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23-05013

Public Utilities Commission of Nevada
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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Investigation related to examining process,)
modelling, and analytical improvements to) Docket No. 23-05013
Nevada Power Company d/b/a NV Energy and)
Sierra Pacific Power Company d/b/a NV)
Energy’s integrated resource plan.)

COMMENTS OF WESTERN RESOURCE ADVOCATES

I. Introduction

Western Resource Advocates ("WRA") submits these comments pursuant to the Final Order by the Public Utilities Commission of Nevada ("Commission") in Docket 24-05041 encouraging intervenors in the docket to file comments regarding integrated resource plan ("IRP") and request for proposal ("RFP") reform in Docket Nos. 23-05013, and/or 23-07026.¹ WRA files its comments in this docket as stakeholders were previously directed to file comments regarding a two-phased IRP and RFP reform in Docket No. 23-05013.² WRA has previously filed comments in this docket regarding a potential framework for a two-phased IRP approach to achieve meaningful IRP and RFP reform.³ The comments below provide more detail, after learnings from the most recent IRP proceedings, and public policy and legal support for a two-phased IRP process that can be achieved through Commission rulemaking. If implemented, the two-phased process will provide more transparency, order, and predictability

¹ PUCN, Final Order, Docket No. 25-04051, December 17, 2024, p. 168, Para. 465. ("The Commission finds that the appropriate place to make recommendations for changes to the RFP process, and the IRP process in general, is in Docket Nos. 23-05013 (IRP Investigatory docket) and/or 23-07026 (Rulemaking to implement AB 524.) The Commission takes seriously its obligations under AB 524, as well as its commitment to all stakeholders to improve the RFP and IRP processes. The Commission encourages intervenors in this Docket to file their recommendations in those dockets for consideration.").

² Docket No. 23-07026, Procedural Order No. 2, January 29, 2024, p. 3.

³ WRA, Comments, Docket No. 23-05013, July 6, 2023, p. 19.

1 to the IRP applications and will strengthen Commission oversight within the IRP process. This
2 in turn builds trust that the IRP and RFP processes provide the Commission with the critical
3 information it needs to ensure that it is approving the lowest cost, lowest risk, and cleanest
4 portfolio of resources for Nevadans.

5 **II. Sound Public Policy Supports a Two-Phased IRP Process.**

6
7 The current IRP process is broken and may be leading to suboptimal resource selection
8 outcomes that don't best serve the needs of Nevada's families and businesses. The challenges
9 under the current framework include that: 1) the utility files its IRP application with proposed
10 specific resource procurements already "baked-in," hence muddling review and approval of the
11 underlying forecasts, assumptions, modeling, *and* specific resource procurements⁴; 2) the
12 utility's RFP solicitation is not informed by the Commission's approval of the best combination
13 of sources of supply⁵ to meet demand (resource needs) from the IRP process; and 3) the RFP
14 process is not adequately robust nor transparent, with Commission oversight constrained by an
15 RFP process that has not been reviewed and approved by the Commission and that takes place
16 prior to the utility filing its IRP.

17 The Nevada energy landscape is rapidly changing with significant increases in projected
18 demand, more extreme weather events driven by climate change,⁶ and growing customer
19 demand for cleaner and more affordable power. The current Nevada IRP process is ill-equipped
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21
22 ⁴ Adjustments to any underlying assumption or model could materially affect the resources that have
23 been selected by the utility in the application, significantly delaying acquisition of resources needed to
24 meet a near-term resource needs.

⁵ N.R.S. §704.741(2)(a)(2).

⁶ Reno and Las Vegas are among the fastest warming cities in the US. *See* Climate Central, Earth Day:
Fastest Warming Cities in the US, April 17, 2024, at: <https://www.climatecentral.org/climate-matters/earth-day-fastest-warming-cities>.

1 to handle those challenges going forward. To meet the challenges of a rapidly changing energy
2 landscape, WRA supports an orderly, transparent, and predictable two-phased IRP process as
3 described below:

- 4 ○ **Phase I:** The utility files an IRP application that identifies system needs
5 and placeholder generic resources that are approved by the Commission
6 through an examination of the utility’s underlying forecasts,
7 assumptions, and portfolio modeling. Additionally, the Commission
8 approves solicitation documents for a required subsequent RFP bid
9 evaluation process and provides associated guidance for evaluation and
10 comparison of bids.
- 11 ○ **Phase II:** The utility files a resource procurement⁷ application for
12 Commission review and approval consistent with the resource needs
13 identified in Phase I. A prudency determination attaches to a
14 Commission-approved resource procurement. The resources in the
15 procurement application will have been identified through an all-source
16 RFP solicitation monitored by an independent evaluator.

