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In accordance with NRS Chapter 719,
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by: /s Erin Moore

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representative of the signer(s) and
SPPC



May 21, 2024

ADVICE LETTER NO. 674-E

Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89710-3109

Dear Ms. Osborne:

Sierra Pacific Power Company d/b/a NV Energy (“Sierra”) hereby submits for filing with the Public Utilities Commission of Nevada (“Commission”) Schedule No. CTT, Clean Transition Tariff. The tariff will apply to eligible fully-bundled retail customers of Sierra with an annual average hourly load of five megawatts or more.

The CTT was developed in response to the Commission’s orders in Docket No. 22-06014, 23-02010 and 23-02011, which recognized the need for a tariff option to serve current large retail customers with dedicated renewable resources. The CTT provides a path for existing customers to remain a retail customer while transitioning to an energy supply agreement (“ESA”) to achieve specific corporate energy goals.

As contemplated under the CTT, a customer’s ESA will utilize new clean energy resources. Like the Large Customer Market Price Energy tariff, the ESA will be filed for approval by the Commission at the time the new clean energy resource is submitted to the Commission for approval. Energy pricing under the ESA has two components: (1) a fixed-price component that will be applicable during resource production hours, and (2) a variable-rate component applicable during non-resource production hours. The ESA can be structured to align with customers’ specific clean energy goals such as annual targets for clean energy or maximizing hourly matching of clean energy output with customer usage. The CTT rates follow the otherwise applicable rate but provide a credit for generation costs, replacing those with the capacity and energy negotiated in the ESA based on the new resource.

Unless otherwise described in the ESA, a Customer receiving service under this schedule that subsequently falls below the five megawatt threshold, based on a twelve-month rolling average, shall pay the otherwise applicable rate schedule of the Customer until the Customer’s twelve-month rolling average once again achieves a five megawatt load threshold.

The accompanying tariff sheets contain a description of the CTT including the applicability, subscription limitation and availability, pricing, and special conditions. In addition, the Company is submitting supporting testimony of Janet Wells, Misha Pascal and Hank Will. Ms. Wells testifies regarding the policy supporting this new tariff offering as well as the form energy supply agreement that is intended to serve as a template for future contracts with customers. Mr. Pascal supports the proposed tariff terms and Mr. Will supports the base model used to support an energy

supply agreement's pricing. Enclosed with this transmittal letter, please also find a courtesy CD containing Mr. Will's workpapers supporting this filing.

This Advice Letter addresses the following tariff sheets:

PUCN SHEET NO.	TITLE OF SHEET
	Table of Contents, Schedule of Rates, Continued
Original 81AZ(09)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(10)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(11)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(12)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(13)	Schedule No. CTT, Clean Transition Tariff

Sierra respectfully requests that the Commission approve the enclosed tariffs at its earliest convenience.

Should you have any questions regarding this filing, please contact me at (775) 834-4135 or janet.wells@nvenergy.com.

Sincerely,

/s/ Janet Wells

Janet Wells
Vice President, Regulatory
Enclosures

**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)):

Notice of Advice Letter No. 674-E to implement a new Schedule No. CTT, Clean Transition Tariff (“CTT”).

- 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)):

Sierra Pacific 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)):

This advice letter seeks to implement an optional schedule that would allow eligible fully bundled retail customers of Sierra Pacific Power Company to take service from Sierra Pacific Power Company under the CTT. The CTT allows eligible customers to receive bundled electric services from new clean energy resources. Approval of the CTT has no impact to other customers.

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

A consumer session is not required pursuant to NRS 704.069.

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.

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.

<u>PUCN SHEET NO.</u>	<u>TITLE OF SHEET</u>
	Table of Contents, Schedule of Rates, Continued
Original 81AZ(09)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(10)	Schedule No. CTT, Clean Transition Tariff
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Original 81AZ(12)	Schedule No. CTT, Clean Transition Tariff
Original 81AZ(13)	Schedule No. CTT, Clean Transition Tariff

Schedule No. CTT
CLEAN TRANSITION TARIFF

APPLICABLE

The clean transition energy rate schedule is applicable to all non-Residential Service Customers demonstrating that they will have an average annual hourly load of five megawatts or more. To reach the five megawatt eligibility threshold, governmental entity customers may aggregate facilities that will be served pursuant to this schedule provided such facilities are operated by the eligible customer under a common budget and common control.

TERRITORY

Entire Nevada service territory, as specified.

RATES

- A. A Customer receiving service under this schedule that has not yet achieved the five megawatt load threshold, based upon an average monthly hourly usage, shall take service under the otherwise applicable rate schedule until such time that the five megawatt threshold has been achieved.
- B. A Customer receiving service under this schedule that has achieved the five megawatt load threshold will pay the following rates and charges:
 - 1. The BTGR of the otherwise applicable rate schedule of the Customer, with the cost of generation capacity and energy supply removed through bill credits.
 - 2. A demand charge(s), if applicable, under the otherwise applicable rate schedule.
 - 3. A facilities charge(s), if applicable, under the otherwise applicable rate schedule.
 - 4. The BSC of the otherwise applicable rate schedule.
 - 5. The UEC as described in Special Condition 1.
 - 6. Franchise Fees, Taxes and Mill Assessment that are assessed under the otherwise applicable rate schedule.

(Continued)

Issued: 05-21-24	Issued By:	
Effective:	Janet Wells	
Advice No.: 674-E	Vice President, Regulatory	

Schedule No. CTT
CLEAN TRANSITION TARIFF
(Continued)

RATES (continued)

- 7. Public Program Costs unless exempted by any applicable law or order of the PUCN.
- 8. An energy charge as specified in an Energy Supply Agreement between the Utility and the Customer.
- C. A Customer receiving service under this schedule that has achieved the five megawatt load threshold will not pay the following rates and charges:
 - 1. A Customer taking service under this schedule shall not be subject to the Net-BTER, DEAA unless specified in the Energy Supply Agreement.
- D. Unless otherwise described in the Energy Supply Agreement, a Customer receiving service under this schedule that subsequently falls below the five megawatt threshold, based on a twelve-month rolling average, shall pay the otherwise applicable rate schedule of the Customer until the Customer's twelve-month rolling average once again achieves a five megawatt load threshold.

SPECIAL CONDITIONS

- 1. **UEC.** The Universal Energy Charge (UEC), pursuant to NAC 702.150 through 702.450, will go to fund the Nevada fund for energy assistance and conservation. Under certain circumstances, Customers will be refunded amounts paid in excess of \$25,000 per calendar quarter. The Commission will administer the collection of the UEC, certify exemptions, and administer refunds. Exemptions are generally kWh sold to:
 - a) Any governmental agency, including the State of Nevada and any political subdivision thereof, and
 - b) Any Customer using electrolytic-manufacturing processes.

Except as provided above, all kWh sold are subject to the charge. The UEC is not subject to the charges applicable under the Special Supplementary Tariff.

- 2. **Rights and Obligations.** The rights and obligations of the parties with respect to the supply of energy will be specified in an Energy Supply Agreement. ~~(b)(1)~~

(Continued)

Issued: 05-21-24	Issued By:
Effective:	Janet Wells
Advice No.: 674-E	Vice President, Regulatory

Schedule No. CTT
CLEAN TRANSITION TARIFF
 (Continued)

SPECIAL CONDITIONS (continued)

3. **Energy Supply Agreement.** The Energy Supply Agreement must be approved by the Commission.
- a. An Energy Supply Agreement shall be filed within, or contemporaneously with, an Integrated Resource Plan or Integrated Resource Plan Amendment that includes a renewable resource(s) not previously approved by the Commission that will serve as the resource(s) for supply to the Energy Supply Agreement counterparty.
 - b. An application for an amended Energy Supply Agreement is not required to be filed within an Integrated Resource Plan or Integrated Resource Plan Amendment unless the resource(s) or a portion of the resource(s) planned to serve the Energy Supply Agreement changes from the original application.

