

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 joint 2025-2044 integrated resource plan, for the three year Action Plan period 2025-2027, and the Energy Supply Plan period of 2025-2027.

Docket No. 24-05 ____

VOLUME 12 OF 29

NEVADA POWER COMPANY D/B/A NV ENERGY AND SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY

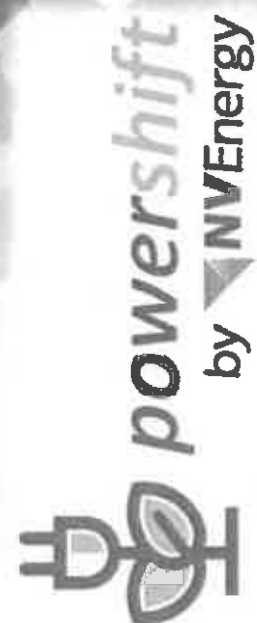
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DSM-7

DSM Collaborative Meeting Slides

DSM QUARTERLY COLLABORATIVE MEETING

May 18, 2023



AGENDA

Welcome &
Introductions

2023 DSM
Program
Updates

IRP Updates

Legislative
Session
Update

Working
Groups
Update

Next Steps

Welcome & Introductions

- Encolor
- NV Energy
- Governor's Office of Energy
- Public Utilities Commission of Nevada
- Bureau of Consumer Protection
- US Department of Energy
- City of Reno
- Nevada Clean Energy Fund
- Nevada Green Institute
- Southwest Energy Efficiency Project
- Energy Futures Group
- Sierra Club
- Natural Resources Defense Council
- Southwest Gas
- Clark County
- Nevada Housing Division
- Davis Strategies

OPERATIONALIZING EQUITY



Quinn Parker, CEO



Joan Effinger, COO

Inclusive Consulting

Comprehensive strategic consulting while always keeping inclusivity in mind.

Training

Training to bridge the gap between theory and practice. Encolor educates professionals on how to put DEIJ concepts into action

DEIJ Tools

Internal assessments of organizational cultural, workplace climate and personal cultural competency.

Stakeholder Engagement and Facilitation

Bringing together community to co-create equitable and inclusive solutions.

We are proud to be a minority-owned business and a WBENC-Certified WBE (Women's Business Enterprise).

2023 Demand Side Management Program Updates

- Discontinued the new construction and codes program in the north
- Home Energy Saver Program
 - Adjusted incentive levels down to increase participation
 - For pool pumps, NV Energy is gearing up to offer a peak-avoidance pool calibration offer
- Added a new measure for Engine Block Heater controller which will be offered in the north

2024 IRP Updates

- Signed contract for NTG Study
- Evaluate RFP proposals for the DER Market Potential Valuation Tool
- Planning coordination of the rate impact analysis
- Stakeholder engagement

Legislative Updates

Working Groups Overview

DSM Savings Goal Working Group

"...assist the Companies with providing recommendations to the Commission regarding both **the goals and the metrics by which to set goals for the 2025-2027 DSM Plan** for demand and energy savings and potentially other metrics as well as **barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers**"

Program Development Working Group

"Create a Program Development Working Group for the purpose of guiding research in new innovative technologies and solutions that **will increase opportunities and offerings** with an emphasis on low-income participants"

Federal Funding Working Group

"Continue discussions on topics including incentive levels, program updates and improvements, and **availability of federal funding for DSM programs**"

Program Development Working Group Meeting #1

- Brainstormed gaps in current program portfolio for historically underserved communities and what a successful program targeting historically underserved communities needs to achieve
- Collected ideas of programs or approaches elsewhere that have successfully served underserved communities
- Brainstormed gaps in the portfolio outside of programs targeting historically underserved
- Discussed opportunities and challenges to achieving success, what is and is not currently working well, external factors that could impact success, federal funding, and what we need to know more about.
- Short and long term outputs of the working group

Program Development Working Group Meeting #2

- Discussed who and where the historically underserved communities are
- Understood what research NV Energy or stakeholders have done to understand historically underserved communities
- Discussed what additional research may be needed to better understand historically underserved communities' needs
- Reported out on programs recommended by stakeholders that are successfully reaching underserved communities.

DSM Goals Working Group Meeting #1

- Goal setting brainstorm
- Discussed major external factors that would impact (positively/negatively) NV Energy's ability to deliver the portfolio
- Discussed what the group needs to know more about

Federal Funding Working Group

Meeting #1

- Collective sharing about what members know about the Inflation Reduction Act (IRA)
- Brainstormed how federal funding could be incorporated into NV Energy's programs
- Discussed stakeholders ideas on:
 - How NV Energy might work with the entities that allocate funding
 - How NV Energy could position itself to take full advantage of funding and help ensure positive outcomes for all customers
 - Potential challenges to receiving funding and integrating potential programs effectively into the portfolio

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What's Next?

Focus groups with CBOs Next working group meetings Next DSM Collaborative meeting

Late June

August-September

September

Analysis and Research

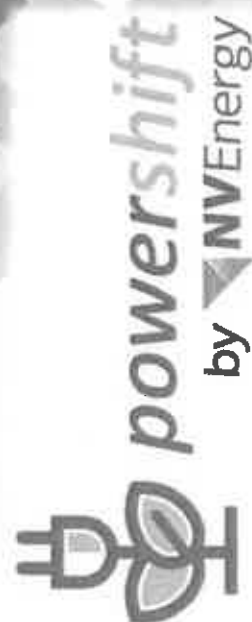
Analysis and Research

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Thank You

DSM QUARTERLY COLLABORATIVE MEETING

October 5, 2023



AGENDA

Welcome &
Introductions

2023 DSM
Program
Updates

IRP Planning
Update

Working
Group Survey
Results

NVE Energy
Efficiency
Policies

Timeline &
Next Steps

Welcome & Introductions

- Encolor
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- Governor's Office of Energy
- Public Utilities Commission of Nevada
- Bureau of Consumer Protection
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- Natural Resources Defense Council
- Southwest Gas
- Clark County
- Davis Strategies
- MSB Energy Associates
- Western Resource Associates
- Google

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DEIJ Tools

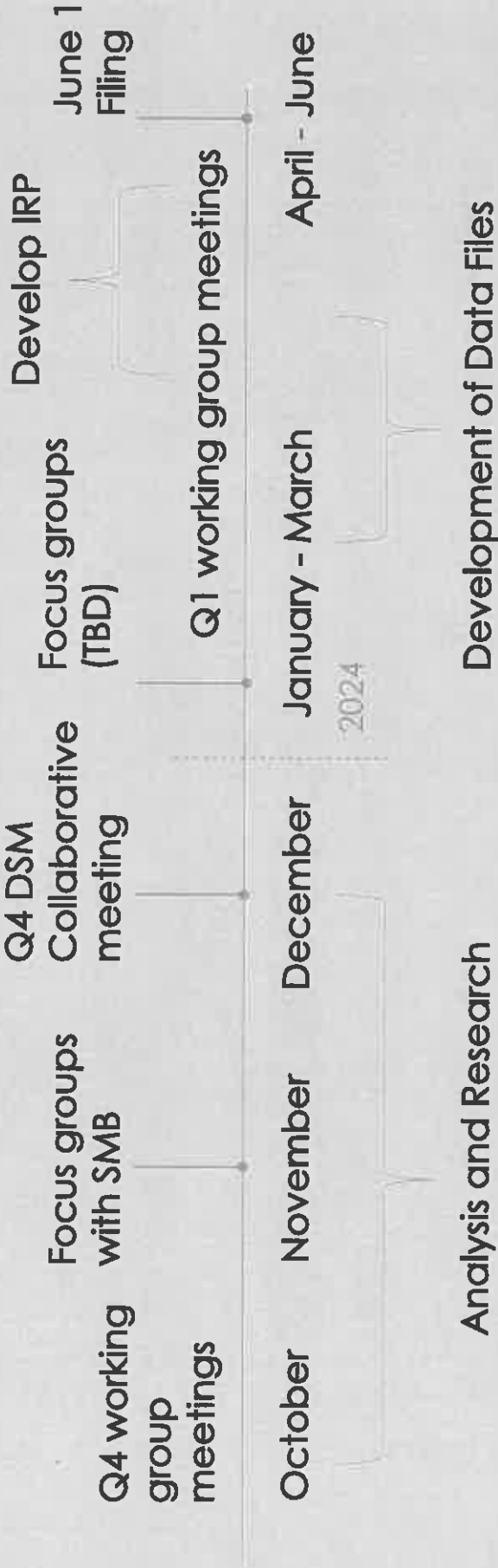
Internal assessments of organizational cultural, workplace climate and personal cultural competency.

Stakeholder Engagement and Facilitation

Bringing together community to co-create equitable and inclusive solutions.

We are proud to be a minority-owned business and a WBENC-Certified WBE (Women's Business Enterprise).

Timeline Overview



2023 Demand Side Management Program Updates

2023 Demand Side Management Program Updates

- NV Energy attended **four Senior Expo events** held throughout Clark County where thousands of seniors had the opportunity to learn about QAR and IHEA programs.
- **NV Energy Powershift Smart Shop** is anticipated to go live during Q4
- **Home Improvement Program** (a component of Direct Install program)
 - Marketing campaign getting ready to launch
 - The program is expected to start serving customers during Q4
- **For Engine Block Heater Controllers**, completed processing of 1,277 unit to eligible customers. As a result of successful marketing campaign, NV Energy has secured interest for another 1,887 units which put us at 3,164 units this year. This exceed the 3,000-unit goal.

2023 Demand Side Management Program Updates

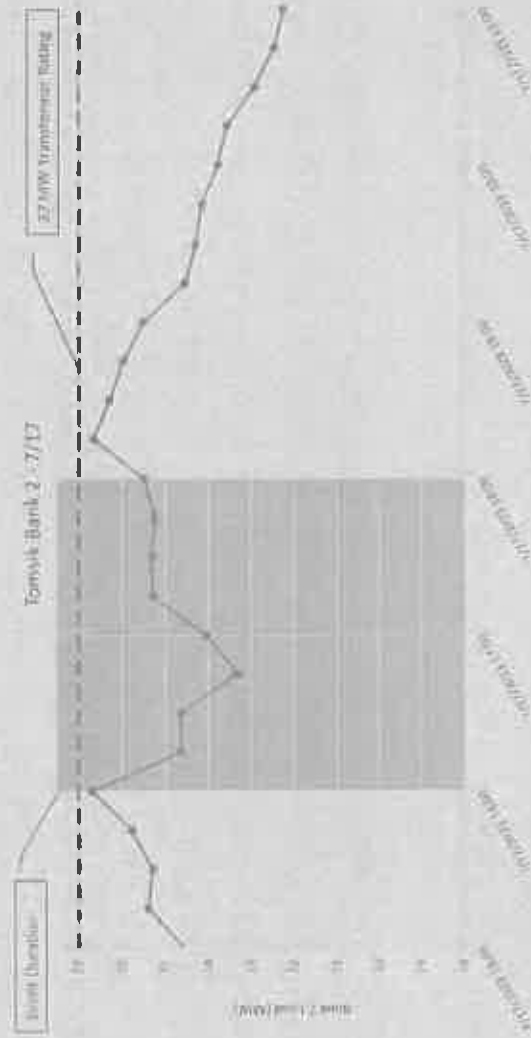
Demand Response

24 unique DR event days

- 23 in the South
- 10 in the North
- Nine geo-targeted DR event days to support reliability for the following South substations:
 - Tomsik, Artesian, Mountains Edge, Elkhorn Rosanna
- Eight residential DR storage customers (five participated in DR events)
- Primm Valley Resorts 420 employee housing participated in DR event providing a potential impact of over half a megawatt

2023 Demand Side Management Program Updates

- Graph showing substation event for Tomsik substation on 7/17/2023.
 - The substation events were coordinated with the Grid Operations and Reliability group daily with updates every few hours.
 - These events highlight the flexibility and responsiveness of the demand response resource to support grid reliability at the system and local level.