13 The adoption of a two-phased process would be a beneficial change to the current
14 process. Currently, the utility files an IRP application, at a minimum triennially, that provides
15 the components of both phases outlined above. In other words, a single application review
16 process incorporates the underlying forecasts, assumptions, and modeling that identify the
17 utility’s resource needs over a 20-year period, as well as proposed specific resource
18 procurements to meet those needs, with a focus on resources coming online in the ensuing three
19 years (“Action Plan”). The concurrent application of the utility requesting approval of both the
20 information supporting its resource needs and of specific resource procurements to meet its
21 system needs muddles the Commission’s review of both. It makes the Commission’s review of
22 the application unnecessarily more complex and challenging. The time constraints of a 210-day
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24 ⁷ For purposes of these comments, procurement means resources obtained through long-term power
purchase agreements, or resources constructed, or acquired and owned by the utility.

1 statutory deadline to adopt a final order in an IRP proceeding exacerbates the challenges of
2 Commission review.⁸ For example, a required change to NV Energy’s underlying forecasts,
3 assumptions, or modeling used to support its specific resource selection in its IRP application
4 could throw the resource procurement NV Energy has already selected into question and delay
5 acquisitions that may be needed to meet a near-term resource needs.

6 The current process does not provide the Commission with adequate opportunity for a
7 deep analysis of the underlying forecasts, assumptions, and modeling that are used by the utility
8 to defend its specific resource procurements. Parties to the litigated IRP case, including
9 Commission staff and state consumer advocates, may provide testimony to recommend
10 alternative assumptions and modeling scenarios for the Commission’s consideration.

11 Corrections or adjustments to the modeling may indicate a different optimal set of resource
12 procurements. If neither the Commission nor parties can meaningfully affect the selection of
13 resources as indicated in the modeling, the value and impact of the IRP process is unclear.

14 Without such meaningful evaluation and input by parties, or specified modeling and
15 procurement requirements in a Commission decision, the utility’s procurement is essentially
16 self-directed. This can lead to outcomes that are not the lowest cost or risk to customers. Let’s
17 make sure we’re not leaving the best energy solutions “on the table.”

18 Several intervenors, including WRA, raised concerns in the just-concluded IRP
19 proceeding (Docket No. 24-05041) over flawed fundamental forecasts and assumptions utilized
20 by NV Energy to support its selected generation resource projects. One such concern was over
21 candidate resource costs. Through witness Nick Pappas’ testimony⁹, WRA requested that the
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23 ⁸ N.R.S. §704.751. The Docket No. 24-05041 Phase II and Phase III proceedings were held roughly one
24 week apart, with the Phase III hearing concluding on November 22, 2025, less than a month before the
December 20, 2025 date required for a Commission final order.

⁹ WRA, *Direct Testimony of Nick Pappas*, Docket No. 24-05041, October 18, 2024, p. 25-34.

1 Commission address NV Energy’s unilateral, poorly documented cost adjustments which
2 significantly overstated solar, wind, and storage resources’ capital costs, thereby developing
3 suboptimal portfolios and inflating the cost of more aggressive investments in clean energy and
4 storage. Additionally, WRA identified that NV Energy failed to incorporate Inflation Reduction
5 Act (“IRA”) bonus tax credits in its capital costs for renewable resources developed in Energy
6 Communities, a status widely available in Nevada – here again inflating costs of solar and wind
7 resources. WRA witness Nick Pappas’ testimony was un rebutted by NV Energy. While the
8 Commission broadly summarized WRA’s concerns in its final order,¹⁰ it failed to directly
9 address them.

10 Comparison of candidate resource costs is an integral part of any resource planning
11 exercise. Candidate resource parameters define which options are available to the capacity
12 expansion model and at what cost. Candidate resource costs are the basis of the present worth
13 revenue requirement (“PWRR”) of various resource portfolios reviewed by the Commission.
14 NV Energy conceded during the recent IRP proceeding that its significant price-adder to solar
15 and wind resources - above the NREL ATB¹¹ – was extended decades into the future in its
16 analysis and necessarily made resource portfolios with a higher renewable energy component
17 appear more costly than they would have been without the significant cost escalation.¹² NV
18 Energy’s failure to account for the full IRA investment tax credits available to the companies
19 for renewable resources in Energy Communities similarly made renewable resources appear

23 ¹⁰ PUCN, Final Order, Docket No. 24-05041, December 27, 2024, p. 153-156.