In considering whether the Energy Supply Agreement is in the public interest, the Commission will consider whether non-participating customers of the utility experience increased costs for electric service or forgo the benefit of a reduction of costs for electric service as a result of the Energy Supply Agreement.

The Energy Supply Agreement or Application for approval of an Energy Supply Agreement shall:

- a. Be in the public interest;
- b. Provide for payment by the Customer of the Utility's cost in procuring the energy for the Customer;
- c. Provide for a payment by the Customer for its portion of the Utility's transmission and distribution costs;
- d. Not impair the reliability of the Utility's system or the Utility's ability to provide electric service to its other customers;
- e. Include other terms and conditions related to the respective rights and obligations of the Utility and Customer to take service under this schedule;
- f. Identify the basis for the calculation of the price of energy;
- g. Have a term length that generally aligns with the life of the underlying renewable resource(s), unless otherwise specified and explained in the Application;
- h. Contain sufficient information to determine the Customer's hourly annual load requirements;
- i. Identify system and/or non-participant benefits that will result from the Energy Supply Agreement;
- j. Include a provision for an early termination fee, in the event the Customer terminates the Energy Supply Agreement prior to the end of the Energy Supply Agreement.

(Continued)

<p>Issued: 05-21-24</p> <p>Effective:</p> <p>Advice No.: 674-E</p>	<p>Issued By:</p> <p>Janet Wells</p> <p>Vice President, Regulatory</p>	
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Schedule No. CTT
CLEAN TRANSITION TARIFF
 (Continued)

SPECIAL CONDITIONS (continued)

4. **Termination.** The termination rights of the Customer and the Utility are governed by the terms of the applicable Energy Supply Agreement.
5. **Renewable Portfolio Standard (RPS) Compliance.** For every Customer that takes service under this schedule, the Utility shall retire or transfer to the Customer to retire portfolio energy credits in compliance with the RPS. The Utility shall retain the difference between the amount of portfolio energy credits procured pursuant to the Energy Supply Agreement and the RPS, unless as specified otherwise under the terms and conditions of the Energy Supply Agreement between the Customer and the Utility.
6. **Aggregation of Customer Load.** A non-governmental Customer may use an aggregated load to meet the five megawatt threshold for this schedule with Commission approval, which shall be determined by the Commission on a case-by-case basis.
7. **Customer Load.** A Customer may take service under this schedule for all or a portion of its total load as set forth in the terms and conditions of the Energy Supply Agreement between the Customer and the Utility.

DEFINITIONS

For purposes of this Schedule No. CTT, the following definitions apply.

- A. BSC: The Basic Service Charge, which is approved by the Commission.
- B. BTER: A rate consisting of the base tariff energy rate which is approved by the Commission.
- C. BTGR: A rate consisting of the base tariff general rate approved by the Commission.
- D. DEAA: A rate consisting of the deferred energy accounting adjustment, which is approved by the Commission.
- E. Energy Supply Agreement: Is the contract approved by the Commission that is executed by the Customer and Utility pursuant to terms of Schedule No. CTT.
- F. Net-BTER: A rate consisting of the BTER less the cost of the out-of-the-money long-term renewable energy contracts that the Utility has entered.

	(Continued)	
Issued: 05-21-24	Issued By:	
Effective:	Janet Wells	
Advice No.: 674-E	Vice President, Regulatory	

Schedule No. CTT
CLEAN TRANSITION TARIFF
(Continued)

DEFINITIONS (continued)

- G. Public Program Costs: Are all costs, either legislatively mandated or PUCN approved, that the Utility incurs in implementing legislatively mandated and PUCN approved programs.
- H. PUCN: Is the Public Utilities Commission of Nevada.
- I. RPS: As defined in NRS 704.7805, Portfolio Standard means a portfolio standard for Renewable Energy and energy from a qualified energy recovery process established by the Commission pursuant to NRS 704.7821. The Portfolio Standard provides for increasing minimum amounts of Renewable Energy to be added annually to the Utility's mix of resources required to meet its load requirements.
- J. UEC: A rate consisting of the universal energy charge, which is approved by the Commission.

Issued: **05-21-24**

Effective:

Advice No.: **674-E**

Issued By:

Janet Wells

Vice President, Regulatory

CERTIFICATION

Application For Tariff Approval Filed Under An Advice Letter

Public Utilities Commission of Nevada

1150 E. William Street
Carson City, NV 89701-3109
Ph: (775) 684-6101 / Fax: (775) 684-6110



9075 W. Diablo Drive, Suite 250
Las Vegas, NV 89148-7674
Ph: (702) 486-7210 / Fax: (702) 486-7206

www.puc.nv.gov

Janet Wells, hereby certifies as follows:

1. I am an authorized representative of Sierra Pacific Power Company d/b/a NV Energy .
(utility name)
2. Pursuant to NRS 704.100(1)(f), I attest that to the best of my knowledge, information, and belief, formed after a reasonable inquiry, the proposed change in schedule does not change any rate or result in an increase in the annual gross operating revenue of Sierra Pacific Power Company d/b/a NV Energy in an amount that exceeds \$15,000.
(utility name)

I certify that the foregoing statements are true.

05/21/2024

Date

A handwritten signature in black ink that reads "Janet Wells".

Signature

Janet Wells

Printed Name

JANET WELLS

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Sierra Pacific Power Company d/b/a NV Energy
Docket No. 24-05
Clean Transition Tariff

Prepared Direct Testimony of

Janet Wells

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

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

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

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

1 3. Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS VICE PRESIDENT
2 OF REGULATORY.

3 A. As Vice President of Regulatory, my responsibilities include overseeing the
4 preparation of regulatory filings before the Public Utilities Commission of Nevada
5 (“Commission”), and specifically, the work performed by the Load Research and
6 Forecasting, Pricing, and Regulatory Affairs technical teams.

7
8 4. Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

9 A. Yes, most recently in Docket Nos. 24-02026 and 24-02027, Sierra’s general rate
10 case. **Exhibit Wells-Direct-1** provides a full list of proceedings in which I have
11 testified before the Commission.

12
13 5. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14 A. The purpose of my testimony is to provide support for the Companies’ Clean
15 Transition tariffs (“CTT”). Specifically, I discuss the circumstances leading up to
16 this filing, describe the key components of the CTT and supporting Energy Supply
17 Agreements (“ESA”), and explain the advantages of the CTT.

18
19 6. Q. ARE YOU SPONSORING ANY EXHIBITS?

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

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

22 **Exhibit Wells-Direct-2** Sample Form Energy Supply Agreement

23

24

25

26

27

28 Wells-DIRECT

1 7. Q. PLEASE DESCRIBE THE CIRCUMSTANCES THAT LEAD UP TO THE
2 CURRENT ADVICE LETTER FILING.

3 A. This advice letter filing was motivated by a combination of recent events. As the
4 Commission is aware, the Companies developed and filed market price energy
5 tariffs to provide options for customers to remain retail customers even though they
6 are eligible to receive energy, capacity, and ancillary service from alternative
7 providers. These tariffs also provided a way for customers to seek customized
8 options to reach renewable goals that exceeded Nevada’s legislatively mandated
9 goals.

10 In 2022, the Commission opened a proceeding (Docket No. 22-03025) to
11 investigate the Large Customer Market Price Energy tariff (“LCMPE”) in response
12 to applications filed under that tariff. As a result of that investigatory docket, the
13 Companies filed and the Commission approved updated LCMPE tariffs. The
14 updated tariffs included changes that (1) supported filing ESAs at the time new
15 renewable energy resources were requested for approval in an Integrated Resource
16 Plan, (2) allowed decisions on the renewable base tariff energy rate (“RBTER”) to
17 remain specific to each application, and (3) allowed the decision regarding whether
18 a previously departed 704B customer could return to an alternative provider at the
19 end of the ESA contract to remain specific to each individual application.¹ The
20 Commission declined to expand the LCMPE’s eligibility to include existing
21 customers and instead suggested that eligibility expansion could be served through
22 a separate clean transition tariff, which was initially proposed by an intervenor in
23 Sierra’s 2023 general rate case. This advice letter filing is a result of considering
24 appropriate options to serve current retail customers.