2023 Demand Side Management Program Updates

- The Business Energy Services team has performed outreach across the service territory to promote the program resulting in 1,099 community engagements (417 North, 682 South), 810 site visits (226 North, 584 South), and over 123 market drives (36 North, 87 South).
- As of September 2023, 374 applications have been received for projects totaling energy savings of 100 million kWh in the South and 118 applications have been received for projects totaling energy savings of 21 million kWh in the North, representing incentives of over \$5 million and \$1 million respectively. The team continues to meet regularly with customers to encourage participation and execution this year.

2023 DSM Program Development Updates

Program Development staff used increased budget from stipulation to expand existing and add new investigations, measure analysis, and field trials.

Expanded

- Grid-interactive CTA-2045 Appliances – expanded to incorporate robust field trials of Heat Pump Water Heaters (Rheem & AO Smith) capable of providing energy savings and grid services.
- Multi-family Low Income Pilot – expanded deployment of measures at Lake Mead West Apartment complex supporting both property manager and tenant benefits from EE and DR.

2023 DSM Program Development Updates

New Developments

- Low income focus groups and program participation barrier analysis and solutioning
- Commercial thermostat option for EE & DR with multi-stage HVAC units – deploying and testing LoRa (low communications technology) thermostats and control dashboards to accommodate multi-stage HVAC units
- Project Marketplace – development of online multi-sided platform to dramatically reduce customer transaction costs associated with identifying, financing, and installing heat pump space conditioners and heat pump water heaters
- Carbon Intensity Tracking – evaluation of carbon intensity of electricity generation data sources (Watttime, Singularity) to improve EE planning and expand DR dispatch strategy types
- Coincident demand management on service transformers – develop control methods to use multiple customers' smart thermostats, smart appliances, and storage devices to protect service transformers and improve grid reliability

2024 IRP Planning Update

- Load forecast / DER forecast
- NTG study
- Market potential study (MPS)
 - Uses E3 Pathways model to generate range of probable DER (EE,DR,PV, etc.) adoption scenarios
 - <https://www.ethree.com/tools/pathways-model/>
- DER valuation toolset – uses DSMore for enhanced cost effectiveness testing
 - <https://integralanalytics.com/products/dsmore/>
 - Will support determination of realistically achievable program portfolios as part of MPS
 - 2024 DSM filing will still present Ace Guru results for consistency
- Rate Impact

Working Group Survey Results

*Survey results will be used to inform upcoming working group meetings.

Survey Results – NVE Portfolio Priorities

- What are the priorities of NV Energy's DSM portfolio that are important to your organization?
 - All respondents generally viewed the priority to be to cost-effectively hit (or exceed) savings targets
 - To provide reliable electricity at "reasonable cost," which can mean different things depending on what is considered reasonable
 - Two mentions of expansion of program offerings
 - Other considerations for green house gas reductions (n = 1), and inclusion of an equity adder in benefit-cost calculations (n = 1)

Survey Results – NVE Priority Programs

- Which programs in the current DSM portfolio should remain?
- Respondents feel the current programs should be maintained and/or expanded upon, or improved
- One respondent suggested to eliminate specific programs such as home energy reports (HERS) and audit programs with 1-year EUL or short measure life

Survey Results – Gap and Opportunities

- What do you believe are customer segment gaps, if any, in the current DSM portfolio?
 - Low-income and median-income customers
 - High-energy burdened customers
 - Multifamily, renters
 - Industrial customers
- Specific call out for more effective intake systems to improve the efficiency for low-income and customers that live in underserved communities.

Survey Results – Gap and Opportunities

- What programs, measures, technologies, or processes do you think should be investigated in the program development working group and why?
- Respondents provided a wealth of detailed suggestions and generally suggested investigation of most portfolio offerings.
- Programs and initiatives that were mentioned by multiple respondents included:
 - Heat pump water heaters
 - Strategic Energy Management
 - Equity and customer targeted initiatives

Survey Results – Gap and Opportunities

- What programs, measures, technologies, or processes do you think should be investigated in the program development working group and why?
 - One respondent pointed out the customer intake process in general, and specifically for low-income, as well as efficiency of program administration
 - One asked for a revisit of the cost-effectiveness methodology and broader incentives to the Company to meet energy efficiency goals

Survey Results – Selection Criteria

- What are the selection criteria that should be used for selecting new measures, technologies, or processes? How would you rank them?
 - Most respondents agree that selection criteria should include energy savings potential, those that specified included kWh
 - Respondents also mention utility bill savings, cost effectiveness, and 2 out of 4 mention GHG emissions
 - One party would prefer an equity criteria coupled with a not-to-exceed Total Resource Cost (NTRC) test
 - There is divergence in opinions on the ranking of the individual criteria, respondents either see them as considered together (n = 2) or would prefer more weight be given to GHG emissions (n = 1)

Survey Results – Peer Programs

- Which specific low-income programs, measures, technologies, or processes (e.g., delivery approaches, engagement approaches, etc.) have you seen in other states that you recommend be tested:
 - The CA Self Generation Incentive Program (SGIP) and Heat Pump Water Heater (HPWH) initiative
 - Michigan's MI Bridges program to improve enrollment hassle and improve the efficiency of the intake and enrollment process of low income
 - Consider statewide implementation of LIHEAP and utility programs, such as Ohio's Partner for Affordable Energy (OPAE), it is acknowledged that this may require a change of statute
 - Other considerations included, Whole Building, electrification, neighborhood blitz, health and safety upgrades, multifamily, and additional outreach fairs and expos

Survey Results – Programs Improvements

- Specific questions for the Program Development working group:
 - How is the Company going to rapidly develop new offerings to meet its goals?
 - Specific questions included:
 - Are there plans to restart the retired energy storage, electric vehicle infrastructure, and renewable energy incentive programs?
 - What is the possibility of developing strategic partnerships with climate-focused entities that could help NVE achieve GHG reduction targets and that are oriented to historically disadvantaged customer segments?

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Survey Results – Programs Improvements

- What do you believe should be the specific deliverable or outcome of the Program Development Working Group?
- Respondents have different opinions about the outcome, and suggestions for specific deliverables included:
 - Establishment of new and expanded energy efficiency incentives, and a process to for reporting on the offerings
 - Publication of an annual or semi-annual guidebook for residents and commercial customers to keep track of available opportunities
 - Due diligence review of the existing programs and provide training and access to the AceGuru model

Survey Results – Programs Improvements

- What are the pros and cons of the current method as described in the Energy Efficiency Policy and Methods section?
 - One respondent did not provide a response
 - One respondent believes the current method is in line with approaches in other states but that additional opportunities may exist to set goals for decarbonization and equity.
 - Two respondents believe that it is simple and easy to communicate and understand

Survey Results – Programs Improvements

- What are the pros and cons of the current method?
 - Respondents mentioned the following cons:
 - The current method does not encourage fuel switching, does not prioritize longer lived measures or consider the time and geographic value of DSM
 - A downside to the current method is that is promoted the least-cost incentives in kWh as the main target, while it discourages the perspective that customer segments have different degrees of energy issues

Survey Results – DSM Goals and Metrics

- What new method of energy savings and associated metrics for energy savings goals, if any, do you think would be consistent with Nevada state policy?
 - 3 of the 4 respondents provided input to the questions in this section
 - Consensus is that a GHG goal would be consistent with Nevada state policy
 - Consensus among the 3 respondents that a GHG goal should include some type of nested energy and peak demand savings targets
 - One mentioned including a natural gas efficiency standard as a decarbonization strategy
 - One mentioned New York as an example of nested goals for fuel or resource specific targets within larger carbon reduction goals

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Survey Results – DSM Goals and Metrics

- Specific questions for the DSM Goals Working Group:
 - Only 2 suggestions for questions
 - What are the best strategies for energy efficiency outreach in communities that experience disproportionately high energy burdens?
 - For customer targeting, does NVE have existing data and processes enabling targeting of the best candidates per customer segment for DSM offerings? If not, what are the gaps?

Survey Results – DSM Goals and Metrics

- What do you believe should be the specific deliverable(s) or outcome(s) of the DSM Savings Goal Working Group?
 - Respondents have different opinions about the outcome, and suggestions for specific deliverables included:
 - Expanded energy savings methodology that highlights communities most in need and supports national decarbonization goals.
 - A proposal to bring to the Commission in the next IRP
 - Recommended goals and metrics; guidelines for ranking the metrics and comparing new metrics to traditional metrics

Survey Results – Federal Funding

- **Are you aware of other states and utilities already collaborating about IRA funding?** What lessons learned from other states can help Nevada?
 - Three respondents provided input, and one pointed out that utilities are struggling with this across the country
 - One pointed out there are communications in many states between the state energy office and the utilities, but did not provide specific examples
 - One mentioned the IRA includes provisions for rural electric cooperatives through Empowering Rural America (ERA) and includes grant opportunities for renewable energy systems for agricultural producers and rural small businesses

Survey Results – Federal Funding

- Apart from Tax Credit availability, and the Home Efficiency Rebate Program and Home Electrification and Appliance Rebate Program resulting from the IRA, what other federal funding opportunities should be considered?
 - The IRA includes a comprehensive list of available opportunities
 - There may be opportunities for carbon capture infrastructure projects through the expanded carbon capture tax credit
 - Climate Pollution Reduction Grants, EECBG
 - Weatherization, LIHEAP, block grants, etc.

Survey Results – Federal Funding

- Specific questions for the Federal Funding Working Group:
 - How can NV Energy utilize federal tax credits to increase the percentage of renewable energy in state?
 - How can NVE programs evolve to make them consistent with IRA fundings?
 - What are the current federal funding available in Nevada for DSM and DR programs?
 - How can we best coordinate the NVE portfolio with the Governors' staff to seek funding?

Survey Results – Federal Funding

- What do you believe should be the specific deliverable(s) or outcome(s) of the Federal Funding Working Group?
 - The primary deliverable is identification of specific grants and funding opportunities for the state and its residents
 - Commitment for inclusion of new offerings that align with federal funding in next DSM Plan filing and broad design of that program
 - Short report or memo summarizing what funding is available e.g., IRA, WAP and what the application timelines and eligibility is for the federal funds including the IRA 1.7 trillion initiative.
 - Work with the GOE/IRA programs reach the largest number of needy Nevada households
 - NVE should explore strategic partnerships that would potentially be more sustainable than federal funds

NVE Energy Efficiency Policy and Methods

NVE Energy Efficiency Policy and Methods

This section provides a summary of Nevada energy efficiency resource policies and practices. There are many new people, and we want to make sure everyone is starting from the same understanding to encourage fruitful discussions in the working groups going forward. The intent of this information is to provide a reference point of foundational policies, concepts and terms in preparation for future scenario planning efforts.

Sections for Discussion

- In Statute
- Savings definition
- Cost-effectiveness

**Additional details and definitions are provided in the Appendix.*

NVE Energy Efficiency Policy and Methods

NRS 704.7836

- Commission required to establish by **regulation goals for energy savings for each utility.**
- For the period beginning on January 1, 2022, and ending on December 31, 2024, an amount of energy savings ...that results in an average reduction during the period of **1.1% of the forecasted weather normalized sales of the electric utility** for the period.
- Commission must provide that not less than 10% of the total expenditures related to energy efficiency programs must be spent on low-income households and residential customers and public schools in historically underserved communities.

**Additional details are provided in the Appendix.*

NVE Energy Efficiency Definitions

“Energy savings” means the gross energy savings resulting from energy efficiency measures adopted through the implementation of an energy efficiency program but does not include net energy savings resulting from energy efficiency measures adopted by retail customers of the electric utility which are not attributable to participation in an energy efficiency program [NRS 704.7834].