24 ¹¹ National Renewable Energy Laboratory (“NREL”) Annual Technology Baseline (“ATB”) provides a consistent set of industry cost and performance data for energy analysis.

¹² Phase III proceeding WRA cross examination of NV Energy Witness Spitzer, Rebuttal Testimony.

1 more costly than they otherwise would have if the bonus tax credit had been properly
2 accounted for in NV Energy's candidate resources costs.¹³

3 WRA witness Emily Walsh highlighted in her testimony how the current IRP
4 framework has produced reactive planning by NV Energy, not the necessary proactive
5 planning.¹⁴ In particular, NV Energy over a 3-year period has proposed at least 3 different
6 solutions for reliability concerns in the Valmy Generating Station region. NV Energy first
7 proposed a solar and battery storage resource in its 2021 IRP; then, in its 5th amendment, citing
8 reliability concerns, it proposed a coal to gas conversion of the Valmy units. Months after
9 garnering approval from the Commission for the coal to gas conversions, the company
10 proposed two new combustion turbines at Valmy that could obviate the "must-run"
11 requirements of the just-approved converted gas units. This type of crisis planning can be
12 mitigated through a transparent, orderly, and predictable two-phase IRP approach.

13 In an effective IRP regulatory process, the underlying forecasts, assumptions, PWRR
14 analysis, and modeling used by utilities require sufficient time and space for deep review, to
15 ensure a high degree of accuracy on the utility's costs of candidate resources and ultimate
16 resource needs. The Commission should also have the discretion to require corrections and
17 improvements to the modeling assumptions. The Phase I approval process as described above
18 would provide the Commission with time for a thorough review and approval of the utility's
19 forecasts, assumptions, modeling and placeholder generic resource needs.

20 Once utility placeholder resource needs are approved, the identified needs should
21 inform the development and execution of an RFP solicitation and procurement. This, of course,
22 can only occur if the resource needs are identified and approved in a Phase I proceeding prior
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24 ¹³ *Id.*

¹⁴ WRA, Docket No. 24-05041, *Direct Testimony of Emily Walsh*, October 18, 2024, p. 9-12.

1 to the issuance of an RFP. This is not a new concept at the Commission, as several stakeholders
2 have introduced the concept of a two-phased process in which an RFP is informed by the IRP.¹⁵

3 Industry best practices dictate that a primary purpose of IRP scenario modeling is to
4 inform the utility procurement processes.¹⁶ In a number of states, the acknowledgment or
5 approval of an IRP directly authorizes resource procurement, meaning the utility can proceed
6 with investments based on the outcome of the plan. In Georgia, for example, if the Commission
7 approves an IRP, the utility is then required to issue a competitive solicitation for each type and
8 quantity of generation resource in the approved plan.¹⁷ In Washington and Colorado, approval
9 of the IRP authorizes utilities to proceed with issuing an all-source solicitation for the identified
10 need, rather than authorizing specific types of resources.¹⁸ In Oregon, an RFP must include the
11 alignment of the utility’s resource need addressed by the RFP with an identified need in an
12 acknowledged IRP or a subsequently identified need or change in circumstances with good
13 cause shown. Similarly, South Carolina and North Carolina also state in their rules that
14 applications for new resources should reference a need determined in a resource planning
15 process.¹⁹

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18 ¹⁵ See eg. Interwest, Comments, Docket No. 23-07026, November 15, 2023, p. 6; Advanced Energy
19 United, Comments, Docket No. 23-07026, November 15, 2023, p. 9; Interwest, *Direct Testimony of*
20 *Mark Detsky*, Docket No. 22-11032, March 17, 2023, p. 27 (“there is a disconnect between the
21 Commission’s exercise of its IRP jurisdiction on the one hand, and RFPs conducted by the utility on the
22 other. This means that the process of soliciting and evaluating new resources, arguably the primary
23 purpose of the IRP, has limited or even zero examination in the IRP, even as multiple RFPs take place
24 in parallel.”).

