

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of their 2027-2046 integrated resource plan, 2027-2029 Action Plan and 2027-2029 Energy Supply Plan.

Docket No. 26-05 ____

VOLUME 33 OF 41

**NARRATIVE
DEMAND SIDE MANAGEMENT PLAN**

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NARRATIVE
DEMAND SIDE PLAN

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Section 1 – Overview and Request for Approval

Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra,” and collectively with Nevada Power, “NV Energy” or the “Companies”) are filing, as part of their 2026 Joint Integrated Resource Plan (“IRP” or “2026 Joint IRP”) (2027-2046), a Combined Demand Side Management (“DSM”) three-year action plan (“Action Plan” or “Plan”) for the program period of 2027 through 2029 pursuant to Nevada Administrative Code (“NAC”) §§ 704.9006, 704.9057, 704.9156, 704.9212, 704.934, 704.9489, and 704.9212 with the Public Utilities Commission of Nevada (“Commission”).

NV Energy’s DSM Plan includes an analysis of results for the program year 2025 (“2025 Prior Year”), and an update on program and compliance activities for the current program year 2026 (“2026 Current Year”) in accordance with NAC 704.934(7). Further details on NV Energy’s 2025 DSM results are presented in Section 2.A. In Docket No. 24-05041 (“2024 Joint IRP”), the Commission approved an annual budget of \$65,721,004, targeting 304,703,000 kilowatt-hours (“kWh”) in savings for the previously approved Action Plan period between 2025 to 2027.^{1 2} In this DSM Plan, NV Energy proposes new energy and demand reduction savings goals for the 2027 to 2029 program years (the “Action Plan period”). Refer to Table DSM-1 and Section 3 for more details on goals and savings targets during the Action Plan period.

NV Energy proposes in this DSM Plan to continue its energy efficiency (“EE”) and demand response (“DR”) program investments for the three-year Action Plan period. The DSM Plan represents a continuation of energy efficiency and an expansion of flexible distributed energy resources (“DERs”) program activities. This filing seeks Commission approval of a portfolio of programs that introduces a blend of both energy and demand savings and presents recommended new energy savings goals as required by NRS § 704.7836 and NAC § 704.9212(1)(b).

Pursuant to NAC § 704.9212(1)(b), NV Energy requests that the Commission review and accept an energy savings goal that proposes a combination of energy savings, in kWh, and incremental demand reduction capacity, in kilowatts (“kW”), during the Action Plan period. The proposed portfolio establishes an incremental demand savings target reduction of 171 MW of new dispatchable capacity and an energy savings target of 687,755,000 kWh over the three-year action-plan period.

The proposed portfolio delivers net benefits for NV Energy’s customers and includes programs to serve all customer classes, including an emphasis on income-qualified and historically underserved communities (“HUC”). It strikes a balance among energy savings, demand reduction, resource adequacy, cost-effectiveness, customer rate impacts, and has the capability to provide enhanced locational net benefits for the distribution grid as explained in the Distributed Resources Plan (“DRP”). The DSM Plan continues measures that have been traditionally effective and puts forth new measures that are commercially viable, readily available, and tested.

¹ Docket 24-05041, December 27, 2024, Order at 140, para. 384.

² *Id.*, Order at 122, para. 329.

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The Companies have designed a portfolio that recognizes the importance of both energy and demand savings goals in a manner that is cost-effective. It does so by continuing its strong reliance on EE programs while also proposing new DR programs that provide greater peak demand kW savings and load reductions. The proposed suite of DR programs incentivizes customer adoption of DERs, and enables the utilities’ coordinated dispatch of these resources, including technologies such as smart thermostats, energy storage devices, grid-enabled electric water heaters, and other grid-interactive devices. This portfolio design also aligns with the Companies’ transition toward performance-based grid services compensation under the proposed Grid Services Rider-Energy (“Schedule GSR-E”) and Grid Services Rider-Capacity (“Schedule GSR-C”) tariff. These tariffs provide a unified, technology-neutral framework for valuing and compensating the energy and capacity contributions of these DERs across all DR programs.³ Additionally, the Companies recognize the importance of expanding customer eligibility by introducing new commercial DR programs that contribute to cost-effective DER acquisition. Expanding DR programs across both residential and commercial customer sectors increases the Companies’ ability to enhance peak-load reduction, broaden customer participation, and diversify the types of end user loads that can be managed when necessary.

Table DSM-1 presents budgets for the proposed Action Plan period. The table also presents energy savings and demand reduction targets. The DSMore cost-effectiveness model estimates Non-Energy Benefits Total Resource Cost (“NTRC”) benefit-cost ratios greater than one for both of the Companies’ service territories, meaning that the proposed portfolio brings benefits to Nevada and is cost-effective. Totals for budget, kW, and kWh shown in this summary table may not fully align with figures in program-level tables. The summary reflects rolled up or rounded values, while the detailed tables capture specific measure level targets and allocations.

Table DSM-1: 2027-2029 Proposed Portfolio Budgets, Targets, and Key Metrics [1]

Nevada Power	2027	2028	2029	Action Plan Total
Nevada Power				
Budget (\$)	56,007,000	60,810,000	66,352,000	183,169,000
Energy Savings Target (kWh)	179,054,000	181,540,000	184,786,000	545,380,000
Dispatchable Demand Reduction Impact (kW)	42,450	44,950	46,950	134,349
NTRC 2.0 Net Benefits (\$)	300,789,388	324,002,682	352,410,333	977,202,403
NTRC 2.0 Ratio [2]	3.60	3.59	3.62	3.60
NTRC Net Benefits (\$)	231,205,892	248,886,729	269,840,542	749,933,163
NTRC Ratio	3.00	2.99	3.01	3.00
Sierra				
Budget (\$)	15,690,000	18,554,000	20,855,000	55,099,000
Energy Savings Target (kWh)	47,119,000	47,529,000	47,727,000	142,375,000
Dispatchable Demand Reduction Impact (kW)	9,130	13,260	13,760	36,150
NTRC 2.0 Net Benefits (\$)	62,404,076	71,906,939	80,581,943	214,892,959
NTRC 2.0 Ratio [2]	3.09	2.93	2.87	2.95
NTRC Net Benefits (\$)	41,808,127	49,668,605	56,514,367	147,991,098
NTRC Ratio	2.40	2.33	2.31	2.34

³ See Docket Nos. 25-10012 and 25-10013 (filed Oct. 14, 2025).

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NV Energy				
Budget (\$)	71,697,000	79,364,000	87,207,000	238,268,000
Energy Savings Target (kWh)	226,173,000	229,069,000	232,513,000	687,755,000
Dispatchable Demand Reduction Impact (kW)	51,580	58,210	60,710	170,500
NTRC 2.0 Net Benefits (\$)	363,193,465	395,909,621	432,992,277	1,192,095,362
NTRC 2.0 Ratio [2]	3.50	3.44	3.44	3.46
NTRC Net Benefits (\$)	273,014,019	298,555,334	326,354,909	897,924,261
NTRC Ratio	2.88	2.84	2.84	2.85

[1] The values in this table may not sum due to rounding.

[2] NTRC that takes into consideration additional benefits. See Section 4 for more information.

A. Legislative & Regulatory Updates and Activities

1. Low Income and Historically Underserved Communities

In accordance with NRS 704.7836(7), a utility’s energy efficiency plan must direct at least 10 percent of its budget and actual expenditures to programs benefitting low-income customers and customers located in HUCs. NV Energy’s portfolio successfully satisfied this goal in program year 2025, and reserves at least 10 percent of its total portfolio budget for these customers during the Action Plan period

2. Energy and Demand Savings Goals

In 2024, NV Energy proposed new energy and demand savings targets in its DSM Plan in Docket 24-05041 as directed by NAC § 704.9212(1)(b):

For any period beginning on or after January 1, 2025, an amount of energy savings resulting from the implementation of energy efficiency programs that is established by the Commission in an order denying, approving or modifying the most recent demand side plan submitted by the electric utility pursuant to NAC 704.934.

The Commission did not approve the energy and demand savings goals recommended by NV Energy in Docket No. 24-05041 and instead set the 2025-2027 DSM Action Plan budgets at the prior 2024 program year levels and energy savings goal to a set amount of 304,896,000 kWh per year. The Commission increased the DR program budget by \$3 million above 2024 program year levels and directed the Companies to work in cooperation with members of the DSM Collaborative to propose new demand savings goals for the 2026 and 2027 program years.⁴ The Companies and the DSM Collaborative held a series of meetings throughout 2025 and agreed on a set of reasonable demand savings goals given the 2024 budget level for the DR Build programs plus the incrementally approved \$3 million. The demand savings goals, as agreed by the DSM Collaborative, were submitted to the Commission in an informational report filed as Docket No. 25-11009.

⁴ Docket 24-05041, December 27, 2024, Order at 366, para. 15

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In this DSM Plan, NV Energy proposes budgets and new energy and demand savings goals for its Action Plan period in Section 1.D, "Request for Approval of the DSM 2027-2029 Action Plan." If approved by the Commission, the demand savings goals proposed in this DSM Plan will supersede the earlier demand savings goals filed in Docket No. 25-11009.

3. DR Incentive Proposal

In Docket No. 24-05041, the Companies proposed introducing a new approach to DR incentives as part of the Grid Value Portfolio to align customer compensation with the grid value provided by load flexibility event participation. In the Order dated December 27, 2024, the Commission directed the Companies to defer implementation of the proposed DR incentive structures until the appropriate tariffs are approved.⁵

In response, the Companies filed Advice Letter Nos. 557 and 684-E (Docket Nos. 25-10012 and 25-10013) on October 14, 2025, proposing updates to Schedule Optional Load Management and Automation Services Rider ("OLM-AS") and introducing two new tariff riders, Schedule GSR-E and Schedule GSR-C, to provide the tariff foundation for performance-based grid services compensation. The filing included proposed tariff language, detailed review attachments, and sample calculations to show how the tariff structure could be used to analyze budget impacts on programs.

The grid service tariff riders provide a future-forward and flexible structure that can be tailored to support load flexibility programs. In discussions with stakeholders and the Commission regarding the review schedule for Advice Letter Nos. 557 and 684-E, it was decided to align that review schedule with this 2026 IRP Plan filing, so that stakeholders could see how the Companies are proposing to use that flexible structure in the context of the specific load flexibility programs proposed in this 2026 IRP Plan. Furthermore, the Regulatory Operations Staff of the Commission ("Staff") asked the Companies to conduct scenario analysis around the Capacity Resource Rate parameter in the proposed Schedule GSR-C.

The proposed programmatic implementation of the grid service tariff riders is described in Section 9A of this DSM Plan, and the Scenario Analysis for GSR-C Capacity Resource Rate is provided as DSM Technical Appendix 5.

4. Large Load Customer Offsite DSM Concept

In its 2024 IRP Order (Docket No. 24-05041), the Commission considered a proposal by Google LLC ("Google") for a Large Customer Offsite DSM Program under which qualifying large-load customers could make voluntary contributions to expand NV Energy's DSM programs in exchange for appropriate compensation. The Commission declined to adopt the proposal at that time, finding insufficient detail and evidentiary support, but encouraged Google, NV Energy, and

⁵ Docket No. 24-05041, December 27, 2024, Order at 129.

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interested stakeholders to continue developing the concept and to refile in a future IRP or IRP amendment proceeding.⁶ The Commission identified three threshold requirements for any future proposal: specificity around eligibility, duration, budget, credit mechanics, and measurement; evidentiary support that the program will not harm other ratepayers; and a clear endpoint or review mechanism. NV Energy is addressing the concept in this filing in response to that direction and with those requirements as the framework for continued development.

Since the 2024 IRP Order, NV Energy and Google have engaged in direct discussions regarding program design to the existing DSM portfolio. The concept has been presented and discussed at multiple DSM Collaborative meetings, where stakeholders have provided input and expressed support for continued development. Google has also engaged the Brattle Group to conduct a market potential study for NV Energy's northern service territory. NV Energy has received a preliminary presentation of the study findings but has not yet had the opportunity to conduct a full review of the underlying analysis and methodology. While the parties are broadly aligned on the framework for large-load customer participation and the potential for the program to deliver capacity and community benefits, key design elements remain under development, most notably the compensation structure that would govern how value is calculated and allocated among the large-load customer, the utility, and participating residential customers.

NV Energy is encouraged by the potential of this concept. A program funded through voluntary large-load customer contributions, at no cost to other ratepayers, could deliver meaningful incremental capacity, broaden the reach of energy efficiency and DR measures, and direct additional resources to low-income and HUC. Initial discussions have focused on residential HVAC and battery storage measures, though NV Energy believes the full range of potential measures, including commercial and industrial opportunities, should be evaluated as part of the design process. NV Energy understands that Google has pursued complementary approaches in other jurisdictions, which may offer useful reference points as the design progresses. NV Energy also sees an opportunity for large-load customers to participate directly in DR programs with their own load, complementing any offsite DSM contributions. As data centers and other large loads come online, NV Energy expects to work with these customers to understand their operational flexibility and explore how direct participation in DR can contribute to system reliability. NV Energy believes any Large Customer Offsite DSM Program would be available to all qualifying large-load customers and structured to deliver measurable system outcomes.

NV Energy will continue developing a pilot program. The Collaborative work to date has advanced the concept, but the threshold requirements identified by the Commission in the 2024 IRP Order have not yet been fully satisfied. In particular, the compensation and crediting mechanism requires further development to provide the specificity the Commission expects around credit mechanics and measurement, and the evidentiary showing that the program will not adversely affect non-participating ratepayers has not yet been completed. NV Energy has dedicated staff resources to this effort and will continue to do so as the design work progresses. The Company is committed to continuing this work with Google, other large customers who may wish to contribute, and stakeholders through the DSM Collaborative process, with the focus on resolving these remaining

⁶ *Id.* at 139.

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design elements so that a fully developed proposal, addressing each of the Commission’s identified requirements, can be filed in a future DSM Update or compliance filing. NV Energy is confident these matters can be resolved and looks forward to bringing a proposal to the Commission that delivers value for large load customers, the broader system, and Nevada communities.

B. Overview of the Plan

The DSM Plan is presented in nine sections. Section 1 provides an overview of the DSM Plan and relevant legislative activities; requests approval of the 2025 DSM portfolio results; and proposes a three-year Action Plan for the period of 2027 through 2029 that introduces the proposed portfolio, including cross-references to the applicable Commission regulations, compliance items, orders, and directives. Table DSM-2 indicates the location in the filing that fulfills each statutory and regulatory requirement. Section 2 provides a summary of the DSM activities and results for 2025; progress for 2026 year-to-date; and a historical overview of prior program years. Section 3 presents the proposed three-year action plan for 2027 through 2029 and the planning process around design of the portfolio. Section 4 provides an overview of financial modeling and cost-effectiveness. Section 5 provides an overview of the DSM marketing strategy that supports the portfolio of programs. Section 6 through 9 provides an overview for each program category including the Education Services, Residential Services, Non-Residential Services, and DR Services. Additionally, Sections 6 through 9 contain program data sheets for each program, which include: 1) program description with an overview of the program, enrollment requirements, participation requirements, marketing strategy, and program benefits, 2) 2025 results with a cost by category breakdown, overall results and activities, and lessons learned and recommendations, 3) 2026 Current Year results and changes, 4) proposed program budgets, energy and demand savings targets, and participant/unit goals for the Action Plan period, and 5) program specific cost-effectiveness inputs.

The DSM Plan includes a set of technical appendices that provide supporting documents, data, information, and Measurement and Verification (“M&V”) reports to meet compliance requirements. The technical appendices also support the requests for approval in this filing. The results of NV Energy’s cost-effectiveness model and an in-depth analysis of each program’s performance are provided in the technical appendices.

Concurrent with the filing of this DSM Plan, NV Energy has provided to Staff and the Bureau of Consumer Protection (“BCP”) all supporting information and data in executable format upon which it relied to develop cost-benefit calculations (“Workpapers”). The Workpapers include all spreadsheets and calculations prepared by NV Energy in support of the filing, as well as by any outside M&V contractors and consultants, in executable format.

C. DSM Plan Cost-Effectiveness

Generally accepted basic cost-benefit tests are used for comparing demand and supply management alternatives. Each test represents a measure of cost-effectiveness from a distinct perspective. These tests include: (1) NTRC, (2) Total Resource Cost (“TRC”), (3) Rate Impact

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Measure (“RIM”), (4) Utility Cost Test (“UCT”), (5) Participant Cost Test (“PCT”), and (6) Societal Cost Test (“SCT”).

In accordance with NAC § 704.934(6),

...for any energy efficiency or conservation program which reduces the consumption of electricity or any fossil fuel, a utility shall include in its demand side plan a complete life-cycle analysis of the costs and benefits of the program using at least one standard test of cost effectiveness that accounts for the nonenergy benefits of the program,

NV Energy is providing the NTRC as its primary cost-effectiveness test, which includes non-energy benefits. Historically, the NTRC that the Companies have presented incorporated non-energy benefit adders for each DSM program, which are based on each program’s market segment, and are presented in Tables DSM-8, and Tables DSM-20 through DSM-22. Depending on the percentage of low-income participation in the program, the non-energy benefit adder is adjusted using a weighted average formula. In this Plan, the Companies are presenting the NTRC in a modified form that takes into consideration additional benefits, specifically option value and criteria air pollutant (“CAP”) and greenhouse gas emissions (“GHG”), which align with the DRP. For more information on these updates, see Section 4 - Updates and Enhancements for Financial Modeling.

The Companies present the cost-effectiveness model, “DSMore,” which can quantify certain benefits related to the proposed Portfolio. DSMore will support the coordination of the valuation of customer programs across the DSM Plan, the DRP, and Transportation Electrification Plan (“TEP”). More details about the DSMore cost-effectiveness model and enhancements made to the model can be found in Section 4. The results from the DSMore model for each of the cost-effective tests are provided in Technical Appendices DSM-3 and DSM-4.

D. Request for Approvals

1. 2025 DSM Portfolio Results

Pursuant to NAC § 704.934(7), NV Energy requests that the Commission accept the results of the Companies’ 2025 DSM program activities, which are provided in Section 2 and Sections 6 through 9. Pursuant to NAC §§ 704.934(7) and 704.9522, NV Energy requests that the Commission accept the Companies’ M&V reports for DSM programs delivered during the 2025 Prior Year, which are provided in Technical Appendices DSM-9 through DSM-19.

NV Energy complied with the directives from the Commission’s Orders in Docket No. 24-05041.⁷ Pursuant to a Commission directive in Docket No. 24-05041 to defer implementation of the Companies’ proposed DR incentive structure, and in support of subsequent advice letter filings

⁷ Docket 24-05041, December 27, 2024, Order at 366, para. 14 and Order at 367, para. 19.

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that update the Schedule No. OLM-AS tariff rider and introduce Schedules Nos. GSR-C and GSR-E tariff riders, NV Energy requests that the Commission accept the Companies’ recommended DR Programs’ energy and capacity incentive levels proposed in this DSM Plan.

2. DSM 2027-2029 Action Plan

Pursuant to NAC § 704.9212(1)(b), the Companies request approval to establish new energy-efficiency savings targets for the 2027–2029 action plan period that differ from the targets adopted in Docket 24-05041 for the 2025-2027 action plan period. The Companies propose reduced energy (kWh) savings targets and increased demand (kW) savings targets because lower-cost energy (kWh) savings opportunities are less prevalent. Shifting a portion of the portfolio from energy (kWh) acquisition to demand (kW) and flexible-load measures will better accommodate expected growth in flexible load, support the development of new DR programs, and allow for effective allocation of program budgets. The proposed portfolio implements a demand savings target reduction of 171 incremental new dispatchable MW with a kWh savings target of 687,755,000 for the Action Plan period.

Pursuant to NRS § 704.751 and NAC § 704.9494, NV Energy requests that the Commission accept the proposed portfolio for the Action Plan period and also requests specific acceptance of its associated budgets and energy savings targets.

E. Regulations, Compliance Items, and Directives

NV Energy requests that the Commission find that the Companies have satisfied the items listed as requirements in Table DSM-2 below.

Table DSM-2: DSM IRP Requirements Cross-Reference

Regulatory Requirement	Description	Location of Provided Data
NAC § 704.9212 (1)(b)	For any period beginning on or after January 1, 2025, an amount of energy savings resulting from the implementation of energy efficiency programs that is established by the Commission in an order denying, approving or modifying the most recent demand side plan submitted by the electric utility pursuant to NAC 704.934.	Sections 1 through 3
NAC § 704.922	A utility’s resource plan must include a technical appendix. The appendix must contain sufficient detail to enable a technically proficient reader to understand how the resource plan and its forecasts were prepared and to evaluate the validity of the assumptions and the accuracy of the data used, including, without limitation, a list of the major assumptions used, a description of the forecasting methods employed and a description of the software utilized.	Technical Appendices DSM-01 through DSM-22 and workpapers to this instant filing
NAC § 704.934 (1)	As part of its resource plan, a utility shall submit a demand side plan that is cost effective as a whole.	Sections 1, 6 through 9
NAC § 704.934 (2)	(a) An identification of end-uses for programs for energy efficiency and conservation. (b) An assessment of savings attributable to technically feasible programs for energy efficiency and conservation, as determined by the utility. The programs must be ranked in a list according to the level of savings in energy or reduction in demand, or both. (c) An assessment of technically feasible programs to determine which will produce benefits in peak demand or energy consumption. The utility shall estimate the cost of each such program. The methods used for the assessment must be stated in detail, specifically listing the data and assumptions considered in the assessment. (d) An energy efficiency plan which complies with	Sections 3 through 9

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Regulatory Requirement	Description	Location of Provided Data
	the requirements of NRS 704.7836, and which includes any additional goals for energy savings established by the Commission.	
NAC § 704.934 (3)	In creating its demand side plan, a utility shall consider the impact of applicable new technologies on current and future energy efficiency and conservation options. The consideration of new technologies must include, without limitation, consideration of the potential impact of advances in digital technology and computer information systems.	Section 4 and 6
NAC § 704.934 (4)	A utility shall include in its demand side plan an energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel. The energy efficiency program must include, without limitation, the use of new solar thermal energy sources.	Sections 6, 7, and 9
NAC § 704.934 (5)	The demand side plan must provide a list of the programs for which the utility is requesting approval from the Commission. The list must include, without limitation: (a) An estimate of the reduction in the peak demand and energy consumption that would result from each proposed program, in kilowatt-hours and kilowatts saved. The programs must be listed according to their expected savings and their contribution to a reduction in peak demand and energy consumption based upon realistic estimates of the penetration of the market and the average life of the programs. (b) An assessment of the costs of each proposed program and the savings produced by the program. If the program can be relied upon to reduce peak demand on a firm basis, the assessment must include the savings in the costs of transmission and distribution. (c) An assessment of the impact on the utility's load shapes of each proposed and existing program for energy efficiency and conservation. (d) If a program is an educational program, the projected expenses of the utility for the educational program.	Section 1 and Sections 6 through 9
NAC § 704.934 (6)	For any energy efficiency or conservation program which reduces the consumption of electricity or any fossil fuel, a utility shall include in its demand side plan a complete life-cycle analysis of the costs and benefits of the program using at least one standard test of cost effectiveness that accounts for the non-energy benefits of the program.	Sections 6 through 9, and Technical Appendices DSM-3 and DSM-4
NAC § 704.934 (7)	The utility shall include with its demand side plan a report on the status of all programs for energy efficiency and conservation that have been approved by the Commission. The report must include tables for each such program showing, for each year, the planned and achieved reduction in kilowatt-hours, the reduction in kilowatts and the cost of the program.	Sections 2, and 6 through 9
NAC § 704.9359	The environmental costs to the State associated with operating and maintaining a supply plan or demand side plan must be quantified for air emissions, water and land use and the social cost of carbon as calculated pursuant to subsection 5 of NAC 704.937. Environmental costs are those costs, wherever they may occur, that result from harm or risks of harm to the environment after the application of all mitigation measures required by existing environmental regulation or otherwise included in the resource plan.	Section 3
NAC § 704.9489	1. Each resource plan of a utility must include a detailed action plan based on an integrated analysis of the demand side plan and supply plan of the utility. In its action plan, the utility shall specify all its actions that are to take place during the 3 years commencing with the year following the year in which the resource plan is filed. The action plan must contain: (a) An introductory section that explains how the action plan fits into the longer-term strategic plan of the utility. (b) A list of actions for which the utility is seeking approval from the Commission. (c) A schedule for the acquisition of data, including planned activities to update and refine the quality of the data used in forecasting. (d) A specific timetable for acquisition of options for the supply of electric energy and for programs for energy efficiency and conservation. (e) If changes in the methodology are being proposed, a description fully justifying the proposed changes, including an analysis of the costs and benefits. Any changes in methodology that are approved by the Commission must be maintained for the period described in the action plan. (f) A section describing any plans for the utility to acquire additional modeling	Section 1 and Sections 3 through 9

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Regulatory Requirement	Description	Location of Provided Data
	instruments. (g) A section for the utility's program for energy efficiency and conservation, including: (1) A description of continued planning efforts; (2) A plan to carry out and continue selected measures for energy efficiency and conservation that have been identified as desirable; and (3) Any impacts of imputed debt calculations associated with energy efficiency contracts in the preferred plan. (h) A section for the utility's program for acquisition of resources for the supply of electric energy for the period covered by the action plan, including: (4) Any impacts of imputed debt calculations associated with renewable energy contracts or energy efficiency contracts in the preferred plan. 3. The action plan must contain a budget for planned expenditures suitable for comparing planned and achieved expenditures. The budget must be organized in the following categories: (b) Energy efficiency and conservation.	
NAC § 704.9522	Measurement and verification protocol for energy efficiency and conservation measures: Duties of utility provider. 1. A utility provider shall propose a measurement and verification protocol for all energy efficiency and conservation measures submitted pursuant to NAC 704.9005 to 704.9525, inclusive. 2. The utility provider shall comply with and shall ensure that all energy efficiency and conservation contracts entered into by the utility provider comply with, the most recent measurement and verification protocol approved by the Commission.	Sections 6 through 9, and Technical Appendices DSM-7 through DSM-19
NRS § 704.741(3)(a)	An energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel, and which includes, without limitation, the use of new solar thermal energy sources.	Sections 3 and 7
NRS § 704.741(3)(b)	A proposal for the expenditure of not less than 10 percent of the total expenditures related to energy efficiency and conservation programs on energy efficiency measures for customers of the electric utility in low-income households and residential customers and public schools in historically underserved communities, through both targeted programs and programs directed at residential customers and public schools in general.	Sections 3 Section 7.4, Technical Appendix DSM-21
Docket Nos. 10-10024 and 10-10025 ⁸	Calculation of expected lost revenues generated by the portfolio broken down by individual programs.	Section 3
Docket Nos. 12-06052 and 12-06053 ⁹	Provide to the Regulatory Operations Staff ("Staff") and Bureau of Consumer Protection ("BCP") at time of filing all information and all supporting data upon which NV Energy relies to develop benefit/cost calculations related to DSM programs and lost revenue calculations for DSM programs.	Sections 3 and 6 through 9, Technical Appendices, and Workpapers filed concurrently with this DSM plan
Docket Nos. 12-06052 and 12-06053 ¹⁰	NV Energy shall include a discussion of, and support for, the development of load shapes (energy savings profiles).	Sections 6 through 9, and Technical Appendices DSM-9 through DSM-19
Docket Nos. 12-06052 and 12-06053 ¹¹	NV Energy shall include documentation for all incremental cost calculations.	Sections 6 through 9, and Technical Appendices DSM-3 through DSM-4
Docket Nos. 12-06052 and 12-06053 ¹²	NV Energy shall utilize the measure life as presented in the latest Measurement and Verification reports unless documentation is provided to support a changed measure life.	Sections 6 through 9 and Technical Appendices DSM-9 through DSM-19
Docket Nos. 12-06052 and 12-06053 ¹³	NV Energy shall provide a discussion of, and support for, rebates and incentives offered for each appropriate program.	Sections 6 through 9

⁸ May 23, 2011, Order at 68, para. 4.

⁹ December 24, 2012, Order at 191.

¹⁰ *Id.*

¹¹ *Id.* at 191-92.

¹² *Id.* at 192.

¹³ *Id.*

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Regulatory Requirement	Description	Location of Provided Data
Docket Nos. 12-06052 and 12-06053 ¹⁴	NV Energy shall include, for those programs that do not have an installed unit such as a refrigerator or pool pump but instead utilize an aggregate measure, a detailed discussion explaining and supporting the development of the aggregate measure.	Sections 6 through 9
Docket Nos. 12-06052 and 12-06053 ¹⁵	NV Energy shall provide deemed savings on a per unit measure basis and present changes in Measurement and Verification verified deemed savings including the reasons behind the changes to future savings.	Sections 6 through 9 and Technical Appendices DSM-9 through DSM-19
Docket Nos. 12-06052 and 12-06053 ¹⁶	NV Energy shall present in its Demand Response data sheets, a residential section, a commercial section, and a combined program section.	Section 3, Sections 9.B.1 and 9.B.3
Docket Nos. 14-07007 and 14-07008 ¹⁷	Companies shall provide a more detailed analysis of the program costs and kWh/kW savings for each company's respective Demand Response programs in future annual Demand Side Management update reports and Demand Side Plan section of triennial Integrated Resource Plan filings to include the breakout between optimization and demand events and between the build and manage components.	Sections 9.B.1 and 9.B.3
Docket No. 21-06001 ¹⁸	NV Energy shall file a rate impact analysis as part of the 2025-2027 DSM Action plan.	Section 3
Docket Nos. 24-05041 ¹⁹	NV Energy shall include in its DSM Plan Update narrative for the period covered by the update the specific details of its market strategies.	Section 5
Docket Nos. 24-05041 ²⁰	NV Energy shall include information regarding more robust behind-the-meter energy storage capacity incentives in a future DSM plan.	Section 9

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.* at 193.

¹⁷ November 24, 2014, Order at 6, para. 7.

¹⁸ December 28, 2021, Order at 177, para. 10.

¹⁹ December 27, 2024, Order at 366, para. 14.

²⁰ December 27, 2024, Order at 366, para. 19.

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**Section 2 – 2025 Results, 2026 Current Year Goals and Targets, and
Historical Program Results**

For NV Energy’s 2025 DSM portfolio, the Commission authorized 12 programs,²¹ which are provided in Table DSM-3 below arranged in order of energy savings achieved:

Table DSM-3: 2025 DSM Programs in Order of Verified Energy Savings

Line No.	DSM Programs	Verified Energy Savings (kWh)
1	Business Energy Services	136,213,954
2	Residential DR - Build & Manage	34,798,981
3	Energy Reports	28,780,981
4	Energy Smart Schools	26,304,922
5	Home Energy Saver	14,263,660
6	Residential HVAC & Heat Pumps	6,355,307
7	Commercial DR - Build & Manage	6,130,028
8	Residential Codes & New Construction	5,119,568
9	Energy Assessments & Direct Install	4,595,643
10	Low Income	765,284
11	Energy Education [1]	-
12	Program Development [2]	-
NV Energy Total		263,328,328

[1] Energy Education does not have any energy savings because it is strictly a behavioral program

[2] Energy savings are not tracked because Program Development is predicated on testing and trials of new ‘potential’ programs and/or technologies.

For NV Energy’s 2025 DSM portfolio, the Commission authorized 12 programs,²² which are provided in Table DSM-4 below arranged in order of demand savings achieved:

²¹ The Managed and Build components of the Residential and Commercial DR programs are as one program (Residential DR and Commercial DR) in this total.

²² The Managed and Build components of the Residential and Commercial DR programs are as one program (Residential DR and Commercial DR) in this total.

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Table DSM-4: 2025 DSM Programs in Order of Verified Demand Savings

Line No.	NV Energy	Verified Demand Savings (kW)
1	Residential DR - Build & Manage	157,641
2	Business Energy Services	17,902
3	Energy Reports	10,859
4	Commercial DR - Build & Manage	10,599
5	Energy Smart Schools	5,405
6	Residential HVAC & Heat Pumps	4,383
7	Home Energy Saver	2,937
8	Residential Codes & New Construction	1,844
9	Energy Assessments & Direct Install	1,508
10	Low Income	110
11	Energy Education [1]	-
12	Program Development [2]	-
NV Energy Total		213,188

[1] Energy Education does not have any demand savings because it is strictly a behavioral program.

[2] Demand savings are not tracked because Program Development is predicated on testing and trials of new 'potential' programs and/or technologies.

The results for the 2025 Prior Year provided lessons learned, of which were one of many inputs that aided in the design of programs for the Action Plan period. Utilizing information from lessons learned along with stakeholder, customer, and contractor feedback, NV Energy worked to improve program performance and implement process improvements. During the 2025 Prior Year, NV Energy continuously took corrective actions when appropriate to make enhancements for future years. Lessons learned are discussed in each program's data sheet in Sections 6 through Section 9.

Per NRS § 704.741, NV Energy proposed that 10 percent of total expenditures would be spent on low-income customers. Based on the 2025 results, NV Energy exceeded the overall target, achieving 10.3 percent of the total portfolio spend on low-income customers or HUCs. Although the Companies also proposed that seven percent would be spent on the standalone programs, despite targeted efforts aimed at engaging eligible low-income customers, including comprehensive outreach and engagement strategies, the program saw participation levels that fell short. Only 5.93 percent of total expenditures were spent on the standalone Low Income program, which equated to \$3,485,785 of the \$58,799,767 total portfolio spend.

For the other DSM programs, 4.4 percent of program expenditures serve low-income customers or HUCs. Programs such as Energy Assessments and Direct Install, Residential HVAC and Heat Pumps, and the Energy Smart Schools programs contributed to the total. The methodology used to qualify customers for these other programs was to cross reference participation in the standalone Low Income program, the low-income component of the Residential AC program component, and the U.S. Department of Agriculture's Community Eligibility Provision, as well if the school has 75 percent or more of the enrolled pupils eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751. The Companies expended \$2,595,839 of the \$58,799,767 on low-income customers in these other programs.

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A. Summary of NV Energy’s 2025 Results

Table DSM-5 below provides NV Energy’s statewide 2025 reporting year results for the DSM portfolio expenditures of \$58,799,767 and verified energy savings achieved of 263,328,328 kWh.

Table DSM-5: 2025 DSM Portfolio Financial Results and Savings Achieved

Nevada Power	2025
Approved Budget (\$)	49,841,501
Actual Expenditures (\$)	44,999,790
Energy Savings Goal (kWh)	240,700,000
Energy Savings Achieved (kWh)	205,288,986
Sierra	
Approved Budget (\$)	15,879,503
Actual Expenditures (\$)	13,799,977
Energy Savings Goal (kWh)	64,003,000
Energy Savings Achieved (kWh)	58,039,342
NV Energy	
Approved Budget (\$)	65,721,004
Actual Expenditures (\$)	58,799,767
Energy Savings Goal (kWh)	304,703,000
Energy Savings Achieved (kWh)	263,328,328

Table DSM-6 below provides a detailed breakdown of NV Energy’s statewide 2025 expenditures for each individual DSM program. The total DSM portfolio expenditure was 89 percent of the \$65,721,004 authorized budget.

Table DSM-6: 2025 DSM Programs Financial Results [1]

Programs	Authorized Budget (\$)	Actual Expenditures (\$)	Variance (%)
Nevada Power		2025	
Energy Education	434,000	432,189	(-)
Energy Reports	809,000	597,559	(26)
Program Development	300,000	352,150	17
Education Services Total	1,543,000	1,381,898	(10)
Home Energy Saver	2,595,000	2,906,692	12
Residential HVAC & Heat Pumps	3,255,000	2,338,416	(28)
Residential Codes & New Construction	1,588,000	1,261,553	(21)
Low Income	3,490,000	2,442,285	(30)
Residential DR - Manage	7,855,000	8,205,116	4
Residential DR - Build	7,008,501	7,302,501	4
Energy Assessments & Direct Install	2,512,000	2,467,170	(2)
Residential Services Total	28,303,501	26,923,734	(5)
Energy Smart Schools	1,410,000	1,366,434	(3)
Business Energy Services	17,000,000	13,749,189	(19)
Commercial DR - Manage	960,000	958,051	(-)
Commercial DR - Build	625,000	620,484	(1)
Non-Residential Services Total	19,995,000	16,694,158	(17)
Nevada Power Total	49,841,501	44,999,790	(10)
Sierra		2025	
Energy Education	348,000	222,899	(36)

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Programs	Authorized Budget (\$)	Actual Expenditures (\$)	Variance (%)
Energy Reports	514,000	532,115	4
Program Development	200,000	202,304	1
Education Services Total	1,062,000	957,318	(10)
Home Energy Saver	1,070,000	1,136,853	6
Residential HVAC & Heat Pumps	950,000	570,483	(40)
Residential Codes & New Construction	45,000	17,023	(62)
Low Income	1,090,000	1,043,500	(4)
Residential DR - Manage	780,000	822,983	6
Residential DR - Build	2,140,000	2,063,103	(4)
Energy Assessments & Direct Install	1,000,000	987,384	(1)
Residential Services Total	7,075,000	6,641,329	(6)
Energy Smart Schools	577,503	788,721	37
Business Energy Services	5,890,000	4,705,570	(20)
Commercial DR - Manage	640,000	301,692	(53)
Commercial DR - Build	635,000	405,346	(36)
Non-Residential Services Total	7,742,503	6,201,330	(20)
Sierra Total	15,879,503	13,799,977	(13)
NV Energy		2025	
Energy Education	782,000	655,088	(16)
Energy Reports	1,323,000	1,129,674	(15)
Program Development	500,000	554,454	11
Education Services Total	2,605,000	2,339,216	(10)
Home Energy Saver	3,665,000	4,043,545	10
Residential HVAC & Heat Pumps	4,205,000	2,908,900	(31)
Residential Codes & New Construction	1,633,000	1,278,577	(22)
Low Income	4,580,000	3,485,786	(24)
Residential DR - Manage	8,635,000	9,028,099	5
Residential DR - Build	9,148,501	9,365,604	2
Energy Assessments & Direct Install	3,512,000	3,454,554	(2)
Residential Services Total	35,378,501	33,565,063	(5)
Energy Smart Schools	1,987,503	2,155,156	8
Business Energy Services	22,890,000	18,454,759	(19)
Commercial DR - Manage	1,600,000	1,259,743	(21)
Commercial DR - Build	1,260,000	1,025,830	(19)
Non-Residential Services Total	27,737,503	22,895,488	(17)
NV Energy Total	65,721,004	58,799,767	(11)

[1] The values in this table may not sum due to rounding.

Table DSM-7 below provides NV Energy’s statewide 2025 results by DSM program for verified energy kWh savings, weighted Effective Useful Life (“EUL”), and lifetime energy kWh savings. NV Energy was below its energy kWh savings target by 14 percent.

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Table DSM-7: 2025 DSM Programs Energy Savings Results

Programs	Energy (kWh)				
	Target	Verified Energy Savings	Variance (%)	Effective Useful Life	Lifetime Savings [1]
Nevada Power					
2025					
Energy Education [2]	-	-	-	-	-
Energy Reports	25,000,000	19,647,152	(21)	1.00	19,647,152
Program Development [2]	-	-	-	-	-
Education Services Total	25,000,000	19,647,152	(21)	1.00	19,647,152
Home Energy Saver	9,000,000	10,012,823	11	5.42	54,221,571
Residential HVAC & Heat Pumps	7,000,000	6,112,070	(13)	5.24	32,047,451
Residential Codes & New Construction	7,000,000	5,119,568	(27)	15.00	76,793,500
Low Income	600,000	565,395	(6)	12.39	7,007,778
Residential DR - Manage	27,000,000	27,755,029	3	5.20	144,326,151
Residential DR - Build	5,000,000	3,114,951	(38)	9.99	31,124,674
Energy Assessments & Direct Install	8,000,000	3,984,386	(50)	3.38	13,460,782
Residential Services Total	63,600,000	56,664,222	(11)	6.34	358,981,907
Energy Smart Schools	20,000,000	20,308,676	2	4.20	85,309,049
Business Energy Services	125,600,000	103,076,878	(18)	11.97	1,233,830,230
Commercial DR - Manage	5,500,000	5,456,934	(1)	4.63	25,265,604
Commercial DR - Build	1,000,000	135,124	(86)	10.00	1,351,240
Non-Residential Services Total	152,100,000	128,977,612	(15)	10.43	1,345,756,123
Nevada Power Total	240,700,000	205,288,986	(15)	8.40	1,724,385,183
Sierra					
2025					
Energy Education [2]	-	-	-	-	-
Energy Reports	9,000,000	9,133,829	1	1.00	9,133,829
Program Development [2]	-	-	-	-	-
Education Services Total	9,000,000	9,133,829	1	1.00	9,133,829
Home Energy Saver	5,000,000	4,250,837	(15)	9.93	42,227,373
Residential HVAC & Heat Pumps	775,000	243,237	(69)	2.22	540,015
Residential Codes & New Construction	-	-	-	15.00	-
Low Income	213,000	199,889	(6)	12.47	2,491,835
Residential DR - Manage	3,000,000	3,467,744	16	6.50	22,540,336
Residential DR - Build	1,000,000	461,257	(54)	9.96	4,596,220
Energy Assessments & Direct Install	2,000,000	611,257	(69)	3.18	1,944,453
Residential Services Total	11,988,000	9,234,221	(23)	8.05	74,340,232
Energy Smart Schools	3,500,000	5,996,246	71	2.86	17,120,180
Business Energy Services	37,900,000	33,137,076	(13)	12.95	429,125,134
Commercial DR - Manage	1,500,000	530,270	(65)	3.11	1,649,140
Commercial DR - Build	115,000	7,700	(93)	6.38	49,091
Non-Residential Services Total	43,015,000	39,671,292	(8)	11.29	447,943,545
Sierra Total	64,003,000	58,039,342	(9)	9.16	531,417,606
NV Energy					
2025					
Energy Education [2]	-	-	-	-	-
Energy Reports	34,000,000	28,780,981	(15)	1.00	28,780,981
Program Development [2]	-	-	-	-	-
Education Services Total	34,000,000	28,780,981	(15)	1.00	28,780,981
Home Energy Saver	14,000,000	14,263,660	2	6.76	96,448,944
Residential HVAC & Heat Pumps	7,775,000	6,355,307	(18)	5.13	32,587,466
Residential Codes & New Construction	7,000,000	5,119,568	(27)	15.00	76,793,500
Low Income	813,000	765,284	(6)	12.41	9,499,613

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Programs	Energy (kWh)				
	Target	Verified Energy Savings	Variance (%)	Effective Useful Life	Lifetime Savings [1]
Residential DR - Manage	30,000,000	31,222,773	4	5.34	166,866,487
Residential DR - Build	6,000,000	3,576,208	(40)	9.99	35,720,894
Energy Assessments & Direct Install	10,000,000	4,595,643	(54)	3.35	15,405,235
Residential Services Total	75,588,000	65,898,443	(13)	6.58	433,322,139
Energy Smart Schools	23,500,000	26,304,922	12	3.89	102,429,229
Business Energy Services	163,500,000	136,213,954	(17)	12.21	1,662,955,364
Commercial DR - Manage	7,000,000	5,987,204	(14)	4.50	26,914,744
Commercial DR - Build	1,115,000	142,824	(87)	9.80	1,400,331
Non-Residential Services Total	195,115,000	168,648,904	(14)	10.64	1,793,699,668
NV Energy Total	304,703,000	263,328,328	(14)	8.57	2,255,802,788

[1] The total calculated value for lifetime energy savings is (verified energy savings * EUL). The M&V Reports present only two decimal places, and the total lifetime energy savings calculated for presentation in this instant filing may not tie due to rounding.

[2] Energy (kWh) savings are not tracked for these programs, because the Energy Education program is a behavioral type of program, and the Program Development program is predicated on testing and trials of new 'potential' programs and/or technologies.

Table DSM-8 below provides NV Energy's statewide 2025 results for DSM programs' NTRC test results. NV Energy's DSM portfolio NTRC results were calculated using the DSMore financial model, which is described in Section 4. Each DSM program's 2025 output sheets are contained in Technical Appendix DSM-3 and provide seven distinct cost-effectiveness tests, including the updated version of the NTRC test, referred to as the "NTRC 2.0" test. NV Energy has a cost-effective portfolio as reflected in its overall "NTRC 2.0" ratio of 3.63 and net benefits of \$298 million for its 2025 portfolio of DSM programs.

Table DSM-8: 2025 DSM Programs NTRC and NTRC 2.0 Benefits/Costs Results

Programs	NTRC				NTRC 2.0			
	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC B/C Ratio	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC 2.0 B/C Ratio
Nevada Power								
Energy Education [1]	-	432,189	(432,189)	-	-	432,189	(432,189)	-
Energy Reports	2,260,157	597,559	1,662,598	3.78	3,460,574	597,559	2,863,015	5.79
Program Development [1]	-	352,150	(352,150)	-	-	352,150	(352,150)	-
Education Services Total	2,260,157	1,381,898	878,259	1.64	3,460,574	1,381,898	2,078,676	2.50
Home Energy Saver	2,971,817	4,436,601	(1,464,785)	0.67	5,360,946	4,436,601	924,345	1.21
Residential HVAC & Heat Pumps	3,875,510	2,807,014	1,068,496	1.38	5,242,168	2,807,014	2,435,154	1.87
Residential Codes & New Construction	4,196,864	2,821,107	1,375,757	1.49	6,633,056	2,821,107	3,811,950	2.35
Low Income	509,529	2,442,285	(1,932,757)	0.21	885,852	2,442,285	(1,556,433)	0.36
Residential DR - Manage	140,178,828	30,817,476	109,361,352	4.55	147,562,151	30,817,476	116,744,675	4.79
Residential DR - Build	27,596,977	11,896,219	15,700,758	2.32	29,247,246	11,896,219	17,351,027	2.46
Energy Assessments & Direct Install	1,458,353	2,467,170	(1,008,817)	0.59	2,168,448	2,467,170	(298,721)	0.88
Residential Services Total	180,787,876	57,687,871	123,100,005	3.13	197,099,868	57,687,871	139,411,997	3.42
Energy Smart Schools	5,161,359	2,867,995	2,293,364	1.80	8,167,307	2,867,995	5,299,312	2.85

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Programs	NTRC				NTRC 2.0			
	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC B/C Ratio	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC 2.0 B/C Ratio
Business Energy Services	56,564,243	23,677,823	32,886,420	2.39	107,447,035	23,677,823	83,769,212	4.54
Commercial DR - Manage	9,738,101	3,042,863	6,695,239	3.20	11,122,451	3,042,863	8,079,588	3.66
Commercial DR - Build	418,683	705,817	(287,133)	0.59	484,366	705,817	(221,450)	0.69
Non-Residential Services Total	71,882,387	30,294,498	41,587,889	2.37	127,221,160	30,294,498	96,926,663	4.20
Nevada Power Total	254,930,420	89,364,267	165,566,153	2.85	327,781,602	89,364,267	238,417,335	3.67
Sierra								
Energy Education [1]	-	222,899	(222,899)	-	-	222,899	(222,899)	-
Energy Reports	1,145,294	532,115	613,179	2.15	1,733,736	532,115	1,201,621	3.26
Program Development [1]	-	202,304	(202,304)	-	-	202,304	(202,304)	-
Education Services Total	1,145,294	957,318	187,976	1.20	1,733,736	957,318	776,418	1.81
Home Energy Saver	2,109,695	2,382,104	(272,408)	0.89	4,092,637	2,382,104	1,710,534	1.72
Residential HVAC & Heat Pumps	278,106	784,392	(506,285)	0.35	314,950	784,392	(469,442)	0.40
Residential Codes & New Construction	-	17,023	(17,023)	-	-	17,023	(17,023)	-
Low Income	174,979	1,043,500	(868,521)	0.17	308,664	1,043,500	(734,836)	0.30
Residential DR - Manage	28,664,942	4,564,806	24,100,136	6.28	29,931,672	4,564,806	25,366,867	6.56
Residential DR - Build	5,572,149	2,581,470	2,990,679	2.16	5,813,326	2,581,470	3,231,856	2.25
Energy Assessments & Direct Install	164,425	987,384	(822,959)	0.17	273,090	987,384	(714,294)	0.28
Residential Services Total	36,964,297	12,360,679	24,603,618	2.99	40,734,340	12,360,679	28,373,661	3.30
Energy Smart Schools	1,136,339	900,517	235,822	1.26	1,747,550	900,517	847,033	1.94
Business Energy Services	20,518,335	7,771,191	12,747,143	2.64	37,330,164	7,771,191	29,558,973	4.80
Commercial DR - Manage	1,259,383	1,086,159	173,224	1.16	1,362,510	1,086,159	276,351	1.25
Commercial DR - Build	631,732	839,292	(207,560)	0.75	636,327	839,292	(202,965)	0.76
Non-Residential Services Total	23,545,789	10,597,159	12,948,630	2.22	41,076,551	10,597,159	30,479,392	3.88
Sierra Total	61,655,380	23,915,156	37,740,224	2.58	83,544,627	23,915,156	59,629,471	3.49
NV Energy								
Energy Education [1]	-	655,088	(655,088)	0.00	-	655,088	(655,088)	0.00
Energy Reports	3,405,451	1,129,674	2,275,777	3.01	5,194,310	1,129,674	4,064,636	4.60
Program Development [1]	-	554,454	(554,454)	-	-	554,454	(554,454)	-
Education Services Total	3,405,451	2,339,216	1,066,235	1.46	5,194,310	2,339,216	2,855,094	2.22
Home Energy Saver	5,081,512	6,818,705	(1,737,193)	0.75	9,453,584	6,818,705	2,634,879	1.39
Residential HVAC & Heat Pumps	4,153,616	3,591,406	562,211	1.16	5,557,117	3,591,406	1,965,712	1.55
Residential Codes & New Construction	4,196,864	2,838,130	1,358,734	1.48	6,633,056	2,838,130	3,794,927	2.34
Low Income	684,508	3,485,786	(2,801,278)	0.20	1,194,516	3,485,786	(2,291,269)	0.34

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Programs	NTRC				NTRC 2.0			
	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC B/C Ratio	Benefits (\$)	Costs (\$)	Net Benefits (\$)	NTRC 2.0 B/C Ratio
Residential DR - Manage	168,843,769	35,382,282	133,461,487	4.77	177,493,824	35,382,282	142,111,542	5.02
Residential DR - Build	33,169,126	14,477,689	18,691,437	2.29	35,060,572	14,477,689	20,582,883	2.42
Energy Assessments & Direct Install	1,622,778	3,454,554	(1,831,776)	0.47	2,441,538	3,454,554	(1,013,016)	0.71
Residential Services Total	217,752,173	70,048,550	147,703,622	3.11	237,834,208	70,048,550	167,785,657	3.40
Energy Smart Schools	6,297,698	3,768,511	2,529,187	1.67	9,914,857	3,768,511	6,146,346	2.63
Business Energy Services	77,082,578	31,449,015	45,633,563	2.45	144,777,200	31,449,015	113,328,185	4.60
Commercial DR - Manage	10,997,485	4,129,022	6,868,463	2.66	12,484,961	4,129,022	8,355,939	3.02
Commercial DR - Build	1,050,415	1,545,108	(494,693)	0.68	1,120,693	1,545,108	(424,415)	0.73
Non-Residential Services Total	95,428,176	40,891,657	54,536,519	2.33	168,297,711	40,891,657	127,406,054	4.12
NV Energy Total	316,585,800	113,279,423	203,306,377	2.79	411,326,229	113,279,423	298,046,806	3.63

[1] Energy (kWh) and demand (kW) savings are not tracked for these programs, because the Energy Education program is a behavioral type of program, and the Program Development program is predicated on testing and trials of new potential programs and/or technologies.

In accordance with NAC § 704.9359, Table DSM-9 below provides NV Energy’s statewide 2025 results for DSM programs’ environmental benefits and provides an estimate of the reduction in emissions that were realized by energy-efficient measures that were installed or adopted by customers.

Table DSM-9: 2025 DSM Programs Environmental Benefits [1]

Programs	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compound (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Nevada Power	2025							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	2,947	20,844,842	589	393	-	9,431	196	1,008,685
Program Development	-	-	-	-	-	-	-	-
Education Services Total	2,947	20,844,842	589	393	-	9,431	196	1,008,685
Home Energy Saver	1,502	10,623,205	300	200	-	4,806	100	514,058
Residential HVAC & Heat Pumps	917	6,484,662	183	122	-	2,934	61	313,794
Residential Codes & New Construction	768	5,431,657	154	102	-	2,457	51	262,839
Low Income	85	599,861	17	11	-	271	6	29,027
Residential DR - Manage	4,163	29,446,976	833	555	-	13,322	278	1,424,943

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Programs	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compound (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Residential DR - Build	467	3,304,838	93	62	-	1,495	31	159,922
Energy Assessments & Direct Install	598	4,227,274	120	80	-	1,913	40	204,558
Residential Services Total	8,500	60,118,473	1,700	1,133	-	27,199	567	2,909,141
Energy Smart Schools	3,046	21,546,693	609	406	-	9,748	203	1,042,647
Business Energy Services	15,462	109,360,444	3,092	2,062	-	49,477	1,031	5,291,967
Commercial DR - Manage	819	5,789,589	164	109	-	2,619	55	280,159
Commercial DR - Build	20	143,361	4	3	-	65	1	6,937
Non-Residential Services Total	19,347	136,840,087	3,869	2,580	-	61,909	1,290	6,621,711
Nevada Power Total	30,793	217,803,403	6,159	4,106	-	98,539	2,053	10,539,537
Sierra	2025							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	7,672	12,134,475	2,101	183	-	9,865	91	3,831,550
Program Development	-	-	-	-	-	-	-	-
Education Services Total	7,672	12,134,475	2,101	183	-	9,865	91	3,831,550
Home Energy Saver	3,571	5,647,322	978	85	-	4,591	43	1,783,184
Residential HVAC & Heat Pumps	204	323,145	56	5	-	263	2	102,035
Residential Codes & New Construction	-	-	-	-	-	-	-	-
Low Income	168	265,557	46	4	-	216	2	83,851
Residential DR - Manage	2,913	4,606,967	798	69	-	3,745	35	1,454,684
Residential DR - Build	387	612,789	106	9	-	498	5	193,493
Energy Assessments & Direct Install	513	812,067	141	12	-	660	6	256,416
Residential Services Total	7,757	12,267,847	2,124	185	-	9,973	92	3,873,663
Energy Smart Schools	5,037	7,966,133	1,379	120	-	6,476	60	2,515,365
Business Energy Services	27,835	44,023,268	7,622	663	-	35,788	331	13,900,672
Commercial DR - Manage	445	704,474	122	11	-	573	5	222,443

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Programs	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compound (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Commercial DR - Build	6	10,230	2	0	-	8	0	3,230
Non-Residential Services Total	33,324	52,704,105	9,124	793	-	42,845	397	16,641,710
Sierra Total	48,753	77,106,427	13,349	1,161	-	62,682	580	24,346,924
NV Energy	2025							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	10,619	32,979,317	2,690	576	-	19,295	288	4,840,235
Program Development	-	-	-	-	-	-	-	-
Education Services Total	10,619	32,979,317	2,690	576	-	19,295	288	4,840,235
Home Energy Saver	5,073	16,270,527	1,278	285	-	9,397	143	2,297,242
Residential HVAC & Heat Pumps	1,121	6,807,807	239	127	-	3,196	64	415,829
Residential Codes & New Construction	768	5,431,657	154	102	-	2,457	51	262,839
Low Income	253	865,418	63	15	-	487	8	112,879
Residential DR - Manage	7,076	34,053,943	1,630	624	-	17,068	312	2,879,627
Residential DR - Build	855	3,917,628	200	72	-	1,993	36	353,414
Energy Assessments & Direct Install	1,111	5,039,342	260	92	-	2,573	46	460,975
Residential Services Total	16,256	72,386,320	3,824	1,318	-	37,172	659	6,782,805
Energy Smart Schools	8,083	29,512,826	1,988	526	-	16,224	263	3,558,013
Commercial Services	43,297	153,383,713	10,714	2,724	-	85,265	1,362	19,192,639
Commercial DR - Manage	1,264	6,494,063	286	120	-	3,192	60	502,602
Commercial DR - Build	27	153,591	6	3	-	73	1	10,167
Non-Residential Services Total	52,671	189,544,192	12,994	3,373	-	104,754	1,686	23,263,421
NV Energy Total	79,546	294,909,829	19,508	5,267	-	161,221	2,633	34,886,460

[1] The values in this table may not sum due to rounding.

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B. Summary of NV Energy’s 2026 Current Year Goals and Targets

For the 2026 Current Year, the Commission authorized 12²³ DSM programs, which are listed in Table DSM-10 in order of target energy savings. Table DSM-11 lists the same 12 DSM programs²⁴ in order of target demand savings. The overall 2026 DSM Portfolio is presented for context and bridges the gap between the historical and action plan periods.

Table DSM-10: 2026 DSM Programs in Order of Target Energy Savings

Line No.	NV Energy Program	Target Energy Savings (kWh)
1	Business Energy Services	162,600,000
2	Residential DR - Build & Manage	38,654,000
3	Energy Reports	34,000,000
4	Energy Smart Schools	23,500,000
5	Home Energy Saver	13,000,000
6	Energy Assessments & Direct Install	10,000,000
7	Commercial DR - Build & Manage	8,554,000
8	Residential Codes & New Construction	7,000,000
9	Residential HVAC & Heat Pumps	6,775,000
10	Low Income	813,000
11	Energy Education [1]	-
12	Program Development [2]	-
NV Energy Total		304,896,000

[1] Energy Education does not have any energy savings because it is strictly a behavioral program.

[2] Energy savings are not tracked for Program Development, because it is predicated on testing and trials of new potential programs and/or technologies.

Table DSM-11: 2026 DSM Programs in Order of Target Demand Savings

Line No.	NV Energy Program	Target Demand Savings (kW)
1	Residential DR - Build & Manage	183,700
2	Commercial DR - Build & Manage	22,100
3	Business Energy Services	16,432
4	Energy Reports	7,064
5	Residential HVAC & Heat Pumps	3,495
6	Energy Assessments & Direct Install	3,108
7	Energy Smart Schools	2,970
8	Home Energy Saver	2,689
9	Residential Codes & New Construction	1,415
10	Low Income	590
11	Energy Education [1]	-
12	Program Development [2]	-
NV Energy Total		243,563

[1] Energy Education does not have any demand savings because it is strictly a behavioral program.

[2] Demand savings are not tracked for Program Development, because it is predicated on testing and trials of new potential programs and/or technologies.

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Table DSM-12 provides the 2026 authorized DSM program budgets, energy (kWh)²⁵ and demand (kW) saving goals.²⁶

Table DSM-12: 2026 DSM Programs Budgets and Savings Targets

Budget	Authorized Budget (\$)	Target Demand Savings (kW)	Target Energy Savings (kWh)
Nevada Power			
2026			
Energy Education [1]	434,000	-	-
Energy Reports	809,000	3,914	25,000,000
Program Development [2]	300,000	-	-
Education Services Total	1,543,000	3,914	25,000,000
Home Energy Saver	2,595,000	1,798	8,000,000
Residential HVAC & Heat Pumps	3,255,000	3,202	6,000,000
Residential Codes & New Construction	1,588,000	1,405	7,000,000
Low Income	3,630,000	460	600,000
Residential DR – Manage	7,867,000	130,000	29,000,000
Residential DR – Build	8,888,501	33,800	5,050,000
Energy Assessments & Direct Install	2,500,000	2,729	8,000,000
Residential Services Total	30,323,501	173,394	63,650,000
Energy Smart Schools	1,410,000	2,588	20,000,000
Business Energy Services	17,000,000	13,078	125,100,000
Commercial DR - Manage	960,000	10,500	6,000,000
Commercial DR – Build	605,000	4,300	747,000
Non-Residential Services Total	19,975,000	30,466	151,847,000
Nevada Power Total	51,841,501	207,774	240,497,000
Sierra			
2026			
Energy Education [1]	348,000	-	-
Energy Reports	514,000	3,150	9,000,000
Program Development [2]	200,000	-	-
Education Services Total	1,062,000	3,150	9,000,000
Home Energy Saver	1,070,000	891	5,000,000
Residential HVAC & Heat Pumps	925,000	293	775,000
Residential Codes & New Construction	45,000	10	-
Low Income	1,207,000	130	213,000
Residential DR – Manage	780,000	11,000	3,500,000
Residential DR – Build	2,948,000	8,900	1,104,000
Energy Assessments & Direct Install	1,000,000	379	2,000,000
Residential Services Total	7,975,000	21,603	12,592,000
Energy Smart Schools	577,502	382	3,500,000
Business Energy Services	5,890,000	3,354	37,500,000
Commercial DR - Manage	640,000	1,300	1,700,000
Commercial DR – Build	735,000	6,000	107,000
Non-Residential Services Total	7,842,502	11,036	42,807,000
Sierra Total	16,879,502	35,789	64,399,000
NV Energy			
2026			
Energy Education [1]	782,000	-	-
Energy Reports	1,323,000	7,064	34,000,000
Program Development [2]	500,000	-	-

²⁵ Docket No. 25-07010, October 28, 2025, Order at 3.

²⁶ Docket No. 25-11009, November 10, 2025, Joint Informational Demand Reduction Filing, at 2.

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Education Services Total	2,605,000	7,064	34,000,000
Home Energy Saver	3,665,000	2,689	13,000,000
Residential HVAC & Heat Pumps	4,180,000	3,495	6,775,000
Residential Codes & New Construction	1,633,000	1,415	7,000,000
Low Income	4,837,000	590	813,000
Residential DR – Manage	8,647,000	141,000	32,500,000
Residential DR – Build	11,836,501	42,700	6,154,000
Energy Assessments & Direct Install	3,500,000	3,108	10,000,000
Residential Services Total	38,298,501	194,997	76,242,000
Energy Smart Schools	1,987,502	2,970	23,500,000
Business Energy Services	22,890,000	16,432	162,600,000
Commercial DR - Manage	1,600,000	11,800	7,700,000
Commercial DR - Build	1,340,000	10,300	854,000
Non-Residential Services Total	27,817,502	41,502	194,654,000
NV Energy Total	68,721,003	243,563	304,896,000

[1] Energy and demand savings are not tracked for this program because it is strictly a behavioral program.

[2] Energy and demand savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

C. Summary of Prior Program Years

Table DSM-13 provides, for the last 10 years, energy and demand savings, total and DR peak reductions, annual total and DR expenditures, and the percentage of energy savings to retail sales for Nevada Power’s, Sierra’s, and combined NV Energy’s DSM portfolios.

Table DSM-13: 2016-2025 DSM Programs 10-Year Historical Performance

Nevada Power	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 [3]
Total Energy Savings [1]	164,394	191,058	155,631	232,653	214,931	221,714	160,020	273,409	233,247	205,289
DR Energy Savings [1]	26,403	32,402	25,975	28,368	23,975	25,198	26,447	44,079	41,478	36,462
Total Peak Reduction [1]	242	248	198	195	200	194	155	205	212	177
DR Peak Reduction [1]	217	224	183	159	165	155	113	156	155	142
Expenditures (\$000)	38,309	39,390	34,256	33,197	32,720	34,799	34,946	45,475	45,704	45,000
DR Expenditure (\$000)	13,851	15,235	15,051	11,127	9,548	9,524	6,754	13,320	16,359	17,086
Energy Savings (%) [2]	0.8	0.9	0.8	1.2	1.1	1.1	0.8	1.3	1.1	
Sierra	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 [3]
Total Energy Savings [1]	61,120	56,367	60,356	94,562	102,159	63,608	40,489	54,392	47,297	58,039
DR Energy Savings [1]	1,623	2,310	3,196	3,259	1,425	2,751	28,111	3,412	4,071	4,467
Total Peak Reduction [1]	20	25	26	30	32	31	24	28	33	36
DR Peak Reduction [1]	11	18	19	17	17	19	16	19	26	26
Expenditure (\$000)	10,680	10,960	11,928	11,361	10,264	9,365	8,696	13,036	12,573	13,800
DR Expenditure (\$000)	2,914	3,940	4,593	2,852	1,968	1,949	1,281	2,861	3,310	3,593
Energy Savings (%) [2]	0.7	0.7	0.7	1.0	1.1	0.7	0.5	0.6	0.5	

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NV Energy	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 [3]
Total Energy Savings [1]	225,515	247,425	215,987	327,215	317,089	285,322	200,510	327,801	280,544	263,328
DR Energy Savings [1]	28,026	34,712	29,171	31,627	25,400	27,949	54,557	47,491	45,548	40,929
Total Peak Reduction [1]	262	273	224	225	231	225	179	234	246	213
DR Peak Reduction [1]	228	242	201	176	182	174	129	175	181	168
Expenditure (\$000)	48,989	50,350	46,184	44,558	42,985	44,164	43,642	58,510	58,277	58,800
DR Expenditure (\$000)	16,765	19,175	19,644	13,979	11,517	11,474	8,035	16,181	19,669	20,679
Energy Savings (%) [2]	0.8	0.9	0.8	1.1	1.1	1.0	0.7	1.1	0.9	

[1] Shown as megawatt-hours (“MWh”).