25
26 _____
27 ¹ Docket Nos. 23-02010 and 23-02011.

1 **8. Q. DESCRIBE THE KEY COMPONENTS OF THE CTT AND**
2 **ACCOMPANYING SAMPLE TEMPLATE ESA.**

3 A. The CTT is a new tariff intended to provide eligible customers the option to receive
4 retail electric service from the Companies, reflecting a price within an ESA for
5 energy associated with a new clean energy resource proposed concurrently in an
6 Integrated Resource Plan. This tariff and the associated ESA were built from the
7 general structure of the LCMPE but simplified to serve the unique needs of existing
8 customers. There are several key components that distinguish this tariff offering.
9 First, the eligibility is designed for existing customers with an average hourly load
10 of five megawatts (“MW”) or more. Many of the Companies’ large customers have
11 clean energy goals, not solely those that are new to Nevada or have availed
12 themselves of an alternative provider and are therefore eligible for the LCMPE
13 tariff. Proposing a threshold of five MW permits a set of interested customers to
14 pursue a long-term clean energy solution without creating significant exposure to a
15 volume of applications that would be untenable, for example, if the average hourly
16 1 MW minimum from the 704B regulations was employed.
17 Second, the CTT only has a long-term energy supply period. A short-term energy
18 supply period is not necessary because the CTT customer is already a fully bundled
19 customer and will continue to be served under the otherwise applicable tariff until
20 the new resource is online. This characteristic aligns with the desire to have ESAs
21 generally match the term of the resource but also fits customers’ needs for a long-
22 term solution to reach their clean energy goals.²
23 Third, the CTT employs the same model for determining the ESA price as the
24 LCMPE keeping review streamlined due to the continued increase in familiarity of

25 _____
26 ² The Nevada GreenEnergy Rider (“NGR”) provides an option for existing customers to each year apply to receive
27 renewable energy credits from existing resources, but that option has limited capacity and interest in the recent year
exceeded the available capacity. There is also a new resource option within the NGR but the term limit for that option
is 1-5 years.

1 that model through the LCMPE. An update to the model and proposed ESA is only
2 a long term arrangement is presented under the CTT to align the term with the
3 underlying resource(s).

4 Finally, the ESA model provides the same comparison to the otherwise applicable
5 effective rate as that which is provided in the LCMPE model. This comparison in
6 the CTT context is useful to demonstrate that the CTT customer's ESA price results
7 in an overall effective rate that is no less than the overall effective rate of the
8 otherwise applicable schedule, which can be considered when evaluating whether
9 the public interest standard is met.³ The mechanics of implementing that calculation
10 are provided in the testimony of Hank Will.

11
12 **9. Q. WHY IS PROVIDING EXISTING CUSTOMERS AN ALTERNATIVE**
13 **OPTION TO FULLY BUNDLED SERVICE UNDER THE OTHERWISE**
14 **APPLICABLE CLASS ADVANTAGEOUS TO ELIGIBLE CUSTOMERS,**
15 **NON-PARTICIPATING CUSTOMERS AND THE COMPANIES?**

16 A. First, CTT customers will contribute proportionately more to the statewide clean
17 energy goals. Some eligible customers have clean energy goals that are more
18 aggressive than Nevada's legislatively mandated goals. These goals can be met
19 through an ESA, an option not currently available to existing customers but sought
20 by many of them. Entering into contracts that align with the life of the resource,
21 ensures there is a long-term commitment to that resource and the overall clean
22 energy goal.

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27 ³ Other considerations may influence the assessment of the public interest standard.

1 Second, it is beneficial to all customers to keep these large customers within the
2 Companies' system. Each eligible customer taking service under the CTT can file
3 an application with the Commission to secure energy, capacity, and ancillary
4 services by an alternative provider. If eligible customers choose that path, those
5 customers are no longer retail customers of the Company. As a result, there are less
6 reserves secured given the difference in the planning reserve margin and operating
7 reserves for non-retail customers. In addition, there is one more participant in the
8 regional market that the Companies must bid against for limited available
9 resources. The limited availability of market resources in the West during peak load
10 needs has created a situation where there are multiple parties competing for the
11 limited supply during the same peak load times.

12
13 **10. Q. HOW DOES THE PROPOSED CTT ENSURE THAT NON-**
14 **PARTICIPATING CUSTOMERS OF THE UTILITY WILL NOT**
15 **EXPERIENCE INCREASED COSTS FOR ELECTRIC SERVICE OR**
16 **FORGO THE BENEFIT OF A REDUCTION OF COSTS FOR ELECTRIC**
17 **SERVICE AS A RESULT OF THE ESA?**

18 A. One of the core tenets of the CTT is to protect non-participating customers from
19 additional costs or foregoing potential benefits. In the current ESA model, the
20 Company proposes employing a capacity protection as described in the testimony
21 of Hank Will. By including the capacity protection, the effective rate of the
22 otherwise applicable rate class and the effective rate for the CTT customer are the
23 same. Future considerations of benefits may provide for other proposals to ensure
24 non-participating customers do not experience an increase in costs or a foregone
25 benefit.

1 11. Q. PLEASE EXPLAIN THE SAMPLE TEMPLATE ESA PRESENTED BY
2 THE COMPANIES.

3 A. While the terms of each ESA may vary dependent on the unique needs of a
4 particular customer, attached to my testimony as **Exhibit Wells Direct-2** is a
5 sample form ESA that is intended to serve as a baseline for future ESAs under the
6 CTT. Similar to the ESA model, the form ESA contract began with the contract
7 used for the LCMPE but is simplified to fit the context of the CTT and incorporates
8 feedback received on prior ESAs. For example, **Exhibit Wells Direct-2** removes
9 all sections associated with a short-term energy supply period because that is not
10 applicable under the CTT framework needed. In addition, if any issues arise related
11 to the loss of a resource, customers can return to their otherwise applicable class
12 until a solution is reached.

13 Like the LCMPE, the CTT framework proposes a long-term ESA that provides a
14 fixed rate for the energy served by the new clean energy resource. The long term
15 duration is intended to align with the life of the new clean energy resource and to
16 provide stability for that portion of a participating customer's bill. All other energy
17 requirements for the participating customers will vary based on the existing base
18 tariff energy rate and deferred energy accounting adjustment due to the length of
19 the contract. CTT customers will transition directly from the otherwise applicable
20 rate class to the CTT and the corresponding ESA rate once the new clean energy
21 resource is commercially operable.

22
23 The sample ESA provided with this filing is a framework for future ESAs for the
24 Commission to consider, while acknowledging that each individual ESA will be
25 dependent on the specific circumstances of the customer and resource represented
26 in the ESA at the time it is filed with the Commission for approval.

1 12. Q. PLEASE SUMMARIZE THE COMPANIES' POSITION REGARDING
2 THE CTT TARIFFS.

3 A. The Companies recommend the Commission approve the proposed CTT as filed.
4 Providing this path for existing customers is advantageous to eligible customers,
5 non-participating customers and the Companies. The example ESA provides a
6 consistent application and review of each individual ESA while maintaining
7 necessary flexibility as circumstances warrant. The CTT addresses the interest in
8 a clean energy transition.

9
10 13. Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

11 A. Yes.
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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, 23-02011, 23-06007, 23-08019, 24-02026, and 24-02027.