NVE Energy Efficiency Methodology

Cost-Effectiveness Methodology

In accordance with NAC § 704.934(6), "...NV Energy is provided the NTRC as its primary cost-effectiveness test. The NTRC incorporates a non-energy benefit adder for each DSM program, which is based on each program's market segment. Depending on the percentage of low-income participation in the program, the non-energy benefit adder is adjusted using a weighted average formula.

**Additional details on the inputs to cost-effectiveness are provided in the Appendix.*

NVE Energy Efficiency Methodology

Cost-Effectiveness Modeling

Currently, NV Energy utilizes the AceGuru 2.1 model to determine the cost effectiveness of each program evaluated in the DSM filings. The AceGuru 2.1 model also uses the California Standard Practice Manual and the National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources. The ACE guru model follows generally accepted industry practices for cost-effectiveness evaluation of DSM programs.

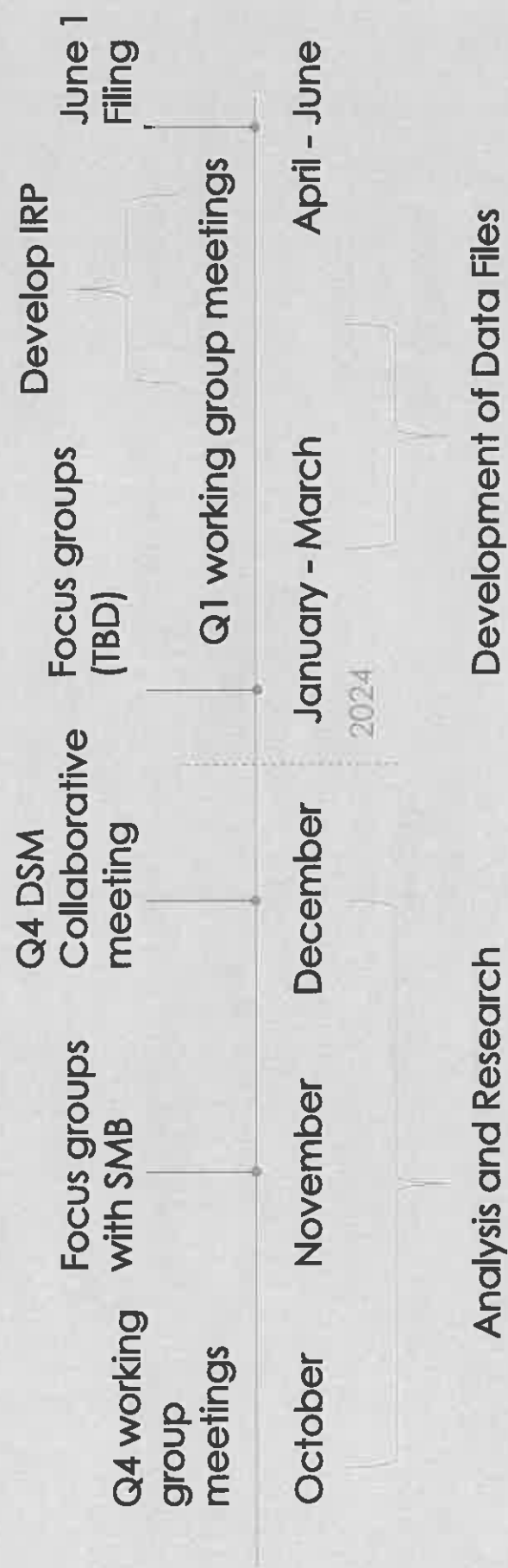
DSMore Update

As mentioned, NVE is currently transitioning from AceGuru 2.1 to a new DSMore model managed by Integral Analytics.

NVE Energy Efficiency Policy and Methods Questions?

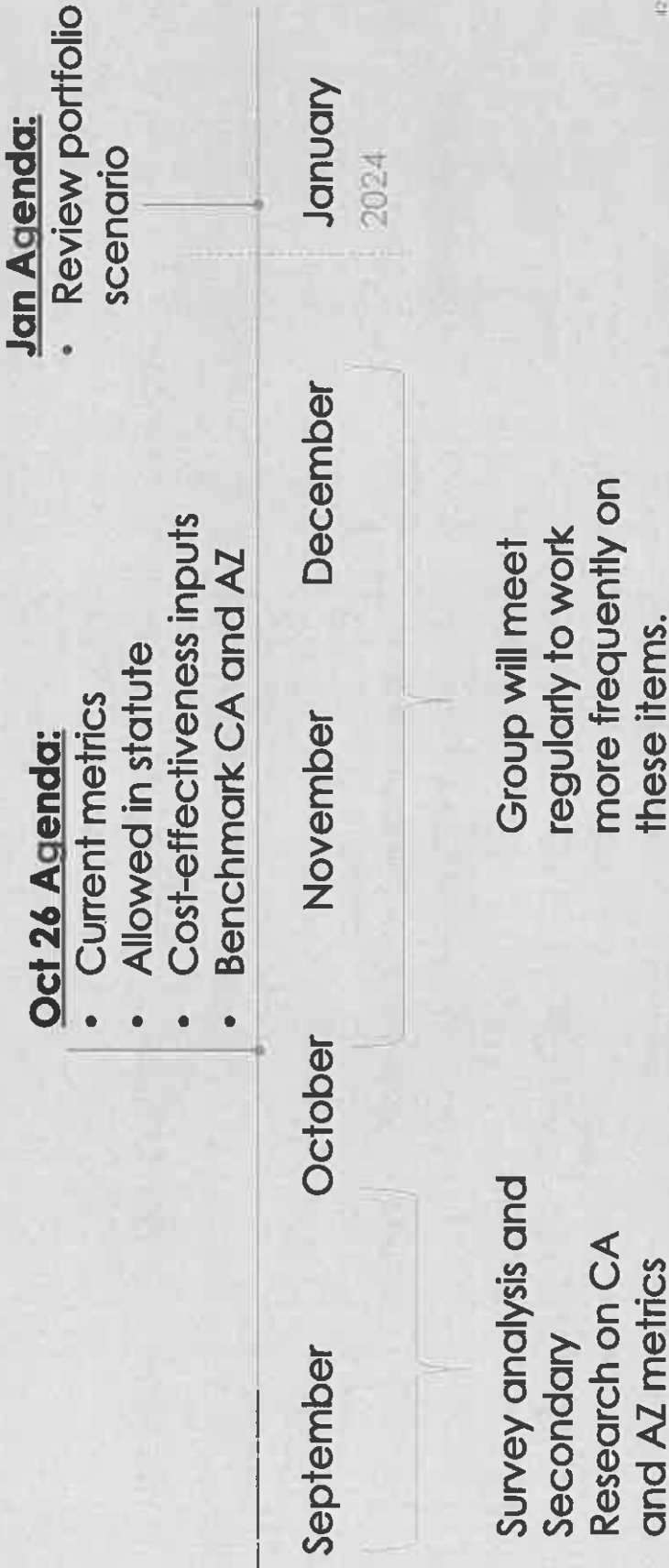
Timeline & Next Steps

Timeline Overview



What's Next?

DSM Goals Working Group



What's Next?

Program Development Working Group

Oct 30 Agenda:

- Development progress
- Survey review
- Additional research needs

April Agenda:

- Review program one-pagers

September

October

November

December

January – April
2024

Work with HDR for program development report out

Jan Agenda:

- Review focus group results
- Methods for reaching underserved communities

What's Next?

Federal Funding Working Group

Nov 2 Agenda:

- Share federal funding opportunities
- Discuss impact to the portfolio

April Agenda:

- TBD

September

October

November

December

January
2024

February – April

Secondary Research on
funding opportunities

Dec Agenda:

- Identify potential leverage opportunities

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Thank You

Appendix

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NVE Energy Efficiency Policy and Methods

Pursuant to NRS 704.7836, the goal for energy savings established by the Commission for each electric utility is:¹

(a) For the period beginning on January 1, 2022, and ending on December 31, 2024, an amount of energy savings ...that results in an average reduction during the period of **1.1% of the forecasted weather normalized sales of the electric utility** for the period.

(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.

¹NAC 704.9212 Goals for energy savings resulting from energy efficiency programs; modification of goal. (NRS 703.025, 704.210, 704.741, 704.7836).

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by **regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances; inclusion and approval of energy efficiency plan as part of resource plan; allocation of percentage of total expenditures on energy efficiency programs to low-income households and certain customers in historically underserved communities.**

1. The Commission shall establish by regulation for each electric utility goals for energy savings resulting from energy efficiency programs implemented by the electric utility each year, which must be included in the resource plan filed by the electric utility pursuant to NRS 704.741.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances; inclusion and approval of energy efficiency plan as part of resource plan; allocation of percentage of total expenditures on energy efficiency programs to low-income households and certain customers in historically underserved communities.

2. The Commission may:

- (a) Modify a goal for energy savings it has previously established for an electric utility.
- (b) Upon receipt of a petition submitted by an electric utility, temporarily lower a goal for energy savings it has previously established for the electric utility if the electric utility demonstrates that economic reasons which are not reasonably within the control of the electric utility will prevent the electric utility from meeting the goal for energy savings established pursuant to subsection 1.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by **regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances**; inclusion and approval of energy efficiency plan as part of resource plan; allocation of **percentage of total expenditures on energy efficiency programs to low-income households and certain customers** in historically underserved communities.

3. Upon establishment or modification by the Commission of a goal for energy savings for an electric utility pursuant to this section, the affected electric utility may file an amendment to its most recent resource plan filed pursuant to NRS 704.741 to incorporate the goal for energy savings into the resource plan.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances; inclusion and approval of energy efficiency plan as part of resource plan; allocation of percentage of total expenditures on energy efficiency programs to low-income households and certain customers in historically underserved communities.

4. Each electric utility shall develop and include in its most recent resource plan filed pursuant to NRS 704.741 an energy efficiency plan that:
 - (a) Is designed to meet or exceed the goals for energy savings established by the Commission pursuant to this section;
 - (b) Includes one or more energy efficiency programs; and
 - (c) Is cost effective.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by **regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances**; inclusion and approval of energy efficiency plan as part of resource plan; allocation of **percentage of total expenditures on energy efficiency programs to low-income households and certain customers** in historically underserved communities.

5. In approving an energy efficiency plan developed by an electric utility to meet the goals for energy savings established by the Commission pursuant to this section, the Commission shall approve an energy efficiency plan that is:
 - (a) Designed to meet or exceed the goals for energy savings established by the Commission pursuant to this section; and
 - (b) Cost effective.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by **regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances; inclusion and approval of energy efficiency plan as part of resource plan; allocation of percentage of total expenditures on energy efficiency programs to low-income households and certain customers in historically underserved communities.**

6. The Commission may approve an energy efficiency plan submitted pursuant to NRS 704.741 that consists of energy efficiency and conservation programs that are not cost effective if the Commission determines that the energy efficiency plan as a whole is cost effective.

NVE Energy Efficiency Policy and Methods

NRS 704.7836 Commission required to establish by **regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances**; inclusion and approval of energy efficiency plan as part of resource plan; allocation of **percentage of total expenditures on energy efficiency programs to low-income households and certain customers** in historically underserved communities.

7. Unless the Commission determines that it is not cost effective, any energy efficiency plan approved by the Commission must provide that **not less than 10 percent of the total expenditures related to energy efficiency programs must be spent 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. For the purposes of this subsection, programs that can offer variable incentive levels must offer higher incentive levels for low-income households. (Added to NRS by 2017, 4292; A 2021, 3800)

NVE Energy Efficiency Policy and Methods

NAC 704.9212 Goals for energy savings resulting from energy efficiency programs; modification of goal. (NRS 703.025, 704.210, 704.741, 704.7836)

1. Pursuant to NRS 704.7836, the goal for energy savings established by the Commission for each electric utility is:

(a) For the period beginning on January 1, 2022, and ending on December 31, 2024, an amount of energy savings resulting from the implementation of energy efficiency programs by the electric utility that results in an average reduction during the period of **1.1 percent of the forecasted weather normalized sales of the electric utility** for the period.

