ESA. However, the loads of MPE customers are considered in the planning reserve requirements of the system resulting in a cost to be paid by the customer. Thus, the PRM costs are incorporated into MPE customers' rate calculations. The current PRM value of 16 percent, from the most recently approved general rate case, was used in the calculations, and converted to a per MWh price. Using the estimated annual loads of the MPE customer, the annual cost is calculated and then spread to only the fixed ESA hours in order to add the cost to the fixed ESA price.

III. CONCLUSION

12. Q. WHAT IS YOUR OVERALL RECOMMENDATION FOR THE COMMISSION?

A. The Commission should accept Nevada Power's proposed long-term energy supply price as proposed and supported by the ESA pricing model.

13. Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes.

EXHIBIT BOHRMAN-DIRECT-1

JEFFREY R. BOHRMAN
DIRECTOR, REGULATORY PRICING AND ECONOMIC ANALYSIS
RATES AND REGULATORY AFFAIRS

NV Energy
6100 Neil Road
Reno, Nevada 89511-1137

Mr. Bohrman has been an employee of NV Energy for eighteen years, his current position is within the Regulatory Pricing & Economic Analysis section of the Rates & Regulatory Affairs department. His current responsibilities are focused upon electric cost of service and rate design issues and supplementary studies in support of the Rate & Regulatory Affairs department's responsibilities.

Employment History

NV Energy

May 2005 to Present

Director, Regulatory Pricing & Economic Analysis
Manager, Regulatory Pricing & Economic Analysis
Supervisor, Regulatory Pricing & Economic Analysis
Pricing Specialist, Regulatory Pricing & Economic Analysis
Staff Analyst, Regulatory Pricing & Economic Analysis
Senior Analyst, Regulatory Pricing & Economic Analysis
September 2008 to Present

- Guides the Pricing team to resolve the complex set of pricing, financial, economic, and regulatory issues necessary to produce quality filings and the analysis necessary to support management decisions.
- Provides credible and timely cost-of-service studies, rate design and tariff and policy interpretations, develops new pricing and service options that benefit and better serve both the Company and its customers.
- Provides or guides the analysis related to contracts and tariff development as well as supporting a variety of regulatory requirements, including Rule and Tariff administration and interpretation.
- Develops recommendations for objectives and strategies for cost of service and rate design related portions of regulatory filings.
- Provides project direction/management and review for regulatory filings. Coordinates team input and workload.
- Supervises, directs and coordinates analysis and problem resolution related to marginal cost of service, rate design and line extension rules for both Nevada Power and Sierra Pacific Power retail jurisdictions.
- Coordinates with numerous departments to gather data for Marginal Cost of Service, Rate Design Customer Weighting Factor and other Pricing and Economic Analysis Studies.
- Serves as a witness on marginal cost and rate design related matters.
- Provides ancillary support for Company filings and other Rate & Regulatory Affairs department responsibilities.

Senior Accountant, Corporate Accounting
May 2005 to September 2008

Non-NV Energy Employment

Harmonic Inc.

Senior Accountant
January 2000 to May 2005

Prior Testimony before Public Utilities Commission of Nevada

PUCN Docket Nos.: 10-06001, 11-03003, 11-06006, 12-06052, 12-06053, 13-03003, 13-03004, 13-06002, 13-07002, 13-07005, 14-02040, 14-02041, 14-05004, 15-02039, 15-02040, 15-07041, 15-07042, 16-03003, 16-03004, 16-06006, 17-03001, 17-03002, 17-06003, 19-03001, 19-03002, 19-06002, 20-02026, 20-02027, 20-06003, 22-03001, 22-03002, 22-03003, 22-06014, 23-03005, 23-03006, 23-03007, 23-06007

Education

Santa Clara University

Master of Business Administration, December 2003

Humboldt State University

Bachelor of Science in Business Administration, June 1999

Continuing Education

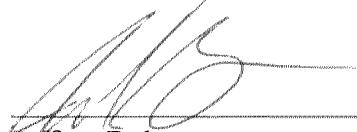
- NARUC Utility Rate School
- NERA Estimation of Electricity Marginal Costs and Application to Pricing
- NERA Marginal Cost Working Group
- Utility Finance and Accounting for Financial Professionals
- Economists Inc. Utilities of the Future Rates Group
- Innovative Rates Working Group

AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, JEFFREY BOHRMAN, states that he is the person identified in the foregoing prepared testimony and/or exhibits; that such testimony and/or exhibits were prepared by or under the direction of said person; that the answers and/or information appearing therein are true to the best of his knowledge and belief; and that if asked the questions appearing therein, his answers thereto would, under oath, be the same.

I declare under penalty of perjury that the foregoing is true and correct.