¹⁶ Lawrence Berkely Lab, Synapse, *Best Practices in Integrated Resource Planning*, December 6, 2024,
p. 87; RMI, *Reimagining Resource Planning*, January 2023, p. 26.

¹⁷ Ga. Comp. R. & Regs. r. 515-3-4-.04(3)(b) (“For each block of required new supply-side resources
identified in the IRP, the utility shall propose a schedule for conducting a RFP Process, including
specifically the expected date upon which the RFP shall be issued that solicits each such new supply-
side resource along with the amount of capacity required. This information shall be considered public
information and made available to all potential bidders.”).

¹⁸ RMI, *Reimagining Resource Planning*, January 2023, p. 26.

¹⁹ *Id.*

1 Neighboring Utah also requires that the RFP be informed by the resource needs
2 identified in the IRP. Utah administrative code specifies a set of criteria, cited below, for RFPs.
3 A resource procurement, depending on the size of the resource, is subsequently approved in a
4 separate docket.

5 In developing the initial screening and evaluation criteria, the
6 Soliciting Utility, in consultation with the Independent Evaluator (if
7 then under contract) and the Division of Public Utilities, shall
8 consider the assumptions included in the Soliciting Utility's most
9 recent Integrated Resource Plan (IRP), any recently filed IRP
10 Update, any Commission order on the IRP or IRP Update and in its
11 Benchmark Option.²⁰

12 In addition to revised sequencing of the RFP so that it is informed by the IRP, WRA
13 supports a requirement that NV Energy engage in an all-source solicitation that is monitored by
14 an independent evaluator as a necessary precursor to resource procurements. The shortcomings
15 of the current RFP process have been well documented.²¹ In sum, there appears to be a lack of
16 confidence among the development community in the fairness and transparency of NV
17 Energy's procurement processes.²² Coupled with the disconnect between the RFPs issued by
18 NV Energy and IRP planning process, there is little confidence in the market that NV Energy's
19 RFPs are a viable path for project development.²³ An RFP process that ultimately provides a
20 clear signal to developers on the type of resource, size, geographic location, and timing of the
21 resource need and that is monitored by an independent evaluator for fairness would invariably
22 produce more bids and bring more helpful market data to the resource procurement process.

23 ²⁰ U.A.C. §R746-420-3(2)(c) (2007).

24 ²¹ See eg. Interwest, Docket No. 22-11032, *Direct Testimony of Mark Detsky*, March 17, 2023, p. 27
("there is a disconnect between the Commission's exercise of its IRP jurisdiction on the one hand, and
RFPs conducted by the utility on the other. This means that the process of soliciting and evaluating new
resources, arguably the primary purpose of the IRP, has limited or even zero examination in the IRP,
even as multiple RFPs take place in parallel.").

²² *Id.* at 39, 40, 43.

²³ Interwest, *Direct Testimony of David Howarth*, Docket No. 23-08015, December 19, 2023, p.29.

1 The lack of transparency and oversight of the RFP process by the Commission, and lack
2 of visibility to stakeholders and the public, has led to a process that yields few project bids from
3 developers. NV Energy’s 2023 RFP received just 84 bids²⁴, and in the Spring 2022 RFP, it was
4 a mere 11.²⁵ By contrast, Public Service Company of Colorado, an equivalently-sized utility,
5 had over 1,000 bids in response to its standardized RFP process held in 2022.²⁶ In this process,
6 the utility can participate in the RFP solicitation and bid in self-build or build-transfer
7 agreement projects. WRA contemplates that an all-source competitive RFP informed by the
8 IRP modeling and Commission guidance would be the default post-Phase I procurement
9 process.²⁷

10 As provided above, Phase I would not only approve placeholder generic resources but
11 would approve the subsequent RFP solicitation processes including bid evaluation metrics and
12 associated documents. Stakeholder input during the Phase I RFP solicitation approval process
13 would invariably provide valuable input from the development community and build trust in
14 the RFP solicitation process.

15 Upon completion of the RFP solicitation and bid evaluation, the utility would file an
16 application in Phase II to procure resources that are consistent with the resource needs
17 identified in Phase I. WRA contemplates that the Phase II approval process would be a distinct
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19 ²⁴ *Id.*

20 ²⁵ Interwest, Docket No. 22-11032, *Direct Testimony of Mark Detsky*, March 17, 2023, p. 40.