[2] Percent of weather normalized retail sales until 2025.

[3] Start of new energy savings goal which no longer requires a percentage of retail sales.

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Section 3 – Proposed 2027-2029 Action Plan Period

The three-year Action Plan period provides detailed specifications of the actions that NV Energy intends to undertake to meet its energy and demand requirements.²⁷ The portfolio features a set of programs, measures, and initiatives to be implemented during the Action Plan period. The DSM planning process also included an assessment of steps to be taken to strengthen or enhance program performance.

A. DSM Plan Strategy

NV Energy’s DSM strategy reflects a deliberate, incremental expansion of DSM programs, products, and services year over year, centering on a portfolio that prioritizes flexible load management while continuing to support cost-effective energy efficiency and DR resources. The Companies’ proposed portfolio, supported by enhanced cost-effectiveness metrics and an increased emphasis on dispatchable load flexibility, is designed to address Nevada’s rapidly evolving transmission and distribution system needs. This portfolio recognizes the growing importance of solutions tailored to large commercial and industrial customers, while maintaining robust opportunities for residential customers.

As market conditions continue to shift and Nevada experiences increases in peak demand, the Companies are focused on using all available demand-side resources, including flexible load, DR, and customer-integrated technologies, to help accommodate new large load customers and reduce system strain during critical periods.

The DSM Plan also considers the rapid load growth occurring across the state, specifically from data center customers. The Companies worked on integrating a large-customer solution advanced through stakeholder engagement with Google, who had presented a potential program in the 2024 IRP. The results of that stakeholder engagement are found below in “The Role of Collaboration in DSM Programs.”

Additionally, the Plan reflects ongoing utility tariff development by integrating new rate structures, GSR-E and GSR-C tariffs, into applicable DR offerings to better align program participation with cost-reflective price signals. While these new rate structures go through the regulatory process, the Companies have created a flexible plan to integrate these tariffs with the DR programs once approved by the Commission. For more information about the GSR-E and GSR-C tariffs, see Section 9.A and Docket Nos. 25-10012 and 25-10013.

The Plan further addresses program risks identified across DSM and IRP filings, including customer participation and technology deployment risks. To proactively mitigate these risks, the Companies will incorporate program enhancements, ongoing stakeholder engagement, improved M&V practices, and tariff-based incentives, which encourage customers to manage load during peak periods.

²⁷ NAC 704.934(5)

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Collectively, these elements ensure that the DSM Plan remains responsive to market conditions, supports customer needs, and remains fully aligned with the objectives of the broader IRP.

B. DSM 2027-2029 Planning Process

NV Energy’s DSM portfolio planning follows a three-step process: (1) data gathering, (2) preliminary evaluations, and (3) plan development. The high-level details of each step are described below.

Data Gathering: NV Energy’s initial inputs to evaluate current program performance are the M&V reports prepared by a third-party independent evaluator. These reports provide a comprehensive analysis of each program’s effectiveness in meeting participation, energy (kWh), and demand (kW) savings targets. Other inputs include NV Energy’s 2024 Market Potential Study (“MPS”), historical program performance, data gathered through industry publications, studies, white papers, input from the DSM Collaborative, customer feedback, and research into energy efficiency portfolio offerings, budgets, and savings that were proposed in other Commissions’ filings across the U.S.

Preliminary Evaluation: Each of the products and services identified in the data gathering process were screened to determine if they are cost-effective, feasible in Nevada, and if they are likely to be adopted by customers. A financial analysis was then completed, which included industry-developed and Commission-approved cost-effectiveness tests, including the required NTRC test that accounts for non-energy benefits.²⁸

Plan Development: When NV Energy developed its proposed portfolio, the Companies considered approaches to: (1) proactively manage load growth and potential peak demand impacts of emerging commercial and industrial (“C&I”) and residential electrical loads; (2) produce high peak demand savings and higher net benefits for customers with a lower revenue requirement; and (3) align with changing resource needs. While the Companies are seeking to expand DR and load management offerings, energy efficiency and conservation programs remain the foundation of the Companies’ DSM Plan. These energy efficiency programs continue to represent cost-effective, reliable, and durable means of educating customers about how they can reduce energy consumption and save money on their utility bills. This foundational role of energy efficiency informs and supports the deployment of complementary DR and load shifting programs.

In designing the proposed portfolio, NV Energy considered the following inputs and aspects: (1) achievable level of energy and demand savings, (2) rate impacts, (3) participation, (4) system benefits, (5) non-energy benefits, and (6) stakeholder and customer feedback. The details of each input are described below.

Achievable Level of Energy Savings: As part of NV Energy’s 2024 IRP, the Companies conducted an MPS that estimated the achievable reductions in annual energy consumption and peak demand for the period 2024 through 2054 for both Nevada Power and Sierra. The MPS evaluated the technical, economic, and achievable potential for energy efficiency, behind-the-meter (“BTM”) storage, and across both service territories. The Companies

²⁸ NRS 704.7364(2) and NAC 704.934(6).

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have continued using these potentials results for the Action Plan period as they remain sufficiently current. NV Energy will refresh the MPS study in a future IRP.

Rate Impacts: NV Energy's DSM Plan reflects a consideration of both the long-term benefits of energy and demand savings and the potential near-term effects on customer bills. When evaluating the recovery of costs for energy efficiency and conservation programs, the Commission considers the effect of such cost recovery on customers' rates, as provided in NRS § 704.785(2) as follows:

When considering whether to approve an energy efficiency or conservation program proposed by an electric utility as part of a plan filed pursuant to NRS § 704.741, the Commission shall consider the effect of any recovery by the electric utility pursuant to this section on the rates of the customers of the electric utility.

Consistent with this framework, the Companies included a rate impact analysis to help inform the Commission's review and decision-making regarding the proposed DSM Plan. The results of the DSM Plan rate impact assessment are presented in Section 3.J.

Participation: NV Energy is mindful of the trade-off between program designs that target high-level participation and smaller individual savings versus a smaller number of participants with high-levels of energy and demand savings potential. NV Energy worked to balance its design approach to provide products and services for all customer segments, while achieving portfolio-level energy savings and demand reduction targets. NV Energy also focused on creating programs and incentive levels that serve low-income customers and those located in HUCs. Additional information concerning participation for each program is included in Sections 6 through 9.

System Benefits: NV Energy considered DSM products and services that can provide utility system benefits in addition to individual customer benefits when designing its Action Plan. All customers, both DSM program participants and non-participants, benefit from an efficiently managed utility grid. The programs and technologies presented in the DSM portfolio can address system peak loads and improve its load factor. Permanent peak demand savings resulting from energy efficiency programs, like the Business Energy Services program, lower a customer's base energy usage by replacing older equipment and products with newer ones that achieve the same function through less energy consumption. The cumulative savings of multiple customers' base energy usage permanently reduces the load shape observed at the system level.

System peak demands can also be temporarily reduced by DR programs. DR programs can adjust the operation of certain technologies, like a thermostat or an energy storage device, that are connected to communication channels with the utility. When strategically scheduled to increase a thermostat's temperature settings, or to discharge stored energy from an energy storage device, the cumulative load reduction of these technologies can provide relief to the utility's transmission, distribution, substation, and generation equipment.

Demand Response programs may also be scheduled for economic purposes when reducing load is more cost-effective than the marginal cost of generation or purchasing energy from the market. The balancing authority can also queue DR programs as 10-minute non-spinning operating reserves. NV Energy is capable of dispatching DR technologies based on their location to reduce regional distribution system congestion

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or in response to a distribution system emergency at specific locations. DR technologies can operate like a supply-side peaking resource that also provides added customer, environmental, and locational dispatch benefits. Growth of DR and DER operational capabilities will better allow NV Energy to manage its existing grid to accommodate an increasing amount of renewable energy, electric vehicle charging, and population load growth in Nevada. For more information about the locational net benefits provided by DSM program assets, please refer to Section 5.B in the narrative of NV Energy's Distributed Resources Plan.

Non-Energy Benefits: Beyond energy (kWh) and demand (kW) savings, there are many benefits that are difficult to quantify without an extensive and costly study. These benefits are often referred to as non-energy benefits. These include, but are not limited to, (1) reduced carrying cost on arrearages with more on-time bill payments; (2) job creation and economic development; (3) water/wastewater bill savings; (4) improved health and comfort; (5) higher productivity; (6) improved indoor air quality; (7) criteria air pollutants and greenhouse gas emissions; and (8) benefits for income qualified participants.

Stakeholder Engagement: NV Energy conducted quarterly DSM Collaborative workshops with representatives from Staff, BCP, and other key stakeholders. Major topics of discussion included, but were not limited to: (1) 2025 Prior Year results; (2) 2026 Current Year progress; (3) discussions of large load customer program concepts; (4) the portfolio of programs to be presented in the Action Plan; (8) DSM portfolio proposed targets; (9) non-energy benefits including option value, reduction of emissions, and criteria air pollutants; (10) and cost-effectiveness analysis and DSMore cost-effectiveness test software. The feedback and areas of consensus were incorporated into the development of the Action Plan, and NV Energy has provided a report of all DSM Collaborative activity in Technical Appendix DSM-6.

C. The Role of Collaboration in DSM Programs

The DSM planning process benefits from collaboration with a range of participants through the DSM Collaborative (the "Collaborative"). Docket Nos. 01-7004 (Sierra) and 01-7016 (Nevada Power) encouraged that the Companies, interveners, and other interested persons:

Work collaboratively to develop a list of feasible projects, to determine the appropriate cost/benefit test(s), to determine the projects that should be proposed as either trial or full, to determine the appropriate amount that should be spent on demand-side projects, staff, rebates, etc., and to discuss and resolve any such matters that the parties deem appropriate.²⁹

NV Energy continues to follow a collaborative process, in which interested stakeholders are invited to contribute, review, and make recommendations regarding energy efficiency and DR programs. NV Energy continues to schedule Collaborative meetings to work with Staff, the BCP, Southwest Energy Efficiency Project, Western Resource Advocates, Advanced Energy United, and other interested persons. This process seeks a reasonable consensus between intervening

²⁹ Docket No. 01-7004, November 13, 2001, Stipulation at 2, para. 1; Docket No. 01-7016, October 21, 2001, Stipulation at 3, para. 2.

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parties, which assists NV Energy with preparing an Action Plan that is well-rounded and has been assessed by multiple intervenors with unique perspectives. The Companies have engaged the Collaborative in compliance items and initiatives, including the 2025 DSM program updates, 2026 IRP progress and changes, customer collaboration, 2026 Current Year updates, DR goals, and cost-effectiveness enhancements. The meeting presentations are included in Technical Appendix DSM-06.

As part of this process, the DSM Collaborative reached consensus on proposed DR reduction goals for 2026 and 2027 in response to a Commission directive ordering the Companies to propose a suitable kilowatt reduction goal by April 1, 2026, based on the approved 2024 DR program budget plus an incremental \$3,000,000.³⁰ For more information, see Section 1.A.2.

Additionally, since the 2024 IRP, the Companies have continued to engage proactively with stakeholders to explore opportunities to enhance the DSM portfolio. These efforts include collaboration with Google and the DSM Collaborative to evaluate the concept of a Large Customer Offsite DSM Program that would allow qualifying large customers to make voluntary financial contributions to support expanded DSM measures. For more information, see Section 1.A.4.

D. DSM Program Initiatives

1. 2027-2029 Low-Income and HUC Activities

Pursuant to NRS § 704.741(3)(b), electric utilities in Nevada are required to allocate at least 10 percent of the DSM expenditures related to energy efficiency measures for customers in low-income households and residential customers and public schools in HUCs. Additionally, NRS § 704.7836 requires any programs that offer variable incentive levels to offer higher incentive levels for low-income participants.

To meet these requirements, the Companies propose to continue the same low-income expenditure plan in 2027 through 2029 that is being implemented currently in the 2026 Current Year.

2. 2027-2029 PowerShift Smart Shop (Online Marketplace)

The Powershift Smart Shop currently serves as a branded e-commerce platform offering the DSM programs' energy-efficient products to residential customers.³¹ It uses e-commerce technology to provide comparison shopping, customer reviews, and various purchasing options for visiting NV Energy customers to purchase EE and DR products, enroll in bundled appointments, and schedule energy assessment appointments. However, there has been low visitor traffic and the sales volume has been less than expected to justify the costs of the e-commerce platform.

³⁰ Order at 366, directive para. 15.

³¹ PowerShift Smart Shop, available at <https://www.nvenergy.com/save-with-powershift/smart-shop>.

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NV Energy recommends that the PowerShift “Smart Shop” be discontinued in its current form due to low visitor traffic and less than expected sales volume of products and services. Further research for an alternative marketplace solution to revise and replace the current platform is recommended for future inclusion during this Action Plan period.

3. 2027-2029 Solar Thermal Program

In Docket Nos. 15-07004 and 16-07001, the Commission ordered Nevada Power and Sierra to discontinue funding of their Solar Thermal Water Heating programs because the programs were not cost effective.³² The Commission determined that providing information to customers through the Companies’ Energy Education program fulfills the statutory requirement created by NRS § 704.741(3), while minimizing costs on the utilities’ customers. No inquiries about the Solar Thermal Water Heating programs have been received from Nevada Power or Sierra customers in 2025 and 2026 year-to-date. For the Action Plan period, the Companies propose continuing to report on any customer interest in the program if it occurs.

E. DSM Plan Evaluation and Program Selection

NV Energy’s DSM portfolio for the Action Plan period was developed through a comprehensive, data-driven evaluation and planning process that incorporated historical program performance, analytical studies, and extensive stakeholder input. The Companies relied on multiple data sources, including the historical performance of DSM programs, recommendations from the independent third-party M&V contractor, and insights from recent studies, such as the MPS and Net-to-Gross Study.

NV Energy also incorporated the results of various cost-effectiveness tests, input received through the DSM Collaborative, other relevant stakeholder engagement that occurred, and a review of DSM portfolio design and implementation practices at other utilities. In addition, the portfolio evaluation process accounted for applicable statutory requirements, including NRS § 704.741(3)(b), which directs that at least ten percent of total DSM portfolio expenditures be allocated to programs benefiting low-income customers and households in HUC.

Using these inputs, NV Energy evaluated existing programs, assessed opportunities for enhancement, and conducted new program research to expand and refine its DSM offerings, particularly in the areas of DR and flexible load resources. Programs demonstrating strong performance and continued savings potential were maintained or expanded, while programs and other initiatives with declining participation or diminishing savings, such as the Residential Codes and New Construction Program and the NV Energy “Smart Shop” marketplace, were discontinued or restructured based on performance data and cost-effectiveness considerations.

The resulting DSM portfolio includes several new and expanded DR offerings designed to strengthen system flexibility and operational benefits, including a Battery Storage DR program

³² See, e.g., Docket No. 15-07004, February 12, 2016, Modified Order at 58, para. 186.

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across both service territories, a Schools DR program beginning in Clark County and expanding statewide, and a new Agricultural DR program in the northern service territory.

Through this evaluation and selection process, NV Energy has assembled a balanced DSM portfolio that considers customer and system benefits, aligns with statutory objectives, and supports efficient grid operation while preparing for future load growth, renewable integration, and distributed energy resource adoption in Nevada.

Table DSM-14 provides a list of programs considered for inclusion in the Action Plan period:

Table DSM-14: 2027-2029 DSM Programs Considered

Program/ Components	Proposed Portfolio	Delivery Channel	Status [1]	Service Territory
Education Services				
Energy Education	Yes	Downstream	Existing	NV Energy
Energy Reports	Yes	Downstream	Existing	NV Energy
Program Development	Yes	Downstream	Existing	NV Energy
Residential Services				
Energy Assessments and Direct Install: Online assessments, in-person assessments, and direct install program components	Yes	Downstream	Existing	NV Energy
Home Energy Saver: Engine block heater controls program component	Yes	Downstream	Existing	Sierra
Home Energy Saver: Pool pump calibration program component	Yes	Midstream and Downstream	Existing	Nevada Power
Home Energy Saver: Retail appliance program component	Yes	Midstream and Downstream	Existing	NV Energy
Low Income: Qualified Appliance Replacement program component	Yes	Downstream	Existing	NV Energy
Low Income: Weatherization program component	Yes	Downstream	Existing	NV Energy
Low Income: DR	Yes	Downstream	Adopted	NV Energy
Residential HVAC and Heat Pumps	Yes	Midstream and Downstream	Existing	NV Energy
Residential Codes: Home Building Code Compliance component	Yes	Midstream	Terminated	NV Energy
Residential Battery Storage DR: Battery storage program	Yes	Downstream	Adopted	NV Energy

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Residential DR: Build and manage program component	Yes	Downstream	Existing	NV Energy
Residential New Construction: Performance-based program component	Yes	Midstream	Terminated	NV Energy
Residential New Construction: Prescriptive-based program component (a la carte incentives)	Yes	Midstream	Terminated	Sierra
Non-Residential Services				
Energy Smart Schools	Yes	Midstream and Downstream	Existing	NV Energy
Schools DR	Yes	Downstream	Adopted	NV Energy
Energy Smart School Education Kits	N/A	Midstream and Downstream	Terminated	NV Energy
Business Energy Services	Yes	Midstream and Downstream	Existing	NV Energy
Agricultural DR	Yes	Downstream	Adopted	Sierra
Commercial DR: Build and manage	Yes	Downstream	Existing	NV Energy

[1] Adopted status means that the program/ component was considered and is being proposed in this Plan.

F. Proposed and Presented Portfolios for 2027-2029

This Plan presents the Companies’ Portfolio that integrates and leverages energy efficiency and DR programs through energy education and by customer segment. NV Energy continues to propose integrated services between Nevada Power and Sierra that are designed to maintain a practical budget, optimize energy and demand savings, and increase customer participation, while using a more personalized and customized approach to program delivery. The structure of the portfolio is updated with classifications under the following offerings: (1) Education Services; (2) Residential Services; (3) Non-Residential Services; and (4) DR.

For the proposed Portfolio, NV Energy focuses on delivering a DSM Plan that includes a suite of energy efficiency and flexible load DR programs for the Action Plan Period. Select highlights of the proposed Portfolio are included in the following descriptions. More in-depth details of all programs in the portfolio are discussed in Sections 6 through 9.

In the proposed Portfolio, the Residential DR Program will continue under the same design and measures as the existing 2026 program, focusing on DR load reduction and energy and demand savings primarily through smart thermostats and Bring Your Own Device (“BYOD”). It will maintain BYOD offerings, continue recruiting households of HUC and multifamily households, and ensure thermostat technologies remain current. A significant change to the Program will begin in 2027, when battery energy storage will transition to a standalone Residential Battery Storage DR program. The Program will also undergo a transition to performance-based compensation structure under the proposed Grid Services Tariff Riders (Schedules GSR-E and GSR-C), as described in Section 9.A.2 of this Plan.

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In the proposed Portfolio, the Commercial DR Program will continue to focus on DR load reduction through smart thermostats, demand limiting devices, and building management systems to manage AC and other ancillary loads. The planned enhancements include pursuing opportunities to commission new BMS and recommission BMS systems that are not currently operating, conducting targeted outreach to multi-family buildings serving income-qualified households, and increasing engagement with commercial facilities using customer owned equipment. A key change to this program will begin in 2027, when the Agricultural DR program will transition to a standalone program. The Program will also undergo a transition to performance-based compensation structure under the proposed Grid Services Tariff Riders (Schedules GSR-E and GSR-C), as described in Section 9.A.2 of this Plan.

Under the Portfolio, Program Development will continue to evaluate emerging DSM technologies, services, and delivery models to strengthen the DSM portfolio as well as identify new cost-effective program measures and opportunities. NV Energy will continue to assess load-management strategies that support peak demand reductions, improved demand flexibility, and customer bill savings. The Program will target all rate classes, while prioritizing solutions that benefit low-income and underserved communities.

The Energy Education Program, Home Energy Reports Program, and Energy Assessments and Direct Install Program will continue implementing existing energy efficiency initiatives, with targeted enhancements to improve effectiveness, coordination, and customer outreach. Key updates include modernizing assessment tools; emphasizing bundled service delivery, particularly for income-qualified customers; and strengthening customer education through refreshed outreach and partnerships.

In the proposed Portfolio, the Home Energy Saver Program will continue with two established offerings for retail appliance incentives and pool pump calibration incentives. The retail appliance component will provide point of purchase incentives for ENERGY STAR certified clothes washers, air purifiers, advanced power strips, and other cost-effective technologies through participating retailers, with a focus on expanding access for low-income customers and supporting future load management capabilities. A key change for this program is the expansion of the Pool Pump Calibration offering in the Sierra territory. The Pool Pump Calibration component may also expand to include rebates for additional pool related efficiency measures.

The Residential HVAC and Heat Pump Program will continue to support high-efficiency HVAC and heat pump upgrades, including tune-ups, cold-climate heat pumps in the Sierra territory, and heat pump water heaters. The Program will continue to leverage the existing trade ally network for delivery and coordinate outreach efforts as appropriate, using in-home energy assessments to identify eligible customers and connect them with qualified contractors. A key enhancement to the program will be an increase in rebate levels to encourage greater customer participation.

The Low-Income Program (Qualified Appliance Replacement Program) will continue providing direct installation of energy efficient appliances and technology for eligible customers, while consolidating the Weatherization and Low-Income DR components. Additional weatherization measures may be introduced based on actual implementation results and demonstrated cost-effectiveness of emerging technologies. During DR events, the low-income component will support energy savings and load reduction through smart thermostat installations and credit customers for enrollment and performance.

The Residential Battery Storage DR Program will leverage customer-owned BTM storage to provide scalable, dispatchable grid services. Previously part of the Residential DR

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program as a program component, this standalone Program delivers both capacity and energy value through mandatory participation in emergency and system reliability events, and optional participation enabling additional economic and storage enabled services where feasible. Program compensation is fully aligned with GSR-C and GSR-E, eliminating the need for standalone program specific incentives.

The Schools DR Program will enroll K-12 schools and provide dispatchable grid service through HVAC thermostat controls. The program will be delivered through the Build and Manage structure, similar to the Commercial DR program. The Program supports equipment installation, system integration, and ongoing dispatch and performance monitoring. Coordination with the Energy Smart Schools program will enable bundled efficiency and DR delivery, with increased dispatch opportunities during summer months to minimize occupant impact. Smart thermostats and related equipment will be provided at no cost. Performance-based compensation under the proposed Grid Services Tariff Riders (Schedules GSR-E and GSR-C) will be evaluated for applicability during the Action Plan period.

The Agriculture DR Program will leverage large agricultural irrigation pumping loads to provide seasonal, dispatchable grid capacity. The Program delivers both capacity and energy value through mandatory participation in emergency and reliability events, with optional participation in scheduled economic events during the DR season. Compensation will be fully aligned with the proposed Grid Services Tariff Riders (Schedules GSR-E and GSR-C), eliminating the need for program specific incentives.

The Business Energy Services Program will continue the 2026 program design. Key enhancements for the action plan period will focus on improving access and participation, including exploring financing and shared incentive options for small businesses, expanding collaboration with property managers, and strengthening partnerships with Nevada based community organizations. The program will also enhance outreach and marketing efforts and evaluate opportunities for strategic energy management for select customer segments and expand its annual program kickoff event.

The Energy Smart Schools Program will expand support for school districts by reducing barriers to participation. It will especially help smaller, resource-constrained schools through enhanced technical guidance, support identifying funding, shared incentive options, assistance with contractor bidding, and other implementation resources. Program staff will educate school personnel, conduct energy assessments upon request, and guide schools through participation. Additional improvements include using data driven tools to better identify project opportunities and expanding the Strategic Energy Management (“SEM”) approach to additional eligible customers, such as higher education institutions.

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G. Proposed and Presented Program Targets for 2027-2029

Tables DSM-15 through DSM-17 below, present the Companies' proposed budgets and energy and demand savings targets for the proposed portfolio during the Action Plan period.

Table DSM-15: 2027-2029 Proposed DSM Portfolio Budgets and Savings Targets - Nevada Power

Programs	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)
Nevada Power	2027			2028			2029		
Energy Education [1]	400,000	-	-	400,000	-	-	400,000	-	-
Energy Reports Program Development [2]	777,000	10,102	20,000,000	893,000	11,610	20,000,000	982,000	12,767	20,000,000
Education Services Total	1,477,000	10,102	20,000,000	1,593,000	11,610	20,000,000	1,682,000	12,767	20,000,000
Energy Assessments & Direct Install	1,600,000	884	4,200,000	1,733,000	957	4,200,000	1,906,000	1,053	4,200,000
Residential HVAC & Heat Pumps	2,620,000	4,348	4,200,000	2,882,000	4,783	4,200,000	3,171,000	5,262	4,200,000
Home Energy Saver	2,089,000	1,838	5,600,000	2,298,000	2,022	5,600,000	2,528,000	2,224	5,600,000
Low Income	3,692,000	571	452,000	4,080,000	584	452,000	4,506,000	598	452,000
Residential Services Total	10,001,000	7,641	14,452,000	10,993,000	8,346	14,452,000	12,111,000	9,137	14,452,000
Energy Smart Schools	1,135,000	3,404	14,000,000	1,419,000	4,256	14,000,000	1,774,000	5,320	14,000,000
Business Energy Services	13,685,000	12,855	87,570,000	15,054,000	14,141	87,570,000	16,559,000	15,554	87,570,000
Non-Residential Services Total	14,820,000	16,259	101,570,000	16,473,000	18,397	101,570,000	18,333,000	20,874	101,570,000
Residential DR - Build	8,073,000	22,000	4,530,000	8,880,000	24,000	4,983,000	9,768,000	26,000	5,481,000
Residential DR - Manage	14,776,000	151,000	30,645,000	15,613,000	157,000	31,658,000	16,388,000	164,000	32,977,000
Battery Storage DR	1,158,000	1,500	-	705,000	1,000	-	705,000	1,000	-
Schools DR	4,375,000	15,500	1,701,000	4,375,000	15,500	1,701,000	4,375,000	15,500	1,701,000
Agricultural DR [3]	-	-	-	-	-	-	-	-	-
Commercial DR - Build	443,000	3,000	86,000	487,000	4,000	103,000	536,000	4,000	114,000
Commercial DR - Manage	884,000	12,000	6,070,000	1,691,000	29,000	7,073,000	2,454,000	46,000	8,491,000
Demand Response Total	29,709,000	205,000	43,032,000	31,751,000	230,500	45,518,000	34,226,000	256,500	48,764,000
Nevada Power Total	56,007,000	239,002	179,054,000	60,810,000	268,853	181,540,000	66,352,000	299,278	184,786,000

[1] Energy and demand savings are not tracked for this program because it is strictly a behavioral program.

[2] Energy and demand savings are not tracked for this because it is predicated on testing and trials of new 'potential' programs and/or technologies.

[3] Agricultural DR is only a program for Sierra's service territory.

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Table DSM-16: 2027-2029 Proposed DSM Portfolio Budgets and Savings Targets – Sierra

Programs	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)
Sierra	2027			2028			2029		
Energy Education [1]	300,000	-	-	300,000	-	-	300,000	-	-
Energy Reports	493,000	2,862	7,500,000	542,000	3,146	7,500,000	596,000	3,460	7,500,000
Program Development [2]	200,000	-	-	200,000	-	-	200,000	-	-
Education Services Total	993,000	2,862	7,500,000	1,042,000	3,146	7,500,000	1,096,000	3,460	7,500,000
Energy Assessments & Direct Install	429,000	68	660,000	472,000	75	660,000	519,000	82	660,000
Residential HVAC & Heat Pumps	745,000	650	543,000	820,000	770	543,000	902,000	847	543,000
Home Energy Saver	861,000	370	3,500,000	947,000	407	3,500,000	1,042,000	448	3,500,000
Low Income	1,126,000	162	151,000	1,211,000	169	151,000	1,334,000	168	151,000
Residential Services Total	3,161,000	1,250	4,854,000	3,450,000	1,421	4,854,000	3,797,000	1,545	4,854,000
Energy Smart Schools	465,000	756	2,450,000	511,000	831	2,450,000	563,000	915	2,450,000
Business Energy Services	4,741,000	4,937	26,250,000	5,216,000	5,432	26,250,000	5,737,000	5,974	26,250,000
Non-Residential Services Total	5,206,000	5,693	28,700,000	5,727,000	6,263	28,700,000	6,300,000	6,889	28,700,000
Residential DR - Build	2,008,000	5,000	467,000	2,209,000	5,500	513,000	2,430,000	6,000	565,000
Residential DR - Manage	2,325,000	20,000	4,144,000	2,627,000	23,000	4,150,000	2,890,000	26,000	4,197,000
Battery Storage DR	403,000	700	-	264,000	530	-	264,000	530	-
Schools DR	-	-	-	938,000	2,700	292,000	938,000	2,700	292,000
Agricultural DR	814,000	3,000	39,000	1,003,000	4,000	50,000	1,193,000	4,000	61,000
Commercial DR - Build	171,000	300	15,000	188,000	400	16,000	207,000	400	18,000
Commercial DR - Manage	609,000	7,000	1,400,000	1,106,000	10,200	1,454,000	1,740,000	16,400	1,540,000
Demand Response Total	6,330,000	36,000	6,065,000	8,335,000	46,330	6,475,000	9,662,000	56,030	6,673,000
Sierra Total	15,690,000	45,805	47,119,000	18,554,000	57,160	47,529,000	20,855,000	67,924	47,727,000

[1] Energy and demand savings are not tracked for this program because it is strictly a behavioral program.

[2] Energy and demand savings are not tracked for this because it is predicated on testing and trials of new ‘potential’ programs and/or technologies.

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Table DSM-17: 2027-2029 Proposed DSM Portfolio Budgets and Savings Targets – NV Energy

Programs	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Demand Savings (kW)	Annual Energy Savings (kWh)
NV Energy	2027			2028			2029		
Energy Education [1]	700,000	-	-	700,000	-	-	700,000	-	-
Energy Reports	1,270,000	12,964	27,500,000	1,435,000	14,756	27,500,000	1,578,000	16,227	27,500,000
Program Development [2]	500,000	-	-	500,000	-	-	500,000	-	-
Education Services Total	2,470,000	12,964	27,500,000	2,635,000	14,756	27,500,000	2,778,000	16,227	27,500,000
Energy Assessments & Direct Install	2,029,000	952	4,860,000	2,205,000	1,032	4,860,000	2,425,000	1,135	4,860,000
Residential HVAC & Heat Pumps	3,365,000	4,998	4,743,000	3,702,000	5,553	4,743,000	4,073,000	6,109	4,743,000
Home Energy Saver	2,950,000	2,208	9,100,000	3,245,000	2,429	9,100,000	3,570,000	2,672	9,100,000
Low Income	4,818,000	733	603,000	5,291,000	753	603,000	5,840,000	766	603,000
Residential Services Total	13,162,000	8,891	19,306,000	14,443,000	9,767	19,306,000	15,908,000	10,682	19,306,000
Energy Smart Schools	1,600,000	4,160	16,450,000	1,930,000	5,087	16,450,000	2,337,000	6,235	16,450,000
Business Energy Services	18,426,000	17,792	113,820,000	20,270,000	19,573	113,820,000	22,296,000	21,528	113,820,000
Non-Residential Services Total	20,026,000	21,952	130,270,000	22,200,000	24,660	130,270,000	24,633,000	27,763	130,270,000
Residential DR - Build	10,081,000	27,000	4,997,000	11,089,000	29,500	5,496,000	12,198,000	32,000	6,046,000
Residential DR - Manage	17,101,000	171,000	34,789,000	18,240,000	180,000	35,808,000	19,278,000	190,000	37,174,000
Battery Storage DR	1,561,000	2,200	-	969,000	1,530	-	969,000	1,530	-
Schools DR	4,375,000	15,500	1,701,000	5,313,000	18,200	1,993,000	5,313,000	18,200	1,993,000
Agricultural DR	814,000	3,000	39,000	1,003,000	4,000	50,000	1,193,000	4,000	61,000
Commercial DR - Build	614,000	3,300	101,000	675,000	4,400	119,000	743,000	4,400	132,000
Commercial DR - Manage	1,493,000	19,000	7,470,000	2,797,000	39,200	8,527,000	4,194,000	62,400	10,031,000
Demand Response Total	36,039,000	241,000	49,097,000	40,086,000	276,830	51,993,000	43,888,000	312,530	55,437,000
NV Energy Total	71,697,000	284,807	226,173,000	79,364,000	326,012	229,069,000	87,207,000	367,201	232,513,000

[1] Energy and demand savings are not tracked for this program because it is strictly a behavioral program.

[2] Energy and demand savings are not tracked for this because it is predicated on testing and trials of new 'potential' programs and/or technologies.

[3] Totals may not sum due to rounding.

NV Energy presents 16 DSM programs for both service territories. The programs are in order of projected energy savings in Table DSM-18. In DSM-19 below, NV Energy shows the same 16 DSM programs in order of projected demand savings. Section 1 presents the 2027 through 2029 budgets, energy savings, and demand savings targets for Nevada Power, Sierra, and NV Energy in Table DSM-1.

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Table DSM-18: 2027-2029 DSM Proposed Programs in Order of Targeted Energy (kWh) Savings

NV Energy		2027	2028	2029	2027-2029
1	Business Energy Services	113,820,000	113,820,000	113,820,000	341,460,000
2	Residential DR - Manage	34,789,000	35,808,000	37,174,000	107,771,000
3	Energy Reports	27,500,000	27,500,000	27,500,000	82,500,000
4	Energy Smart Schools	16,450,000	16,450,000	16,450,000	49,350,000
5	Home Energy Saver	9,100,000	9,100,000	9,100,000	27,300,000
6	Commercial DR - Manage	7,470,000	8,527,000	10,031,000	26,028,000
7	Residential DR - Build	4,997,000	5,496,000	6,046,000	16,539,000
8	Energy Assessments & Direct Install	4,860,000	4,860,000	4,860,000	14,580,000
9	Residential HVAC & Heat pumps	4,743,000	4,743,000	4,743,000	14,229,000
10	Schools DR	1,701,000	1,993,000	1,993,000	5,687,000
11	Low Income	603,000	603,000	603,000	1,809,000
12	Commercial DR - Build	101,000	119,000	132,000	352,000
13	Agricultural DR	39,000	50,000	61,000	150,000
14	Energy Education [1]	-	-	-	-
15	Program Development [2]	-	-	-	-
16	Battery Storage DR [3]	-	-	-	-
NV Energy Total		226,173,000	229,069,000	232,513,000	687,755,000

[1] Energy (kWh) savings are not tracked for this program because the goal for this program is not set in kWh, but in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy savings.

[2] Energy (kWh) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

[3] This program does not provide any energy savings.

Table DSM-19: 2027-2029 DSM Proposed Programs in Order of Targeted Demand (kW) Savings

NV Energy		2027	2028	2029	2027-2029
1	Residential DR - Manage	171,000	180,000	190,000	541,000
2	Commercial DR - Manage	19,000	39,200	62,400	120,600
3	Residential DR - Build	27,000	29,500	32,000	88,499
4	Business Energy Services	17,792	19,573	21,528	58,893
5	Schools DR	15,500	18,200	18,200	51,900
6	Energy Reports	12,964	14,756	16,227	43,947
7	Residential HVAC & Heat pumps	4,998	5,553	6,109	16,660
8	Energy Smart Schools	4,160	5,087	6,235	15,482
9	Commercial DR - Build	3,300	4,400	4,400	12,100
10	Agricultural DR	3,000	4,000	4,000	11,000
11	Home Energy Saver	2,208	2,429	2,672	7,309
12	Battery Storage DR	2,200	1,530	1,530	5,260
13	Energy Assessments & Direct Install	952	1,032	1,135	3,119
14	Low Income	733	753	766	2,252
15	Energy Education [1]	-	-	-	-
16	Program Development [2]	-	-	-	-
NV Energy Total		284,807	326,012	367,201	978,020

[1] Demand (kW) savings are not tracked for this program because the goal for this program is not set in kW, but in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy savings.

[2] Demand (kW) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

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Budgets, savings, and cost-effectiveness are calculated at the program level to provide the same level of transparency as in prior filings. The proposed portfolio is cost-effective. The Companies continue to successfully find efficiencies and optimizations within the NV Energy program design to drive higher savings measures with lower costs.

Tables DSM-20, DSM-21, and DSM-22 present the NTRC ratios for the Portfolio for Nevada Power, Sierra Pacific Power, and Nevada Energy using the DSMore cost-effectiveness models.

Table DSM-20: 2027-2029 DSM Portfolio Proposed NTRC Benefits/Costs for Nevada Power

Programs	NTRC			NTRC 2.0		
	2027	2028	2029	2027	2028	2029
Nevada Power						
Energy Education [1]	N/A	N/A	N/A	N/A	N/A	N/A
Energy Reports	2.95	2.43	2.13	4.52	3.75	3.50
Program Development [2]	N/A	N/A	N/A	N/A	N/A	N/A
Education Services Total	1.55	1.36	1.25	2.38	2.10	2.04
Energy Assessments & Direct Install	1.02	0.89	0.79	1.52	1.38	1.28
Residential HVAC & Heat Pumps	0.80	0.72	0.66	1.12	1.04	0.99
Home Energy Saver	0.51	0.45	0.41	0.85	0.79	0.76
Low Income	0.34	0.31	0.28	0.42	0.38	0.36
Residential Services Total	3.23	3.18	3.15	3.44	3.40	3.38
Energy Smart Schools	1.75	1.41	1.18	2.81	2.40	2.14
Business Energy Services	2.67	2.34	2.16	5.10	4.84	4.74
Non-Residential Services Total	2.63	2.72	2.84	3.92	3.97	4.08
Residential DR - Build	2.90	2.89	2.88	3.07	3.07	3.08
Residential DR - Manage	4.29	4.20	4.19	4.50	4.43	4.43
Battery Storage DR	2.12	2.29	2.31	2.12	2.29	2.31
Schools DR	2.35	2.36	2.37	2.41	2.43	2.45
Agricultural DR	N/A	N/A	N/A	N/A	N/A	N/A
Commercial DR - Build	2.64	2.83	2.76	2.66	2.85	2.79
Commercial DR - Manage	4.20	5.29	5.72	4.74	5.64	6.04
Demand Response Total	3.57	3.65	3.73	3.75	3.84	3.94
Nevada Power Total	3.00	2.99	3.01	3.60	3.59	3.62

[1] Energy (kWh) and demand (kW) savings are not tracked for this program because the goal for this program is not set in kWh or kW, but in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy savings.

[2] Energy (kWh) and demand (kW) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

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Table DSM-21: 2027-2029 DSM Portfolio Proposed NTRC Benefits/Costs for Sierra

Programs	NTRC			NTRC 2.0		
	2027	2028	2029	2027	2028	2029
Sierra Pacific						
Energy Education [1]	N/A	N/A	N/A	N/A	N/A	N/A
Energy Reports	1.87	1.64	1.43	2.84	2.49	2.30
Program Development [2]	N/A	N/A	N/A	N/A	N/A	N/A
Education Services Total	0.93	0.86	0.78	1.41	1.30	1.25
Energy Assessments & Direct Install	0.40	0.35	0.33	0.70	0.63	0.61
Residential HVAC & Heat Pumps	1.11	1.12	1.02	1.28	1.30	1.21
Home Energy Saver	0.67	0.60	0.64	1.41	1.36	1.43
Low Income	0.27	0.25	0.24	0.34	0.32	0.31
Residential Services Total	2.77	2.87	2.81	3.05	3.14	3.07
Energy Smart Schools	1.59	1.45	1.40	2.53	2.38	2.33
Business Energy Services	2.22	2.00	2.08	4.40	4.22	4.34
Non-Residential Services Total	2.08	1.94	1.97	3.27	2.83	2.79
Residential DR - Build	2.89	3.19	2.93	2.98	3.30	3.03
Residential DR - Manage	4.82	4.64	4.42	5.10	4.89	4.64
Battery Storage DR	2.61	3.13	2.95	2.61	3.13	2.95
Schools DR	N/A	1.68	1.71	N/A	1.75	1.78
Agricultural DR	1.33	1.49	1.28	1.34	1.50	1.29
Commercial DR - Build	0.80	0.90	0.86	0.82	0.91	0.88
Commercial DR - Manage	4.54	3.53	3.20	4.77	3.67	3.29
Demand Response Total	3.27	3.01	2.88	3.42	3.13	2.99
Sierra Total	2.40	2.33	2.31	3.09	2.93	2.87

[1] Energy (kWh) and demand (kW) savings are not tracked for this program because the goal for this program is not set in kWh or kW, but in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy savings.

[2] Energy (kWh) and demand (kW) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

Table DSM-22: 2027-2029 DSM Portfolio Proposed NTRC Benefits/Costs for NV Energy

Programs	NTRC			NTRC 2.0		
	2027	2028	2029	2027	2028	2029
NV Energy						
Energy Education [1]	N/A	N/A	N/A	N/A	N/A	N/A
Energy Reports	2.53	2.14	1.87	3.87	3.27	3.05
Program Development [2]	N/A	N/A	N/A	N/A	N/A	N/A
Education Services Total	1.30	1.16	1.06	1.99	1.78	1.73
Energy Assessments & Direct Install	0.89	0.78	0.69	1.34	1.22	1.14
Residential HVAC & Heat Pumps	0.88	0.82	0.75	1.16	1.10	1.04
Home Energy Saver	0.57	0.50	0.50	1.06	1.00	1.01
Low Income	0.32	0.29	0.27	0.40	0.37	0.34
Residential Services Total	3.15	3.12	3.08	3.37	3.35	3.32
Energy Smart Schools	1.71	1.42	1.23	2.75	2.40	2.17
Business Energy Services	2.56	2.25	2.14	4.92	4.68	4.64
Non-Residential Services Total	2.48	2.17	2.04	3.76	3.63	3.68
Residential DR - Build	2.90	2.93	2.89	3.05	3.11	3.07
Residential DR - Manage	4.36	4.27	4.22	4.58	4.49	4.46
Battery Storage DR	2.25	2.51	2.49	2.25	2.51	2.49
Schools DR	2.35	2.22	2.23	2.41	2.29	2.31
Agricultural DR	1.33	1.49	1.28	1.34	1.50	1.29
Commercial DR - Build	2.21	2.40	2.33	2.24	2.42	2.36

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Commercial DR - Manage	4.30	4.80	4.90	4.75	5.09	5.15
Demand Response Total	3.52	3.52	3.54	3.70	3.69	3.72
NV Energy Total	2.88	2.84	2.84	3.50	3.44	3.44

[1] Energy (kWh) and demand (kW) savings are not tracked for this program because the goal for this program is not set in kWh or kW, but in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy savings.
[2] Energy (kWh) and demand (kW) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

The proposed DSM portfolio also provides tools that enable customers to manage their energy usage, reduce their bills, and reduce greenhouse gases and other environmental pollutants more effectively. The Action Plan benefits include: (1) saving water, (2) assisting with the integration of variable capacity renewable energy resources, (3) providing an alternative for operating reserves, (4) acting as insurance for electric-system events, (5) contributing to the State’s carbon reduction initiatives, and (6) providing a more comfortable and cleaner living environment. For more information on how the proposed portfolios will contribute to these environmental savings, see Tables DSM-23 through DSM-25 below.

Table DSM-23: 2027 DSM Plan Target Environmental Benefits

Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Nevada Power	2027							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Program Development	-	-	-	-	-	-	-	-
Education Services Total	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Energy Assessments & Direct Install	672	4,584,888	126	84	-	2,100	42	212,310
Residential HVAC and Heat Pumps	672	4,584,888	126	84	-	2,100	42	212,310
Home Energy Saver	896	6,113,184	168	112	-	2,800	56	283,080
Low Income	72	493,421	14	9	-	226	5	22,849
Residential Services Total	2,312	15,776,381	434	289	-	7,226	145	730,549
Energy Smart Schools	2,240	15,282,960	420	280	-	7,000	140	707,700
Business Energy Services	14,011	95,594,915	2,627	1,751	-	43,785	876	4,426,664
Non-Residential Services Total	16,251	110,877,875	3,047	2,031	-	50,785	1,016	5,134,364
Residential DR - Build	725	4,945,129	136	91	-	2,265	45	228,992
Residential DR - Manage	4,903	33,453,308	919	613	-	15,323	306	1,549,105
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	272	1,856,880	51	34	-	851	17	85,986
Agricultural DR	-	-	-	-	-	-	-	-

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Commercial DR - Build	14	93,881	3	2	-	43	1	4,347
Commercial DR - Manage	971	6,626,255	182	121	-	3,035	61	306,839
Demand Response Total	6,885	46,975,453	1,291	861	-	21,516	430	2,175,268
Nevada Power Total	28,649	195,462,509	5,372	3,581	-	89,527	1,791	9,051,180
Sierra	2027							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports Program Development	1,200	8,187,300	225	150	-	3,750	75	379,125
Education Services Total	1,200	8,187,300	225	150	-	3,750	75	379,125
Energy Assessments & Direct Install	106	720,482	20	13	-	330	7	33,363
Residential HVAC & Heat Pumps	87	592,761	16	11	-	272	5	27,449
Home Energy Saver	560	3,820,740	105	70	-	1,750	35	176,925
Low Income	24	164,838	5	3	-	76	2	7,633
Residential Services Total	777	5,298,821	146	97	-	2,427	49	245,370
Energy Smart Schools	392	2,674,518	74	49	-	1,225	25	123,848
Business Energy Services	4,200	28,655,550	788	525	-	13,125	263	1,326,938
Non-Residential Services Total	4,592	31,330,068	861	574	-	14,350	287	1,450,785
Residential DR - Build	75	509,796	14	9	-	234	5	23,607
Residential DR - Manage	663	4,523,756	124	83	-	2,072	41	209,479
Battery Storage DR Schools DR	-	-	-	-	-	-	-	-
Agricultural DR	6	42,574	1	1	-	20	0	1,971
Commercial DR - Build	2	16,375	0	0	-	8	0	758
Commercial DR - Manage	224	1,528,296	42	28	-	700	14	70,770
Demand Response Total	970	6,620,797	182	121	-	3,033	61	306,586
Sierra Total	7,539	51,436,985	1,414	942	-	23,560	471	2,381,865
NV Energy	2027							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports Program Development	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Education Services Total	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Energy Assessments & Direct Install	778	5,305,370	146	97	-	2,430	49	245,673

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Residential HVAC & Heat Pumps	759	5,177,649	142	95	-	2,372	47	239,759
Home Energy Saver	1,456	9,933,924	273	182	-	4,550	91	460,005
Low Income	96	658,259	18	12	-	302	6	30,482
Residential Services Total	3,089	21,075,202	579	386	-	9,653	193	975,918
Energy Smart Schools	2,632	17,957,478	494	329	-	8,225	165	831,548
Business Energy Services	18,211	124,250,465	3,415	2,276	-	56,910	1,138	5,753,601
Non-Residential Services Total	20,843	142,207,943	3,908	2,605	-	65,135	1,303	6,585,149
Residential DR - Build	800	5,454,925	150	100	-	2,499	50	252,598
Residential DR - Manage	5,566	37,977,064	1,044	696	-	17,395	348	1,758,584
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	272	1,856,880	51	34	-	851	17	85,986
Agricultural DR	6	42,574	1	1	-	20	0	1,971
Commercial DR - Build	16	110,256	3	2	-	51	1	5,106
Commercial DR - Manage	1,195	8,154,551	224	149	-	3,735	75	377,609
Demand Response Total	7,856	53,596,249	1,473	982	-	24,549	491	2,481,853
NV Energy Total	36,188	246,899,494	6,785	4,523	-	113,087	2,262	11,433,045

Table DSM-24: 2028 DSM Plan Target Environmental Benefits

Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Nevada Power	2028							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Program Development	-	-	-	-	-	-	-	-
Education Services Total	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Energy Assessments & Direct Install	672	4,584,888	126	84	-	2,100	42	212,310
Residential HVAC & Heat Pumps	672	4,584,888	126	84	-	2,100	42	212,310
Home Energy Saver	896	6,113,184	168	112	-	2,800	56	283,080
Low Income	72	493,421	14	9	-	226	5	22,849
Residential Services Total	2,312	15,776,381	434	289	-	7,226	145	730,549
Energy Smart Schools	2,240	15,282,960	420	280	-	7,000	140	707,700
Business Energy Services	14,011	95,594,915	2,627	1,751	-	43,785	876	4,426,664
Non-Residential Services Total	16,251	110,877,875	3,047	2,031	-	50,785	1,016	5,134,364
Residential DR - Build	797	5,439,642	149	100	-	2,492	50	251,891

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Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Residential DR - Manage	5,065	34,559,139	950	633	-	15,829	317	1,600,312
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	272	1,856,880	51	34	-	851	17	85,986
Agricultural DR	-	-	-	-	-	-	-	-
Commercial DR - Build	16	112,439	3	2	-	52	1	5,207
Commercial DR - Manage	1,132	7,721,170	212	141	-	3,537	71	357,540
Demand Response Total	7,283	49,689,270	1,366	910	-	22,759	455	2,300,935
Nevada Power Total	29,046	198,176,326	5,446	3,631	-	90,770	1,815	9,176,847
Sierra	2028							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	1,200	8,187,300	225	150	-	3,750	75	379,125
Program Development	-	-	-	-	-	-	-	-
Education Services Total	1,200	8,187,300	225	150	-	3,750	75	379,125
Energy Assessments & Direct Install	106	720,482	20	13	-	330	7	33,363
Residential HVAC & Heat Pumps	87	592,761	16	11	-	272	5	27,449
Home Energy Saver	560	3,820,740	105	70	-	1,750	35	176,925
Low Income	24	164,838	5	3	-	76	2	7,633
Residential Services Total	777	5,298,821	146	97	-	2,427	49	245,370
Energy Smart Schools	392	2,674,518	74	49	-	1,225	25	123,848
Business Energy Services	4,200	28,655,550	788	525	-	13,125	263	1,326,938
Non-Residential Services Total	4,592	31,330,068	861	574	-	14,350	287	1,450,785
Residential DR - Build	82	560,011	15	10	-	257	5	25,932
Residential DR - Manage	664	4,530,306	125	83	-	2,075	42	209,783
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	47	318,759	9	6	-	146	3	14,761
Agricultural DR	8	54,582	2	1	-	25	1	2,528
Commercial DR - Build	3	17,466	0	0	-	8	0	809
Commercial DR - Manage	233	1,587,245	44	29	-	727	15	73,500
Demand Response Total	1,036	7,068,369	194	130	-	3,238	65	327,311
Sierra Total	7,605	51,884,558	1,426	951	-	23,765	475	2,402,591
NV Energy	2028							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Program Development	-	-	-	-	-	-	-	-

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Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Education Services Total	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Energy Assessments & Direct Install	778	5,305,370	146	97	-	2,430	49	245,673
Residential HVAC & Heat Pumps	759	5,177,649	142	95	-	2,372	47	239,759
Home Energy Saver	1,456	9,933,924	273	182	-	4,550	91	460,005
Low Income	96	658,259	18	12	-	302	6	30,482
Residential Services Total	3,089	21,075,202	579	386	-	9,653	193	975,918
Energy Smart Schools	2,632	17,957,478	494	329	-	8,225	165	831,548
Business Energy Services	18,211	124,250,465	3,415	2,276	-	56,910	1,138	5,753,601
Non-Residential Services Total	20,843	142,207,943	3,908	2,605	-	65,135	1,303	6,585,149
Residential DR - Build	879	5,999,653	165	110	-	2,748	55	277,823
Residential DR - Manage	5,729	39,089,445	1,074	716	-	17,904	358	1,810,094
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	319	2,175,639	60	40	-	997	20	100,746
Agricultural DR	8	54,582	2	1	-	25	1	2,528
Commercial DR - Build	19	129,905	4	2	-	60	1	6,015
Commercial DR - Manage	1,364	9,308,414	256	171	-	4,264	85	431,040
Demand Response Total	8,319	56,757,639	1,560	1,040	-	25,997	520	2,628,246
NV Energy Total	36,651	250,060,883	6,872	4,581	-	114,535	2,291	11,579,438

Table DSM-25: 2029 DSM Plan Target Environmental Benefits

Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Nevada Power	2029							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Program Development	-	-	-	-	-	-	-	-
Education Services Total	3,200	21,832,800	600	400	-	10,000	200	1,011,000
Energy Assessments & Direct Install	672	4,584,888	126	84	-	2,100	42	212,310
Residential HVAC & Heat Pumps	672	4,584,888	126	84	-	2,100	42	212,310
Home Energy Saver	896	6,113,184	168	112	-	2,800	56	283,080
Low Income	72	493,421	14	9	-	226	5	22,849
Residential Services Total	2,312	15,776,381	434	289	-	7,226	145	730,549
Energy Smart Schools	2,240	15,282,960	420	280	-	7,000	140	707,700

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Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
Business Energy Services	14,011	95,594,915	2,627	1,751	-	43,785	876	4,426,664
Non-Residential Services Total	16,251	110,877,875	3,047	2,031	-	50,785	1,016	5,134,364
Residential DR - Build	877	5,983,279	164	110	-	2,741	55	277,065
Residential DR - Manage	5,276	35,999,012	989	660	-	16,489	330	1,666,987
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	272	1,856,880	51	34	-	851	17	85,986
Agricultural DR	-	-	-	-	-	-	-	-
Commercial DR - Build	18	124,447	3	2	-	57	1	5,763
Commercial DR - Manage	1,359	9,269,115	255	170	-	4,246	85	429,220
Demand Response Total	7,802	53,232,733	1,463	975	-	24,382	488	2,465,020
Nevada Power Total	29,566	201,719,789	5,544	3,696	-	92,393	1,848	9,340,932
Sierra	2029							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	1,200	8,187,300	225	150	-	3,750	75	379,125
Program Development	-	-	-	-	-	-	-	-
Education Services Total	1,200	8,187,300	225	150	-	3,750	75	379,125
Energy Assessments & Direct Install	106	720,482	20	13	-	330	7	33,363
Residential HVAC & Heat Pumps	87	592,761	16	11	-	272	5	27,449
Home Energy Saver	560	3,820,740	105	70	-	1,750	35	176,925
Low Income	24	164,838	5	3	-	76	2	7,633
Residential Services Total	777	5,298,821	146	97	-	2,427	49	245,370
Energy Smart Schools	392	2,674,518	74	49	-	1,225	25	123,848
Business Energy Services	4,200	28,655,550	788	525	-	13,125	263	1,326,938
Non-Residential Services Total	4,592	31,330,068	861	574	-	14,350	287	1,450,785
Residential DR - Build	90	616,777	17	11	-	283	6	28,561
Residential DR - Manage	672	4,581,613	126	84	-	2,099	42	212,158
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	47	318,759	9	6	-	146	3	14,761
Agricultural DR	10	66,590	2	1	-	31	1	3,084
Commercial DR - Build	3	19,650	1	0	-	9	0	910
Commercial DR - Manage	246	1,681,126	46	31	-	770	15	77,847
Demand Response Total	1,068	7,284,514	200	133	-	3,337	67	337,320
Sierra Total	7,636	52,100,702	1,432	955	-	23,864	477	2,412,600

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Program	Sulfur Dioxide (lbs.)	Carbon Dioxide (lbs.)	Carbon Monoxide (lbs.)	Particulate Matter (lbs.)	Volatile Organic Compounds (lbs.)	Nitrogen Oxides (lbs.)	Heavy Metals (lbs.)	Water Savings (Gallons)
NV Energy	2029							
Energy Education	-	-	-	-	-	-	-	-
Energy Reports	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Program Development	-	-	-	-	-	-	-	-
Education Services Total	4,400	30,020,100	825	550	-	13,750	275	1,390,125
Energy Assessments & Direct Install	778	5,305,370	146	97	-	2,430	49	245,673
Residential HVAC & Heat Pumps	759	5,177,649	142	95	-	2,372	47	239,759
Home Energy Saver	1,456	9,933,924	273	182	-	4,550	91	460,005
Low Income	96	658,259	18	12	-	302	6	30,482
Residential Services Total	3,089	21,075,202	579	386	-	9,653	193	975,918
Energy Smart Schools	2,632	17,957,478	494	329	-	8,225	165	831,548
Business Energy Services	18,211	124,250,465	3,415	2,276	-	56,910	1,138	5,753,601
Non-Residential Services Total	20,843	142,207,943	3,908	2,605	-	65,135	1,303	6,585,149
Residential DR - Build	967	6,600,055	181	121	-	3,023	60	305,625
Residential DR - Manage	5,948	40,580,625	1,115	743	-	18,587	372	1,879,146
Battery Storage DR	-	-	-	-	-	-	-	-
Schools DR	319	2,175,639	60	40	-	997	20	100,746
Agricultural DR	10	66,590	2	1	-	31	1	3,084
Commercial DR - Build	21	144,096	4	3	-	66	1	6,673
Commercial DR - Manage	1,605	10,950,241	301	201	-	5,016	100	507,067
Demand Response Total	8,870	60,517,247	1,663	1,109	-	27,719	554	2,802,340
NV Energy Total	37,202	253,820,491	6,975	4,650	-	116,257	2,325	11,753,532

H. Estimated Revenue Requirement for the Action Plan

In accordance with NAC § 704.9523, NV Energy is authorized to recover financial impacts based on the effects of the Companies’ energy efficiency and conservation programs. To recover costs from energy efficiency and conservation programs from Docket Nos. 26-02035 and 26-02036, NV Energy filed its annual Deferred Energy Account Adjustment (“DEAA”) applications with the Commission on February 27, 2026, to request authorization to recover the expenses associated with its DSM programs.

Pursuant to NAC § 704.95225, which contemplates recovery of cost of DSM programs as well as any financial disincentives relating to DSM programs, NV Energy calculates its potential lost revenues for its Action Plan period. The Lost Revenue Adjustment Mechanism (“LRAM”) calculation shows the loss of revenue and the financial impacts to NV Energy because of the

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proposed Action Plan expenses.³³ NV Energy has calculated its LRAM based on the proposed budgets of the DSM portfolio. The LRAM mechanism is based on measured and verified energy savings, with a value to be included with the Energy Efficiency Program Rate (“EEPR”). The value of the disincentive offset calculated under this regulation is determined by multiplying the annual expenditures, in each of NV Energy’s programs, by the authorized rate of return, as authorized in the Companies’ last General Rate Cases (“GRC”) and grossed up for taxes.³⁴ NV Energy employed the authorized LRAM methodology in calculating the estimated NRS § 704.785 revenue requirement for the Action Plan period. The computations underlying the multiplier methodology for each program are provided in Tables DSM-26 below.

Table DSM-26: 2027-2029 DSM Plan Proposed Budget LRAM Multiplier Value

Programs	Proposed Budget (\$)	Multiplier Value* (\$)	Proposed Budget (\$)	Multiplier Value* (\$)	Proposed Budget (\$)	Multiplier Value* (\$)
Nevada Power	2027		2028		2029	
Energy Education	400,000	35,240	400,000	35,240	400,000	35,240
Energy Reports	777,000	68,454	893,000	78,673	982,000	86,514
Program Development	300,000	26,430	300,000	26,430	300,000	26,430
Education Services Total	1,477,000	130,124	1,593,000	140,343	1,682,000	148,184
Energy Assessments & Direct install	1,600,000	140,960	1,733,000	152,677	1,906,000	167,919
Residential HVAC & Heat Pumps	2,620,000	230,822	2,882,000	253,904	3,171,000	279,365
Home Energy Saver	2,089,000	184,041	2,298,000	202,454	2,528,000	222,717
Low Income	3,692,000	325,265	4,080,000	359,448	4,506,000	396,979
Residential Total	10,001,000	881,088	10,993,000	968,483	12,111,000	1,066,979
Energy Smart Schools	1,135,000	99,994	1,419,000	125,014	1,774,000	156,289
Business Energy Services	13,685,000	1,205,649	15,054,000	1,326,257	16,559,000	1,458,848
Non-Residential Total	14,820,000	1,305,642	16,473,000	1,451,271	18,333,000	1,615,137
Residential DR - Build	8,073,000	711,231	8,880,000	782,328	9,768,000	860,561
Battery Storage DR	1,158,000	102,020	705,000	62,111	705,000	62,111
Residential DR - Manage	14,776,000	1,301,766	15,613,000	1,375,505	16,388,000	1,443,783
Schools DR	4,375,000	385,438	4,375,000	385,438	4,375,000	385,438
Commercial DR - Build	443,000	39,028	487,000	42,905	536,000	47,222
Agricultural DR	-	-	-	-	-	-
Commercial DR - Manage	884,000	77,880	1,691,000	148,977	2,454,000	216,197
Demand Response Total	29,709,000	2,617,363	31,751,000	2,797,263	34,226,000	3,015,311
Nevada Power Total	56,007,000	4,934,217	60,810,000	5,357,361	66,352,000	5,845,611
Sierra						
Energy Education	300,000	26,190	300,000	26,190	300,000	26,190
Energy Reports	493,000	43,039	542,000	47,317	596,000	52,031
Program Development	200,000	17,460	200,000	17,460	200,000	17,460
Education Services Total	993,000	86,689	1,042,000	90,967	1,096,000	95,681
Energy Assessments & Direct install	429,000	37,452	472,000	41,206	519,000	45,309
Residential HVAC & Heat Pumps	745,000	65,039	820,000	71,586	902,000	78,745

³³ NAC 704.95225; see also Docket No. 14-10018, October 5, 2015, Order at 3.

³⁴ Nevada Power Docket No. 23-06007, December 11, 2020, Order at 9, para. 4; Sierra Docket No. 22-06014, Order at 9, para. 3.

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Home Energy Saver	861,000	75,165	947,000	82,673	1,042,000	90,967
Low Income	1,126,000	98,300	1,211,000	105,720	1,334,000	116,458
Residential Total	3,161,000	275,955	3,450,000	301,185	3,797,000	331,478
Energy Smart Schools	465,000	40,595	511,000	44,610	563,000	49,150
Business Energy Services	4,741,000	413,889	5,216,000	455,357	5,737,000	500,840
Non-Residential Total	5,206,000	454,484	5,727,000	499,967	6,300,000	549,990
Residential DR - Build	2,008,000	175,298	2,209,000	192,846	2,430,000	212,139
Battery Storage DR	403,000	35,182	264,000	23,047	264,000	23,047
Residential DR - Manage	2,325,000	202,973	2,627,000	229,337	2,890,000	252,297
Schools DR	-	-	938,000	81,887	938,000	81,887
Commercial DR - Build	171,000	14,928	188,000	16,412	207,000	18,071
Agricultural DR	814,000	71,062	1,003,000	87,562	1,193,000	104,149
Commercial DR - Manage	609,000	53,166	1,106,000	96,554	1,740,000	151,902
Demand Response Total	6,330,000	552,609	8,335,000	727,646	9,662,000	843,493
Sierra Total	15,690,000	1,369,737	18,554,000	1,619,764	20,855,000	1,820,642
NV Energy						
Energy Education	700,000	61,430	700,000	61,430	700,000	61,430
Energy Reports	1,270,000	111,493	1,435,000	125,990	1,578,000	138,545
Program Development	500,000	43,890	500,000	43,890	500,000	43,890
Education Services Total	2,470,000	216,813	2,635,000	231,310	2,778,000	243,865
Energy Assessments & Direct install	2,029,000	178,412	2,205,000	193,883	2,425,000	213,227
Residential HVAC & Heat Pumps	3,365,000	295,861	3,702,000	325,490	4,073,000	358,110
Home Energy Saver	2,950,000	259,206	3,245,000	285,127	3,570,000	313,683
Low Income	4,818,000	423,565	5,291,000	465,168	5,840,000	513,437
Residential Total	13,162,000	1,157,043	14,443,000	1,269,668	15,908,000	1,398,457
Energy Smart Schools	1,600,000	140,588	1,930,000	169,624	2,337,000	205,439
Business Energy Services	18,426,000	1,619,538	20,270,000	1,781,614	22,296,000	1,959,688
Non-Residential Total	20,026,000	1,760,126	22,200,000	1,951,238	24,633,000	2,165,127
Residential DR - Build	10,081,000	886,530	11,089,000	975,174	12,198,000	1,072,700
Battery Storage DR	1,561,000	137,202	969,000	85,158	969,000	85,158
Residential DR - Manage	17,101,000	1,504,738	18,240,000	1,604,842	19,278,000	1,696,080
Schools DR	4,375,000	385,438	5,313,000	467,325	5,313,000	467,325
Commercial DR - Build	614,000	53,957	675,000	59,317	743,000	65,293
Agricultural DR	814,000	71,062	1,003,000	87,562	1,193,000	104,149
Commercial DR - Manage	1,493,000	131,046	2,797,000	245,531	4,194,000	368,099
Demand Response Total	36,039,000	3,169,972	40,086,000	3,524,909	43,888,000	3,858,803
NV Energy Total	71,697,000	6,303,954	79,364,000	6,977,125	87,207,000	7,666,253

[1] Nevada Power rate of return of 8.81 percent authorized in Docket No. 25-02016, and Sierra rate of return of 8.27 percent authorized in Docket No. 24-02026.

