

Agenda 08-25; Item No. 3A Draft Order for discussion at agenda

**THIS ORDER IS NOT A FINAL ORDER AND MAY BE SUBSTANTIALLY REVISED
PRIOR TO ENTRY OF A FINAL ORDER BY THE PUBLIC UTILITIES COMMISSION
OF NEVADA**

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint Application of Sierra Pacific Power Company)
d/b/a NV Energy and Callisto Enterprises LLC for) Docket No. 24-06014
approval of an Energy Supply Agreement.)
_____)

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on May 13, 2025.

PRESENT: Chairman Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Assistant Commission Secretary Trisha Osborne

ORDER

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

I. INTRODUCTION

On June 10, 2024, Sierra Pacific Power Company d/b/a NV Energy ("Sierra") and Callisto Enterprises LLC ("Google" and together with Sierra, "Joint Applicants") filed with the Commission a joint application, designated as Docket No. 24-06014 ("Joint Application"), for approval of an Energy Supply Agreement ("ESA").

On April 28, 2025, Joint Applicants, the Nevada Bureau of Consumer Protection ("BCP"), and the Regulatory Operations Staff of the Commission ("Staff" and together with Joint Applicants and BCP, the "Parties") filed a Stipulation, attached hereto as Attachment A, resolving all issues in the docket.

II. SUMMARY

The Commission accepts the Stipulation and grants the Application as modified by the Stipulation.

III. PROCEDURAL HISTORY

- On June 10, 2024, Joint Applicants filed the Joint Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 703 and 704, including but not limited to NAC 703.535 and the Clean Transition Tariff (“CTT”) that is pending approval in Docket No. 24-05023. Pursuant to NRS 703.190 and NAC 703.527 *et seq.*, Joint Applicants request that certain material in the Joint Application receive confidential treatment.
- On June 17, 2024, the Commission issued a Notice of Application for Approval of an Energy Supply Agreement and a Notice of Prehearing Conference.
- Staff participates as a matter of right pursuant to NRS 703.301.
- On June 20, 2024, BCP filed a Notice of Intent to Intervene, pursuant to NRS 228.360.
- On July 12, 2024, the Presiding Officer held a prehearing conference attended by the Parties, wherein two potential procedural schedules were discussed, depending on the procedural schedule adopted in Consolidated Docket Nos. 24-05022 and 24-05023.
- On July 23, 2024, the Commission issued Procedural Order No. 1, setting a Continued Prehearing Conference for December 3, 2024, and Notice of Hearing.
- On August 12, 2024, Joint Applicants filed an Amendment to the Joint Application.
- On December 3, 2024, the Presiding Officer held a Continued Prehearing Conference attended by the Parties, wherein the procedural schedule was discussed.
- On December 4, 2024, the Commission issued Procedural Order No. 2, setting the procedural schedule.
- On March 11, 2025, the CTT was approved by the Commission in consolidated Docket Nos. 24-05022 and 24-05023.
- On March 13, 2025, the Commission issued a notice for a Continued Prehearing Conference.
- On April 1, 2025, the Presiding Officer held a Prehearing Conference attended by the Parties, setting a Continued Prehearing Conference for April 9, 2025.
- On April 4, 2025, Joint Applicants filed a supplement to the Joint Application.
- On April 28, 2025, the Parties filed the Stipulation.
- On April 28, 2025, the Presiding Officer held a Continued Prehearing Conference attended by the Parties, wherein the Stipulation was discussed.

IV. PARTY POSITIONS

The Parties' Position

1. The Parties agree and recommend that the Commission grant the Joint Application in Docket 24-06014, as modified by the Stipulation. (Attachment A at 3.)
2. Joint Applicants agree to amend the ESA and adopt the model methodologies the Commission approved for the base Large Customer Market Price Energy ("LCMPE") model presented in Docket No. 24-05041 and the updated requirements from the CTT presented in Consolidated Docket Nos. 24-05022 and 24-05023, as outlined in the Supplemental Direct Testimony of Hank Will and Exhibit Will Supplement 1, filed with the Commission on April 4, 2025. (*Id.*)
3. Joint Applicants agree to file an amended ESA, as a compliance filing, after the Commission files an Order accepting the Stipulation; the amended ESA will clearly state the Base Tariff General Rate ("BTGR") and Base Tariff Energy Rate ("BTER") rate components of the overall ESA rate. (*Id.* at 4.)
4. Sierra agrees that it will not request a Regulatory Asset or Liability for any revenue differential between the start of the ESA and the filing of the first General Rate Case ("GRC") in which rates are re-set. (*Id.*)
5. Sierra agrees to provide detailed spreadsheets and testimony in its subsequent three (3) GRCs detailing the accounting between the ESA rate, the existing BTGR, the existing BTER, and its proposed BTGR; further, Sierra agrees to provide testimony detailing whether the BTGR portion of the ESA rate has offset the generation credits in Statement O from the ESA, and if a differential exists between the BTGR credits and the BTGR portion of the ESA rate, the Parties may argue for differential cost allocations for any shortfall or excess from the ESA. (*Id.*)