Date: August 22, 2023



Jeffrey Bohrman

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TIM POLLARD

1 **BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

2 Nevada Power Company d/b/a NV Energy

3 Docket No. 23-080__

4 Application for approval of an Energy Supply Agreement
5 with MSG Las Vegas LLC

6 Prepared Direct Testimony of

7 **Timothy Pollard**

8
9 **1. Q. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS ADDRESS**
10 **AND PARTY FOR WHOM YOU ARE FILING TESTIMONY.**

11 A. My name is Tim Pollard. My current position is Director for Load Forecasting,
12 Research and Analytics in the Rates and Regulatory Affairs department for Nevada
13 Power d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company
14 d/b/a NV Energy (“Sierra” and, together with Nevada Power, the “Companies”).
15 My business address is 6100 Neil Road in Reno, Nevada. I am filing testimony on
16 behalf of Nevada Power.

17
18 **2. Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE IN THE**
19 **UTILITY INDUSTRY.**

20 A. I have worked in the Rates and Regulatory Affairs department since 2007, and most
21 recently as a Technical Lead within the department where my focus was on
22 regulatory cost of service and rate design issues. In my current position, my primary
23 focus is working with the team on load forecasting and research matters for the
24 Companies.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I have been an expert witness before the Public Utilities Commission of Nevada (“Commission”) regarding load forecasts, cost of service and regulatory pricing issues in support of the Rate & Regulatory Affairs department’s responsibilities. I was also previously employed by the Companies in 2004 as a Load Forecasting Economist within the Resource Planning department. My statement of qualifications is attached as **Exhibit Pollard Direct-1**.

3. Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION.

A. My responsibilities include leading and overseeing the Companies’ load forecasts and historical load data research activities for the Companies. This includes all technical aspects of their historical and forecast class load data used for regulatory filings with the Commission. My educational background, previous positions and professional experience are summarized in **Exhibit Pollard Direct-1**.

4. Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA (“COMMISSION”)?

A. Yes. Most recently, I provided testimony with the Commission in 2023 Nevada Power General Rate Case filing (Docket No. 23-06007). A full list of cases in which I have provided testimony before the Commission can be found in **Exhibit Pollard Direct-1**.

5. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the excerpts from the Company’s rate design Statement O model for a simplified version of the class revenue allocations to include in this filing (“short form Statement O”). The exhibit presents the impact

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

of the proposed Energy Service Agreement (“ESA”) under the Market Price Energy (“MPE”) tariff for MSG Las Vegas LLC’s (“MSG”) new facility on the rates paid by Nevada Power customers. The short form Statement O is attached to my testimony as **Exhibit Pollard Direct-2**.

6. Q. IS THE COMPANY REQUESTING CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION CONTAINED IN YOUR EXHIBITS?

A. Yes. **Exhibit Pollard Direct-2** contains confidential information.

7. Q. PLEASE DESCRIBE THE CONFIDENTIAL MATERIAL.

A. Portions of **Exhibit Pollard Direct-2** (and the corresponding workpapers) contain customer specific information of MSG, as well as confidential information of the Company which is commercially sensitive and/or trade secret information that derives independent economic value from not being generally known. This information is not known outside the Company and its distribution is limited within the Company.

8. Q. FOR HOW LONG DOES NEVADA POWER REQUEST CONFIDENTIAL TREATMENT?

A. The requested period for confidential treatment is for no less than five years.

///
///
///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

9. Q. WILL CONFIDENTIAL TREATMENT IMPAIR THE ABILITY OF THE COMMISSION'S REGULATORY OPERATIONS STAFF ("STAFF") OR THE BUREAU OF CONSUMER PROTECTION ("BCP") TO PARTICIPATE IN THIS DOCKET.

A. No. In accordance with the accepted practice in Commission proceedings, the confidential material will be provided to Staff and the BCP under standardized protective agreements with them.

10. Q. PLEASE SUMMARIZE EXHIBIT POLLARD DIRECT-2.

A. **Exhibit Pollard Direct-2** uses information from the Statement O model provided as part of a compliance filing in the 2020 Nevada Power General Rate Case filing, Docket No. 20-06003, to estimate the impact of the MSG ESA on individual customer classes. The exhibit is generally the same as that filed with the Commission in the Company's recent Advice Letter filing revising its Large Customer Market Price Energy ("LCMPE") tariff (Docket No. 23-02010),¹ with some minor refinements reflecting discussions with Staff and BCP personnel in that docket.

The impact to individual customer classes included in Statement O's revenue reconciliation steps are estimated under three scenarios. Page 1 of the exhibit summarizes the calculations under the three options. The first option, on page 2, demonstrates how class revenue is shifted under the MPE rate option, followed by an apt comparison for MSG served on the Distribution-Only Service ("DOS") schedule on page 3. Page 4 of **Exhibit Pollard Direct-2** summarizes the impact as

¹ Note that, while there are similarities between the two tariffs, the MPE tariff is not at issue in Docket No. 23-02010, only changes to the LCMPE tariff are currently pending approval.