I. Economic Impact

DSM programs create and maintain both direct and indirect economic activity associated with program delivery and participation. Contractors, installers, auditors, retailers, manufacturers, wholesalers, distributors, and other service providers are engaged to support program implementation and ongoing operations. In some cases, DSM programs encourage new businesses to enter the market or enable existing businesses to expand their jobs in response to portfolio activity. For participating contractors, DSM programs often support work that would not have

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occurred absent the programs. As a result, DSM investments generate employment impacts across the entire supply chain, from equipment manufacturing and distribution to equipment specification, installation, and maintenance.

In addition, dollars saved by residential and commercial customers are available to be reinvested into the community. Residential customers may reinvest utility bill savings back into the local economy, such as spending at restaurants, retail establishments, or undertaking additional home improvement projects. Commercial customers may experience improved operating margins, enabling business expansion, hiring additional employees, or further investment in facilities and equipment. In the case of schools and public institutions, energy and demand savings can be redirected to offset budget shortfalls or support core educational and community services.

For each direct and indirect job supported by DSM programs, additional economic activity is generated as wages and savings circulate through the local economy, producing suggested impacts that further benefit communities across the state. These combined effects contribute to sustained economic development and workforce stability.

Given the volatility associated with federal incentive programs, evolving policy frameworks, and inflationary pressures affecting construction and labor markets, NV Energy recommends continuing to utilize a conservative job created value of 16.2 jobs per \$1 million of DSM investment.³⁵ Retaining this value ensures methodological consistency with prior filings, while avoiding overstatement of economic impacts.

Applying this employment multiplier to NV Energy’s Action Plan program years results in an estimated 3,860 jobs created, as shown in Table DSM-27.

Table DSM-27: 2027-2029 DSM Plan Direct, Indirect, and Induced Jobs Created

Programs	Proposed Budget (\$)	Jobs	Proposed Budget (\$)	Jobs	Proposed Budget (\$)	Jobs	Jobs
Nevada Power	2027		2028		2029		Action Plan
Energy Education	400,000	6	400,000	6	400,000	6	19
Energy Reports	777,000	13	893,000	14	982,000	16	43
Program Development	300,000	5	300,000	5	300,000	5	15
Education Services Total	1,477,000	24	1,593,000	26	1,682,000	27	77
Home Energy Saver	2,089,000	34	2,298,000	37	2,528,000	41	112
Residential HVAC & Heat Pumps	2,620,000	42	2,882,000	47	3,171,000	51	141
Low Income	3,692,000	60	4,080,000	66	4,506,000	73	199
Energy Assessments & Direct install	1,600,000	26	1,733,000	28	1,906,000	31	85

³⁵ NV Energy has used four sources to develop an average value per million equivalent multipliers of 16.2: (1) Green Jobs and Energy Efficiency as Strategies for Economic Growth and the Reduction of Environmental Impacts (2021), (2) The Direct Employment Impact of Public Investment (2021), (3) Employment Impacts of Proposed US Economic Stimulus Programs: Job Creation, Job Quality, and Demographic Distribution Measures (2021), and (4) Clean infrastructure: efficiency investments for jobs, climate, and consumers (2021).

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Residential Total	10,001,000	162	10,993,000	178	12,111,000	196	536
Energy Smart Schools	1,135,000	18	1,419,000	23	1,774,000	29	70
Business Energy Services	13,685,000	222	15,054,000	244	16,559,000	268	734
Non-Residential Total	14,820,000	240	16,473,000	267	18,333,000	297	804
Battery Storage DR	1,158,000	19	705,000	11	705,000	11	42
Residential DR - Manage	14,776,000	239	15,613,000	253	16,388,000	265	758
Residential DR - Build	8,073,000	131	8,880,000	144	9,768,000	158	433
Schools DR	4,375,000	71	4,375,000	71	4,375,000	71	213
Commercial DR - Manage	884,000	14	1,691,000	27	2,454,000	40	81
Commercial DR - Build	443,000	7	487,000	8	536,000	9	24
Demand Response Total	29,709,000	481	31,751,000	514	34,226,000	554	1,550
Nevada Power Total	56,007,000	907	60,810,000	985	66,352,000	1,075	2,967
Sierra							
Energy Education	300,000	5	300,000	5	300,000	5	15
Energy Reports	493,000	8	542,000	9	596,000	10	26
Program Development	200,000	3	200,000	3	200,000	3	10
Education Services Total	993,000	16	1,042,000	17	1,096,000	18	51
Home Energy Saver	861,000	14	947,000	15	1,042,000	17	46
Residential HVAC & Heat Pumps	745,000	12	820,000	13	902,000	15	40
Low Income	1,126,000	18	1,211,000	20	1,334,000	22	59
Energy Assessments & Direct install	429,000	7	472,000	8	519,000	8	23
Residential Total	3,161,000	51	3,450,000	56	3,797,000	62	169
Energy Smart Schools	465,000	8	511,000	8	563,000	9	25
Business Energy Services	4,741,000	77	5,216,000	84	5,737,000	93	254
Non-Residential Total	5,206,000	84	5,727,000	93	6,300,000	102	279
Battery Storage DR	403,000	7	264,000	4	264,000	4	15
Residential DR - Manage	2,325,000	38	2,627,000	43	2,890,000	47	127
Residential DR - Build	2,008,000	33	2,209,000	36	2,430,000	39	108
Schools DR	-	-	938,000	15	938,000	15	30
Agricultural DR	814,000	13	1,003,000	16	1,193,000	19	49
Commercial DR - Manage	609,000	10	1,106,000	18	1,740,000	28	56
Commercial DR - Build	171,000	3	188,000	3	207,000	3	9
Demand Response Total	6,330,000	103	8,335,000	135	9,662,000	157	394
Sierra Total	15,690,000	254	18,554,000	301	20,855,000	338	893
NV Energy							
Energy Education	700,000	11	700,000	11	700,000	11	34
Energy Reports	1,270,000	21	1,435,000	23	1,578,000	26	69
Program Development	500,000	8	500,000	8	500,000	8	24
Education Services Total	2,470,000	40	2,635,000	43	2,778,000	45	128
Home Energy Saver	2,950,000	48	3,245,000	53	3,570,000	58	158
Residential HVAC & Heat Pumps	3,365,000	55	3,702,000	60	4,073,000	66	180
Low Income	4,818,000	78	5,291,000	86	5,840,000	95	258
Energy Assessments & Direct install	2,029,000	33	2,205,000	36	2,425,000	39	108

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Residential Total	13,162,000	213	14,443,000	234	15,908,000	258	705
Energy Smart Schools	1,600,000	26	1,930,000	31	2,337,000	38	95
Business Energy Services	18,426,000	299	20,270,000	328	22,296,000	361	988
Non-Residential Total	20,026,000	324	22,200,000	360	24,633,000	399	1,083
Battery Storage DR	1,561,000	25	969,000	16	969,000	16	57
Residential DR - Manage	17,101,000	277	18,240,000	295	19,278,000	312	885
Residential DR - Build	10,081,000	163	11,089,000	180	12,198,000	198	541
Schools DR	4,375,000	71	5,313,000	86	5,313,000	86	243
Agricultural DR	814,000	13	1,003,000	16	1,193,000	19	49
Commercial DR - Manage	1,493,000	24	2,797,000	45	4,194,000	68	137
Commercial DR - Build	614,000	10	675,000	11	743,000	12	33
Demand Response Total	36,039,000	584	40,086,000	649	43,888,000	711	1,944
NV Energy Total	71,697,000	1,161	79,364,000	1,286	87,207,000	1,413	3,860

J. Rate Impact Analysis

The Companies present a DSM rate impact analysis measuring the incremental cost per kWh associated with the 2027-2029 DSM Plan. The analysis was conducted by comparing the current approved residential and non-residential demand forecasts and budgets with the DSM program reducing load by 0.75 percent against a scenario where the 0.75 percent load reduction does not materialize.

The results of the rate impact analysis are shown below in Figure DSM-1. The results reflect the timing of regulatory asset recovery under the Deferred Energy Account Adjustment process and the incremental nature of DSM program costs. That timing means the DSM program dollars spent in the 2027-2029 plan years are fully recovered through rates by 2031.

Figure DSM-1: Rate Impact

NPC	2027	2028	2029	2030	2031
Residential Rev	0.00000	0.00067	0.00270	0.00282	0.00219
Non-Res Rev	0.00000	0.00020	0.00072	0.00072	0.00056
Total	0.00000	0.00036	0.00134	0.00133	0.00103

*cent/KWh

SPPC	2027	2028	2029	2030	2031
Residential Rev	0.00000	0.00061	0.00251	0.00269	0.00214
Non-Res Rev	0.00000	0.00007	0.00025	0.00028	0.00019
Total	0.00000	0.00014	0.00050	0.00051	0.00034

*cent/KWh

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Section 4 - Financial Methodology and Cost Effectiveness

A. Overview of the Financial Model

NV Energy used the cost-effectiveness software, DSMore, from software provider Integral Analytics (“IA”). DSMore was the default model that calculated the cost-effectiveness results that were accepted by the Commission in the 2025 DSM Update (Docket No. 25-07010). It was selected via a competitive request for proposal as a key component of a DER forecasting and valuation toolkit in support of a number of DRP requirements related to DER forecasting, locational net benefit analysis (“LNBA”), coordination with other DSM and Clean Energy programs, and development of Transportation Electrification customer programs. It also uses the tests and formulas prescribed in the California Standard Practice Manual and the *National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources*. NV Energy has contracted IA to integrate DSMore with another IA software tool called “LoadSEER,” which supports DER forecasting and analysis of the impact of DERs on the distribution system. More information about efforts to evolve and improve DER analysis is discussed in the DRP.

Additionally, DSMore can model the impact of weather on energy prices and loads by using its Market-Based Scenario inputs and option value functions. The modeling tool takes hourly prices and hourly energy savings from the specific technology measures being considered for each DSM program and then correlates both to observed energy prices and weather variability. DSMore uses stochastic methods that examine over 30 years of historic weather variability and historical energy prices to fully capture the impact of observed variances on energy prices and energy savings. In turn, this allows the model to account for low probability but highly consequential weather events and apply appropriate value to them.

These functions are important for developing a better understanding and valuation of the benefits of the proposed Portfolio’s approach to increasing flexible DERs. Methods that include the financial value associated with the management of low probability, but high consequence events are particularly useful for understanding the value of DR programs whose resources can be used for reliability and emergency purposes. Furthermore, inclusion of this type of low probability-high consequence event value can increase the cost-effectiveness of all programs, particularly those with weather sensitive energy saving measures and load flexibility programs. Certain programs on the margin with an NTRC below one may be pushed to an NTRC ratio above one, and the cost-effectiveness of low-income programs increases as well.

A more detailed description of how to use the DSMore cost-effectiveness model can be found in the User Manual provided in Technical Appendix DSM-1. As mentioned above, the model calculates industry standard cost effectiveness tests and was used to calculate the seven tests outlined below.

The TRC test is the standard test employed to evaluate the effect of DSM on total outlays for utility services for both participants and non-participants. The NTRC test is a jurisdictional version of

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the TRC used by NV Energy that incorporates the stipulated value of non-energy benefits adds that were agreed upon by DSM Collaborative stakeholders.

The effect of DSM programs on utility rates is inferred by the RIM test. The RIM test, also known as the non-participant or “no-loser” test, recognizes the potential for lost revenues and the need for non-participants to subsidize participants through higher utility rates. The test emphasizes the distributional equity effects of DSM. According to this test, demand-side options should be implemented only when the result increases the utility’s revenue requirement by an amount less than the increase in revenue requirement associated with various supply-side options. Determination of actual rate impacts provides a more direct measure of equity in DSM investment decisions.

The UCT emphasizes the employment of utility resources to test cost effectiveness. According to this test, demand-side options should be implemented when the utility portion of DSM costs is justified by the value of acquired conservation resources. This test does not account for lost sales resulting from DSM.

The PCT evaluates whether customers are sufficiently motivated to participate in DSM programs by virtue of the net benefits of participation.

Finally, the SCT is a measure of complete societal benefits of demand-side management including indirect benefits such as those arising from avoided environmental externalities caused by emissions.

From a societal perspective, DSM programs that improve EE are beneficial if their costs are justified by their economic value. However, the benefits of DSM programs may accrue differently to different stakeholders. Cost-benefit analysis based on avoided costs has been widely used in the energy sector to assess the cost-effectiveness or net benefits of DSM relative to conventional supply alternatives. When calculating the benefits of DSM, the Companies begin with the avoided costs and then adjust for administrative costs and other costs associated with participating in DSM programs. Depending on the perspective taken in the analysis, competing views about benefits can emerge.

Table DSM-28 summarizes which benefits and costs are relevant to the different cost-effectiveness tests. Each assessment begins with the benefits of DSM, measured by NV Energy avoided cost, and subtracts the costs associated with the program, such as equipment, labor, and overhead.

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Table DSM-28: Elements of Cost Effectiveness Tests

Elements		NTRC 2.0	NTRC	TRC	RIM	UCT	PCT	SCT
Benefits	Avoided Energy Costs	√	√	√	√	√		√
	Avoided Generation Capacity Costs	√	√	√	√	√		√
	Avoided T&D Capacity Costs	√	√	√	√	√		√
	Bill Reductions - Primary Fuel (Electricity)						√	
	“Conservation Adder” or Externalities (Environmental)							√
	CAP (LNBA)	√						√
	GHG (LNBA)	√						√
	RPS (LNBA) [1]							
	Option Value	√	√	√	√	√		√
	Non-Energy Benefits	√	√				√	√
	Indirect Fuel Benefits (e.g., Gas)	√	√	√				√
	Rebates						√	
Costs	Implementation Costs	√	√	√	√	√		√
	Direct Customer Costs	√	√				√	√
	Utility Program Administration & M&V	√	√	√	√	√		√
	Rebates					√		
	Reduced Sales				√			

[1] DSM programs do not contribute to the RPS as of January 1, 2025.

The DSMore model uses the basic financial inputs provided in Table DSM-29. The discount rate, rate escalator, and inflation rate values are provided to the DSM programs from the Companies’ rates department. The line losses for energy and demand are loss values calculated by the Companies’ transmission and distribution (“T&D”) departments. The T&D avoided capacity cost comes from the Companies’ most recent general rate case filings. The environmental adder value was determined and agreed to during previous meetings with the DSM collaborative group members. The non-energy benefit adder values come from the M&V reports and are calculated by the third-party M&V contractor who analyzes the low-income benefits of the programs. The electric and gas rates for commercial and residential customer types come from the first quarter 2026 rate schedules found on NV Energy’s public website.³⁶

NV Energy, as part of this filing, has included the DSMore program output sheets that contain the results of the seven cost-effectiveness tests, including the official “NTRC 2.0” test, for program

³⁶ Rates and Regulatory, available at <https://www.nvenergy.com/about-nvenergy/rates-regulatory>.

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year 2025 and the Action Plan Period. The DSMore output sheets for the Action Plan program years are provided in Technical Appendix DSM-4. The basic financial input variables used in DSMore are provided in Table DSM-29.

Table DSM-29: DSM Programs Cost/Benefit Financial Model Basic Inputs

Input Description	Financial Data
Nevada Power Financial Basic Inputs	
Discount Rate	7.48%
Rate Escalator	3.40%
Inflation Rate (T&D)	2.00%
Line Loss - Energy	4.06%
Line Loss - Demand	10.46%
T&D Avoided Capacity Cost \$/MW	80,562
Environmental Adder	5.00%
Non-Energy Benefit Adder - Energy Education	15.00%
Non-Energy Benefit Adder - Home Energy Reports	15.02%
Non-Energy Benefit Adder - In-home Energy Assessments	15.28%
Non-Energy Benefit Adder - Online Energy Assessments	15.06%
Non-Energy Benefit Adder - Direct Install	15.30%
Non-Energy Benefit Adder - Home Energy Saver	16.28%
Non-Energy Benefit Adder - Low Income	25.00%
Non-Energy Benefit Adder - Residential Demand Response	15.02%
Non-Energy Benefit Adder - Schools Program	23.62%
Non-Energy Benefit Adder - Business Energy Services	10.00%
Non-Energy Benefit Adder - Commercial Demand Response	10.26%
Electric Rate - Commercial (\$/kWh)	\$0.10
Electric Rate - Residential (\$/kWh)	\$0.11
Gas Rate - Commercial (\$/therm)	\$0.55
Gas Rate - Residential (\$/therm)	\$0.54
Sierra Financial Basic Inputs	
Discount Rate	7.38%
Rate Escalator	4.57%
Inflation Rate (T&D)	2.00%
Line Loss - Energy	5.20%
Line Loss - Demand	10.37%
T&D Avoided Capacity Cost \$/MW	65,713
Environmental Adder	5.00%
Non-Energy Benefit Adder - Energy Education	15.00%
Non-Energy Benefit Adder - Home Energy Reports	15.01%
Non-Energy Benefit Adder - In-home Energy Assessments	15.43%
Non-Energy Benefit Adder - Online Energy Assessments	15.02%
Non-Energy Benefit Adder - Direct Install	15.48%
Non-Energy Benefit Adder - Home Energy Saver	15.00%

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Input Description	Financial Data
Non-Energy Benefit Adder - Low Income	25.00%
Non-Energy Benefit Adder - Residential Demand Response	15.01%
Non-Energy Benefit Adder - Schools Program	17.41%
Non-Energy Benefit Adder - Business Energy Services	10.00%
Non-Energy Benefit Adder - Commercial Demand Response	10.00%
Electric Rate - Commercial (\$/kWh)	\$0.09
Electric Rate - Residential (\$/kWh)	\$0.11
Gas Rate - Commercial (\$/therm)	\$0.40
Gas Rate - Residential (\$/therm)	\$0.45

B. Updates and Enhancements to Financial Modeling

The Companies have added three new benefit variables to the DSM cost-effectiveness analysis for the 2026 IRP: option value, avoided greenhouse gas emissions (“GHG”), and avoided criteria air pollutant emissions (“CAP”). Because these benefits do not directly reduce energy or capacity costs, they have been incorporated into a new version of the NTRC test, designated "NTRC 2.0," which serves as NV Energy's official cost-effectiveness test for this DSM Plan. The original NTRC test remains in the results for informational purposes, providing a baseline comparison that illustrates the incremental cost-effectiveness attributable to the new variables. DSMore also incorporates several additional input and analytical capabilities for this filing, including O&M cost impacts, water savings, and enhanced transmission and distribution input granularity, as described in the subsections that follow.

NV Energy presented the NTRC 2.0 test and its new variables to the DSM Collaborative, where feedback was generally supportive. Members raised concern about potential double-counting between the new GHG and CAP avoided cost variables and the existing environmental adder in the SCT test. To address this, NV Energy has halved the environmental adder in the SCT test for this DSM Plan. Further adjustments to the treatment of environmental benefits will be discussed with Collaborative members in future proceedings.

The GHG and CAP variables were also recently incorporated into the LNBA used in the Companies' 2025 DRP Update. Aligning these variables across the DSM Plan and DRP ensures that distributed energy resource measures are evaluated consistently across both plans. For more information about the LNBA and non-wires alternatives, refer to the DRP filed within this IRP.

1. Option Value

The Option Value feature within DSMore captures the additional “insurance” benefit of DSM under extreme weather and price volatility conditions. Traditional deterministic cost-effectiveness tests (e.g., TRC, PCT) evaluate DSM savings at average avoided costs using Typical Meteorological Year (“TMY”) data. This approach systematically undervalues DSM because it ignores the non-linear, positively skewed distribution of real energy prices where rare but severe events (heatwaves, polar vortices, grid emergencies) produce costs above the mean.

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DSMore’s Option Value implements a well-established econometric principle: when the relationship between DSM savings and system value is convex (non-linear), evaluating the mean undervalues the resource. This is formally proven via Jensen’s Inequality—for any convex function f and random variable x , $f(E[x]) \leq E[f(x)]$. The difference between the right-hand side (stochastic expected value) and the left-hand side (deterministic expected value) equals the option/insurance premium of DSM.

DSMore reports this as a modified Benefit-Cost Ratio that adds an $\Omega(t)$ term to the numerator representing the insurance/option value adder—the stochastic expected value of avoided energy and capacity beyond the deterministic mean. This aligns with the framework established in the Department of Energy’s National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources, which specifies that benefits should include any resource meeting state policy objectives, including grid resilience.³⁷

DSM investments affect all four statistical moments of the system cost distribution: reducing the mean (μ), compressing variance (σ^2), flattening right-tail skewness (γ), and lowering the probability of catastrophic outcomes (kurtosis, κ). Historic energy price data for the NV Energy service territory confirms significant positive skew relative to TMY-based planning assumptions, validating the use of stochastic rather than deterministic valuation.

The Option Value methodology is further described in an informational white paper by Dr. Kenneth Skinner in Technical Appendix DSM-22.

2. Avoided Cost of Criteria Air Pollutants

DSMore now estimates the avoided cost of CAP, using the U.S. Environmental Protection Agency (“EPA”) Avoided Emissions and Generation Tool (“AVERT”) for marginal emissions rates. AVERT was updated to reflect the newest available data at the time of the updates and applied in DSMore to inform avoided CAP emissions, including nitrous oxides (“NO_x”) and sulfur dioxide (“SO₂”). Where possible, AVERT was applied consistently with its use in the LNBA, including the use of the Northwest dataset. While the LNBA assessed CAP on an annual basis, DSMore has the capability to analyze hourly avoided emissions rates relative to hourly avoided costs. Since an overarching goal of the DER analytics toolset is to move towards more hourly analysis, the DSMore calculations of CAP are conducted on an hourly basis. DSMore does not currently have functionality for particulate matter (“PM”) analysis, which tends to be a small portion of the overall CAP emissions, but this may be added at a future time.

³⁷ National Energy Screening Project, National Standard Practice Manual For Benefit-Cost analysis of Distributed Energy Resources, August 2020, available at <https://www.energy.gov/sites/default/files/2020/10/f79/national-standard-practice-manual.pdf>.

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3. Avoided Cost of Greenhouse Gas Emissions

DSMore now estimates the avoided cost of GHG. While AVERT includes hourly data on marginal GHG emissions rates, NV Energy decided to remain consistent with the approach used in the LNBA of applying annual National Laboratory of the Rockies (“NRL’s”) Long-Run Marginal Emission Rates (“LRMER”) from NREL’s Cambium dataset. LRMER takes a forward-looking optimization approach, modeling how the electricity system might evolve over time with new generation capacity additions and retirements, whereas AVERT uses historical operational data to estimate how the existing system would respond to changes in electricity demand. NV Energy selected the forward-looking approach as a better representation of future GHG emissions rates.

4. O&M Cost Impacts

Ongoing maintenance costs from installing an EE measure (e.g., LED retrofit reducing lamp replacement labor) added as an additional benefit/cost line item in CBA.

5. Water Savings

Water savings were added as a non-energy benefit for certain EE measures that also reduce water consumption, providing a quantifiable economic value.

6. Other Externalities

DSMore was configured to accommodate NV Energy’s environmental and non-energy benefit adders for other externalities beyond standard energy benefits, such as environmental emissions, health impacts, and economic/jobs.

7. Transmission & Distribution Input Granularity

Additional granularity was added to the transmission and distribution inputs, rather than applying a single averaged value, including breaking out the line losses by transmission and distribution, and breaking out the avoided costs by transmission, primary distribution, and secondary distribution. NV Energy anticipates using this additional granularity to support location-specific analysis in future filings.

More information about the DSMore cost effectiveness model is available in the user’s manual included in Technical Appendix DSM-1

C. Net-to-Gross

In 2023, NV Energy completed a new Net-to-Gross (“NTG”) Study for NV Energy’s 2024 DSM Plan. The Companies have continued using these ratios for the Action Plan period as they remain

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sufficiently current. NV Energy will refresh the NTG study in a future IRP. Detailed analysis of program-level NTG results were provided in the 2024 Joint IRP.³⁸

The definitions of free-ridership, spillover, and NTG are as follows:

- **Free-ridership** – A free rider refers to a program participant who would have done some amount of the program-rebated energy efficient improvement if the program had not been offered.
- **Spillover** – Participant-like spillover refers to the situation where a customer installed equipment through the program and then installed additional efficient equipment of the same type due to program influences.
- **Net-to-Gross** – The NTG ratio is the ratio of net program-attributable savings over program gross savings. The ratio calculated includes program free-ridership and program-induced spillover as shown below.

$$NTG\ ratio = 1 - freeridership\ rate + spillover\ rate$$

D. Assessment of Savings in Transmission and Distribution Costs

The methodology for quantifying T&D capital investment savings generated by DSM programs' energy (kWh) and demand (kW) savings is based on the last adopted marginal cost study filed in Nevada Power's and Sierra's most recent General Rate Cases in Docket Nos. 25-02016 and 24-02026, respectively. EE investments, unlike other on-site measures, create permanent reductions in customer demand that allow for the quantification of capacity cost savings. The adopted process values this permanent and ongoing effect of energy-efficient measures by identifying the savings resulting from deferring T&D capital investments over the useful life of the investments.

The 2026 annual revenue requirement for the marginal cost of transmission and distribution facilities, not accounting for the distribution facilities beyond distribution substations, is \$47.02 per MW at Nevada Power and \$67.18 per MW at Sierra, which is used for analysis in the DSM cost/benefit model in this filing. An engineering study of avoided T&D costs can offer more geographically and temporally granular results than marginal cost methods for determining T&D savings from DSM programs. However, because NV Energy's DSM programs are not targeted to specific locations beyond the Sierra Pacific and Nevada Power service territories, the additional locational precision an engineering study would provide is unlikely to materially change program cost-effectiveness results. Given this, along with the significant expense and complexity involved, NV Energy did not pursue an engineering study for the current IRP.

The DSMore model calculates peak demand savings for each year of a measure's useful life. That value is then multiplied by the annual T&D revenue requirement per kW to determine the annual avoided T&D value. The revenue requirement is escalated each year by applying the cost

³⁸ 2024 Joint IRP, Docket No. 24-05041, vol. 11.

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construction escalator index. The T&D savings are then computed by determining the present worth of the revenue requirement for each year over the expected useful life of that measure.

E. DSM and DR Impacts on Peak Demand and Load Shape

The combined effect of the proposed DSM portfolio will be a flattening of the system load shape and an improvement in system load factor. This effect is driven by the following two primary factors and presented in Table DSM-30 below.

Permanent peak demand savings are derived from the coincident peak from energy efficiency programs. Programs such as Business Energy Services have a significant impact on system peak demand. The peak demand savings from the energy efficiency measures for the Action Plan years are estimated to be 4.07 percent of the projected peak system load on average for Nevada Power and 1.89 percent for Sierra. This translates into an average of 54 MW at Nevada Power and 10 MW at Sierra for a peak summer day. The System Peak Demand Forecast is in the absence of permanent and dispatchable peak demand savings from the DSM programs or known as the “unimpacted” system peak demand. Cumulative savings account for measure life and building code adjustment factors, net of free ridership. Dispatchable peak demand savings are derived from the Residential and Commercial DR Programs. The installed dispatchable portion of peak demand savings (DR Build or incremental new DR capacity acquired during the Action Plan period) in the DSM Plan is projected to add an average of 45 MW at Nevada Power and 12 MW at Sierra each year on a peak day over the planning period. In addition to the incrementally installed DR capacities (DR Build), NV Energy manages (DR Manage or existing enrolled DR capacity maintained through the planning period) over 186 MW on average at Nevada Power and 34 MW at Sierra, annually over the Action Plan period. The peak demand savings of the combined DR measures for the Action Plan period are estimated to be 3.29 percent for Nevada Power and 1.56 percent of the unimpacted System Peak Demand Forecast. Dispatchable savings reflect an effective load carrying capability (“ELCC”) adjustment factor based on historical DR performance. The DR dispatch methodology and forward-looking energy savings curves are described in Technical Appendix DSM-2.

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Table DSM-30: 2027-2029 DSM Plan Projected Capacity Savings

Peak Demand Saving (MW)	2027	2028	2029	Average
Nevada Power				
Energy Efficiency	49	54	60	54
Residential and Commercial DR - Manage	163	184	210	186
Residential and Commercial DR - Build	42	45	47	45
Total DR Manage and Build	205	229	257	230
Nevada Power Total MW Reduction	254	283	317	285
System Peak Demand Forecast (MW)	6,705	6,865	7,369	6,980
Ratio of EE Saving to Peak Demand (%)	0.73	0.79	0.81	0.78
Ratio of DR Saving to Peak Demand (%)	3.06	3.34	3.49	3.29
Ratio of Total Saving to Peak Demand (%)	3.79	4.12	4.30	4.07
Sierra				
Energy Efficiency	9	10	11	10
Residential and Commercial DR - Manage	27	33	42	34
Residential and Commercial DR - Build	9	13	14	12
Total DR Manage and Build	36	46	56	46
Sierra Total MW Reduction	45	55	67	56
System Peak Demand Forecast (MW)	2,598	2,951	3,242	2,930
Ratio of EE Saving to Peak Demand (%)	0.34	0.33	0.33	0.33
Ratio of DR Saving to Peak Demand (%)	1.39	1.55	1.73	1.56
Ratio of Total Saving to Peak Demand (%)	1.73	1.87	2.06	1.89

To avoid double-counting between energy efficiency and DR, the non-dispatchable energy efficiency savings associated with DR devices (such as smart thermostats) are accounted for within the DR category, not the energy efficiency rows in the table above. Energy efficiency savings are applied first to reduce baseline system load, and DR dispatch savings are then calculated relative to the post-energy-efficiency load shape. Because energy efficiency measures concentrated in cooling end-uses disproportionately reduce load during peak hours, and DR events target only the highest net load hours, the combined DSM portfolio reduces peak demand more than average demand, thereby improving the system load factor.

DSMore evaluates these peak demand and load shape impacts on an hourly basis using end-use load shapes and forward-looking DR dispatch schedules. The cost-effectiveness analysis supporting this DSM Plan also incorporates stochastic option value analysis that captures the insurance benefit of DSM under extreme weather and price volatility conditions, as well as building code adjustment factors that account for how code stringency changes affect incremental energy efficiency savings over time. These analytical methods are described in Technical Appendix DSM-1.

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F. Input Data to the Cost Benefit Analysis

1. Energy Savings Curves

The energy savings provided by DSM programs can be represented by an Energy Savings Curve (“Curve”), which is an array of 8,760 values.³⁹ Each of the 8,760 hourly values represents a fraction of annual energy savings expected in the corresponding hour. In an energy saving curve, the sum of the 8,760 values equals 1. For example, if an energy-efficiency measure provides constant and uninterrupted savings during every hour of the year, each of the 8,760 numbers in its Curve has the value of $\frac{1}{8,760}$.⁴⁰ This “flat” Curve, or “constant-savings” Curve, is provided as an example that the calculated sum of the 8,760 elements equals one.

$$8,760 * \frac{1}{8,760} = 1$$

Curves are an integral component of the M&V reports, and the calculation methodology is included in Technical Appendix DSM-8. Curves are utilized for the determination of monthly energy savings per rate class and monthly critical peak demand savings per rate class. The appendix of every M&V report includes monthly savings tables for kWh savings and critical peak kW savings. Also included in the appendix of every M&V report is a detailed discussion of the general methodology for identifying and utilizing appropriate Curves to generate the monthly savings tables for kWh savings and critical peak kW savings. Finally, within the main body of every M&V report is a discussion of the development of the specific Curves that are utilized for that program.

The Curves used in performing the cost benefit analyses in DSMore are derived from two sources depending on program type. For energy efficiency programs, the expert M&V evaluator provides verified program-level Curves that are used as inputs for the cost benefit analyses. The program-level Curve is the weighted average of the various measure-specific or site-specific curves that were derived in the M&V analyses of the program’s specific measures or projects. The weights assigned to measure-specific or project-specific curves are provided by verified ex-post annual energy savings per measure or project. In other words, a given program-level curve is appropriately weighted by using ex-post verified savings determinations from M&V analyses.

- Most residential sector Curves are derived from primary data from Nevada customers (i.e., M&V data collected during the evaluation of NV Energy residential programs). M&V data collected may include operation schedules, home envelope characteristics, interval meter data, and monthly usage bills from program participants.
- NV Energy’s professional M&V evaluator, Qualus LLC (“Qualus”), who acquired ADM Associates, Inc., maintains and continuously refines a library of energy savings Curves that

³⁹ There are 365 days per year, multiplied by 24-hours per day, which equals 8,760 hours per year.

⁴⁰ Example, an LED exit sign installed in unconditioned, non-lit space provides constant and uninterrupted savings during every hour of the year and is represented in a flat or constant savings curve.

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may be used for cost effectiveness calculations, potential studies (especially regarding peak demand reduction), and avoided sales calculations.

Qualus provides numerous quality-control checks to ensure that each of the Curves used in M&V analyses is reasonable and appropriate at the measure level, site level, and program level. The M&V contractor also provides a robust Excel-based platform for disaggregating program-level annual energy savings into 8,760 hourly bins per year and tabulating the per-rate class monthly energy kWh and critical peak demand kW savings that are provided in each M&V report. As described above, these tabulations feed into the creation of program-level Curves that the M&V contractor provides for program analysis, load forecasting, and resource planning.

For DR, DSMore uses forward-looking energy savings curves estimated in two components. Unlike energy efficiency measures, which produce continuous savings that can be evaluated through historical M&V analysis, the dispatchable component of DR savings depends on future dispatch decisions that must be forecasted. The two components are: non-dispatchable energy savings (e.g., the underlying energy efficiency from a smart thermostat), calculated by extrapolating evaluated 2025 historic savings from Qualus to program years 2027–2029; and dispatchable energy savings representing hourly load reductions during dispatched reliability and economic DR events, calculated using a forward-looking dispatch model based on NV Energy’s net load forecast and marginal energy cost forecast. The dispatch model assumes a maximum of 30 dispatch events per year in each service area, with each event consisting of a 3-hour dispatch window. An ELCC adjustment factor of 0.65 is applied to the maximum available DR load reduction to reflect historical DR performance. The DR impacts reflect dispatch that shapes the net load to the maximum available ELCC-adjusted MW during each event. The non-dispatchable and dispatchable components are combined for a given measure to simulate total hourly savings. These combined curves are used as inputs to DSMore for cost-effectiveness analysis of DR programs. The detailed DR dispatch methodology and energy savings curve development process are provided in Technical Appendix DSM-2.

2. Incremental Costs

This section discusses how incremental costs, which are used in the financial analysis of each program, are determined. In *Understanding Cost-Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers*, the steps to determine increment cost of a measure are detailed.⁴¹ For energy efficiency programs, the first step in defining incremental costs is to determine the measure cost with respect to a baseline of that same measure. The second step is to determine what alternative action is available for the customer at the time the customer makes a decision to adopt the measure promoted by the DSM program.

⁴¹ National Action Plan for Energy Efficiency, *Understanding Cost-Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers*. Energy and Environmental Economics, Inc. and Regulatory Assistance Project, Nov. 2008, available at https://19january2017snapshot.epa.gov/sites/production/files/2015-08/documents/understanding_cost-effectiveness_of_energy_efficiency_programs_best_practices_technical_methods_and_emerging_issues_for_policy-makers.pdf.

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Defining how the customer’s purchase decision is made based on four variables – new, replacement, retrofit, or retire – can determine the incremental cost.

There are two main sources of incremental measure cost values. The first is work completed by agencies, such as the California Public Utilities Commission (“CPUC”) and the California Energy Commission in publications, the California Database for Energy Efficiency Resources (“DEER”), and white papers that utilities prepare for measures not well represented in the standard data sets. Jurisdictional sources of incremental cost information include DEER, California investor-owned utilities’ Workpapers, Michigan Statewide Energy Database, Arkansas Technical Reference Manual, ENERGYSTAR[®], and Consortium for Energy Efficiency. The second source of incremental costs is NV Energy and its implementation contractors.

The DSMore model accepts an incremental cost for each measure entered for each program being evaluated. The number of energy efficient measures that are included in a program determines the manner in which incremental costs are entered. When a program has a few measures, each measure is included in the modeling with an incremental cost that is specific to that measure. For programs that have a considerable number of measures, it becomes impractical to develop an incremental cost for each measure individually. For programs such as Business Energy Services and Energy Efficient Schools, a derived unit of measure can include dozens of measures. For 2025, the derived unit is equal to 1,000 kWh of energy savings. The incremental cost for a derived unit is calculated based on the weighted average incremental cost of the measure and its individual contribution to the 1,000 kWh. Since the derived unit incremental cost is based on the contribution of each individual measure and the total mix of measures in a program, the derived unit incremental costs adjust each program year. The program data sheets provide the determination of the incremental costs for each program for the Action Plan period.

For DR programs, the cost inputs to the cost-benefit analysis differ from the incremental measure cost framework used for energy efficiency. DR program costs include device and installation costs (e.g., smart thermostats and control equipment), performance-based energy and capacity credits paid to participating customers under Schedules GSR-E and GSR-C, and program administration and M&V costs. Where applicable, upfront Multiple Year Capacity Credits under Schedule GSR-C are also included. The specific cost assumptions for each DR program are detailed in the program data sheets in Section 9 of this Plan, and the GSR tariff parameters used for budgeting and cost-effectiveness analysis are summarized in Section 9.B.

3. Incentives and Rebates

This section describes a general process for how NV Energy determines the rebate and incentive values for each program. The discussion first describes the difference between an incentive and a rebate and continues with a description of the numerous factors that are considered in determining the value for rebates and incentives. The California Standard Practice Manual (“SPM”) on Economic Analysis of Demand-Side Programs and Projects describes transfer payments as payments that result in the ‘transfer’ of dollars from all ratepayers to participating customers

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through a utility program.⁴² These guidelines are used in NV Energy’s cost-effectiveness methodology.

To illustrate how different types of payments made by the utilities may act as a ‘transfer,’ considering there are a variety of utility demand-side programs, most of the transfer payments fall into one of three general categories:

- **Category 1:** Payments or bill adjustments (incentives) to participating customers for their behavior (e.g., shedding load during a DR event),
- **Category 2:** Payments (incentives) to “upstream” (manufacturers or distributors) or “midstream” (retailers) third-party entities for equipment,
- **Category 3:** Payments (rebates) made to participating customers for equipment (e.g., direct install or rebates).

For example, most DR program event participation incentives fall into Category 1, while most incentives or rebates provided in energy efficiency and distributed generation programs fall into Categories 2 and 3.

The following cases provide further discussion of how to treat these costs in the calculation of the cost-effectiveness:

- **Case A** - Rate incentives, which are bill adjustments to customers for behavior, which directly and immediately result in energy savings, represent most closely the transfer-type payments described in the SPM. These payments do not appear as costs in the TRC. DR capacity and energy incentives fall into this category. For the 2027–2029 Action Plan period, DR energy and capacity credits under Schedules GSR-E and GSR-C fall within this category.
- **Case B** - Payments to third parties, such as “midstream” or “upstream” payments made directly to manufacturers, distributors, or retailers; or direct installation payments made to third parties that install equipment on a customer’s site. These payments are not transferred from non-participating to participating customers and per the SPM definition: they are not even technically incentives – they are part of the program administrator costs. These payments are made to actors outside the TRC “society,” and they are included in the TRC costs.
- **Case C** - Payments made by the utility directly to customers as rebates (i.e., “downstream” payments). Rebates can appear like transfer payments described in Case A above. However, in the case of downstream rebates, the customer has already paid the full incremental measure cost to a retailer, so the full incremental cost of the measure has already left the TRC “society.” Consequently, when the TRC cost is calculated for these

⁴² California Standard Practice Manual: Economic Analysis of Demand-Side Programs and Projects, October 2021, available at https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/cpuc-standard-practice-manual.pdf.

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“downstream” rebate programs, the full incremental costs represented by the customers’ payments for the products are included as costs.

A rebate or an incentive is paid to influence a customer to become a program participant by taking the action required to justify the payment of the incentive or rebate. The optimum level of a rebate or incentive should be set at the value that results in the desired number of customers becoming program participants. Rebate or incentive amounts might need to be greater than this amount to reduce free-ridership levels, as higher rebates and incentives influence additional customers to become participants who would not have participated in the absence of the higher rebate or incentive. On the other hand, a rebate or incentive that is too low would generally result in higher levels of free-ridership.

Additional factors considered in setting rebates and incentives include payback periods, incremental costs, program or measure maturity, experience in the marketplace (either locally or in other states), and the program's nature and type. It is also noted that the PowerShift Smart Shop is constantly in flux.

Programs are identified as either a rebate or incentive program in the program data sheets. The program data sheets discuss who receives the rebates or incentives paid by the program and the logic of how rebates or incentives paid for each program are determined. The rebates and incentives may be adjusted during a program year to reflect the response of the PowerShift Smart Shop to the program and to increase the probability of the program meeting or exceeding energy savings and cost-effectiveness goals.

4. Measure Life

Measure life, which in energy efficiency is also referred to as EUL, is the estimate of the mean number of years that the measures installed under the program are still in place and operable.⁴³ Stated differently, the EUL determines how long energy savings are expected to last once an energy-efficient measure has been installed. EUL is used as an input to the DSMore financial analysis model for determining the cost-benefit ratios and net benefits that can be expected to be realized based on the installation of an energy-efficient measure.

NV Energy obtains EUL values from two sources. The first and primary source for EUL is the M&V report for each program. The M&V report provides the EUL for the plan year that has been evaluated in that M&V report. In preparing the M&V report, the M&V evaluator generally employs one of two methodologies for determining the EUL. The first is to use industry resources, such as the DEER database or Technical Reference Manuals from other jurisdictions. The second method is to use data collected during the program's evaluation to determine the EUL.

Secondary sources are used for the EUL for programs or measures for which no current M&V report is available, or for which there have been program changes such that the EUL from the most

⁴³ See Action Guide for States: Evaluation, Measurement, and Verification Frameworks—Guidance for Energy Efficiency Portfolios Funded by Utility Customers, State and Local Energy Efficiency Action Network, January 2018.

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recent M&V report does not accurately reflect the changed character of the program or measure. For these situations, NV Energy employs EUL data taken from industry resources, such as the California DEER database or TRMs from other jurisdictions to determine the EUL. The methodology for determining measure life for each program is described in the program data sheet for each program. For DR programs, measure life reflects the expected operational life of the enrolled device as specified in the program data sheets.

5. Measurement of Units

All the specific inputs for a measure are entered into DSMore on a per unit basis. The per unit basis is a standard amount of a physical quantity, such as length, mass, energy, etc., and in specified multiples that are used to express magnitudes of that physical quantity. There are two different approaches when defining a unit for entry into DSMore. The first is used when there is a one-to-one relationship between each energy-efficient measure and the units that are entered into DSMore.

Some programs include varying quantities of diverse measures, making it impractical to enter them all individually into DSMore. For example, the Business Energy Services program encompasses more than one hundred individual measures. In this instance, derived units are developed on one kWh or 1,000 kWh basis. Lighting in the Business Energy Services program provides another good example. Instead of entering distinct types of lighting measures individually, a derived unit is determined based on the number of each of the individual measures that are incorporated in the derived unit. The derived unit can also be applied where different units of measure are described. A derived unit can come from a mix of custom and prescriptive measures with different unit sizes (e.g., square foot of window film, number of fixtures installed, Watts reduced) that would otherwise make the energy efficiency computations by units installed impractical at the program level. It is likely that fractional units will result when derived units are employed to determine the cost effectiveness of program results. For example, 10.5 units will be entered into DSMore for a program with 10,500 kWh of savings with a derived unit of 1,000 kWh. The units employed for the cost effectiveness evaluation of each program are discussed in the program data sheet. For DR programs, units are typically defined on a per-device or per-enrolled-customer basis, as specified in the program data sheets.

6. Energy Savings

The energy savings discussed in this section are used for the projections of energy savings in future years, mainly for the Action Plan period. Energy savings for future years may be the same as those determined in an M&V report for previous years, or be a projection based on the M&V results from previous years, modified to reflect changed program parameters, or other industry sources adjusted to reflect the specific conditions under which the measures or programs will be deployed.

Where there will be no significant changes in a program's measures or measure mixes in future years, historical energy savings from prior M&V reports provide a good projection of expected savings for future years. While optimal, this method for determining energy savings for future program years is only applicable for measures or programs with static measure mixes or external

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factors that impact future energy savings. In addition, when a new measure or program is added for which measured and verified results are not available, other sources must be used to determine ex-ante estimated savings for the analysis of the program or measure.

The measure mix of a program can change over time. Changes can be driven by the market, updates to codes and standards, and modifications to measures made by manufacturers. Customers' interests and needs evolve over time, which may drive changes in the PowerShift Smart Shop as well as participation in programs. Measures change over time in terms of both price and performance.

The M&V report is the starting point for determining energy savings for measures and programs for future years. The analysis must then examine implemented or potential changes to codes and standards to adjust the energy savings per measure. The behaviors of the PowerShift Smart Shop should then be forecasted to account for how the market will react to the changes in codes and standards. This analysis is simple for some programs, but can be somewhat involved for a program, such as the Business Energy Services program, which includes dozens of measures for which the savings per measure and the number of measures that will be accepted by the PowerShift Smart Shop are evolving.

For new programs or measures for which NV Energy does not have M&V results, other sources are used to project energy savings. The sources used will vary by the quality of the data available. M&V reports, evaluation studies, and technical reference manuals from other jurisdictions also provide a good source of energy savings data. The specific determination of savings is unique for each program and is provided in the program data sheet and, if approved, will follow the same third-party evaluation, measurement, and verification process as the current approved programs in the portfolio.

7. Program Management and Tracking

NV Energy primarily uses three software systems that assist with program management and data tracking:

1. DRMS (software), being replaced by DERMS during the Action Plan period
2. Demand Side Management Central ("DSMC") (database)
3. PowerClerk (database)

DSMC is the software that supports Evaluation, Measurement, and Verification ("EM&V") activities by managing the data needed for Energy Conservation Measure ("ECM") sample selection and verification of savings data. DRMS is the NV Energy enterprise software system that enables DR program management and the dispatch of customer systems in an aggregated fashion that reduces load at times of peak electricity demand.

The central system of record for ECM data tracking and reporting is contained in DSMC. DSMC manages the association of ECMs with approved programs and tracks data across the DSM program lifecycle. Key data tracked by DSMC includes the implementation of ECMs, program

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performance, evaluation support, and M&V activities. DSMC provides the ex-ante estimated energy savings (i.e., pre-verified energy savings) and installation dates and is populated monthly with program data from either the implementation contractor or program manager.

NV Energy uses this business process management and program performance-tracking tool throughout the year to ensure that the planned investments provide clear value. DSMC is refreshed monthly with customer data from NV Energy's customer information systems. In parallel, project and ECM data are submitted electronically by implementation contractors or program managers each month. Program managers review the loaded projects in DSMC to ensure data accuracy and integrity.

DRMS provides a wide range of functions performing DR-related program management tasks including customer program management, work management for field services, device management, grid location mapping, event management, forecasting, event strategy optimization, and reporting. It manages a range of load management device types and energy management systems via supervision and control of Load Management Systems, a Device Manager, and an Open Automated DR ("OpenADR") Server. The system has many functions for tracking and interacting with assets associated with BTM customer programs. Also, the workflow engines in DRMS were adapted to support the delivery of integrated energy efficiency and DR program processes. DRMS will be replaced by a new Distributed Energy Resources Management System ("DERMS") during the Action Plan period, as described below.

DERMS Phase 1B(i) is scheduled for production deployment in November 2026, replacing the existing DRMS. In addition to the event dispatch and device management functions currently performed by DRMS, DERMS automates customer baseline construction, event performance measurement, financial settlement for DR programs under Schedules GSR-E and GSR-C, and bill credit calculations using AMI interval meter data. More detail on DERMS capabilities and the transition from DRMS is provided in Section 7.A of the DRP.

DSMC, DRMS, and DERMS improve the efficiency of program management and streamline reporting. These systems are based upon process automation technologies and can be adapted and updated with new business processes to help manage an evolving portfolio of integrated DSM programs. The transition from DRMS to DERMS enables the Companies to manage the GSR-based compensation structure and an expanding portfolio of DR programs through a single platform.

NV Energy has implemented program tracking for the Low-Income program in PowerClerk. By utilizing this application portal and tracking system, NV Energy has streamlined the application process for these programs. NV Energy continues to offer paper applications for customers of these programs, but those applications are imported into PowerClerk to ensure all program data is tracked in one system.

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8. Evaluation, Measurement, and Verification

EM&V for NV Energy’s DSM programs is the process of using measurements and analysis to document the savings achieved with a program and to determine whether the energy (kWh) and demand (kW) savings goals for the program were met. The results are based on measures implemented at customer sites that participated in NV Energy’s DSM programs. The evaluation effort also provides feedback that enables NV Energy to improve the effectiveness and delivery of each program in future years.

NV Energy uses a process that employs generally accepted industry standards and procedures. The M&V work is performed by an independent, third-party EM&V contractor with experience in applying industry standards and procedures. NV Energy has committed to using best EM&V practices for three reasons. First, M&V provides systematic measurement of the performance of energy efficiency programs and technologies. Second, evaluation provides objective data for assessing program performance rather than relying on anecdotal evidence and personal impressions. Third, engineering methods and technical data provide valid, reliable results that provide a basis for benchmarking and comparing Nevada Energy’s energy efficiency programs against those of other utilities.

Conceptually, determining energy savings involves comparing energy use before installation of an energy conservation measure, known as the baseline energy use, and energy use after installation of the measure, known as post-installation energy use. However, estimating savings by subtracting post-installation energy use from the pre-installation energy use does not account for other factors, such as differences in weather or occupancy. Adjustments must be made for factors, such as weather and usage factors. In general terms:

$$\text{Savings} = (\text{Baseline energy use}) - (\text{Post-installation energy use}) + \text{Adjustments}$$

The adjustments term allows energy use during the two periods to be compared under the same set of conditions. These adjustments are generally made to restate baseline energy use or demand under post-retrofit conditions.

Following the taxonomy presented in the Energy Efficiency Program Impact Evaluation Guide,⁴⁴ there are three major approaches for calculating estimates of energy savings and demand reductions.

A site-specific M&V approach involves:

- Selecting a representative sample of customers or sites that participated in a program.
- Determining the savings for each customer or site in the sample, usually by using one or more of M&V Options defined in the International Performance Measurement and

⁴⁴ Steven R. Schiller, State and Local Energy Efficiency Action Network, *Energy Efficiency Program Impact Evaluation Guide*. December 2012, available at https://www.energy.gov/sites/default/files/2014/05/f15/emv_ee_program_impact_guide.pdf.

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Verification Protocol⁴⁵ (“IPMVP”). The IPMVP Options that can be used are summarized in Table DSM-31.

- Apply the results of savings estimates from the sample to the entire population in the program.

A deemed savings approach involves using stipulated savings for energy conservation measures for which savings values are well known and documented. For example, this approach may be acceptable for lighting retrofits in customers’ spaces such as offices where there is general agreement on the hours of use for such spaces.

A large-scale data analysis approach involves estimating energy savings and demand reductions by applying one or more statistical methods to measured energy consumption, which is typically utility meter billing data, and independent variable data. This approach usually (a) involves analysis of a census of program sites versus a sample; and (b) does not involve onsite data collection for model calibration. However, a sample of customers or sites may be selected for a visit to confirm the measures were properly installed and are operational. A more detailed description of the ‘M&V Process’ is provided in Technical Appendix DSM-7.

Table DSM-31: IPMVP Options

IPMVP Option	How Savings Are Calculated
Option A: Retrofit Isolation - Based on measured equipment performance, measured or stipulated operational factors, and annual verification of potential to perform.	Engineering calculations using short-term measured data and stipulations.
Option B: Retrofit Isolation - Based on periodic or continuous measurements taken at the device or system level.	Engineering calculations using measured data.
Option C: Whole Facility - Based on whole building or facility level utility meter or sub-metered data adjusted for weather and / or other factors.	Analysis of utility meter data.
Option D: Calibrated Simulation - Based on a computer simulation of a building or process.	Compare pre and post simulation models with calibrated measured data.

⁴⁵ IPMVP *Core Concepts*, may be downloaded at www.evo-world.org by establishing a free account. (The similar 2012 IPMVP version is available at www.eepperformance.org/uploads/8/6/5/0/8650231/ipmvp_volume_i_2012.pdf.)

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Section 5 – DSM Marketing Strategy

In accordance with the Commission Order in Docket 24-05041, the Companies have included below specific details of market strategies covered by this DSM Plan⁴⁶.

NAC 704.9523(2)(a) provides for recovery of DSM costs, including advertising and marketing expenses.

Marketing can take several forms, which all work together to deliver the message to a target audience. The Companies ensure that marketing for DSM is not merely image building or goodwill advertising by focusing on creating strong and explicit ties to PowerShift and the DSM programs offered to customers. Marketing efforts are designed to convey specific messages about the benefits and functionalities of the DSM programs, rather than promoting the Companies' image. This includes providing detailed information about energy-saving opportunities and how customers can participate in the programs offered under the Companies' PowerShift brand, thus driving customer satisfaction.

Branding is a powerful component of a company's marketing strategy, serving as the unique identity that establishes the initiative behind a call to action. A strong brand can influence participation decisions, create a memorable image in the minds of consumers, and build trust over time. Even without a direct call to action, branding supports marketing efforts by establishing a consistent and recognizable presence that resonates with customers and fosters loyalty. Branding serves as a call back to more specific calls to action. Customers exposed to broad PowerShift messaging better attribute the brand when they see more specific messaging for DSM program participation and/or are directed to the PowerShift portion of the nvenergy.com/powershift website, where they have access to detailed information about the individual products and services offered.

Consumers are inundated with hundreds of messages each day, therefore it is important to both build awareness and drive consideration through familiarity. Familiarity comes from seeing an ad or message multiple times, in different contexts. Messaging with broad reach and frequency helps to drive awareness and ad recall and can trigger a consumer to act, such as contacting the Companies or visiting the website to learn more about the programs.

The Companies' marketing plan has many different activities. From overall Powershift branding, direct customer outreach, messaging to large customer gatherings, in-person education events, specific program messaging, to portfolio recognition of the suite of Companies' programs. These all work together to drive the messages regarding the Companies' DSM programs to the target audiences. A large gathering, such as those at sporting events, has a distinct fiscal advantage than one-off marketing to smaller groups. This method also has benefits that enhance the Powershift name that is the umbrella brand of the customer programs. Powershift by NV Energy marketing and advertising will not be focused on other Companies' endeavors. This is Powershift branding,

⁴⁶ Docket No. 24-05041, December 27, 2024, Order at 132, para. 358.

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portfolio, or program messaging only, which either has a direct energy efficiency message or contains an overall Powershift brand awareness element.

In instances where DSM/Powershift share contracts with other NV Energy initiatives, the Companies have created separate contracts for DSM marketing and outreach with various counterparties, such as the advertising/marketing agency, community partnerships, media buying, and other venues. By creating this separation, the deliveries for the specific contracts are clearly outlined and focus exclusively on PowerShift by NV Energy messaging and branding. This separation will avoid any confusion about whether marketing costs are related to DSM programs and promotion, or other company endeavors. The Companies have taken these steps to avoid any potential objection to the recovery of the marketing expenses associated with the DSM programs in the Companies' annual Deferred Energy Accounting Adjustment Application, as specifically authorized by NAC 704.9523(2)(a). In Docket No. 24-05041, the Commission approved NV Energy's proposed marketing/advertising spending included within each program's budget for the program with a percentage of costs spread throughout the profiles for Powershift brand and name recognition.⁴⁷ Furthermore, the Commission stated that NV Energy's DSM marketing strategy, including Powershift branding, direct customer outreach, in-person education events and specific program messaging, work together to drive messaging regarding DSM programs to the target audiences.⁴⁸

The Companies will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. These messages will begin in 2026 as part of the Companies' overall daily demand education plan and will include outbound communications and tools to help customers understand the drivers of their demand. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage. Examples include programming a smart thermostat and staggering appliance usage to help reduce demand. Marketing materials will also communicate value of the compensation available to DR participants under the Companies' proposed Schedule GSR-E and Schedule GSR-C.

An overall marketing/advertising preliminary budget is included in Table DSM-32 below. These funds, while identified here, are a forecast for marketing expenses and are intended to be an estimate for actual expenditures. Also, these costs are not incremental to the overall budgets presented for the portfolio in Table DSM-1. These marketing/advertising expenses are included within the budgets proposed for each program. They are either allocated directly to the program the expenditure is supporting, or through a percentage spread throughout the portfolio for the overall PowerShift by NV Energy brand and overall program recognition.

Within each program is a cost for direct implementation, incentives, marketing/advertising, M&V, and utility administration. The costs for marketing/advertising are allocated to each program based on the percentage of the budget that the program represents for the overall portfolio. These

⁴⁷ Docket No. 24-05041, December 27, 2024, Order at 132, para. 357.

⁴⁸ Id.

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allocated costs are for the promotion of the portfolio of programs, partnerships in the community, and other direct promotional costs that are for more than one program.

Table DSM-32: 2027-2029 Estimated DSM Marketing Budget⁴⁹

Year	Nevada Power Marketing Budget (\$)	Sierra Pacific Marketing Budget (\$)	NV Energy Marketing Budget (\$)
2027	2,240,280	627,320	2,867,880
2028	1,824,300	556,620	2,380,920
2029	1,990,560	625,650	2,616,210
Action Plan Total	6,055,140	1,809,590	7,865,010

⁴⁹ Budgets are a preliminary forecast and will be adjusted based on actual costs.

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Section 6– Education Services Programs

A. Education Services Overview

The Education Services programs focus on outreach, engagement, and education efforts that inform customers on how they can use energy more efficiently. These efforts foster increased participation in DSM program incentives, rebates, and services, while encouraging customers to make energy smart decisions and purchases. Education is an important part of the DSM portfolio as it provides a foundation to promote increased awareness of how homes and businesses use energy. Education efforts endeavor to proactively impact the customer’s practices and patterns, which leads to enhanced energy efficiency and savings that support overall DSM program goals and initiatives. Education Services includes the following programs for the 2027- 2029 Action Plan period:

- Energy Education;
- Energy Reports; and
- Program Development.

NV Energy is proposing the same Education Services programs as part of its 2027 through 2029 Action Plan period.

The Education Services programs are a multi-faceted approach intended to impact the customer’s understanding of energy use and to impart knowledge and information about how the customer can save energy and money. Together, the programs complement each other by appealing to customers via specific outreach, marketing, and communications. The Education Services programs’ goal is to focus on achieving increased awareness and to create a bridge to participation in other NV Energy DSM products and services.

The proposed budgets, energy (kWh) and demand (kW) savings for the programs for the 2027 through 2029 Action Plan period are provided in Table DSM-33 below.

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Table DSM-33: 2027-2029 Education Services Proposed Budgets and Savings Targets

Programs	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)
Nevada Power	2027			2028			2029		
Energy Education [1]	400,000	-	-	400,000	-	-	400,000	-	-
Energy Reports	777,000	10,102	20,000,000	893,000	11,610	20,000,000	982,000	12,767	20,000,000
Program Development [2]	300,000	-	-	300,000	-	-	300,000	-	-
Nevada Power Education Services Total	1,477,000	10,102	20,000,000	1,593,000	11,610	20,000,000	1,682,000	12,767	20,000,000
Sierra	2027			2028			2029		
Energy Education [1]	300,000	-	-	300,000	-	-	300,000	-	-
Energy Reports	493,000	2,862	7,500,000	542,000	3,146	7,500,000	596,000	3,460	7,500,000
Program Development [2]	200,000	-	-	200,000	-	-	200,000	-	-
Sierra Education Services Total	993,000	2,862	7,500,000	1,042,000	3,146	7,500,000	1,096,000	3,460	7,500,000
NV Energy	2027			2028			2029		
Energy Education [1]	700,000	-	-	700,000	-	-	700,000	-	-
Energy Reports	1,270,000	12,964	27,500,000	1,435,000	14,756	27,500,000	1,578,000	16,227	27,500,000
Program Development [2]	500,000	-	-	500,000	-	-	500,000	-	-
NV Energy Education Services Total	2,470,000	12,964	27,500,000	2,635,000	14,756	27,500,000	2,778,000	16,227	27,500,000

[1] Energy (kWh) savings and demand (kW) savings are not tracked for this program because the goal for this program is set in educated participants. The behavioral aspect also can be challenging to correlate, evaluate, and calculate associated energy and demand savings.

[2] Energy (kWh) savings and demand (kW) savings are not tracked for this program because it is predicated on testing and trials of new potential programs and/or technologies.

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1. Energy Education Program

a. Energy Education - At a Glance

The Energy Education program (“Education Program”) serves as a key outreach initiative that enables NV Energy to engage with customers and community organizations on topics such as energy efficiency, DR, and the PowerShift by NV Energy programs designed to support these efforts. The Education Program targets both residential and commercial customers who are interested in reducing energy use and saving money, offering opportunities to learn about the benefits and resources available through PowerShift by NV Energy.

Although the program itself does not generate direct energy savings, it plays a critical role in connecting customers to other program offerings that do. By acting as an educational gateway, the program supports increased awareness and participation across the broader portfolio. For the upcoming action plan period, the Education Program is proposed to continue operating as in previous years, with a strong emphasis on customer engagement at events throughout the state.

The Education Program has consistently met participation targets; however, resource availability has required the Companies to scale back the number of events. To address this challenge, NV Energy is prioritizing high-impact events that maximize customer interactions and outreach effectiveness compared to numerous smaller events.

b. Energy Education – Program Description

(1) Overview

The Education Program provides strategic outreach initiatives supported by Powershift by NV Energy, to leverage various touchpoints to inform and educate customers about ways to better manage energy usage and take actions that help save on utility bills. This strategic outreach strives to maintain on-going communication with customers to build a positive relationship, while positioning the Companies as a reliable resource and partner to help maximize energy savings.

To actively and effectively engage with these audiences, PowerShift by NV Energy participates in and partners with Community Based Organizations (“CBOs”) and non-profit groups to further interact with the community where they live. The Companies partnered with these CBOs for sponsored events for residential customers with a focus on low-income and seniors, events at schools to reach students and teachers; and the development of in-person and online offerings, such as webinars, to reach businesses, builders, realtors and energy professionals. The Education Program provides energy efficiency information and Powershift offerings to continually educate customers and the community about energy savings benefits to homes and businesses.

(2) Enrollment Requirements

All NV Energy residential and commercial customers can participate in events.

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(3) Participation Requirements

All NV Energy residential and commercial customers can participate in events.

(4) Marketing Strategy

The marketing strategy for the Education Program is designed to support customer awareness and participation through cost-effective outreach and engagement activities. Marketing efforts focus on promoting program availability and offerings, including educational events and informational collateral, using a combination of targeted communications, digital platforms, and community-based partnerships. Educational events are used to deliver consistent messaging on energy use and energy-efficiency practices, while Education Program collateral reinforces key information about the PowerShift by NV Energy program offerings and provides customers with reference materials. The Education Program primarily utilizes customer interaction to encourage participation and engagement in NV Energy’s DSM programs. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(5) Education Program Benefits

This section outlines the benefits customers receive through participation in the Education Program, including services, and energy-saving opportunities.

- Educational tools and tips that can be used to foster energy efficiency and savings opportunities.
- Awareness and participation in DSM and energy efficiency offerings.
- Event collateral.

c. 2025 Energy Education Results

This section summarizes the overall results and activities of the 2025 Education Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The expenditures and participant results for the Education Program for the 2025 Prior Year are provided in Table DSM-34 below.