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

EXHIBIT WELLS-DIRECT-2

SAMPLE/TEMPLATE
SCHEDULE NO. CTT
ENERGY SUPPLY AGREEMENT

AMONG

**[NEVADA POWER COMPANY/SIERRA PACIFIC POWER COMPANY] d/b/a NV
ENERGY,**

AND

[Insert Customer Name]

dated, [_____], 2024

This **SCHEDULE NO. CTT ENERGY SUPPLY AGREEMENT** (this “Agreement”), dated as of [_____], 2024 (the “Execution Date”), is made by and between [NEVADA POWER COMPANY/SIERRA PACIFIC POWER COMPANY], a Nevada corporation doing business as NV Energy (“NV Energy”), and [_____], a [insert jurisdiction] [insert type of entity] (“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 [a current customer receiving electric service from NV Energy [or in the process of constructing a [add customer specific project description]] project that will be located in [insert county], Nevada (the “Facilities”);

WHEREAS, Customer desires that [NV Energy provide the Facilities with certain electric service to support Customer’s corporate goals regarding access to dedicated clean generation sources to supply its Facilities];

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 “**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.

1.2 “**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.

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

1.4 “**BTGR Credits**” means rate credits for generating capacity and energy supply in the Base Tariff General Rate (“**BTGR**”) that are applied to Schedule CTT for CTT Load.

1.5 “**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.

1.6 “**CTT Energy Supply Commencement Date**” means the date that the Generating Facility has achieved commercial operation, as determined by NV Energy.

1.7 “**CTT Generating Facility Rate**” means the fixed rate of \$[XX.XX]/MWh for energy from the Generating Facility in the Resource Procurement Agreement.

1.8 “**CTT Energy Rate**” means a fixed rate of \$[XX.XX]/MWh for the energy delivered from the Generating Facility to the Customer under Schedule No. CTT.

1.9 “**CTT Load**” has the meaning set forth in Section 5.1.1.

1.10 “**CTT Effective Rate**” means an overall rate calculated by NV Energy for the Generating Facility Products that includes (a) the CTT Energy Rate pursuant to Section 1.8; (b) transmission and distribution usage costs based on the otherwise applicable rate class; (c) Base Tariff Energy Rate and Deferred Energy Accounting Adjustment rate for load not served from the Generating Facility; (d) a franchise fee as set by the [city/county]; and (d) any applicable public program charges or fees, as determined by the PUCN, in each case, without duplication. An example calculation of the CTT Effective Rate is set forth in Confidential Exhibit A.

1.11 “**CTT Energy Rate Adjustment**” has the meaning set forth in Section 5.2.3.

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

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

1.14 “**Environmental Attributes**” means any and all existing and future credits, benefits, emissions reductions, offsets, and allowances, attributable to the generation from the Generating Facility. This includes Portfolio Energy Credits as defined in Section 1.33.

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

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

1.17 “**Excess Energy**” is defined as energy generated by the Generating Facility minus the energy served to Customer’s Facilities.

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

1.19 “**Facilities Load**” means the total energy load of the Facilities.

1.20 “**Forecast**” shall have the meaning set forth in Section 5.2.2.

1.21 “**Generating Facility**” means one or more renewable energy generating facilities from which NV Energy will procure or generate energy for Customer that is approved by the PUCN to serve customers pursuant to Schedule No. CTT.

1.22 “**Generating Facility Products**” means all products associated with the Generating Facility, including but not limited to energy, capacity, and environmental attributes and ancillary capacity.

1.23 “**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.

1.24 “**Increase in Load**” shall have the meaning set forth in Section 5.1.2.

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

1.26 “**kW**” means kilowatt.

1.27 “**kWh**” means kilowatt-hour.

1.28 “**MW**” means megawatt.

1.29 “**MWh**” means megawatt-hour.

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

1.31 “**NRS**” means the Nevada Revised Statutes, as amended.

1.32 “**NV Energy**” has the meaning set forth in the preamble hereto.

1.33 “**Party**” and “**Parties**” have the meanings set forth in the preamble.

1.34 “**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.

1.35 “**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.

1.36 “**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.

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

1.38 “**PUCN CTT Approval**” means a final order issued by the PUCN that (a) approves the Schedule No. CTT, 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. For clarity and avoidance of doubt, and without limitation of the foregoing, if the Schedule No. CTT Tariff is approved by a final order of the PUCN, but such approval includes terms or conditions unacceptable to NV Energy, it shall be deemed that “PUCN CTT Approval” has not been obtained for purposes of this section.

1.39 “**PUCN ESA Approval**” means a final order issued by the PUCN that (a) approves this Agreement, in form and substance satisfactory to NV Energy and Customer 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. For clarity and avoidance of doubt, and without limitation of the foregoing, if the Agreement is approved by a final order of the PUCN, but such approval includes terms or conditions unacceptable to NV Energy or Customer, it shall be deemed that “PUCN ESA Approval” has not been obtained for purposes of this section.

1.40 “**PUCN Resource Approval**” means a final order issued by the PUCN that (a) approves the Resource Procurement Agreement or new Generating Facility from which NV Energy will procure or generate energy for Customer, 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. For clarity and avoidance of doubt, and without limitation of the foregoing, the Resource Procurement Agreement or Generating Facility is approved by a final order of the PUCN, but such approval includes terms or conditions unacceptable to NV Energy in its sole discretion, it shall be deemed that “PUCN Resource Approval” has not been obtained for purposes of this section.

1.41 “**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.

1.42 “**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, Environmental Attributes and ancillary services from the applicable Generating Facility and its associated facilities to serve all of the CTT Load.

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

1.44 “**Schedule No. CTT**” means Nevada Power’s Schedule No. CTT Tariff, to be filed for approval with the PUCN.

1.45 “**Tariff Rules**” means the terms and conditions applicable to Schedule No. CTT that have been approved by the PUCN.

1.46 “**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.

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

1.48 “**Termination Payment**” means the compensation due to Company if Customer terminates pursuant to Section 4 of this Agreement. The payment applies to the commercially reasonably forecasted remaining kWh consumption by Customer with respect to the CTT Load from the date of termination through the end of the Term. For purposes of calculating the Termination Payment, the price per kWh will be the difference between the CTT Generating Facility Rate and the weighted average of the per kWh levelized cost of energy for NV Energy’s most recent PUCN-approved renewable energy facilities for comparable periods. In the event that such per kWh levelized cost of energy is greater than the CTT Generating Facility Rate, no Termination Payment shall be payable by Customer.

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

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

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 PUCN ESA Approval (a) shall have been obtained by [insert date], provided that if by such date the PUCN ESA Approval 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 PUCN Resource Approval (a) shall have been obtained by [insert date], provided that if by such date the PUCN Resource 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;

2.1.3 PUCN CTT Approval (a) shall have been obtained by [insert date], provided that if by such date the PUCN Resource 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 each of the conditions set forth in Section 2.1 has been fulfilled.

3. **TERM**. The term of this Agreement shall commence on the Execution Date and shall continue until [DATE], as may be amended from time to time (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 Customer may elect to terminate this Agreement at any time after the CTT 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 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.

4.3 Customer does not have the right to terminate this Agreement prior to the CTT Energy Supply Commencement Date.

5. **ENERGY SUPPLY**.

5.1 Facilities Load; CTT Load.

5.1.1 Facilities Load and CTT Load. Customer and NV Energy acknowledge that this Agreement is executed to supply Customer’s Facilities Load with an anticipated peak load of [XX] MW (the “CTT Load”).

5.1.2 Facilities Load Exceeding CTT Load. 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 beyond the CTT Load (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. Facilities Load that exceeds the CTT Load by over 10 percent (10%) will be subject to the applicable rates, charges and fees of the Customer’s otherwise applicable rate class, as a fully-bundled NV Energy customer.

5.2 CTT Energy Supply.

5.2.1 Procurement and Payment. Commencing on the CTT Energy Supply Commencement Date and continuing through the Term, NV Energy shall deliver to Customer Generating Facilities Products, to serve Customer’s CTT Load, and Customer shall pay to NV Energy the CTT Effective Rate. 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 CTT Effective Rate is provided in Exhibit A.

5.2.2 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 5.2.2, Customer agrees that NV Energy shall use and be entitled to rely on the last Forecast received from Customer.