1 if MSG were to pay bundled service rates, although this is not a particularly helpful
2 comparison for a customer such as MSG that has been approved by the Commission
3 to be eligible for DOS service in Docket No. 18-10034.

4
5 Page 5 of **Exhibit Pollard Direct-2** summarizes the estimated impact to Base Tariff
6 Energy Rates (“BTER”) with the addition of MSG’s load and the ESA using
7 information from the ESA pricing framework as supported by Company witness
8 Jeffrey Bohrman.

9
10 **11. Q. IS THE COMPARISON THE SAME AS THE SHORT FORM STATEMENT**
11 **O PRESENTED TO THE COMMISSION IN DOCKET NO. 23-02010?**²

12 A. Yes, while minor changes have been incorporated based upon the Companies’
13 discussion with Regulatory Operations Staff and the Bureau of Consumer
14 Protection, the approach presented is the same.

15
16 The ultimate impact presented on page 1 of **Exhibit Pollard Direct-2** is based upon
17 MSG’s loads and the pricing information that informed the ESA agreement.
18 Further, as the dedicated resource at issue will be company-owned, the project cost
19 will be recovered through rates for Base Tariff General Rate (“BTGR”) revenue
20 requirement, instead of through a Purchased Power Agreement that would recover
21 the resource costs through Base Tariff Energy Rates (“BTER”). As shown on page
22 1 of **Exhibit Pollard Direct-2**, MSG’s ESA agreement has the largest impact on
23 BTGR revenue requirement, instead of through the recovery of energy costs
24 illustrated in the general example presented in the advice letter filing in Docket No.
25 23-02010. It is worth noting that there is still a large positive impact on the BTER

26
27 ² As noted above, the MPE tariff is not at issue in Docket No. 23-02010.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

from the ESA as the customer will pay those rates for all energy used outside of the resource production hours.

12. Q. WHAT IS THE OVERALL IMPACT OF THE ESA IN THIS PROCEEDING ON INDIVIDUAL CUSTOMER CLASSES?

A. The short form Statement O results show that the proposed MSG ESA has an overall positive rate impact on non-participating customers. The ESA will reduce the bundled-service general rates retail revenue requirement through the addition of MSG’s load to bundled service. These additional billing determinants reduce the amount of revenue requirement paid by non-participating customers. At the time of the next GRC, MSG’s load and ESA will be included as part of Nevada Power’s retail loads and will be incorporated through the appropriate cost of service and rate design calculations where this incremental benefit will be embedded within the full Statement O rate design model for all customer classes.

When comparing the positive impact to all other customers, the short form Statement O model demonstrates that there is a positive impact on rates paid for all customers through a reduction of costs of approximately \$8.8 million from the MSG ESA. This is greater than the \$1.2 million for the DOS service option, and also greater than the \$8.5 million from the fully-bundled service option.

13. Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes.

EXHIBIT POLLARD-DIRECT-1

TIM POLLARD
DIRECTOR, LOAD FORECASTING, RESEARCH & ANALYTICS
RATES & REGULATORY AFFAIRS

NV Energy
6100 Neil Road
Reno, Nevada 89511-1137
(775) 834-4006

Mr. Pollard has been an employee of NV Energy since 2007 and is currently the Director of Load Forecasting and Load Research. His responsibilities are focused upon leading the load research and forecasting teams for regulatory filings and special assignments in support of the Rate & Regulatory Affairs department's responsibilities.

Prior to joining the company in his current position, Mr. Pollard had experience across different industries and was most recently employed at Covance Cardiac Safety Services, a clinical research organization for the pharmaceutical industry, as a Senior Clinical Data Manager.

Employment History

NV Energy

Director, Load Forecasting, Research & Analytics
Technical Lead, Regulatory Policy, Strategy & Analysis
Pricing Specialist, Regulatory Pricing & Economic Analysis
Staff Economist, Regulatory Pricing & Economic Analysis
Senior Economist, Regulatory Pricing & Economic Analysis
January 2007 to Present

- Leads load forecasting and load research teams for required strategy and regulatory activities
- Supports load research and forecasting results as necessary in regulatory filings
- Guides technical aspects of cost of service and rate design filings and special assignments
- Conducts research and prepares studies for internal and external presentation
- Provides technical support and analyzes data necessary to resolve the complex set of pricing, financial, economic, and regulatory issues for filings in Nevada and California, Gas and Electric case filings
- Applies extensive experience and understanding of the principles and theories of cost of service and rate design as well as the technical mechanics and applications necessary to successfully develop pricing of electric and gas service
- Provides direction and technical assistance to less experienced team members
- Develops educational materials and actively instructs other team members on various technical, economic and cost of service related subjects

Economist, Resource Planning & Analysis
June 2004 to December 2004

- Conduct research and prepare studies for internal and external presentation
- Prepare and assist in preparation of load forecasts
- Assist in technical aspects of market analysis projects as requested