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Table DSM-34: 2025 Energy Education Expenditures and Participants Results

Program Components	Program Budget			Participants		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power						
Energy Education	434,000	432,189	(0%)	96,000	79,274	(17)
Sierra						
Energy Education	348,000	222,899	(36%)	96,000	109,628	14
NV Energy Total	782,000	655,088	(16%)	192,000	188,902	(2)

[1] Energy (kWh) and demand (kW) savings are not tracked for this program as it's purely educational and behavioral.

The Energy Education program in Nevada Power and Sierra territories was under budget due to the prioritization of more impactful educational events rather than volume of events.

(2) Results by Cost Category

The Education Program's 2025 budget and actual expenditure results are further broken down into utility administration, M&V, implementation contractor, software, education, marketing and outreach, and incentives categories by service territory below in Table DSM-35.

Table DSM-35: 2025 Energy Education Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	48,789
Measurement & Verification	5,944
Implementation	64,474
Software	-
Education/Outreach	312,981
Incentives	-
Nevada Power Total	432,189
Sierra	
Utility Administration	47,724
Measurement & Verification	6,873
Implementation	21,454
Software	-
Education/Outreach	146,848
Incentives	-
Sierra Total	222,899
NV Energy	
Utility Administration	96,513
Measurement & Verification	12,817
Implementation	85,928
Software	-
Education/Outreach	459,830
Incentives	-
NV Energy Total	655,088

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(3) 2025 Energy Education Overall Results and Activities

Building on momentum from the previous program year, the Education Program participated in a variety of community outreach events throughout NV Energy’s including Earth Day, Las Vegas Science and Technology Festival, Vet Fest Business and Resource Expo, Family Health Festival, Art Town, Pride Festivals in Reno and Las Vegas, and Nevada Day Celebration.

There was also a focus on low-income and senior-specific events such as the Senior Expos in both northern and southern Nevada, Food Bank outreach, Community Resources Fairs in Henderson and North Las Vegas, and Veterans Assistance events. In addition, the Education Program presented at a variety of Chamber of Commerce business specific events including Preview Las Vegas, the Las Vegas Chamber and Reno/Sparks Chamber Business Expo, and the Latin and Asian Chamber of Commerce luncheons wherein Powershift education materials and items were displayed, and in-person education was delivered.

NV Energy also continued to provide funding for the Desert Research Institute’s (“DRI”) EnergySmart Education Program (“ESE”) and Nevada Robotics Program. In 2025, the programs included six initiatives:

EnergySmart PSA Contest: middle school students compete against each other with submissions of brief videos sharing why energy efficiency is important within their communities.

Community Energy Ambassador Project (“CEAP”): under the guidance of DRI staff, high school and middle school students develop projects designed to address energy conservation and awareness.

EnergySmart Green Boxes: STEM education kits that each contain 3 to 4 hands-on lessons.

Outreach Events: events target young people in lower income areas and promote awareness on how to save energy at home in addition to interest in electrical engineering.

Educator Professional Development: hands-on training opportunities (with salary time paid) for educators to learn about the free educational resources available through EnergySmart.

B-Best Books and Bots – Energy Saving Tips Program: hands-on activities with robots to engage and educate about energy conservation.

In addition, the Education Program’s energy theatre contractor, BrightStar Touring Theatre, delivered a series of energy-conservation performances to thousands of students across Nevada.

For commercial customers, the Education Program partnered with Green Builder Media to provide virtual presentations focused on green building and responsible development. Green Builder Media hosted webinars on key energy-efficiency topics, including Embodied Carbon and the Energy–Water Nexus. The Education Program also offered eBooks covering subjects such as Best-Value Retrofits, Multifamily Buildings, and Energy Insights.

Furthermore, NV Energy organized events in both Reno and Las Vegas for community-based organizations to learn about PowerShift programs that support their clients. These events included the Nevada Clean Energy Fund Education Event and the Las Vegas Science and Technology Festival’s Energy Night.

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(4) 2025 Energy Education Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years.

- Reviewed event collateral with energy literacy and plain, simplified language use in mind.
- Maintained relationships with a diverse group of community partners from the previous program year.

d. 2026 Energy Education Program Current Year

This section summarizes the overall goals and activities of the Education Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Energy Education Budgets and Unit Goals

For the 2026 Current Year, the authorized budgets, projected energy savings targets, and unit goals for the Education Program are provided in Table DSM-36 below.

Table DSM-36: 2026 Energy Education Budgets and Participant Goals

Program Components	Authorized Budgets (\$)	Participant Goal
Nevada Power		
Energy Education [1]	434,000	96,000
Sierra		
Energy Education [1]	348,000	41,000
NV Energy Total	782,000	137,000

[1] Energy (kWh) and demand (kW) savings are not tracked for this program as it is purely educational and behavioral.

The delivery of education for the portfolio of programs includes, but is not limited to, targeted outreach to residential customers through a variety of channels such as social media, community events, senior-citizen targeted events in low-income communities, senior energy assistance events, the theatre performance program in schools and community event presentations.

The Education Program continues to offer energy saving tips for all customers through social media outlets and will continue to reach small commercial customers through channels, such as Chamber of Commerce events, commercial outreach events, webinars, and eBooks.

(2) 2026 Energy Education Plan Current Year Changes

The following are the Education Program plan changes that have been implemented or will be implemented during the 2026 Current Year.

- DRI is continuing to build upon and expand their program combining robotics and literacy to tell the energy conservation story via a hands-on activity.
- BrightStar Touring Theatre will be creating a new energy conservation themed show to tour schools throughout Nevada.
- The Companies have scaled down the number of events and will be focusing on high impact events that can have the most customer engagement.

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- PowerShift is working with new community partners to promote energy conservation.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Education Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget and Participation Target

The proposed Action Plan period for the Energy Education program below includes several enhancements aimed at improving the program.

Proposed budgets, savings targets, and unit goals are discussed respectively in Table DSM-37 below. The Education Program’s Action Plan period budget includes utility administration, M&V, implementation contractor, software, education, marketing, outreach, and incentives and/or rebates.

Table DSM-37: 2027-2029 Energy Education Proposed Budgets, Savings Targets, and Participant Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target [1]	Annual Energy Savings (kWh) Target [1]	Participant Goal
2027				
Nevada Power				
Energy Education	400,000	-	-	96,000
Sierra				
Energy Education	300,000	-	-	41,000
NV Energy				
Energy Education	700,000	-	-	137,000
2028				
Nevada Power				
Energy Education	400,000	-	-	96,000
Sierra				
Energy Education	300,000	-	-	41,000
NV Energy				
Energy Education	700,000	-	-	137,000
2029				
Nevada Power				
Energy Education	400,000	-	-	96,000
Sierra				
Energy Education	300,000	-	-	41,000
NV Energy				
Energy Education	700,000	-	-	137,000

[1] Energy (kWh) and demand (kW) savings are not tracked for this program as it’s purely educational and behavioral.

Table DSM-38 below has the 2027-2029 Energy Education proposed budgets cost by category.

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Table DSM-38: 2027-2029 Energy Education Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	45,156	45,156	45,156
Measurement & Verification	5,502	5,502	5,502
Implementation	59,672	59,672	59,672
Software	-	-	-
Education/Outreach	289,671	289,671	289,671
Incentives	-	-	-
Nevada Power Total	400,000	400,000	400,000
Sierra			
Utility Administration	64,231	64,231	64,231
Measurement & Verification	9,250	9,250	9,250
Implementation	28,875	28,875	28,875
Software	-	-	-
Education/Outreach	197,644	197,644	197,644
Incentives	-	-	-
Sierra Total	300,000	300,000	300,000
NV Energy			
Utility Administration	109,387	109,387	109,387
Measurement & Verification	14,751	14,751	14,751
Implementation	88,547	88,547	88,547
Software	-	-	-
Education/Outreach	487,314	487,314	487,314
Incentives	-	-	-
NV Energy Total	700,000	700,000	700,000

(2) 2027-2029 Energy Education Plan and Plan Changes

Implementation of the education campaign will continue the Education Program’s existing initiatives throughout the 2027 through 2029 action plan period. These ongoing efforts will be strengthened by refreshed in-person event activations and a more coordinated approach across NV Energy’s customer education, customer service, and community relations teams to deliver consistent and effective educational messaging.

During the plan period, NV Energy will also focus on enhancing the Education Program’s outreach strategy by prioritizing high-impact engagement opportunities, even when fewer in-person events are held. Additionally, NV Energy will work to forge new partnerships with community-based organizations, local government agencies, school districts, industry associations, and other regional stakeholders to deepen engagement and expand the Education Program’s reach across all customer demographics, with a particular focus on HUC.

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f. Program Cost Benefit Analysis

(1) Energy Education Measurement and Verification

The M&V report that provides third-party evaluation results is included in Technical Appendix DSM-9.

(2) Energy Education Energy Savings Curves

The energy savings curves are provided as part of the M&V report in Technical Appendix DSM-9.

(3) Energy Education Energy Measure Life

The Education Program does not report energy savings, therefore, there is no measure life associated with the Program.

(4) Energy Education Measure Units

The Education Program counts each customer attending an event as a participant.

(5) Energy Education Energy and Demand Savings

The Education Program is purely behavioral and does not track energy savings.

(6) Energy Education Incentives/Rebates

The Education Program does not offer incentives or rebates to customers.

(7) Energy Education Incremental Costs

There were no incremental costs or out-of-pocket expenses to the customers in this Education Program.

(8) Energy Education Financial Analysis

Cost-effectiveness testing is not applied to the Education Program, as it is designed as a behavioral energy education initiative and does not directly generate or claim energy savings.

(9) Energy Education Nevada Power and Sierra Input and Output Sheets

Cost-effectiveness testing is not applied to the Education Program, as it is designed as a behavioral energy education initiative and does not directly generate or claim energy savings.

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2. Home Energy Reports

a. Home Energy Reports - At a Glance

The Home Energy Reports (“HERs”) program (“HERs Program”) is a behavioral energy efficiency initiative that delivers personalized insights, peer comparisons, and targeted recommendations to residential customers through mail and digital channels, driving low-cost, scalable energy savings without requiring upfront customer investment.

The market potential remains strong, as the HERs Program can reach a broad portion of the residential customer base, including hard-to-reach customers, while serving as a foundation for deeper engagement and cross-program integration. Compared to the previous program year, the HERs Program is evolving through a platform upgrade that will create a more dynamic and personalized customer experience, with increased focus on personalization, online engagement, and integration with other customer touchpoints.

The primary risk is performance variability driven by customer fatigue, data quality limitations, and vendor-driven constraints on segmentation and content agility. To mitigate this, NV Energy is taking a proactive approach by enhancing data validation processes, refining targeting to focus on high-response segments, expanding digital engagement channels to maintain relevance, and working closely with the vendor to increase flexibility in testing, reporting, and rapid iteration.

b. Home Energy Reports – Program Description

(1) Overview

The HERs Program provides periodic paper and electronic communications to a select group of residential customers, including single family, multifamily, and low-income customers. The HERs Program raises customers’ awareness of energy usage by sending regular periodic email notices and graphics. Customers use this information to make practical energy conservation choices at home which can help to reduce energy usage and save on monthly utility bills. These targeted communications are delivered via a customized home energy report (“HER”). The HERs include graphics, tables, and narratives that depict the customer’s energy usage and billing information. These can include low-cost measures, such as installing LED light bulbs, tips for observing energy conservation practices, and suggestions for personal behavior improvements that can help avoid higher energy consumption.

The HERs also inform customers about the Companies’ other DSM programs that may be of interest. As customers become more familiar with the findings of their Report and receive regular updates about the latest programs offered by NV Energy, energy conservation tips and best practices from the Reports can become learned behaviors that they continually implement in their homes.

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(2) Enrollment Requirements

The HERs Program has not been predicated on opt-in or allowing customers to request a Report historically.

- Residential customers may be enrolled by the Companies through a randomized controlled treatment design to receive reports based on high-energy usage.
- Additionally, customers may qualify for enrollment based on income criteria or if they reside in federally designated lower-income census tracts.

(3) Participation Requirements

Customers must have at least 12 consecutive months of billing history and an average billing cycle between 10 and 90 days.

- Residential customers are targeted based on their high-energy use.

(4) Participation Agreement Term

Customers must be active NV Energy residential account holders to participate. Historically, the Program has not been an opt-in program and, instead, NV Energy enrolled customers through a randomized controlled treatment group of residential customers based on high energy use and income qualifications.

(5) Marketing Strategy

The HERs Program acts as a key engagement channel, providing customers with personalized energy-use insights, actionable recommendations, and visibility into PowerShift by NV Energy programs that align with those recommendations. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) HERs Program Benefits

This section outlines the benefits customers receive through participation in the HERs Program, including incentives, services, and energy-saving opportunities.

- Participation in the HERs Program gives customers clear, personalized insight into how they use energy, helping them identify practical ways to reduce consumption and lower monthly bills. By comparing their usage to similar homes, participants gain a better understanding of where they can improve, while customized tips and seasonal guidance make it easier to take meaningful action throughout the year.
- The HERs Program increases customer awareness of energy habits, helps prevent bill surprises during extreme weather, supports broader sustainability goals by reducing overall demand on the grid, and provides all these benefits at no cost to participating customers.

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c. 2025 Home Energy Reports Results

This section summarizes the overall results and activities of the 2025 HERs Program, highlighting participation levels, measures implemented, and energy and demand savings achieved during the program year.

(1) Results

The expenditures, energy and demand savings, and participant results for the HERs Program for the 2025 Prior Year are provided in Table DSM-39 below.

Table DSM-39: 2025 Energy Reports Expenditures and Savings Results

Program	Program Budget			kWh Savings			kW Savings			Participants		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Energy Reports	809,000	597,559	(26)	25,000,000	19,647,152	(21)	-	7,769	-	152,440	122,032	(20)
Sierra												
Energy Reports	514,000	532,115	4	9,000,000	9,133,829	1	-	3,090	-	79,646	65,711	(17)
NV Energy Total	1,323,000	1,129,674	(15)	34,000,000	28,780,981	(15)	-	10,859	-	232,086	187,743	(19)

The HERs Program in Nevada Power was under budget due to timing differences related to the receipt of actual implementation contractor invoices, which were not fully received prior to the close of the 2025 financial records. In Sierra, the HERs Program exceeded its budget primarily as a result of a voucher correction addressing prior-year accounting items identified in 2024, as noted by the Companies in the 2025 Deferred Energy Accounting Adjustment testimony, as well as an under-accrual associated with December 2025 actual costs.⁵⁰

The HERs Program achieved 78.6 percent of its savings target in Nevada Power and exceeded expectations in Sierra by reaching 101.5 percent.

The HERs Program in Nevada Power was short of savings goal due to the timing of customer refills into the cohort. Because newly added customers require an initial ramp-up period to engage with the HERs and associated recommendations, the third-party M&V evaluator was unable to attribute measurable savings to these customers within the evaluation period. Consequently, savings were evaluated for 122,032 customers, compared to approximately 150,000 customers initially anticipated.

⁵⁰ Docket No. 25-02033, 2025 Deferred Energy Accounting Adjustment Application, Direct Testimony of Ali Sheikh at 22 through 23, Q&A 15.

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The HERs Program in Sierra exceeded its kWh savings goal due to several programmatic enhancements. Updates to the evaluation framework expanded the savings calculations to include dual-fuel customers, which increased the evaluated population by approximately 30,000 customers. In addition, refinements to HER content and customer guidance improved customer engagement and overall savings performance. Collectively, these enhancements increased the number of customers included in the evaluation and strengthened savings outcomes, enabling the HERs Program to meet and exceed its target.

(2) Results by Cost Category

The HERs Program’s 2025 budget and actual expenditure results are further broken down into utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebate categories by service territory below in Table DSM-40.

Table DSM-40: 2025 Energy Reports Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	68,026
Measurement & Verification	14,291
Implementation	154,099
Software	337,627
Education/Outreach	23,516
Incentives	-
Nevada Power Total	597,559
Sierra	
Utility Administration	36,875
Measurement & Verification	12,761
Implementation	102,287
Software	364,318
Education/Outreach	15,874
Incentives	-
Sierra Total	532,115
NV Energy	
Utility Administration	104,900
Measurement & Verification	27,052
Implementation	256,387
Software	701,944
Education/Outreach	39,390
Incentives	-
NV Energy Total	1,129,674

(3) 2025 Home Energy Reports Overall Results and Activities

In 2025, the HERs Program maintained its focus on the existing treatment group. Individualized HERs were seamlessly delivered via email to residential customers with valid email addresses, and direct mail was used if no valid email addresses were present. The HERs Program exceeded its kWh goals in the north because per-participant savings increased based on findings in the M&V

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report compared to ex-ante totals; however, verified savings came in lower than ex-ante in the south.

The 2025 HERs contained monthly energy usage details and summaries of the pertinent information, offering participants a valuable benchmark by comparing their monthly energy usage to that of other homes in their neighborhood with similar square footage and characteristics. This analytical approach provided participants with meaningful insights into their energy consumption patterns in a localized context.

Participants that did not have an email address available were physically mailed six paper HERs from NV Energy. This approach aimed to accommodate diverse communication preferences and guaranteed that all participants, regardless of email accessibility, could benefit from the pertinent information encapsulated within the HERs. The HERs Program was an opportunity for NV Energy to reach and educate diverse segments of its customer base in a cost-efficient manner.

The NV Energy HERs Program delivered the reports to a specific treatment group of residential customers to accomplish the following:

- Deliver large-scale, measurable, cost-effective reduction in energy (kWh) consumption,
- Generate measurable demand (kW) savings,
- Strengthen NV Energy’s relationship and communications with its customers,
- Educate customers on their energy consumption,
- Increase customer outreach,
- Expand awareness and adoption of NV Energy’s other DSM program offerings.

The HERs Program achieved 78.6 percent of its savings target in Nevada Power and exceeded expectations in Sierra by reaching 101.5 percent. The HERs Program continued to be a significant driver of customer satisfaction as well as a channel for energy conservation and general program information.

(4) 2025 Home Energy Reports Lessons Learned and Recommendations

The following are the HERs Program plan changes that were implemented during the 2025 Prior Year:

- Improved report personalization by customizing energy-saving tips based on household types (e.g., renters, homes with pools, EV owners). Included detailed “always on” energy use breakdowns and clearer comparisons to similar homes.
- Improved reporting capabilities to offer a more comprehensive breakdown of energy usage and provide enhanced recommendations.
- Considered increasing awareness of NV Energy programs, such as PowerShift by NV Energy smart thermostats and energy assessments, by integrating them more prominently into HERs.

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- Addressed customer cost concerns. Considered providing strategies for reducing summer energy bills, particularly for low-income customers and seniors. Explored offering additional rebates or incentives to encourage the adoption of energy-efficient appliances and home improvements.
- Optimized delivery and accessibility. Considered offering an opt-in system for receiving HERs in preferred formats (paper, electronic, or both) to reduce costs and waste. Ensured reports are available in multiple languages.

d. 2026 Home Energy Reports Program Current Year

This section summarizes the overall approved goals and activities of the HERs Program, highlighting approved budget, participation levels, and energy and demand savings goals during the 2026 Current Year.

(1) Home Energy Reports Budgets, Savings Target, and Unit Goals

For the 2026 Current Year, the authorized budgets, projected energy and demand savings target, and participant goals for the HERs Program are provided in Table DSM-41 below.

Table DSM-41: 2026 Energy Reports Budgets, Savings Target, and Participant Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Participant Goal
Nevada Power				
Energy Reports	809,000	3,914	25,000,000	152,440
Sierra				
Energy Reports	514,000	3,150	9,000,000	79,646
NV Energy	1,323,000	7,064	34,000,000	232,086

(2) 2026 Home Energy Reports Current Year Changes

The following are the HERs Program plan changes that are being implemented during the 2026 Year:

- The HERs Program is continuing to assess the need for converting a subset of participants who currently receive electronic HERs into paper HER recipients based on their behavior. This ongoing optimization approach acknowledges that some participants may respond more favorably to and engage better with physically mailed Reports. By continuing to monitor customer behavior, the goal is to maximize measurable energy savings for the HERs Program.
- To further enhance HER personalization, energy-saving tips are being tailored to better serve different household types, such as renters, homes with pools, and properties with specific energy needs like electric vehicles or poor insulation. HERs include more detailed breakdowns of "always on" energy usage and provide clearer, more relevant comparisons to similar homes.

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- To improve overall engagement and clarity in energy-saving recommendations, NV Energy is exploring methods, such as including estimated dollar amounts associated with the savings tips to help customers better understand potential cost reductions. In addition, incorporating more interactive elements into the HERs, such as mobile-friendly formats and customizable energy goals, will enhance user experience. HERs Program plans intend to simplify usage categories and review areas where data may appear conflicting or unclear to improve overall clarity and customer understanding.
- Promoting participation in other energy-saving programs remains a key objective. NV Energy is increasing visibility of offerings like Powershift smart thermostats and home energy assessments by featuring them more prominently in the Reports. Customer success stories are highlighted to showcase how participation in these programs has resulted in tangible energy savings.
- To address customer cost concerns, NV Energy is including seasonal strategies for reducing summer energy bills, with particular attention to the needs of low-income customers and seniors.
- Optimizing the delivery and accessibility of the HERs is a continued focus. NV Energy is exploring the introduction of an opt-in system that allows customers to choose their preferred delivery method—paper, electronic, or both—and reports will be made available in multiple languages to better serve diverse communities, and a dedicated section has been added to address common customer concerns, such as rate increases and energy affordability.
NV Energy, the implementation contractor, and the third-party M&V contractor continue to meet periodically to evaluate the HERs Program’s progress toward meeting its energy savings targets and make corrections as needed.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the HERs Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The proposed Action Plan period for the HERs Program builds upon the existing 2026 HERs Program. Proposed budgets, savings targets, and unit goals for the HERs Program are detailed in Table DSM-42.

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Table DSM-42: 2027-2029 Energy Reports Proposed Budgets, Savings Targets, and Participant Goals

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Participant Goal
2027				
Nevada Power				
Energy Reports	777,000	10,102	20,000,000	124,224
Sierra				
Energy Reports	493,000	2,862	7,500,000	53,957
NV Energy	1,270,000	12,964	27,500,000	178,181
2028				
Nevada Power				
Energy Reports	893,000	11,610	20,000,000	124,224
Sierra				
Energy Reports	542,000	3,146	7,500,000	53,957
NV Energy	1,435,000	14,756	27,500,000	178,181
2029				
Nevada Power				
Energy Reports	982,000	12,767	20,000,000	124,224
Sierra				
Energy Reports	596,000	3,460	7,500,000	53,957
NV Energy	1,578,000	16,227	27,500,000	178,181

Table DSM-43: 2027-2029 Energy Reports Proposed Budgets Cost by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	98,411	130,909	97,902
Measurement & Verification	17,263	28,678	20,567
Implementation	210,000	242,405	272,266
Software	420,566	450,273	556,899
Education/Outreach	30,760	40,735	34,366
Incentives	-	-	-
Nevada Power Total	777,000	893,000	982,000
Sierra			
Utility Administration	34,164	37,560	41,302
Measurement & Verification	11,823	12,998	14,293
Implementation	94,768	104,187	114,568
Software	337,537	371,086	408,057
Education/Outreach	14,707	16,169	17,780
Incentives	-	-	-
Sierra Total	493,000	542,000	596,000
NV Energy			
Utility Administration	132,575	168,469	139,204
Measurement & Verification	29,086	41,676	34,860
Implementation	304,768	346,592	386,834
Software	758,103	821,359	964,956
Education/Outreach	45,467	56,904	52,146
Incentives	-	-	-
NV Energy Total	1,270,000	1,435,000	1,578,000

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(2) 2027-2029 HERs Plan and Plan Changes

The HERs Program will be implemented consistent with prior program years, continuing to deliver energy use insights and energy efficiency recommendations through monthly Reports. While the HERs Program remains non-opt-in by design, customers who request enrollment will be permitted to opt in. Overall program delivery and customer engagement will remain unchanged to ensure continuity and cost-effectiveness.

f. HERs Program Cost Benefit Analysis

(1) HERs Measurement and Verification

The M&V report that provides third-party evaluation results is included in the Technical Appendix DSM-10.

(2) HERs Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendix DSM-10.

(3) HERs Measure Life

As determined in the M&V Report, the EUL for this program was one year for both Nevada Power and Sierra.

(4) HERs Measure Units

The unit of measure is counted as each individual customer who receives a HER.

(5) HERs Power and Energy Savings

In 2025, the verified energy savings for the HERs Program were 19,647,152 kWh for Nevada Power and 9,133,829 kWh for Sierra.

(6) HERs Incentives/Rebates

There were no incentives or rebates paid by the HERs Program.

(7) HERs Incremental Costs

There were no incremental costs or out-of-pocket customer expenses for the Reports in the HERs Program.

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(8) HERs Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-44, NV Energy provides the HERs Program’s 2025 NTRC and projected 2027-2029 NTRC run by DSMore.

Table DSM-44 Energy Reports NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Reports	3.78	2.95	2.43	2.13
Sierra				
Energy Reports	2.15	1.87	1.64	1.43
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Reports	5.79	4.52	3.75	3.50
Sierra				
Energy Reports	3.26	2.84	2.49	2.30

(9) HERs Nevada Power and Sierra Input and Output Sheets

The HERs 2025 Input and Output sheets run by DSMore are provided in Technical Appendix DSM-3.

The HERs 2027-2029 Output sheet run by DSMore is provided in Technical Appendix DSM-4.

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3. Program Development Program

a. Program Development - At a Glance

The Program Development Program (“Program Development Program”) evaluates emerging DSM technologies, measures, and delivery models to inform future program design and reduce deployment risk before broader implementation. The Program Development Program addresses a broad market across residential and commercial customer segments, driven by growing electrification, demand-management needs, and rapid advancement of grid-interactive technologies.

The Program Development Program does not directly deliver production-level demand (kW) or energy (kWh) savings. Instead, it identifies measures and strategies with the potential to deliver future peak demand reductions, energy savings, or both when transitioned into full production of DSM programs.

Compared to the prior Action Plan cycle, the 2027–2029 Program Development Program reflects continuity in structure with a more targeted focus informed by 2025 and 2026 evaluations, including demand-management solutions, HVAC and heat-pump applications, and grid-interactive controls.

In the most recent program year, Program Development activities delivered actionable findings that informed decisions to advance, refine, or discontinue evaluated technologies prior to production deployment. Key risks include uncertain technology performance, limited enrollment or vendor readiness, telemetry constraints, and scalability limitations. These risks are mitigated through a proactive, staged evaluation approach emphasizing small-scale testing, comparative analysis, early vendor engagement, and coordination with the DSM Collaborative.

b. Program Development Program – Program Description

(1) Overview

The Program Development Program investigates and evaluates emerging technologies, measures, and program delivery models that may enhance NV Energy’s DSM portfolio or support the development of new DSM programs. The Program Development Program focuses on reducing uncertainty associated with new technologies and approaches by conducting targeted assessments, limited field evaluations, and small-scale pilots prior to broader deployment.

Program Development activities support residential, small, medium, and large commercial, industrial, and agricultural customers in both the Nevada Power and Sierra service territories. Evaluations are designed to assess technical feasibility, customer impacts, implementation considerations, and potential grid or portfolio value rather than to deliver production-level energy or demand savings.

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The Program Development Program serves as an upstream planning and evaluation function within the DSM portfolio. Findings from Program Development activities are used to inform decisions regarding program design, incentive structures, eligibility criteria, and operational approaches for existing or future DSM programs. Technologies or delivery models that demonstrate strong potential may transition into full production DSM programs, while concepts that do not meet performance or feasibility expectations may be refined or discontinued.

Through this structured and disciplined approach, the Program Development Program helps ensure that future DSM investments are informed, cost-effective, and aligned with NV Energy's evolving system needs, customer load profiles, and policy objectives, including opportunities to benefit low-income and underserved communities.

(2) Enrollment Requirements

The Program Development Program does not offer open or ongoing customer enrollment. Participation is limited to customers, facilities, or sites selected for specific research, evaluation, or pilot activities conducted under the Program.

Enrollment criteria are defined at the individual project level and may include, but are not limited to:

- Compatibility between the evaluation technology and the customer's existing equipment or systems;
- Availability of interval or sub-interval metering data necessary to support analysis;
- Site-specific characteristics relevant to the evaluation objectives; and
- Customer willingness to participate in temporary testing activities and data collection efforts.

Participation in Program Development projects is voluntary and limited in scope and duration. Customers are not enrolled in a production DSM program as a result of participation in Program Development activities.

Customers with approved medical or documented hardship protections may be excluded from specific evaluations where participation could conflict with essential health, safety, or comfort needs.

(3) Participation Requirements

Participation requirements for the Program Development Program are defined on a project-specific basis and are limited to what is necessary to complete the evaluation objectives of each project. Depending on the nature of the evaluation, participation requirements may include:

- Temporary installation or use of monitoring, metering, or control equipment;

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- Configuration or integration of evaluation technologies with existing customer devices or systems, where applicable;
- Maintenance of basic communications or internet connectivity required for data collection;
- Authorization for NV Energy and its implementation partners to collect, use, and analyze operational or performance data for evaluation purposes; and
- Participation in customer feedback, surveys, or interviews related to usability, comfort, or perceived impacts.

Participants are not required to respond to DR events, maintain ongoing availability, or modify normal energy-use behavior beyond what is necessary for evaluation purposes. Equipment installed for Program Development projects is temporary unless otherwise agreed to as part of a separate production DSM program.

Participation does not create an obligation to continue involvement in future projects or DSM programs, and customers may discontinue participation at any time, subject only to reasonable coordination needed to safely conclude the evaluation.

(4) Participation Agreement Term

Where participation agreements are required, such agreements are limited in scope and duration and apply only to the specific evaluation or pilot activity being conducted under the Program Development Program.

Participation agreements define the project objectives, expected duration, roles and responsibilities, data-sharing provisions, and any temporary installation or removal requirements associated with the evaluation. The term of participation typically aligns with the period necessary to complete data collection and analysis for the specific project and does not extend beyond the evaluation timeline.

Participation in a Program Development project does not create an obligation to continue participation in future evaluations or in any full production DSM program. Completion or termination of a participation agreement under the Program Development Program does not affect a customer's eligibility for other NV Energy DSM offerings.

Participants may discontinue participation prior to the end of the evaluation period, subject only to reasonable coordination necessary to conclude testing activities, recover evaluation equipment, or ensure safe system operation.

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(5) Marketing Strategy

The Program Development Program does not utilize a traditional marketing strategy and does not conduct mass customer outreach, advertising, or promotional campaigns. Because activities under the Program are limited to targeted evaluations and pilot projects, participant recruitment is conducted on a project-specific basis.

Potential participants are identified through internal research, analysis of existing DSM program participants, collaboration with technology vendors and trade allies, and coordination with the DSM Working Group. Selection focuses on identifying customers or sites that best align with the technical and evaluation objectives of each project.

Outreach activities are limited in scope and are designed to support research goals, including confirming participant suitability, explaining evaluation activities, and establishing data-sharing and participation expectations. Communications emphasize the temporary and voluntary nature of participation and clarify that participation does not constitute enrollment in a full production DSM program.

No marketing materials, incentive promotions, or enrollment campaigns are developed or deployed under the Program Development Program.

(6) Program Development Program Benefits

The Program Development Program provides strategic benefits by reducing uncertainty and risk associated with future DSM investments and program design decisions. By evaluating emerging technologies, measures, and delivery models in advance of large-scale deployment, NV Energy increases the likelihood that future DSM programs deliver cost-effective, reliable, and scalable energy and demand benefits.

For NV Energy, primary benefits include improved portfolio planning, better alignment between DSM offerings and evolving grid needs, and reduced risk of deploying technologies or program designs that may underperform, impose excessive costs, or create unintended customer impacts. Program Development activities help identify the most promising measures for managing coincident peak demand, supporting electrification, improving demand flexibility, and integrating customer-side technologies with grid systems and DER management platforms.

The Program Development Program also supports continuous improvement of existing DSM programs by informing updates to incentive structures, eligibility criteria, operational assumptions, and customer engagement strategies. Lessons learned from evaluations—whether measures are advanced, modified, or discontinued—help avoid costly program redesigns and reduce the likelihood of stranded investments.

For customers, Program Development delivers long-term value through the introduction of more effective, customer-centric DSM programs that better reflect real-world technology performance,

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installation practices, and comfort considerations. By testing measures in limited and controlled settings, the Program Development Program improves customer protections and helps ensure that future offerings provide meaningful savings opportunities without imposing undue inconvenience or complexity.

In addition, the Program Development Program supports broader policy objectives by proactively identifying technologies and solutions that may benefit low-income and underserved communities, improve access to demand management tools, and address equity considerations as customer end-uses and load profiles evolve.

Together, these benefits position the Program Development Program as a critical enabling function within NV Energy’s DSM portfolio, supporting informed investment decisions, adaptive program design, and long-term system reliability and affordability.

c. 2025 Program Development Results

This section summarizes the overall results and activities of the 2025 Program Development Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The expenditure results for the Program during the 2025 Prior Year are provided in Table DSM-45 below.

Table DSM-45: 2025 Program Development Expenditure Results

Program Components	Program Budget		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %
Nevada Power			
Program Development [1]	300,000	352,150	17
Sierra			
Program Development [1]	200,000	202,304	1
NV Energy	500,000	554,454	11

[1] Due to the nature of this Program, standard practice tests and benefit cost analysis results are not reported at the program level. Field trials seek to determine the cost-effectiveness of measures under investigation where applicable.

The budget was exceeded in Nevada Power and Sierra due to increased resources administering the program.

(2) Results by Cost Category

The Program’s 2025 budget and actual expenditure results are further broken down into cost categories including utility administration, implementation, and education and outreach categories by service territory below in Table DSM-46.

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Table DSM-46: 2025 Program Development Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	66,684
Measurement & Verification	-
Implementation	282,844
Software	-
Education/Outreach	2,622
Incentives	-
Nevada Power Total	352,150
Sierra	
Utility Administration	46,433
Measurement & Verification	-
Implementation	154,591
Software	-
Education/Outreach	1,280
Incentives	-
Sierra Total	202,304
NV Energy	
Utility Administration	113,117
Measurement & Verification	-
Implementation	437,436
Software	-
Education/Outreach	3,902
Incentives	-
NV Energy Total	554,454

The Program budget was exceeded due to higher-than-expected internal labor costs.

(3) 2025 Program Development Overall Results and Activities

During the 2025 Prior Year, NV Energy continued implementation of the Program Development Program with a targeted set of evaluation and pilot activities focused on informing future DSM program design and portfolio strategy. The Program Development Program delivered outcomes by advancing several focused evaluations related to demand management, HVAC technologies, grid-interactive controls, and emerging efficiency measures. Activities in 2025 emphasized refinement of technologies previously evaluated, validation of operational capabilities, and identification of pathways for transitioning viable concepts into full production DSM programs.

Strategic program management and project support were provided by a third-party partner, supporting the NV Energy program team with administrative coordination and strategic planning. This effort included development of measure-specific roadmaps and support for transitioning previously evaluated concepts into either existing DSM programs or future pilot opportunities, as appropriate.

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Heat Pump – Low-Income Primary and Supplemental

During 2025, NV Energy completed evaluation of mini-split heat pump installations in low-income settings, including both supplemental installations and replacement of existing cooling equipment. Mini-split heat pumps demonstrated high efficiency performance, with SEER ratings exceeding 20, and increasing customer adoption for both cooling and heating applications.

In addition, Mitsubishi mini-split systems with native cloud connectivity and built-in DR capabilities were evaluated to assess their ability to provide dispatchable load reduction. Testing demonstrated successful curtailment functionality, with estimated load reductions of approximately 0.5 to 0.65 kW per unit. These results indicate that certain mini-split systems may be viable candidates for inclusion as Bring-Your-Own-Technology measures within residential DR programs, subject to appropriate incentive design and vendor-supported customer outreach.

Based on these findings, NV Energy recommended proceeding with a limited field pilot in the residential DR program beginning in 2026 to further evaluate customer experience, scalability, and performance consistency.

Radiant Self-Cooling Coatings

The radiant self-cooling coatings evaluation expanded in 2025 with additional data collection and comparative testing. In addition to continued monitoring of a battery storage container treated in 2024, a gradient test was conducted using multiple paint types and colors applied to metal test plates. This evaluation allowed for direct comparison of thermal performance between standard coatings and radiant self-cooling paint formulations.

Results indicated meaningful temperature and heat-gain reductions for radiant coatings relative to conventional coatings, with modeled impacts suggesting a reduction of approximately 18 kWh per day in cooling energy consumption for a shipping container with a 320-square-foot roof during summer conditions. Findings identified several potential application use cases, including uninsulated or heat-generating equipment enclosures such as telecommunications cabinets, electrical panels, battery storage systems, transformers, and industrial control cabinets.

These results support further consideration of radiant self-cooling coatings as a potential efficiency measure under specific operating conditions, pending additional evaluation of cost-effectiveness and deployment feasibility.

Edge Gateway Demand Management

The Edge Gateway Demand Management project evaluated Residential and Commercial energy management system agents utilizing Home Assistant, Matter integrations, and transformer-level submetering to support coincident peak management strategies. In 2025, the project successfully demonstrated the ability to monitor transformer load thresholds and communicate alerts to participating gateways, which then issued setback commands to connected thermostats.

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This evaluation confirmed the technical feasibility of coordinating demand management actions at the premise level in response to localized grid conditions. While some transformer telemetry inconsistencies were observed, prior evaluations using similar equipment have demonstrated reliable performance. Lessons learned from this project will inform continued development of gateway-based demand management strategies, including potential applications for both utility-initiated signals and customer-managed load control.

HVAC Fault Detection

HVAC fault detection methods were evaluated using telemetry data collected from DSM program equipment. Multiple analytical approaches were tested to identify underperforming or faulty HVAC systems and assess the ability to notify customers of potential corrective actions. While fault identification using telemetry alone proved more challenging than initially anticipated, the evaluation demonstrated that certain faults could be detected for a subset of participating residences.

Findings from this effort support continued evaluation of fault detection methodologies within existing DSM programs to determine whether notification and follow-up processes can improve system performance and energy outcomes cost-effectively. The program reports for the 2025 trials are provided in Technical Appendix DSM-20.

d. 2026 Program Development Proposed Program Current Year

This section summarizes the overall goals and activities of the Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Program Development Program Budgets and Unit Goals

Table DSM-47 provides the authorized budgets for the Program during the 2026 Current Year. It is important to note that the pilot measures and itemized budgets mentioned below are subject to change based on feedback and recommendations from meetings with the DSM Collaborative.

Table DSM-47: 2026 Program Development Authorized Budgets

Program Components	Budgets (\$) [1]
Nevada Power	
Utility Administration and Outreach	44,966
Strategy Development and Project Support	59,410
Edge Gateways and Alternatives for Demand Management	41,468
Cost-Effective HVAC Measures	43,333
Load Management with Panel Meter and Thermostats	55,801
Mini split installation impacts	55,022
Nevada Power Total	300,000

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Sierra	
Utility Administration and Outreach	30,038
Strategy Development and Project Support	38,233
Edge Gateways and Alternatives for Demand Management	28,158
Cost-Effective HVAC Measures	33,101
Load Management with Panel Meter and Thermostats	39,101
Mini split installation impacts	31,370
Sierra Total	200,000
NV Energy	500,000

[1] Because this Program is based on developing new technologies, cost-effectiveness is not measured or required.

(2) 2026 Program Development Program Plan Current Year Changes

For the 2026 Current Year, the Program Development Program continues with targeted changes to the measures and evaluations pursued, reflecting findings from prior-year activities and evolving DSM portfolio needs. No structural changes to the Program are proposed. Rather, adjustments in 2026 focus on refining the scope of evaluations and prioritizing projects with demonstrated potential to inform production of DSM program design.

Strategic Development and Project Support continue in 2026, provided by a third-party partner, to support program administration, stakeholder coordination, and development of measure-specific roadmaps. This support also includes continued engagement with participants and stakeholders regarding lessons learned from prior evaluations and assistance with transitioning viable measures into existing or new DSM programs where appropriate.

Based on outcomes and recommendations from 2025 evaluations and collaboration with the DSM Working Group, the following changes characterize the 2026 Program Development focus:

- **Transition Toward Demand Management Solutions:** Building on successful demonstrations of gateway-based and device-level demand control, 2026 activities expand evaluation of demand management architectures. This includes comparative analysis of residential energy management gateways (e.g., Home Assistant-based solutions) versus software-only or load-specific alternatives to manage coincident peak demand. Evaluations assess cost, complexity, technical capability, reliability, and suitability for different grid services.
- **Refined Evaluation of Cost-Effective HVAC Measures:** Informed by prior HVAC and heat pump evaluations, 2026 activities compile and analyze the most cost-effective HVAC measures identified through Program Development studies and industry literature. The objective is to identify measures with strong potential for peak-load reduction or energy savings that may warrant incorporation or modification within existing DSM programs.

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- **New Focus on Panel Meter and Thermostat Integration:** A new evaluation in 2026 examines residential load management using integrated whole-home panel meters and multiple thermostats. This project assesses the effectiveness of coordinating thermostat operation based on real-time or near-real-time demand signals, with evaluation metrics including demand impacts, energy consumption, customer comfort, and participant feedback.
- **Program-Level Assessment of Mini-Split Installations:** The 2026 Plan introduces a focused analysis of mini-split installations completed under the NV Energy air conditioning rebate program during the 2025 Prior Year. This evaluation distinguishes between supplementary installations and installations serving as incremental cooling and assesses the respective impacts on peak demand and energy consumption. Findings are intended to inform potential refinement of incentive levels or eligibility criteria within existing HVAC programs.

These changes reflect a shift toward measures and strategies with clearer pathways to DSM implementation, informed by technical feasibility, customer experience, and grid value demonstrated through prior evaluations. The Program Development Program retains flexibility to adjust evaluation scope based on findings, stakeholder input, and emerging portfolio needs.

e. 2027- 2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Program Development Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Program Development Program proposed budgets, and savings targets are discussed below in Table DSM-48. Action Plan budget includes utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-48: 2027-2029 Program Development Program Proposed Budgets, Savings Targets, and Participant Goals

Program Components	Proposed Budget (\$)
2027	
Nevada Power	
Program Development [1]	300,000
Sierra	
Program Development [1]	200,000
NV Energy	500,000
2028	
Nevada Power	
Program Development [1]	300,000
Sierra	

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Program Development [1]	200,000
NV Energy	500,000
2029	
Nevada Power	
Program Development [1]	300,000
Sierra	
Program Development [1]	200,000
NV Energy	500,000

[1] Because this Program is based on developing new technologies, cost effectiveness is not measured or required.

Table DSM-49 below has the 2027-2029 Program Development proposed budgets cost by category.

Table DSM-49: 2027-2029 Program Development Budgets Cost by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	56,808	56,808	56,808
Measurement & Verification	-	-	-
Implementation	240,958	240,958	240,958
Software	-	-	-
Education/Outreach	2,234	2,234	2,234
Incentives	-	-	-
Nevada Power Total	300,000	300,000	300,000
Sierra			
Utility Administration	45,904	45,904	45,904
Measurement & Verification	-	-	-
Implementation	152,830	152,830	152,830
Software	-	-	-
Education/Outreach	1,265	1,265	1,265
Incentives	-	-	-
Sierra Total	200,000	200,000	200,000
NV Energy			
Utility Administration	102,713	102,713	102,713
Measurement & Verification	-	-	-
Implementation	393,788	393,788	393,788
Software	-	-	-
Education/Outreach	3,499	3,499	3,499
Incentives	-	-	-
NV Energy Total	500,000	500,000	500,000

(2) 2027–2029 Program Development Program Plan Changes

The Program Development Program will continue to explore available DSM products and services by conducting small-scale evaluations of emerging technologies and delivery models that may enhance NV Energy’s existing DSM portfolio or identify opportunities for new cost-effective DSM programs. Through these evaluations, NV Energy will continue to assess complementary load-management strategies that support peak demand reductions, improved demand flexibility, and customer bill savings.

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NV Energy will continue to implement the Program Development Program through the identification, assessment, and testing of technologies, appliances, measures, and program delivery models. The Program Development Program may also evaluate additional measures for potential inclusion in existing DSM programs and, where appropriate, issue requests for information to solicit new ideas or solutions. Program Development activities will continue to target residential, small, medium, and large commercial, industrial, and agricultural customers in both Nevada Power and Sierra service territories. The Program Development Program will also continue to prioritize technologies and services with potential benefits for low-income and underserved communities.

Program Development evaluations will continue to be selected and ranked through a prioritization framework and pursued based on available Program budgets.

f. Program Cost Benefit Analysis

Because this Program Development Program is based on developing new technologies, program cost benefit analysis is not included in the Program Data Sheet.

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Section 7 – Residential Services Programs

A. Residential Services Overview

The Residential Services program category offers a bundled set of products and services designed to reach the vast majority of NV Energy's residential electric customers across Nevada's varied geographic locations and climate zones. Programs are implemented in an integrated fashion, enabling customers to participate in and benefit from one or more offerings simultaneously.

The Residential Services program category focuses on educating customers about energy efficiency, while providing accessible pathways for long-term reductions in energy use. Programs are designed to reach thousands of customers annually.

During 2025, the Residential Services program category included: Home Energy Saver, Residential HVAC and Heat Pumps, Residential Codes and New Construction, Low Income, Energy Assessment and Direct Install, and Residential DR.

For the 2027–2029 Action Plan period, the proposed Residential Services program category includes: Home Energy Saver, Residential HVAC and Heat Pumps, Low Income, and Energy Assessment and Direct Install with Residential DR moving to the DR program category.

The proposed Residential Services budgets, energy (kWh) savings, and demand (kW) savings for the 2027–2029 period are provided in Table DSM-50.

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Table DSM-50: 2027-2029 Residential Services Proposed Budgets and Savings Targets

Programs	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)
Nevada Power	2027			2028			2029		
Energy Assessments & Direct Install	1,600,000	884	4,200,000	1,733,000	957	4,200,000	1,906,000	1,053	4,200,000
Res HVAC & Heat Pumps	2,620,000	4,348	4,200,000	2,882,000	4,783	4,200,000	3,171,000	5,262	4,200,000
Home Energy Saver	2,089,000	1,838	5,600,000	2,298,000	2,022	5,600,000	2,528,000	2,224	5,600,000
Low Income	3,692,000	571	452,000	4,080,000	584	452,000	4,506,000	598	452,000
Residential Services Total	10,001,000	7,641	14,452,000	10,993,000	8,346	14,452,000	12,111,000	9,137	14,452,000
Sierra	2027			2028			2029		
Energy Assessments & Direct Install	429,000	68	660,000	472,000	75	660,000	519,000	82	660,000
Res HVAC & Heat Pumps	745,000	650	543,000	820,000	770	543,000	902,000	847	543,000
Home Energy Saver	861,000	370	3,500,000	947,000	407	3,500,000	1,042,000	448	3,500,000
Low Income	1,126,000	162	151,000	1,211,000	169	151,000	1,334,000	168	151,000
Residential Services Total	3,161,000	1,250	4,854,000	3,450,000	1,421	4,854,000	3,797,000	1,545	4,854,000
NV Energy	2027			2028			2029		
Energy Assessments & Direct Install	2,029,000	952	4,860,000	2,205,000	1,032	4,860,000	2,425,000	1,135	4,860,000
Res HVAC & Heat Pumps	3,365,000	4,998	4,743,000	3,702,000	5,553	4,743,000	4,073,000	6,109	4,743,000
Home Energy Saver	2,950,000	2,208	9,100,000	3,245,000	2,429	9,100,000	3,570,000	2,672	9,100,000
Low Income	4,818,000	733	603,000	5,291,000	753	603,000	5,840,000	766	603,000
Residential Services Total	13,162,000	8,891	19,306,000	14,443,000	9,767	19,306,000	15,908,000	10,682	19,306,000

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1. Home Energy Saver

a. Home Energy Saver - At a Glance

NV Energy’s Home Energy Saver Program (“HES Program”) supports residential customers in reducing energy consumption by offering incentives for measures that address common household energy loads. Eligible measures include appliances, engine block heater controllers, electronics, and pool pumps, with an emphasis on cost-effective technologies that deliver measurable energy savings.

b. HES – Program Description

(1) Overview

The HES Program assists residential customers in reducing energy use through upstream and midstream incentives for HES Program components that target residential energy loads. The Program is made of two components: Residential Appliances and Pool Pump Calibration.

Retail Appliances and Products

This HES Program component supports replacing customers’ older appliances with new efficient appliances. A curated set of common household ENERGY STAR® rated appliances and electronic plug load devices promoted and incentivized by the HES Program are offered in the Nevada Power and Sierra territories through participating retailers and delivered to customers at the point of purchase as instant product discounts. The products offered through the Program are designed to encourage NV Energy customers to purchase and install energy efficient measures in homes. To reach income-qualified customers, the HES Program has intentionally recruited popular retail outlets that cater to economy and bargain shoppers.

The retail appliance incentives also provide opportunities to support the Residential DR program by including ENERGY STAR® Plus (+) connected appliances that can communicate with the utility. These appliances may include, for example, refrigerators, clothes washers, clothes dryers, room air conditioners, and variable speed pool pumps. These appliances can communicate with the utility in order to participate in DR programs, where applicable.

Pool Pump Calibration

The Pool Pump Calibration component provides pool pump calibration incentives to residential customers who calibrate variable speed pool pump to operational settings that can increase the energy efficiency of the pump’s operation. This calibration is performed by an authorized NV Energy contractor.

Winterization calibrations are performed between September 1 and November 15 and are calibrated for winter operations. The pump controllers are set to achieve fewer turnovers with shorter duration high speed operations.

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Peak avoidance calibrations are performed between April 1 and August 30. The calibrations ensure that pool pumps previously installed by the homeowner are properly calibrated by setting pump turnover rates consistent with healthy pool operation. The variable speed pump's controller is also scheduled to avoid any high-speed operation during the utility peak hours.

(2) Enrollment Requirements

Retail Appliances and Products

- The home where the new equipment is being installed must be located within the NV Energy service territory.
- The home must be a residential single-family or multifamily home with four units or fewer per foundation.
- The home must have a current residential account/rate code with the utility. Commercial accounts are not eligible for this program.

Pool Pump Calibration

- The customer's pool pump must be an existing variable speed pool pump.
- The pool pump must have been installed for a minimum of 12 months.
- For peak avoidance calibration, the customer must not have participated in any pool calibration offerings in the past.

(3) Participation Requirements

Retail Appliances and Products

- Purchases must be made in-store at participating retailers.
- Engine block heater controls can be shipped directly to the customer.

Pool Pump Calibration

- Customers must have a variable speed pool pump.
- Customers must use a participating pool pump calibration contractor.

(4) Participation Agreement Term

Customers must be active NV Energy residential account holders to participate. Customers who receive a peak avoidance calibration can receive a winterization calibration in the same and subsequent years. Customers are only eligible for one winterization calibration per year.

(5) Marketing Strategy

Direct customer acquisition occurs through the Companies' website and the point of sale in retail stores for air appliances, purifiers, clothes washers, and advanced power strips. The engine block heater control was marketed in the northern territory to customers by email. The Company will

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include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) HES Program Benefits

Retail Appliances and Products

Incentives are provided for the following measures:

- ENERGY STAR® Air Purifiers
- ENERGY STAR® Clothes Washers and Dryers
- ENERGY STAR® Refrigerators
- Advanced Power Strips
- Engine Block Heater Controllers

Pool Pump Calibration

- Pool pumps are calibrated to circulate water at an appropriate speed based on the specific size of the customer’s pool.
- Energy and utility bill savings.
- Specifically, for the Peak Avoidance Calibration, it supports new participants reducing energy load during peak summer hours, which supports grid resiliency and savings.

c. 2025 HES Results

This section summarizes the overall results and activities of the 2025 HES Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

For the 2025 Prior Year, the expenditures, demand, energy savings, and participating unit results for the REPL program are provided in Table DSM-51 below.

Table DSM-51: 2025 Home Energy Saver Expenditures, Savings, and Unit Results

Program Components	Program Budget (\$)			kWh Savings			kW Savings			Units		
	Authorized	Actual	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Home Energy Saver [1]	2,595,000	2,906,692	12	9,000,000	10,012,823	11	-	2,472	-22,865	33,382	46	
Sierra												
Home Energy Saver [1]	1,070,000	1,136,853	6	5,000,000	4,250,837	(15)	-	466	-35,777	23,602	(34)	
NV Energy Total	3,665,000	4,043,545	10	14,000,000	14,263,660	2	-	2,937	-58,642	56,984	(3)	

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The reason the HES Program exceeded budget in Sierra was due to increased residential retail appliances added to the HES Program’s measure mix.

The reason the HES Program exceeded budget in Nevada Power was due to allocating more budget to the HES Program due to increased customer interest. Due to the increase in budget, the HES Program exceeded target and was able to offer more services to customers.

(2) Results by Cost Category

The HES Program’s 2025 actual expenditures are further broken down into cost categories including: utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebate categories. The HES Program’s costs are also separated by service territory below in Table DSM-52.

Table DSM-52: 2025 Home Energy Saver Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	206,816
Measurement & Verification	47,784
Implementation	1,768,338
Software	-
Education/Outreach	51,976
Incentives	831,778
Nevada Power Total	2,906,692
Sierra	
Utility Administration	78,012
Measurement & Verification	23,678
Implementation	421,232
Software	-
Education/Outreach	44,677
Incentives	569,253
Sierra Total	1,136,853
NV Energy	
Utility Administration	284,828
Measurement & Verification	71,461
Implementation	2,189,571
Software	-
Education/Outreach	96,654
Incentives	1,401,031
NV Energy Total	4,043,545

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(3) 2025 Home Energy Saver Overall Results and Activities

The program exceeded its savings goal in the south due to strong customer participation.

Retail Appliances

The HES Program engaged in a cross section of popular big box retailers, bargain store chains, and custom appliance stores to build a selection of retail choices for customers. The list of ENERGY STAR® certified rated measures offered in 2025 included: air purifiers, clothes washers, and refrigerators. Engine block heater controllers were added and offered only to customers in the northern service territory. An advanced power strip was included in the measure list and intentionally offered through the Dollar Tree and Goodwill retail chains in efforts to reach income qualified customers.

Pool Pump Installation and Calibration

Pool pump calibrations continued as a viable measure in 2025. Two offerings were provided free to customers who had variable speed pumps: peak avoidance calibrations and winterization calibrations. Peak-avoidance calibrations were incentivized from April 1 through August 30, and winterization calibrations were incentivized from September 1 through November 15.

(4) 2025 Home Energy Saver Lessons Learned and Recommendations

Retail Appliance

- NV Energy provided education to the customers on the new engine block heater controller measure through customer engagement campaigns.
- NV Energy explored more cost-effective types of residential retail appliance measures offered through the brick-and-mortar retail channel and the Powershift Smart Shop Online Marketplace.
- Efforts were made to add more residential retail appliance measures, like the ductless heat pump; however, a decision was made to accept this as a measure under the residential HVAC and heat pump program, due to the possible variations of installation requirements that would require an EPA card and C-1 contractor's license that homeowner's do not typically obtain and that HVAC contractor do.
- The list of energy efficiency measures qualifying for incentives was based on a balance between cost effectiveness and what customers are willing to purchase. For example, the Smart Plug was cost effective, but not a popular item.

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Pool Pump Installation and Calibration

- Improved processes were established to track pre-calibration dates of the pool pumps to verify the recalibration is not taking place within the previous effective useful life, which was achieved by developing a list of pool owners and calibration dates.
- Ongoing relationships with pool pump manufacturers and suppliers are key to program success. Increased efforts were made to include these stakeholders in program planning.
- More on-site quality assurance visits were scheduled to inspect pool pump calibrations and ensure the calibration work is completed by the expert implementation contractor.

d. 2026 Home Energy Saver Program Current Year

This section summarizes the overall approved goals and activities of the HES Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Home Energy Saver Budgets, Savings Target, and Unit Goals

For the 2026 Current Year, the authorized budgets, projected energy savings target, and unit goal for the HES Program are provided in Table DSM-53 below.

Table DSM-53: 2026 Home Energy Saver Budgets, Savings Target, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power				
Home Energy Saver	2,595,000	1,798	8,000,000	20,323
Sierra				
Home Energy Saver	1,070,000	891	5,000,000	35,777
NV Energy	3,665,000	2,689	13,000,000	56,100

(2) 2026 Home Energy Saver Plan Current Year Changes

Retail Appliances

Prior to implementation of the 2026 HES Program, the performance, outcomes, measurement and evaluation recommendations and lessons-learned from the 2025 HES Program allowed the Companies to adjust accordingly. Adjustments made to measures’ incentive levels and the measure mix are expected to result in cost-effectiveness improvements and increased overall customer satisfaction with the HES Program.

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Pool Pump Measures

The HES Program continues to deploy peak load and winterization pool pump calibration measures.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the HES Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The proposed 2027-2029 plan for the HES Program builds upon the existing 2026 program. Proposed budgets, savings targets, and unit goals for the HES Program are detailed in Table DSM-54 below.

Table DSM-54: 2027-2029 Home Energy Saver Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Home Energy Saver	2,089,000	1,838	5,600,000	14,724
Sierra				
Home Energy Saver	861,000	370	3,500,000	25,034
NV Energy	2,950,000	2,208	9,100,000	39,758
2028				
Nevada Power				
Home Energy Saver	2,298,000	2,022	5,600,000	14,724
Sierra				
Home Energy Saver	947,000	407	3,500,000	25,034
NV Energy	3,245,000	2,429	9,100,000	39,758
2029				
Nevada Power				
Home Energy Saver	2,528,000	2,224	5,600,000	14,724
Sierra				
Home Energy Saver	1,042,000	448	3,500,000	25,034
NV Energy	3,570,000	2,672	9,100,000	39,758

Table DSM-55 below has the 2027-2029 HES proposed budgets cost by category.

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Table DSM-55: 2027-2029 Home Energy Saver Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	154,143	169,565	186,536
Measurement & Verification	35,614	39,177	43,098
Implementation	1,231,113	1,354,283	1,489,830
Software	-	-	-
Education/Outreach	48,191	53,012	58,318
Incentives	619,939	681,962	750,218
Nevada Power Total	2,089,000	2,298,000	2,528,000
Sierra			
Utility Administration	62,509	68,752	75,649
Measurement & Verification	18,972	20,867	22,961
Implementation	297,758	327,499	360,353
Software	-	-	-
Education/Outreach	25,637	28,198	31,026
Incentives	456,124	501,684	552,011
Sierra Total	861,000	947,000	1,042,000
NV Energy			
Utility Administration	216,652	238,318	262,186
Measurement & Verification	54,586	60,044	66,059
Implementation	1,528,871	1,681,782	1,850,182
Software	-	-	-
Education/Outreach	73,828	81,210	89,344
Incentives	1,076,063	1,183,646	1,302,229
NV Energy Total	2,950,000	3,245,000	3,570,000

(2) 2027-2029 Home Energy Saver Plan and Plan Changes

During the Action Plan period, the HES Program will consist of two existing program offerings: retail appliance incentives and pool pump calibration incentives.

Retail Appliance

This program component is a continuation of the 2026 version of the HES Program, as described previously. It offers incentives for replacing participating customers' older appliances with new ENERGY STAR rated efficient appliances. The incentives are offered by participating retailers and delivered to customers at the point of purchase as instant product discounts. To reach lower-income customers, the HES Program will intentionally recruit popular retail outlets that cater to the economy and bargain shoppers. Measures have historically included ENERGY STAR Certified clothes washers, air purifiers, refrigerators and advanced power strips, but during the action plan period, the measure list may be adjusted to include other measures, such as lighting controls and smart appliances to enable future load management and DR capabilities. Engine block heater controllers will continue to be offered only in the Sierra service territory.

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Pool Pump Calibration

This program component is a continuation of the 2026 version of the HES Program, as described previously, but will also be offered in the Sierra territory. It provides incentives to residential customers who calibrate variable speed pool pumps to operationalize settings that can increase energy efficiency of the pump's operation. Peak avoidance calibrations are scheduled to avoid high-speed operation during NV Energy's peak load hours. Winter calibrations are set to achieve fewer turnovers and shorter duration high speed operations. For the Action Plan period, this program offering may be expanded to include rebates for new pool pump measures, such as pool lighting, electric heating, and lighting controls.

f. HES Program Cost Benefit Analysis

(1) HES Measurement and Verification

The M&V report that provides third-party evaluation results is included in the Technical Appendix DSM-12.

(2) HES Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendices DSM-12.

(3) HES Measure Life

For 2025, the EUL for this program was 5.42 years for Nevada Power and 9.93 years for Sierra.

(4) HES Measure Units

A unit for the purposes of this program is an installed measure.

(5) HES Energy and Demand Savings

For 2025, the energy savings for Nevada Power was 10,012,823 kWh and for Sierra is 4,250,837 kWh across all measures.

(6) HES Incentives/Rebates

For Retail Appliances, the incentives were offered as instant rebates to customers at the point of sale through brick-and-mortar retail stores or the Powershift Smart Shop. There are no planned changes to incentives under this Program currently.

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(7) HES Incremental Costs

Incremental cost is the cost of the energy efficient measure minus the cost of the baseline measure. The base costs and incremental costs for the plug loads and appliances were based on the market costs of the currently available⁵¹ standard and ENERGY STAR® equipment for each plug load or appliance measure.

For the Residential Pool Pump component, the incremental cost is based on market studies to determine the average industry pricing for calibration services.

(8) HES Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-56, NV Energy provides the Program’s 2025 NTRC and 2027-2029 NTRC run by DSMore.

Table DSM-56: Home Energy Saver NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Home Energy Saver	0.67	0.51	0.45	0.41
Sierra				
Home Energy Saver	0.89	0.67	0.60	0.64
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Home Energy Saver	1.21	0.85	0.79	0.76
Sierra				
Home Energy Saver	1.72	1.41	1.36	1.43

(9) HES Nevada Power and Sierra Input and Output Sheets

The HES 2025 Input and Output sheets run by DSMore are provided in Technical Appendix DSM-3.

The HES 2027-2029 Output sheet run by DSMore is provided in Technical Appendix DSM-4.

⁵¹ Docket No. 23-06044, November 2, 2023, Commission Order (7)(5).

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2. Residential HVAC and Heat Pumps Program

a. Residential HVAC and Heat Pumps - At a Glance

The Residential Heating, Ventilation, and Air Conditioning (“HVAC”) and Heat Pumps program (“Res AC Program”) will continue existing activities, while expanding emphasis on the adoption of cold-climate heat pumps in Sierra territory and heat pump water heaters in both Nevada Power and Sierra territories. It will maintain incentives for air conditioning (“AC”) and heat pump replacements and tune-ups, targeting some of the highest-cost residential efficiency retrofits. The Res AC Program is offered as a standalone program to make incentive options easier for customers to identify. The Program will retain a mid-stream incentive structure with instant rebates applied directly on invoices, including higher rebate tiers for income-qualified participants.

The market potential for AC replacement is limited due to the cost of AC and heat pumps being tripled over the last few years due to the new U.S. Environmental Protection Agency’s refrigerant requirement concerning R-410A. This refrigerant operates with greater efficiency; however, it also operates under higher pressure. Redesigning these HVAC units to operate under these new pressures has increased production costs. A new energy-efficiency HVAC unit can average \$15,000.

b. Residential HVAC and Heat Pumps – Program Description

(1) Overview

The Res AC Program will continue to perform the same activities that were conducted in previous years with additional encouragement for the adoption of cold climate heat pumps in Sierra territory and heat pump water heaters in Nevada Power and Sierra territories. This includes continuing to offer incentives for AC and heat pump retrofits as well as for tune-ups. A standalone program will make it easier for participants to identify the specific incentives they are seeking when searching for financial support for high-cost energy efficiency measures. Air conditioning and heat pump replacements represent some of the highest costs for residential retrofit energy efficiency measures.

The Res AC Program will maintain a mid-stream incentive model for high efficiency AC measures by providing instant rebates listed on the invoice. Instant rebates will also continue to be higher for qualifying low-income participants for tiers 1, 2 and 3. The Res AC Program will continue to market AC tune-ups driven by outreach efforts to single family, mobile homes and multifamily properties. In addition, the Res AC Program will continue to offer increased tune-up incentives to ensure that participating contractors perform this service for income qualified customers at no charge.