(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.

2. The Commission may modify a goal for energy savings established pursuant to subsection 1 in an order granting, denying or modifying a petition submitted pursuant to NAC 703.540.

NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

Senate Bill 150 (2017) - Section 2-6 - establishes all the definitions, i.e. "Cost Effective", "Energy efficiency program"...

SB 150 Section 10 - directs the Commission to "establish by regulation for each electric utility goals for energy savings resulting from energy efficiency programs implemented by the electric utility each year, which must be included in the resource plan filed by the electric utility pursuant to NRS 704.741..."

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NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

Assembly Bill 223 (2017) also establishes some energy efficiency policies.

AB 223 Section 6 - establishes 5% spend for low income.

AB 223 Section 8 – The Commission may accept an energy efficiency plan with energy efficiency programs submitted that are not cost effective if the plan as a whole is cost effective.

The Commission holds a SB 150 rulemaking in Docket No. 17-08023 and solicits comments from NPC/SPPC, BCP, Staff, SWEEP/NRDC/WRA. The Commission accepts the 1.1% target based on the outcomes of Docket No. 17-08023.

NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

The Commission accepts the 1.1% target based on the outcomes of Docket No. 17-08023.

The Commission adopts Regulation LCB File No. R055-18 where it implemented NRS 704.7836 with the savings goal of 1.1% of forecasted weather normalized sales for 2022-2024 and savings goal based on Commission's discretion starting in 2025.

NVE Energy Efficiency Definitions

“Energy efficiency program” defined [NRS 704.7833].

1. “Energy efficiency program” means a program designed, intended or used to improve energy efficiency by reducing the energy consumption by a retail customer of an electric utility.
2. The term includes, without limitation, a demand-side response program or load-limiting program that shifts the consumption of energy by a retail customer from one period to another period.
3. The term does not include the implementation or assessment of any rate which is based on the time of day, day of the week or time of year during which electricity is used or which otherwise varies based upon the time during which the electricity is used.

NVE Energy Efficiency Definitions

“Historically underserved community” defined [NRS 704.78343].

1. “Historically underserved community” means:

(a) A census tract:

(1) Designated as a qualified census tract by the Secretary of Housing and Urban Development pursuant to 26 U.S.C. § 42(d)(5)(B)(ii); or

(2) In which, in the immediately preceding census, at least 20 percent of households were not proficient in the English language;

(b) A public school in this State:

(1) In which 75 percent or more of the enrolled pupils in the school are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.; or

(2) That participates in universal meal service in high poverty areas pursuant to Section 104 of the Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296; or

(c) Qualified tribal land, as defined in NRS 370.0325.

NVE Energy Efficiency Definitions

“Low-income household” means a household, which may include one or more persons, with a median household income of not more than 80 percent of the area median household income, based on the guidelines published by the United States Department of Housing and Urban Development [NRS 704.78347].

NVE Energy Efficiency Methodology

Methodology Concepts

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 (also commonly referred to as NTG factor) 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.

NVE Energy Efficiency Methodology

Incremental Costs

To define incremental costs, NV Energy determines the measure cost with respect to a baseline of that same measure. Then NV Energy determines 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.

Defining how the customer's purchase decision is made is based on four variables – new, replacement, retrofit, or retire, which can determine the incremental cost. NV Energy utilizes information provided by the program implementation contractors to set a baseline for measures.

**Additional details are provided in the Appendix.*

NVE Energy Efficiency Methodology

Methodology Concepts

Incremental Costs

The AceGuru 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 way incremental costs are entered in AceGuru. 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 in the model.

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NVE Energy Efficiency Methodology

Methodology Concepts

Incremental Costs

The AceGuru model accepts an incremental cost for each measure entered for each program being evaluated.

Example: For programs such as Business Energy Services and Energy Efficient Schools, a derived unit of measure can include dozens of measures. 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 and incremental costs adjusts each program year.

NVE Energy Efficiency Methodology

Methodology Concepts

Cost-Effectiveness

From a societal perspective, DSM programs that improve energy efficiency are beneficial as long as 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, NV Energy begins with avoided costs and then make adjustments for administrative costs and other costs associated with participating in DSM programs.

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NVE Energy Efficiency Methodology

Methodology Concepts

Cost-Effectiveness

There are generally accepted basic cost-benefit tests that are used for comparing demand and supply management alternatives. Each test represents a measure of cost-effectiveness from a distinct perspective. The tests are: (1) Non-energy benefit embedded Total Resource Cost ("NTRC"), (2) Total Resource Cost ("TRC"), (3) Rate Impact Measure ("RIM"), (4) Utility Cost Test ("UCT"), (5) Participant Cost Test ("PCT"), and (6) Societal Cost Test ("SCT").

NVE Energy Efficiency Methodology

Methodology Concepts

Cost-Effectiveness

The basic financial inputs to the AceGuru model 2.1 include the discount rate, rate escalator, and inflation rate values, which are provided to the DSM programs from the NV Energy's rates department. The line losses for energy and demand are loss values calculated by NV Energy's transmission and distribution ("T&D") departments. The T&D avoided capacity cost comes from NV Energy's most recent general rate case filings. The environmental adder value was determined and agreed to during previous meetings with the demand side management collaborative group members. The non-energy benefit adder values come from the measurement and verification reports and are calculated by the third-party measurement and verification contractor who analyzes the low-income benefits of the programs. Lastly, the electric and gas rates for commercial and residential customer types come from the most recent rate schedules found on NV Energy's public website.

NVE Energy Efficiency Methodology

The Rate Impact Methodology NV Energy will be utilizing was approved by the Commission in 2021:

1. Develop DSM action plan for 2025-2027 (DSM Action Plan case);
2. Develop load forecast (DSM Action Plan case);
3. Develop production forecast to include resource requirements, supply, capital expense recovery ("CER") (DSM Action Plan case);
4. Develop load forecast that removes DSM (No DSM Action Plan case);
5. Develop production forecast to include resource requirements, supply, capital expense recovery ("CER") (No DSM Action Plan case);

NVE Energy Efficiency Methodology

The Rate Impact Methodology NV Energy will be utilizing was approved by the Commission in 2021:

6. Input the following information into the rate impact study model:

- DSM action plan for 2025-2027;
- Production modeling (DSM Action Plan and No DSM Action Plan cases);
- Capital costs associated with incremental system costs;
- Fixed costs for transmission and distribution ("T&D");
- Fixed costs for generation;
- Fixed costs for production; and
- Transportation & Distribution benefits.

7. Calculate revenue requirement per kilowatt-hour for planning period;

8. Graph rate impacts.

NV Energy will have rate impact analysis align with the DSM action plan as it is developed and interacts with the load forecast and production modeling.

NVE Energy Efficiency Reporting

M&V Reporting Process

M&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 that were 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.

NVE Energy Efficiency Reporting

M&V Reporting Process

NV Energy uses a process that employs generally accepted industry standards and procedures. The M&V work is performed by an independent, third-party M&V contractor with experience in applying industry standards and procedures. NV Energy has committed to using best M&V practices for three reasons. First, M&V provides systematic measurement of the performance of EE 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 NV Energy's EE programs against those of other utilities.

NVE Energy Efficiency Reporting

M&V Reporting Process

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 simply subtracting post-installation energy use from the pre-installation energy use does not account for the impacts of 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.*

NVE Energy Efficiency Reporting

M&V Reporting Process

There are three major approaches for calculating estimates of energy savings and demand reductions.

1. Site Specific M&V
2. Deemed Savings Approach
3. Large Scale Data Analysis

NVE Energy Efficiency Reporting

A Site-Specific M&V Approach

- Selecting a representative sample of participating customers or sites.
- 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 Verification Protocol ("IPMVP"). The IPMVP Options that can be used are summarized below:

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.

NVE Energy Efficiency Reporting

Deemed Savings Approach

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.

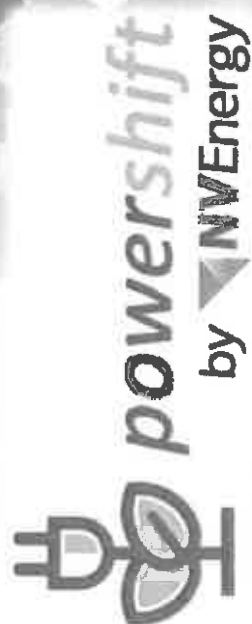
NVE Energy Efficiency Reporting

Large Scale Data Analysis

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.

DSM QUARTERLY COLLABORATIVE MEETING

December 15, 2023



AGENDA

Welcome &
Introductions

2024 IRP
Planning
Update

Summary of
New
Stipulation

Working
Groups
Update

ACE Guru
Modeling

Timeline &
Next Steps

Welcome & Introductions

- Encolor
- NV Energy
- Governor's Office of Energy
- Public Utilities Commission of Nevada
- Bureau of Consumer Protection
- US Department of Energy
- City of Reno
- Nevada Clean Energy Fund
- Nevada Attorney General
- Nevada Housing Division
- Nevada Green Institute
- Southwest Energy Efficiency Project
- Energy Futures Group
- Sierra Club
- Natural Resources Defense Council
- Southwest Gas
- Clark County
- Davis Strategies
- MSB Energy Associates
- Western Resource Associates
- Google

OPERATIONALIZING EQUITY



Quinn Parker, CEO



Joan Effinger, COO

We are proud to be a minority-owned business and a WBENC-Certified WBE (Women's Business Enterprise).

Inclusive Consulting

Comprehensive strategic consulting while always keeping inclusivity in mind.

Training

Training to bridge the gap between theory and practice. Encolor educates professionals on how to put DEIJ concepts into action

DEIJ Tools

Internal assessments of organizational cultural, workplace climate and personal cultural competency.

Stakeholder Engagement and Facilitation

Bringing together community to co-create equitable and inclusive solutions.

2024 IRP Planning Update

2024 IRP Planning Update

- Load forecast / DER forecast
- NTG study
- Market potential study (MPS)
 - Uses E3 Pathways model to generate range of probable DER (EE,DR,PV, etc.) adoption scenarios
 - <https://www.e3three.com/tools/pathways-model/>
- DER valuation toolset – uses DSMore for enhanced cost effectiveness testing
 - <https://integralanalytics.com/products/dsmore/>
 - Will support determination of realistically achievable program portfolios as part of MPS
 - 2024 DSM filing will still present Ace Guru results for consistency
- Rate Impact

Summary of New Stipulation

2023 DSM Stipulation

AGREEMENT

In light of the foregoing recitals, the Signatories agree and recommend the following:

1. Granting Sierra's Application in Docket No. 23-06045, as filed
- 2 Granting the Joint Application in Docket No. 23-06044, as modified by this Stipulation.