Non-Sierra Employment

Covance Cardiac Safety Services

January 2005 to January 2007

Senior Clinical Data Manager (10/06 to 1/07); Clinical Data Manager (2/06 to 10/06); Data Analyst (1/05 to 2/06), Data Management & Statistics

- Technical Lead for all department activities within business unit for the development/validation of new systems and processes
- Acted as primary liaison and escalation contact for clients assigned within team to ensure that data presented met or exceeded the agreed upon expectations for accuracy and timeliness
- Developed and implemented internal and external reports, processes and metrics to add value to company through data analysis, management and quality control activities
- Accountable for all department personnel and activities within Clinical Trial Operations Team

Nevada State Health Division

December 2000 to June 2004

Health Resource Analyst II (7/02 to 6/04); Health Resource Analyst I (12/00 to 7/02), Center for Health Data and Research, Bureau of Health Planning & Statistics

- Development, linkage, management, and analysis of Public Health Data Warehouse (Cancer Registry, HIV/AIDS, Vital Statistics) for program policy and reporting issues relating to public health arena
- Prepared statistical and special topic reports, performed quality assurance measures and evaluated other health related program data
- Management, quality assurance and analysis of Vital Statistics databases for various Division programs, state agencies and requests from the public for health statistics

Education

University of Nevada, Reno

Bachelor of Arts in Economics, August 2000

Certifications

SAS Certified Advanced Programmer

SAS Certified Basic Programmer

Prior Testimony before Public Utilities Commissions

PUCN Dockets: 07-12001, 08-12002, 08-10043, 09-06029, 10-06001, 10-07003, 11-06006, 13-06002, 15-07041, 15-07042, 16-06006, 16-06007, 18-11039, 19-06002, 20-06003, 21-10012, 22-09006, and 23-06007.

CPUC Applications: 08-08-004.

EXHIBIT POLLARD-DIRECT-2

MPE ESA Impact Summary

This sheet summarizes the impact of a new customer under different service options. As this customer can avail themselves to DOS service, through Docket No. 18-10034 the comparison to DOS service is the most appropriate comparison between services. Among all options, the results show that the MPE ESA provides the largest positive rate impact to non-participating customers.

Company:	NPC
Customer Name:	MSG Sphere
Rate Schedule:	LGS-3P
Annual MWh Sales:	
Peak MW:	

Comparison (\$000s)	MPE	DOS	Bundled
BTGR:	\$ (5,754)	\$ (1,007)	\$ (3,592)
BTER:	\$ (2,541)	---	\$ (4,399)
Public Policy Rates:	\$ (527)	\$ (209)	\$ (527)
Total ¹ :	\$ (8,822)	\$ (1,215)	\$ (8,517)
MPE Difference:	---	\$ (7,607)	\$ (305)

Notes:

1) Total excludes franchise fee charges.

Statement O Summary Rate Change - MPE Service

The calculations below provide an estimated impact to other rate schedules using information from Nevada Power's Statement O rate design model from a new customer choosing bundled MPE service. As the ESA price is based on a company-owned resource, the functionalized generation costs of the ESA have been included in the impacts to all classes.

The calculations represent the impact to BTGR rates for non-participating customers. The table assumes that the customer cost of service is equal to the average customer class, with rate impacts taking effect at the time the customer is included in a GRC.

I. Customer Assumptions - Basic assumptions for example customer.

Customer Name: MSG Sphere
 Rate Schedule: LGS-3P
 Annual MWh Sales: [REDACTED]
 Peak MW: [REDACTED]
 Resource 2027 revenue requirement: 345
 Jurisdictional Allocation: [REDACTED]

II. Average general rates by customer class and function from recent GRC filing
 Nevada Power Compliance Statement O (Docket No. 20-06003)