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(2) Enrollment Requirements

Residential HVAC Tune-Up

- Must be an NV Energy residential customer.
- Have not received an AC tune-up in the past two years.
- Income Qualified AC Tune-Up eligibility: Customer income qualification eligibility may be verified through NV Energy. Customers who currently participate in the Nevada Energy Assistance Program are automatically eligible to receive this income qualified incentive. Customers living in affordable housing properties listed under organizations such as US Department of Housing and Urban Planning, Southern Nevada Regional Housing Authority (“SNRHA”), Reno Housing Authority (“RHA”), Nevada Rural Housing Authority (“NRHA”), Housing and Urban Development (“HUD”), and Section 8 Housing may also qualify upon documentation review. In addition, gross household income as shown below meets the eligibility for the income-qualified AC tune-up.

Residential HVAC Equipment Discounts

- The home where the new equipment is being installed must be located within the NV Energy service territory.
- The home must be a residential single-family home or town home. Multi-family units do not qualify.
- Customer income qualification eligibility will be confirmed through NV Energy.
- Customers who currently participate in the Nevada Energy Assistance Program are automatically eligible to receive a higher incentive. Customers living in affordable housing properties listed under organizations such as SNRHA, RHA, NRHA, HUD, and Section 8 Housing may also qualify for this increased incentive.

Heat Pump Water Heating

- The home where the new equipment is being installed must be located within the NV Energy service territory.
- The home must be a residential single-family home or town home. Multi-family units do not qualify.

(3) Participation Requirements

Residential HVAC Tune-Up

- Must use a PowerShift by NV Energy AC Tune-Up participating program contractor.
- Must have a central air conditioning system that is at least one year old and in good operable condition at the time of service.
- The central air conditioning system must be no larger than 5 tons; room air conditioners and mini-splits do not qualify.

Residential HVAC Equipment Discounts

- Equipment must not receive incentives from any other energy efficiency program from NV Energy.

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Heat Pump Water Heating

- The equipment must replace an electric powered water heating system. Gas-fueled water heaters are not eligible.
- Equipment must not receive incentives from any other energy efficiency program from NV Energy.
- The new electric heat pump water heater must be ENERGY STAR® certified.

(4) Participation Agreement Term

NV Energy customers can receive an eligible AC tune-up every two years. For those that are income-eligible, NV Energy will confirm eligibility. For customers who participate in the Residential HVAC equipment discounts, customers must not have received incentives from any other of NV Energy’s energy efficiency programs.

(5) Marketing Strategy

Ongoing marketing and outreach efforts will focus on all components of the program including messaging for AC tune-ups for single-family, mobile home, and multifamily customers, with enhanced incentives to ensure tune-ups are provided at no cost to income-qualified households. In addition, outreach materials will include benefits for upgrading to a heat pump water heater (“HPWH”), as well as HVAC unit replacement discounts for customers to install more efficient equipment. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) Res AC Program Benefits

Residential HVAC Tune-Up

- Customers receive an incentive for a portion of the cost of an AC tune-up if they use a qualifying contractor. Income-qualified customers receive 100 percent incentive for an AC tune-up.

Residential HVAC Equipment Discounts

Provides a solution for customers to replace old, inefficient HVAC systems with higher efficiency equipment. The Res AC Program pays incentives and provides support directly to qualifying distributors, such as incentive program reports and participating HVAC contractor program guideline training

Heat Pump Water Heating

Provides a solution for customers to replace old, inefficient water heating systems with higher efficiency equipment. The Res AC Program pays incentives and provides other types of support directly to qualifying distributors. The incentives are passed through to the contractors to customers and are shown as a discount on the final customer invoice. ENERGY STAR® Certified Electric Heat Pump Water Heater

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c. 2025 Residential HVAC and Heat Pumps Results

This section summarizes the overall results and activities of the 2025 Res AC Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The expenditure, demand and energy savings, and participant results for the Res AC Program for the 2025 Prior Year are provided in Table DSM-57 below.

Table DSM-57: 2025 Residential HVAC and Heat Pumps Expenditures, Savings, and Unit Results

Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) (%)	Target	Achieved	Variance Over (Under) (%)	Target	Achieved	Variance Over (Under) (%)	Goal	Achieved	Variance Over (Under) (%)
Nevada Power												
Residential HVAC & Heat Pumps	3,255,000	2,338,416	(28)	7,000,000	6,112,070	(13)	-	3,880	-	8,000	5,260	(34)
Sierra												
Residential HVAC & Heat Pumps	950,000	570,483	(40)	775,000	243,237	(69)	-	504	-	2,015	1,468	(27)
NV Energy Total	4,205,000	2,908,900	(31)	7,775,000	6,355,307	(18)	-	4,383	-	10,015	6,728	(33)

For the Res AC Program, the primary reason for underspend and reduced kWh savings across both service territories was lower-than-expected participation rates primarily due to the high unit cost of an air conditioning unit compared to previous years.

In Nevada Power, the Res AC Program reached 87 percent of kWh target, while spending 72 percent of the budget. This was achieved by having 86 percent of all measures being HVAC tune ups, which is the most cost-effective energy efficiency measure under this program.

In Sierra, 75 percent of all measures were HVAC tune ups, which is the most cost-effective energy efficiency measure under this program.

(2) Results by Cost Category

The Res AC Program’s 2025 budget and actual expenditure results are further broken down into utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebate categories by service territory below in Table DSM-58.

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Table DSM-58: 2025 Residential HVAC and Heat Pumps Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	235,807
Measurement & Verification	53,108
Implementation	709,510
Software	-
Education/Outreach	101,863
Incentives	1,238,128
Nevada Power Total	2,338,416
Sierra	
Utility Administration	62,538
Measurement & Verification	24,396
Implementation	116,679
Software	-
Education/Outreach	30,612
Incentives	336,258
Sierra Total	570,483
NV Energy	
Utility Administration	298,345
Measurement & Verification	77,504
Implementation	826,189
Software	-
Education/Outreach	132,475
Incentives	1,574,386
NV Energy Total	2,908,900

(3) 2025 Residential HVAC and Heat Pumps Overall Results and Activities

Incentives were paid for high efficiency AC and heat pump units with an additional incentive amount to income-qualified customers, as well as for tune ups. New offerings under this program for 2025 included heat pump water heaters. Participating HVAC contractors had the proper license to install this technology as opposed to an upstream retail store where a customer could purchase the unit and hire the HVAC contractor separately to perform the installation.

As directed by the Commission in Docket No. 24-05041, NV Energy was authorized to provide incentives in the amount of \$2,500 to 100 customers in Sierra for cold climate heat pump replacement. Company outreach efforts were focused on all electric customers for which fuel switching would not be an issue. However, eligible participants could not be identified. To support data collection on the effectiveness of CCHP incentives, NV Energy expanded eligibility and approved incentives for 17 northern Nevada households that installed cold climate heat pumps while continuing to use their existing natural gas furnaces. Final savings totals, based on the 17 dual fuel heat pumps sold under the Res AC Program, showed a net increase in electrical load (kWh) and a reduction in natural gas (therms) during the heating season. .

The greatest number of measures sold under this program were tune ups, since the incentives were high relative to the cost of the tune up service. Costs of AC and heat pumps replacement measures were notably higher this program year, mainly due to the transition to the refrigerant R-410A.

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Units must be reinforced to withstand the higher operating pressures required by the new refrigerant, which led to a higher cost.

In 2025, the implementation contractor increased on-site quality assurance inspections for residential AC and heat pump replacements and tune-ups.

(4) 2025 Residential HVAC and Heat Pumps Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years:

- Ex-ante kWh savings were improved by using the average ex-post kWh saving per unit from the previous year. Ex-ante savings can vary based on the actual average size of units replaced from one year to the next, yearly weather changes and any changes to the minimum federal efficiencies.
- Incremental costs have substantially increased relative to the saving due to the higher cost of manufacturing the units, which has made the HVAC unit out of reach of some income qualified families.
- The implementation contractor increased on-site quality assurance inspections for the residential AC and heat pump replacements and tune-ups due to increased administrative errors by participating HVAC contractors
- Even though the ex-ante savings estimates for cold climate heat pumps showed electrical savings, the units with natural gas furnaces were far more popular due to their superior supply of air temperature. NV Energy added dual fuel head pump to the incentive list of energy efficiency measures.
- Though the initial calculations for the dual fuel version of the cold climate heat pump showed savings in the cooling season, the calculations based on the first 10 units sold under this program also showed an increase in electrical load (kWh usage) in the heating season. This means customers would see an annual decrease in natural gas usage (therm savings); however, they would also see an annual net increase in electrical usage, from the baseline units meeting minimum federal standards. The Res AC Program continued to work with the third-party evaluation, M&V engineers to confirm actual savings over calculated savings containing baseline assumption.
- Market feedback from non-participating replacement contractors identified low incentive levels as the primary reason for opting out by contractors. The program implementer recommended increasing incentive levels for eligible HVAC equipment.

d. 2026 Residential HVAC and Heat Pumps Program Current Year

This section summarizes the overall approved goals and activities of the Res AC Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

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(1) Residential HVAC and Heat Pumps Budgets, Savings Target, and Unit Goals

The authorized budget, projected energy savings, and unit goals for the Res AC Program during the 2026 Current Year are provided in Table DSM-59 below.

Table DSM-59: 2026 Residential HVAC and Heat Pumps Budgets, Savings Target, and Unit Goals

Program	Budget (\$)	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power			
Residential HVAC & Heat Pumps	3,255,000	6,000,000	6,857
Sierra			
Residential HVAC & Heat Pumps	925,000	775,000	2,015
NV Energy			
Residential HVAC & Heat Pumps	4,180,000	6,775,000	8,872

(2) 2026 Residential HVAC and Heat Pumps Current Year Changes

The following are the Res AC Program plan changes that are being implemented during the 2026 Current Year:

The Res AC Program is continuing to offer AC, heat pump, tune up and heat pump water heating incentives.

Incentives for the all-electric versions of cold climate heat pumps are being increased due to the higher cost relative to a standing heat pump and will only be offered to all electric customers.

The preliminary calculated savings for the dual-fuel version of cold climate heat pumps suggest an increase in electrical load, but they do have some savings in therms (i.e., natural gas). Collaboration with NV Energy’s third-party evaluation, M&V contractor will continue to quantify measure savings.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Res AC Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Residential HVAC and Heat Pumps program proposed budgets, savings targets, and unit goals for the Res AC Program are discussed in Table DSM-60.

The Res AC Program’s budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

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Table DSM-60: 2027-2029 Residential HVAC and Heat Pumps Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Residential HVAC & Heat Pumps	2,620,000	4,348	4,200,000	4,476
Sierra				
Residential HVAC & Heat Pumps	745,000	650	543,000	1,501
NV Energy	3,365,000	4,998	4,743,000	5,977
2028				
Nevada Power				
Residential HVAC & Heat Pumps	2,882,000	4,783	4,200,000	4,476
Sierra				
Residential HVAC & Heat Pumps	820,000	770	543,000	1,501
NV Energy	3,702,000	5,553	4,743,000	5,977
2029				
Nevada Power				
Residential HVAC & Heat Pumps	3,171,000	5,262	4,200,000	4,476
Sierra				
Residential HVAC & Heat Pumps	902,000	847	543,000	1,501
NV Energy	4,073,000	6,109	4,743,000	5,977

Table DSM-61 below has the 2027-2029 Residential HVAC and Heat Pumps proposed budgets cost by category.

Table DSM-61: 2027-2029 Residential HVAC and Heat Pumps Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	264,202	290,623	319,765
Measurement & Verification	59,503	65,454	72,017
Implementation	794,947	874,442	962,129
Software	-	-	-
Education/Outreach	114,129	125,542	138,131
Incentives	1,387,219	1,525,940	1,678,958
Nevada Power Total	2,620,000	2,882,000	3,171,000
Sierra			
Utility Administration	81,669	89,891	98,880
Measurement & Verification	31,859	35,067	38,573
Implementation	152,373	167,712	184,483
Software	-	-	-
Education/Outreach	39,977	44,001	48,401
Incentives	439,123	483,330	531,663
Sierra Total	745,000	820,000	902,000
NV Energy			
Utility Administration	345,871	380,513	418,645

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Measurement & Verification	91,363	100,520	110,590
Implementation	947,319	1,042,154	1,146,612
Software	-	-	-
Education/Outreach	154,106	169,543	186,532
Incentives	1,826,341	2,009,270	2,210,621
NV Energy Total	3,365,000	3,702,000	4,073,000

(2) 2027-2029 Residential HVAC and Heat Pumps Plan and Plan Changes

The following are the Res AC Program plan changes that will be implemented during the 2027-2029 program plan:

The Res AC Program will continue to provide incentives to replace old, inefficient HVAC and heat pump systems with higher efficiency equipment and provide tune-ups for existing equipment. The Res AC Program will pay incentives and provide support directly to qualifying distributors. Incentives will continue to pass through contractors to participating customers and will still be shown as a discount on the final customer invoice. In addition, distributors and wholesalers will continue to pre-qualify customers and verify that the selected equipment is eligible at the point of sale and apply instant incentives.

NV Energy will continue to include heat pump water heaters because contractors who already participate in the Res AC Program are also qualified and trained to perform heat pump water heater installations. The Res AC Program will also leverage its existing trade ally network to recruit, enroll, train and certify a network of contractors and service technicians to install heat pump water heaters. The Res AC Program will continue to provide incentives for cold climate heat pumps in Sierra.

The Res AC Program will coordinate marketing and outreach strategies with the Home Energy Saver program, as appropriate. In addition, In-Home Energy Assessments will continue to be used to identify prime candidates for participating in either a tune-up or HVAC or heat pump retrofit. Home energy advisors will receive training on how to channel eligible customers in need of HVAC upgrades and tune-ups into the Res AC Program and connect customers with a qualified trade ally.

f. Program Cost Benefit Analysis

(1) Residential HVAC and Heat Pumps Program Measurement and Verification

The M&V report that provides the third-party evaluation results is found in the Technical Appendix DSM-12.

(2) Residential HVAC and Heat Pumps Program Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendix DSM-12.

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(3) Residential AC and Heat Pumps Program Measure Life

The EUL for the Res AC Program in 2025 is 5.24 years for Nevada Power and 2.22 for Sierra.

(4) Residential AC and Heat Pumps Program Measure Units

The Res AC Program is measured in participants.

(5) Residential AC and Heat Pumps Program Energy and Demand Savings

The energy savings for the Res AC Program in 2025 are 6,112,070 kWh for Nevada Power and 243,237 kWh for Sierra.

(6) Residential AC and Heat Pumps Program Incentives/Rebates

The Residential HVAC and Heat Pump program offers incentives for all residential customers, including income qualified customers. Measures will use a mid-stream incentive model. The incentives will either be paid to the installer upon submission of the final invoice after installation or the incentives will be disbursed to distributors who were required to pass through 100 percent of the incentive amount to the Res AC Program participant. Rebates will be increased if the participant is a qualifying low-income participant.

(7) Residential HVAC and Heat Pumps Program Incremental Costs

For the Res AC Program, there are incremental costs for retrofitting equipment for AC replacement, AC tune up, heat pump replacement, heat pump tune up, and heat pump water heater. Incremental cost is equal to the full cost of the higher-efficiency system minus the full cost of a new base-efficiency system, or the cost of an AC tune-up derived from industry survey data minus the average cost of incentives paid during the program year.

(8) Residential AC and Heat Pumps Program Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-62, NV Energy provides the Res AC Program’s 2025 NTRC and projected 2027-2029 NTRC run by DSMore.

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Table DSM-62: Residential HVAC and Heat Pumps NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Residential HVAC & Heat Pumps	1.38	0.80	0.72	0.66
Sierra				
Residential HVAC & Heat Pumps	0.35	1.11	1.12	1.02
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Residential HVAC & Heat Pumps	1.87	1.12	1.04	0.99
Sierra				
Residential HVAC & Heat Pumps	0.40	1.28	1.30	1.21

(9) Residential AC and Heat Pumps Program Nevada Power and Sierra Input and Output Sheets

The Residential AC and Heat Pumps 2025 Input and Output sheets run by DSMore are provided in Technical Appendix DSM-3.

The Residential AC and Heat Pumps 2027-2029 Output sheet run by DSMore is provided in Technical Appendix DSM-4.

3. Residential Codes and New Construction Program

a. Residential Codes and New Construction - At a Glance

The Residential Codes & New Construction program (“Codes & NC Program”) drives energy savings by advancing above-code construction practices and supporting compliance with evolving building energy codes, ensuring that new homes are built to higher efficiency standards from the outset.

Market potential in the Codes & NC Program began to subside, beginning in 2025 as home builders improved building to higher code standards and savings were not as prevalent. As such, the Companies are not proposing this Codes & NC Program during the Action Plan period.

The primary risks include variability in housing starts impacting participation, code compliance challenges, 45L Tax Credit expiring on June 30, 2026, and limited builder adoption of above-code measures. To mitigate these risks, the Companies are proactively enhancing builder outreach and incentive structure, improving coordination with code officials and industry stakeholders, strengthening quality control and data validation processes, and simplifying program design to reduce participation barriers and increase adoption.

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b. Residential Codes and New Construction – Program Description

(1) Overview

The Codes & NC Program provides support to the residential new construction market to increase the energy efficiency of Nevada homes. Residential customers benefit through lower energy bills, increased comfort, fewer maintenance concerns, and higher resale values.

The Codes & NC Program consists of two separate but complementary components: (1) New Construction component, which is offered to NV Energy customers in the southern territory and (2) Residential Codes component, which is offered in both territories.

New Construction

For the New Construction component, builders of single-family and multi-family homes with four units or less will receive education, technical assistance, and rebates to exceed local building energy codes.

An energy rating evaluation is completed on each home by a residential energy services network (“RESNET”) certified Home Energy Rating System auditor. To qualify for a rebate, homes must achieve a Home Energy Rating System index score ten points lower than that required by local building codes. Lower Home Energy Rating System index scores indicate higher energy efficiency. Rebates are paid directly to home builders in the form of a check based upon the achieved Home Energy Rating System.

As jurisdictions adopt newer codes, the minimum qualifying Home Energy Rating System scores for this program are also updated. Energy savings are determined by comparing the difference in energy usage between a baseline home that meets minimum local code and a treatment group home that is built to meet the higher energy efficiency standards of the Codes & NC Program. An implementation contractor works with builders, Home Energy Rating System raters, and other market actors to enroll customers in the Codes & NC Program, conduct Home Energy Rating System evaluations, determine incentive eligibility, calculate savings, and provide robust quality assurance and control.

Residential Codes

The Residential Codes component is different than a traditional energy efficiency program in that there are no specific “participants.” Instead, education and training activities provided by this program are intended to support code officials, designers, and builders to guide the entire market toward adoption of new energy efficiency standards in building codes. As such, savings are based on the volume of new construction in the entire service territory. The Codes & NC Program goals are to increase energy code compliance and support local communities in adopting new codes more frequently. The Codes & NC Program activities are designed to complement the activities of other organizations and provide support in areas stakeholders identified as barriers to increased compliance and adoption.

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The Residential Codes component, administered in close collaboration with other entities, provides on-site topical training. More focus is given during training on specific areas of the energy code with low compliance.

(2) Enrollment Requirements

To enroll in the Codes & NC Program a customer must:

New Construction

New construction builders who are building single-family or multifamily homes up to 4 units per foundation. Home must achieve ENERGY STAR® Certification.

Residential Codes

All new construction builders are eligible to get topical training and support.

(3) Participation Requirements

To participate in the Codes & NC Program a customer must:

New Construction

To qualify for a rebate, homes must achieve a Home Energy Rating System index score of ten points lower than that required by local building codes. Lower Home Energy Rating System index scores indicate higher energy efficiency.

Residential Codes

The Codes component applies universally across the new construction market. As compliance with adopted energy codes is mandatory for all builders, the Codes & NC Program is structured to support the full builder population within the service territory. Codes & NC Program activities focus on education, technical assistance, and compliance support to ensure consistent and effective code implementation.

(4) Participation Agreement Term

New Construction builders must build energy-efficient homes and can take advantage of rebates to offset construction costs for new homes that are ten points lower on the Home Energy Rating System index.

(5) Marketing Strategy

The marketing strategy for the Program focuses on targeted outreach and education to key market actors to drive above-code construction and improve energy code compliance. For the New Construction component, marketing efforts prioritize direct engagement with residential builders and Home Energy Rating System raters through trade associations, targeted meetings, and builder-focused materials that clearly communicate program requirements, incentive opportunities, and the benefits of high-performance construction. For the Residential Codes

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component, the strategy emphasizes statewide coordination by delivering training and workshops that address known barriers to code adoption and enforcement.

(6) Program Benefits

This section outlines the benefits customers receive through participation in the Program, including incentives, services, and energy-saving opportunities.

New Construction

The Codes & NC Program that requires homes to achieve a Home Energy Rating System Index at least ten points below local code delivers a wide range of advantages, including significantly lower energy bills for homeowners, improved comfort through better insulation and tighter building envelopes, and healthier indoor air thanks to enhanced ventilation and reduced leakage. These higher-performing homes also tend to command greater market value and sell more quickly, while reducing environmental impact through lower energy consumption and fewer emissions. Builders gain strong market differentiation and access to potential incentives such as rebates or tax credits, and third-party Home Energy Rating System verification ensures consistent construction quality. At the community level, more efficient homes help reduce peak energy demand, support grid reliability, and prepare both builders and homeowners for future, more stringent energy codes. Rebates are paid directly to home builders in the form of a check based upon the achieved Home Energy Rating System rating.

Residential Codes

The Codes component delivers broad, market-wide benefits by supporting consistent compliance with adopted energy codes across all new construction activities. Through education, training, and technical assistance, the program reduces compliance barriers, improves code understanding, and promotes uniform enforcement. These efforts result in measurable energy savings, increased construction quality, and reduced performance variability across buildings. Additionally, the program supports market transformation by advancing baseline efficiency standards, preparing the market for future code updates, and minimizing the need for downstream program intervention. By influencing the entire builder ecosystem, the Codes component ensures that energy efficiency gains are achieved at scale, providing cost-effective savings, long-term persistence, and equitable access to program resources across all market participants.

c. 2025 Residential Codes and New Construction Results

This section summarizes the overall results and activities of the 2025 Codes & NC Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

For the 2025 Prior Year, the expenditures, demand and energy savings, and participant results for the Codes & NC Program are provided in Table DSM-63 below.

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Table DSM-63: 2025 Residential Codes and New Construction Expenditures, Savings, and Unit Results

Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) (%)	Target	Achieved	Variance Over (Under) (%)	Target	Achieved	Variance Over (Under) (%)	Goal	Achieved	Variance Over (Under) (%)
Nevada Power												
Residential Codes & New Construction	1,588,000	1,261,553	(21)	7,000,000	5,119,568	(27)	-	1,844	-	3,821	2,917	(24)
Sierra												
Residential Codes & New Construction	45,000	17,023	(62)	-	-	-	-	-	-	-	-	-
NV Energy Total	1,633,000	1,278,577	(22)	7,000,000	5,119,568	(27)	-	1,844	-3,821	2,917	(24)	

The Codes & NC Program in Nevada Power was under budget because builders were more frequently constructing homes that meet or exceed current code requirements. As a result, program participation was lower than projected. This is influenced in part by uncertainties related to tariffs on building materials and the need for builders to remain financially competitive in the market.

The Codes & NC Program did not meet its savings target because the new-home market in Las Vegas has slowed as well as adhering to new home building codes making building above the code cost prohibitive. With a surplus of available homes, builders have focused on reducing costs and are less inclined to construct above code, which led to fewer project submissions than expected.

(2) Results by Cost Category

The Codes & NC Program’s 2025 budget and actual expenditure results are further broken down into cost categories, including utility administration, M&V, implementation contractor, software, education and outreach, and incentives and/or rebates categories by service territory below in Table DSM-64.

Table DSM-64: 2025 Residential Codes and New Construction Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	127,329
Measurement & Verification	28,934
Implementation	838,735
Software	-
Education/Outreach	50,855
Incentives	215,700
Nevada Power Total	1,261,553
Sierra	
Utility Administration	125

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Measurement & Verification	579
Implementation	10,415
Software	-
Education/Outreach	5,905
Incentives	-
Sierra Total	17,023
NV Energy	
Utility Administration	127,453
Measurement & Verification	29,513
Implementation	849,150
Software	-
Education/Outreach	56,760
Incentives	215,700
NV Energy Total	1,278,577

(3) 2025 Residential Codes and New Construction Overall Results and Activities

New Construction activities included outreach to prominent production builders in collaboration with participating energy auditors in both Nevada Power’s and Sierra’s service territories. Builder projects were awarded energy efficiency rebates ranging from \$100 to \$500 based on the HERs energy efficiency rating of the project. New builder projects exceeded Nevada Power’s 2024 forecast and resulted in an expanded budget and energy savings in 2025.

In 2025, builder participation declined. With the housing market shifting into a buyers’ market, many homes remained for sale, and builders responded by constructing fewer new homes. The combination of limited market readiness, higher cost-benefit hurdles, and lower builder engagement made it difficult for the Codes & NC Program to gain traction.

(4) 2025 Residential Codes and New Construction Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years:

- Maintain rigorous oversight of Home Energy Rating System raters to ensure quality control of Ekotrope inputs and reports.
- Emphasized and enforced quality control procedures for Codes & NC Program tracking data; although the quality and accuracy of tracking data improved significantly in PY2025, data quality remained a high priority to ensure continued accuracy.
- Enforced the program rule that incentives were not provided for any dwelling completed more than 180 days prior to the date of its application for incentives.
- Accepted applications only for dwellings that included above-code ASHP or CAC.
- Encouraged builders to install high-efficiency mechanical ventilation measures, including ENERGY STAR® certified ventilating fans, heat recovery ventilation, and energy recovery ventilation systems, which provide significant energy savings, improve occupant comfort, and ensure healthy rates of fresh air turnover. HRV and ERV systems were emphasized for their ability to maximize energy savings by transferring heat—and, in the case of ERVs, moisture—between incoming and outgoing airstreams.
- Promoted lighting controls to optimize energy savings from lighting measures.
- Ensured that the Codes & NC Program achieved or exceeded the five-percent requirement for post-completion inspections.

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Enabled evaluators to attend and observe the Codes & NC Program’s education and training events.

d. 2026 Residential Codes and New Construction Program Current Year

This section summarizes the overall approved goals and activities of the Codes & NC Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Residential Codes and New Construction Budgets, Savings Target, and Unit Goals

The authorized budget, projected energy savings, and unit goals for the Codes & NC Program for the 2026 Current Year are provided in Table DSM-65 below.

Table DSM-65: 2026 Residential Codes and New Construction Budgets, Savings Targets, and Unit Goals

Program Components	Budgets (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power				
Residential Codes & New Construction	1,588,000	1,405	7,000,000	3,821
Sierra				
Residential Codes & New Construction	45,000	10	-	-
NV Energy	1,633,000	1,415	7,000,000	3,821

The Residential Codes component continues to provide training and tools to support local builders in adopting the state code for improving energy code compliance. The Codes & NC Program design is based on selecting effective residential codes from similar programs in 12 other states and tailoring them to Nevada’s market.

The New Construction component of the Codes & NC Program continues to allow builders of single-family and multifamily homes with four units or fewer to receive education, technical assistance, and rebates to exceed local building energy codes.

(2) 2026 Residential Codes and New Construction Current Year Changes

The following are the proposed Codes & NC Program changes that are being implemented during the 2026 Current Year:

Work is continuing in the Codes component of the Codes & NC Program with additional training provided to builders and building stakeholders on IECC energy code requirements. NV Energy is modifying the incentive structure to encourage Home Energy Rating System percentage improvements greater than 10 percent.

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e. 2027-2029 Action Plan Period Proposed

The Companies are not proposing this program in the Action Plan period. Participation in the Codes & NC Program began to subside, beginning in 2025 as home builders improved building to higher code standards and savings were not as prevalent, specifically in the Nevada Power service territory.

f. Codes & NC Program Cost Benefit Analysis

(1) Residential Codes and New Construction Measurement and Verification

The M&V report that provides third-party evaluation results is included in Technical Appendix DSM-13.

(2) Residential Codes and New Construction Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendix DSM-13.

(3) Residential Codes and New Construction Measure Life

The EUL for the Codes & NC Program is 15 years.

(4) Residential Codes and New Construction Measure Units

For this program, a unit for the New Construction component is a participating single-family detached home or one unit within a multifamily building of four units or less. For the Residential Codes component, a unit is a single-family or multifamily home built with four units or less in NV Energy's service territories.

(5) Residential Codes and New Construction Energy and Demand Savings

The energy savings for the Codes & NC Program in 2025 is 5,119,568kWh for Nevada Power and zero kWh for Sierra.

(6) Residential Codes and New Construction Incentives/Rebates

The New Construction component of the Codes & NC Program provides rebates to builders who construct single-family and multifamily homes with four units or fewer that achieve a Home Energy Rating System Index Score, as established by NV Energy, lower than required by local building codes. As jurisdictions adopt newer codes, the minimum qualifying Home Energy Rating System scores will be updated. Incentive levels are in line with other residential new construction programs nationwide and set at a level to cover enough of the incremental cost to influence

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decision making.⁵² There are no proposed incentives for the Residential Codes component of the Codes & NC Program.

(7) Residential Codes and New Construction Incremental Costs

For the New Construction component, the incremental cost is the cost difference between a treatment group-built home, which must exceed the local building code by a minimum of 10 HERs percent, and the cost of a home which is minimally compliant with the local energy code.

For the Residential Codes component, there is no incremental cost. The definition of incremental cost is the difference in the cost of a base energy efficiency measure compared to the cost of a higher efficiency alternative. It represents the incremental cost that must be paid, by the customer or another party, to gain energy savings benefits from the higher efficiency measure.⁵³ Once a code is passed, it is the law or base case. Therefore, compliance with minimum code results means that there are no incremental costs.

(8) Residential Codes and New Construction Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-66, NV Energy provides the Codes & NC Program’s 2025, as well as the Codes & NC Program’s projected NTRC for 2027-2029 run by DSMore.

⁵² See Available Incentives for ENERGY STAR Certified Homes and Apartments, available at https://www.energystar.gov/partner-resources/nationwide_incentives (providing examples by utility, state and incentive program name for comparison).

⁵³ Heschong Mahone Group, Inc., Incremental Measure Costs in New Construction Programs. White Paper on Best Practices and Regulatory Issues, January 2009, available at http://www.calmac.org/publications/hmg_imc_white_paper_v3_final.pdf.

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Table DSM-66: Residential Codes and New Construction NTRC Results

NTRC Results	
Programs	2025
Nevada Power	
Residential Codes & New Construction	1.49
Sierra	
Residential Codes & New Construction	-
NTRC 2.0 Results	
Programs	2025
Nevada Power	
Residential Codes & New Construction	2.35
Sierra	
Residential Codes & New Construction	-

(9) Residential Codes and New Construction Nevada Power and Sierra Input and Output Sheets

The Residential Codes and New Construction 2025 Input and Output sheets run through by DSMore are provided in Technical Appendices DSM-3.

The Residential Codes and New Construction 2027-2029 Input and Output sheets as run through by DSMore are provided in Technical Appendices DSM-4.

4. Low Income Program

a. Low Income - At a Glance

NV Energy’s Low-Income program (“LI Program”), known as the Qualified Appliance Replacement (“QAR”) program, provides no-cost installation of ENERGY STAR®-rated appliances to income-qualified residential customers, helping reduce energy use and utility bill burden. The LI Program is designed to deliver kWh savings resulting from improved appliance efficiency. Low Income Program implementation remains largely consistent from how it has been run historically, with continued collaboration through community agencies and continuing a streamlined customer application and delivery process.

Market potential, defined by this program, considers the population of income-qualified households with aging, inefficient appliances. Participation is largely driven by program awareness, partner referrals, and application completion. The primary risks to program performance include enrollment variability, vendor capacity constraints, and customer documentation delays. NV Energy mitigates these risks through proactive coordination with community partners, vendor oversight, multiple application pathways, and direct customer support to improve application completion and installation timeliness.

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b. Low Income – Program Description

(1) Overview

The LI Program provides installation of new energy-saving appliances to qualified low-income residential customers throughout NV Energy’s service territories. The LI Program supports customers that have a higher ratio of utility bill to income and are financially unable to replace old and inefficient appliances in homes.

Eligible customers receive installation of new ENERGY STAR[®] rated qualified appliances, such as refrigerators, dishwashers, clothes washers, and electric heat pump clothes dryers, along with the advanced power strip, each identified as a measure, at no cost through the LI Program. Any appliances identified as eligible to be replaced are removed and recycled according to all applicable federal, state, and local recycling guidelines.

The LI Program is delivered in collaboration with state and local agencies and organizations across Nevada. Through NV Energy’s partnership with these public assistance programs, we expand access to lower-income and underrepresented customers who have already sought help from other organizations.

NV Energy’s residential customers can apply using different methods, such as submitting an online application accessible via a desktop computer or smartphone, mailing in a paper application, and e-mailing the PDF version of the application form. Paper application forms are available in the lobbies of NV Energy buildings or can be mailed to customers upon request.

Customers can access the Program’s customer service contacts through email or phone calls. These contacts can provide information about the LI Program and help customers access and fill out a paper application if they cannot use the internet.

Submitted applications are carefully reviewed, and customers are promptly contacted if any documentation or information is missing. Once the application is approved, NV Energy will schedule the delivery and installation of the qualified appliance, along with the removal of the old unit for proper recycling.

(2) Enrollment Requirements

To enroll in the LI Program a customer must:

- Be an NV Energy residential customer who owns or rents their single-family or multi-family residence.
Meet income eligibility requirements as defined by SB 448, Sec 13. Income levels are updated annually by the Department of Housing and Urban Development (HUD).⁵⁴

⁵⁴ Free Qualified Appliance Replacement, available at <https://www.nvenergy.com/save-with-powershift/qualified-appliance-replacement>.

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(3) Participation Requirements

To participate in the LI Program a customer must:

- Qualifying appliances to be replaced must be manufactured in or before 2013. Renters must be able to provide the property owner's written permission.

(4) Participation Agreement Term

Customers can get approved for all qualifying appliances, but they cannot get the same appliance more than once.

(5) Marketing Strategy

The LI Program implements a comprehensive engagement and outreach strategy to boost participation among income-qualified customers. This approach leverages partnerships with local community organizations, targeted customer segmentation, and multi-channel marketing efforts, including mail and email campaigns, collateral design, and survey-based evaluations. NV Energy also invests in internal training to ensure its customer engagement team and service representatives are fully equipped to communicate program benefits and assist customers effectively. Along with the Energy Education events, the LI Program attends additional events that serve income-qualified customers to ensure these customers are aware of the LI Program and benefits. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) LI Program Benefits

This section outlines the benefits customers receive through participation in the LI Program, including incentives, services, and energy-saving opportunities.

- No-cost replacement of outdated, inefficient appliances with modern, energy-saving models including:
 - ENERGY STAR® Refrigerator (top freezer)
 - ENERGY STAR® Heat Pump Clothes Dryer
 - ENERGY STAR® Clothes Washer
 - ENERGY STAR® Dishwasher
 - Tier 1 Advanced Power Strip
- New appliances come with a one-year full warranty covering both parts and labor.
- Lower monthly electricity costs for customers through improved energy efficiency and long-term savings.
- Old refrigerators often run poorly, creating food spoilage risk.
- New equipment is safer, reducing fire risk from failing appliances.
- The utility sees predictable load reduction since efficient appliances run continuously (unlike behavioral programs).
- Reduces bad debt and disconnections by lowering bills for customers most likely to struggle with payment.

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- Supports energy affordability goals for customers.

c. 2025 Low Income Results

This section summarizes the overall results and activities of the 2025 LI Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

For the 2025 Prior Year, the expenditures, demand and energy savings, and participant results for the LI Program are provided in Table DSM-67 below.

Table DSM-67: 2025 Low Income Expenditures, Savings, and Unit Results

Program	Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance (%)	Target	Achieved	Variance (%)	Target	Achieved	Variance (%)	Goal	Achieved	Variance (%)
Nevada Power												
Low Income	3,490,000	2,442,285	(30)	600,000	565,395	(6)	-	80	-	3,844	3,310	(14)
Sierra												
Low Income	1,090,000	1,043,500	(4)	213,000	199,889	(6)	-	30	-	1,683	1,177	(30)
NV Energy	4,580,000	3,485,786	(24)	813,000	765,284	(6)	-	110	-	5,527	4,487	(19)

The Companies brought the management of the program in-house to have more direct implementation control. This change helped keep the implementation costs lower than what was budgeted.

The LI Program underperformed relative to kWh savings targets in both Nevada Power and Sierra in 2025. While LI Program activity levels were strong, reflected in a record number of appliances replaced and customers served, realized energy savings were adversely affected by the younger than anticipated average vintage of the replaced appliances. This resulted in lower unit savings than those assumed in the ex-ante estimates.

(2) Results by Cost Category

The LI Program’s 2025 budget and actual expenditure results are further broken down into cost categories including utility administration, M&V, implementation contractor, software, education and outreach, and incentives and/or rebate categories by service territory below in Table DSM-68.

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Table DSM-68: 2025 Low Income Cost by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	306,155
Measurement & Verification	58,405
Implementation	1,973,110
Software	-
Education/Outreach	104,615
Incentives	-
Nevada Power Total	2,442,285
Sierra	
Utility Administration	94,449
Measurement & Verification	33,122
Implementation	927,903
Software	-
Education/Outreach	27,261
Incentives	(39,234)
Sierra Total	1,043,500
NV Energy	
Utility Administration	400,604
Measurement & Verification	91,527
Implementation	2,901,013
Software	-
Education/Outreach	131,875
Incentives	(39,234)
NV Energy Total	3,485,786

(3) 2025 Low Income Overall Results and Activities

The 2025 Prior Year marked the first full year of in-house administration for the LI Program, delivering significant improvements in customer experience and operational efficiency. Direct engagement with participants, a streamlined online application process, and strengthened quality control over appliance installations enhanced overall program performance. The transition to an online application reduced the average time from approval to installation by 50 percent, cutting the wait from 10 weeks to just five. As a result, the LI Program achieved its highest application volume to date across both northern and southern service territories.

The LI Program implemented an online customer satisfaction survey, delivered via email following the completion of each appliance installation. Feedback collected through this survey provided valuable insights that supported continuous improvement of the LI Program’s delivery, installation, and recycling processes. NV Energy also collaborated with the M&V contractor to refine the survey instrument and enhance its methodology to ensure more robust and actionable results.

The LI Program strengthened its outreach by partnering with community organizations and building relationships with property management groups serving low-income and underserved populations. These collaborations enabled the LI Program to deliver bulk appliance installations

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to multiple qualified households within shared housing communities, maximizing impact and efficiency.

The LI Program’s marketing and outreach plan continued to rely on a web-based presence on NV Energy’s website and via social media outlets. The LI Program provided collateral to community partners who could display that collateral in offices as an additional touchpoint with potential prospective participants.

The LI Program also maintained a presence at NV Energy’s sponsored public events that provided resources to lower income customers in attendance. Those public events included the Senior Energy Assistance Expos, the Family Resource Centers events, Asian and Latin Chambers of Commerce meetings, veterans supporting events, and senior and low-income targeted resources fairs. These public events also served as a venue for NV Energy to meet with prospective participants, disseminate program information, answer questions, help customers, and promote other assistance programs and DSM offerings. Additionally, bill inserts, email blasts, and postcards sent to customers participating in the bill assistance program helped to enhance customer outreach.

(4) 2025 Low Income Lessons Learned and Recommendations

The following lessons learned, or recommendations identified for consideration in 2026 Current Year:

- To help maintain a reasonable average per-unit savings in future years for the refrigerator measures, the LI Program requires that appliances to be replaced must be manufactured in or before 2013.
- NV Energy is exploring opportunities to target households with two or more occupants, as higher occupancy per household correlates with higher average energy savings per household.
- A larger-capacity heat pump dryer is being added to the approved appliance list to better serve households with higher occupancy and greater laundry needs.
- An evaluation is being done in relation to the integration of smart thermostats as part of a new Low-Income DR component, aimed at enhancing energy savings and load management during peak periods.
- NV Energy is evaluating the introduction of a small grant component to assist customers with necessary “make-ready” preparations (such as installing drain pans, washer outlet boxes, and countertop air gap holes) to ensure proper appliance installation.
- The LI Program added an ENERGY STAR® rated dishwasher and 4.8 cubic feet (cu. ft.) heat pump dryer as new entries to the LI Program’s approved appliance list.
- Appliances installed in 2025 come with a 12-months full warranty covering installation labor and parts. The warranty is provided and serviced by the LI Program’s installation and recycling contractor.

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- NV Energy conducted two weatherization pilot projects in low-income multifamily buildings located in both northern and southern service territories. Insights from these pilots will inform and shape the design of the weatherization component planned for 2026.

d. 2026 Low Income Program Current Year

This section summarizes the overall approved goals and activities of the LI Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Low Income Budgets, Savings Target, and Unit Goals

For the 2026 Current Year, the authorized budgets, projected energy savings targets, and unit goals for the LI Program are provided in Table DSM-69 below.

Table DSM-69: 2026 Low Income Budgets, Savings Target, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
Nevada Power				
Low Income	3,630,000	460	600,000	3,844
Sierra				
Low Income	1,207,000	130	213,000	1,683
NV Energy	4,837,000	590	813,000	5,527

The LI Program continues to collaborate with State and local agencies and organizations throughout Nevada. These partners and other State-based weatherization programs that serve this target population are relied on to help the LI Program qualify low-income customers for participation.

(2) 2026 Low Income Plan Current Year Changes

The following list summarizes changes to the LI Program that have been or will be implemented during the 2026 Current Year:

- In response to customer feedback in 2025, the LI Program is adding an ENERGY STAR® rated larger-capacity (7.0 cu. ft.) heat pump clothes dryer to its approved appliance list, targeting households with higher occupancy and greater laundry needs.
- The LI Program is enhancing its weatherization component based on insights gained from pilot projects conducted in 2025.
- Preparations are underway to implement required changes to the DRMS system to launch the Low-Income DR component. Additionally, the LI Program plans to introduce smart thermostats to the list of eligible measures in the second half of 2026 to improve energy savings and load management during peak periods.

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e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the LI Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Low Income proposed budgets, savings targets, and unit goals are discussed in Table DSM-70 below.

The LI Program’s budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-70: 2027-2029 Low Income Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2027				
Nevada Power				
Low Income	3,552,000	121	449,528	3,307
Low Income DR	140,000	450	2,472	450
Nevada Power Total	3,692,000	571	452,000	3,757
Sierra				
Low Income	1,034,000	32	149,500	1,496
Low Income DR	92,000	130	1,500	260
Sierra Total	1,126,000	162	151,000	1,756
NV Energy Total	4,818,000	733	603,000	5,513
2028				
Nevada Power				
Low Income	3,940,000	134	449,528	3,307
Low Income DR	140,000	450	2,472	450
Nevada Power Total	4,080,000	584	452,000	3,757
Sierra				
Low Income	1,119,000	39	149,500	1,496
Low Income DR	92,000	130	1,500	260
Sierra Total	1,211,000	169	151,000	1,756
NV Energy Total	5,291,000	753	603,000	5,513
2029				
Nevada Power				
Low Income	4,366,000	148	449,528	3,307
Low Income DR	140,000	450	2,472	450
Nevada Power Total	4,506,000	598	452,000	3,757
Sierra				
Low Income	1,242,000	38	149,500	1,496
Low Income DR	92,000	130	1,500	260
Sierra Total	1,334,000	168	151,000	1,756
NV Energy Total	5,840,000	766	603,000	5,513

Table DSM-71 below has the 2027-2029 Low Income proposed budgets cost by category.

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Table DSM-71: Low Income Proposed Budgets Costs by Category

Program Cost Description	Low Income	Low Income DR	Low Income	Low Income DR	Low Income	Low Income DR
	2027		2028		2029	
Nevada Power						
Utility Administration	454,886	-	380,155	-	541,914	-
Measurement & Verification	84,680	-	71,522	-	103,381	-
Implementation	2,884,111	138,248	3,341,106	138,248	3,535,530	138,248
Software	-	-	-	-	-	-
Education/Outreach	128,323	-	147,218	-	185,174	-
Incentives	-	1,752	-	1,752	-	1,752
Nevada Power Total	3,552,000	140,000	3,940,000	140,000	4,366,000	140,000
Low Income Total	3,692,000		4,080,000		4,506,000	
Sierra						
Utility Administration	104,357	-	103,450	-	133,747	-
Measurement & Verification	32,444	-	44,594	-	38,678	-
Implementation	870,489	91,042	942,057	91,042	1,037,741	91,042
Software	-	-	-	-	-	-
Education/Outreach	26,710	-	28,899	-	31,834	-
Incentives	-	958	-	958	-	958
Sierra Total	1,034,000	92,000	1,119,000	92,000	1,242,000	92,000
Low Income Total	1,126,000		1,211,000		1,334,000	
NV Energy						
Utility Administration	559,243	-	483,605	-	675,661	-
Measurement & Verification	117,124	-	116,116	-	142,059	-
Implementation	3,754,600	229,290	4,283,163	229,290	4,573,271	229,290
Software	-	-	-	-	-	-
Education/Outreach	155,033	-	176,116	-	217,008	-
Incentives	-	2,710	-	2,710	-	2,710
NV Energy Total	4,586,000	232,000	5,059,000	232,000	5,608,000	232,000
Low Income Total	4,818,000		5,291,000		5,840,000	

(2) 2027-2029 Low Income Plan and Plan Changes

The LI Program’s appliance replacement component will continue to offer direct installation of energy efficient measures, such as smart strips, refrigerators, dishwashers, washers, heat pump dryers, and smart thermostats. The QAR component maintains eligibility criteria in line with SB 448-2021 Section 13 and annual income levels from the Department of Housing and Urban Development, and offers direct installation of energy efficient measures, benefiting eligible customers who are seeking appliance upgrades, higher efficiency, and lower electricity bill costs.

NV Energy plans to consolidate the two new program components started in 2025 and 2026: Weatherization, based on the results from the 2025 and 2026 implementations, and a Low-Income DR.

The Weatherization component will continue to provide free measures to eligible customers, including window and door weatherstripping, window caulking, and water heater blankets with

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pipe insulation. Additional measures may be introduced based on implementation results and emerging technologies.

The LI DR component will offer the installation of smart thermostats for DR load reduction and energy savings during DR events. In return, customers will receive participation credits for energy savings achieved during DR events and for being enrolled in the program. For more information about the incentive structure, please see Section 9.B in the “Residential DR” program data sheet.

The LI Program will continue collaborating with state and local agencies and organizations throughout Nevada, including, but not limited to, the Southern Nevada Housing Authority, Nevada Rural Housing Authority, Washoe County Community Services Agency, Supportive Services for Veteran Families, Washoe County School District Family Resource Centers, and Project REACH. These partners and other state-based weatherization programs that serve this target population are relied on to help qualify low-income customers for LI Program participation.

f. Low Income Program Cost Benefit Analysis

(1) Low Income Measurement and Verification

The M&V report that provides third-party evaluation results is included in Technical Appendix DSM-14.

(2) Low Income Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendix DSM-14.

(3) Low Income Energy Measure Life

As determined in the M&V report for 2025, the EUL for this program is 12.39 years for Nevada Power and 12.47 years for Sierra.

As determined for the proposed portfolio, the EUL for Low Income DR in 2027 is 10.00 years for Nevada Power and 10.00 for Sierra, for 2028 is 10.00 years for Nevada Power and 10.00 for Sierra, and for 2029 is 10.00 for Nevada Power and 10.00 for Sierra.

(4) Low Income Measure Units

A unit is the appliance that is installed at the customer’s home.

(5) Low Income Energy and Demand Savings

The energy savings for 2025 for Nevada Power were 565,395kWh and 199,889kWh and for Sierra.

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(6) Low Income Incentives/Rebates

The LI Program does not provide incentives or rebates. Instead, qualified low-income participants are provided with appliances, products, and services at no cost.

(7) Low Income Incremental Costs

There were no incremental costs or out-of-pocket expenses for the customer in this program.

(8) Low Income Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-72, NV Energy provides the LI Program’s 2025 NTRC, as well as the LI Program’s projected NTRC for 2027-2029 run by DSMore.

Table DSM-72: Low Income NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Low Income	0.21	0.34	0.31	0.28
Sierra				
Low Income	0.17	0.27	0.25	0.24
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Low Income	0.36	0.42	0.38	0.36
Sierra				
Low Income	0.30	0.34	0.32	0.31

(9) Low Income Nevada Power and Sierra Input and Output Sheets

The Low Income 2025 Input and Output sheets run in DSMore are provided in Technical Appendix DSM-3.

The Low Income 2027-2029 Output sheets run in DSMore are provided in Technical Appendix DSM-4.

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5. Energy Assessments and Direct Install Program

a. Energy Assessments and Direct Install - At a Glance

The Energy Assessments and Direct Install Program (“EA&DI Program”) includes Online Energy Assessment (“OEA”), In-Home Energy Assessment (“IHEA”), Direct Install (“DI”), and Home Improvement to create a unified customer experience that better supports residential customers as they begin improving their homes’ energy efficiency. This integrated approach provides a cohesive participation pathway that links assessment, recommendations, and installation services, while improving coordination and communication across the DSM portfolio to streamline administration and simplify the customer journey.

Building on NV Energy’s successful efforts to bundle appointments and reduce customer confusion, the EA&DI Program is designed to help customers overcome common barriers, such as uncertainty about which measures are most beneficial or how to engage with NV Energy to determine the best fit for their home. The EA&DI Program offers no-cost energy assessments and direct installation of low-cost, high-impact efficiency measures, delivering both demand (kW) reductions and energy savings (kWh). The EA&DI Program is a free offering that is available to any NV Energy residential electric customer with an active account and MyAccount profile, and customers may participate in IHEA and DI services on an annual basis.

A primary risk to achieving program goals is reduction in NV Energy’s marketing and outreach activities, which directly impacts customer awareness and participation. Without consistent, visible marketing, customers may be less likely to recognize the availability and value of the EA&DI Program, thereby limiting overall participation and associated energy savings.

b. Energy Assessments and Direct Install – Program Description

(1) Overview

This comprehensive program, combining Online Energy Assessment, In-Home Energy Assessment, and Direct Install and Home Improvement allows NV Energy to better serve residential customers as they initiate the process of improving their homes’ energy efficiency.

The EA&DI Program provides a cohesive pathway for participation. Improved coordination and communication within program implementation are key components. that streamline administrative processes but also simplify the customer journey. By fostering greater clarity and engagement, NV Energy seeks to bolster customer participation to help achieve its program objectives.

The EA&DI Program will build upon NV Energy’s previous efforts to bundle appointments and simplify operations to deliver a more convenient experience for customers. This approach ultimately seeks to overcome barriers that limit customers’ abilities to improve the efficiency of their homes, such as uncertainty about which EA&DI Program offerings will be most beneficial and cost-effective for the customer’s particular home as well as how to engage with NV Energy to

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make the most of the EA&DI Program offerings that fit best. The Energy Assessments and Direct Install program consists of the following four program components:

Online Energy Assessment Tool

For many customers, the first and easiest step may be to complete an online assessment using the Companies' Online Energy Assessment Tool. The process involves logging into the customer's "MyAccount" portal to answer a self-assessment questionnaire to build a home energy profile based on the participant's self-reported appliances and other energy-using devices. Comprehensive energy disaggregation software then analyzes internal meter billing data and allows the customer to see how much energy appliances and devices are using. Upon completing the online energy assessment, customers are provided with suggestions and tips for behavioral changes they can make to reduce energy consumption at home. Under the EA&DI Program design, if necessary, customers will also be encouraged to schedule a follow-up in-home energy assessment as a next step to better understand how they can make their homes more energy efficient.

In-Home Energy Assessment

Customers can choose to have a personalized energy assessment with a home energy advisor performed at no cost. During this assessment, the home energy advisor will review the participant's history of energy usage and, when applicable, the results of the OEA report. The home energy advisor will evaluate the efficiency of the home's appliances, insulation levels, HVAC system, and swimming pool pump, if applicable, as well as confirm the water heating fuel source.

Upon completion of the assessment, the participant will be provided with a customized assessment report of the household that details how energy is consumed and prescribes recommendations to reduce energy use. The report highlights specific appliances that might need upgrading, household energy efficiency improvement opportunities, and related DSM program offerings that provide incentives or rebates to offset the cost of these improvements. At the end of each IHEA appointment, the home energy advisor will collaborate with the customer to help them implement the report recommendations, answer questions, and provide any additional energy efficiency or program-related educational support that is requested. The home energy advisor will verify the customer's email address to ensure an electronic copy of the report can be sent. If the customer does not have an email address, the report will be mailed.

Home energy advisor training is an important aspect of the EA&DI Program. The home energy advisors are trained in how to inspect various features of the home to evaluate energy efficiency. Leveraging a detailed script and checklist ensures consistency across the customer experience and maintains high standards of program implementation. It also equips the advisor to not only effectively communicate additional DSM program opportunities to customers but also to assist customers in understanding their energy usage.

Direct Install

As part of the IHEA, customers may choose to have the home energy advisor directly install applicable energy efficiency measures in the home. During the scheduling process, customers will specify if they would like to participate in the DI program component. Direct install measures include an HVAC filter, reusable air filter whistle, LED lightbulbs to replace inefficient bulbs, and

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up to two advanced power strips. NV Energy will continue to work to optimize this service by bundling Residential DR measures.

Home Improvements

This program component allows residential customers to select energy-efficient improvements that fit with their household needs and budget, complete the work themselves or by hiring a contractor, and submit a rebate application to receive cash back. Eligible home improvement rebates include energy efficiency weatherization measures, such as insulation and duct sealing.

(2) Enrollment Requirements

To enroll in the Program a customer must:

Online Energy Assessment

- Be an NV Energy residential electric customer with an active account.
- Have or create an online MyAccount profile to access the OEA dashboard and Home Profile Survey.

In-Home Energy Assessment

- Customers must be the homeowner or have landlord approval, if applicable.
- Customers must consent to an in-home visit and provide reasonable access to the home
- The IHEA is provided at no cost to the customer.

Direct Install/ Home Improvements Incentives

- The home where the new equipment is being installed must be located within the NV Energy service territory.
- The home must be a residential, single-family or multifamily home with four units or less per foundation.
- The home must have a current residential account with NV Energy. Commercial accounts are not eligible for this program.

(3) Participation Requirements

To participate in the EA&DI Program a customer must:

Online Energy Assessment

- Log in to MyAccount and complete the survey within the OEA tool. NV Energy considers a customer to be a program participant for OEA after they have completed the survey during the program year.

In-Home Energy Assessment

- The IHEA is offered as part of this EA&DI Program.
- Participation is limited to active residential customers within NV Energy's service territory.
- Customers can contact NV Energy Customer Service to request and schedule an IHEA or sign up online via the NV Energy website.

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All IHEA appointments are scheduled through NV Energy and conducted by an authorized home energy advisor.

Direct Install/ Home Improvements Incentives

Energy efficient products must be newly purchased, not previously incentivized by PowerShift by NV Energy, or obtained from third-party sellers. No used equipment is incentivized.

(4) Participation Agreement Term

Customers must be active NV Energy residential account holders to participate. For the Online Energy Assessment component, customers may complete the assessment as often as they choose throughout the program year. For the bundled program, customers may participate in the IHEA and DI components once per year.

(5) Marketing Strategy

NV Energy will employ a multi-channel marketing strategy to drive participation across all components of the EA&DI Program, including the OEA, IHEA, DI, and Home Improvement pathways. Energy education events and community partnerships serve as major customer-acquisition channels by increasing program visibility and helping customers understand the benefits of assessments, direct installations, and follow-up efficiency upgrades. Participation is further supported through NV Energy's MyAccount integration, which provides a dedicated access point that enables customers to enter the OEA platform easily, learn about IHEA and DI offerings, and schedule bundled appointments.

For the IHEA and DI components, home energy advisors play a crucial role in generating customer leads by engaging directly with customers during assessments, discussing opportunities for additional home improvements, and guiding them toward relevant next steps within the DSM portfolio. To strengthen retention and encourage repeated participation, NV Energy may use targeted email campaigns to notify previous participants that they are eligible for another annual IHEA or DI visit and to remind customers of ongoing opportunities available through the OEA platform. Collectively, these strategies foster sustained customer engagement, increase program awareness, and support continued achievement of demand (kW) and energy (kWh) savings. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) EA&DI Program Benefits

This section outlines the benefits customers receive through participation in the EA&DI Program, including incentives, services, and energy-saving opportunities.

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Online Energy Assessment

The customer gets personalized information and tips including:

- An appliance breakdown (kWh, dollars, or percentages) for every billing cycle.
- Tracking how much energy the customer consumes relative to other similar homes by zip code and home type (single family home vs. apartment).
- Recommendations on how to reduce energy consumption for the whole home and by each appliance category.
- Convenient, 24/7 self-service access, allowing customers to complete the Online Energy Assessment at their own pace through MyAccount, without needing to schedule an appointment, and can return at any time to review or update their home profile as conditions change.
- Gateways to other NV Energy programs and services, including prompts and information that support participation in IHEA and other DSM offerings where appropriate.

In-Home Energy Assessment

A home energy advisor visits the customer’s home to:

- Evaluate lighting, caulking around windows and doors, and insulation levels of walls and ceilings.
- Inspect the heater and air conditioner, and the age of the appliances.
- Offer customized tips to improve energy efficiency, recommend upgrades and tell customers about rebates they may qualify for to help cover the costs.

Direct Install/ Home Improvements

- Customers select the energy-efficient improvements that align with household needs and budget.
- Customers consider hiring qualified contractors to carry out the improvements and ensure they meet specific efficiency standards.
- A rebate application, along with the required documentation, including uploaded photos and receipts, is submitted.

c. 2025 Energy Assessments and Direct Install Results

This section summarizes the overall results and activities of the 2025 EA&DI Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The expenditures, demand and energy savings, and participant results for the EA&DI Program for 2025 are provided in Table DSM-73 below.

Table DSM-73: 2025 Energy Assessments and Direct Install Expenditures Savings, and Unit Results

Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Energy Assessments & Direct Install	2,512,000	2,467,170	(2)	8,000,000	3,984,386	(50)	-	1,351	-59,507		26,734	(55)

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Sierra											
Energy Assessments & Direct Install	1,000,000	987,384	(1)	2,000,000	611,257	(69)	-	157	-25,061	4,726	(81)
NV Energy	3,512,000	3,454,554	(2)	10,000,000	4,595,643	(54)	-	1,508	-84,568	31,460	(63)

In the Nevada Power territory, the EA&DI Program was under budget due to constraints that resulted from a reduction in the target market. This narrowing of the eligible customer base led to fewer participants than initially projected, resulting in lower overall program expenditures.

In the Sierra territory, the EA&DI Program was under budget because there were lower-than-expected participation rates for the majority of the program year. Despite targeted efforts aimed at engaging eligible residents, including comprehensive outreach and engagement strategies, the program saw participation levels that fell short of projections.

(2) Results by Cost Category

The EA&DI Program’s 2025 budget and actual expenditure results are further broken down into cost categories, including utility administration, M&V, implementation contractor, software, education and outreach, and incentives and/or rebates categories by service territory below in Table DSM-74.

Table DSM-74: 2025 Energy Assessments and Direct Install Costs by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	241,491
Measurement & Verification	44,050
Implementation	1,506,115
Software	603,665
Education/Outreach	71,849
Incentives	-
Nevada Power Total	2,467,170
Sierra	
Utility Administration	112,266
Measurement & Verification	30,482
Implementation	420,568
Software	389,222
Education/Outreach	34,846
Incentives	-
Sierra Power Total	987,384
NV Energy	
Utility Administration	353,757
Measurement & Verification	74,532
Implementation	1,926,683
Software	992,887
Education/Outreach	106,695
Incentives	-
NV Energy Total	3,454,554

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(3) 2025 Energy Assessments and Direct Install Overall Results and Activities

NV Energy continued promoting the EA&DI Program to residential customers with MyAccount profiles in both service territories. The online assessment tool provides 24-hour access to information on home and appliance energy usage, supporting increased customer awareness of energy consumption. NV Energy offered energy usage broken down by appliances to provide customers a convenient way to show what is driving energy consumption. Also, more energy-saving tips and educational resources through the new platform were implemented to improve functionality, enhance customer engagement, and support achievement of program energy-savings objectives. Bundled appointments continued to be provided to residential customers.

(4) 2025 Energy Assessments and Direct Install Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years:

- The Companies enhanced the assessment by streamlining the questions and tailoring the recommendations based on customer input.
- NV Energy worked with other DSM programs and contractors to help offer the EA&DI Program to income qualified customers, thus ensuring that these customers receive all programs that are beneficial.
- The Company ensured that home energy advisors installed a filter whistle with each direct-installed HVAC filter.

d. 2026 Energy Assessments and Direct Install Program Current Year

This section summarizes the overall approved goals and activities of the EA&DI Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Energy Assessments and Direct Install Budgets, Savings Target, and Unit Goals

For the 2026 Current Year, the authorized budgets, projected energy savings target, and participant goals for the EA&DI Program are provided in Table DSM-75 below.

Table DSM-75: 2026 Energy Assessments and Direct Install Budgets, Savings Targets, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
Nevada Power				
Energy Assessments & Direct Install	2,500,000	2,729	8,000,000	59,507
Sierra				
Energy Assessments & Direct Install	1,000,000	379	2,000,000	25,061
NV Energy	3,500,000	3,108	10,000,000	84,568

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(2) 2026 Energy Assessments and Direct Install Current Year Changes

The following are the EA&DI Program year changes that are being implemented during the 2026 Current Year:

Enhancements are being made to the survey logic to make it easier for customers to understand and complete the survey.

The holistic customer web experience is being enhanced by strengthening continuity between the IHEA and OEA, enabling more targeted insights for customers.

The Company is providing new filter whistles as part of the Minimum Efficiency Reporting Value (“MERV”) filter so it will be easier for the customer to reuse when they are installing their filters.

- The Companies are transitioning to offering an LED A19 photocell combination unit. The Company is streamlining the measures offered to customers in the Home Improvement component, focusing specifically on non-do-it-yourself measures to ensure the component delivers high-value, professionally installed upgrades that are easy for customers to access and complete.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the EA&DI Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Energy Assessments and Direct Install proposed budgets, savings targets, and unit goals are discussed in Table DSM-76.

The EA&DI Program’s budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-76: 2027-2029 Energy Assessments and Direct Install Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2027				
Nevada Power				
Energy Assessments & Direct Install	1,600,000	884	4,200,000	30,373
Sierra				
Energy Assessments & Direct Install	429,000	68	660,000	5,355
NV Energy	2,029,000	952	4,860,000	35,728
2028				
Nevada Power				
Energy Assessments & Direct Install	1,733,000	957	4,200,000	30,373
Sierra				
Energy Assessments & Direct Install	472,000	75	660,000	5,355
NV Energy	2,205,000	1,032	4,860,000	35,728
2029				

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Nevada Power				
Energy Assessments & Direct Install	1,906,000	1,053	4,200,000	30,373
Sierra				
Energy Assessments & Direct Install	519,000	82	660,000	5,355
NV Energy	2,425,000	1,135	4,860,000	35,728

Table DSM-77 below has the 2027-2029 Energy Assessments and Direct Install proposed budgets cost by category.

Table DSM-77: 2027-2029 Energy Assessments and Direct Install Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	129,482	136,728	188,596
Measurement & Verification	30,388	25,530	40,476
Implementation	1,100,000	1,115,266	1,264,477
Software	300,655	421,000	375,000
Education/Outreach	39,475	34,476	37,451
Incentives	-	-	-
Nevada Power Total	1,600,000	1,733,000	1,906,000
Sierra			
Utility Administration	48,778	53,667	59,011
Measurement & Verification	13,244	14,571	16,022
Implementation	182,729	201,045	221,064
Software	169,110	186,060	204,587
Education/Outreach	15,140	16,658	18,316
Incentives	-	-	-
Sierra Total	429,000	472,000	519,000
NV Energy			
Utility Administration	178,260	190,395	247,607
Measurement & Verification	43,632	40,101	56,498
Implementation	1,282,729	1,316,311	1,485,541
Software	469,765	607,060	579,587
Education/Outreach	54,615	51,134	55,767
Incentives	-	-	-
NV Energy Total	2,029,000	2,205,000	2,425,000

(2) 2027-2029 Energy Assessments and Direct Install Plan and Plan Changes

The following are the EA&DI Program plan changes that will be implemented during the 2027-2029 program plan:

- The Home Profile Survey (“HPS”) will replace the OEA on the 2.0 platform, offering streamlined customization of survey questions and logic while enabling the capture of additional claimed savings.
- The EA&DI Program will continue bundling DSM services to improve the cost-effectiveness for field service installations.