21 ²⁶ Xcel Energy 2022 *All-Source 30-Day Report*, at <https://www.xcelenergy.com/staticfiles/xcel-responsive/Company/Rates%20&%20Regulations/2022%20All-Source%20Solicitation%2030-Day%20Report.pdf>.

22 ²⁷ A Commission rule could provide an avenue for procurement outside the RFP process under limited
23 circumstances. *See eg.* 4 CCR 723-3-36.11(c) (“If the utility proposes that a portion of the resource need
24 be met through an alternative method of resource acquisition, the utility shall identify the specific
resource(s) that it wishes to acquire and the reason the specific resource(s) should not be acquired
through an all-source competitive acquisition process. In addition, the utility should provide a cost-
benefit analysis to demonstrate the reason(s) why the public interest would be served by acquiring the
specific resource(s) through an alternative method of resource acquisition.”).

1 and a more expedited process than Phase I. A determination of prudence would be attached to
2 Commission approval of specific resources.

3 WRA has not yet filed rule language to facilitate the two-phased approach, but the
4 procurement application could be filed as an amendment to the IRP. WRA has reviewed the
5 language of the proposed regulation developed in Docket No. 23-07026²⁸ filed with the
6 Legislative Council Bureau regarding “bright line” criteria for IRP amendments. As an
7 amendment to the IRP, a Phase II procurement application would be consistent with the
8 proposed regulations. In Section 5 of the proposed rules on determining thresholds for
9 amendments, the rule contemplates that Action Plan resources may be filed as placeholder
10 resources.²⁹ As such, the identification and approval of placeholder generic resources in a
11 Phase I IRP proceeding is consistent with the language of proposed rules, as both contemplate
12 placeholder resources. Moreover, the two-phased approach can be implemented through
13 rulemaking pursuant to the existing IRP statutory framework, more fully discussed below.

14 **III. Current Statutory Framework Allows, and Commission Review**
15 **Would Benefit From, a Two-Phased IRP Process.**

16
17 Given the statutory requirements of NRS Chapter 704 regarding IRP application and
18 determination criteria, Commission review would benefit from the information obtained
19 through a transparent and robust RFP process. NRS 704.741 and NRS 704.746 in particular
20 contain a number of considerations spanning a wide spectrum of economic, environmental, and
21 system benefits to be evaluated as part of an IRP, such as technology, timing, geographical

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23 ²⁸ LCB File No. R160-24I, filed June 27, 2024.

24 ²⁹ For example, Section 5(a) of the proposed rules regarding a brightline amendment criteria states: “(a) The addition of one or more sources of supply totaling more than 70 megawatts of nameplate generating capacity that are not generating resources or **placeholder generating resources** in any scenario in the approved action plan.” (Emphasis added).

1 location, ability to decrease market purchases, increase access to carbon-free energy, and
2 more.³⁰

3 NRS 704.746(4)(c) requires that the Commission determine, after a hearing, that the
4 “plan adequately demonstrates the economic, environmental and other benefits to this State and
5 to the customers of the utility or utilities. . . .” Further, NRS 704.746(5) requires the Commission
6 to “*give preference*” to sources of supply that provide the “*greatest economic and*
7 *environmental benefits to the state,*” provide “levels of service that are adequate and reliable,”
8 provide the “greatest opportunity for the creation of new jobs,” “reduce customer exposure to
9 the price volatility of fossil fuels,” and reduce the “potential costs of carbon.”³¹

10 Finally, NRS 704.746(6)(a) directs the Commission to adopt regulations which assist in
11 determining the level of preference given to the generation resources identified in the plan.³² In
12 other words, the provision contemplates that the Commission will promulgate rules that assist it
13 in determining which resources provide the *greatest economic and environmental benefits to*
14 *the state.*³³ A required robust and transparent RFP process is the ideal pathway to gather the
15 information required by the Commission to determine which resources provide the greatest
16 benefits. Moreover, this provision provides the Commission with *explicit rulemaking authority*
17 to require an RFP, as discussed further below.

18 Given the number of considerations across these two statutory provisions, it is
19 reasonable to await and review the results of an RFP prior to the Commission approving any
20 specific generation resource. An RFP is an efficient way to gather information on many of the
21

22 ³⁰ N.R.S. §§704.741 (4)(a)-(b); 704.746(4)(c).

23 ³¹ N.R.S. §704.746(5)(a)-(d) (emphasis added).