Class	MWh Sales	Class Revenue				Average \$/MWh Rate			
		Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution
RS	7,039,880	\$ 265,564		\$ 65,886	\$ 168,541	\$ 37.72		\$ 9.36	\$ 23.94
RM	2,188,600	70,014		16,255	44,039	31.99		7.43	20.12
LRS	35,987	1,012		256	472	28.11		7.11	13.11
GS	584,169	11,320		3,137	12,392	19.38		5.37	21.21
LGS-1	3,897,464	84,819		21,269	39,038	21.76		5.46	10.02
LGS-2S	2,365,736	46,513		11,534	17,157	19.66		4.88	7.25
LGS-2P	67,742	1,228		290	514	18.12		4.28	7.59
LGS-2T	-	-		-	-	-		-	-
LGS-3S	800,641	14,917		3,541	5,331	18.63		4.42	6.66
LGS-3P	1,588,420	30,547		7,149	15,114	19.23		4.50	9.51
LGS-3T	397,435	6,862		1,678	394	17.27		4.22	0.99
LGS-XS	-	-		-	-	-		-	-
LGS-XP	-	-		-	-	-		-	-
LGS-XT	-	-		-	-	-		-	-
LGS-2S-WP	6,831	160		36	128	23.46		5.30	18.79
LGS-2P-WP	12,229	166		49	96	13.61		4.01	7.81
LGS-2T-WP	-	-		-	2	-		-	-
LGS-3S-WP	5,752	20		0	97	3.53		0.06	16.78
LGS-3P-WP	17,505	187		47	291	10.66		2.67	16.64
LGS-3T-WP	-	-		-	8	-		-	-
SL	150,361	1,877		92	893	12.48		0.61	5.94
RS-Pal	648	8		0	24	11.58		0.27	37.30
GS-Pal	2,337	27		1	77	11.58		0.27	32.90
IAIWP	-	-		-	-	-		-	-
RS-NEM	446,857	24,658		5,529	15,650	55.18		12.37	35.02
RM-NEM	1,664	90		22	50	53.82		13.09	29.95
LRS-NEM	433	13		3	13	29.02		7.01	29.75
GS-NEM	2,550	103		26	65	40.57		10.35	25.53
TOTAL	19,613,242	\$ 560,104		\$ 136,800	\$ 320,385	\$ 28.56		\$ 6.97	\$ 16.34

III. Section calculates estimated impact on standard schedule BTGR class revenue, and average effective rates, from adding MPE customer loads.

NPC Statement O Class	Customer Sales	Customer Charges at Average Class Rate				Impact to Class Revenue				Impact to Class Average \$/MWh Rate			
		Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution
RS	\$ -	\$ -		\$ -	\$ -	\$ (2,122)		\$ (247)	\$ (571)	\$ (0.30)		\$ (0.04)	\$ (0.08)
RM	-	-		-	-	(560)		(61)	(149)	(0.26)		(0.03)	(0.07)
LRS	-	-		-	-	(8)		(1)	(2)	(0.22)		(0.03)	(0.04)
GS	-	-		-	-	(90)		(12)	(42)	(0.15)		(0.02)	(0.07)
LGS-1	-	-		-	-	(678)		(80)	(132)	(0.17)		(0.02)	(0.03)
LGS-2S	-	-		-	-	(372)		(43)	(58)	(0.16)		(0.02)	(0.02)
LGS-2P	-	-		-	-	(10)		(1)	(2)	(0.14)		(0.02)	(0.03)
LGS-2T	-	-		-	-	-		-	-	-		-	-
LGS-3S	-	-		-	-	(119)		(13)	(18)	(0.15)		(0.02)	(0.02)
LGS-3P	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	1.20		(0.02)	(0.03)
LGS-3T	-	-		-	-	(55)		(6)	(1)	(0.14)		(0.02)	(0.00)
LGS-XS	-	-		-	-	-		-	-	-		-	-
LGS-XP	-	-		-	-	-		-	-	-		-	-
LGS-XT	-	-		-	-	-		-	-	-		-	-
LGS-2S-WP	-	-		-	-	(1)		(0)	(0)	(0.19)		(0.02)	(0.06)
LGS-2P-WP	-	-		-	-	(1)		(0)	(0)	(0.11)		(0.02)	(0.03)
LGS-2T-WP	-	-		-	-	-		-	-	-		-	-
LGS-3S-WP	-	-		-	-	(0)		(0)	(0)	(0.03)		(0.00)	(0.06)
LGS-3P-WP	-	-		-	-	(1)		(0)	(1)	(0.09)		(0.01)	(0.06)
LGS-3T-WP	-	-		-	-	-		-	-	-		-	-
SL	-	-		-	-	(15)		(0)	(3)	(0.10)		(0.00)	(0.02)
RS-Pal	-	-		-	-	(0)		(0)	(0)	(0.09)		(0.00)	(0.13)
GS-Pal	-	-		-	-	(0)		(0)	(0)	(0.09)		(0.00)	(0.11)
IAIWP	-	-		-	-	-		-	-	-		-	-
RS-NEM	-	-		-	-	(197)		(21)	(53)	(0.44)		(0.05)	(0.12)
RM-NEM	-	-		-	-	(1)		(0)	(0)	(0.43)		(0.05)	(0.10)
LRS-NEM	-	-		-	-	(0)		(0)	(0)	(0.23)		(0.03)	(0.10)
GS-NEM	-	-		-	-	(1)		(0)	(0)	(0.32)		(0.04)	(0.09)
TOTAL										\$ (0.17)		\$ (0.04)	\$ (0.09)

Notes:

1) Change in jurisdictional revenue requirement (\$ millions) with adding customer to bundled service.