5.2.3 CTT Energy Rate Adjustment. If the developer of the Generating Facility requests a higher price under its Resource Procurement Agreement with NV Energy, NV Energy will notify Customer within five (5) Business Days of such request and its impact on CTT Energy Rate (the “CTT Energy Rate Adjustment”). Within thirty (30) Business Days of the notice, Customer shall inform NV Energy whether it consents to the CTT Energy Rate Adjustment. If Customer agrees to the CTT Energy Rate Adjustment, then NV Energy will reflect such cost increase in the CTT Effective Rate beginning on the date such price increase takes effect under the contract between NV Energy and the developer and will continue for the remainder of the Term. If Customer does not agree to the CTT Energy Rate Adjustment, NV Energy may either (1) request the developer to continue under the existing contract, (2) terminate the contract with the developer or (3) agree to the price increase under the contract with the developer, however such increase will not be reflected in the CTT Energy Rate.

5.2.4 Portfolio Energy Credits.

(a) 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 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.

(b) 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 energy generated by the Generating Facility, less any PCs purchased by NV Energy and to provide an annual report of such retirement which meets applicable certification and reporting requirements.

(c) 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 5.2.4(b), 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.

5.3 Effect of Termination of Resource Procurement Agreement or Failure of Generating Facility to Deliver Energy and Capacity.

5.3.1 If (a) the Resource Procurement Agreement is terminated for any reason other than a material breach or default by NV Energy prior to the date that the Generating Facility has achieved commercial operation or (b) after the Generating Facility has achieved commercial operation, the Generating Facility is not delivering sufficient Generating Facility Products, NV Energy will be excused from obligations under this Agreement and will continue serving Customer under its otherwise applicable rate.

6. COVENANTS OF THE PARTIES.

6.1 Covenants of NV Energy.

6.1.1 PUCN ESA Approval. Following the Execution Date, NV Energy shall use commercially reasonable efforts to obtain the PUCN ESA Approval 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, NV Energy may, but shall not be obligated to, undertake further efforts to obtain the PUCN ESA Approval.

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

6.1.3 Renewable Portfolio Standard Compliance. During the Term, NV Energy shall use commercially reasonable efforts that the CTT Energy procured for Customer complies with the RPS when providing its services to Customer under Schedule No. CTT.

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.

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 its 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 Section 5.2, 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:

[customer name]
[address 1]
[city, st zip]
Attention: [_____]]
Email: [_____]

With a copy to:

[_____]]
[address 1]
[city, st zip]

Attention: [_____]
Email: [_____]

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 CTT 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. CTT, or any other amount due pursuant to this Agreement within the period specified in Schedule No. CTT (or within forty-five (45) days after such amount is due when no other period is specified in Schedule No. CTT), 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/SIERRA PACIFIC POWER COMPANY] d/b/a NV ENERGY, a Nevada corporation

By: _____

Name: _____

Title: _____

[_____] , a [state] [entity type]

By: _____

Name: _____

Title: _____

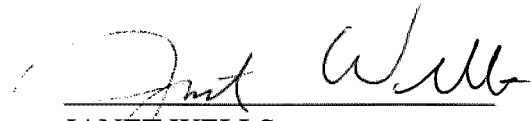
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AFFIRMATION

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: 5/2/24



JANET WELLS

MISHA PASCAL

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Sierra Pacific Power Company d/b/a NV Energy
Docket No. 24-05____
CTT Tariff _____

Prepared Direct Testimony of

Misha Pascal

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

A. My name is Misha Pascal. My current position is Regulatory Analysis Lead for Sierra Pacific Power Company d/b/a NV Energy (“Nevada Power” or the “Company”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and together with Nevada Power, the “Companies”). My business address is 6100 Neil Road, Reno Nevada. I am filing testimony on behalf of Sierra.

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

A. I have two Bachelor of Science Degrees, one in Mechanical Engineering and one in Applied Economics and Statistics, with a minor in Business. I have been with the Companies since August 2018 and in my current position since November 2023. Prior to joining the Companies, I worked in equipment management for a large North American construction company. A more detailed description of my background and experience is included in **Exhibit Pascal-Direct-1.**

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

3 A. My responsibilities include regulatory and technical analysis for a range
4 of filings including new proposals, providing contract support for large
5 customers and filings, supplying departmental support for standby
6 customers, and supporting the Companies' line extension Rule 9 projects
7 in a general capacity.
8

9 4. Q. HAVE YOU PREVIOUSLY SUBMITTED PRE-FILED
10 TESTIMONY WITH THE PUBLIC UTILITIES COMMISSION OF
11 NEVADA ("COMMISSION")?

12 A. Yes, I have provided written testimony in the 2022 Sierra General Rate Case
13 ("GRC"), Docket No. 22-06014, the Companies' Third Amendment to its
14 2021 Integrated Resource Plan, Docket No. 22-09006, and the 2023 Nevada
15 Power GRC, Docket No. 23-06014.
16

17 5. Q. ARE YOU SPONSORING ANY EXHIBITS?

18 A. Yes. I am sponsoring the following exhibit:
19 **Exhibit Pascal-Direct-1** Statement of Qualifications.
20

21 6. Q. PLEASE PROVIDE AN OVERVIEW AND PURPOSE OF YOUR
22 TESTIMONY.

23 A. My testimony provides support for the Companies' new Clean Transition
24 Tariff ("CTT"). Specifically, I discuss the structure and features of the
25 proposed CTT. Janet Wells provides policy support and Hank Will
26 discusses the technical aspects of the pricing mechanism required by the
27 CTT.

1 7. Q. PLEASE DESCRIBE THE STRUCTURE OF THE CTT.

2 A. The CTT provides a path for an existing customer to remain a retail
3 customer of the utility while transitioning to an energy supply agreement
4 (“ESA”) to support corporate clean energy goals that exceed the Nevada’s
5 legislatively mandated goals. The CTT is structured such that each
6 customer will execute an individual ESA with the utility, which will utilize
7 a new clean generation resource. The ESA will be filed for Commission
8 approval contemporaneous with the new clean resource submitted to the
9 Commission for approval.

10

11 In developing the CTT, the Company utilized the foundation of the Large
12 Commercial Market Price Energy (“LCMPE”) tariff, because it has been
13 thoroughly vetted. Both the Commission and stakeholders are familiar
14 with its structure. The specific features of the CTT that differentiate it from
15 other tariff offerings are discussed below.

16

17 The CTT is designed for existing large commercial customers that meet
18 the threshold of an average hourly load of five megawatts. The CTT offers
19 these customers a structured financial and operational framework to
20 encourage a quicker transition towards cleaner energy resources.

21

22 A crucial component of the tariff is the ESA between the utility and the
23 customer, which outlines the terms for energy supply, costs, and related
24 obligations. This agreement must be approved by the Commission and is
25 designed to ensure that the transition to clean energy does not impair the
26 utility's system reliability or impose undue costs on non-participating

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customers. Hank Will and Janet Wells discuss these topics further in their testimonies.

The CTT provides a comprehensive and adaptable framework designed to support Nevada's non-residential sectors in their journey towards sustainable energy use. The CTT facilitates a structured financial pathway for adopting clean energy solutions and ensures that the transition aligns with Nevada's broader energy growth and conservation goals. Through its nuanced rate structure and the ESA framework, the CTT embodies a forward-thinking approach to energy policy, promoting environmental stewardship while catering to the operational and financial realities of high load energy customers.

8. Q. PLEASE COMPARE THE CTT TO THE COMPANY'S OTHER MARKET PRICED TARIFFS AND THE NV GREENENERGY RIDER ("NGR").

A. The Company offers three additional tariffs which enable commercial customers to further their clean energy objectives. These are the Market Price Energy ("MPE"), LCMPE, and NGR tariffs. The MPE and LCMPE tariffs are only offered to customers who are not fully bundled retail customers of the utility. The CTT is a new option, based on the structure of the MPE and LCMPE that enable existing bundled customers to further their clean energy objectives.

One of the motivations for bringing forward the CTT is to offer additional options for fully bundled retail customers of the utility who are not eligible for service under the MPE and LCMPE.