3. Approval of the DSM and C&EE budgets and target savings as stated in Attachment 1 to the Stipulation.

2023 DSM Stipulation

- Attachment 1 of the DSM Stipulation

NEVADA POWER DSM	2024 Proposed - District 23-06244		2024 Stipulation	
	Proposed Budget	Proposed Savings (kWh)	Stipulated Budget	Stipulated Savings (kWh)
Energy Education Residential - NPC	\$ 280,000	-	\$ 280,000	-
Education Kits - NPC	\$ -	600,000	\$ -	600,000
Energy Education Commercial - NPC	\$ 170,000	-	\$ 170,000	-
Home Energy Reports - NPC	\$ 898,040	11,600,000	\$ 898,040	11,600,000
Online Energy Assessments - NPC	\$ 602,293	4,500,000	\$ 602,293	4,500,000
Program Development - NPC	\$ 700,000	-	\$ 700,000	-
EDUCATION TOTALS	\$ 2,650,333	16,700,000	\$ 2,650,333	16,700,000
Baseline Energy Assessments - NPC	\$ 1,344,667	2,000,000	\$ 1,344,667	2,000,000
Residential Equipment & Plug Loads Program - NPC	\$ 6,200,000	10,929,000	\$ 6,200,000	10,929,000
Residential Codes & New Construction - NPC	\$ 1,860,000	5,000,000	\$ 1,860,000	5,000,000
Low Income - NPC	\$ 3,495,000	7,125,338	\$ 3,495,000	7,125,338
Direct Install/Extr Retrofits - NPC	\$ 800,000	2,500,000	\$ 800,000	2,500,000
Residential DR Manage - NPC	\$ 8,600,000	26,700,000	\$ 8,600,000	26,700,000
Residential DR Build - NPC	\$ 7,797,800	4,200,000	\$ 7,797,800	4,200,000
RESIDENTIAL TOTALS	\$ 30,097,467	53,462,338	\$ 30,097,467	53,462,338
Schools - NPC	\$ 1,350,000	14,500,000	\$ 1,350,000	14,500,000
Business Program - NPC	\$ 14,000,000	148,000,000	\$ 14,000,000	148,000,000
Commercial DR Manage - NPC	\$ 1,000,000	6,563,000	\$ 1,000,000	6,563,000
Commercial DR Build - NPC	\$ 743,701	470,000	\$ 743,701	470,000
BUSINESS TOTALS	\$ 17,093,701	169,533,000	\$ 17,093,701	169,533,000
Totals	\$ 49,841,501	239,695,338	\$ 49,841,501	239,695,338

2023 DSM Stipulation

• Attachment 1 Continued

SEE REA DSM	2024 Proposed - Budget 23-06044 2024 Proposed Budget	2024 Stipulation 2024 Stipulated Budget	2024 Stipulation 2024 Stipulated Savings (kWh)
Energy Education Residential - SPPC	\$ 180,000	\$ 180,000	-
Education Kids - SPPC	\$ -	\$ 400,000	400,000
Energy Education Commercial - SPPC	\$ 120,000	\$ 120,000	-
Home Energy Reports - SPPC	\$ 457,000	\$ 457,000	-
Online Energy Assessments - SPPC	\$ 203,607	\$ 203,607	-
Design & Deployment - SPPC	\$ 370,000	\$ 370,000	-
EDUCATION TOTALS	\$ 1,340,607	\$ 1,340,607	10,100,000
Energy Education Residential - SPPC	\$ 400,333	\$ 400,333	-
Residential Programs & Pilot Loads Program - SPPC	\$ 1,806,000	\$ 1,806,000	-
Residential Codes & New Construction - SPPC	\$ -	\$ 25,000	25,000
Low Income - SPPC	\$ 1,116,000	\$ 1,416,000	300,000
Direct Install/Deep Retrofit - SPPC	\$ 774,000	\$ 610,000	164,000
Residential DR Programs - SPPC	\$ 900,000	\$ 900,000	-
Residential DR Build - SPPC	\$ 1,937,155	\$ 1,937,155	-
RESIDENTIAL TOTALS	\$ 7,033,488	\$ 7,033,488	8,568,568
Schools - SPPC	\$ 776,000	\$ 776,000	-
Business Programs - SPPC	\$ 5,700,000	\$ 5,700,000	-
Commercial DR Programs - SPPC	\$ 400,000	\$ 400,000	-
Commercial DR Build - SPPC	\$ 642,348	\$ 642,348	-
BUSINESS TOTALS	\$ 7,518,348	\$ 7,518,348	81,937,000
Total	\$ 15,879,503	\$ 15,879,503	101,405,568

SEE REA DSM	2024 Proposed Budget - Budget 23-06044	2024 Stipulation 2024 Stipulated Budget
Energy Education Residential - SPPC	\$ 47,000	\$ 47,000
Energy Education Commercial - SPPC	\$ 18,000	\$ 18,000
Online Energy Assessments - SPPC	\$ 108,100	\$ 108,100
Design & Deployment - SPPC	\$ 49,900	\$ 49,900
EDUCATION TOTALS	\$ 323,000	\$ 323,000

2023 DSM Stipulation

• Attachment 1 Continued

NV ENERGY DSM	2024 Proposed - Decret 23-06044		2024 Stipulation	
	Proposed Budget	Proposed Savings (kWh)	Stipulated Budget	Stipulated Savings (kWh)
Energy Education Residential	\$ 460,000	-	\$ 460,000	-
Education Kits	\$ -	1,000,000	\$ -	1,000,000
Energy Education Commercial	\$ 300,000	-	\$ 300,000	-
Home Energy Reports	\$ 1,355,100	18,700,000	\$ 1,355,100	18,700,000
Online Energy Assessments	\$ 805,900	7,100,000	\$ 805,900	7,100,000
Program Development	\$ 1,070,000	-	\$ 1,070,000	-
EDUCATION TOTALS	\$ 3,691,000	26,800,000	\$ 3,691,000	26,800,000
In-Home Energy Assessments	\$ 1,838,000	2,300,000	\$ 1,838,000	2,300,000
Residential Equipment & Plug Loads Program	\$ 8,000,000	14,370,377	\$ 7,845,000	13,993,000
Residential Codes & New Construction	\$ 1,885,000	5,008,000	\$ 1,885,000	5,008,000
Low Income - NPC	\$ 461,000	2,600,000	\$ 4,911,000	2,704,906
Direct Install/Deep Retrofit	\$ 1,574,000	4,514,535	\$ 1,410,000	4,165,000
Residential DR Manage	\$ 9,500,000	29,360,000	\$ 9,500,000	29,360,000
Residential DR Build	\$ 973,955	4,900,000	\$ 9,734,955	4,900,000
RESIDENTIAL TOTALS	\$ 37,123,955	62,893,918	\$ 37,123,955	62,430,916
Schools	\$ 2,120,000	23,500,000	\$ 2,120,000	23,500,000
Business Program	\$ 19,700,000	219,300,000	\$ 19,700,000	219,300,000
Commercial DR Manage	\$ 1,400,000	7,845,000	\$ 1,400,000	7,845,000
Commercial DR Build	\$ 1,386,049	825,000	\$ 1,386,049	825,000
BUSINESS TOTALS	\$ 24,606,049	251,470,000	\$ 24,606,049	251,470,000
Totals	\$ 65,721,004	341,163,918	\$ 65,721,004	340,700,916

2023 DSM Stipulation

4. The Residential Codes and New Construction program for Sierra shall maintain a minimal budget of \$25,000. The budget is intended to continue educational trainings to local governments and homebuilders about adopting energy efficient building codes.

5. The Companies will pause the New Construction activities and expenditures of the Residential Codes and New Construction program for Sierra for the remainder of 2023 and 2024. The Companies will thoroughly research improvements or changes to modify Sierra's New Construction portion of the program and present the results of this research to the Program Development working group. If the research shows that the modifications to the New Construction portion of the program increase participation and are cost effective, then the Companies will propose it in the 2024 Integrated Resource Plan ("IRP") filing.

2023 DSM Stipulation

6. From the Sierra's Residential Codes and New Construction program budget in 2024: (1) \$25,000 will remain for the Residential Codes education activities per paragraph 4 of this Agreement; (2) \$515,000 will be reallocated to Sierra's Residential Equipment and Plug Loads program; (3) \$200,000 will be reallocated to Sierra's Direct Install and Home Improvements program; and (4) \$300,000 will be reallocated to Sierra's Low Income program.

7. The Companies shall file an informational 30-Day Notice to the Commission prior to discontinuing any program, adopting new or discontinuing existing measure categories exempting custom measures, and or changing technical assumptions or eligibility requirements. The 30-Day Notice will also provide information regarding budget implications, including reallocation of funds, for the above-mentioned program changes. Notification of program changes does not constitute Commission approval or intervenor agreement.

2023 DSM Stipulation

8. Both income-qualified and non-income-qualified residential customers can receive an AC Tune-Up service from the Residential Equipment and Plug Loads program. The incentive levels are to be adjusted. The adjustments include: (1) reducing the incentive amount paid to non-income-qualified participants from \$250 to no greater than \$200; and (2) limiting participants to one tune-up every 2 years.

9. Assessing the supply side capacity, energy and transmission and distribution impacts when DSM programs achieve lower than expected energy savings is important. The administrators of the DSM plan will work with other internal departments at the Companies to conduct a high-level assessment of the impacts to generation capacity when demand side energy savings are lower than expected. The Companies will provide an assessment of the impact of achieving less than the planned levels of DSM, including the impact on utility revenue requirements and average costs per kilowatt-hour ("kWh"), where practical, in the 2024 IRP filing.

2023 DSM Stipulation

10. The Residential Equipment and Plug Load's Heat Pump Water Heater measure incentive for residential customers has already been increased from \$250 to \$400. The Companies will monitor the program's budgets and participation levels after this increase and present the results of this analysis by the second quarter DSM Collaborative meeting, and will further increase this incentive if budget is available. The incentive types and amounts will be reevaluated during the 2024 IRP filing when new program budgets are proposed.

11. The Companies will incorporate information about heat pump water heaters in its trainings to trade allies of the Residential Equipment and Plug Loads program, as well as information about the availability of federal tax credits for measures in the program that qualify for tax credits.

2023 DSM Stipulation

12. The Companies will assess the budget availability for adding a contractor incentive for sales of centrally ducted and mini-split heat pumps to the Residential Equipment and Plug Loads program and will present of the results of this analysis to the DSM Collaborative by the second quarter of 2024.

13. Approval of the budgets in these Dockets does not constitute a determination of prudence of the actual expenditures and the parties reserve the right to challenge the expenditures in the applicable deferred energy accounting adjustment filings.

Working Groups Update

DSM Goals Working Group

- Three portfolio types and associated objectives were discussed
 - Traditional
 - Grid value and electric grid decarbonization
 - Full decarbonization
- Working group members expressed that the grid value and electric grid decarbonization portfolio should be further investigated
 - Further written feedback is being collected
- Next steps: Develop draft metrics that support grid value and electric grid decarbonization
- Next meeting: TBD

Program Development Working Group

- Overview of 8 program development pilots and investigations was presented including a description and stipulation impact for each.
- Presentation by NCEF on the NV Energy Project Marketplace
- Working group members expressed program development activities will depend on portfolio goals and objectives
- Next steps: To brainstorm and identify technologies, measures, or programs that should be included in the portfolio based on identified goals and metrics, review small business focus group results, discuss methods for reaching underserved communities.
- Next meeting: TBD