24 ³² N.R.S. §704.746(6)(a) (“The Commission shall: Adopt regulations which determine the level of preference to be given to those measures and sources of supply.”).

³³ N.R.S. §704.746(6)(a).

1 considerations in statute. The Commission can require guidance and evaluation criteria in an
2 RFP that touch on many, if not all, of the statutorily mandated considerations for generation
3 resources in the IRP. Project developers could be asked to provide, among other information, a
4 summary of tax incentives and benefits associated with their project, location and labor used to
5 build the project, their use of federal tax credits and the tax benefits for the community in
6 which the project will be located, and energy and emission data that the utility can use to help
7 establish environmental benefits and fuel risk mitigation. And, of course, an evaluation of
8 project costs will help establish that the resources selected are cost-effective for utility
9 customers based on the available resources in the marketplace. All of this information would
10 provide the transparency needed for a robust evaluation of alternative projects and for informed
11 Commission approval of a resource procurement that satisfies the statutory requirements.

12 As provided above, the RFP should be issued after the resource needs have been
13 determined in a Phase I proceeding. Additionally, once resource needs have been identified and
14 approved by the Commission, the RFP can identify projects that can meet the resource needs'
15 geographic and timing requirements, among other statutory requirements. Any generation
16 resource procurement selected by the utility in advance of the Commission's decision in an IRP
17 is by definition not guided or informed by the IRP process or the Commission's regulatory
18 oversight. It would be difficult and likely impracticable for the utility to file an RFP nine to
19 twelve months out (or longer) prior to its next IRP filing and expect the utility to have correctly
20 forecast the geographic, technological, and timing needs of the resource at that time. Moreover,
21 the extended time frame between a developer's bid and a final order in the IRP proceeding
22 increases the chance of underlying market dynamics changing and impacting project
23 development economics.

24

1 It is preferable for the IRP to begin with regulatory review of the utility’s forecasts and
2 the performance of models and scenarios, in order to identify system resource needs and inform
3 the components of the RFP solicitation documents. Once placeholder generic resource needs
4 are approved, the RFP would be issued to procure those resources needs through the
5 amendment process. Shifting the sequence for the issuance of an optional RFP from prior to
6 filing an IRP application, as done now, to a required one after Commission approval of the
7 utility’s underlying assumptions, forecasts, modeling, and ultimate determination of
8 placeholder resource needs, would better serve the interest of customers and would not place
9 any additional burden on the utility.

10 It is important to note that there is *no* explicit requirement in NRS Chapter 704 that
11 specific project acquisitions be identified in an initial IRP filing or that the utility has an
12 absolute right to seek approval of specific resources in an initial IRP application. NRS
13 704.741(4)(a), the subsection that describes the energy resource information required in an IRP
14 application, provides the following:

15 For *each scenario considered* pursuant to subsection 3, the plan must include,
16 without limitation:

17 (a) For each *energy resource* proposed:

- 18 (1) A description of each energy resource to be constructed,
19 acquired or contracted for by the utility, including, without
20 limitation, the location of the energy resource, the
21 technology to be used by the energy resource to generate
22 electricity, the anticipated capacity of the energy resource
23 and the anticipated date by which the energy resource will be
24 placed into service;
- (2) The cost of constructing or acquiring, operating and
 maintaining the energy resource or, if the energy resource is
 contracted for by the utility, the price of the energy to be
 supplied by the energy resource;

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- (3) Whether the energy resource will be owned by the utility or utilized by the utility pursuant to a contract with a third party; and
- (4) Any other information required by the Commission to evaluate the prudence of the scenario.³⁴ (emphasis added).

There is no requirement that an “energy resource” be for specific project acquisitions. Rather, the subsection applies to *each scenario considered* and resources within those scenarios, many of which, if not all, are initially modeled as proxy or placeholder resources. This subsection, along with the other provisions establishing factors for the Commission to consider regarding sources of supply,³⁵ provide a framework within which the Commission must make its decision. NRS 704.741 and NRS 704.746 enumerate evaluation criteria, they don’t mandate procurement. So, while the utility is not prohibited from proposing a specific resource procurement, the Commission is not obligated to approve it if it does not have sufficient information pursuant to statute. As provided above, the RFP is an ideal vehicle for gathering information necessary for the Commission to render a decision.