6. The Parties agree that in entering this Stipulation, no Party is endorsing any particular input or concepts that may apply to future ESAs pending or proposed under the CTT, and the Parties fully reserve their ability to propose modifications to CTT model inputs and concepts in all other pending and future CTT ESAs. (*Id.*)

Commission Discussion and Findings

7. The Commission accepts the Stipulation and grants the Joint Application as modified by the Stipulation.

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

9. All arguments of the Parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Any agreements and recommendations contained in the Stipulation but not expressly addressed herein are either agreements by the Parties regarding matters non-essential to the disposition of this Docket or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the Joint Application as modified by the Stipulation.

THEREFORE, it is ORDERED:

1. The Stipulation filed by Sierra Pacific Power Company d/b/a NV Energy, Callisto Enterprises LLC, the Nevada Bureau of Consumer Protection, and the Regulatory Operations

Staff of the Public Utilities Commission of Nevada, attached hereto as Attachment A, is accepted.

2. The Joint Application of Sierra Pacific Power Company d/b/a NV Energy and Callisto Enterprises LLC for approval of an Energy Supply Agreement is granted as modified by the Stipulation and this Order.

3. The Public Utilities Commission of Nevada's acceptance of the Stipulation does not constitute precedent regarding any legal or factual issue.

Compliance

4. Sierra Pacific Power Company d/b/a NV Energy and Callisto Enterprises LLC shall, within forty-five (45) days of the issuance of the present Order, file an amended Energy Supply Agreement, which clearly states the Base Tariff General Rate and Base Tariff Energy Rate components of the overall Energy Supply Agreement rate.

Directives

5. Sierra Pacific Power Company d/b/a NV Energy shall not request a Regulatory Asset or Regulatory Liability for any revenue differential between the start of the term of the Energy Supply Agreement as amended pursuant to ordering paragraph 4 above, and the filing of the first General Rate Case in which rates are re-set.

6. Sierra Pacific Power Company d/b/a NV Energy shall provide detailed spreadsheets and testimony in its subsequent three (3) General Rate Cases detailing the accounting between the Energy Supply Agreement rate, the existing Base Tariff General Rate, the existing Base Tariff Energy Rate, and its proposed Base Tariff General Rate, and detailing whether the Base Tariff General Rate portion of the Energy Supply Agreement rate has offset the generation credits in Statement O from the Energy Supply Agreement.

By the Commission,

HAYLEY WILLIAMSON, Chair

TAMMY CORDOVA, Commissioner

RANDY J. BROWN, Commissioner

Attest: _____
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

(SEAL)

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ATTACHMENT A

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1 requested that certain material in the Joint Application receive confidential treatment pursuant
2 to NRS 703.190 and NAC 703.527 et seq.

3 3. On June 17, 2024, the Commission issued a Notice of Application for Approval
4 of an Energy Supply Agreement and notice of Prehearing conference.

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

6 5. On June 20, 2024, BCP filed a Notice of Intent to Intervene pursuant to NRS
7 228.360 and participates as a matter of right.

8 6. On July 12, 2024, the Commission held a prehearing conference attended by
9 the NV Energy, Google, Staff and BCP, wherein two potential procedural schedules were
10 discussed, depending on the procedural schedule adopted in consolidated Docket Nos. 24-
11 05022 and 24-05023.

12 7. On July 23, 2024, the Commission issued Procedural Order No. 1, setting a
13 Continued Prehearing Conference for December 3, 2024.

14 8. On August 12, 2024, NV Energy and Google filed an Amendment to the
15 Application.

16 9. On December 3, 2024, the Presiding Officer held a prehearing conference
17 attended by NV Energy, Google, Staff and BCP, wherein the procedural schedule was
18 discussed.

19 10. On December 4, 2024, the Presiding Officer issued Procedural Order No. 2
20 setting the procedural schedule.

21 11. On March 11, 2025, the CTT was approved by the Commission in
22 consolidated Docket Nos. 24-05022 and 24-05023.

23 12. On March 13, 2025, the Presiding Officer issued a notice for a continued pre-
24 hearing conference.

25 13. On April 1, 2025, the Presiding Officer held a prehearing conference attended
26 by NV Energy, Google, Staff and BCP, setting a continued prehearing conference for April
27 9, 2025.