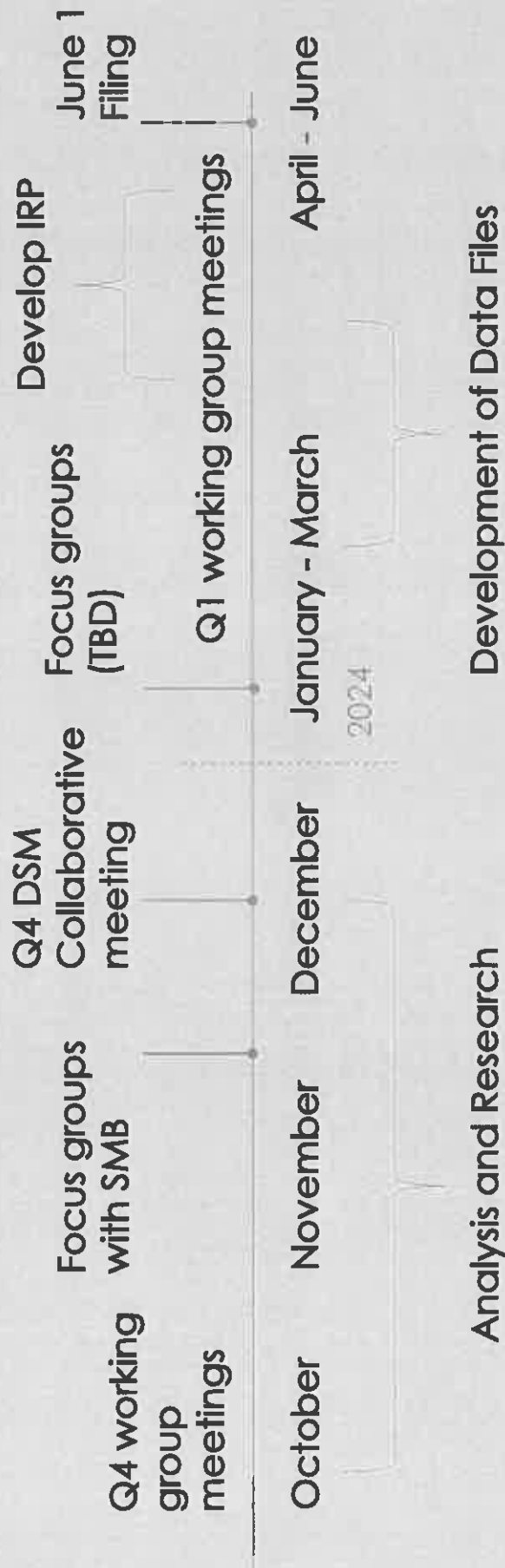
Federal Funding Working Group

- Catalogue of federal funding opportunities is available on Sharepoint.
Seeking feedback on:
 - If any opportunities are missing
 - Priorities for NV Energy
 - What funding are community groups going after where NV Energy could partner to benefit customers
- Tracking IRA funding
- Next steps: Identify leverage opportunities, coordinate with government funding as possible
- Next meeting: TBD

ACE Guru Modeling

Timeline & Next Steps

Timeline Overview



nve_working_groups@encolorconsulting.com

Thank You

Appendix

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What's Next?

DSM Goals Working Group

Oct 26 Agenda:

- Current metrics
- Allowed in statute
- Cost-effectiveness inputs
- Benchmark CA and AZ

- Jan Agenda:
- Review portfolio scenario

September

October

November

December

January

2024

Survey analysis and
Secondary
Research on CA
and AZ metrics

Group will meet
regularly to work
more frequently on
these items.

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What's Next?

Program Development Working Group

Oct 30 Agenda:

- Development progress
- Survey review
- Additional research needs

April Agenda:

- Review program one-pagers

September

October

November

December

January – April
2024

Work with HDR for program development report out

Jan Agenda:

- Review focus group results
- Methods for reaching underserved communities
- Program concepts

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What's Next?

Federal Funding Working Group

Nov 2 Agenda:

- Share federal funding opportunities
- Discuss impact to the portfolio

April Agenda:

- TBD

September October November December January 2024 February – April

Secondary Research on
funding opportunities

Jan. Agenda:

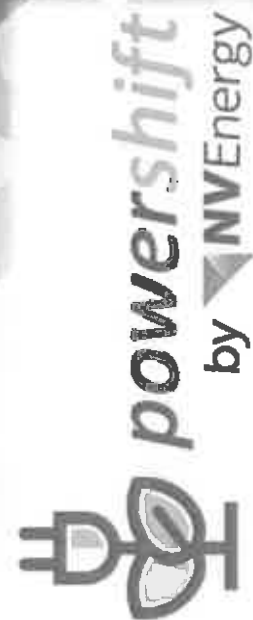
- Identify potential leverage opportunities

Portfolio Types vs Portfolio Objectives (detail)

Objectives	Traditional	Grid Value & Electric Grid Decarb	Full Decarbonization
Energy Savings	-all types of energy efficiency ("EE") measures.	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels
Demand Flexibility		-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)	-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)
Electric System Decarbonization		-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting	-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting
Economy-Wide Decarbonization			-beneficial electrification -measures that move natural gas loads to high-efficiency electric loads
Cost-Effective	-portfolio must pass TRC -valuation must account for non-energy benefits	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable curtailment; fossil-fuel generator dispatch; avoided cost of carbon	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable curtailment; fossil-fuel generator dispatch; avoided cost of carbon; gas to electric net efficiency gains
Equitable*	Portfolio must address low income and HUCs	Portfolio must address low income and HUCs	Portfolio must address low income and HUCs
...other (working group input and discussion)			

DSM QUARTERLY COLLABORATIVE MEETING

March 25, 2024



AGENDA

Welcome &
Introductions

2024 IRP
Planning Update

2023 DSM
Annual Update

2021 IRP
Statutory
Requirements
and Stipulations

Working Groups
Update

Timeline & Next
Steps

2

Welcome & Introductions

- Encolor
- NV Energy
- Governor's Office of Energy
- Public Utilities Commission of Nevada
- Bureau of Consumer Protection
- US Department of Energy
- City of Reno
- Nevada Clean Energy Fund
- Nevada Attorney General
- Nevada Housing Division
- Nevada Green Institute
- Southwest Energy Efficiency Project
- Energy Futures Group
- Sierra Club
- Natural Resources Defense Council
- Southwest Gas
- Clark County
- Davis Strategies
- MSB Energy Associates
- Western Resource Associates
- Google

Ground Rules



Listen and be
present



Feel free to
add your
thoughts to
the chat



Keep
your
camera
on, as
much as
possible



Put your
hand up if
you want to
speak



This is a
safe
space

Community Agreements

- Respect and honor silence and confidentiality
- Be present
- Take care of your personal needs
- Speak your truth and let others speak theirs
- No one knows everything; together we know a lot
- No fixing, no saving
- Honor time agreements
- Be curious
- We are all human, not perfect
- Expect and accept non-closure
- Understand your position and impact

OPERATIONALIZING EQUITY

ENC@LOR



Quinn Parker, CEO



Joan Effinger, COO

Inclusive Consulting

Comprehensive strategic consulting while always keeping inclusivity in mind.

Training

Training to bridge the gap between theory and practice. Encolor educates professionals on how to put DEIJ concepts into action

DEIJ Tools

Internal assessments of organizational cultural, workplace climate and personal cultural competency.

Stakeholder Engagement and Facilitation

Bringing together community to co-create equitable and inclusive solutions.

We are proud to be a minority-owned business and a WBENC-Certified WBE (Women's Business Enterprise).

2024 IRP Planning Update

2024 IRP Planning Update

- Load forecast / DER forecast
- NTG study
- Market potential study (MPS)
 - Uses E3 Pathways model to generate range of probable DER (EE, DR, PV, etc.) adoption scenarios
 - <https://www.e3three.com/tools/pathways-model/>
- DER valuation toolset – uses DSMore for enhanced cost effectiveness testing
 - <https://integralanalytics.com/products/dsmore/>
 - Will support determination of realistically achievable program portfolios as part of MPS
 - 2024 DSM filing will still present Ace Guru results for consistency
- Rate Impact

Stipulation Requirement: Residential Codes and New Construction Research Results

Residential Codes and New Construction

Research Results

Builders in NV Energy's northern Nevada territory are unwilling to build beyond code minimums

- Market too competitive to risk higher price
- Builders don't understand the opportunity to stand out as an ENERGY STAR® builder
 - Builders are focused on building the lowest cost home
 - Energy prices were not previously a concern

Proposed Solution

- A new approach for driving increased performance in Nevada
 - A la carte measure offering
 - Pay for measure implemented incentive approach
 - No longer dependent on achieving specific savings
 - Easy to train and onboard new builders based on the "menu" of available measures

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2023 Demand Side Management Program Updates

2023 Demand Side Management Program Updates

Sierra Pacific Power Programs	Budget(\$)	YTD Actuals	Variance	Annual Savings (kWh) Targets	YTD Savings (kWh)	Variance
Energy Education Program	\$310,000.00	\$184,890.26	60%	400,000	331,351	83%
Energy Reports Program	\$457,060.00	\$333,713.16	73%	7,100,000	5,131,962	72%
Online Assessments	\$203,607.00	\$202,212.11	99%	2,600,000	757,879	29%
Program Development	\$370,000.00	\$348,023.22	94%	0	0	
Outreach & Development	\$1,340,667.00	\$1,068,838.75	80%	10,100,000	6,221,192	62%
In Home Assessments Program	\$453,333.00	\$410,165.48	83%	600,000	137,724	23%
Direct Install and Home Improvements	\$390,000.00	\$271,718.75	70%	900,000	294,895	33%
Equipment and Plug Loads	\$1,030,000.00	\$2,707,561.66	263%	1,884,000	6,075,177	322%
Codes and New Construction	\$720,000.00	\$46,435.46	6%	1,400,000	0	0%
Low Income	\$1,076,000.00	\$1,168,815.64	109%	458,353	234,494	51%
Residential DR Program – Manage	\$800,000.00	\$705,420.01	88%	2,150,000	2,026,014	94%
Residential DR Program – Build	\$1,937,155.00	\$1,742,159.19	90%	700,000	1,693,355	242%
Residential Services Total	\$6,446,488.00	\$7,052,276.19	109%	8,092,353	10,461,659	129%
Schools Program	\$770,000.00	\$451,597.97	59%	9,000,000	3,352,525	37%
Business Energy Services	\$5,700,000.00	\$3,949,673.74	69%	71,300,000	32,185,389	45%
Commercial DR Program – Manage	\$400,000.00	\$143,831.45	36%	1,030,000	937,005	91%
Commercial DR Program – Build	\$642,348.00	\$233,655.57	36%	355,000	54,280	15%
Business Services Total	\$7,512,348.00	\$4,778,758.73	64%	81,685,000	36,509,199	45%
Sierra Portfolio Total	\$15,299,503.00	\$12,899,873.67	84%	99,877,353	53,192,061	53%

2023 Demand Side Management Program Updates

Nevada Power Programs	Budget(\$)	YTD Actuals	Variance	Annual Savings (kWh) Targets	YTD Savings (kWh)	Variance
Energy Education Program	\$450,000.00	\$394,088.49	88%	600,000	327,398	55%
Energy Reports Program	\$888,040.00	\$955,072.20	106%	11,600,000	12,927,958	111%
Online Assessments	\$802,293.00	\$504,854.36	84%	4,500,000	3,164,112	70%
Program Development	\$700,000.00	\$727,139.04	104%	0	0	
Outreach & Development	\$2,650,333.00	\$2,581,164.09	97%	16,700,000	16,419,469	79%
In Home Energy Assessments Program	\$1,344,667.00	\$1,385,843.31	103%	2,000,000	1,418,886	71%
Direct Install and Home Improvements	\$740,000.00	\$675,671.13	91%	2,320,000	3,353,572	145%
Equipment & Plug Loads	\$6,100,000.00	\$8,137,144.58	133%	10,622,000	12,797,424	120%
Codes and New Construction	\$1,300,000.00	\$2,726,474.89	210%	1,938,000	5,632,382	291%
Low Income	\$3,375,000.00	\$2,065,797.71	61%	2,052,365	340,928	17%
Residential DR Program – Manage	\$7,800,000.00	\$5,400,770.46	69%	24,700,000	23,752,008	96%
Residential DR Program – Build	\$7,797,800.00	\$7,165,293.04	92%	4,100,000	5,124,280	125%
Residential Services Total	\$28,457,457.00	\$27,556,986.10	97%	47,732,365	52,419,488	110%
Schools Program	\$1,350,000.00	\$1,997,404.63	148%	14,500,000	27,485,255	189%
Business Energy Services	\$14,000,000.00	\$12,834,488.15	92%	148,000,000	122,757,423	83%
Commercial DR Program – Manage	\$900,000.00	\$313,877.15	35%	6,770,000	6,467,005	96%
Commercial DR Program – Build	\$743,701.00	\$402,237.89	54%	470,000	434,335	92%
Business Services Total	\$16,993,701.00	\$15,548,007.62	91%	169,740,000	157,124,017	93%
Nevada Power Portfolio Total	\$48,101,601.00	\$45,686,166.81	95%	234,172,365	225,962,974	95%

2023 Demand Side Management Program Updates

Marketing

- Advertising

Television	1,864 commercials – 16,060,000 impressions
Radio	3,770 commercials – 10,334,000 impressions
Print	39 ads – 814,512 impressions
Outdoor	4 billboards – 4,387,532 impressions
DMV	8 locations – 470,864 messages delivered
Marianas	150 days – 577,940 messages delivered
Digital/Paid Social	105,429,358 impressions

- **Collateral** – Energy Advisor Field Guide, PowerShift Brochures in 3 languages, Low Income Guide in 2 languages and collateral highlighting various program for tabling events were produced in 2023.
- **In House Opportunities:** 9 Bill inserts, 8 Always On Blog Posts, 2 Contact Call Center Greetings, 2 Contact Center Email Taglines, 14 Energy Snapshot Promos
- **Organic Social Media Posts** (Facebook, Instagram, LinkedIn and X)
81,741 Impressions / 2,793 Engagements

2023 Demand Side Management Program Updates

Energy Education and Outreach

- 5,000 **Energy Education Kits** were distributed in Q4 reaching customers in both southern and northern Nevada.
- A portion of our kits were delivered to Indigenous communities throughout the state.
- **The Energy theatre** program performed in front of 11,882 students in Southern Nevada and nearly 2,000 students in northern Nevada
- Powershift team members shared information and brought general awareness of our programs to over 150,000 customers at events we participated in and webinars we presented at throughout the year.