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- NV Energy will work with other DSM programs and contractors to help offer the EA&DI Program to income qualified customers, also known as the “super bundle,” thus ensuring that these customers receive all programs that are beneficial.

f. EA&DI Program Cost Benefit Analysis

(1) Energy Assessments and Direct Install Measurement and Verification

The M&V report that provides the third-party evaluation results is found in the Technical Appendices DSM-11 and DSM-15.

(2) Energy Assessments and Direct Install Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendices DSM-11 and DSM-15.

(3) Energy Assessments and Direct Install Measure Life

The EUL for 2025 is 3.38 for Nevada Power and 3.18 for Sierra.

(4) Energy Assessments and Direct Install Measure Units

A unit for the purposes of this EA&DI Program is a participant.

(5) Energy Assessments and Direct Install Energy and Demand Savings

The energy savings for 2025 are 3,984,386 kWh for Nevada Power and kWh for Sierra.

(6) Energy Assessments and Direct Install Incentives/Rebates

The Home Improvement component of the EA&DI Program offers rebates of \$200 for duct sealing only, \$300 for combined duct sealing and insulation, and \$0.10 per square foot for attic, wall, and floor insulation.

(7) Energy Assessments and Direct Install Incremental Costs

There are no incremental costs associated with the EA&DI Program.

(8) Energy Assessments and Direct Install Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios

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for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-78, NV Energy provides the EA&DI Program’s 2025 NTRC and projected 2027-2029 NTRC run by DSMore.

Table DSM-78: Energy Assessments and Direct Install NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Assessments & Direct Install	0.59	1.02	0.89	0.79
Sierra				
Energy Assessments & Direct Install	0.17	0.40	0.35	0.33
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Assessments & Direct Install	0.88	1.52	1.38	1.28
Sierra				
Energy Assessments & Direct Install	0.28	0.70	0.63	0.61

(9) Energy Assessments and Direct Install Nevada Power and Sierra Input and Output Sheets

The Energy Assessments and Direct Install 2025 Input and Output sheets run by DSMore are provided in Technical Appendix DSM-3.

The Energy Assessments and Direct Install 2027-2029 Output sheet run by DSMore is provided in Technical Appendix DSM-4.

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Section 8 – Non-Residential Services Programs

A. Non-Residential Services Overview

The Non-Residential Services program category provides energy efficiency to commercial, industrial, non-profit, and school customers across NV Energy's service territory. For outreach and account management purposes, business customers are divided into two sub-segments: large customers and small/medium business customers. Large customers are generally defined as single or aggregated electric customers with demand usage exceeding 500 kW, or national accounts such as franchise chain customers, and are served by a dedicated NV Energy account manager. Small and medium business customers are supported through the Business Solutions Center for account inquiries and energy efficiency project assistance.

In 2025, the Non-Residential Services program category comprised the Energy Smart Schools and Business Energy Services and Commercial DR. These programs will continue into the Action Plan period with Commercial DR moving to the DR program category.

The proposed budgets, energy (kWh) savings, and demand (kW) savings for the Non-Residential Services program category are provided in Table DSM-79 below.

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Table DSM-79: 2027-2029 Non-Residential Services Proposed Budgets and Savings Targets

Programs	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)	Proposed Budget (\$)	Annual Demand Savings (kW)	Annual Energy Savings (kWh)
Nevada Power	2027			2028			2029		
Energy Smart Schools	1,135,000	3,404	14,000,000	1,419,000	4,256	14,000,000	1,774,000	5,320	14,000,000
Business Energy Services	13,685,000	12,855	87,570,000	15,054,000	14,141	87,570,000	16,559,000	15,554	87,570,000
Non-Residential Services Total	14,820,000	16,259	101,570,000	16,473,000	18,397	101,570,000	18,333,000	20,874	101,570,000
Sierra	2027			2028			2029		
Energy Smart Schools	465,000	756	2,450,000	511,000	831	2,450,000	563,000	915	2,450,000
Business Energy Services	4,741,000	4,937	26,250,000	5,216,000	5,432	26,250,000	5,737,000	5,974	26,250,000
Non-Residential Services Total	5,206,000	5,693	28,700,000	5,727,000	6,263	28,700,000	6,300,000	6,889	28,700,000
NV Energy	2027			2028			2029		
Energy Smart Schools	1,600,000	4,160	16,450,000	1,930,000	5,087	16,450,000	2,337,000	6,235	16,450,000
Commercial Services	18,426,000	17,792	113,820,000	20,270,000	19,573	113,820,000	22,296,000	21,528	113,820,000
Non-Residential Services Total	20,026,000	21,952	130,270,000	22,200,000	24,660	130,270,000	24,633,000	27,763	130,270,000

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1. Energy Smart Schools Program

a. Energy Smart Schools - At a Glance

The Energy Smart Schools program (“Schools Program”) is designed to facilitate energy efficiency improvements and peak demand reduction in Nevada’s public and charter schools that include kindergarten through grade 12 as well as higher education institutions. The Schools Program offers three types of energy services to school administrators: rebates to offset a portion of the costs associated with investments for energy efficiency projects; strategic energy management services based on operational and behavioral improvements; and a high level of technical assistance that serves to offset the staffing needs for school facility management that would be required for administering energy efficiency projects.

A primary risk to achieving Schools Program goals is variability in savings driven by project availability and participation across service territories. In some areas, prior-year project saturation limited the number and scale of remaining energy efficiency opportunities, reducing energy savings. Conversely, savings performance may become highly dependent on a small number of large, district-wide projects, creating performance volatility across program years.

b. Energy Smart Schools – Program Description

(1) Overview

To achieve Schools Program energy savings (kwh) goals, the Schools Program offers three types of energy services to school administrators: cash rebates to offset a portion of the costs associated with investments for energy efficiency projects; strategic energy management services based on operational and behavioral improvements; and a high level of technical assistance that serves to offset the staffing needs for school facility management that would be required for administering energy efficiency projects.

The strategic energy management assistance is divided into two similar efforts which are currently labeled as Continuous Energy Improvement (“CEI”) in southern Nevada and Strategic Energy Management (“SEM”) in northern Nevada. Both SEM and CEI drive energy savings due to behavioral changes impacting equipment and lighting operations. Services include efforts such as tracking and monitoring energy use, reviewing operating schedules, walk-through energy assessments, energy benchmarking, and energy efficiency training to participating schools. This training focuses on low-cost and no-cost improvements to facilities, while assisting facility staff in identifying capital projects that can lead to long-term energy efficiency savings.

To be eligible for cash incentives, new construction projects require schools to be built at a minimum of five percent above the efficiency code requirements. Retrofit projects on existing facilities, such as equipment upgrades and improvements including lighting, cooling, commercial kitchens/refrigeration, transformers/UPS and more are also eligible for cash incentives.

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The technical assistance provided by the Schools Program varies according to the needs of each individual school or school district. The Schools Program supports the school by helping to identify qualifying projects, providing an assessment of Schools Program viability, and calculating energy and cost savings. The Schools Program also provides energy savings verification, assists with the school district's internal communications to management, retrofit specification design assistance, along with oversight and assistance with project management activities.

(2) Enrollment Requirements

To enroll in the Schools Program a customer must be a public and charter K-12 schools and institutions of higher education located within NV Energy's service territory.

(3) Participation Requirements

To participate in the Schools Program, eligible schools and higher education institutions must have a qualified project. Typical projects include, but are not limited to:

- Energy-efficient lighting and occupancy sensors (interior & exterior)
- Heating, ventilation, and air conditioning ("HVAC") upgrades
- Variable speed drives on HVAC systems
- Programmable thermostats
- Window film
- Commercial kitchen & refrigeration equipment
- Energy management system optimizations (retro commissioning)
- Custom energy saving applications
- New construction

(4) Participation Agreement Term

There is no formal agreement signed by the participating school district or educational institution with NV Energy. Projects are submitted through an application form with all required technical documentation.

(5) Marketing Strategy

NV Energy leverages established relationships with school districts state-wide to support program participation. Schools Program outreach is primarily driven through existing engagement channels associated with other NV Energy customer programs. The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) Program Benefits

Nevada's public and charter K-12 schools and higher education institutions have a unique opportunity to save money and receive rebates by reducing energy consumption through the

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implementation of energy efficiency improvements in both new construction and existing facilities.

PowerShift by NV Energy advisors offer expert guidance to these customers, helping them evaluate specific opportunities and technologies, review savings estimates, and assisting with incentive applications. These cash incentives are available to schools that complete energy-efficient retrofits or design and build new construction projects that are less energy-intensive, helping them to lower their energy costs and save money. Participating schools receive incentives for projects that include high-efficiency lighting, cooling, controls, and commercial kitchen equipment while the program’s custom option provides the flexibility to choose other energy-saving measures tailored to each customer’s needs.

c. 2025 Energy Smart Schools Results

This section summarizes the overall results and activities of the 2025 Schools Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The expenditures, demand and energy savings results for the 2025 Prior Year are provided in Table DSM-80 below.

Table DSM-80: 2025 Energy Smart Schools Expenditures, Savings, and Unit Results

Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Energy Smart Schools	1,410,000	1,366,434	(3)	20,000,000	20,308,676	2	-	4,114	-	-	20,309	-
Sierra												
Energy Smart Schools	577,503	788,721	37	3,500,000	5,996,246	71	-	1,291	-	-	5,996	-
NV Energy	1,987,503	2,155,156	8	23,500,000	26,304,922	12	-	5,405	-	-	26,305	-

For the Schools Program, the underspend in Nevada Power was primarily driven by increased participation in CEI projects, which contributed to achieving energy-savings goals but did not require incentive payments on a per-kWh basis. The Schools Program budgets were exceeded in Sierra because participation from northern school districts in the SEM initiative was significantly higher than anticipated, necessitating additional incentive funding. As a result, Schools Program

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expenditures exceeded the approved budget; however, the Schools Program also surpassed its energy savings targets, demonstrating strong performance and value.

(2) Results by Cost Category

The Schools Program’s 2025 budget and actual expenditure results are further broken down into cost categories, including utility administration, M&V, implementation contractor, software, education and outreach, and incentives and/or rebates categories by service territory below in Table DSM-81.

Table DSM-81: 2025 Energy Smart Schools Cost by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	158,225
Measurement & Verification	23,083
Implementation	755,872
Software	-
Education/Outreach	37,213
Incentives	392,041
Nevada Power Total	1,366,434
Sierra	
Utility Administration	68,096
Measurement & Verification	17,813
Implementation	510,078
Software	-
Education/Outreach	17,171
Incentives	175,563
Sierra Total	788,721
NV Energy	
Utility Administration	226,321
Measurement & Verification	40,896
Implementation	1,265,950
Software	-
Education/Outreach	54,385
Incentives	567,604
NV Energy Total	2,155,156

(3) 2025 Energy Smart Schools Overall Results and Activities

In 2025, the Schools Program continued to employ an approach that required participating customers or contractors to submit projects with supporting documentation on current equipment, replacement equipment, and the associated costs. Participants were required to answer questions on operating hours, allow the verification of installation of energy-efficient measures to confirm energy savings, and allow on-site inspections to verify current equipment on retrofit projects, as needed.

The customers and contractors used a convenient program application to provide this information in a cohesive tool that allowed them to preview the energy (kWh) savings and estimated incentive

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amounts of the projects they were planning or had implemented. The Schools Program provided opportunities for contractors with work crews, engineers, project managers, equipment manufacturers, hazardous waste disposal services, waste disposal services, and energy service companies.

In northern Nevada, the program exceeded its savings target, driven primarily by behavioral energy-saving initiatives (SEM) implemented within the Washoe and Carson City School Districts. In rural school districts, progress was more limited, with available opportunities focused on smaller-scale installations.

In southern Nevada, the program also surpassed its savings targets, largely due to evaluated savings from the Clark County School District's district-wide lighting retrofit effort and the behavioral energy-savings initiatives (CEI). In 2025, lighting systems were upgraded in twenty-three school buildings across the district, contributing to the overall program performance.

(4) 2025 Energy Smart Schools Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years:

NV Energy pursues a more thorough quality assurance and quality control ("QA/QC") process with respect to advanced metering infrastructure ("AMI") data completion. A complete dataset for each evaluated site leads to more accurate ex-ante and ex-post savings estimates.

Monthly documented progress updates were provided on Phase 1 and Phase 2 CEI and SEM operations for the upcoming program year. These updates keep the M&V evaluator informed as to the Phase 2 rollout progress and will help both the implementer and the evaluator achieve their analysis timeline goals.

For the Capital Improvement projects, NV Energy revised the lighting calculator to apply location-specific hours of use ("HOU") and heating and cooling interactive effects ("HCIFs") associated with different territories and facility types.

For the Capital Improvement variable frequency drive ("VFD") projects, the Companies revised ex-ante calculations to apply location-specific deemed values associated with each territory and facility type.

Processes concerning QA/QC were reviewed for ex-ante calculations of energy savings.

The strengthened coordination efforts between the implementer and the M&V evaluator for scheduling on-site inspections. This coordination helped facilitate data collection activities in a timely manner to improve efficiency and accuracy of the results.

Custom calculations were provided for the sampled Capital Improvement Projects to enhance alignment on inputs and assumptions used to estimate ex-ante claimed savings.

d. 2026 Energy Smart Schools Current Year

This section summarizes the overall approved goals and activities of the Schools Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

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(1) Energy Smart Schools Budgets, Savings Target, and Unit Goals

The authorized budgets and projected energy savings targets for the Schools Program for the 2026 Current Year are provided in Table DSM-82 below.

Table DSM-82: 2026 Energy Smart Schools Budgets and Savings Targets, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power				
Energy Smart Schools	1,410,000	2,588	20,000,000	N/A
Sierra				
Energy Smart Schools	577,502	382	3,500,000	N/A
NV Energy	1,987,502	2,970	23,500,000	N/A

In 2026, the Schools Program provides technical services to help educational institutions develop and implement energy efficiency projects, as well as offers incentives that make these improvements more affordable.

To offset the school districts’ budget restrictions, CEI and SEM intend to include additional schools in 2026 to ensure further energy savings year over year.

(2) 2026 Energy Smart Schools Current Year Changes

The Schools Program is committed to finding new and unique ways to pursue operational and behavioral approaches, along with traditional energy-efficient measures. While capital projects are a part of the focus of this Program, due to lifetime savings, the current outlook suggests that most of the savings will continue to come from the operational and behavioral approaches due to budget-friendly, low-cost/no-cost measure implementation.

For capital projects, the Schools Program provides eligible Southern schools with rebates of \$0.03 per kWh of savings for non-low-income schools and a bonus rate of \$0.04 per kWh for tribal, low-income, and historically underserved schools. In northern Nevada, rebates are \$0.04 per kWh and \$0.05 per kWh, respectively.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Schools Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The proposed 2027-2029 plans for the Schools Program will continue to incorporate four major components of implementation: outreach, technical assistance, CEI/SEM, and rebate processing to the school districts for implementing energy efficient measures at campuses. Outreach activities

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will be designed to inform school district staff about the Schools Program’s benefits and identify potential Schools Program opportunities.

Technical assistance will cover a range of activities, including facility assessments, energy use benchmarking, energy-savings calculations, and energy-efficient measure procurement support. CEI/SEM training will focus on low-cost/no-cost improvements to facilities, while also assisting facility staff in identifying potential capital projects that can lead to long-term energy efficiency savings. Rebate processing will confirm that qualifying energy-efficient measures are installed or implemented, and that the resulting electricity savings are properly evaluated.

The 2027-2029 Schools Program’s proposed budgets and savings targets are discussed in Table DSM-83. The Schools Program’s budgets include utility administration, M&V, implementation contractors, software, education, marketing and outreach, and incentives and/or rebates.

Table DSM-83: 2027-2029 Energy Smart Schools Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Energy Smart Schools	1,135,000	3,404	14,000,000	14,000
Sierra				
Energy Smart Schools	465,000	756	2,450,000	2,450
NV Energy	1,600,000	4,160	16,450,000	16,450
2028				
Nevada Power				
Energy Smart Schools	1,419,000	4,256	14,000,000	14,000
Sierra				
Energy Smart Schools	511,000	831	2,450,000	2,450
NV Energy	1,930,000	5,087	16,450,000	16,450
2029				
Nevada Power				
Energy Smart Schools	1,774,000	5,320	14,000,000	14,000
Sierra				
Energy Smart Schools	563,000	915	2,450,000	2,450
NV Energy	2,337,000	6,235	16,450,000	16,450

Table DSM-84 below has the 2027-2029 Energy Smart Schools proposed budgets cost by category

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Table DSM-84: 2027-2029 Energy Smart Schools Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	131,426	164,312	205,419
Measurement & Verification	19,174	23,971	29,968
Implementation	627,849	784,950	981,325
Software	-	-	-
Education/Outreach	30,911	38,645	48,313
Incentives	325,641	407,122	508,975
Nevada Power Total	1,135,000	1,419,000	1,774,000
Sierra			
Utility Administration	40,147	44,118	48,608
Measurement & Verification	10,502	11,541	12,715
Implementation	300,723	330,471	364,101
Software	-	-	-
Education/Outreach	10,124	11,125	12,257
Incentives	103,505	113,744	125,319
Sierra Total	465,000	511,000	563,000
NV Energy			
Utility Administration	171,573	208,430	254,027
Measurement & Verification	29,675	35,512	42,683
Implementation	928,572	1,115,421	1,345,426
Software	-	-	-
Education/Outreach	41,034	49,770	60,570
Incentives	429,146	520,867	634,294
NV Energy Total	1,600,000	1,930,000	2,337,000

(2) 2027-2029 Energy Smart Schools Plan and Plan Changes

NV Energy plans to support school district staffing to further ease participation barriers, particularly for smaller school districts in remote geographic locations and schools facing resource constraints. This staffing support will consist of expanded technical guidance to broaden the scope of energy savings projects and/or expand the breadth of services available to the schools by 1) identifying potential additional energy efficiency funding opportunities, 2) offering the opportunity to participate using split or shared incentives where, based on the project previous analysis, NV Energy can anticipate incentives to customers, allowing them to reduce project costs by the incentive amount and easing the up-front customer cost, and 3) conducting strategic contractor bidding support to help the school districts identify the lowest cost qualified contractors to complete the authorized projects for that school.

As part of this comprehensive service, school personnel will be educated about the Schools Program and instructed to contact the Schools Program’s team if they want to begin engagement. Upon request, the team will conduct an energy assessment to determine which program opportunities will provide the highest energy and cost-saving potential. The team will then facilitate the next steps to guide the school through the program participation process.

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The following are additional improvements that are being proposed during the Action Plan period:

- Leveraging innovative technology, software, and data to better identify project leads across various building types, energy consumption patterns, and geographic locations. This data-driven approach will ensure that outreach efforts are optimized, providing key information that can lead to actionable project applications.
- Expanding the already-successful SEM approach to additional program-eligible NV Energy customers, such as higher education customers, by following a structured approach to understanding energy consumption, setting goals, acting, and verifying results.

f. Schools Program Cost Benefit Analysis

(1) Energy Smart Schools Measurement and Verification

The M&V report that provides third-party evaluation results is included in the Technical Appendix DSM-17.

(2) Energy Smart Schools Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendix DSM-17.

(3) Energy Smart Schools Measure Life

For 2025, the EUL for this Schools Program was 4.20 years for Nevada Power and 2.86 years for Sierra.

(4) Energy Smart Schools Measure Units

For 2025, the analysis of this Schools Program has been performed using a derived unit because it includes a multitude of energy-efficient measures. The unit of measure for a derived unit for this program is based on 1,000 kWh per unit. The 1,000-kWh unit is derived from measures of different unit sizes (e.g., square foot of window film, number of fixtures installed, and watts reduced). Such differences make comparisons and energy efficiency computations by units installed extremely difficult, and the entry of all measures in the financial modeling impractical.

(5) Energy Smart Schools Energy and Demand Savings

For 2025, the Schools Program had an energy savings of 20,308,676 kWh for Nevada Power and 5,996,246 kWh for Sierra.

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(6) Energy Smart Schools Incentives/Rebates

The incentives are paid directly to a participating school or school district participant to offset out-of-pocket expenditures after the energy-efficient measures have been installed, are operational, and have been verified by NV Energy.

(7) Energy Smart Schools Incremental Costs

Incremental cost is the cost of the energy-efficient measure minus the cost of the baseline measure. Establishing the appropriate baseline defines the incremental cost. Lighting upgrades are considered early replacement as most of the work completed replaces functional but inefficient lighting. Occupancy sensors or light sensors fall under the control's scenario, and the incremental cost is the full cost for the control measures. AC replacements are not made solely for energy efficiency considerations. They are considered a replacement for burnout, with the incremental costs being the difference in cost between the energy-efficient measure and the baseline measure.

(8) Energy Smart Schools Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the “Stakeholder Perspectives & Tests” section of the output sheet. The section “Utility Savings & Costs” provides the annual and lifetime costs and savings from the utility perspective.

In Table DSM-85, NV Energy provides the Schools Program’s 2025 NTRC, as well as the Schools Program’s projected NTRC for 2027-2029 run by DSMore.

Table DSM-85: Energy Smart Schools NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Smart Schools	1.80	1.75	1.41	1.18
Sierra				
Energy Smart Schools	1.26	1.59	1.45	1.40
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Energy Smart Schools	2.85	2.81	2.40	2.14
Sierra				
Energy Smart Schools	1.94	2.53	2.38	2.33

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(9) Energy Smart Schools Nevada Power and Sierra Input and Output Sheets

The Energy Smart Schools 2025 Input and Output sheets run by DSMore are provided in Technical Appendix DSM-3.

The Energy Smart Schools 2027-2029 Output sheet run by DSMore is provided in Technical Appendix DSM-4.

2. Business Energy Services Program

a. Business Energy Services - At a Glance

The Business Energy Services program (“BES Program”) is a commercial and industrial energy efficiency offering, designed to help business customers reduce energy consumption, lower operating costs, and improve overall system efficiency. The BES Program provides a comprehensive suite of services including financial incentives, technical engineering support, application assistance, training, and market engagement across retrofit, new construction, small business, nonprofit, and retro-commissioning projects.

The BES Program continues to address a strong and diverse market opportunity across Nevada’s commercial and industrial sectors. Market potential remains robust due to aging building stock, ongoing technology advancements, customer interest in cost control, and increasing focus on high-impact measures such as HVAC, lighting, controls, motors, compressed air, and custom process improvements. In 2026, the program is positioned to capture a meaningful share of remaining cost-effective efficiency potential through targeted incentives, contractor engagement, and major account coordination.

For the 2026 Current Year, the BES Program is focused on delivering meaningful kilowatt hour savings, with authorized targets across NV Energy’s service territories totaling approximately 162.6 million kWh of annual savings. The 2026 BES Program largely builds on the prior year’s structure while incorporating targeted enhancements informed by lessons learned to improve overall effectiveness. Key updates include the introduction of limited-time offers to accelerate adoption of high-impact technologies, expansion of the Instant Discount (midstream) offering to include additional measures, increased promotion of the eTRACK online application platform to streamline the customer and contractor experience, and enhanced use of data analytics and dashboards to improve market segmentation, tracking, and reporting. Collectively, these enhancements are intended to strengthen customer participation, accelerate project delivery, and improve overall program performance.

In the prior program year, BES Program delivered substantial kWh energy savings while maintaining strong engagement across contractors and participating customers. The BES Program performance demonstrated the BES program’s ability to convert market interest into verified energy savings across a broad range of customer segments and technologies. The lessons learned from last year’s delivery have directly informed the design of the 2026 BES Program, shaping both targeted enhancements and proactive risk mitigation strategies.

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Like most large, market driven energy-efficiency programs, BES faces several manageable risks, including the challenge of achieving substantial kWh performance targets, potential enrollment delays driven by customer decision timelines and broader economic conditions, the need for consistent governance around overrides and incentive controls, and contractor capacity constraints during peak delivery periods. To address these risks, the BES Program is taking a proactive approach that emphasizes early pipeline development, closer coordination with trade allies and major account teams, strengthened quality control processes, enhanced data systems, and targeted incentive strategies designed to sustain participation and maintain momentum throughout the program year.

b. BES – Program Description

(1) Overview

NV Energy’s BES Program offers energy efficiency technical assistance and rebates to commercial and industrial customers, promoting investments in energy efficient retrofits, and new construction projects. The BES Program, offered to both Sierra and Nevada Power customers, generates long-term energy savings and peak demand reduction while influencing building owners, managers, architects, engineers, and contractors to realize the benefits of incorporating energy efficiency strategies into their businesses by lowering operating costs and reducing the total cost of ownership.

The BES Program has multiple components which deliver technical support, financial incentives, and installation of energy-efficient measures to customers.

The retrofit component of the BES Program offers prescriptive rebates for energy efficient lighting, cooling, motors, commercial kitchens, refrigeration, and miscellaneous energy conservation measures. Additionally, the BES Program offers custom rebates for measures not covered under the prescriptive rebate. The BES Program also offers rebates and instant discounts on qualified lighting products at the point of sale for small and medium businesses’ energy efficiency projects. This component of the BES Program provides rebates and project execution through trained contractors and participating distributors.

The new construction component of the BES Program offers rebates for equipment, entire systems, and whole buildings. For projects to qualify for a rebate, the energy ratings of the equipment, system, or building must exceed either: (1) the 2018 International Energy Efficiency Conservation Code (“IECC”); or (2) five percent greater than the applicable local building codes under which the building was permitted.

The BES Program’s Non-Profit Agency Grant component offers qualifying non-profit organizations financial means to implement energy-efficient measures. This component provides assistance in the form of grants and technical support to non-profit organizations for identification and installation of energy-efficient measures in new or existing buildings. To qualify, an agency must be registered as a 501(c)(3) entity and located within NV Energy’s service territory.

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(2) Enrollment Requirements

BES Retrofit/ BES New Construction

- Existing or new non-residential NV Energy customers do not receive funding for the measures installed from another NV Energy offering.
- Non-customer applicants may also be eligible for an incentive when the applicant owns equipment that is located within NV Energy's service territories. Such applications will require the approval of the BES Operations Manager.
- For each facility for which an incentive application is submitted, at least one meter shall be on an eligible rate schedule. Projects shall be metered on an eligible rate schedule once the project is complete.
- Ineligible rate schedules are as follows:
 - Any residential rate or standby service tariffChurches, chapels other than marriage chapels, and other buildings used for religious worship owned and operated by some recognized religious organizations or corporations that are on the Northern Territory D-1 rate are also eligible.
- Measures installed in any area of a facility that is served by a residential meter are not eligible for funding under BES. However, residential energy efficiency measures may be eligible under the Utility's other efficiency offerings, and Business Energy Services' staff will refer applicants to the appropriate program representative when incentives are not available under BES.
- Mixed use facilities where the energy end-use crosses between commercial and residential parts of the facilities may be eligible to participate on a case-by-case basis with the written approval of the Utility's BES Manager. Projects in residential facilities may also be approved for custom incentives, provided there is no duplication of incentives offered under any of NV Energy's other energy efficiency offerings.

BES Non-Profit Agency Grant

Customers must have an IRS designation as a 501(c)(3) tax-exempt organization.
Customer must be physically located within NV Energy service territory

(3) Participation Requirements

BES Retrofit/ Business Energy Services New Construction

Projects shall involve capital investment that results in a permanent reduction in electrical energy usage (kWh).

- Capital improvements must be owned, leased-to-own, or on a minimum 5-year lease.
- Project savings shall result from the installation of equipment and be sustainable for a minimum period of 5 years.
- Measures that are covered under the Business Energy Services Prescriptive Incentives are NOT available for a Custom Incentive for the same measure.
- Projects that are not eligible for an incentive include, but are not limited to, the following:
 - Fuel switching
 - Changes in operational and/or maintenance practices or simple control modifications not involving capital costs.
 - on-site electricity generation.,
 - Projects involving gas-driven equipment in place of electric equipment.
 - Projects that involve load-shifting.
 - Measures installed with funding from, or qualifying under, another utility incentive offering.

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- Any measures installed at a facility shall be sustainable and provide 100 percent of the energy benefits, as stated in the application, for a minimum period of five (5) years or for the life of the product, whichever is greater. If the applicant ceases to be a bundled, full requirements customer of NV Energy or removes the equipment or system(s) during the 5-year period, the applicant will be required to return the incentive funds to NV Energy.
- Measurement and verification activities are a critical part of the incentive process. This process allows NV Energy to monitor the incentive activities to ensure measures are still cost effective to continue to provide funding. As a condition of participation, the customer agrees to allow NV Energy and its subcontractors to perform M&V activities that include, but are not limited to, site inspections, spot measurements, and the installation of data loggers for up to five (5) years after the project has been completed

Business Energy Services Non Profit Agency Grant

Customer must receive pre-approval for the improvement project before a project begins. Customer must provide written confirmation upon completion of the funded improvements with a copy of the project invoices.

(4) Participation Agreement Term

The BES Participation Agreement defines the terms under which NV Energy customers or building owners may receive incentives for installing eligible energy efficiency measures. Participants must submit and receive approval for a Pre-Notification Application before project completion and comply with all program rules and technical requirements. Incentives are paid only after BES verifies project completion, required inspections, and supporting documentation. Incentive funding is limited, not guaranteed, and cannot exceed project costs. The BES Program does not guarantee energy savings or warranty for any third-party equipment or services. All participants agree to follow the requirements outlined in the BES Program Policies and Procedures Manual, which governs eligibility, verification, and payment.

(5) Marketing Strategy

BES Program Outreach Activities

The BES Program maintained its outreach strategy by emphasizing direct marketing and re-establishing in-person connections with business customers and trade allies to strengthen awareness and participation. Outreach efforts highlighted NV Energy's role as a trusted source of energy efficiency information, the availability of incentives, and free training opportunities. The BES Program also collaborated closely with NV Energy's major accounts executives, who facilitated meetings with managed account customers, to share details concerning available incentives and services. In addition, limited onsite facility assessments were conducted to assist customers concerned about energy use or costs, helping them identify priority areas for energy conservation improvements.

Using data-mining tools such as ZoomInfo and Copilot, the Companies generated up-to-date contact information that strengthened our ability to reach customers and focus outreach on the medical and municipal/government sectors. The BES Program developed customized fliers and

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executed targeted call campaigns, which helped the Companies engage senior staff within the Governor's Office and generated applications with the Department of Transportation and the Division of Public Works. These targeted efforts in both sectors will continue into 2026.

The BES Program offered education and assistance by participating in various events and exhibitions. The BES Program engaged customers and contractors through regular monthly seminars and specialized lunch-and-learn sessions. These seminars covered a wide range of topics, including non-profit agency grants, small business programs, LED lighting, heat pumps, ventilation and cooling, life-cycle cost analysis, variable frequency drives, motors, pumps, retro-commissioning, and strategic energy management.

Outreach communication channels for the BES Program were diverse and strategically utilized to maximize customer engagement. These channels included the BES Program website, which served as a central hub for information and updates. Monthly electronic education and training announcements kept customers informed about upcoming opportunities and developments. Presentations to industry associations and local chambers of commerce helped to build credibility and foster community connections.

Paid advertising channels were utilized to reach a broader audience, including targeted social media campaigns, digital audio ads on relevant podcasts, and digital display advertisements across multiple online platforms. While these approaches expanded the BES Program's visibility and allowed us to reach specific demographics, they did not result in discernable levels of increased interest or participation in the BES Program.

The BES Program's engineers, outreach staff, and administrators played a key role in building and sustaining external relationships, strengthening outreach efforts by leveraging personal connections and established industry networks. In 2025, five targeted outreach campaigns were conducted, including telephone calls with follow-up emails to over 450 medium business customers, Limited Time Offer awareness efforts, and a dedicated engagement campaign for Nevada facility management personnel.

Participation with the following industries and community organizations helped raise energy efficiency awareness and incentive opportunities:

- Asian Chamber of Commerce
- Association of Energy Engineers
- American Society of Heating, Refrigerating and Air-Conditioning Engineers
- Commercial Alliance of Las Vegas
- Nevada Women in Commercial Real Estate
- Henderson Chamber of Commerce
- Illuminating Engineering Society
- Northern Nevada/Tahoe – Institute of Real Estate Management
- LGBTQ+ Chamber of Commerce of Southern Nevada
- Latin Chamber of Commerce

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- Vegas Chamber/Las Vegas Metro Chamber of Commerce
- Southern Nevada Commercial Real Estate Development Association
- National Association of Women in Construction
- Nevada Contractors Association
- Reno Nevada Center for Entrepreneurship & Technology
- Nevada Healthcare Facilities Group
- Northern Nevada Development Authority
- Northern Nevada Facility Management Association
- Nevada Professional Facility Managers Association
- Reno Sparks Chamber of Commerce
- Southern Nevada Air Conditioning Refrigeration Service Contractors Association
- Urban Chamber of Commerce

The Companies will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) BES Program Benefits

BES Retrofit

Prescriptive incentives are available for electric energy efficiency equipment upgrades and improvements including lighting, cooling, commercial kitchens/refrigeration, transformers/UPS, and miscellaneous measures. Incentives are provided for qualified equipment commonly installed in a retrofit or equipment replacement. Custom Incentives are available to applicants for qualified retrofit and equipment replacement electric energy saving measures that are not included in the list of qualifying prescriptive measures but have savings that can be verified by program engineers.

BES New Construction

Prescriptive Incentives are available for electric energy-efficient equipment installations, including lighting, cooling, commercial kitchen equipment, refrigeration, and other miscellaneous measures. Incentives are provided for qualified equipment commonly installed in a major renovation or new construction project that exceeds specified minimum efficiency. Lighting power density incentives are available for facilities documenting a lighting power density that is lower than the density required under the applicable International Energy Conservation Code (IECC) (5 percent lower than IECC 2018 version). If a facility was not permitted under IECC 2018, performance-based and whole building-based incentives are available for major renovation and new construction projects or qualifying equipment that is not included in the list of qualified prescriptive measures and is better than the applicable energy code (5 percent lower than IECC 2018).

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Business Energy Services Non-Profit Agency Grant

Nevada non-profit organizations projects may be funded at 100 percent for projects ranging up to \$5,000. Projects over \$5,000 and ranging up to \$10,000 may be funded at 50 percent with a maximum grant of \$7,500. All applications and funding are based on individual project's electric savings and cost effectiveness.

c. 2025 Business Energy Services Results

This section summarizes the overall results and activities of the 2025 BES Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The actual expenditures, demand savings, and energy savings results for the BES Program for the 2025 Prior Year are provided in Table DSM-86 below.

Table DSM-86: 2025 Business Energy Services Expenditures and Savings Results

Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Business Energy Services	17,000,000	13,749,189	(19)	125,600,000	103,076,878	(18)	-	13,002	-	-	103,077	-
Sierra												
Business Energy Services	5,890,000	4,705,570	(20)	37,900,000	33,137,076	(13)	-	4,900	-	-	33,137	-
NV Energy	22,890,000	18,454,759	(19)	163,500,000	136,213,954	(17)	-	17,902	-	-	136,214	-

In both Nevada Power and Sierra, multiple challenges hindered participation and ultimately prevented the program from meeting its kWh savings targets. Delays in new construction projects and the postponement or cancellation of retrofit projects shifted expected savings beyond the planned timeframe for participation in 2025.

The commercial real estate sector also continued to face an oversupply of leasable space, reducing the demand for energy efficient upgrades. Finally, inflationary pressures continued to escalate costs, making it more difficult for businesses to invest in energy saving measures. Collectively, these factors posed challenges to achieving the Program's goals.

(2) Results by Cost Category

The Program's 2025 budget and actual expenditure results are further broken down into cost categories including utility administration, M&V, implementation contractor, software, education

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and outreach, and incentives and/or rebates categories by service territory below in Table DSM-87.

Table DSM-87: 2025 Business Energy Services Cost by Category

Program Cost Description	Actual Expenditures (\$)
Nevada Power	
Utility Administration	1,272,164
Measurement & Verification	259,780
Implementation	8,273,232
Software	-
Education/Outreach	445,232
Incentives	3,498,782
Nevada Power Total	13,749,189
Sierra	
Utility Administration	424,469
Measurement & Verification	154,276
Implementation	3,202,348
Software	-
Education/Outreach	183,309
Incentives	741,168
Sierra Total	4,705,570
NV Energy	
Utility Administration	1,696,633
Measurement & Verification	414,056
Implementation	11,475,580
Software	-
Education/Outreach	628,540
Incentives	4,239,950
NV Energy Total	18,454,759

(3) 2025 Business Energy Services Overall Results and Activities

The Program continued to effectively utilize tiered incentives based on project cost limits, ranging from lower to upper thresholds. These tiers, which cover a percentage of project costs, enable broader customer participation while capping incentives at 50 percent of total project costs. This approach helps reduce the cost per kWh and ensures that incentive funds are accessible to a larger number of customers.

The contractor network and trade ally portal are essential platforms for accelerating customer participation in the BES Program. These platforms leverage trained contractors who actively recruit participants, streamline the application process, and enhance overall BES Program efficiency. By doing so, they significantly improve customer experience, making it easier and more appealing for customers to engage with the BES Program.

In 2025, the contractor network was responsible for approximately 31 percent of the energy savings achieved. This represents a decrease from the previous year and highlights a notable trend that warrants attention in future BES Program years. The reduction in energy savings contribution from the contractor network suggests potential areas for improvement or adjustment in strategies

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to maximize their impact. Understanding the reasons behind this decline will be crucial for refining the BES Program strategy and ensuring that the contractor network continues to play a vital role in achieving energy savings goals.

The BES Program reintroduced a limited financial bonus designed to encourage the completion of projects with otherwise low marginal returns on investment. This bonus, which was available until the end of October 2025, successfully increased customer participation. As a result, 95 projects were completed, accounting for 13 percent of the total energy savings achieved in 2025.

During 2025, the BES Program implemented the following key strategies:

- BES Program Kickoff Events in Reno and Las Vegas: Hosted a total of 387 attendees, including more than 70 virtual participants, and covered topics such as program operations and multiple case studies showcasing successful energy efficiency projects across a range of technologies. Recognized top performing contractors and included live customer testimonials as part of the event to further promote the program.
- Addition of two new light fixture measures to the Instant Discount component: exterior pole head lights, and wall packs. The BES Program collaborated with distributors and the M&V contractor to properly identify the appropriate incentives and energy savings amounts to be applied to these fixtures based on lumen output. The BES Program launched an outreach campaign to refresh the Instant Discount component by conducting in-person meetings with 23 Nevada-based lighting distributors, gathering feedback from company owners, sales representatives, and administrative staff on ways to make the program easier for distributors to promote. The primary objective of the onsite meetings with distributors was to gather insights that would inform the expansion of the measure offerings available through the BES Program.
- The BES Program increased communication with customers and contractors in the third quarter to receive the latest material status updates, verify that the project(s) were continuing to move forward, or determine if the project needed to be staged with a portion of the scope of work transferred into the next BES Program year.
- Upon initial receipt of an application, the engineering staff performed inquiries with customers regarding the status of material orders and timeline of the project. Any projects that could not realistically be completed by the deadline due to material delays, labor shortages, or other unexpected impacts to project progress were required to provide more information detailing efforts to circumvent these obstacles before being accepted into the BES Program.

(4) 2025 Business Energy Services Lessons Learned and Recommendations

The following were identified as lessons learned or recommendations for the upcoming program years:

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- The M&V contractor survey is typically administered several months after project completion, resulting in customers being less likely to remember project specific details as well as impacting the customer project site contacts which may have changed, further complicating the verification process. For 2026, the M&V contractor survey will be administered closer to the project completion date to collect more accurate survey information.
- For 2025, the BES Program recognized the necessity to increase communication efforts for customers participating in the Instant Discount component to elevate engagement and identify opportunities to expand qualifying lighting products. For 2026, the BES Program will increase focus on direct communication with Instant Discount program distributors to reach customers at each distributor and execute more overall engagement to ensure contractors and customers become more aware of the program. Additionally, the BES Program will work with distributors to identify any light fixture types that could be added to the offering, such as high-bay fixtures.
- The BES Program utilized AI tools to help identify accurate contact information for cold-calling and email outreach; however, these efforts produced fewer results than anticipated. As a result, the BES Program will place greater emphasis on in-person and on-site customer visits, which continue to be the most effective way to communicate BES Program offerings and build meaningful relationships.
- The BES Program re-engaged mining customers in the Sierra region in 2025, which led to renewed communication and multiple project meetings. As a result, the BES Program will continue this revitalized outreach effort which resulted in multiple mining projects being completed in 2025 and additional projects which are expected to be completed for 2026.
- The BES Program identified the need to improve the application process, which had not instituted significant changes in previous years, to simplify submissions and reduce the time necessary to submit project applications. In response, the BES Program instituted the eTRACK platform which has streamlined the BES Program by introducing a centralized portal for customers and contractors to submit applications, improving efficiency, and simplifying the overall process. Beyond these operational benefits, this modernization also strengthens the BES Program's ability to promote participation for both new and returning customers.

For 2025, the BES Program found that implementation contractors and M&V contractors were utilizing different methods for determining pre- and post-project efficiency (SEER) ratings. As a result, the BES Program will review how prescriptive energy calculations are made for HVAC units under five tons.

For 2025, the BES Program found that implementation contractors and M&V contractors were utilizing different methods for determining HOU (Hours of Use) within prescriptive occupancy measure savings calculations. In 2026, the BES Program will investigate HOU within prescriptive occupancy measure savings calculations.
- The BES Program success remains coupled with Major Account customer participation, which was significantly lower in 2025 than previous years, to meet the BES Program goals.

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In response, the BES Program will develop a dedicated customer engagement plan specifically tailored to this key customer segment.

d. 2026 Business Energy Services Program Current Year

This section summarizes the overall approved goals and activities of the BES Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Business Energy Services Budgets, Savings Target, and Unit Goals

The authorized budgets and projected energy savings target goals for the BES Program for the 2026 Current Year are provided in Table DSM-88 below.

Table DSM-88: 2026 Business Energy Services Budgets, Savings Targets, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power				
Business Energy Services	17,000,000	13,078	125,100,000	N/A
Sierra				
Business Energy Services	5,890,000	3,354	37,500,000	N/A
NV Energy	22,890,000	16,432	162,600,000	N/A

The BES Program will operate similarly to previous years, with targeted enhancements informed by lessons learned. The BES Program will introduce a limited time offer specifically to encourage the adoption of high impact technologies that deliver the greatest energy savings. The Instant Discount program will also be expanded to include a wider range of measures.

To improve customer experience, the BES Program will promote the new eTRACK online application platform, which provides a streamlined, frictionless process supported by a secure database and encrypted, cloud-based technology for pre- and post-project inspection data collection. This platform will be integrated with Evolve Intelligence, the implementation contractor’s advanced data analytics suite that leverages dashboards and insights to enhance customer segmentation and reporting capabilities.

The BES Program will continue to rely on its established contractor network to support project recruitment and will leverage NV Energy’s major account executives and their longstanding customer relationships. It will maintain support for retrofit, new construction, small business, non-profit, and retro-commissioning projects, while continuing to provide education and training, technical assistance, and application support.

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(2) 2026 BES Current Year Changes

For program year 2026, the following are plan changes that have been implemented or will be implemented.

- The BES Program will prioritize targeted engagement by identifying key customers and sending personalized invitations to encourage their participation in the program kickoff event. To drive early participation, the BES Program will launch a post-program kickoff call campaign to gauge the interest of customers and contractors who registered for the kickoff event but did not attend.
- The BES Program will prioritize and follow up on lead generation opportunities, including major account customers, projects placed on hold in 2025, contractor network leads, past participants, and leads generated through events and marketing campaigns.
- The BES Program will continue to plan, and host dedicated meetings with major accounts executives to provide them with updates to the BES Program and share latest market trends. These regular updates are intended to ensure major account executives are aware of changes to the BES Program and of customer participation rates.
- The BES Program will host dedicated trade ally events for each service territory during 2026 to recruit, train, and promote the BES Program to local contractors. These events are intended to provide BES Program updates, training, and expand the contractor network.
- The BES Program will enhance the use of historical data and customer data to segment and target customers and streamline outreach efforts. BES' Program staff will work to develop reports that add value to email and in-person communication, such as providing examples of project ideas specific to the customers' building and business.
- An annual Education and Training schedule will be developed and shared with customers during the 2026 BES Program kickoff event. This will give customers ample time to plan and allow key account executives to amplify the availability of these free energy-efficiency training courses.
- Periodically visit distributors on-site to offer support and address any questions to make participation easier. Distributors will also be provided with banners and/or posters for their storefronts and given the option to add BES Program information to their websites.
- Expand the Instant Discount BES Program with a wider variety of lighting measures and may explore adding HVAC and commercial kitchen equipment.
- Propose to reduce prescriptive and custom new construction incentives to \$.05 per kWh to accommodate higher incentives to promote technologies that generate higher energy savings. The lower incentive is not expected to negatively impact the new construction component. Research from the American Council for an Energy Efficient Economy (ACEEE) highlights this for new construction, developers and owners evaluate lifecycle cost, marketability, and long-term operating expenses when choosing energy

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efficient designs. Because these operational savings are built into the financial model of the project, incentives play a supportive, not primary role.

- The BES Program will leverage NV Energy outreach events when they align with program offerings. These events will be added to the annual event calendar to ensure appropriate staffing and resources are available to support them.

e. 2027-2029 Action Plan Period Proposed

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 BES proposed budgets, and savings targets are discussed below in Table DSM-89. The BES Program’s Action Plan budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-89: 2027-2029 Business Energy Services Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Business Energy Services	13,685,000	12,855	87,570,000	87,570
Sierra				
Business Energy Services	4,741,000	4,937	26,250,000	26,250
NV Energy	18,426,000	17,792	113,820,000	113,820
2028				
Nevada Power				
Business Energy Services	15,054,000	14,141	87,570,000	87,570
Sierra				
Business Energy Services	5,216,000	5,432	26,250,000	26,250
NV Energy	20,270,000	19,573	113,820,000	113,820
2029				
Nevada Power				
Business Energy Services	16,559,000	15,554	87,570,000	87,570
Sierra				
Business Energy Services	5,737,000	5,974	26,250,000	26,250
NV Energy	22,296,000	21,528	113,820,000	113,820

Table DSM-90 below has the 2027-2029 BES proposed budgets cost by category.

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Table DSM-90: 2027-2029 Business Energy Services Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	1,266,225	1,392,894	1,532,146
Measurement & Verification	258,567	284,433	312,869
Implementation	5,558,805	6,114,889	6,726,215
Software	-	-	-
Education/Outreach	443,153	487,484	536,220
Incentives	6,158,250	6,774,300	7,451,550
Nevada Power Total	13,685,000	15,054,000	16,559,000
Sierra			
Utility Administration	437,210	481,014	529,060
Measurement & Verification	155,438	171,011	188,093
Implementation	2,294,182	2,408,000	2,668,500
Software	-	-	-
Education/Outreach	100,000	200,000	200,000
Incentives	1,754,170	1,955,975	2,151,348
Sierra Total	4,741,000	5,216,000	5,737,000
NV Energy			
Utility Administration	1,703,435	1,873,907	2,061,206
Measurement & Verification	414,005	455,444	500,961
Implementation	7,852,987	8,522,889	9,394,715
Software	-	-	-
Education/Outreach	543,153	687,484	736,220
Incentives	7,912,420	8,730,275	9,602,898
NV Energy Total	18,425,999	20,270,000	22,296,000

(2) 2027-2029 BES Plan and Plan Changes

Implementation of the BES program will closely resemble that of the existing 2026 BES Program providing incentives for retrofit projects, new construction, small business, non-profits, and retro-commissioning projects.

The following are the BES Program plan enhancements that will be implemented during the Action Plan period:

Continuing to separately track small and medium business program participation metrics to serve this group of customers more effectively. The implementation contractor's SMB project manager will research, manage, and track these customers.

Exploring financing options for small businesses to help overcome common barriers, including the use of split or shared incentives to mitigate high upfront costs.

Working with property management companies that lease space to small and medium-sized businesses to review and recommend wide-scale energy efficiency services.

Expanding partnerships with Nevada-based community groups that support SMBs to drive program awareness and event collaboration.

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Additional BES Program enhancements will include the following activities:

Leveraging innovative technology, software, and data to better identify leads across various market verticals, such as industry type, energy consumption patterns, geographic location, and participation potential. This data-driven approach will ensure that outreach and marketing efforts are optimized; converting leads to actionable project applications.

Investigating how a strategic energy management (SEM) approach may benefit certain subsets of NV Energy customers by following a structured approach to understanding energy consumption, setting goals, acting, and verifying results.

Expansion of the BES Program annual program kickoff event.

f. BES Program Cost Benefit Analysis

(1) BES Measurement and Verification

The M&V report that provides third-party evaluation results as performed by Qualus is included in the Technical Appendix DSM-18.

(2) BES Energy Savings Curves

The energy savings curve is provided as part of the M&V report in Technical Appendices DSM-18, which is calculated by the third-party evaluator, Qualus.

(3) BES Measure Life

As determined in the M&V Report, the EUL for this program is 11.97 years for Nevada Power and 12.95 years for Sierra.

(4) BES Measure Units

The analysis of this program has been performed using a derived unit because it includes a multitude of energy efficient measures. For 2025, the derived unit for this program is based on 1,000 kWh per unit. The 1,000 kWh unit is derived from measures of different unit sizes (e.g., square foot of window film, number of fixtures installed, and watts reduced). Such differences make comparisons and energy efficiency computations by units installed extremely difficult, and the entry of all measures in the financial modeling impractical.

(5) BES Energy and Demand Savings

For 2025, the BES Program had an energy savings of 103,076,878 kWh for Nevada Power and 33,137,076 kWh for Sierra.

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(6) BES Incentives/Rebates

This BES Program uses both rebates and incentives to support energy efficiency projects. Primarily, the BES Program uses rebates to pay customers directly offsetting costs to purchase and install the measure. The Direct Install program component is targeted to small and medium businesses, and incentives are paid directly to contractors. The rebates and incentives are paid after the BES Program team has verified measures have been installed.

The BES Program also employs both prescriptive and custom rebates. Rebates are paid per kWh saved. The prescriptive rebates apply to projects with predictable energy savings, which are based on actual kWh savings. Custom rebates are used with projects that require engineering calculations to determine actual energy saved.

Program incentives are adjusted in response to market acceptance of available measures to meet energy saving and cost effectiveness goals.

(7) BES Incremental Costs

There are four measure types for the BES Program's incremental costs (1) New construction; (2) Replacement-on burnout (failure, natural, burnout or diminishing functionality); (3) Early replacement; and (4) Controls.

The base cost is not the same for each of the four measure types. For new construction and replacement on burnout, the base cost is the cost of the code or standard compliance measure, and the incremental cost is the efficient measure cost minus the cost of the baseline measure. For replacement and controls, the base cost is zero; therefore, the incremental cost is the full cost of the energy efficient measure. Lighting upgrades are considered early replacement with most projects replacing functional but inefficient lighting. Occupancy sensors or light sensors are included under controls, and the incremental cost is the full cost for the control measures. The AC replacements are considered replacement on burnout, with the incremental costs calculated based on the difference between the energy efficient measure and the baseline measure cost.

The incremental cost for this BES Program is based on a derived unit due to the dozens of measures supported, the 2025 incremental cost, and the weighted average of all the measures completed in 2025.

(8) Business Energy Services Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and are presented in the "Financial Data" section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. Output sheets are provided for the cost-benefit analysis, while input sheets are provided when applicable. The benefits, costs, net benefits, and benefits/cost ratios for cost-effectiveness are provided in the "Stakeholder Perspectives & Tests" section of the output sheet. The section "Utility Savings & Costs" provides the annual and lifetime costs and savings

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from the utility perspective. In Table DSM-91, NV Energy provides the BES Program’s 2025 NTRC, as well as the BES Program’s projected NTRC for 2027-2029 run by DSMore.

Table DSM-91: Business Energy Services NTRC Results

NTRC Results				
Programs	2025	2027	2028	2029
Nevada Power				
Business Energy Services	2.39	2.67	2.34	2.16
Sierra				
Business Energy Services	2.64	2.22	2.00	2.08
NTRC 2.0 Results				
Programs	2025	2027	2028	2029
Nevada Power				
Business Energy Services	4.54	5.10	4.84	4.74
Sierra				
Business Energy Services	4.80	4.40	4.22	4.34

(9) Business Energy Services Nevada Power and Sierra Input and Output Sheets

The Business Energy Services 2025 Input and Output sheets run through by DSMore are provided in Technical Appendices DSM-3.

The Business Energy Services 2027-2029 Input and Output sheets run by DSMore are provided in Technical Appendices DSM-4.

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Section 9 – Demand Response Programs

This new section describes the Companies' DR programs and a proposed compensation structure for performance-based energy and capacity grid services.

A. Grid Services Compensation Overview

As described in Section 1.A, the Commission directed the Companies to defer implementation of the previously proposed DR incentive structures until the appropriate tariffs were approved. In response, the Companies filed Advice Letter Nos. 557 and 684-E proposing updates to Schedule OLM-AS and introducing Schedules GSR-E and GSR-C grid service tariff riders. The tariff rider approach was developed as part of work under a US Department of Energy Grid Services Set (“DOE GSS”) Grant project, which is discussed in more detail in Section 7.B. of the DRP. This section describes the programmatic implementation of tariff riders.

Schedule OLM-AS has served as the tariff foundation for the Companies' residential and small commercial DR direct install programs since 2011, evolving through prior riders (Schedule ORSLM and Schedule OLM) that supported progressively more advanced load management technologies. Each evolution maintained backward compatibility, ensuring participating customers receive the same or higher incentive amounts. The proposed update to Schedule OLM-AS is the next evolution of this tariff series. Under the updated schedule, OLM-AS continues to serve as the program rider that governs enrollment, participation, and device incentives for residential and small commercial direct install customers but now references Schedules GSR-E and GSR-C as the mechanisms through which energy and capacity performance payments are calculated and delivered.

Schedules GSR-E and GSR-C, unlike Schedule OLM-AS, are not program specific. They are compensation riders that can be leveraged as specified by any Commission-approved load flexibility program. The specific implementation of the tariff riders is communicated to participating customers via a Participation Agreement along with program marketing and educational material. This allows the Companies to add new DR programs, such as battery storage DR, without creating separate incentive structures for each program type. As the DR portfolio grows, the GSR riders provide a more coordinated compensation approach available to all programs rather than a set of technology or program specific rebates and payments.

Scenario analysis of various capacity resource rates, a key parameter of Schedule GSR-C, is provided in Technical Appendix DSM-5.

1. Program Applicability

The grid service tariff riders are proposed to be applied to programs as follows. Each of the programs is described in detail in its program data sheet filed within this section:

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Residential DR:

Direct Install (PowerShift Smart Thermostat): The Companies provide and install smart thermostats at no cost to the customer, enabling utility-dispatched load flexibility events that reduce cooling load during system needs. The program is supported by Schedule OLM-AS which references and applies Schedules GSR-E and Schedule GSR-C with a simplified version of an upfront multi-year capacity payment, meaning that Direct Install customers start receiving annual capacity payments in year 4 of continuous enrollment, since the Company fronted the cost of the thermostat and the installation.

BYOD: Customers enroll qualifying connected thermostats and other flexible load devices they already own to participate in load flexibility events and start receiving Schedule GSR-E and GSR-C payments in the first year of participation.

Residential Battery Storage DR: Customers with BTM battery storage provide grid services through coordinated discharge during peak periods and, where applicable, controlled charging during excess generation. This program transitions from a measure within Residential DR (2025-2026) to a standalone offering for the Action Plan Period. This program is proposed to be supported by Schedules GSR-E and GSR-C.

Commercial and Industrial DR: Commercial & Industrial customers can choose to participate with various levels of commitment for specified loads, with a base Reliability DR option supported by GSR-C, or an Economic DR or Flex DR option supported by both Schedules GSR-C and GSR-E. Small and medium customers may do the same, leverage Schedule OLM-AS for direct install smart thermostats, or leverage a flexible upfront multi-year capacity payment as part of GSR-C.

Agricultural DR: Irrigation and agricultural load customers may choose to provide voluntary and automated DR by curtailment of water pumping or other specified loads with the same options as large commercial and industrial DR customers. This program is proposed to be supported by Schedules GSR-E and GSR-C, but requires layered incentive and engagement approaches specific to this sector and water pumping operations.

Schools DR: K-12 facilities participate with operational parameters tailored to school schedules and occupant comfort. Performance-based compensation under Schedules GSR-E and GSR-C was modelled in similar fashion to the Residential DR Direct Install for smart thermostats provided to the schools.

2. Compensation Structure

The GSR tariff riders replace the prior mix of fixed rebates, seasonal payments, and program-specific incentives with a unified, performance-based structure tied to avoided costs and verified performance. The compensation design meets several criteria established in Advice Letter Nos. 557 and 684-E: total payments fall within approved IRP budgets; payments support programs with NTRC ratios >1; the structure is equitable across device types and customer segments; existing customers receive compensation equal to or exceeding prior levels; and payment values align with grid value delivered.

Schedule GSR-E provides an energy credit for verified energy reductions during load flexibility events, calculated from the difference between the customer-specific baseline and measured energy, multiplied by an adjusted market rate.

Schedule GSR-C provides a capacity credit based on the customer's demonstrated ability to reduce or provide capacity during load flexibility events, calculated from the avoided cost of capacity, the

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customer's Annually Qualified Capacity, and Capacity Resource Rate. Credits may be provided annually or upfront as a Multiple Year Capacity Credit, which are reconciled to actual performance. The Multiple Year Capacity Credit provision supports customer enrollment and provisioning of load flexibility equipment such as batteries, grid-interactive water heaters, or other controllable technologies.

For programs operating under Schedule OLM-AS, the updated schedule now references GSR-E for energy credit calculation and GSR-C for capacity credit calculation. OLM-AS remains the program rider governing residential and small and medium commercial direct install programs.

Incentives under the new tariffs will result in increased budgets for the DR programs.

3. DR Program Participation Structure

The Companies propose to use a layered participation structure with three levels, each tied to specific event types and compensation under the GSR riders.

Level I - Base Reliability: Customers sign up to participate in events that address forecasted energy shortages, T&D constraints, or other conditions threatening system stability. Level I establishes eligibility for capacity credits under GSR-C.

Level II - Economic DR: Customers sign up to respond to economic events that are dispatched during times of elevated wholesale prices or forecasted resource adequacy concerns, earning energy credits under GSR-E and contributing to capacity qualification under GSR-C.

Level III – Flexible DR: Operating Reserve (“OR”), referring to a type of contingency reserve in which the load reduction can show up in less than 10 minutes from an activation charge event option for battery storage, available to customers with flexible energy storage resources that can be dispatched to charge or discharge. Compensation is provided through both GSR-C and GSR-E with an additional market-based payment for energy storage customers that have available capacity and can charge up when system level renewable energy production is higher than system level load.

While Residential customer program participation levels are defined by the program type, Commercial, Industrial, and Agricultural Customers may choose to work with NV Energy to enable specific loads into these options where appropriate.

Table DSM-92 below provides a summary of how the participation levels apply to each DR program.

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Table DSM-92: DR Program Participation Levels

Program	Reliability DR (Level I)	Economic DR Level II	Flexible DR Level III
Res. DR - Direct Install	Fully bundled offering with OR		
Res. DR - BYOD	Fully bundled offering with OR		
Res. Energy Storage	Fully bundled offering with OR and Charge Event option		
Small & Medium Commercial - Direct Install Thermostats DR`	Bundled Offering		Optional Offering
Commercial & Industrial DR	Base Offering	Optional Offering	Optional Offering
Agricultural DR	Base Offering	Optional Offering	Optional Offering
Schools DR	Bundled Offering		Optional Offering

As grid services roadmap items, the Company is working to migrate grid service approaches developed under the DOE GSS Grant into production business processes and systems such as the new DERMS. The DERMS is discussed in more detail in Section 7.A. of the DRP. This includes working to enable additional program offerings supported by specific grid services compensation for operating reserve, and frequency reserve with fast frequency response capability.

The program participation levels described above also include event parameters and constraints. Table DSM-93 below presents the event parameters by participation level.

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Table DSM-93: Event Parameters By Participation Level

Program Parameter	Reliability DR (Level I)	Economic DR Level II	Flexible DR Level III
Time of Year for Event Dispatch	Year-Round allowed. Most typically, for control of weather sensitive measures (e.g. air conditioning), this will be between June 1 st and September 30 th between 3pm and 9pm.		
Max Event Duration per End-Use Load	4 hours of a sustained response period for a customer end-use load or storage device per unique Event. A sustained response period happens after a pre-event period, where energy management routines may be invoked for pre-cooling or to prepare a device for an event, and before the post-event period, where energy management routines may be invoked to limit a sharp load rebound or snap back.		
Max Storage Device Discharge	No more than 80% of storage device capacity		
Commercial Advanced Notification Requirements*	At least 4 hours		None
Max Number of Events	5	40	60

*The bundled residential programs do not explicitly send out advance notifications, rather some device types and vendor apps include notices of events that are scheduled or indicate that an event is in progress.

4. Event Types

The following Event Types are used by the Company:

Emergency Events are dispatched when immediate grid support is needed due to an unexpected situation and/or in association with a NERC Energy Emergency Alert Level 2. Subcategories of Emergency Events include Reserve Events, of which an Operating Reserve Event is a specific type of Reserve Event. These event types most typically do not provide much advance customer notification and use fully automated systems. Many device types in the NV Energy portfolio have been tested to be capable of responding within 10 minutes of activation. The NV Energy DRMS (existing system) and DERMS (future) provide a rolling OR forecast for the amount of load drop that could be obtained from these devices types for a 1-hr hard shed (i.e. immediate drop of all devices) and a soft restore (i.e. slowly releasing or restoring devices over time after the 1-hr event).

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Reliability Events are scheduled and dispatched when near-term energy and demand forecasts determine that grid support will be needed at either the transmission system level or distribution system level. This allows customer notifications to be provided further in advance.

Economic Events are most typically scheduled and dispatched when system level forecasts anticipate elevated wholesale prices or resource adequacy concerns. These event types are typically scheduled on a day-ahead basis. For this plan period, the Companies are proposing to test a new type of Economic Event which responds to very low energy prices when there is excess renewable energy production, the aforementioned charge event offering.

Measurement & Verification Events are used to test and measure the load impact of load flexibility events under various operating and weather conditions, as well as to verify system integration, communications, and dispatch responsiveness. M&V Events could be used, if required, to ensure that the minimum number of required Qualified Events under Schedule GSR-C have taken place. Qualified Events under the Schedule GSR-C framework are used to determine a customer's Annually Qualified Capacity for financial settlement purposes and are specified to take place under conditions that should be comparable from year to year.

5. Customer Override and Pre-emptive Event Opt-Out

Customers may choose to override during events or pre-emptively opt-out before an event at their discretion; however, this will affect their performance-based compensation. For customers participating in only a Reliability DR option, they will be advised not to override since it will most likely seriously impact their performance-based capacity payment, and they would only be penalizing themselves. NV Energy does not plan to assess any other event related penalties at this time, since it is proposing a performance-based approach. The Company closely tracks customer override and pre-emptive event opt-out metrics for load impact forecasting purposes.

a. Event Dispatch

Events are currently managed and dispatched by the DRMS and will be dispatched by the new DERMS during the Plan period. These systems track and leverage the defined program rules, device type capabilities, and device availability data to forecast the load impact of the Event Types discussed above under forecasted weather and grid operating conditions. Dispatch instructions are issued through secure, vendor-supported pathways including cloud-based proprietary APIs, OpenADR 2.0b, or IEEE 2030.5 protocols. Load flexibility events do not have a fixed start date, time, or duration. Timing varies by event type in response to forecasted or actual grid and energy market conditions.

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b. Implementation of the Grid Service Riders

The transition to GSR-based compensation is designed to be minimally disruptive while delivering higher overall compensation for active participants. Consistent with prior tariff evolutions, existing customers will receive the same or higher incentive amounts.

Direct Install smart thermostat customers will begin receiving annual capacity credits from GSR-C after 36 months of participation per Schedule OLM-AS. Before 36 months of program participation, the provision of the smart thermostat at no cost to the customer by the Company functions as the equivalent of a three-year upfront Multiple Year Capacity Credit. Customers continue to receive an energy market payment, which transitions to the GSR-E approach. No customer action is required as the transition occurs through the updated Schedule OLM-AS, which their existing Participation Agreement already references. This means that existing Carrier 2-way Programmable Communicating Thermostat customers transition from a fixed \$20/season rebate to the annual performance-based capacity credits under GSR-C.