The rulemaking authority in NRS 704.746(6)(a) supports the conclusion that procurement proposals are allowed, but not mandatory, by charging the Commission to adopt regulations determining the level of preference to be given to each source of supply. This rulemaking authority provides discretion to the Commission to promulgate rules that require an RFP *prior* to resource procurement – that is designed to gather information for the Commission to determine which resources provide the greatest economic and environmental value to the state and the utility’s customers. A rule that establishes a required RFP to determine level of

³⁴ N.R.S. §704.7419(4)(a).
³⁵ N.R.S. §704.741; NRS 704.746.

1 preference is much more desirable than a rigid regulation that blindly gives preference to a
2 particular resource selected independently by the utility without first having details about the
3 specific resource's ability to best meet the criteria in statute. Resource needs change over time,
4 and as such, resource characteristics that can satisfy those needs also change. An RFP is
5 flexible enough to identify the resource characteristics necessary to satisfy the utility's
6 identified resource needs and provides critical information to the Commission to determine
7 preference between alternative sources of supply.

8 Since an RFP would provide necessary information regarding the prudence and
9 viability of any resource decision, as well as what resource can best serve customers by
10 meeting a particular resource need, it is reasonable to promulgate rules that require an RFP
11 prior to resource procurement. As there is no statutory right of procurement approval as part of
12 an IRP application, Commission rules should provide that placeholder generic resources will be
13 approved in a Phase I proceeding with subsequent resource procurement approval coming after
14 specific projects and their characteristics have been identified through a Commission-approved
15 RFP process. Hence, there is already strong statutory support for a two-phased process in
16 Nevada, and we encourage the Commission to exercise its rulemaking authority to promulgate
17 rules that establish a two-phased IRP process.

18 **IV. Conclusion**

19
20 Both sound public policy and the current statutory framework underlying the Nevada
21 IRP process support rulemaking to effectuate a two-phased IRP process. The Commission has
22 explicit rulemaking authority to adopt rules that help ensure the Commission has the
23 information it needs to approve a combination of resources that provide the greatest economic
24 and environmental benefits to Nevadans. This can best be accomplished through the IRP and

1 RFP reform provided above. WRA looks forward to working with the Commission, NV
2 Energy, and stakeholders in this docket to develop rules that best work for Nevadans.

3 DATED January 28, 2025.

4 Respectfully submitted,

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GEORGE CAVROS, ESQ., Senior Attorney
8 Western Resource Advocates
9 550 West Musser Street, Suite G
10 Carson City, NV 89703
11 (775) 430-4640
12 George.Cavros@westernresources.org

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1 CERTIFICATE OF MAILING

2 Docket No. 23-05013

3 I hereby certify that on this date I have served the foregoing document upon all parties of
4 record in this proceeding by electronic mail to the recipient's current electronic mail address:

| | | |
|---|-------------------------------|---|
| 5 PUCN Staff Counsel Support | PUCN | pucn.sc@puc.nv.gov |
| 6 | | |
| 7 Donald Lomoljo, Staff Counsel | PUCN | dlomoljo@pucn.nv.gov |
| 8 Whitney Digesti, Senior Deputy Attorney General | Bureau of Consumer Protection | wdigesti@ag.nv.gov |
| 9 | | |
| 10 Paul Stuhff | Bureau of Consumer Protection | pstuhff@ag.nv.gov bcpserv@ag.nv.gov |
| 11 NV Energy Regulatory Department | NV Energy | regulatory@nvenergy.com |
| 12 | | |
| 13 Roman Borisov | NV Energy | roman.borisov@nvenergy.com |
| 14 Michael Alcantar | Alcantar Law Group | mpa@alcantar-law.com |
| 15 Donald Brookhyser | | deb@alcantar-law.com |
| 16 Lisa Tormoen Hickey | Interwest Energy Alliance | lisa@interwest.org |
| 17 | | |
| 18 Justina Caviglia Jake T. Ward-Herzik | Parsons Behle & Latimer | jcaviglia@parsonsbehle.com jward-herzik@parsonsbehle.com |
| 19 Sarah Steinberg | Advanced Energy United | steinberg@advancedenergyunited.org |
| 20 Luca Foletta | SEIA | lfoletta@mcdonaldcarano.com |
| 21 | | |

22 DATED January 28, 2025.

23 Completed By:
/s/ Allison F. George
24 Program and Legal Assistant
Western Resource Advocates