2023 Demand Side Management Program Updates

Business Energy Services

- For 2023 the Business Energy Services Program received a total of 462 projects for southern Nevada and received a total of 168 for the northern Nevada.
- With a goal of 100 community engagements per month Business Energy Services Staff have engaged in 1,507 in-person community engagements for southern Nevada and 898 in-person community engagements for northern Nevada. For 2023 there have been 410 Site Visits and Inspections in the south and 235 for the North.
- **Powershift Smart Shop**
 - To date, Smart Shop has had 405 orders, and 1,162 products were sold.
 - In addition, the marketplace has generated 426 bundle appointments.

2023 Demand Side Management Program Updates

Home Improvement:

- The program went live on Nov 1st.
- 4,000 emails were sent out which has yielded 13 customers

New Construction Measures:

- 3,518 single family home applications.
- 20 Townhome applications.

Qualified Appliances Replacement (QAR):

- In 2023 the QAR Program installed 3,586 new efficient appliances, among refrigerators, dryers, chest freezer, LED bulbs and smart strips, in replacement to over 10-year-old ones to low-income qualified customers.

2023 Demand Side Management Program Updates

Home Energy Saver:

- Pool Pump Measures
- 232 pool pump installations.
- 549 Peak Avoidance Calibrations.
- 1 655 Winterization Calibrations.

Retail Appliance Measures

- 16,067 Energy Star Appliances
- 27,894 Advanced Power Strips sold
- 3,157 Engine Block Heater Controller distributed in the north

2023 Demand Side Management Program Updates

Home Energy Saver:

- Residential Air Conditioning Measures:
- 2,496 HVAC Installations
- 5,738 HVAC Tune-ups

Program Development:

- Low-income multi-family project at Lake Mead West completed with 70 units under treatment with YoLink thermostats. Additional measure to include portable inductive cooktops, and heat pump water heaters.

Working Groups Update

DSM Goals Working Group

- Overview of the Demand Side Management (DSM) planning process and an update on the inputs to the DSM plan.
- Presentation by E3 and Tierra on the Pathways model and NV Energy's pathways scenario design assumptions as well as how this will be mapped to the DSMore for portfolio planning.
- Working group members expressed questions regarding how inputs were handled, particularly appliance adoption, and incremental cost.
- NVE also presented an overview of progress developing portfolio metrics.
- Working group members expressed questions regarding how the metrics would impact the portfolio and if there would be thresholds for income qualified customers.

Product Development Working Group

- NV Energy provided an overview the Product Development Program plan and weighting for the selection of projects.
 - Working group provided feedback on the weighting and selection of projects in the Product Development Program.
 - NV Energy provided a list of prioritized projects in SharePoint.
- NV Energy provided a response to the new construction stipulation.

Federal Funding Working Group

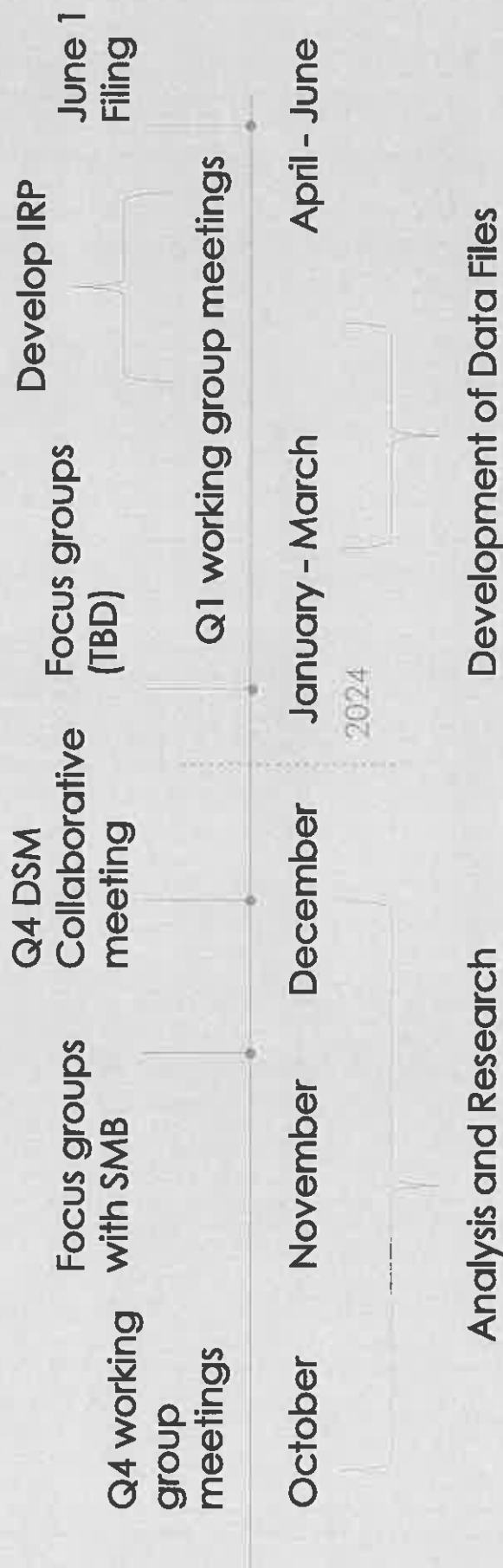
- NV Energy met with a small group of stakeholders in March 2024 to discuss opportunities for leveraging funding as well as provide an update on ongoing efforts as they related to IRP Planning. Members included:
 - Clark County
 - Washoe County
 - Nevada PUC
 - Nevada Clean Energy Fund
 - Nevada Housing Division
 - Nevada Division of Environmental Protection
 - Governor's Office of Energy
- Ongoing catalogue of federal funding opportunities. NV Energy continues to understand:
 - What funding are community groups going after where NV Energy could partner to benefit customers.

Federal Funding Working Group

- The Small group meeting in March 2024 stakeholders presented up coming opportunities. Some highlights include:
 - Nevada Clean Energy Fund is working with the Governor's Office to leverage DOE funds, as well as other funding sources to support transportation electrification and solar initiatives (including Solar for All).
 - Nevada Division of Environmental Protection submitted a climate action plan which would support grant opportunities for low income and disadvantaged communities.
 - Nevada Housing Division is planning to deploy funds to support low-income weatherization.

Timeline & Next Steps

Timeline Overview

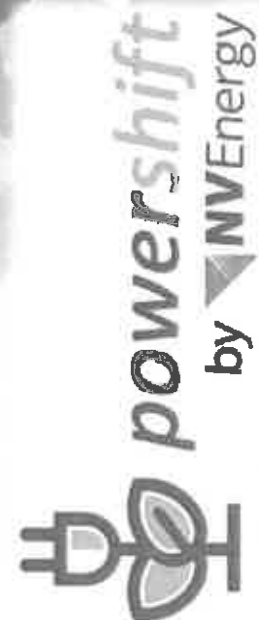


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Thank You

DSM QUARTERLY COLLABORATIVE MEETING

May 22, 2024



AGENDA

Welcome &
Introductions

2024 DSM
Updates

IRP Planning
Update

Preferred
DSM Portfolio

2025-2027
Gas Program

Next Steps

Welcome & Introductions

- Encolor
- NV Energy
- Governor's Office of Energy
- Public Utilities Commission of Nevada
- Bureau of Consumer Protection
- US Department of Energy
- City of Reno
- Nevada Clean Energy Fund
- Nevada Attorney General
- Nevada Housing Division
- Nevada Green Institute
- Southwest Energy Efficiency Project
- Energy Futures Group
- Sierra Club
- Natural Resources Defense Council
- Southwest Gas
- Clark County
- Davis Strategies
- MSB Energy Associates
- Western Resource Associates
- Google

2024 DSM Program Updates

2024 DSM Updates

Energy Education

- The Powershift Theatre program performed in elementary schools reaching more than 7,800 students.
- Powershift participated in 18 events, including Las Vegas Preview, Senior Resource Fair, Asian and Latin Chamber of Commerce, Community Easter Egg Hunt, and the Black History Month Festival

Home Energy Saver

- For the Res AC component, NV Energy reached 999 HVAC installs.
- For the HVAC tune up portion of the program, 370 tune ups were completed.
- For the retail appliance component, 21,947 units equipment were sold.

Codes and New Construction

- Energy Efficiency Building Code training held on April 16, 2024, and hosted by NV Energy.

Res DR:

- Installed thermostats matching pace with BYOT enrollments in Southern Nevada. On pace to exceed the megawatt reduction goal of 23 MW before the end of the year. In Northern Nevada, the BYOT program uptake has been very popular and outpaces the installed thermostats at 2 to 1. On pace to reach the megawatt reduction goal of 3 MW, by the start of the DR season.

Comm DR

- Enrollment of over 1,200 thermostats from the 2023 Clark County School District portable classroom project is proceeding with a goal of enrollment completion by mid-May.

Schools

- On-site pre-assessment work for the Clark County School District's lighting retrofit project started. Eleven schools were listed to start up the project.
- The program is working with Lyon County School District to assess the savings from the use of engine block heater control for their buses this next fall.

QAR

The program included a new appliance in the list of eligible appliances for replacement: electric clothes washer. Now, qualified customer will be able to replace 11 years old or more refrigerators, chest freezers, electric dryers, and clothes washers.

NV Energy sent Notice to the Commission informing the updated eligibility income levels as announced by the HUD. In average the 2024 income levels increase 3.1% across the State of Nevada. New income levels will be in use after hearing back from the Commission or in 30 days after the Notice issuance.

Business Energy Services

- 163 total projects have been submitted. NV Energy attended 244 in-person visits and attended 30 events.

DER Forecast/Market Potential Updates

Overview of New Requirements

Demand Side Management Plan

- Must present new savings target for demand side management plan
- Rate impact analysis that includes analysis of three scenarios:
 - No demand side management
 - Proposed demand side management
 - Proposed demand side management + 20% more budget
- An assessment of achieving less than the planned levels of demand side management

Evolution of Demand Side

In NV Energy's Demand Side Management Plan, the Companies are evolving the plan to ensure customer programs and investments are providing benefits through enabling flexible load.