BYOD customers transition from flat participation payments to performance-based credits under GSR-E and GSR-C, with capacity credit eligibility from the first year.

Customers that enroll in the proposed Residential Battery Storage DR, Commercial DR, and Agricultural DR, would start program participation by taking service under the grid service riders through their Participation Agreements.

6. Financial Settlement

Financial settlement for Schedules GSR-E and GSR-C will be performed by DERMS for residential and commercial customers. Financial settlement calculations may need to be performed outside of DERMS for industrial and water pumping customers. DERMS Phase 1B(i), scheduled for production deployment in November of 2026, replaces the existing DRMS and automates baseline construction, event energy and capacity calculations, annually qualified capacity determination, and bill credit calculations. The system processes AMI interval meter data and, for vendor-integrated devices, supplemental event performance data. DERMS is designed to accommodate any permutation of the key parameters that can be specified within the GSR-E and GSR-C frameworks, and many permutations of highest X of Y similar day baselines, but cannot automatically calculate capacity determination for all types of baselines or capacity determination methods that may be needed for industrial and water pumping customers.

7. Proposed Specifications and Assumptions for Key GSR Parameters

Table DSM-94 summarizes the proposed specifications for the key parameters in the GSR framework for the programs in this application and, where appropriate, the specific values for the parameters within the GSR tariffs. They also summarize the assumptions made for certain

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parameters to determine proposed program budgets and the impact on the cost-effectiveness tests for programs. The rationale for the specification of significant parameters is discussed in more detail below. Table DSM-94 contains defined terms for “Key Parameters” from the proposed grid service tariff riders (Docket Nos. 25-10012 and 25-10013) such as Qualified Events, Event Capacity, and Annually Qualified Capacity. The terminology is defined in the Special Condition 1 of each tariff rider, and these definitions should be referenced for a better understanding of the below discussion.

Table DSM-94: Proposed Specifications And Assumptions For Key GSR Parameters

GSR	Key Parameter	Specification/Interpretation	Values/Assumptions (the sources of the values are described in Section 9.A.8)
GSR-C	Qualified Events	A minimum of two load flexibility events where the customer participates for a duration of two hours at the time of net system peak in the temperature bins greater than 104 deg F at Nevada Power and greater than 98 deg F at Sierra, where net system peak is defined as the naturally occurring peak minus must take supply-side renewable energy.	n/a
GSR-C	Event Capacity	Average kW, meaning the hourly resource performance averaged over the two-hour dispatch window of a Qualified Event.	n/a
GSR-C	Annually Qualified Capacity	Average Event Capacity, meaning the average Event Capacity across Qualified Events.	n/a
GSR-C	Capacity Resource Rate	Portion of avoided capacity costs shared with customers considering the equivalent load carrying capability of the overall aggregated NV Energy DR resource, phased dispatch of resources, load diversity, and requirement to cover additional program costs via the avoided capacity benefit.	Residential and Commercial: 60% Industrial and Agricultural: 30% minimum for installed capacity

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GSR-C	Avoided Cost of Generation	Planning assumptions (used to support generation of program budgets). See the below Section titled Avoided Cost of Generation and Transmission Capacity in Section 9.A.8.e.	Nevada Power & Sierra: \$100/kW-yr
GSR-C	Avoided Cost of Transmission Capacity	Planning assumptions (used to support generation of program budgets).	Nevada Power: \$20/kW-yr Sierra: \$33/kW-yr
GSR-C	Distribution Node Capacity Rate	Planning assumptions (used to support generation of program budgets).	Nevada Power: \$25/kW-yr Sierra: \$32/kW-yr
GSR-C	Avoided Cost of Generation	Going forward proposed numbers	Nevada Power & Sierra: \$104/kW-yr
GSR-C	Avoided Cost of Transmission Capacity	Going forward proposed numbers	Nevada Power: \$36/kW-yr for secondary distribution customers; \$33/kW-yr for primary distribution Sierra: \$34/kW-yr for secondary distribution customers; \$33 for primary distribution
GSR-C	Distribution Node Capacity Rate	Going forward proposed numbers	Nevada Power: \$46/kW-yr for secondary distribution customers; \$43/kW-yr for primary distribution Sierra: \$32/kW-yr for secondary and primary distribution customers

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GSR-C	Multiple Year Capacity Credit – Years	Planning assumption for the average number of years that a typical customer may commit to in return for an upfront Multiple Year Capacity Credit for select programs such as the Residential Energy Storage program. (selected based on benchmarking and program design considerations)	4 years
GSR-C	Multiple Year Capacity Credit – Customer Uptake	Planning assumption for the portion of customers that select the Multiple Year Capacity Credit for select programs such as the Residential Energy Storage program.	100%
GSR-E	Energy Resource Rate	Portion of avoided energy costs during load flexibility events shared with customers.	90%
GSR-E	Market Price	Planning assumption for the expected average hourly energy market price during load flexibility events (used to support generation of program budgets).	\$95/MWh
GSR-E	Distribution Node Energy Rate	8% of the expected average hourly energy market price during load flexibility events (used to support generation of program budgets).	\$8/MWh
GSR-E	Load Flexibility Events	Planning assumption for the expected number of economic events where a customer participates for a duration of two hours and receives an energy credit (used to support generation of program budgets).	30 events per year
GSR-E & GSR-C	Customer Specific Baseline (“CSB”) Methodology	For Residential and Small Commercial Customers: The average of the 3 highest-load days from the prior 5 non-event days of similar day type (i.e. non-holiday weekdays or weekends) with a same-day adjustment equal to the ratio of actual customer load to the calculated baseline load during a two-hour pre-event period starting from 4 hours before the sustained dispatch period to 2 hours before the	

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		<p>sustained dispatch period, with a +/-10% adjustment cap.</p> <p>For Medium and Large Commercial Customers: The average of the 5 highest-load days from the prior 10 non-event days of similar day type (i.e. non-holiday weekdays or weekends) with a same-day adjustment equal to the ratio of actual customer load to the calculated baseline load during a two-hour pre-event period starting from 4 hours before the sustained dispatch period to 2 hours before the sustained dispatch period, with a +/-10% adjustment cap.</p> <p>For industrial loads: NV Energy will need to identify the most appropriate process specific approach.</p> <p>For agricultural water pumping loads: NV Energy will need to identify the most appropriate approach for the type of customer and their operations, typically based on expected or scheduled pump operations, a meter before/meter after approach, or in some cases a high 8 of 10 similar day with same-day adjustment.</p>	
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8. Rationale for Schedule GSR-C Key Parameters

Schedule GSR-C establishes performance-based calculations to calculate capacity credits based on demonstrated performance across multiple events and is intended to apply in the same fashion across the DR programs proposed in this plan.

Important goals of the GSR-C tariff are to be technology-neutral and to award fair credits for realistically avoided supply-side capacity at net system peak by using equivalent performance measurement methods. The most important parameters within Schedule GSR-C are the specifications for Qualified Events, Annually Qualified Capacity, and the Capacity Resource Rate. The Qualified Event specification and the Annually Qualified Capacity ensure that the technology performance is measured consistently, while the Capacity Resource Rate credits that performance consistently.

This represents a technology-neutral and program coordinated approach. This enables multiple DER technology types to provide grid services at the same customer premise in a harmonized

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fashion and eliminates multiple and potentially duplicative payments by DER technology type that exist under the current paradigm.

a. Qualified Event Specifications

Realistic capacity avoidance of supply-side resources such as peaking combustion turbines by dispatching DR resources is expected to happen during the summer months on the days of highest net system peak during high temperature hours. NV Energy recommends that only these types of events be used to determine Annually Qualified Capacity from year to year to establish a comparable and consistent performance basis.

The Companies also propose to require participation in a minimum of two events during those conditions to be able to accommodate customers signing up for the Reliability DR offering.

The Companies propose a two-hour event participation duration as that is the most typical expected event dispatch duration for individual resources over the plan period.

The overall event duration of the NV Energy aggregated DR resource, more recently referred to in the industry as a Virtual Power Plant (“VPP”) resource, is longer than individual customer participation due to the utilization of optimized phased dispatch strategies where groups of DER devices are strategically dispatched over time to achieve maximum effective load carrying capability⁵⁵ (“ELCC”) for load shaping objectives or specific capacity avoidance objectives. The modeling of the DR energy savings curves (see Section 4) used for cost-effectiveness testing takes this into account and models an overall 3-hour event at the portfolio level that is then allocated to the programs by the demand contribution of each program to the portfolio level VPP resource.

b. Annually Qualified Capacity

The Annually Qualified Capacity represents a customer’s demonstrated performance across all Qualified Events and is measured annually to determine the capacity credit due and/or to true up any Contracted Capacity Credits or Multiple Year Capacity (“MYC”) Credits. The GSR-C framework allows multiple ways to structure the Annually Qualified Capacity, such as the maximum, average, or minimum Event Capacity across Qualified Events. For this plan period, the Companies are proposing the Average Event Capacity across Qualified Events.

The proposed method leverages emerging best practices for assigning qualified capacity credit to DR resources.⁵⁶ As more regions value DR contributions to resource adequacy, methodologies are

⁵⁵ Effective Load Carrying Capability represent the amount of reliable load that a resource such as DR can support without reducing overall reliability metrics. It focuses on the reliable contribution of a resource toward meeting load as opposed to name-plate capacity for a traditional generator or 1-hour max demand impact from a DR resource.

⁵⁶ In 2022, the CAISO recommended “...any new qualifying capacity for DR must: Represent accepted industry leading practices recognizing DR resources’ limited and variable output nature...” CAISO, RA Track 2: Demand Response Valuation: Load Impact Protocol Profile Informed Effective Load Carrying Capability, February 2022, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/caiso-e3-presentation---lip-informed-elcc---implementation-track-phase-ii.pdf>

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evolving from "best hour" approaches (maximum dispatch for a single peak hour) to hourly performance-based capacity values that consider availability profiles during peak hours. There are active ongoing investigations in the industry regarding best methods.⁵⁷

Since the intent of the GSR-C is to offer incentives uniformly across technologies, the choice of uniform dispatch duration for a DER resource or customer type across which to average (e.g., two, three, or four-hour average) is a design decision for the Qualified Events and Annually Qualified Capacity. As demonstrated in NV Energy's smart thermostat M&V results, event impacts for thermostat devices degrade over the event window for individual devices, with the highest impacts appearing in the first hour, and further decay from hour to hour by roughly half, whereas a battery has the capability to discharge at a relatively constant rate across a multi-hour period. Choosing a two-hour dispatch window as the basis for averaging hourly impacts strikes a balance between overcompensating certain device types for max hour dispatch and potentially undercompensating them via a 3-hour or 4-hour averaging for event durations that NV Energy is most likely not to call during the plan period.

In summary, NV Energy proposes the actual availability method for two-hour dispatch as it better reflects true grid value and aligns with both emerging best practices and NV Energy optimized dispatch practices.

c. Capacity Resource Rate

The Capacity Resource Rate works in tandem with Annually Qualified Capacity to translate grid value into fair customer incentives that represent the portion of avoided capacity costs shared with customers considering that other programs costs (e.g. program administration, EM&V, and implementation costs) must also be covered by avoided cost benefits for an equivalent amount of traditional supply-side capacity that counts toward resource adequacy.

As discussed above, a key goal of the GSR tariffs is to remain technology neutral. For that reason, NV Energy proposes applying a single Capacity Resource Rate assumption across all of NV Energy's DR programs in a given service area. This ensures that customer devices are equitably compensated for their capacity contributions when performance is measured consistently, including when a customer premise participates in an event using varied DER device types.

Furthermore, the Capacity Resource Rate should be grounded in a concept that uniformly links capacity contributions to grid value and resource adequacy. NV Energy suggests that an appropriate construct for assessing the resource adequacy contribution of DR is the ELCC construct. NV Energy has not yet performed detailed ELCC calculations for DR resources, but, based upon optimized dispatch performance during peak events, NV Energy estimates that when DR resources are spread across the peak or net peak during a phased Economic Event, the resulting drop in peak demand generated by such events has been in the range of 60-65 percent of the

⁵⁷ As an example of recent industry investigations, see California Energy Commission, *Commission Report: Qualifying Capacity of Supply-Side Demand Response Working Group Final Report*, CEC-200-2022-001-F, December 2022

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Maximum Verified Demand Reduction (“Max VDR”) determined in third party M&V analysis, which is representative of a typical Emergency DR Event or Reliability DR Event.

Tying Capacity Resource Rate directly to ELCC limits flexibility in pursuing multiple objectives (e.g., attracting hard-to-reach customers, improving performance and retention, expanding to new DER types, and maintaining cost-effectiveness) and does not inherently account for other program cost categories that must be covered by avoided cost benefits. Additionally, precise ELCC calculation requires extensive system modeling, as values vary by technology, dispatch order, and critical hours.

Thus, the proposed value of 60 percent for the Capacity Resource Rate reflects an ELCC-informed value balanced by the selection of the Qualified Event 2-hour average method with consideration for other program costs and consideration of the need to attract and retain more customers into DR programs.

Given the nature of this balancing act, NV Energy has performed scenario analyses on a lower Capacity Resource Rate of 30 percent and a higher Capacity Resource Rate of 85 percent to determine the impact of those scenarios on program budgets and cost-effectiveness. The results of the scenario analysis are presented in Technical Appendix DSM-5.

Additionally, due to the unknown nature of potential future industrial loads and variability in agricultural water pumping loads, NV Energy is recommending a 30 percent Capacity Resource Rate in these sectors as a minimum installed capacity approach with opportunity to earn up to a 60 percent max Capacity Resource Rate depending upon load types and load diversity.

d. Multiple Year Capacity Credit

As described in Attachment 2 of Advice Letter Nos. 557 and 684-E, the Multiple Year Capacity Credit is proposed as a methodology to increase the adoption of flexible controls for end-use loads and increase the participation of energy storage devices in load flexibility programs, thereby supporting the construction of VPPs and non-wires solutions.⁵⁸

Within this IRP, notwithstanding the simplified approach in Schedule OLM-AS for the upfront capacity investment for Direct Install customers, the Multiple Year Capacity Credit is only assumed to be additionally selected by the Residential Battery Storage DR customers, given the high upfront capital costs of battery storage. Over time, it is expected that more technologies take the Multiple Year Capacity Credit, where higher upfront costs merit an upfront participation commitment.

Based on benchmarking of other similar residential battery storage programs, primarily Rocky Mountain Power’s WattSmart program, the number of commitment years for an average customer is assumed to be four years. This number also reflects the average time that a solar customer

⁵⁸ Docket No. 25-10012 & 25-10013, Attachment 2, Oct. 14, 2025.

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typically spends in a given residence with a solar system, according to an analysis of NV Energy customer billing system data.

These are planning assumptions only. The customers are free to choose the number of commitment years related to a Multiple Year Capacity Credit, or to choose annual credits from the start.

e. Avoided Cost of Generation and Transmission Capacity

For Nevada Power, the planning assumption for the Avoided Cost of Generation and Transmission Capacity rate of \$120/kW-yr is composed of an Avoided Cost of Generation of \$100/kW-yr and an Avoided Cost of Transmission of \$20/kW-yr. For Sierra, the planning assumption for the Avoided Cost of Generation and Transmission Capacity rate of \$133/kW-yr is composed of an Avoided Cost of Generation of \$100/kW-yr and an Avoided Cost of Transmission of \$33/kW-yr.

The Avoided Cost of Generation was approximated from values taken from the First Amendment to the 2024 IRP, Docket No. 25-10028, more specifically in Section 4, Fuel and Purchase Power Price Forecasts, of the Narrative and Technical Appendix FPP-1. The Narrative explains the methodology and that the data was sourced from a Wood Mackenzie report.

The assumed Avoided Cost of Transmission at the time of goal setting and budgeting was \$20/kW-yr at Nevada Power and \$33/kW-yr at Sierra. These were derived from the Marginal Cost Study conducted for the Nevada Power General Rate Case, Docket No. 23-06007, and the Sierra General Rate Case, Docket No. 24-02026, and associated workpapers.

For this 2026 IRP, new numbers arrived in time for cost-effectiveness testing, so the proposed going forward numbers reflect the arrival of updated numbers after the original goal setting and budgeting process. The proposed Avoided Cost of Generation is updated from the Fuel and Purchase Power Price Forecasts section of the IRP Narrative and leverages an updated Wood Mackenzie report. The updated proposed value of \$104/kW-yr averages the projected Avoided Cost of Generation capacity across the Action Plan period across three regions: Western Electricity Coordinating Council SWRG; California Independent System Operator; and Northwest Power Pool US. These value applies to both Nevada Power and Sierra Avoided Cost of Generation.

The proposed going forward Avoided Cost of Transmission for Nevada Power has been updated to \$36/kW-yr for secondary distribution customers; \$33/kW-yr for primary distribution. These were derived from the latest Marginal Cost Study conducted for the Nevada Power General Rate Case, Docket No. 25-02016. The proposed numbers for Sierra remain those based upon the Sierra General Rate Case in Docket No. 24-02026.

f. Distribution Node Capacity Rate

The planning and budgeting assumptions for the Distribution Node Capacity rate of \$25/kW-yr at Nevada Power and \$32/kW-yr at Sierra were derived from the Marginal Cost Study conducted for

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the Nevada Power General Rate Case, Docket No 23-06007, and the Sierra General Rate Case, Docket No. 24-02026.

The proposed going forward Distribution Node Capacity rate for Nevada Power has been updated to \$46/kW-yr for secondary distribution customers and \$43/kW-yr for primary distribution. These were derived from the latest Marginal Cost Study conducted for the Nevada Power General Rate Case, Docket No. 25-02016. The proposed numbers for Sierra remain those based upon the Sierra General Rate Case, Docket No. 24-02026.

g. Schedule GSR-E

Schedule GSR-E provides energy credit to customers equivalent to the energy saved by end-use loads or provided by an energy storage device during load flexibility events, as discussed in more detail in Docket Nos. 25-10012 and 25-10013. The schedule establishes performance-based calculations to determine energy credits due after an Economic DR or Flex DR customer participates in an event.

An Energy Resource Rate of 90 percent is proposed, mimicking pass-through fuel cost savings to customers but also considering NV Energy transaction costs and shared avoided cost benefits to cover other programs costs. This allows customers to benefit from providing demand reductions during high-cost hours, and acts as an incentive for them to do so.

For planning assumptions, a conservative approach to budgeting and cost-effectiveness analysis was used to estimate future energy credits to be paid under GSR-E. A model was created to determine the dates and times for the future dispatch of Economic Events using the long term hourly marginal energy cost forecast. This model was used to create energy savings curves for the DSM cost-benefit analysis tools as well as to calculate the average hourly energy price expected during future load flexibility events for budgeting purposes. These were calculated at a program level, assuming 30 events per year during the net system peak at the highest cost hours. Using this method, it was determined that an average hourly value of \$95/MWh would be the best proxy for the Market Price parameter in Schedule GSR-E for estimating energy grid service compensation for program budgeting.

The Adjusted Market Rate parameter in GSR-E was based on the Market Price determined above, plus a Distribution Node Energy Rate at eight percent of the Market Price. Eight percent is representative of line loss during system peak times.

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B. Demand Response Programs Overview

The DR program category goal is to recruit customers into an ongoing effort that allows NV Energy to interact with air conditioners, end-use loads, or distributed energy resources during times of peak energy use. These programs allow NV Energy residential and commercial customers to reduce energy consumption and demand requirements to save both energy and money. Historically, the DR programs were included in the Residential and Non-Residential Services programs, however, now the programs are included in this new section.

1. Residential DR Program

a. Residential DR - At a Glance

The Residential DR Program (“Residential DR Program”) recruits and manages residential customers in an ongoing effort that allows NV Energy to interact with air conditioners, end-use loads, and distributed energy resources during times of peak energy use to reduce electricity demand on the power grid. The Residential DR Program operates through Build and Manage components, with Build recruiting new participants and Manage supporting ongoing dispatch, device servicing, and performance verification for previously enrolled customers. Eligible measures include smart thermostats (direct install and bring-your-own), and demand responsive appliances such as electric water heater controllers. Starting in 2027, battery energy storage participation transitions to the standalone Residential Battery Storage DR program (“Battery Storage Program”).

The Residential DR Program transitions compensation to performance-based credits under Schedules GSR-E and GSR-C, operating under Schedule OLM-AS, while maintaining existing incentive structures for previously enrolled participants through the end of current terms. Residential DR Program budgets support administration, M&V, implementation and operations, software, and education and outreach, informed by documented 2025 program performance. Key risks include customer attrition, thermostat technology obsolescence, BYOD data and control limitations, and demand reduction variability driven by event timing and weather conditions. These risks are mitigated through proactive technology refresh campaigns, customer reengagement at move-in, expanded BYOD enrollment to offset attrition, flexible dispatch strategies, and ongoing vendor coordination to maintain device operability and data access.

b. Residential DR – Program Description

(1) Overview

The Residential DR Program allows NV Energy residential customers to reduce energy and demand consumption to save both energy and money through DR measures including thermostats controlling HVAC and electric water heater controllers. The pool pump controllers measure is being retired for the Action Plan period, and the battery storage measure (formerly referred to as

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the energy storage system (“ESS”)) is being moved to a standalone Residential Battery Storage DR program starting in 2027.

There are two channels to enroll in the program, through direct install or through BYOD. Customers can enroll through customer service representatives via phone or email communication, through a portal on NV Energy’s website, or through a dedicated app, depending on which channel is chosen. The Residential DR Program is split into two components: Build and Manage. The Build component primarily recruits new residential customers into an ongoing service that allows the Companies’ control systems to interact with customers’ DR capable technologies during peak load or emergency conditions to reduce electricity demand on the power grid through a DR event (“Event”). The Manage component consists of customers that were recruited into the Build component in previous years. Events are dispatched through NV Energy’s DRMS, transitioning to the DERMS during the Action Plan period. Event types, dispatch parameters, and participation levels are described in Section 9.A of this Plan. The direct install channel operates under Schedule OLM-AS, which references Schedules GSR-E and GSR-C while the BYOD customer would operate directly under Schedules GSR-E and GSR-C for the calculation of energy and capacity performance payments, as previously described.

(2) Enrollment Requirements

The requirements that a residential customer will need to enroll in the Residential DR Program are:

- Reside in NV Energy’s service territory,
- Have an active utility account,
- Have always-on communication service, typically internet service, and
- Be at least 18 years old.

(3) Participation Requirements

To qualify for the smart thermostat direct install measure, the customer must:

- Have a working compatible HVAC unit,
- Sign a participation agreement that grants NV Energy the ability to increase the thermostat set point by a maximum of four degrees during an Event, and
- Confirm permission with the property owner to install any permanent devices in the residence or HVAC system if the customer is a renter.

To qualify for the BYOD measure, the customer must:

- Have installed a compatible smart thermostat, and
- Sign a participation agreement that grants NV Energy the ability to remotely issue demand reduction commands during an Event.

To qualify for the DR appliances (electric water heaters) measures, the customer must:

- Have a qualifying appliance approved for NV Energy programs such as grid interactive water heaters,
- Sign a participation agreement that grants NV Energy the ability to remotely issue demand reduction commands during an Event.

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To qualify for enrolling a Battery Storage System, the customer must:

Have a qualifying battery technology, typically a rechargeable battery with an inverter.

The battery has been commissioned, operational, and meets the battery vendor's requirements to receive utility commands.

Sign a participation agreement that allows NV Energy to remotely issue demand reduction commands during an Event.

Starting in 2027, battery storage participation requirements are governed by the standalone Residential Battery Storage DR program data sheet.

(4) Participation Agreement Terms

Participation in the Residential DR Program requires customers to execute a Participation Agreement. For customers receiving NV Energy-provided equipment through direct install, the minimum participation term is three years, with auto-renewal at the end of each term. NV Energy retains ownership of program-provided equipment during the minimum term, after which ownership transfers to the customer. Customers terminating prior to completion of the minimum term may be required to return the equipment or pay the remaining depreciated value. For customers participating through their own qualifying devices BYOD, the minimum participation term is one year. Performance-based compensation is provided as an annual bill credit based on the customer's verified demand reduction during Events.

(5) Marketing Strategy

The Residential DR Program uses recruitment strategies by measure type. For direct install measures such as smart thermostats and water heater controllers, customer recruitment is driven by email campaigns, advertising, community events, and inbound customer service inquiries. For BYOD measures, the Residential DR Program leverages manufacturer and retail partnerships to promote enrollment at the point of purchase. For energy storage systems, the Companies use PowerClerk interconnection application data to identify and conduct targeted outreach to customers with existing battery installations. The portfolio-level marketing strategy is described in Section 5 of this DSM Plan.

Customer retention is supported through seasonal email communications that set participation expectations and provide program education before each DR season. NV Energy also provides ongoing device service, including service calls and equipment replacement as needed, to maintain customer enrollment and device operability.

The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

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(6) Residential DR Program Benefits

The Residential DR Program assists NV Energy with managing system peak demand and provides participating customers with smart thermostats or other load management devices at no cost, along with complimentary installation and ongoing device services. Customers earn performance-based bill credits when they participate in Events.

For the 2027-2029 program years, for direct install customers, the provision of the no-cost device and installation serves as the equivalent of an upfront capacity payment for the first 36 months of participation, after which annual capacity credits under Schedule GSR-C begin. BYOD customers are eligible for energy and capacity credits under Schedules GSR-E and GSR-C from the first year of participation. The compensation structure, including legacy incentive provisions for existing customers, is detailed in Section 9.A.2 of this program data sheet, and the GSR tariff mechanics are described in Section 9.A.

c. 2025 Residential DR Results

This section summarizes the overall results and activities of the 2025 Residential DR Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The actual expenditures, demand and energy savings, and participating units for the Residential DR Program for the 2025 Prior Year are provided in Table DSM-95 below.

Table DSM-95: 2025 Residential DR Expenditures, Savings, and Unit Results

2022 Program Components	Program Budget			kWh Savings			kW Savings			Units		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Residential DR - Manage	7,855,000	8,205,116	4	27,000,000	27,755,029	3	116,000	120,241	4	91,837	127,355	39
Residential DR - Build	7,008,501	7,302,501	4	5,000,000	3,114,951	(38)	23,000	13,395	(42)	17,091	10,946	(36)
Nevada Power Total	14,863,501	15,507,617	4	32,000,000	30,869,980	(4)	139,000	133,636	(4)	108,928	138,301	27
Sierra												
Residential DR - Manage	780,000	822,983	6	3,000,000	3,467,744	16	10,000	20,948	109	14,423	18,287	27
Residential DR - Build	2,140,000	2,063,103	(4)	1,000,000	461,257	(54)	3,000	3,057	2	4,845	2,283	(53)
Sierra Total	2,920,000	2,886,086	(1)	4,000,000	3,929,001	(2)	13,000	24,005	85	19,268	20,570	7
NV Energy												
Residential DR - Manage	8,635,000	9,028,099	5	30,000,000	31,222,773	4	126,000	141,189	1%	106,260	145,642	37
Residential DR - Build	9,148,501	9,365,604	2	6,000,000	3,576,208	(40)	26,000	16,452	(37)	21,936	13,229	(40)
NV Energy	17,783,501	18,393,703	3	36,000,000	34,798,981	(3)	152,000	157,641	4	128,196	158,871	24

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In Nevada Power and Sierra, the Build component of the Program was unable to reach its energy savings goals due to fewer enrollments attributed to a high number of upgrades from legacy EcoFactor technologies. For the Manage component, the energy savings target was achieved for both service territories primarily due to the high number of upgrades.

(2) Results by Cost Category

The Program components' 2025 actual budget and actual expenditure results are further broken down into cost categories including utility administration, M&V, implementation, software, education and outreach, and incentives and/or rebates categories by service territory below in Table DSM-96.

Table DSM-96: 2025 Residential DR Program Costs by Category

Program Cost Description	Residential DR - Manage Actual Expenditures (\$)	Residential DR - Build Devices Actual Expenditures (\$)
Nevada Power		
Utility Administration	651,591	563,217
Measurement & Verification	137,859	124,076
Implementation	6,045,166	6,145,299
Software	-	6,595
Education/Outreach	235,767	204,039
Incentives	1,134,733	259,275
Nevada Power Total	8,205,116	7,302,501
Sierra		
Utility Administration	(24,325)	243,197
Measurement & Verification	22,155	53,582
Implementation	772,206	1,428,493
Software	-	1,649
Education/Outreach	28,361	68,991
Incentives	24,586	267,191
Sierra Total	822,983	2,063,103
NV Energy		
Utility Administration	627,266	806,414
Measurement & Verification	160,014	177,658
Implementation	6,817,371	7,573,792
Software	-	8,243
Education/Outreach	264,128	273,030
Incentives	1,159,319	526,465
NV Energy Total	9,028,099	9,365,604

(3) 2025 Residential DR Overall Results and Activities

Nevada Power conducted 24 DR Events and Sierra conducted 14 DR Events during the 2025 DR summer season. DR Events included the traditional “economic” events, as well as targeted, reliability DR events for the Sahara, and Cabana substations.

During 2025, the Company made several adjustments and improvements to the Residential DR program. The Residential DR Program increased recruitment for the at-large BYOD measure. This

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allowed for the enrollment of customers who have Amazon, Ecobee, Emerson, Honeywell, and Nest smart thermostats. Residential DR Program participation levels were higher due to a combination of BYOD and conventional thermostat enrollments, coupled with low attrition.

In the Nevada Power operating area, 5,324 new BYOD enrollments were added, and 1,603 were added in the Sierra Pacific operating area. The Residential DR Program expanded measures with residential energy storage (batteries), water heaters, and pool pumps. Enrollments in these measures totaled:

Batteries: 27 in Nevada Power and 15 in Sierra operating areas.

Water Heaters: 190 in Nevada Power and 17 in Sierra operating areas.

- Electric Resistance Water Heaters: 178
- CTA-2045 on Heat Pump Water Heaters: 29

Pool Pumps: 52 in Nevada Power operating area. This measure was not offered in the Sierra operating area.

(4) 2025 Residential DR Lessons Learned and Recommendations

The following lessons learned or recommendations were identified for consideration in an upcoming program year:

BYOD can be a very cost-effective near-term strategy to increase summer peak kW reduction at a lower cost than the traditional utility-installed smart thermostats by targeting customers that had already separately purchased compatible thermostats; however, in most instances it comes with a loss of data access (e.g. performance data) and control options (e.g. setback, locational dispatch). The volume and emphasis placed on BYOD needs to be balanced considering locational dispatch, data driven energy savings, and flexible grid services strategies. NV Energy continues to evaluate different ways to improve DR Events. Battery Storage System DR customer identification and outreach was aided by PowerClerk interconnection applications. Throughout 2025 data monitoring, many batteries were still programmed with the legacy 1:00 PM – 7:00 PM on-peak instead of the current 6:00 PM - 9:00 PM window, requiring validation and customer reconfiguration. Customers' leasing batteries lacked the ability to modify the TOU schedule or operating modes, requiring them to contact their battery installer. The battery vendor provided improved onboarding processes to assist with checking potential participant battery storage system health before completing enrollment.

Electric resistance water heater DR continued to focus on enrolling multi-family dwellings via communication with property managers. The inclusion of leak detection and remote control of water heater programming were positively received as customer benefits.

CTA-2045 communication enabled HPWH continued to participate in 2025 DR events. Growth of CTA-2045 technology is reliant on the adoption of appliances, such as heat pump water heaters and electric resistance water heaters, with CTA-2045 sockets.

Pool Pump DR controls continued to be installed in parallel with the participant's existing timer controls, allowing the pool pump motor to be interrupted during DR events. Most single-speed pool pumps participating were near their end-of-life, creating a risk for increased customer service calls to NV Energy. Pool pump equipment that was not in working or safe condition was not eligible to participate in Pool Pump DR events.

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d. 2026 Residential DR Proposed Program Current Year

This section summarizes the overall approved goals and activities of the Residential DR Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Residential DR Budgets, Savings Target, and Unit Goals

The 2026 Residential DR Program continues to utilize multiple thermostat and non-thermostat technologies and focuses resources on bundled enrollments to optimize cost.

Table DSM-97 below presents the authorized budgets, projected demand and energy savings targets, and participating unit goals for the Residential DR Program for the 2026 Current Year.

Table DSM-97: 2026 Residential DR Budgets, Savings Targets, and Unit Goals

Program Components	Authorized Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
Nevada Power				
Residential DR - Manage	7,867,000	130,000	29,000,000	98,639
Residential DR - Build	8,888,501	33,800	5,050,000	17,091
Nevada Power Total	16,755,501	163,800	34,050,000	115,730
Sierra				
Residential DR - Manage	780,000	11,000	3,500,000	16,827
Residential DR - Build	2,948,000	8,900	1,104,000	4,845
Sierra Total	3,728,000	19,900	4,604,000	21,672
NV Energy				
Residential DR - Manage	8,647,000	141,000	32,500,000	115,466
Residential DR - Build	11,836,501	42,700	6,154,000	21,936
NV Energy	20,483,501	183,700	38,654,000	137,402

(2) 2026 Residential DR Plan Current Year Changes

The following are the Residential DR Program plan enhancements planned for the 2026 Current Year:

Technical changes and DR event strategies have been updated to support flexible dispatch for the 2026 DR event season.

The Residential DR Program will continue to recruit low-income and multifamily facilities to provide underserved customers with program benefits.

The Companies will reach out to customers enrolled with older, legacy technologies and offer upgrades to current smart thermostat technologies. The goal is to retain these customers as contractor support for their existing devices to end.

Continue working with the customer engagement team to enroll new residents that moved into premises with existing equipment, mitigating attrition when prior customers move out. The single speed pool pump measure was terminated prior to the 2026 DR season because they are being phased out of the market and fewer customers own the equipment and variable speed pool pumps have been retired from controllable equipment.

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The Residential DR Program will continue to evaluate technologies for coordinating smart thermostat dispatch to avoid coincidental demand peaks. Technologies for limited field evaluations may include edge gateway hardware and energy monitors.

The Companies are working with vendors to expand DR control access to more battery technologies.

e. 2027-2029 Action Plan Period Proposed

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The Residential DR program’s 2027-2029 proposed budgets, savings targets, and unit goals are provided in Table DSM-98 below.

The Residential DR Program’s budgets include utility administration, M&V, implementation contractor costs, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-98: 2027-2029 Residential DR Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2027				
Nevada Power				
Residential DR - Manage	14,776,000	151,000	30,645,000	140,897
Residential DR - Build	8,073,000	22,000	4,530,000	15,760
Nevada Power Total	22,849,000	173,000	35,175,000	156,657
Sierra				
Residential DR - Manage	2,325,000	20,000	4,144,000	20,783
Residential DR - Build	2,008,000	5,000	467,000	2,304
Sierra Total	4,333,000	25,000	4,611,000	23,087
NV Energy				
Residential DR - Manage	17,101,000	171,000	34,789,000	161,680
Residential DR - Build	10,081,000	27,000	4,997,000	18,064
NV Energy	27,182,000	198,000	39,786,000	179,744
2028				
Nevada Power				
Residential DR - Manage	15,613,000	157,000	31,658,000	145,820
Residential DR - Build	8,880,000	24,000	4,983,000	17,323
Nevada Power Total	24,493,000	181,000	36,641,000	163,143
Sierra				
Residential DR - Manage	2,627,000	23,000	4,150,000	22,033
Residential DR - Build	2,209,000	5,500	513,000	2,529
Sierra Total	4,836,000	28,500	4,663,000	24,562
NV Energy				
Residential DR - Manage	18,240,000	180,000	35,808,000	167,853
Residential DR - Build	11,089,000	29,500	5,496,000	19,852
NV Energy	29,329,000	209,500	41,304,000	187,705
2029				
Nevada Power				

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Residential DR - Manage	16,388,000	164,000	32,977,000	152,052
Residential DR - Build	9,768,000	26,000	5,481,000	19,041
Nevada Power Total	26,156,000	190,000	38,458,000	171,093
Sierra				
Residential DR - Manage	2,890,000	26,000	4,197,000	22,340
Residential DR - Build	2,430,000	6,000	565,000	2,783
Sierra Total	5,320,000	32,000	4,762,000	25,123
NV Energy				
Residential DR - Manage	19,278,000	190,000	37,174,000	174,392
Residential DR - Build	12,198,000	32,000	6,046,000	21,824
NV Energy	31,476,000	222,000	43,220,000	196,216

Table DSM-99 presents the proposed 2027-2029 Residential DR cost by category budgets.

Table DSM-99: 2027-2029 Residential DR Proposed Budgets Costs by Category

Program Cost Description	Residential DR – Manage (\$)	Residential DR – Build (\$)	Residential DR – Manage (\$)	Residential DR – Build (\$)	Residential DR – Manage (\$)	Residential DR – Build (\$)
	2027		2028		2029	
Nevada Power						
Utility Administration	1,173,403	622,643	1,239,871	684,884	1,301,417	753,373
Measurement & Verification	248,260	137,168	262,323	150,879	275,344	165,967
Implementation	7,819,409	6,461,363	8,371,588	7,107,749	8,823,132	7,819,050
Software	-	6,931	-	7,625	-	8,388
Education/Outreach	304,755	214,455	326,301	235,916	343,855	259,534
Incentives	5,230,173	630,440	5,412,917	692,946	5,644,252	761,688
Nevada Power Total	14,776,000	8,073,000	15,613,000	8,880,000	16,388,000	9,768,000
Sierra						
Utility Administration	184,661	236,702	208,648	260,396	229,536	286,435
Measurement & Verification	62,591	52,151	70,721	57,371	77,801	63,108
Implementation	754,633	1,474,179	936,170	1,622,145	1,143,463	1,784,381
Software	-	1,701	-	1,872	-	2,059
Education/Outreach	28,425	71,198	38,901	78,344	47,516	86,174
Incentives	1,294,690	172,068	1,372,560	188,872	1,391,685	207,841
Sierra Total	2,325,000	2,008,000	2,627,000	2,209,000	2,890,000	2,430,000
NV Energy						
Utility Administration	1,358,064	859,345	1,448,519	945,280	1,530,953	1,039,808
Measurement & Verification	310,851	189,319	333,044	208,251	353,145	229,076
Implementation	8,574,042	7,935,542	9,307,758	8,729,894	9,966,595	9,603,431
Software	-	8,633	-	9,497	-	10,448
Education/Outreach	333,180	285,653	365,202	314,260	391,371	345,708
Incentives	6,524,863	802,508	6,785,477	881,818	7,035,937	969,529
NV Energy Total	17,101,000	10,080,999	18,240,000	11,089,000	19,278,000	12,198,000

(2) 2027-2029 Residential DR Plan and Plan Changes

Implementation will continue with the program design and related measures as it currently exists in the 2026 Residential DR Program. The Residential DR Program will continue to focus on DR load reduction and energy savings, primarily accomplished using smart thermostats to manage AC loads and other devices.

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NV Energy will continue its current program by:

Offering BYOD enrollment with qualifying technologies, such as thermostats and water heaters controllers.

Recruiting HUC or multifamily customers.

The process of keeping the thermostat technologies up to date while maintaining overall program design and implementation.

Transition battery storage participants to the standalone Residential Battery Storage DR program, starting in 2027,

Transition to performance-based compensation under Schedules GSR-E and GSR-C.

f. Residential DR Program Cost Benefit Analysis

As previously mentioned, NV Energy evaluates the cost-effectiveness of its DSM programs using standard benefit-cost tests, consistent with Commission directives and Nevada-specific guidance. Each program is assessed using a set of common input parameters, including avoided energy and capacity costs, transmission and distribution deferral values, measure costs, and projected participation levels, applied across the applicable test perspectives to determine whether the program delivers net benefits to customers and the utility system.

(1) Residential DR Measurement and Verification

The M&V report providing third-party evaluation results from Qualus is included in Technical Appendix DSM-16.

(2) Residential DR Energy Savings Curves

The energy savings curves for the 2025 Prior Year are provided as part of the M&V report in Technical Appendix DSM-16. For the 2027–2029 Action Plan period, forward-looking energy savings curves are described in Section 4.E of this Plan, with additional detail provided in Technical Appendix DSM-2.

(3) Residential DR Measure Life

As determined in the 2025 M&V report, the EUL used for DR Build is 9.99 years for Nevada Power and 9.96 years for Sierra. The EUL used for Nevada Power’s DR Manage is 5.2 years and for Sierra’s DR Manage it is 6.50 years.

(4) Residential DR Measure Units

The units of measure for the Residential DR Program are counted per device installed.

(5) Residential DR Energy and Demand Savings

For 2025 Residential DR Build, there were 3,114,951 kWh of energy savings for Nevada Power and 461,257 kWh for Sierra. For Residential DR Manage, Nevada Power had 27,755,029 kWh of savings and Sierra had 3,467,744 in kWh savings.

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The DR programs design and approach differ from standard energy efficiency programs. A participant becomes fully active as soon as the thermostat is installed or connected.

(6) Residential DR Incentives/Rebates

For the new Grid Services Tariff Riders, all compensation is performance based. Energy credits are calculated for each Load Flexibility Event based on verified demand reduction under Schedule GSR-E, while capacity credits are calculated based on annually verified demand reduction capability under Schedule GSR-C. For direct install customers, the no-cost device and installation serve as the equivalent of an upfront capacity payment for the first 36 months of participation, after which capacity credits under GSR-C begin. BYOD customers are eligible for energy and capacity credits from the first year of participation. The GSR compensation parameters, participation levels, and budget assumptions used in the cost-effectiveness analysis are described in Section 9.A of this Plan.

(7) Residential DR Incremental Costs

There are no out-of-pocket expenses for participants for this program.

(8) Residential DR Financial Analysis

Financial assumptions are provided in Table DSM-29 of this Plan and in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. The appendix contains input and output sheets for the cost-benefit analysis. Within each output sheet, the “Stakeholder Perspectives & Tests” section reports benefits, costs, net benefits, and benefits/cost ratios for the five effectiveness tests. The “Utility Savings & Costs” section reports annual and lifetime costs and savings from the utility perspective. Table DSM-100 presents the Residential DR Program’s 2025 NTRC and projected 2027-2029 NTRC.

Table DSM-100: Residential DR NTRC Results

NTRC				
Programs	2025*	2027	2028	2029
Nevada Power				
Residential DR - Manage	4.55	4.29	4.20	4.19
Residential DR - Build	2.32	2.90	2.89	2.88
Sierra				
Residential DR - Manage	6.28	4.82	4.64	4.42
Residential DR - Build	2.16	2.89	3.19	2.93
NTRC 2.0				
Programs	2025*	2027	2028	2029
Nevada Power				
Residential DR - Manage	4.79	4.50	4.43	4.43
Residential DR - Build	2.46	3.07	3.07	3.08
Sierra				
Residential DR - Manage	6.56	5.10	4.89	4.64
Residential DR - Build	2.25	2.98	3.30	3.03

*Actuals

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(9) Residential DR Nevada Power and Sierra Input and Output Sheets

The Residential DR 2025 Input and Output sheets are provided in Technical Appendix DSM-3.

The Residential DR 2027-2029 input and output sheets, from DSMore, are provided in Technical Appendices DSM-4.

2. Residential Battery Storage DR Program

a. Battery Storage DR Program (“Battery Storage Program”) - At a Glance

The Battery Storage Program (formerly referred to as the Energy Storage System (“ESS”) measure within the Residential DR program) leverages a growing residential battery market to deliver scalable, dispatchable grid services using customer-owned and customer-hosted BTM storage. The Battery Storage Program provides both capacity (kW) and energy (kWh) value with participation in emergency and system reliability events.

The Battery Storage Program aligns compensation with GSR-C and GSR-E, eliminating ongoing program-specific incentives. Battery Storage Program budgets support administration, M&V, implementation and operations, software, education and outreach, informed by documented 2025 Energy Storage System DR performance.

Key risks include enrollment pace, vendor integration readiness, telemetry reliability, performance variability related to state of charge, and customer overrides of optional events. These risks are mitigated through proactive vendor engagement, standardized enrollment and command-response testing, continuous telemetry monitoring, and limits on optional event opt-outs. Focusing participation on emergency and system reliability events supports predictable performance while preserving customer resiliency.

b. Residential Battery Storage DR – Program Description

(1) Overview

The Battery Storage Program enrolls customer-owned or customer-hosted BTM battery energy storage systems to provide dispatchable grid services for NV Energy. Residential battery storage systems, typically lithium-ion batteries paired with advanced inverters, can deliver responsive load reduction, targeted reliability support, and storage-enabled flexibility during periods of system stress, high demand, or adverse operating conditions.

The Battery Storage Program was approved as a measure within the Residential DR portfolio for the 2025 Prior Year and 2026 Current Year. Its transition to a standalone offering beginning in 2027 reflects growth in residential energy storage adoption and supports a scalable, vendor-integrated participation model aligned with NV Energy’s DERMS strategy.

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The Battery Storage Program is delivered through Build and Manage components. The Build component handles enrollment of new participants by establishing secure vendor integrations, validating communications and telemetry, collecting device specifications, and conducting command-response testing to confirm dispatch readiness. The Manage component handles ongoing operations, including event dispatch, telemetry monitoring, customer engagement, and performance verification for enrolled systems.

Participation enables eligible customers to provide grid services and receive performance-based compensation under the Grid Services Tariff Riders. All enrolled customers will participate as Level I Base Reliability services, Level II Economic DR, and Level III Flexible DR for operating reserves with the option to participate in charge events (i.e. when supply-side renewable production exceeds system demand), subject to system capability, tariff eligibility, and verified performance.

Battery Storage Program operations are supported through secure integrations with equipment vendors and aggregators using cloud-based application programming interfaces (“APIs”), OpenADR 2.0b, or other approved communication protocols. These integrations enable reliable dispatch and telemetry collection across multiple storage technologies while preserving customer-configured backup-reserve settings and resiliency needs.

(2) Enrollment Requirements

To enroll in the Residential Battery Storage Program, customers must:

- Reside within NV Energy’s service territory.
- Maintain an active residential electric utility account in good standing.
- Be at least 18 years of age.
- Have a qualifying, permanently installed BTM battery storage system paired with an inverter capable of receiving and executing NV Energy dispatch instructions.
- Maintain always-on internet connectivity at the residence to support vendor communications and telemetry exchange.
- Complete Program registration, including submission and validation of equipment specifications, communications readiness, telemetry verification, and command-response testing.
- Execute a Participation Agreement that governs enrollment, dispatch participation, data sharing, and performance verification requirements.
- Provide property-owner authorization if residing in a rental property where such authorization is required.
- Customers with approved NV Energy medical or hardship accommodation are not eligible to enroll in the Battery Storage Program, as these accommodations may conflict with mandatory participation requirements during emergency or system reliability events.

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(3) Participation Requirements

Customers must meet Battery Storage Program specific criteria to participate:

Operational Readiness: The battery storage system must be commissioned and capable of responding to dispatch instructions. The system must remain available for mandatory reliability events and any optional services elected by the customer.

Qualifying Technology: The participant must maintain a permanently installed, BTM battery storage system paired with an inverter capable of receiving and executing dispatch commands through approved vendor integrations.

Approved Systems: Only battery storage system technologies and vendor platforms approved by NV Energy are eligible to participate. Eligibility is subject to ongoing verification of system compatibility and integration performance.

Participation Agreement: The customer must maintain an executed Participation Agreement that defines participation obligations, dispatch requirements, data access and telemetry permissions, minimum commitment periods (if applicable under tariff or agreement), and conditions for suspension or termination of participation.

Property-Owner Permission: Participants residing in rental properties must maintain valid property-owner authorization, where required, for the installation, operation, and control of the battery storage system for DR purposes.

Vendor-Portal Access: Participants must provide NV Energy with access to the applicable vendor portal or device-management interface to enable verification of system configuration, communications readiness, availability status, and dispatch response.

Reliable Telemetry: The battery storage systems must maintain reliable telemetry, including reporting of state of charge (“SOC”), power output, device availability, and other operational data required for appropriate monitoring and event operations.

System Availability: The battery storage systems must be available and configured to support DR participation, including response to emergency and system reliability events.

Participants may not intentionally disable or configure the system in a manner that prevents execution of required dispatch instructions for enrolled services.

Failure to meet participation requirements may result in suspension or removal from the Battery Storage Program and may affect eligibility for tariff-based compensation under Schedule GSR-C or Schedule GSR-E, consistent with the Participation Agreement and applicable tariff provisions.

(4) Participation Agreement Term

Participation in the Battery Storage Program requires customers to execute a Participation Agreement with NV Energy that establishes the duration of participation and ongoing eligibility to provide grid services under the applicable Grid Services Tariff Riders.

The Participation Agreement term shall be a minimum of one (1) year. The minimum term is intended to support system reliability, operational planning, and eligibility to provide capacity-based grid services under Schedule GSR-C and energy-based services under Schedule GSR-E.

Following completion of the minimum participation term, participation may continue on an ongoing basis unless terminated by the customer or NV Energy in accordance with the

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Participation Agreement and applicable tariff provisions. Continued participation remains subject to compliance with Battery Storage Program eligibility and participation requirements.

Early termination of the Participation Agreement or withdrawal from the Battery Storage Program prior to completion of the minimum participation term may affect eligibility for tariff-based compensation and is governed by the Participation Agreement and applicable Grid Services Tariff Riders.

Execution of a Participation Agreement does not guarantee eligibility for, or receipt of, compensation under Schedule GSR-C or Schedule GSR-E, which remain subject to Commission approval.

(5) Marketing Strategy

The Battery Storage Program uses a BYOD marketing and engagement strategy focused on customers who already own or host a BTM battery storage system that has been installed and interconnected outside the Battery Storage Program. The Battery Storage Program builds NV Energy's existing residential DR outreach infrastructure, including customer engagement channels established through the PowerShift portfolio, to identify and engage eligible battery storage customers. Outreach targets are identified through interconnection records, PowerClerk data, and collaboration with battery storage system vendors that maintain active customer relationships and device-management portals.

In addition, the Battery Storage Program may conduct targeted outreach to third-party aggregators that own or manage customer-leased or customer-hosted battery storage system portfolios, with the objective of streamlining enrollment pathways and confirming portfolio-level telemetry readiness.

Customer education emphasizes how DR events operate, and what participation means for battery operations and system configuration. Outreach materials also highlight how participation preserves customer-selected backup-reserve settings and aligns residential energy storage operations with system needs.

The Battery Storage Program provides compensation for grid services as governed by the Grid Services Tariff Riders (Schedules GSR-E and GSR-C) and reflects verified performance and grid value. The compensation structure, participation levels, and tariff mechanics are described in Section 9.A of this Plan.

To support initial market activation or address identified enrollment barriers, NV Energy may, at its discretion, offer limited, temporary enrollment incentives. Any such incentives are one-time in nature and do not alter or replace tariff-based compensation.

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The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) Battery Storage Program Benefits

The Battery Storage Program provides meaningful benefits to both NV Energy and participating customers by enabling residential energy storage systems to deliver reliable, dispatchable grid services under GSR tariff structures.

For NV Energy, the Battery Storage Program strengthens the Companies' ability to manage system demand and support grid reliability by delivering predictable, dispatchable load reduction and flexible response during periods of high load, system stress, or adverse operating conditions. These resources enhance operational flexibility and provide response capability during emergency and system reliability events. Unlike weather-sensitive DR measures that are primarily dispatched during summer peak periods, residential energy storage systems can deliver responsive load reduction during any season, including during winter events, shoulder-period contingencies, or rapidly evolving system conditions. Battery Storage Program design and operational expectations are informed by prior Battery Storage Program pilot experience and performance observed during the 2025 DR season.

The Battery Storage Program also positions NV Energy to leverage the expanding capabilities of advanced inverter technologies and vendor communication platforms. Residential energy storage systems are capable of both controlled discharge and controlled charging, enabling grid services beyond traditional load curtailment, including absorption of excess renewable generation where technically supported. As integrations mature, residential battery storage resources may support additional operational functions such as coordinated load shaping and localized distribution-level reliability support, consistent with NV Energy's long-term DERMS strategy. Maintaining a diverse ecosystem of integrated battery storage technologies supports scalability, simplifies enrollment, and improves portfolio resilience across service territories.

For participating customers, the Battery Storage Program provides access to performance-based compensation under the Grid Services Tariff Riders for grid services delivered by their energy storage systems. Battery Storage Program operations are designed to preserve customer resiliency by respecting device capabilities, vendor control logic, and customer-defined backup-reserve settings, ensuring continued access to stored energy during outages while supporting grid needs during dispatched events. The compensation structure is detailed in Section 9.A.2 of this DSM Plan, and the GSR tariff mechanics are described in Section 9.A of this Plan.

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(7) Event Scheduling and Dispatch

Event scheduling, dispatch parameters, event types, event duration, advance notice requirements, customer override provisions, and opt-out policies for the Battery Storage Program are governed by the participation levels and event specifications described in Section 9.A in Table DSM-93.

Discharge during dispatched events is limited by the battery's operating and safety parameters, as well as programmatic constraints, including an approximate 80 percent cap on usable energy, and customer-configured backup reserve settings. Customer-configured backup-reserve settings are respected during all dispatch operations. State-of-charge management and dispatch-readiness capabilities, including vendor-supported functions such as SOC holds and coordinated charging windows, are implemented selectively based on vendor capabilities and customer configurations.

c. 2025 Residential DR Results

This section summarizes the overall results and activities of the 2025 Battery Storage pilot, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

In 2025, Residential Battery Storage DR operated as a measure within the broader Residential DR Programs rather than a standalone program. Please see 9.B.1.c of this Plan for specifics.

d. 2026 Residential Battery Storage DR Proposed Program Current Year

This section summarizes the overall approved goals and activities of the Battery Storage Program, highlighting approved budget, participation levels, and energy savings goals during the 2026 Current Year.

(1) Residential Battery Storage DR Budgets, Savings Target, and Unit Goals

In 2026, the Residential Battery Storage DR offering continues to operate as a measure within the broader Residential DR Programs, consistent with its structure in the 2025 Prior Year.

The Companies did not propose a standalone Residential Battery Storage DR program for 2026. Instead, battery storage activities, including customer enrollment, dispatch operations, incentives, budgets, savings targets, and unit goals, remain integrated within the Residential DR Program framework. All battery storage-related 2026 assumptions, design elements, and operational updates are therefore documented within the Residential DR Program in Section 9.B.1.d of this Plan.

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(2) 2026 Residential Battery Storage DR Plan Current Year Changes

All battery storage activities, including current year changes, remain integrated within the Residential DR Program in Section 9.B.1.d of this Plan.

e. 2027–2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Battery Storage Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Residential Battery Storage DR proposed budgets and savings targets are discussed below in Table DSM-101. The Action Plan budget includes utility administration, M&V, implementation contractor costs, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-101: 2027-2029 Battery Storage DR Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Battery Storage DR	1,158,000	1,500	-	210
Sierra				
Battery Storage DR	403,000	700	-	82
NV Energy	1,561,000	2,200	-	292
2028				
Nevada Power				
Battery Storage DR	705,000	1,000	-	140
Sierra				
Battery Storage DR	264,000	530	-	62
NV Energy	969,000	1,530	-	202
2029				
Nevada Power				
Battery Storage DR	705,000	1,000	-	140
Sierra				
Battery Storage DR	264,000	530	-	62
NV Energy	969,000	1,530	-	202

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Table DSM-102: 2027-2029 Battery Storage DR Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	89,313	54,374	54,374
Measurement & Verification	19,675	11,979	11,979
Implementation	678,990	393,977	393,977
Software	729	423	423
Education/Outreach	22,544	13,081	13,081
Incentives	346,749	231,166	231,166
Nevada Power Total	1,158,000	705,000	705,000
Sierra			
Utility Administration	47,505	31,120	31,120
Measurement & Verification	10,467	6,857	6,857
Implementation	185,438	107,000	107,000
Software	214	123	123
Education/Outreach	8,956	5,168	5,168
Incentives	150,420	113,732	113,732
Sierra Total	403,000	264,000	264,000
NV Energy			
Utility Administration	136,818	85,494	85,494
Measurement & Verification	30,142	18,835	18,835
Implementation	864,428	500,977	500,977
Software	943	546	546
Education/Outreach	31,500	18,249	18,249
Incentives	497,169	344,898	344,898
NV Energy Total	1,561,000	969,000	969,000

(2) 2027–2029 Battery Storage Plan and Plan Changes

The 2027–2029 Action Plan places an emphasis on expanding the residential battery storage system vendor ecosystem and strengthening integration coverage across leading technologies deployed within NV Energy’s service territories. Prior battery storage system pilots and program measures demonstrated that residential storage technologies can be reliably integrated using a combination of cloud-based application programming interfaces, APIs, proprietary vendor interfaces, and OpenADR 2.0b pathways, enabling secure telemetry exchange and dispatch operations at scale. Maintaining broad compatibility across ESS platforms remains a priority, as it supports enrollment growth, simplifies onboarding, and improves consistency of demand-response performance across the residential battery storage fleet.

The Action Plan also advances SOC management and dispatch-readiness capabilities to support reliable delivery of grid services under the Grid Services Tariff Riders. Building on lessons learned from previous battery storage pilots, the Battery Storage Program will continue to evaluate vendor-supported functions such as SOC holds, coordinated charging windows, and targeted charge-maintenance actions that improve predictability during dispatched events. Prior demonstrations confirmed the technical feasibility of maintaining sufficient SOC ahead of scheduled dispatches. These functions will be implemented selectively based on vendor

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capabilities, customer configurations, operational needs, and applicable regulatory requirements, including renewable attribution rules under Rule 15.

Customer onboarding and support processes will be refined during the Action Plan period to improve enrollment efficiency and operational readiness. Planned improvements include streamlined collection of inverter and battery storage system specifications, clearer guidance regarding vendor-portal access, and aligned configuration steps for operating modes and communications settings. These refinements address onboarding challenges observed in the 2025 battery storage system measure and earlier demonstrations, where incomplete system information or configuration settings affected dispatch availability. Continued improvements are expected to reduce time to dispatch readiness and improve reliable delivery of grid services across all participation options.

Finally, the Battery Storage Program remains aligned with NV Energy’s long-term DERMS strategy. This includes maintaining interoperability with aggregated and group level dispatch events, supporting advanced inverter-enabled functionality, and enabling future grid-services capabilities such as localized reliability support and load shaping under future tariff structures. Prior battery storage field demonstrations validated the feasibility of coordinated dispatch across multiple vendors and validated telemetry reliability for settlement.

f. Battery Storage Program Cost Benefit Analysis

As previously mentioned, NV Energy evaluates the cost-effectiveness of its DSM programs using standard benefit-cost tests, consistent with Commission directives and Nevada-specific guidance. Each program is assessed using a set of common input parameters, including avoided energy and capacity costs, transmission and distribution deferral values, measure costs, and projected participation levels, applied across the applicable test perspectives to determine whether the program delivers net benefits to customers and the utility system.

(1) Residential Battery Storage DR Measurement and Verification

The M&V report that provides third-party evaluation results from Qualus is included in the Technical Appendix DSM-16. While the Residential Battery Storage DR program is offered as a standalone program in the 2027-2029 Action Plan period, previous results have been included in the broader Residential DR M&V report.

(2) Residential Battery Storage DR Savings Curves

The energy savings curves for the 2025 Prior Year are provided as part of the M&V report in Technical Appendix DSM-16. For the 2027–2029 Action Plan period, forward-looking energy savings curves are described in Section 4.E of this Plan, with additional detail provided in Technical Appendix DSM-2.

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(3) Residential Battery Storage DR Measure Life

As determined for the proposed portfolio, the EUL for 2027 is 12.00 years for Nevada Power and 11.60 for Sierra, for 2028 is 12.00 years for Nevada Power and 11.60 for Sierra, and for 2028 is 11.98 for Nevada Power and 11.60 for Sierra.

(4) Residential Battery Storage DR Measure Units

The units of measure for the Battery Storage Program are counted per device installed.

(5) Residential Battery Storage DR Energy and Demand Savings

The design and operational approach of the Battery Storage Program differ from a standard energy-efficiency program. Once a participant's system is enrolled, connected, and verified through telemetry and command-responsiveness checks, it becomes fully active and can respond to dispatch events as part of the aggregated demand-response portfolio. Emergency reliability events, if they occur during the Action Plan period, may be included in future M&V using the same telemetry-based methods; however, such events were not part of the historical Battery Storage DR measure evaluation and are not reflected in the per-unit savings values reported above.

(6) Residential Battery Storage DR Incentives / Rebate

Compensation under this program is performance-based under the Grid Services Tariff Riders. Reliability participation establishes capacity value compensated under Schedule GSR-C. Economic DR and Flexible DR participation qualify for energy-based compensation under Schedule GSR-E. The GSR compensation parameters, participation levels, and budget assumptions used in the cost-effectiveness analysis are described in Section 9.A of this Plan and in Technical Appendix DSM-5.

To support initial market activation or address identified enrollment barriers, NV Energy may offer limited, temporary enrollment incentives that are one-time in nature and do not alter or replace tariff-based compensation.

(7) Residential Battery Storage DR Incremental Costs

There are no incremental out-of-pocket expenses to customers for this Battery Storage Program.

(8) Residential Battery Storage DR Financial Analysis

Financial assumptions are provided in Table DSM-29 of this DSM Plan and in the "Financial Data" section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. The appendix contains input and output sheets for the cost-benefit analysis. Within each output sheet, the "Stakeholder Perspectives & Tests" section reports benefits, costs, net benefits, and benefits/cost ratios for the five effectiveness tests. The "Utility Savings & Costs"

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section reports annual and lifetime costs and savings from the utility perspective. Table DSM-103 presents the Battery Storage Program’s projected 2027-2029 NTRC.

Table DSM-103: Battery Storage DR NTRC Results

NTRC Results			
Programs	2027	2028	2029
Nevada Power			
Battery Storage DR	2.12	2.29	2.31
Sierra			
Battery Storage DR	2.61	3.13	2.95
NTRC 2.0			
Programs	2027	2028	2029
Nevada Power			
Battery Storage DR	2.12	2.29	2.31
Sierra			
Battery Storage DR	2.61	3.13	2.95

(9) Residential Energy Storage DR Nevada Power and Sierra Input and Output Sheets

The Residential Energy Storage DR 2025 Input and Output sheets are provided in Technical Appendix DSM-3.

The Residential Energy Storage DR 2027-2029 Input and Output sheets from DSMore are provided in Technical Appendices DSM-4.

3. Commercial DR Program

a. Commercial DR - At a Glance

The Commercial DR Program ("Commercial DR Program") is a long-standing program that has been delivering commercial demand reduction since 2012, when NV Energy first expanded DR from residential to commercial customers. The Commercial DR Program enables NV Energy to reduce strain on the electric grid during periods of peak demand or system emergency by dispatching signals to interact with participating commercial customers' HVAC systems, commercial refrigeration, battery energy storage systems, and other end-use loads. The Commercial DR Program is designed to provide both energy (kWh) and capacity (kW) value, with mandatory participation in emergency and system reliability events establishing foundational capacity, and optional participation in additional economic grid services during the DR season.

The Commercial DR Program operates through Build and Manage components. Build recruits new commercial customers and connects DR-capable technologies to NV Energy's DRMS/DERMS. Manage supports ongoing participation, dispatch operations, and performance verification for enrolled sites. Participating customers may use NV Energy-provided technologies, including Pelican network thermostats, Encycle SwarmStat demand limiting controls, Universal Devices gateways, and YoLink LoRa thermostats, or integrate their own qualifying building management systems or energy storage systems (“ESS”) via OpenADR 2.0. A legacy Carrier thermostat population from the original Cool Share Commercial program continues to participate under the

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Manage component. The Agricultural DR component, which operated as a measure within this program during 2025–2026, transitions to a standalone offering for 2027–2029.

The Commercial DR Program transitions to performance-based compensation under Schedules GSR-C and GSR-E. Large commercial and industrial customers select from tiered participation levels (Reliability DR, Economic DR, or Flexible DR) based on their capabilities and commitment to grid services. Small and medium customers can leverage Schedule OLM-AS or flexible capacity credits under GSR-C.

Commercial DR Program budgets support administration, M&V, implementation and operations, software, and education and outreach. Key risks include customer attrition at multi-family facilities due to tenant turnover, limited BMS integration opportunities among prospective commercial customers, ESS vendor integration readiness, and demand reduction variability driven by building occupancy and weather conditions. These risks are mitigated through LoRa thermostat technology that maintains connectivity through tenant changes, property manager relationship management, expanded OpenADR-based BMS recruitment, ongoing ESS vendor engagement, and continuous DRMS database reconciliation to maintain accurate site enrollment records.

b. Commercial DR - Program Description

(1) Overview

NV Energy's Commercial DR Program is designed to reduce strain on the electric grid during periods of peak demand or system emergency by enabling commercial customers to temporarily curtail or shift their energy consumption. In exchange, participating customers receive performance-based compensation under the Grid Services Tariff Riders.