	ESA			Total
	RR	Charge	Components	
Generation	-	-	-	-
Energy	-	-	-	-
Transmission	168.37	0.47	0.00	0.47
Distribution	414.64	1.15	0.23	1.38

Statement O Summary Rate Change - DOS Service

The calculations below provide an estimated impact to other rate schedules using information from Nevada Power's Statement O rate design model from a new customer choosing DOS service.

The calculations represent the impact to other customers to BTGR rates. Assuming that the customer cost of service is equal to the average customer class, rate impacts will take effect at the time the customer is included in a GRC.

I. Customer Assumptions - Basic assumptions for example customer.

Customer Name: MSG Sphere
 Rate Schedule: LGS-3P
 Annual MWh Sales: [REDACTED]
 Peak MW: [REDACTED]
 Jurisdictional Allocation: [REDACTED]

II. Average general rates by customer class and function from recent GRC filing

Nevada Power Compliance Statement O (Docket No. 20-06003)

NPC Statement O Class	Annualized Bills	MWh Sales	DOS Rate Customer Sales	Transmission Juris. Allocation	Customer Transmission Charges	Statement O Distribution Revenue	Average (\$/MWh) Rate	Customer Distribution Charges
GS-DOS	120	53	-	0.000%	-	\$ 3	\$ 57.92	-
LGS-1-DOS	252	6,591	-	0.000%	-	70	10.60	-
LGS-2S-DOS	288	80,121	-	0.000%	-	549	6.85	-
LGS-2P-DOS	48	15,934	-	0.000%	-	102	6.39	-
LGS-2T-DOS	-	-	-	0.000%	-	-	---	---
LGS-3S-DOS	192	95,786	-	0.000%	-	829	8.65	-
LGS-3P-DOS	612	1,282,095	[REDACTED]	[REDACTED]	[REDACTED]	7,001	5.46	[REDACTED]
LGS-3T-DOS	132	518,278	-	0.000%	-	983	1.90	-
LGS-XS-DOS	-	7,592	-	0.000%	-	45	5.93	-
LGS-XP-DOS	24	279,670	-	0.000%	-	1,865	6.67	-
LGS-XT-DOS	12	155,676	-	0.000%	-	411	2.64	-
LGS-2S-WP-DOS	48	5,302	-	0.000%	-	38	7.18	-
LGS-2P-WP-DOS	-	-	-	0.000%	-	-	---	---
LGS-2T-WP-DOS	12	1,289	-	0.000%	-	17	12.84	-
LGS-3S-WP-DOS	72	26,160	-	0.000%	-	69	2.63	-
LGS-3P-WP-DOS	96	74,574	-	0.000%	-	292	3.92	-
LGS-3T-WP-DOS	48	59,791	-	0.000%	-	92	1.54	-
TOTAL	1,956	2,608,913	[REDACTED]	[REDACTED]	[REDACTED]	\$ 12,366	\$ 4.74	\$ [REDACTED]

III. Section calculates estimated impact on standard schedule BTGR class revenue, and average effective rates, from adding DOS customer loads.

As a note, DOS revenue is treated as a revenue credit in Statement O. Therefore, the total Transmission & Distribution revenue requirement used for rate design of the standard schedules is reduced by adding a new DOS customer. It does not change allocation among classes.

NPC Statement O Class	Updated Standard Class Revenue				Impact to Class Average \$/MWh Rate			
	Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution
RS	\$ -	-	\$ 65,701	\$ 168,214	\$ -	-	\$ (0.03)	\$ (0.05)
RM	-	-	16,209	43,954	-	-	(0.02)	(0.04)
LRS	-	-	255	471	-	-	(0.02)	(0.03)
GS	-	-	3,128	12,368	-	-	(0.02)	(0.04)
LGS-1	-	-	21,209	38,962	-	-	(0.02)	(0.02)
LGS-2S	-	-	11,501	17,123	-	-	(0.01)	(0.01)
LGS-2P	-	-	289	513	-	-	(0.01)	(0.01)
LGS-2T	-	-	-	-	-	-	---	---
LGS-3S	-	-	3,531	5,321	-	-	(0.01)	(0.01)
LGS-3P	-	-	7,128	15,084	-	-	(0.01)	(0.02)
LGS-3T	-	-	1,673	393	-	-	(0.01)	(0.00)
LGS-XS	-	-	-	-	-	-	---	---
LGS-XP	-	-	-	-	-	-	---	---
LGS-XT	-	-	-	-	-	-	---	---
LGS-2S-WP	-	-	36	128	-	-	(0.01)	(0.04)
LGS-2P-WP	-	-	49	95	-	-	(0.01)	(0.02)
LGS-2T-WP	-	-	-	2	-	-	---	---
LGS-3S-WP	-	-	0	96	-	-	(0.00)	(0.03)
LGS-3P-WP	-	-	47	291	-	-	(0.01)	(0.03)
LGS-3T-WP	-	-	-	8	-	-	---	---
SL	-	-	92	891	-	-	(0.00)	(0.01)
RS-Pal	-	-	0	24	-	-	(0.00)	(0.07)
GS-Pal	-	-	1	77	-	-	(0.00)	(0.06)
IAIWP	-	-	-	-	-	-	---	---
RS-NEM	-	-	5,514	15,620	-	-	(0.03)	(0.07)
RM-NEM	-	-	22	50	-	-	(0.04)	(0.06)
LRS-NEM	-	-	3	13	-	-	(0.02)	(0.06)
GS-NEM	-	-	26	65	-	-	(0.03)	(0.05)
TOTAL	\$ -	\$ -	\$ 136,415	\$ 319,763	\$ -	\$ -	\$ (0.02)	\$ (0.03)