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Like the CTT, the NGR is available to fully bundled retail customers of the utility. To be eligible for service under the NGR, a customer must have a minimum load of one megawatt and can choose between receiving energy from an existing renewable resource through tariffed rate provisions or a new renewable resource under the terms of a Commission-approved new resource option contract.

The new resource option under the NGR is similar to the CTT, yet the CTT distinguishes itself through greater flexibility. While the NGR serves as a mechanism for transitioning to renewable energy resources, it does not actively encourage customers to engage in sustainability efforts within Nevada, beyond merely paying the associated Rider. Unlike CTT, which involves a customer's long-term commitment to a chosen resource, NGR does not require customers to commit to a specific term or resource without termination obligations. Furthermore, the NGR lacks provisions that allow customers to introduce new and innovative structures tailored to comprehensive energy services, which are crucial for achieving both customer-specific and state-wide decarbonization objectives. These customer-specific CTT resources must be aligned in partnership with the Company and put forth through the integrated resource planning process in conjunction with the ESA review. This process enables the Company and the Commission to ensure that customer-specific resources complement the Company's resource planning process and align with Nevada's energy policies.

1 9. Q. PLEASE SUMMARIZE AND PROVIDE ANY CLOSING
2 COMMENTS.

3 A. The CTT represents a pivotal advancement in the energy landscape of
4 Nevada. It is designed to meet the evolving needs of our large commercial
5 customers, the CTT leverages a new, innovative framework for our
6 existing large customers and aids them in a strategic transition to
7 renewable energy resources. By building on the familiar structure of the
8 LCMPE tariff and incorporating specific enhancements that address the
9 unique requirements of transitioning to renewables, the CTT provides a
10 robust solution that aligns with both corporate sustainability goals and
11 Nevada's renewable energy objectives.

12
13 The development and implementation of the CTT are the result of
14 comprehensive collaboration with stakeholders and careful consideration
15 of the broader impacts on all utility customers. This ensures that the
16 transition supports system reliability and equitable cost distribution while
17 protecting the interests of all parties involved.

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19 10. Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT
20 TESTIMONY?

21 A. Yes.

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EXHIBIT PASCAL-DIRECT-1

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AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, MISHA PASCAL, 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: 5/2/2024


MISHA PASCAL

HANK WILL

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Sierra Pacific Power Company d/b/a NV Energy
Docket Nos. 24-05
Clean Transition Tariff

Prepared Direct Testimony of

Hank Will

I. INTRODUCTION

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

A. My name is Hank Will. My current position is Pricing Specialist in the Regulatory Pricing and Economic Analysis group for Sierra Pacific Power Company d/b/a NV Energy (“Sierra” or the “Company”) and Nevada Power Company d/b/a NV Energy (“Nevada Power” together with Sierra Pacific Power, the “Companies”). My primary business address is 6100 Neil Road, Reno, Nevada. I am filing testimony in this proceeding on behalf of Sierra.

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

A. I have a Bachelor of Science Degree in Natural Resource Economics with minors in Civil Engineering and Mathematics, and a Master of Arts in Economics from the University of Nevada, Reno. I have been in my current position since joining the Companies in July 2016. Prior to joining the Companies, I worked for a firm that audited demand side management programs for utilities throughout the United States. A more detailed description of my background and experience is included in **Exhibit Will-Direct-1**.

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

3 A. Yes. I most recently provided testimony to the Commission in Sierra’s Gas General
4 Rate Case (“GRC”), Docket No. 24-02027. A full list of cases in which I have
5 provided testimony before the Commission can be found in **Exhibit Will-Direct-**
6 **1**.

7
8 4. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. The purpose of my testimony is to sponsor the technical aspects of the Energy
10 Supply Agreement (“ESA”) pricing model underlying the Company’s Clean
11 Transition tariff (“CTT”).

12
13 My testimony is organized as follows:

14 **Section I.** Introduction; and

15 **Section II.** ESA Pricing and Modeling.

16
17 5. Q. PLEASE PROVIDE AN OUTLINE OF YOUR EXHIBITS.

18 A. I am sponsoring the following exhibits:
19 **Exhibit Will-Direct-1**, Qualifications of Hank Will.
20 **Exhibit Will-Direct-2**, ESA Pricing Model.

21
22 **II. ESA PRICING AND MODELING**

23 6. Q. PLEASE PROVIDE BACKGROUND FOR THE ESA PRICING MODEL
24 THAT YOU ARE SUPPORTING.

25 A. The Companies recently provided ESA pricing models in the joint Large Customer
26 Market Price Energy (“LCMPE”) tariff filings Dockets Nos. 23-02010 and 23-

02011, and the MSG ESA filing Docket No. 23-08019. The ESA pricing models provided in these dockets responded to feedback from intervening parties in the Commission’s investigation, Docket 22-03025, and the Resorts World ESA filing, Docket No. 21-06011. The ESA pricing model provided in **Will-Workpapers-One** builds on these prior models. **Will-Workpapers-One** is simplified from prior models to only present a 25 year fixed price for clean energy resource energy from a dedicated underlying resource in accordance with the terms of the CTT discussed in Misha Pascal’s direct testimony.

7. **Q. PLEASE EXPLAIN THE PRICING MODEL’S FIXED ENERGY PRICE, AS DEVELOPED FOR THE CTT.**

A. During the ESA period, CTT customers will pay a fixed price per megawatt hour (“MWh”) for hours in which the underlying clean generation produces electricity to be utilized for the CTT customers’ electric consumption. This fixed price is calculated by modeling the electric consumption for each individual CTT customer against the annual revenue requirement of an underlying clean generation project. The pricing model provides the revenue requirement per MWh required from the underlying generation resource and charges that price to the CTT customer.¹

In the following list, I detail the key components of the fixed price calculations and how these components contribute to calculating the per MWh ESA price. A model of how the fixed price is calculated is provided in **Exhibit Will-Direct-2** to this application. In **Will-Workpapers-One**, the Company presents a representative clean energy generation example of a solar photovoltaic (“PV”) project paired with a battery Energy Storage System (“BESS”). While a PV project combined with a

¹ See Exhibit Will-Direct-2, worksheet named “Table 1: ESA Pricing”, lines 7, 9, and 17.

1 BESS is a common clean generation resource in Nevada, the CTT contemplates
2 other forms of clean generation. The model presented in **Will-Workpapers-One**
3 is meant to be illustrative and may be tailored to accommodate different types of
4 clean generation resources, their individual production curves, and their associated
5 costs. A different clean generation resource will have cost components that differ
6 from the specific cost components that comprise the illustrative ESA pricing
7 example provided in **Exhibit Will-Direct-2**. An explanation of the ESA pricing
8 model’s key inputs and the costs that form the cost basis for the ESA price is
9 provided below:

10
11 1) **Resource and Grid Hours:** The CTT customer’s hourly load is assigned,
12 for each hour of the year, to an hourly category of either Resource or Grid
13 hours, based on the expected production of the underlying dedicated
14 resource and expected daily dispatch. Grid hours represent those hours that
15 were not assigned as Resource hours because the output of the underlying
16 clean generation is insufficient to serve the CTT customer’s load in that
17 hour.

18
19 2) **ESA Cost Input One – Annual Solar Cost:** The annual total cost of
20 providing solar energy directly to the customer to meet its load needs during
21 solar hours, as well as the solar energy required to charge the BESS,
22 including roundtrip energy losses, sufficient to meet the customer’s load for
23 the four hours immediately following the daily end of solar production. See
24 worksheet named “Table 2: ESA Pricing Cost Components” in **Exhibit**
25 **Will-Direct-2**, lines 1 to 3, provides an example.

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- 3) **ESA Cost Input Two – Annual BESS Cost:** The annual total cost for the BESS storage capacity required to serve the customer’s full BESS period load. The worksheet named “Table 2: ESA Pricing Cost Components” in **Exhibit Will-Direct-2**, lines 5 to 7 provides an example.