28 14. On April 4, 2025, NV Energy and Google filed a supplement to the filing.

15. Staff, BCP, Google, and NV Energy agree to enter into the Stipulation.

16. As a result of Staff's investigation into this Application, Staff has determined that, through this ESA, Google is providing significant financial support, which facilitates a new technology, Fervo Energy's next generation geothermal project ("Fervo Project") to move forward with a resource that could be vital to both NV Energy and its customers going forward. The construction and operation of the Fervo Project would provide an incremental opportunity to contract with renewable energy resources that are not intermittent and which may help avoid the potential increased costs and operational difficulties associated with meeting the growing renewable portfolio standard requirement with prevalent existing resource types.

17. This Stipulation resolves all issues related to NV Energy and Google's Joint Application in the above reference docket.

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

AGREEMENT OF THE SIGNATORIES

NOW THEREFORE, considering the foregoing considerations, the Signatories agree and recommend that the Commission:

1. Grant NV Energy and Google's Joint Application in Docket No. 24-06014, as modified by this Stipulation.

2. NV Energy and Google agree to amend the ESA and adopt the model methodologies that were approved by the Commission for the base Large Customer Market Price Energy (“LCMPE”) model presented in Docket No. 24-05041, and the updated requirements from the CTT presented in consolidated Docket Nos. 24-05022 and 24-05023. The changes are set forth in the Supplemental Direct Testimony of Hank Will and Exhibit Will Supplement 1, filed with the Commission on April 4, 2025.

3. NV Energy and Google agree to file an amended ESA as a compliance filing with the Commission after an Order granting this Stipulation has been filed in the undersigned docket. This ESA will clearly state the Base Tariff General Rate (“BTGR”) and Base Tariff Energy Rate (“BTER”) rate component of the overall ESA rate.

4. NV Energy will not request a Regulatory Asset or Liability for any revenue differential between the start of the ESA and the filing of the first General Rate Case in which rates are re-set.

5. NV Energy will provide detailed spreadsheets and testimony in the subsequent three (3) General Rate Cases detailing the accounting between the ESA rate, the existing BTGR, the existing BTER, and its proposed BTGR. NV Energy will provide testimony detailing whether the generation credits in Statement O from the ESA have been offset by the BTGR portion of the ESA rate. If there is a differential between the BTGR credits and the BTGR portion of the ESA rate, the Parties may argue for differential cost allocations for any shortfall or excess from the ESA.

6. In entering into this Stipulation, no Party is endorsing any particular model inputs or concepts that may be applicable to any future ESAs pending or proposed under the CTT. The Parties fully reserve their ability to propose modifications to CTT model inputs and concepts in all other pending and future CTT ESAs.

GENERAL PROVISIONS.

A. This Stipulation shall not serve as precedent for the resolution of any issue in the future by the Commission, with the exception of the matters enumerated herein and the findings that follow.

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

C. This Stipulation is entered into for the purpose of resolving all the issues in this Docket by and among the Signatories as set forth above. This Stipulation is made upon the

express understanding that it constitutes a negotiated settlement. The provisions of this Stipulation are not severable.

D. This Stipulation represents a compromise of the positions of the Signatories. As such, conduct, statements and documents disclosed in the negotiation of this stipulation shall not be admissible as evidence in this Docket or any other proceeding. Except as set forth herein, neither this Stipulation, nor its terms, nor the Commission's acceptance or rejection of the terms contained in this Stipulation shall have any precedential effect in future proceedings.

E. If the Commission does not accept the Stipulation in whole, then the Stipulation shall be withdrawn, without prejudice to any claims or contentions that may have been made or are made in this Docket; no part of the Stipulation shall be admissible in evidence; and no Signatory shall be bound by any of the provisions of the withdrawn Stipulation.

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

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

SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY By: <u>/s/ Deborah Bone</u> Date: <u>April 28, 2025</u> Name: Deborah Bone Title: Deputy General Counsel	REGULATORY OPERATIONS STAFF By: <u>/s/ Donald Lomoljo</u> Date: <u>April 28, 2025</u> Name: Donald Lomoljo Title: Staff Counsel
OFFICE OF ATTORNEY GENERAL, BUREAU OF CONSUMER PROTECTION By: <u>/s/ Michael Saunders</u> Date: <u>April 28, 2025</u> Name: Michael Saunders Title: Senior Deputy Attorney General	PARSONS BEHLE & LATIMER By: <u>/s/ Justina Caviglia</u> Date: <u>April 28, 2025</u> Name: Justina A. Caviglia, Esq. Attorney for Callisto Enterprises, LLC