Statement O Summary Rate Change - Bundled Service

The calculations below provide an estimated impact to other rate schedules using information from Nevada Power's Statement O rate design model from this customer choosing bundled service. The calculations represent the impact to other customers to BTGR rates. These calculations do not incorporate the revenue requirement of the resource, as it assumes that the customer cost of service is equal to the average customer class. Therefore, revenue requirement and rate impacts will not change and will take effect at the time the customer and resources are included in a GRC.

I. Customer Assumptions - Basic assumptions for example customer.

Customer Name: MSG Sphere
Rate Schedule: LGS-3P
Annual MWh Sales: [REDACTED]
Peak MW: [REDACTED]
Jurisdictional Allocation: [REDACTED]

II. Average general rates by customer class and function from recent GRC filing
Nevada Power Compliance Statement O (Docket No. 20-06003)

Class	MWh Sales	Class Revenue				Average \$/MWh Rate			
		Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution
RS	7,039,880	\$ 265,564		\$ 65,886	\$ 168,541	\$ 37.72		\$ 9.36	\$ 23.94
RM	2,188,600	70,014		16,255	44,039	31.99		7.43	20.12
LRS	35,987	1,012		256	472	28.11		7.11	13.11
GS	584,169	11,320		3,137	12,392	19.38		5.37	21.21
LGS-1	3,897,464	84,819		21,269	39,038	21.76		5.46	10.02
LGS-2S	2,365,736	46,513		11,534	17,157	19.66		4.88	7.25
LGS-2P	67,742	1,228		290	514	18.12		4.28	7.59
LGS-2T	-	-		-	-	---		---	---
LGS-3S	800,641	14,917		3,541	5,331	18.63		4.42	6.66
LGS-3P	1,588,420	30,547		7,149	15,114	19.23		4.50	9.51
LGS-3T	397,435	6,862		1,678	394	17.27		4.22	0.99
LGS-XS	-	-		-	-	---		---	---
LGS-XP	-	-		-	-	---		---	---
LGS-XT	-	-		-	-	---		---	---
LGS-2S-WP	6,831	160		36	128	23.46		5.30	18.79
LGS-2P-WP	12,229	166		49	96	13.61		4.01	7.81
LGS-2T-WP	-	-		-	2	---		---	---
LGS-3S-WP	5,752	20		0	97	3.53		0.06	16.78
LGS-3P-WP	17,505	187		47	291	10.66		2.67	16.64
LGS-3T-WP	-	-		-	8	---		---	---
SL	150,361	1,877		92	893	12.48		0.61	5.94
RS-Pal	648	8		0	24	11.58		0.27	37.30
GS-Pal	2,337	27		1	77	11.58		0.27	32.90
IAIWP	-	-		-	-	---		---	---
RS-NEM	446,857	24,658		5,529	15,650	55.18		12.37	35.02
RM-NEM	1,664	90		22	50	53.82		13.09	29.95
LRS-NEM	433	13		3	13	29.02		7.01	29.75
GS-NEM	2,550	103		26	65	40.57		10.35	25.53
TOTAL	19,613,242	\$ 560,104		\$ 136,800	\$ 320,385	\$ 28.56		\$ 6.97	\$ 16.34

III. Section calculates estimated impact on standard schedule BTGR class revenue, and average effective rates, from adding bundled customer loads.