- 4) **ESA Cost Input Three – Annual Grid Hour Capacity Cost:** The annual total cost for the capacity portion of the Long-Term Avoided Cost (“LTAC”) for the Grid served energy. The worksheet named “Exhibit Table 2: ESA Pricing Cost Components” in **Exhibit Will-Direct-2**, lines 9 to 11 provides an example.

- 5) **ESA Cost Input Four – Annual Planning Reserve Margin Cost:** The annual total cost for the planning reserve margin (“PRM”) held on behalf of this customer by the Company. In this case the PRM is reflected as 16 percent of the most recently approved generation functional revenue requirement divided by fully bundled MWh at the time consistent with the development of that functional revenue requirement. The worksheet named “Table 2: ESA Pricing Cost Components” in **Exhibit Will-Direct-2**, lines 13 to 15, provides an example.

- 6) **ESA Cost Input Five – Annual Capacity Protection Cost:** The annual cost of equalizing the effective per-MWh rate from the otherwise applicable class and the CTT customer’s effective per-MWh rate is included as the Annual Capacity Protection cost. The worksheet named “Table 2: ESA Pricing Cost Components” in **Exhibit Will-Direct-2**, lines 17 to 19, provides an example.

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7) **Calculation of the ESA Price:** The calculation of the per MWh ESA price to be charged to the CTT customer as the sum of the annual total costs from items 2 through 6 divided by the MWhs during the solar and BESS hours. The worksheet named “Table 1: ESA Pricing” in **Exhibit Will-Direct-2**, lines 12 to 17, provides an example.

8. Q. HOW DOES THE COMPANY ASSIGN CLEAN GENERATION OR GRID STATUS TO EACH HOUR OF THE DAY?

A. To mirror how the Company will bill CTT customers, in **Will-Workpapers-One**, each hour of the day was assigned one of the following categories, Solar, BESS or Grid. For the purposes of the model in **Will-Workpapers-One**, the Company reviewed the solar production data for the recently approved 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 least half of the production is available prior to assigning the production to a CTT customer. When the Company models BESS dispatch, the Company assumes that the four immediate hours following the daily end of defined Solar hours will be BESS discharge hours. In other words, the four hours immediately following the last hour defined as Solar were assigned to BESS dispatch. The remaining hours that were not assigned either Solar or BESS designation were assigned as Grid hours. During Grid hours, the Company is serving the loads of the customer with energy that is not dispatched from the dedicated Solar and BESS resources and charged the

² Sierra Solar was chosen as an illustrative resource because it was recently approved by the Commission.

1 existing base tariff energy rate (“BTER”) and deferred energy accounting
2 adjustment (“DEAA”) rate. Also, during Grid Hours, CTT customers will pay the
3 same BTER and DEAA rates as if they were being served under the otherwise
4 applicable fully bundled rate schedule.
5

6 **9. Q. PLEASE EXPLAIN THE CAPACITY COST FOR ENERGY PROVIDED**
7 **DURING GRID HOURS.**

8 A. When the Company bills a CTT customer, the customer will receive credits applied
9 to all consumption and Time-of-Use (“TOU”) demand billing determinants that
10 reflect the cost of generation which is built into fully bundled rates.³ To add back
11 in capacity costs that are removed when applying the generation credits to grid
12 delivered energy, the Company has applied the cost of the capacity-only portion of
13 the calculated long term avoided cost (“LTAC”) to the grid delivered energy. The
14 LTAC is the incremental cost that the Company avoids by having to utilize one less
15 MW of generation capacity. For the pricing model, the Company utilized the
16 capacity portion of the proposed LTAC computed in support of the Company’s
17 upcoming preferred plan in its 2024 Integrated Resource Plan (“IRP”).
18

19 **10. Q. HOW HAS THE COMPANY RESPONDED TO RECENT FEEDBACK**
20 **THAT NEAR TERM LTAC PRICES MAY NOT APPROPRIATELY**
21 **CAPTURE THE FUTURE VARIATION IN THE LTAC?**

22 A. Recently, in the LCMPE tariff filings Docket Nos. 23-02010 and 23-02011, the
23 Companies proposed utilizing the LTAC as a methodology for pricing energy for
24 the hours in which energy is delivered from generation or Grid resources that are
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 not the underlying clean generation resource. The LTAC was selected because it
2 includes the addition of a capacity payment during 16-hour blocks for summer
3 days.⁴ The Company proposes to build on that approach here and use the capacity
4 portion of the LTAC to price non-resource hour capacity costs for inclusion in the
5 ESA price. During billing for CTT customers, the Company will apply a generation
6 credit to select base tariff general rates (“BTGR”) that removes the generation costs.
7 However, during non-resource hours, the Company proposes utilizing the capacity
8 price from the LTAC to account for the capacity component of energy provided to
9 the CTT customer using grid resources.

10
11 In response to feedback in the LCMPE tariff filings Docket Nos. 23-02010 and 23-
12 02011, that certain hours may have zero LTAC costs and that using only the next
13 year’s LTAC does not capture future variation in the LTAC, the Company proposes
14 averaging the LTAC by hour⁵ for the years that the CTT customer is projected to
15 be paying the ESA price for the clean resource energy.⁶ This proposed
16 methodology captures price trends in the LTAC forecast and aligns the application
17 of the LTAC appropriately to the gaps in temporal matching between the
18 underlying resource and customer load. This ensures that ESA pricing captures the
19 relative capacity value of the underlying resource.

20
21 **11. Q. WHY IS THE COMPANY INCLUDING THE ANNUAL COST FOR PRM**
22 **IN THE TOTAL ESA PRICE FOR CTT CUSTOMERS?**

23 A. The rate design structure for CTT customers includes credits for the overall
24 generation revenue that is embedded in fully bundled TOU demand and energy
25

26 ⁴ Docket Nos. 23-02010 and 23-02011, prepared rebuttal testimony of Janet Wells, at Q&A 8.

27 ⁵ This results in an hourly average for each individual hour across the year.

28 ⁶ Docket Nos. 23-02010 and 23-02011, prepared testimony of Michael D. Roberson, at Q&A 8.

1 rates. This allows for the customer to be excluded from the overall system costs of
2 generation and be served directly from the dedicated resource included in the ESA.
3 However, the loads of CTT customers are considered in the planning reserve
4 requirements of the system resulting in a cost to be paid by the customer. Thus, the
5 PRM costs are incorporated into CTT customers' rate calculations. The current
6 PRM value of 16 percent, from the most recently approved general rate case, was
7 used in the calculations, and converted to a per MWh price. Using the estimated
8 annual loads of the CTT customer, the annual cost is calculated and then spread to
9 only the fixed ESA hours in order to add the cost to the fixed ESA price.

10
11 **12. Q. WHY IS THE COMPANY ADDING TWO DOLLARS PER MWH IN**
12 **ADMINISTRATION FEES TO THE PRM COMPONENT OF THE ESA**
13 **PRICE?**

14 A. Complex contracts such as those contemplated in the CTT require additional
15 resources allocated to billing support, administration, etc. above the otherwise
16 applicable class. The PRM component in rate design flows back to BTGR revenue
17 requirement recovery. This is an additional benefit to non-participating customers
18 that offsets any additional administrative costs incurred by the Company on behalf
19 of CTT customers.

20
21 **13. Q. PLEASE DESCRIBE THE CAPACITY PROTECTION COMPONENT OF**
22 **THE ESA PRICE?**

23 A. The Capacity Protection component of the ESA price is set such that the all-in
24 effective rate for the CTT customer is no lower than the all-in effective rate of the
25 otherwise applicable rate class. The Company accomplishes this through iterating
26 the model until this constraint on the pricing model holds. The Capacity Protection
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is constricted to values equal to or greater than zero. If the CTT customer chooses to sign an ESA with an ESA price greater than the all-in effective rate for the otherwise effective rate class, then the CTT customer is opting into a higher cost clean resource compared to the overall costs for non-participating customers and no capacity protection is needed.

14. Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?

A. Yes.

EXHIBIT WILL-DIRECT-1

Hank D. Will
Pricing Specialist
RATES & REGULATORY AFFAIRS
NV Energy
6100 Neil Road
Reno, Nevada 89511-1137
(775) 834-3571

Mr. Will has been an employee of NV Energy since July 2016 and his time at the company has solely been within the Regulatory Pricing & Economic Analysis section of the Rates & Regulatory Affairs department. His current responsibilities are focused upon leading Sierra's Gas Cost Study and gas rate design, updating the Company's Time-of-Use Periods, Large Customer Market Price Energy ("LCMPE") support, support for the Company's electric vehicles dockets, providing inputs into the annual ten-year revenue forecast, and providing support for the Company's standby customers.

Prior to joining the Company, Mr. Will had experience as a project manager and lead evaluator for evaluation, measurement, and verification ("EM&V") of energy savings by demand side management programs ("DSM") implemented by the Company and other client utilities. He was most recently employed at ADM Associates, a contractor in the EM&V industry.

Employment History

NV Energy

July 2016 to Present

Pricing Specialist, Regulatory Pricing & Economic Analysis
Senior Pricing Analyst, Regulatory Pricing & Economic Analysis
July 2016 to Present

- Lead Sierra Gas Cost Study and gas rate design.
- Lead effort to revise and update Companies' time-of-use periods.
- Perform ESA pricing modeling for LCMPE and CTT related filings.
- Provide support for the Companies' Transportation Electrification Plan.
- Lead effort to update and revise Miscellaneous Charges Tariff.
- Updated the cost-based analysis for residential and commercial Non-Standard Metering charges.
- Updated the Nevada Power Rule 9 allowances in previous general rate cases.
- Created documentation that provides a guide to completing the Electric Facilities Study that serves as the model that outputs updated Rule 9 Allowances.
- Provided analyses for standby billing customers.
- Providing support of UI Planner model and inputs updates.

Non-NV Energy Employment

ADM Associates

August 2013 to July 2016

EM&V Evaluator

- Project manager and lead evaluator for EM&V for utilities demand side management programs.
- Wrote EM&V plans and reports for clients including NV Energy, FirstEnergy Ohio, and Public Service Oklahoma.
- Managed and performed field work to verify installation of energy efficiency measures.
- Performed energy efficiency analyses for numerous energy efficiency measures and programs.
- Provided data science support and analysis of interval smart meter data for determination of energy savings for energy efficiency programs that utilized treatment and control groups.

University of Nevada, Reno

March 2011 to May 2013

Graduate Research Assistant, Department of Economics

- Performed statistical modeling in STATA.
- Created a database of field data for grant funded research.

Education

University of Nevada, Reno

Master of Economics, May 2012.

University of Nevada, Reno

Bachelor of Science in Natural Resource Economics, May 2010.

Prior Testimony Before the Public Utilities Commission of Nevada

Docket No. 24-02027, Sierra Pacific Power Company Gas General Rate Review Proceeding.

Docket No. 23-06007, Nevada Power Company General Rate Review Proceeding

Docket No. 23-02011, Sierra Pacific Power Company Advice Letter 662-E LCMPE

Docket No. 23-02010, Nevada Power Company Advice Letter 535 LCMPE

Docket No. 21-06014, Sierra Pacific Power Company General Rate Review Proceeding

Docket No. 20-06003, Nevada Power Company General Rate Review Proceeding

Docket No. 19-06002, Sierra Pacific Power Company General Rate Review Proceeding

Journal Article

Taylor, Michael H., Andrew J. Sanchez Meador, Yeon-Su Kim, Kimberly Rollins, and Hank Will, (2015). *The Economics of Ecological Restoration and Hazardous Fuel Reduction Treatments in the Ponderosa Pine Forest Ecosystem*. Forest Science 61(6), p. 988-1008.

EXHIBIT WILL-DIRECT-2

SIERRA PACIFIC POWER COMPANY - d/b/a NV ENERGY

ESA PRICING MODEL FOR XX

Energy Supply Agreement Pricing Model

Docket No. XX-XXXXX Direct Filing

PREPARED BY THE

REGULATORY PRICING AND ECONOMIC ANALYSIS DEPARTMENT

Date

THIS ESA PRICING MODEL WAS PREPARED TO SERVE AS THE
BASIS FOR THE FIXED ENERGY RATE IN DOCKET NO. XX-XXXXX

Table 1: ESA Pricing

Line No.	Cost Components	Costs (\$)	Line No.
1			1
2	PV Cost	\$11,348,133	2
3	Battery Cost	\$9,033,798	3
4	Grid Hour Capacity Cost	\$294,064	4
5	Planning Reserve Margin Cost	\$2,422,174	5
6	Capacity Protection Cost	\$0	6
7	Total Annual Cost	\$23,098,168	7
8			8
9	Forecast Annual Energy (MWh)	284,994	9
10			10
11	Cost Components	Costs (\$/MWh)	11
12	PV Cost	\$39.82	12
13	Battery Cost	\$31.70	13
14	Grid Hour Capacity Cost	\$1.03	14
15	Planning Reserve Margin Cost	\$8.50	15
16	Capacity Protection Cost	\$0.00	16
17	ESA Offer Price >>	\$81.05	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)	298,635	1
2		PV Price (\$/MWh)	\$38.00	2
3		Annual PV + BESS Energy Cost	\$11,348,133	3
4				4
5	Component 2 Battery Cost	Annual Storage Demand (MW)	81,416	5
6		Battery Capacity Price (\$/MW)	\$111	6
7		Annual Storage Capacity Cost	\$9,033,798	7
8				8
9	Component 3 Grid Hour Capacity Cost	Grid Energy (MWh)	196,551	9
10		Non-Solar Capacity Price (\$/MWh)	\$1.50	10
11		Annual Non Solar Capacity Cost	\$294,064	11
12				12
13	Component 4 Planning Reserve Margin	Planning Reserve Margin Energy (MWh)	481,545	13
14		Planning Reserve Margin Price (\$/MWh)	\$5.03	14
15		Annual Planning Reserve Margin Cost	\$2,422,174	15
16				16
17	Component 5 Capacity Protection	FPP Energy (MWh)	284,994	17
18		Capacity Protection Price (\$/MWh)	\$0.00	18
19		Total Capacity Protection Cost	\$0	19
20				20
21		Total Annual Cost	\$23,098,168	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	298,635	3
4	Round Trip Battery Charging Losses	-13,641	4
5	Grid Energy (MWh)	196,551	5
6	Planning Reserve Margin Energy	481,545	6
7			7
8	BESS Facility Characteristics	MW	8
9	Annual Storage Demand	81,416	9
10			10
11	Pricing		11
12	PV Price (\$/MWh)	\$38.00	12
13	Battery Capacity Price (\$/MW)	\$110.96	13
14	Non-Solar Capacity Price (\$/MWh)	\$1.50	14
15	Planning Reserve Margin Price (\$/MWh)	\$5.03	15
16	Capacity Protection Price (\$/MWh)	\$0.00	16
17			17
18	Battery Capacity Price Calculation		18
19	Monthly Battery Capacity Cost (\$/MW-Month)	\$13,500.00	19
20			20
21	Annual Battery Capacity Cost (\$/MW-Year)	\$162,000.00	21
22	Annual Charging Hours (Hours)	1,460	22
23	Hourly Battery Capacity Cost (\$/MW-Hour)	\$110.96	23
24			24

AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, HANK WILL, 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: 5/2/24

Hank Will
HANK WILL

Nevada Power Company
and Sierra Pacific Power Company
d/b/a NV Energy

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing for **SIERRA PACIFIC POWER COMPANY d/b/a NV ENERGY** in Docket No. 24-05____ upon the persons listed below by electronic service:

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

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

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

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

DATED this 21st day of May, 2024.

/s/ Erin Moore
Erin Moore
Paralegal
Sierra Pacific Power Company d/b/a NV Energy