The Commercial DR Program is structured into two components: Build and Manage. The Build component recruits new commercial customers, installs and connects DR-capable technologies to NV Energy's DRMS (transitioning to the DERMS during the Action Plan period), and enables the Companies' control systems to interact with customers' DR capable technologies. The Manage component serves customers already enrolled, ensuring continued participation and performance.

When an Event is called, NV Energy dispatches a signal through the DRMS/DERMS to interact with customers' HVAC, commercial refrigeration, ESS, and other end-use loads, or curtail load manually in response to an event notification to reduce or shift load. Participating customers may use NV Energy-provided technologies, such as Pelican network thermostats ("Pelican") and Encycle SwarmStat ("Encycle"), or their own qualifying equipment integrated via the OpenADR 2.0 communication protocol.

Customers that elect to participate receive DR-enabling technology and installation services at no charge. Customers using their own existing technologies receive performance-based compensation based on verified demand reduction during Load Flexibility Events. Customers with DR-enabled building controls have access to a third-party application portal interface, which enables device programming and access to historical usage data, energy consumption trends, and HVAC analytics.

The Commercial DR Program included an agricultural component during the 2025 Prior Year. Beginning with the 2027–2029 Action Plan period, Agricultural DR transitions to a standalone

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program, as described in the Agriculture DR Program data sheet. Event types, dispatch parameters, participation levels, and the GSR tariff compensation structure are described in Section 9.A of this Plan.

(2) Enrollment Requirements

To participate in the Commercial DR Program, a customer must:

- Be a commercial or industrial customer located in NV Energy's service territory, and
- Have always-on internet service.

(3) Participation Requirements

To qualify for NV Energy-provided DR technology, the customer must:

- Have functioning equipment meeting applicable load requirements, and
- Sign a participation agreement allowing NV Energy to interact with the customer's equipment during a DR Event.

For customer-owned equipment, participants are required to:

- Have equipment that can be curtailed reliably to reduce load when events are dispatched by NV Energy, and
- Sign a participation agreement allowing NV Energy to issue demand reduction commands during a DR Event.

For ESS participation, customers must:

- Have a qualifying ESS technology (typically a rechargeable battery with inverter or other stationary storage product), and
- Sign a participation agreement allowing NV Energy to remotely issue demand reduction commands during a DR Event.

For manual DR participation, customers must:

- Have end-use loads capable of being curtailed in response to an event notification, and
- Sign a participation agreement committing to respond to DR Event notifications issued by NV Energy.

(4) Participation Agreement Term

Participation in the Commercial DR Program requires customers to execute a Participation Agreement with NV Energy that establishes the duration of participation and the terms governing ongoing eligibility to receive program benefits and billing credits.

The Participation Agreement term is a minimum of five years for customers receiving NV Energy-provided equipment. NV Energy retains ownership of all program-provided equipment during the term, after which ownership transfers to the customer. Customers exiting prior to completion of the minimum term may be required to return equipment or pay the remaining value.

For customers participating through their own qualifying equipment, the minimum participation term is one year. Following the minimum term, participation may continue until terminated by the customer or NV Energy in accordance with the Participation Agreement.

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During the participation term, customers may request modifications to their agreement, subject to Commercial DR Program rules and applicable requirements. Changes do not reset the minimum participation term unless otherwise specified. Early termination may affect eligibility for program incentives and billing credits.

Customers must participate in a minimum percentage of DR Events each season as specified in their applicable Scope of Work. Opt-outs are permitted up to an allowable limit; exceeding that limit may result in reduced compensation or other program consequences as defined in the participation agreement. Customers must provide reasonable site access for equipment installation, maintenance, inspections, and removal.

(5) Marketing Strategy

The Commercial DR Program is delivered through direct outreach through the Companies' Major Account Executives, the Commercial DR program manager, supplemented by mail, phone calls, email, educational events, and NV Energy's website. Recruitment is focused on commercial customers with existing BMS that can integrate DR capability via OpenADR without requiring NV Energy-installed equipment, as well as multi-family facilities suitable for LoRa thermostat deployment. The Commercial DR Program continues to expand its ESS participant base through ongoing integration with additional ESS vendors. The portfolio-level marketing strategy is described in Section 5 of this DSM Plan.

Retention is supported through technology selection and program design that minimize operational disruption. LoRa thermostats maintain connectivity through tenant turnover, reducing stranded asset risk in multifamily facilities. Relationships with property managers are maintained to ensure program continuity, and the DRMS database is continuously reconciled to identify and manage inactive sites.

Commercial DR Program marketing materials include demand response messaging to support program awareness and customer participation. When relevant, materials also provide information and best practices to help customers manage their energy usage effectively.

Customers participating with NV Energy-provided smart technologies receive equipment, installation, and software access at no cost. All performance-based compensation for grid services is governed by the Grid Services Tariff Riders (Schedules GSR-E and GSR-C). Large commercial and industrial customers may choose to participate at different commitment levels, with a base Reliability DR option supported by GSR-C, or Economic DR and Flex DR options supported by both GSR-C and GSR-E. Small and medium-sized customers may participate through Schedule OLM-AS for direct install smart thermostats or receive flexible upfront Multiple Year Capacity Credit as part of GSR-C.

(6) Commercial DR Program Benefits

The Commercial DR Program provides meaningful benefits to both NV Energy and participating customers by enabling commercial end-use loads to deliver reliable, dispatchable demand reduction during periods of peak demand or system stress.

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For NV Energy, the Commercial DR Program strengthens the Companies' ability to manage system demand and support grid reliability by delivering predictable, controllable load reduction across a diverse portfolio of commercial technologies. These resources enhance operational flexibility, provide capacity value during peak periods, and support potential deferral of new transmission and generation investments. The Commercial DR Program also positions NV Energy to leverage the expanding capabilities of building management systems, energy storage technologies, and vendor communication platforms, consistent with NV Energy's long-term DERMS strategy.

For participating customers, the Commercial DR Program provides DR-enabling technology and installation services at no charge, along with performance-based compensation under the Grid Services Tariff Riders for verified demand reduction during Load Flexibility Events. Program design minimizes operational disruption through technology selection that preserves customer comfort and building operations.

(7) Event Scheduling and Dispatch

Event scheduling, dispatch parameters, event types, participation levels, and event duration for the Commercial DR Program are governed by the specifications described in Section 9.A of this Plan. Dispatch is executed through DRMS/DERMS via OpenADR 2.0 or other approved communication protocols. Manual DR participants are notified by email.

c. 2025 Commercial DR Results

(1) Results

The actual expenditures, demand and energy savings, and participating units for the Commercial DR Program for the 2025 Prior Year are provided in Table DSM-104 below.

Table DSM-104: 2025 Commercial DR Actual Expenditures, Savings, and Unit Results

Program Components	Program Budget			kWh Savings			kW Savings			Unit		
	Authorized (\$)	Actual (\$)	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Target	Achieved	Variance Over (Under) %	Goal	Achieved	Variance Over (Under) %
Nevada Power												
Commercial DR - Manage	960,000	958,051	(0)	5,500,000	5,456,934	(1)	10,000	8,472	(15)	10,176	8,560	(16)
Commercial DR - Build	625,000	620,484	(1)	1,000,000	135,124	(86)	650	203	(69)	216	282	31
Nevada Power Total	1,585,000	1,578,535	(0)	6,500,000	5,592,058	(14)	10,650	8,676	(19)	10,392	8,842	(15)
Sierra												
Commercial DR - Manage	640,000	301,692	(53)	1,500,000	530,270	(65)	1,250	1,558	25	1,307	2,025	55
Commercial DR - Build	635,000	405,346	(36)	115,000	7,700	(93)	183	365	99	84	41	(51)
Sierra Total	1,275,000	707,038	(45)	1,615,000	537,970	(67)	1,433	1,923	34	1,391	2,066	49
NV Energy												
Commercial DR - Manage	1,600,000	1,259,743	(21)	7,000,000	5,987,204	(14)	11,250	10,031	(11)	11,483	10,585	(8)
Commercial DR - Build	1,260,000	1,025,830	(19)	1,115,000	142,824	(87)	833	568	(32)	300	323	8
NV Energy Total	2,860,000	2,285,573	(20)	8,115,000	6,130,028	(24)	12,083	10,599	(12)	11,783	10,908	(7)

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For the Build component in Nevada Power, the underspend was attributed to lower-than-expected enrollments in smart thermostat measures. For the Manage component, underspend was primarily due to lower settlement credits from customer-owned equipment, which are performance-based and varied with actual DR event dispatch intensity during 2025.

For the Build component at Sierra, underspend was attributed to lower-than-expected enrollments in smart thermostat measures, as program resources prioritized Agricultural DR pilot development during 2025. For the Manage component, underspend resulted from lower-than-projected per-device energy savings.

(2) Results by Cost Category

The Commercial DR Program’s 2025 budget and actual expenditure results are further broken down into cost categories including utility administration, M&V, implementation contractor, software, education and outreach, and incentives and/or rebate categories by service territory in Table DSM-105.

Table DSM-105: 2025 Commercial DR Costs by Category

Program Cost Description	Commercial DR - Manage Actual Expenditures (\$)	Commercial DR - Build Actual Expenditures (\$)
Nevada Power		
Utility Administration	83,585	58,274
Measurement & Verification	16,414	11,475
Implementation	562,428	504,519
Software	2,465	-
Education/Outreach	31,997	24,044
Incentives	261,162	22,172
Nevada Power Total	958,051	620,484
Sierra		
Utility Administration	56,623	45,367
Measurement & Verification	13,583	16,817
Implementation	233,053	306,457
Software	-	-
Education/Outreach	18,505	16,827
Incentives	(20,072)	19,878
Sierra Total	301,692	405,346
NV Energy		
Utility Administration	140,208	103,641
Measurement & Verification	29,996	28,292
Implementation	795,481	810,976
Software	2,465	-
Education/Outreach	50,503	40,871
Incentives	241,090	42,049
NV Energy Total	1,259,743	1,025,830

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(3) Overall Commercial DR Program Results and Activities

Nevada Power had 2,009 commercial customer sites that participated in 22 Events during 2025. Sierra had 337 customer sites that participated in 12 Events, including one operating reserve Event. Commercial DR Events are dispatched to technologies, including Pelican thermostats, Universal Devices gateways, YoLink LoRa thermostats, and OpenADR 2.0-integrated building management systems. Customers receive email notifications the day before and the day of each Event. Program delivery was consistent across both service territories.

Additionally, Nevada Power had 810 commercial customer sites using legacy Carrier two-way communication thermostats from the original Cool Share Commercial program, which participated in 22 Events during 2025. Due to Carrier's control system architecture, both residential and commercial Carrier devices follow the same DR event schedule. Savings from these Events are included in commercial totals.

The Commercial DR Program was delivered through direct outreach by the Companies' Major Account Executives and the program manager, supplemented by direct mail, phone calls, emails, educational events, and NV Energy's website.

Before the first Event of the year, a preseason email campaign reminded customers about event participation benefits, network thermostat operation during events, event duration, and customer support contact information.

In early summer, customers received educational emails highlighting potential energy savings of at least 10 percent through network thermostat controls and available program tools, including customized schedules, real-time analytics, data-driven energy usage forecasts, and historical HVAC usage data. The emails directed customers to the NV Energy website for user manuals and information on other commercial energy efficiency programs and provided customer support contact information.

The Commercial DR Program implemented several enhancements during 2025 without significant changes to overall program design. Key developments included expanded BMS recruitment through OpenADR integration, deployment of YoLink LoRa residential thermostats in an income-qualified multifamily housing project covering 50 percent of units for energy savings and demand reduction, ongoing DRMS database reconciliation to identify and manage inactive customer sites, transition of all manual DR participants to automated dispatch via the OpenADR interface, and offering Pelican thermostats to new customers, such as public schools, with discussions to expand in the southern Nevada territory in the upcoming program year.

During the 2025 irrigation season, the Agricultural DR pilot enrolled three customers who participated actively in DR Events. All enrolled customers responded to dispatched events and provided positive feedback regarding program structure, incentives, and overall value. The four-event annual participation strategy proved effective in maintaining customer engagement while minimizing operational disruption, and participating customers indicated intent to remain enrolled for the 2026 season. These results demonstrate that a limited, non-emergency DR framework is operationally feasible and acceptable to agricultural customers.

The pilot advanced NV Energy's understanding of irrigation control infrastructure and customer communication methods. All participating customers utilized pivot-based irrigation control

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systems, providing a consistent platform for evaluating future automation opportunities. Manual email and text-based notifications proved effective during the 2025 season, as demonstrated by strong participation levels. Customer feedback supported the adequacy of current incentive levels and reinforced the overall value proposition. Findings from this pilot will inform future program enhancements, including automation strategies and event dispatch approaches as enrollment expands.

(4) Lessons Learned and Recommendations

- LoRa thermostats installed remained connected to DR systems despite customer move-outs, filling a niche need in multi-family facilities. Wi-Fi thermostats offered in residential single-family programs require a connection through the customer's internet, and in multi-family environments with higher-frequency move-in/move-outs, these thermostats are likely to become stranded assets. There is an opportunity to establish relationships with property managers to ensure continual program success.
- Manual curtailment processes used during the 2025 season were generally effective. However, the manual notification approach resulted in some customers initiating curtailment earlier than requested, requiring settlement process adjustments. Implementing a rolling two-hour highest average load baseline for incentive calculations may improve consistency and reduce settlement complexity for the standalone Agricultural DR program beginning in 2027. Customer participation is subject to agricultural operational schedules, including harvest and other critical field activities. Maximizing participation during the 2027-2029 action plan period will require strategic event spacing throughout the irrigation season and coordination with grower schedules. The Companies will obtain harvesting schedules for enrolled facilities to optimize event dispatch timing and will work with customers to implement API-based automation, enabling automatic curtailment and eliminating early-start issues observed during the 2025 pilot.
- The Commercial DR Program deployed LoRa thermostats at commercial low-income multifamily housing facilities for the first time in 2025, following prior years' program development activities. This deployment totaled 640 thermostats across income-qualified properties, with an additional 60 thermostats installed at a senior living facility.

d. 2026 Commercial DR Program — Current Year

(1) 2026 Plan

The authorized budgets, projected demand and energy savings targets, and participant goals for the Commercial DR Program for the 2026 Current Year are provided in Table DSM-106 below.

Table DSM-106: 2026 Commercial DR Budgets, Savings Targets, and Unit Goals

Program Components	Authorized Budget Goal (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
Nevada Power				
Commercial DR - Manage	960,000	10,500	6,000,000	10,685
Commercial DR - Build	605,000	4,300	747,000	216
Nevada Power Total	1,565,000	14,800	6,747,000	10,901
Sierra				
Commercial DR - Manage	640,000	1,300	1,700,000	1,359

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Commercial DR - Build	735,000	6,000	107,000	84
Sierra Total	1,375,000	7,300	1,807,000	1,443
NV Energy				
Commercial DR - Manage	1,600,000	11,800	7,700,000	12,044
Commercial DR - Build	1,340,000	10,300	854,000	300
NV Energy Total	2,940,000	22,100	8,554,000	12,344

Implementation continues with the program design and related measures as the existing 2025 program. The Commercial DR Program will continue to focus on DR load reduction and energy savings using smart thermostats, demand limiting controls, building management systems, and energy storage systems to manage AC and other ancillary commercial loads. Recruitment efforts will emphasize OpenADR-integrated BMS customers and LoRa thermostat deployments at multi-family facilities, while the Manage component will support ongoing dispatch operations, device servicing, and DRMS database reconciliation for enrolled sites. The Agricultural DR component continues to operate as a measure within this program during the 2026 Current Year before transitioning to a standalone offering in 2027. ESS enrollment continues with ongoing vendor integration expansion. Compensation for all participants is performance-based under the Grid Services Tariff Riders as described in the introduction of Section 9.A.2 of this Plan.

(2) 2026 Plan Changes

The following are the Commercial DR Program plan changes that have been implemented or will be implemented during the 2026 Current Year:

- Continue leveraging relationships with BMS vendors to recruit commercial customers with in-place building management systems to add demand reduction capabilities via OpenADR without the need for installing NV Energy-owned equipment.
- Expand LoRa thermostat deployments to additional multi-family facilities, including income-qualified properties, to capture the growing trend of multi-family housing and increase DR participation among historically underserved customer segments.
- Continue recruiting commercial customers with qualifying battery storage system technologies to participate in battery storage DR. Battery storage compensation is governed by the Grid Services Tariff Riders as described in Section 9.A.2 of this Plan.
- Continue working with customer engagement to enroll new customers at premises with existing NV Energy provided equipment to help mitigate attrition due to customer move-outs.
- The DRMS database will continue to be reconciled for customer sites that are no longer active, with site status updated to inactive.
- Agricultural DR, which operated as a measure within this program through the 2026 Current Year, continues to enroll and dispatch participating irrigation customers. Beginning in 2027, Agricultural DR transitions to a standalone program as described in the Agriculture DR program data sheet.

e. 2027–2029 Commercial DR Proposed Program Plan

(1) Proposed Plan — Budget, Demand Savings, Energy Savings, Participation Target

The Commercial DR Program’s 2027–2029 proposed budgets, savings targets, and unit goals are provided in Table DSM-107 below. The proposed budgets and demand savings targets reflect the

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consensus reached with the DSM Collaborative and filed in Docket No. 25-11009, inclusive of the incremental budget authorized by the Commission.

The Commercial DR Program's budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

Table DSM-107: 2027-2029 Commercial DR Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Commercial DR - Manage	884,000	12,000	6,070,000	9,580
Commercial DR - Build	443,000	3,000	86,000	331
Nevada Power Total	1,327,000	15,000	6,156,000	9,911
Sierra				
Commercial DR - Manage	609,000	7,000	1,400,000	6,365
Commercial DR - Build	171,000	300	15,000	84
Sierra Total	780,000	7,300	1,415,000	6,449
NV Energy				
Commercial DR - Manage	1,493,000	19,000	7,470,000	15,945
Commercial DR - Build	614,000	3,300	101,000	415
NV Energy Total	2,107,000	22,300	7,571,000	16,360
2028				
Nevada Power				
Commercial DR - Manage	1,691,000	29,000	7,073,000	16,700
Commercial DR - Build	487,000	4,000	103,000	442
Nevada Power Total	2,178,000	33,000	7,176,000	17,142
Sierra				
Commercial DR - Manage	1,106,000	10,200	1,454,000	6,941
Commercial DR - Build	188,000	400	16,000	112
Sierra Total	1,294,000	10,600	1,470,000	7,053
NV Energy				
Commercial DR - Manage	2,797,000	39,200	8,527,000	23,641
Commercial DR - Build	675,000	4,400	119,000	554
NV Energy Total	3,472,000	43,600	8,646,000	24,195
2029				
Nevada Power				
Commercial DR - Manage	2,454,000	46,000	8,491,000	24,405
Commercial DR - Build	536,000	4,000	114,000	442
Nevada Power Total	2,990,000	50,000	8,605,000	24,847
Sierra				
Commercial DR - Manage	1,740,000	16,400	1,540,000	8,558
Commercial DR - Build	207,000	400	18,000	112
Sierra Total	1,947,000	16,800	1,558,000	8,670
NV Energy				
Commercial DR - Manage	4,194,000	62,400	10,031,000	32,963
Commercial DR - Build	743,000	4,400	132,000	554
NV Energy Total	4,937,000	66,800	10,163,000	33,517

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Table DSM-108 below has the 2027-2029 Commercial DR proposed budgets cost by category

Table DSM-108: 2027-2029 Commercial DR Proposed Budgets Costs by Category

Program Cost Description	Commercial DR - Manage	Commercial DR - Build	Commercial DR - Manage	Commercial DR - Build	Commercial DR - Manage	Commercial DR - Build
	2027		2028		2029	
Nevada Power						
Utility Administration	77,124	41,605	203,531	45,738	342,098	50,340
Measurement & Verification	15,145	8,193	46,971	9,006	91,043	9,913
Implementation	593,150	370,302	1,093,201	405,899	1,497,954	447,413
Software	2,479	-	4,883	-	7,532	-
Education/Outreach	32,175	17,648	56,652	19,344	97,769	21,322
Incentives	163,927	5,252	285,761	7,013	417,604	7,013
Nevada Power Total	884,000	443,000	1,691,000	487,000	2,454,000	536,000
Sierra						
Utility Administration	114,301	19,139	223,908	21,041	274,286	23,168
Measurement & Verification	27,418	7,094	33,643	7,800	100,916	8,588
Implementation	180,940	135,722	455,552	148,862	704,853	164,110
Software	-	-	-	-	-	-
Education/Outreach	18,898	7,452	8,438	8,174	97,500	9,011
Incentives	267,443	1,592	384,459	2,123	562,445	2,123
Sierra Total	609,000	171,000	1,106,000	188,000	1,740,000	207,000
NV Energy						
Utility Administration	191,425	60,744	427,439	66,779	616,384	73,508
Measurement & Verification	42,563	15,287	80,614	16,806	191,959	18,501
Implementation	774,090	506,025	1,548,753	554,761	2,202,807	611,523
Software	2,479	-	4,883	-	7,532	-
Education/Outreach	51,073	25,100	65,090	27,518	195,269	30,334
Incentives	431,370	6,844	670,220	9,136	980,049	9,136
NV Energy Total	1,493,000	614,000	2,797,000	675,000	4,194,000	743,000

(2) 2027–2029 Proposed Implementation and Plan Enhancements

The Commercial DR Program will continue to focus on DR load reduction through smart thermostats (Pelican and YoLink LoRa), demand limiting devices (Encycle SwarmStat), and building management systems (“BMS”) to manage HVAC and other ancillary commercial loads. The Commercial DR Program will continue recruiting customers using NV Energy provided technologies and integrated customer-owned equipment.

The Commercial DR Program will also continue to explore integrations with additional battery storage system vendors to increase the number of participants. The battery storage system DR integration with existing DR systems will be enhanced to accommodate additional battery storage vendors and position NV Energy to facilitate the testing of complex DR strategies across non-thermostat devices.

The following are the proposed plan enhancements that will be considered during the 2027-2029 program plan:

- Pursuing opportunities to commission BMS, as well as recommission BMS systems that are not currently working properly.

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Specific recruitment of multi-family buildings with income-qualified requirements for LoRa thermostat technology.
Leveraging relationships with BMS providers with integrated DR support to recruit new customer-owned equipment for commercial facilities.

The Agricultural DR component has grown sufficiently to warrant its own standalone program beginning in the 2027-2029 Action Plan period. Agricultural DR represents a high-potential, low-disruption demand reduction opportunity that is distinct in its technology, customer base, and operational constraints from the commercial thermostat and BMS-focused measures in this program. The Agricultural DR Program data sheet addresses proposed enhancements and targets for the action plan period.

The Commercial DR Program's transition to performance-based compensation under Schedules GSR-E and GSR-C is described in Section 9.A of this Plan.

f. Commercial DR Program Cost-Benefit Analysis

(1) Commercial DR Measurement and Verification

The M&V reports providing third-party evaluation results as performed by Qualus are included in Technical Appendix DSM-19.

(2) Commercial DR Energy Savings Curves

The energy savings curves for the 2025 Prior Year are provided as part of the M&V report in Technical Appendix DSM-19. For the 2027–2029 Action Plan period, forward-looking energy savings curves are described in Section 4.E of this Plan, with additional detail provided in Technical Appendix DSM-2.

(3) Commercial DR Measure Life

As determined in the M&V Report, the EUL for the Build population is 10 years for Nevada Power and 6.38 years for Sierra. The Manage population EUL is a weighted average of remaining life for all devices, 4.63 years for Nevada Power and 3.11 years for Sierra.

(4) Commercial DR Measure Units

The units of measure for the Commercial DR Program are counted per device installed.

(5) Commercial DR Savings

The verified 2025 Commercial DR Manage energy and demand savings for Nevada Power are 5,456,934 kWh and 8,472.49 kW max VDR. For Sierra, energy and demand savings are 530,270 kWh and 1,558.41 kW max VDR.

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The verified 2025 Commercial DR Build energy and demand savings for Nevada Power are 135,124 kWh and 203.47 kW max VDR. For Sierra, energy and demand savings are 7,700 kWh and 364.89 kW max VDR.

(6) Commercial DR Incentives and Rebates

For the GSR-based compensation structure, energy credits are calculated per Load Flexibility Event based on verified demand reduction under Schedule GSR-E, and capacity credits are calculated based on annually verified demand reduction capability under Schedule GSR-C. Large C&I customers may choose participation levels (Reliability, Economic, Flexible) as described in the Section 9.A of this Plan. The GSR compensation parameters and budget assumptions used in the cost-effectiveness analysis are also described in Section 9.A of this plan.

(7) Commercial DR Incremental Costs

There were no incremental costs to participants or out-of-pocket expenses for the customer in this program.

(8) Commercial DR Financial Analysis

Financial assumptions are provided in Table DSM-29 of this Plan and in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. The appendix contains input and output sheets for the cost-benefit analysis. Within each output sheet, the “Stakeholder Perspectives & Tests” section reports benefits, costs, net benefits, and benefits/cost ratios for the five effectiveness tests. The “Utility Savings & Costs” section reports annual and lifetime costs and savings from the utility perspective. Table DSM-103 presents the Commercial DR Program’s projected 2027-2029 NTRC.

In Table DSM-109, NV Energy provides the Commercial DR Program’s 2025 NTRC, as well as the Commercial DR Program’s projected NTRC for 2027-2029 run with DSMore.

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Table DSM-109: Commercial DR NTRC

NTRC				
Programs	2025	2027	2028	2029
Nevada Power				
Commercial DR - Manage	3.20	4.20	5.29	5.72
Commercial DR - Build	0.59	2.64	2.83	2.76
Sierra				
Commercial DR - Manage	1.16	4.54	3.53	3.20
Commercial DR - Build	0.75	0.80	0.90	0.86
NTRC 2.0				
Programs	2025	2027	2028	2029
Nevada Power				
Commercial DR - Manage	3.66	4.74	5.64	6.04
Commercial DR - Build	0.69	2.66	2.85	2.79
Sierra				
Commercial DR - Manage	1.25	4.74	5.64	6.04
Commercial DR - Build	0.76	2.66	2.85	2.79

(9) Commercial DR Nevada Power and Sierra Input and Outputs

The Commercial DR 2025 Input and Output sheets from DSMore are provided in Technical Appendix DSM-3.

The Commercial DR 2027–2029 Input and Output sheets from DSMore are provided in Technical Appendices DSM-4.

4. Agricultural DR Program

a. Agriculture DR - At a Glance

The Agriculture DR Program (“Agricultural DR Program”) delivers dispatchable, seasonal capacity from large agricultural irrigation pumping loads using automated event signals, supported by two-way communications for participant acknowledgments and telemetry. The Agricultural DR Program is designed to reserve installed capacity (kW) to participate in Level I Reliability DR in an automated fashion. Depending upon customer operations and preference, a customer may choose to enroll in Level II Economic DR and Level III Flexible DR. The program design offers a distinct voluntary and complementary approach to the existing IS-2 curtailable tariff in which customers may be notified by phone calls to curtail pumping in response to a declared system emergency event. It extends and enhances the utilization of agricultural loads to additional load flexibility event types.

The Agricultural DR Program transitions from a measure within Commercial DR (2025–2026) to a standalone offering for 2027–2029 and aligns compensation with GSR-C and GSR-E. Program budgets support administration, M&V, implementation and operations, software, and education and outreach, informed by documented 2025 agriculture trial performance in the Commercial DR Section 9.B.3.c of this DSM Plan. Key risks include enrollment pace among eligible irrigation

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customers, seasonal load coincidence with dispatch events, communications reliability at remote agricultural sites, and participant overrides of scheduled events. These risks are mitigated through prioritized enrollment of larger pumping loads, enhanced information sharing regarding irrigation scheduling practices, commissioning and communications readiness testing, and remote monitoring and control capabilities.

b. Agriculture DR – Program Description

(1) Overview

The Agriculture DR Program enables NV Energy to reduce electrical demand from large agricultural irrigation pumping loads during periods of elevated system demand through the use of automation technology. Participating sites receive event signals to curtail and restore irrigation pumping operations in accordance with site-specific operational and safety procedures, while retaining full control over equipment operation. The Agricultural DR Program does not solely rely on NV Energy-owned field switching devices. Participants may use customer-owned controls and operational processes to respond to dispatch signals.

The Agricultural DR Program is implemented through Build and Manage components under NV Energy’s DR framework. The Build component supports enrollment, communications commissioning, and establishment of verified DR capability prior to the DR season, while the Manage component supports ongoing participation through dispatch execution, communications readiness, and performance verification. The Agricultural DR Program operates primarily during the summer season using scheduled events supported by day-ahead or 4-hour ahead notifications and automated dispatch. Two-way communications and telemetry support monitoring and control, and interval meter data supports analysis and grid services payments.

This differs from the Interruptible Irrigation Rate (“IS2”) as it is set for non-emergency DR and technology will drive curtailment with customers being compensated based on the amount of energy saved.

(2) Enrollment Requirements

To enroll in the Agriculture DR Program, customers must:

- Be an agricultural customer in the Sierra service territory.
- Maintain an active NV Energy electric utility account in good standing at the service location associated with electrically driven irrigation pumping equipment.
- Operate irrigation pumping equipment that is technically capable of participating in DR and supporting M&V through interval metering and, where available, equipment telemetry.
- Have the ability to receive automated event signals through approved communication pathways, such as API integration or the Companies’ DRMS/DERMS platform.
- Maintain reliable internet or cellular connectivity to support communications, signal delivery, and telemetry exchange where applicable.
- Complete program registration and commissioning prior to the DR season, including submission and validation of equipment information, communications readiness testing, and confirmation of dispatch signal receipt.

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Execute a Participation Agreement that governs enrollment, dispatch participation requirements, data access, telemetry permissions, and performance verification.

Provide property owner or operator authorization when required, such as when irrigation equipment is located on leased land or operated under third-party management arrangements.

Identify the DR Participation levels into which to enroll.

(3) Participation Requirements

To participate in the Agriculture DR Program, customers must meet the following requirements:

- **Operational Readiness**
Enrolled irrigation pumping equipment must be commissioned, functional, and capable of responding to automated event signals issued by NV Energy. Equipment and communications systems must remain in an operational state that supports participation in reliability events and any optional services elected by the participant.
- **Qualifying Equipment**
Participants must maintain electrically driven irrigation pumping equipment that is permanently installed and suitable for DR participation, measurement, and verification.
- **Eligible Equipment and Communications**
Only irrigation loads and associated communications configurations verified through program registration and commissioning may participate. Eligibility is subject to ongoing verification of equipment operability, communications readiness, and response capability.
- **Participation Agreement**
Participants must maintain an executed Participation Agreement that defines participation obligations, dispatch requirements, data access, telemetry permissions (where applicable), commitment terms, and conditions for suspension or termination of participation.
- **Property Owner or Operator Permission**
Participants must maintain property-owner or operator authorization where required, including situations where irrigation equipment is located on leased land or operated under third-party management arrangements.
- **Access for Verification and Operations**
Participants must provide NV Energy with reasonable access to systems, data, or interfaces necessary to confirm equipment configuration, communications readiness, availability status, and dispatch response, consistent with Agricultural DR Program requirements and the Participation Agreement.

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- **Reliable Telemetry and Data Availability**
Two-way communications and equipment telemetry are required to support dispatch verification, settlement, and evaluator-ready M&V. Interval meter data and operational confirmations must be sufficient to substantiate verified demand reduction. Sustained loss of communications or data availability may result in suspension of participation until resolved.

- **Resource Availability**
Enrolled irrigation pumping loads must be available and configured to support DR participation. Participants may not intentionally configure equipment or communications in a manner that prevents execution of required dispatch instructions for enrolled services.

Failure to meet participation requirements may result in suspension or removal from the Agricultural DR Program and may affect eligibility for tariff-based compensation under Schedule GSR-C or Schedule GSR-E, consistent with the Participation Agreement and applicable tariff provisions.

(4) Participation Agreement Term

Participation in the Agriculture DR Program requires execution of a Participation Agreement that includes a minimum participation term of one (1) year, intended to support system reliability and eligibility for compensation under Grid Services Tariff Riders. Following completion of the minimum participation term, participation may continue on an ongoing basis unless terminated by the participant or NV Energy in accordance with the Participation Agreement and applicable tariff provisions. Early termination of the Participation Agreement or withdrawal from the Agricultural DR Program prior to completion of the one-year minimum participation term may affect eligibility for tariff-based compensation. Enrollment in the Agricultural DR Program does not guarantee eligibility for, or receipt of, compensation under Schedule GSR-C or Schedule GSR-E.

(5) Marketing/Incentive Strategy

The Agricultural DR Program’s marketing emphasizes clear communication of the Agriculture DR Program’s signal-automation model, focusing on the use of automated event signals that notify participating sites when curtailment should begin and end. Outreach is aligned with agricultural calendars, irrigation practices, and grower associations to ensure customers understand how the Agricultural DR Program integrates with their existing operational procedures. NV Energy will leverage existing participants from the 2025 and 2026 Commercial DR Program’s agriculture measure to connect with applicable irrigation system companies and other potential large agriculture participants.

Marketing and customer education highlight that participants retain full control over irrigation pumping equipment and may choose to use participant-owned controls to automate curtailment or restoration, and NV Energy cannot deploy field switching devices for remote curtailment or

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restoration if reliable internet or cellular communications are not available. Materials also explain DR-season scheduling practices, notifications for scheduled events, and difference between this voluntary program and the mandatory IS-2 tariff system emergency events that may occur subject to the parameters of the IS-2 tariff.

Monetary compensation for grid services provided by participating irrigation pumping loads is governed by the applicable Grid Services Tariff Riders and the DR Participation levels for which the participant has enrolled.

For this program, the Reliability DR option is proposed as an installed capacity program with a GSR-C payment for installed capacity at a 30 percent Capacity Resource Rate. This approach recognizes the high load diversity of water pumping operations and allows the Companies to enroll a larger number of customers based upon measured and verified installed capacity under a format where the installed capacity payment operates as a capacity reservation payment. The Company proposes that it be allowed to revisit and raise the Capacity Resource Rate at its discretion up to a maximum of 60 percent based upon further evaluation of the peak coincidence factor of participating loads.

Participants that enroll in Level II Economic DR or Level III Flexible DR would receive tariff-based compensation corresponding to the type and level of grid services provided.

To support initial market activation or address unanticipated enrollment barriers, limited, temporary enrollment or enablement incentives may be offered. Any such incentives are one-time in nature, are not tied to event participation or performance, and do not alter or replace tariff-based compensation provided under the Grid Services Tariff Riders.

(6) Agricultural DR Program Benefits

The Agriculture DR Program provides dispatchable, seasonal DR capacity from large agricultural irrigation pumping loads using a signal-automation model that supports grid reliability while preserving participant operational control. Automated event signals enable coordinated load curtailment during reliability conditions and scheduled DR-season events. The Agricultural DR Program delivers a scalable, predictable resource for peak load management and system reliability while allowing agricultural customers to integrate DR participation into existing irrigation operations in a manner consistent with site-specific safety and operational needs.

(7) Event Scheduling and Dispatch

Dispatch mode

Agriculture DR dispatch relies on automated event signals delivered through NV Energy's DRMS/DERMS or approved API integrations to site-level communications endpoints. Participants respond to these signals by curtailing and restoring irrigation pumping equipment in accordance with their on-site operational and safety procedures. Two-way acknowledgments and

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equipment telemetry are required to support remote monitoring and control. Interval meter data and operational confirmations substantiate participation.

Event types

The Agriculture DR Program allows customers to enroll at the DR Participation level appropriate for their operations and preferences. Event types, dispatch parameters, event duration, advance notice requirements, and participation expectations are governed by the event specifications described in Section 9.A of this Plan.

The Agriculture DR Program will include Test Events to verify installed capacity. NV Energy may conduct test events to verify communications readiness, dispatch signal delivery, equipment availability, and response verification.

Event frequency

The frequency of DR events under the Agriculture DR Program varies based on grid conditions, system reliability needs, and seasonal irrigation activity.

Level I Base Reliability events may be dispatched at any time of year and as often as required to maintain grid stability. These events are expected to be infrequent but may occur during periods of system stress, supply shortfall, or other reliability-driven conditions.

Scheduled Level II Economic DR events may be dispatched during the DR season when system or market conditions indicate a need for additional load reduction beyond foundational reliability requirements. The frequency of economic events is expected to vary by season, weather, and grid needs.

Test events may be conducted to confirm communications readiness, response performance, and verification processes. Test events are very limited in scope and frequency.

Event durations

The duration of DR events under the Agriculture DR Program varies based on event type and system conditions, while remaining consistent with operational considerations associated with irrigation pumping loads.

Reliability events may be of short duration or extended for multiple hours when required to address real-time system reliability conditions. Event duration for these events is determined by grid operating needs and may vary by event.

Scheduled economic DR events are typically constrained to the DR season and are designed to balance grid value with agricultural operational impacts. These events have defined start and end times communicated through automated signals and typically last up to two hours, consistent with historical Agriculture DR operations and irrigation pumping response characteristics.

Test events are short in duration and conducted to validate communication readiness, dispatch execution, and response verification.

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Advance notice

For scheduled DR-season events, the Agricultural DR Program provides day-ahead to 4-hour ahead notice, followed by automated event signals.

Dispatch window

Scheduled events will most likely occur during the summer season when net system peaks are higher. Outside of the DR season, the Agricultural DR Program may call reliability dispatch events if system conditions require support, and it is determined via remote monitoring that water pumping loads are operating and available to participate in an event.

Dispatch notification system

Dispatch signals are issued through NV Energy's DRMS/DERMS platform or approved API integrations to site-level communications endpoints capable of receiving automated start and end event notifications. Use of two-way communications and equipment telemetry is designed to minimize delays and provide timestamped confirmation of dispatch signals. Additionally, participant contact information is maintained to ensure operational communications.

Customer Override

Participants may choose to override a scheduled event when operational needs are required. Overrides should be minimized during the DR season to maintain program value.

Opt-out of Events

The Agricultural DR Program will communicate seasonal expectations for event participation, and if a customer chooses to override a Reliability Event, they may forfeit their annual installed capacity payment. NV Energy will perform a more detailed review to determine if forfeiture is necessary considering overall grid conditions, participation patterns, and extenuating circumstances.

Non-responding Devices

When a situation occurs that results in a loss of telemetry, a device fault, or tampering, the site is flagged for follow-up to restore communications readiness and to support participation in events. If a device is found to be non-responsive during an event in which water pumping operations were occurring, the participant may forfeit their annual installed capacity payment. NV Energy will perform a more detailed review to determine if forfeiture is necessary based upon the circumstances and the specific reasons for device non-responsiveness which may be out of the control of the customer.

Hardship/medical

Hardship or medical exemptions do not apply to the Agriculture DR Program because enrolled irrigation pumping loads are not associated with residential life-safety equipment. Participants retain full operational control and respond to automated event signals according to their on-site safety and operating procedures, but there are no hardship or medical-specific provisions associated with participation in the Agricultural DR Program.

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c. 2025 Agriculture DR Results

This section summarizes the overall results and activities of the 2025 Agricultural DR Program, highlighting participation levels, measures implemented, and energy savings achieved during the program year.

(1) Results

The Agriculture DR Program did not exist as a standalone offering in 2025; there are no Agriculture DR program results to report for that year. In 2025, NV Energy conducted an agriculture DR trial under the Commercial DR Programs portfolio. The trial and its measured results are documented in the 2025 Commercial DR M&V Report, which includes the agriculture pilot evaluation, verified demand reduction, and evaluator recommendations that informed Agriculture DR's event operations, communications requirements, and Build/Manage design. Detailed context regarding the agriculture trial's scope, timing, and findings is provided in Section 9.B.3.c(3) of this Plan and Technical Appendix DSM-19.

d. 2026 Agriculture DR Proposed Program Current Year

(1) Agriculture DR Budgets, Savings Target, and Unit Goals

Because the Agriculture DR Program does not operate as a standalone offering in 2026, there are no separate Agriculture DR program results to report for this year. Additional context regarding 2026 Current Year budget, savings target, and unit goals is provided in Section 9.B.3.d of this Plan under the Commercial DR Program. Agriculture DR measure results are included within, and reported as part of, the Commercial DR Program results.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The 2027-2029 Agriculture DR proposed budgets and savings targets are discussed below in Table DSM-110. Action Plan budget includes utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

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Table DSM-110: 2027-2029 Agriculture DR Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Agricultural DR	-	-	-	-
Sierra				
Agricultural DR	814,000	3,000	39,000	70
NV Energy	814,000	3,000	39,000	70
2028				
Nevada Power				
Agricultural DR	-	-	-	-
Sierra				
Agricultural DR	1,003,000	4,000	50,000	90
NV Energy	1,003,000	4,000	50,000	90
2029				
Nevada Power				
Agricultural DR	-	-	-	-
Sierra				
Agricultural DR	1,193,000	4,000	61,000	110
NV Energy	1,193,000	4,000	61,000	110

Table DSM-111 below has the 2027-2029 Agricultural DR proposed budgets cost by category.

Table DSM-111: 2027-2029 Agricultural DR Proposed Budgets costs by category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	-	-	-
Measurement & Verification	-	-	-
Implementation	-	-	-
Software	-	-	-
Education/Outreach	-	-	-
Incentives	-	-	-
Nevada Power Total	-	-	-
Sierra			
Utility Administration	109,435	109,435	109,435
Measurement & Verification	40,565	40,565	40,565
Implementation	367,817	436,349	577,524
Software	-	-	-
Education/Outreach	20,171	61,835	31,757
Incentives	276,012	354,816	433,719
Sierra Total	814,000	1,003,000	1,193,000
NV Energy			
Utility Administration	109,435	109,435	109,435
Measurement & Verification	40,565	40,565	40,565
Implementation	367,817	436,349	577,524
Software	-	-	-

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Education/Outreach	20,171	61,835	31,757
Incentives	276,012	354,816	433,719
NV Energy Total	814,000	1,003,000	1,193,000

(2) 2027-2029 Agriculture Plan and Plan Changes

The 2027–2029 Agriculture DR Program transitions agricultural DR activity from pilot into a full program designed to deliver verified, dispatchable seasonal capacity from large irrigation pumping loads. The Agricultural DR Program is implemented through Build and Manage components that collectively support enrollment, commissioning, and ongoing operational performance. The Build component focuses on enrolling new participants, commissioning communications and signal readiness, and establishing verified DR capability. The Manage component supports ongoing participation by maintaining communications readiness, dispatch execution, and performance verification throughout the DR season.

During the Action Plan period, the Agricultural DR Program emphasizes scaling enrollment among eligible irrigation customers, prioritizing larger pumping loads with meaningful demand reduction potential.

Compared to the 2025 agriculture DR trial and the 2026 year, the 2027–2029 Plan formalizes Agricultural DR Program operations by standardizing automated event signaling, reinforcing commissioning and communications requirements, and clarifying participation, verification, and ongoing operational expectations under the Build and Manage framework. These changes support improved dispatch visibility, more consistent response performance, and a scalable approach to integrating large agricultural DR into NV Energy’s broader DR and grid reliability portfolio.

Agricultural irrigation pumping loads are seasonal and exhibit significant diversity in coincident operation during any given dispatch event, distinguishing them from premises with loads that are typically operating at peak. The communications and telemetry infrastructure supporting Agricultural DR Program participation is expected to provide participating irrigators with operational pump intelligence and, where supported, remote control capabilities that were not previously available, while also informing NV Energy’s system planning and future program design as dispatch experience and verified performance data accumulate.

Demand Savings Target Development and Performance Forecasting

The Agriculture DR demand savings targets for the 2027–2029 Action Plan period were developed using a bottom-up forecasting approach based on eligible irrigation accounts, pump motor size distributions, conservative enrollment assumptions, and expected coincident pump operation during dispatch events. Historical performance under the IS-2 Interruptible Irrigation Service rate is used as a benchmark to inform expected response.

The Agricultural DR Program prioritizes enrollment of larger irrigation customers during early Action Plan years. Targeting larger pumps increases installed capacity early in the Agricultural DR Program lifecycle and improves the likelihood of capturing meaningful coincident demand reduction when events are dispatched. Based on historical data, approximately 30 percent to 40

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percent of irrigation pumps are expected to be operating coincidentally during peak event windows; this coincidence factor is explicitly applied in the demand savings forecasts. Demand savings scale across the Action Plan period as Build activities add new participants and Manage activities support ongoing availability and verified performance.

f. Agricultural DR Program Cost Benefit Analysis

(1) Agriculture DR Measurement and Verification

The M&V report that provides third-party evaluation results as performed by Qualus is included in Technical Appendix DSM-19. While the Agriculture DR Program is offered as a standalone program in the 2027-2029 Action Plan period, previous results are included in the broader Commercial Demand Response M&V report.

(2) Agriculture DR Energy Savings Curves

The energy savings curves for the 2025 Prior Year are provided as part of the M&V report in Technical Appendix DSM-19. For the 2027–2029 Action Plan period, forward-looking energy savings curves are described in Section 4.E of this DSM Plan, with additional detail provided in Technical Appendix DSM-2.

(3) Agriculture DR Measure Life

As determined for the proposed portfolio, the EUL for Sierra 2027 is 10.00 years, for Sierra 2028 is 10 years, and for Sierra 2029 is 10.00 years.

(4) Agriculture DR Measure Units

The units of measure for the Agricultural DR Program are per site.

(5) Agriculture DR Energy and Demand Savings

Verified savings are based on ex-post evaluator results using interval and telemetry data for scheduled DR season events and, when applicable, emergency reliability dispatch events. Annual Agricultural DR Program tables will present authorized budgets, demand and energy savings targets, and unit goals by component and service territory.

(6) Agriculture DR Incentives/Rebates

Monetary compensation for grid services provided by participating irrigation pumping loads will be governed by the applicable Grid Services Tariff Riders and the DR Participation levels for which the participant has enrolled.

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For this program, the Reliability DR option is proposed as an installed capacity program with a GSR-C payment for installed capacity at a 30 percent Capacity Resource Rate. This approach recognizes the high load diversity of water pumping operations and allows the Company to enroll a larger number of customers based upon measured and verified installed capacity under a format where the installed capacity payment operates as a capacity reservation payment. The Company proposes that it be allowed to revisit and raise the Capacity Resource Rate at its discretion up to a maximum of 60 percent based upon further evaluation of the peak coincidence factor of participating loads.

Participants that enroll in Level II Economic DR or Level III Flexible DR would receive tariff-based compensation corresponding to the type and level of grid services provided.

To support initial market activation or address unanticipated enrollment barriers, limited, temporary enrollment or enablement incentives may be offered. Any such incentives are one-time in nature, are not tied to event participation or performance, and do not alter or replace tariff-based compensation provided under Grid Services Tariff Riders.

(7) Agriculture DR Incremental Costs

There are no incremental costs to participants or out-of-pocket expenses to customers for this Program.

(8) Agriculture DR Financial Analysis

Financial assumptions are provided in Table DSM-29 of this Plan and in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. The appendix contains input and output sheets for the cost-benefit analysis. Within each output sheet, the “Stakeholder Perspectives & Tests” section reports benefits, costs, net benefits, and benefits/cost ratios for the five effectiveness tests. The “Utility Savings & Costs” section reports annual and lifetime costs and savings from the utility perspective. Table DSM-112 presents the Agricultural DR Program’s projected 2027-2029 NTRC.

Table DSM-112: Agricultural DR NTRC Results

NTRC Results			
Programs	2027	2028	2029
Nevada Power			
Agricultural DR	N/A	N/A	N/A
Sierra			
Agricultural DR	1.33	1.49	1.28
NTRC 2.0 Results			
Programs	2027	2028	2029
Nevada Power			
Agricultural DR	N/A	N/A	N/A
Sierra			
Agricultural DR	1.34	1.50	1.29

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(9) Agriculture DR Nevada Power and Sierra Input and Output Sheets

The Agriculture DR 2027–2029 Input and Output sheets from DSMore are provided in Technical Appendices DSM-4.

5. Schools DR Program

a. Schools DR - At a Glance

The Schools DR Program (“Schools DR Program”) enrolls K-12 facilities to provide dispatchable grid services through utility-dispatched management of HVAC and lighting loads using building automation systems, smart thermostats, or other demand-responsive controls, and energy storage systems where installed. The Schools DR Program transitions from a measure within Commercial DR (2025-2026) to a standalone offering for the Action Plan period, supporting tailored dispatch scheduling, enrollment practices, and operational parameters appropriate for K-12 educational environments. The Schools DR Program is delivered through Build and Manage components. The Build component enrolls new school facilities through facility assessments, equipment installation, and integration with existing building systems. The Manage component supports ongoing dispatch operations, telemetry monitoring, and performance verification for enrolled facilities. The Schools DR Program is coordinated with the Energy Smart Schools energy efficiency program to support bundled delivery of efficiency and DR services and is delivered through NV Energy's Major Account Executives who maintain established relationships with school district facilities departments.

During summer months when system demand is highest and most K-12 facilities have reduced or no student occupancy, the Schools DR Program enables broader dispatch participation with minimal occupant impact. The Schools DR Program provides smart thermostats and related equipment at no cost to participating school districts. Performance-based compensation under the Grid Services Tariff Riders (Schedules GSR-E and GSR-C) was modeled in budget planning and scenario analysis for smart thermostats provided at no cost to the schools and will be evaluated for applicability to other measures during the plan period. Schools DR Program budgets support administration, M&V, implementation and operations, software, education and outreach. Key risks include enrollment pace, school district budget and procurement cycles, academic calendar constraints on dispatch availability during the school year, and integration readiness across diverse building automation systems. These risks are mitigated through district-level engagement, coordination with academic calendars, facility assessments to confirm dispatch readiness, and alignment with existing Energy Smart Schools relationships.

b. Schools DR – Program Description

(1) Overview

The Schools DR Program allows NV Energy to interact with K-12 facility systems during peak energy use or system emergency. School DR measures include utility-dispatched management of HVAC and lighting loads through building automation systems, smart thermostats, or other

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demand-responsive controls, as well as energy storage systems where installed. During the 2025 Prior Year and 2026 Current Year, Schools DR participation was managed within the Commercial DR Program.

Beginning in 2027, Schools DR is transitioning to a standalone program to support tailored dispatch scheduling, enrollment practices, and operational parameters appropriate for K-12 educational environments. The Schools DR Program will be offered only in the southern territory in 2027 and expanded to the northern territory beginning in 2028. The Schools DR Program is coordinated with the energy efficiency Schools Program to ensure complementary service delivery across efficiency and DR offerings. The Schools DR Program conducts enrollment through coordination with school district facilities departments and NV Energy’s customer service and PowerShift enrollment channels.

The Schools DR Program is split into two components: Build and Manage. The Build component primarily recruits new schools into an ongoing service that allows the Companies’ control systems to interact with customers’ DR capable technologies during peak or emergency conditions to reduce demand on the power grid. The Manage component consists of facilities that were recruited into the Build component in previous years. Events are dispatched through NV Energy’s DRMS, transitioning to the DERMS during the Action Plan period. Event types, dispatch parameters, and participation levels are described in Section 9.A of this DSM Plan.

(2) Enrollment Requirements

The requirements that a school will need to enroll in the Schools DR Program are:

- Be Nevada’s public school or charter school that includes kindergarten through 12th grade, or higher education institutions.
- Have an active utility account.
- Must be in NV Energy’s service territory.
- Education related facilities that are integral to the mission and operations of schools and education institutions, such as administrative buildings, gymnasiums, and support facilities are also eligible.

(3) Participation Requirements

To participate in the Schools DR Program, the facility must sign a participation agreement that grants NV Energy the ability to remotely issue demand reduction commands during an Event and have a designated facility energy manager or authorized point of contact.

Participation may be enabled through one or more of the following:

- Building automation system integration. The facility's existing BAS must be capable of receiving and executing utility dispatch commands for coordinated management of HVAC, lighting, and other controllable building loads.
- Smart thermostats or demand-responsive controls. Where a BAS is not available, the facility must have installed compatible smart thermostats or demand-responsive controls on HVAC equipment capable of receiving utility dispatch commands.

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Energy storage systems. Where installed, the facility must have a qualifying ESS technology that has been commissioned, is operational, and meets the vendor's requirements to receive utility commands.

The specific measures and dispatch pathways will be determined during facility assessment and documented in the participation agreement.

(4) Participation Agreement Term

Participation in the Schools DR Program requires schools to execute a Participation Agreement with NV Energy that establishes the duration of participation and the terms governing ongoing eligibility to receive program benefits and billing credits.

The Participation Agreement term is a minimum of five years for participants receiving NV Energy-provided equipment. NV Energy retains ownership of all program-provided equipment during the term, at which point ownership transfers to the participant. Schools exiting prior to completion of the minimum term may be required to return equipment or pay the remaining straight-line depreciated value.

For facilities participating through their own qualifying equipment, including BYOD, demand responsive end-use loads, and ESS participants, the minimum participation term is one year. Following completion of the minimum term, participation may continue on an ongoing basis unless terminated by the participant or NV Energy in accordance with the Participation Agreement.

During the participation term, participants may request modifications to their participation, subject to Schools DR Program rules and applicable requirements. Changes to participation do not reset the minimum participation term unless otherwise specified in the Participation Agreement. Early termination prior to completion of the minimum term may affect eligibility for program incentives and billing credits and is governed by the Participation Agreement.

Facilities must participate in a minimum percentage of DR Events each season as specified in their Agreement. Opt-outs are permitted to an allowable limit; exceeding that limit may result in reduced compensation or other program consequences as defined in the Participation Agreement. Participants must provide reasonable site access for inspections and equipment installation or removal.

(5) Marketing Strategy

The Schools DR Program will be delivered through NV Energy's program managers and Major Account Executives, who maintain established relationships with K-12 school districts through the Schools energy efficiency Program and ongoing account coordination. The Schools DR Program is offered at the school district level, enabling NV Energy to work with district facilities and operations departments to identify and enroll schools across a district's portfolio of buildings rather than recruiting individual facilities independently. This district-level approach aligns DR enrollment with school district planning and budget cycles and supports bundled delivery of DR and energy efficiency services through the Schools energy efficiency Program. The portfolio-level marketing strategy is described in Section 5 of this Plan.

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The Schools DR Program provides smart thermostats and related equipment, installation, and ongoing device services to participating schools at no cost to the school district. In addition to demand reduction during Events, enrolled smart thermostats deliver year-round energy management capabilities that can reduce the district's overall energy consumption and utility costs. Performance-based compensation under the Grid Services Tariff Riders (Schedules GSR-E and GSR-C) has been modeled for the provision of smart thermostats and will be evaluated for applicability to additional measures in K-12 facilities during the plan period; the compensation structure, participation levels, and tariff mechanics are described in Section 9.A of this DSM Plan.

The Company will include daily demand messaging as part of the marketing materials developed to support program awareness and customer participation. When relevant and appropriate, program materials will also include information and best practices to help customers take greater control of their energy usage.

(6) Schools DR Program Benefits

The Schools DR Program provides NV Energy with dispatchable demand reduction from K-12 facilities, which represent large, predictable commercial loads concentrated across school district building portfolios. During summer months when system demand is highest, most school facilities have reduced or have no student occupancy, enabling NV Energy to dispatch events with minimal occupant impact, a characteristic that distinguishes schools from residential and occupied commercial DR resources. For participating school districts, the Schools DR Program provides smart thermostats and building controls at no cost that deliver year-round energy management capabilities beyond DR, including improved visibility into HVAC performance and energy consumption across district facilities. Performance-based compensation under the Grid Services Tariff Riders has been modeled for the provision of smart thermostats and will be evaluated for applicability to additional measures in K-12 facilities during the Action Plan period, as described in Section 9.A of this DSM Plan.

(7) Event Scheduling and Dispatch

Event scheduling, dispatch parameters, event types, participation levels, and event duration for the Schools DR Program are governed by the specifications described in Section 9.A of this Plan. During summer months when K-12 facilities typically have reduced or no student occupancy, HVAC setpoint adjustments during Load Flexibility Events have minimal occupant comfort impact, allowing for broader dispatch participation during the periods when system demand is highest. During the academic year, event scheduling accounts for school operating hours and occupancy to minimize disruption to the learning environment.

c. 2025 Schools DR Results

This section summarizes the overall results and activities of the 2025 Schools DR Program, highlighting participation levels, measures implemented, and energy and demand savings achieved during the program year.

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(1) Results

In 2025, the Pelican thermostat installed in schools operated as a measure within the broader Commercial DR Programs rather than a standalone program.

d. 2026 Schools DR Program Current Year

This section summarizes the overall approved goals and activities of the Program, highlighting approved budget, participation levels, and energy and demand savings goals during the 2026 Current Year.

(1) Schools DR Budgets, Savings Target, and Unit Goals

In 2026, the Pelican thermostat installed in a school will operate as a measure within the broader Commercial DR Programs, consistent with its structure in the 2025 Prior Year. The Companies did not propose a standalone Schools DR Program for 2026. Instead, Schools DR activities, including current year budgets, savings targets, and unit goals, remain integrated within the Commercial DR Program framework.

(2) 2026 Schools DR Plan Current Year Changes

In 2026, Schools DR continues to operate as a measure within the broader Commercial DR Programs.

e. 2027-2029 Action Plan Period Proposed

This section summarizes the proposed targets, budgets, and activities for the Schools DR Program, outlining planned efforts for the Action Plan period.

(1) Proposed Plan Budget, Demand Savings, Energy Savings, Participation Target

The Schools DR Program's 2027-2029 proposed budgets, savings targets, and unit goals are presented in Table DSM-113 below.

The Schools DR Program's budgets include utility administration, M&V, implementation contractor, software, education, marketing, and outreach, and incentives and/or rebates.

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Table DSM-113: 2027-2029 Schools DR Proposed Budgets, Savings Targets, and Unit Goals

Program Components	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2027				
Nevada Power				
Schools DR	4,375,000	15,500	1,701,000	7,000
Sierra				
Schools DR	-	-	-	-
NV Energy	4,375,000	15,500	1,701,000	7,000
2028				
Nevada Power				
Schools DR	4,375,000	15,500	1,701,000	7,000
Sierra				
Schools DR	938,000	2,700	292,000	1,500
NV Energy	5,313,000	18,200	1,993,000	8,500
2029				
Nevada Power				
Schools DR	4,375,000	15,500	1,701,000	7,000
Sierra				
Schools DR	938,000	2,700	292,000	1,500
NV Energy	5,313,000	18,200	1,993,000	8,500

Table DSM-114 below has the 2027-2029 Schools DR proposed budgets cost by category

Table DSM-114: 2027-2029 Schools DR Proposed Budgets Costs by Category

Program Cost Description	Proposed Budgets (\$)		
	2027	2028	2029
Nevada Power			
Utility Administration	337,429	337,429	337,429
Measurement & Verification	74,335	74,335	74,335
Implementation	3,809,230	3,809,230	3,809,230
Software	4,088	4,088	4,088
Education/Outreach	126,476	126,476	126,476
Incentives	23,442	23,442	23,442
Nevada Power Total	4,375,000	4,375,000	4,375,000
Sierra			
Utility Administration	-	110,512	110,512
Measurement & Verification	-	24,348	24,348
Implementation	-	754,952	754,952
Software	-	871	871
Education/Outreach	-	36,433	36,433
Incentives	-	10,884	10,884
Sierra Total	-	938,000	938,000
NV Energy			
Utility Administration	337,429	447,941	447,941
Measurement & Verification	74,335	98,684	98,684
Implementation	3,809,230	4,564,182	4,564,182
Software	4,088	4,958	4,958
Education/Outreach	126,476	162,909	162,909
Incentives	23,442	34,326	34,326
NV Energy Total	4,375,000	5,313,000	5,313,000

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(2) 2027-2029 Schools DR Plan

The Schools DR Program transitions from a measure within Commercial DR to a standalone offering beginning in 2027. This transition supports tailored enrollment, dispatch scheduling, and operational parameters appropriate for K-12 educational environments. The Schools DR Program will focus on DR load reduction through utility-dispatched management of HVAC and lighting loads at K-12 facilities using building automation systems, smart thermostats, or other demand-responsive controls, and energy storage systems were installed.

NV Energy will implement the Schools DR Program in the following areas:

The Schools DR Program will be offered only in the southern territory in 2027 and expanded to the northern territory beginning in 2028.

The Schools DR Program will conduct facility assessments to identify controllable loads, existing building automation capabilities, and the appropriate dispatch pathway for each participating school.

The Schools DR Program will enroll qualifying K-12 facilities through direct install of smart thermostats and integration with existing school building automation systems and energy storage systems where available.

The Schools DR Program will develop school-specific dispatch profiles that account for academic calendars, summer closure periods, and facility occupancy patterns to maximize peak demand reduction while minimizing disruption to the learning environment.

The Schools DR Program will coordinate with school district facilities departments to align enrollment and dispatch with academic calendars and facility operations, with particular emphasis on Title I and low-income schools.

The Schools DR Program will coordinate with the Schools energy efficiency Program to support bundled delivery of efficiency and DR services at participating schools.

The Schools DR Program's transition to performance-based compensation under Schedules GSR-E and GSR-C is described in Section 9 of this Plan.

f. Schools DR Program Cost Benefit Analysis

(1) Schools DR Measurement and Verification

The M&V report that provides third-party evaluation results for the Commercial DR program as performed by Qualus is included in the Technical Appendix DSM-19. While the Schools DR program is offered as a standalone program in the 2027-2029 Action Plan period, previous results for this DR measure is included in the broader Commercial DR M&V report.

(2) Schools DR Energy Savings Curves

For the 2027–2029 Action Plan period, forward-looking energy savings curves are described in Section 4 of this Plan, with additional detail provided in Technical Appendix DSM-2.

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(3) Schools DR Measure Life

As determined for the proposed portfolio, the EUL for Nevada Power 2027 is 10 years, 2028 is 10 years, and 2029 is 10.00 years. For Sierra, the EUL for 2028 is 10 years and 2029 is 10 years.

(4) Schools DR Measure Units

The units of measure for the Schools DR Program are counted per device installed.

(5) Schools DR Energy and Demand Savings

The Schools DR Program transitions to a standalone offering beginning in 2027. Accordingly, no program-specific verified per-unit energy or demand savings are available for the Schools DR Program as a standalone program. During the 2025 Prior Year and 2026 Current Year, school sites participated as a subset of the Commercial DR Program, and verified savings for those sites are included in the Commercial DR M&V evaluation in Technical Appendix DSM-19.

For the 2027–2029 Action Plan period, estimated per-unit demand and energy savings for the Schools DR Program is derived from the commercial thermostat and BMS populations evaluated by Qualus, adjusted for the operational characteristics of K-12 facilities. These estimates will be refined as Schools DR-specific M&V data become available during the Action Plan period.

(6) Schools DR Incentives and Rebates

For 2027, the Schools DR Program provides smart thermostats, related gateway hardware, installation, and ongoing device services to participating schools at no cost to the school district. Performance-based compensation under Schedules GSR-E and GSR-C has been modeled for the provision of smart thermostats and will be evaluated for applicability to additional measures in K-12 facilities during the Action Plan period.

(7) Schools DR Incremental Costs

There are no incremental costs to participants or out-of-pocket expenses to customers for this program.

(8) Schools DR Financial Analysis

Financial assumptions are provided in Table DSM-29 of this Plan and in the “Financial Data” section of each output sheet for Nevada Power and Sierra in Technical Appendices DSM-3 and DSM-4. The appendix contains input and output sheets for the cost-benefit analysis. Within each output sheet, the “Stakeholder Perspectives & Tests” section reports benefits, costs, net benefits, and benefits/cost ratios for the five effectiveness tests. The “Utility Savings & Costs” section reports annual and lifetime costs and savings from the utility perspective. Table DSM-115 presents the Schools DR Program’s projected 2027-2029 NTRC.

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Table DSM-115: Schools DR NTRC Results

NTRC Results			
Programs	2027	2028	2029
Nevada Power			
Schools DR	2.35	2.36	2.37
Sierra			
Schools DR	N/A	1.68	1.71
NTRC 2.0 Results			
Programs	2027	2028	2029
Nevada Power			
Schools DR	2.41	2.43	2.45
Sierra			
Schools DR	N/A	1.75	1.78

(9) Schools DR Nevada Power and Sierra Input and Output Sheets

The Schools DR 2027-2029 Input and Output sheets from DSMore are provided in Technical Appendices DSM-4.