NPC Statement O Class	Customer Sales	Customer Charges at Average Class Rate				Impact to Class Revenue				Impact to Class Average \$/MWh Rate			
		Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution	Generation	Energy	Transmission	Distribution
RS	\$ -	\$ -		\$ -	\$ -	\$ (1,039)		\$ (247)	\$ (571)	\$ (0.15)		\$ (0.04)	\$ (0.08)
RM	-	-		-	-	(274)		(61)	(149)	(0.13)		(0.03)	(0.07)
LRS	-	-		-	-	(4)		(1)	(2)	(0.11)		(0.03)	(0.04)
GS	-	-		-	-	(44)		(12)	(42)	(0.08)		(0.02)	(0.07)
LGS-1	-	-		-	-	(332)		(80)	(132)	(0.09)		(0.02)	(0.03)
LGS-2S	-	-		-	-	(182)		(43)	(58)	(0.08)		(0.02)	(0.02)
LGS-2P	-	-		-	-	(5)		(1)	(2)	(0.07)		(0.02)	(0.03)
LGS-2T	-	---		---	---	---		---	---	---		---	---
LGS-3S	-	-		-	-	(58)		(13)	(18)	(0.07)		(0.02)	(0.02)
LGS-3P	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	(0.07)		(0.02)	(0.03)
LGS-3T	-	-		-	-	(27)		(6)	(1)	(0.07)		(0.02)	(0.00)
LGS-XS	-	---		---	---	---		---	---	---		---	---
LGS-XP	-	---		---	---	---		---	---	---		---	---
LGS-XT	-	---		---	---	---		---	---	---		---	---
LGS-2S-WP	-	-		-	-	(1)		(0)	(0)	(0.09)		(0.02)	(0.06)
LGS-2P-WP	-	-		-	-	(1)		(0)	(0)	(0.05)		(0.02)	(0.03)
LGS-2T-WP	-	---		---	---	---		---	---	---		---	---
LGS-3S-WP	-	-		-	-	(0)		(0)	(0)	(0.01)		(0.00)	(0.06)
LGS-3P-WP	-	-		-	-	(1)		(0)	(1)	(0.04)		(0.01)	(0.06)
LGS-3T-WP	-	---		---	---	---		---	---	---		---	---
SL	-	-		-	-	(7)		(0)	(3)	(0.05)		(0.00)	(0.02)
RS-Pal	-	-		-	-	(0)		(0)	(0)	(0.05)		(0.00)	(0.13)
GS-Pal	-	-		-	-	(0)		(0)	(0)	(0.05)		(0.00)	(0.11)
IAIWP	-	---		---	---	---		---	---	---		---	---
RS-NEM	-	-		-	-	(97)		(21)	(53)	(0.22)		(0.05)	(0.12)
RM-NEM	-	-		-	-	(0)		(0)	(0)	(0.21)		(0.05)	(0.10)
LRS-NEM	-	-		-	-	(0)		(0)	(0)	(0.11)		(0.03)	(0.10)
GS-NEM	-	-		-	-	(0)		(0)	(0)	(0.16)		(0.04)	(0.09)
TOTAL										\$ (0.17)		\$ (0.04)	\$ (0.09)

Notes:





1) Change in jurisdictional revenue requirement (\$ millions) with adding customer to bundled service.

	ESA			
	RR	Charge	Components	Total
Generation	\$ 689.37	\$ 1.92	\$ -	\$ 1.92
Energy	-	-	-	-
Transmission	168.37	0.47	-	0.47
Distribution	414.64	1.15	-	1.15




MPE BTER Change

The calculations below demonstrate the impact to BTER rates if the customer enters into an ESA under the MPE tariff agreement. The results show the ESA is at/or above the cost of providing energy to this customer for the energy provided during hours in which the customer pays the BTER/DEAA rates that non-participating customers receive a benefit through lower rates.

Company: NPC
 Customer Name: MSG Sphere
 Rate Schedule: LGS-3P
 Annual MWh Sales: 
 Peak MW: 

MPE Customer Grid MWh Sales: 
 MPE Customer Grid Hourly LTAC Cost: 
 MPE Grid BTER/DEAA Charges: 
 Difference: 

Base Tariff Energy Rate Filing (NPC BTER, Docket No. 23-05015):
 Total System cost: \$ 2,164,907,000
 Retail bundled sales: 21,139,232
 Average system cost (BTER): \$ 0.10241

Revised BTER Rate
 Revised BTER Cost: 
 Revised bundled sales: 
 Revised average system cost (BTER): 

Change for all other customers: \$ (0.00012)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, TIMOTHY POLLARD, states that he is the person identified in the foregoing prepared testimony and/or exhibits; that such testimony and/or exhibits were prepared by or under the direction of said person; that the answers and/or information appearing therein are true to the best of his knowledge and belief; and that if asked the questions appearing therein, his answers thereto would, under oath, be the same.

I declare under penalty of perjury that the foregoing is true and correct.

Date: August 22, 2023



Timothy Pollard

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing on behalf of **NEVADA POWER COMPANY D/B/A/ NV ENERGY** in Docket No. 23-08___ upon the persons listed below by electronic mail:

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

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

Attorney General's Office
Bureau of Consumer Protection
100 N. Carson St.
Carson City, NV 89701
bcpserv@ag.nv.gov

Ernest Figueroa
Consumer Advocate
Attorney General's Office
Bureau of Consumer Protection
8945 W. Russell Road, Suite 204
Las Vegas, NV 89148
bcpserv@ag.nv.gov

DATED this 22nd day of August, 2023.

/s/Jane Harrell
Jane Harrell
Regulatory Operations Analyst
Nevada Power Company