To advance demand side planning, NV Energy (NVE) contracted with Integral Analytics (IA) and its subcontractors Energy and Environmental Economics (E3), Tierra Resource Consultants (Tierra), and ADM Associates, Inc. (ADM) to develop a comprehensive distributed energy resource (DER) market potential study (MPS) and bring on new tools to inform the development of NVE's demand-side management (DSM) portfolio and support other planning activities including the development of its Integrated Resource Plan (IRP) and Distributed Resources Plan (DRP).

The study also supports the presentation of a new goal and framework for the demand side plan, as the Collaborative agreed that a larger focus on grid value is needed.

Integrated System Planning



How this distributed energy resource toolkit/study was used in the 2024 IRP DSM Plan:

- The market potential study informed customer program portfolio design
- In addition to the approved cost effectiveness model, AceGuru, the Companies also utilized DSMore to calculate cost-effectiveness for comparison.

All other information is informative for current and future planning purposes, and utilized in other components of the IRP

Pathways Scenario Design Overview

Deep Decarbonization	Meets GHG reductions goals of 28% by 2025, 45% by 2030 and net-zero emissions by 2050
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High	Represents achievement of 2050 carbon goal, but not interim goals
Mid	Aligned with existing policies and current trends in the near term, but higher policy ambition and market transformation starting in 2030.
Low	Assumes a blow down in historical adoption rates due to headwinds to DER adoption

Reference	Aligned with existing policy and market trends.
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DSM Strategic Portfolio Design

To discuss the new savings target with the DSM collaborative, 3 objectives were defined to facilitate discussion regarding the evolution of the DSM Action Plan for the 2024 integrated resource plan

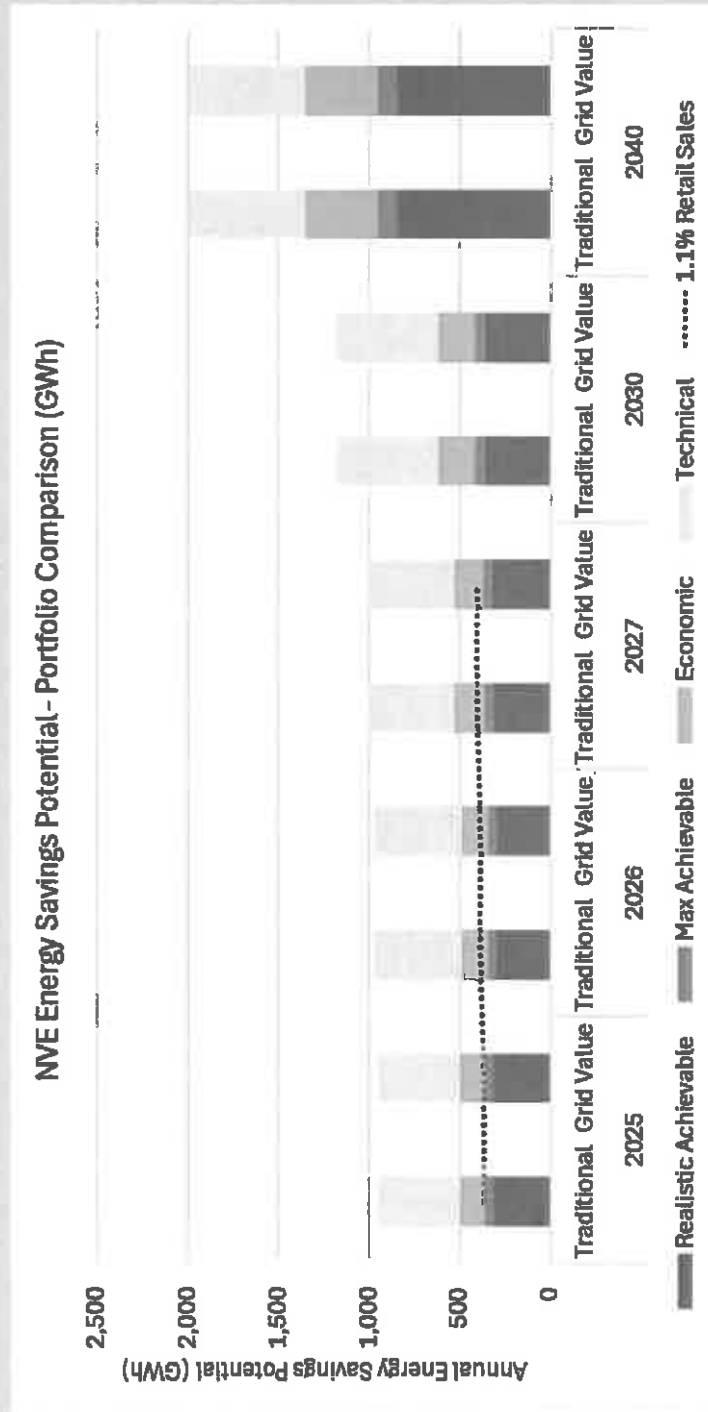
- + **Grid Value:** Prioritizes measures that support renewable energy integration and reduce energy and demand during grid peaks and during hours with higher marginal costs and higher emissions from fossil-fuel generating plant. *Proposed Plan Included*
- + **Traditional:** Focuses primarily on all measures that generate energy savings and is consistent with historical metrics determining annualized first year energy (kWh) savings (e.g. % of sales-based target). *Alternative Plan Included*
- **Strategic Decarbonization:** Similar to Grid Value priorities, but layers in fuel neutral measures that further improve demand flexibility, reduce site emissions, and complement federal funding opportunities. **Not an immediate priority and not included within the DSM plan**

Savings metrics for strategic portfolio

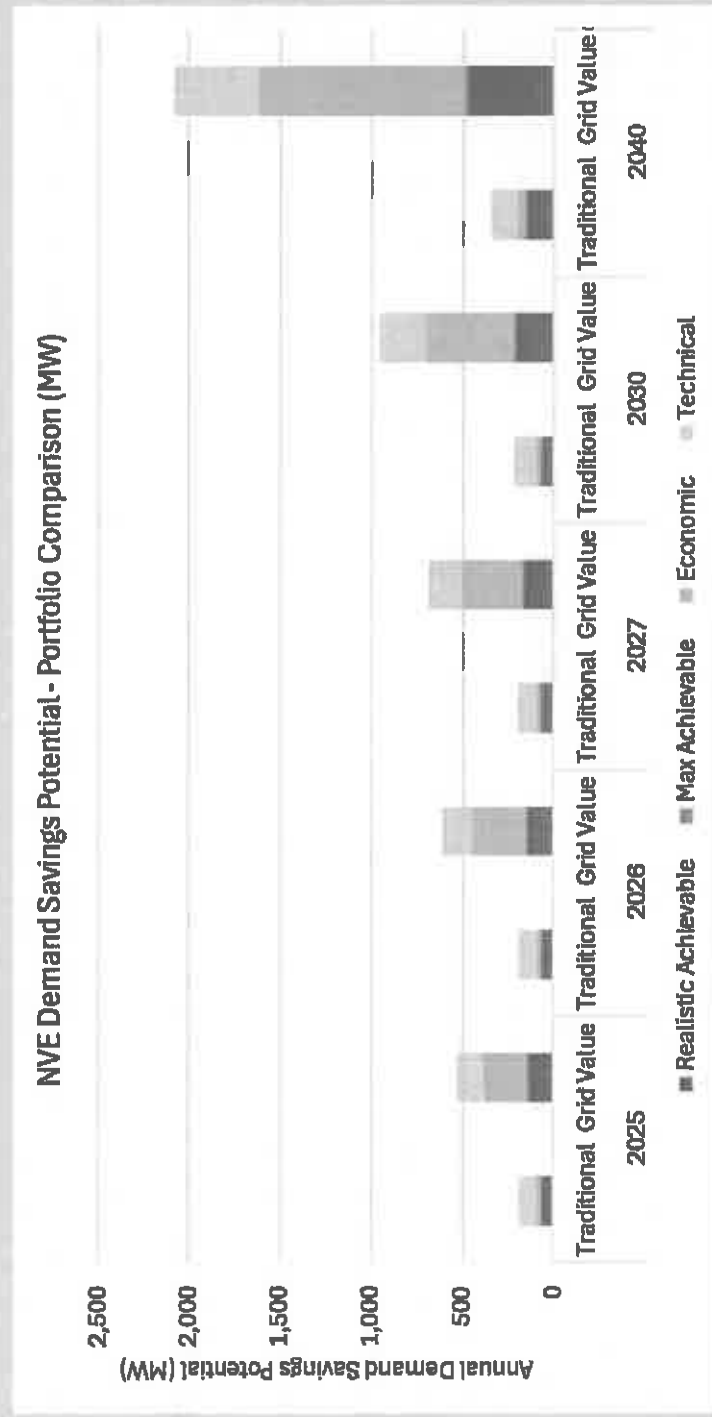
Summary of metrics considered for each portfolio.

	Traditional	Grid Value	Strategic-Decarbonization
Potential Targets	Current target for current metric is 1.1% of annual weather-adjusted forecasted electricity sales for first-year of energy savings measures	Targets can be expressed on a gross kWh basis, or as a percent of retail sales Targets can also focus on first-year savings, or lifecycle savings	Targets can be expressed on a gross kWh basis, or as a percent of retail sales Targets can also focus on first-year savings, or lifecycle savings
Potential Metrics (any type/units)	Annual energy sales	Annual peak demand reduced (kW) Hourly Source Energy reductions from fossil-fuel based generation (expressed in kWh or Btu) Hourly CO2 emissions reduced, based on hourly grid emissions Hourly Total System Benefit (based on hourly Avoided Costs)	CO2 reduced, based on hourly grid emissions, and CO2 emissions of non-electric energy sources GHGs reduced for electric and non-electric energy sources, along with other reduction of other local air pollutants Total System Benefit (based on hourly avoided costs, and costs for non-electric fuels)
Potential Metrics (expressed as Energy Savings in kWh compliant with NRS 704.7834)	Annual weather-adjusted forecasted electricity sales per year for 1 st year measure savings Cumulative electricity sales by a target year for lifetime measure savings Adjusted electricity sales (non-EV, no DOS customers, or other logical and required adjustments)	Reduction in fossil-fuel generated electricity expressed in kWh Reduction in renewable energy curtailed expressed in kWh (i.e. energy saved from being wasted) Reduction in source energy of fossil-fuel generated electricity expressed in kWh;	Reduction in fossil-fuel generated electricity expressed in kWh Reduction in renewable energy curtailed expressed in kWh (i.e. energy saved from being wasted); plus, Reduction in site gas consumption saved (as proxy for CO2 reduction) converted from theme to kWh equivalent

Energy Savings Potential - NVE



Demand Savings Potential - NVE



Portfolio Metrics

- In addition to calculating energy savings and demand reductions at the portfolio level, the market potential study provides a **Source Energy** and **Emissions Reductions metrics** for each portfolio.
- These metrics can either be calculated for **first year savings** or **lifecycle savings**. First year savings align with current expected system conditions, while lifecycle savings reflect projected changes to NV Energy's bulk grid resource portfolio over time.
- Source Energy and Emissions Reductions metrics can identify the hours when less efficient power plants are operating and can better inform a portfolio design that **achieves higher grid energy savings** and **emission reductions**.
- Used in combination with cost metrics, Source Energy and Emissions metrics can **give a more complete view** to compare portfolios that includes cost savings to ratepayers, and source energy efficiency, and greenhouse gas emissions reductions.
- Further stakeholder engagement is needed to determine final methodologies and future roles of these metrics, but they can be used to better harmonize portfolios to goals beyond direct energy or demand savings.

Portfolio Metrics for Achievable Potentials - NPC

Scenario	2025	2026	2027	2030	2040
Maximum Achievable Potential					
Traditional					
Lifetime Emissions Reductions (tCO2)	745,716	761,277	804,552	773,471	1,550,987
First Year Source Energy Savings (GWh)	658	593	631	689	1,656
Lifetime Source Energy Savings (GWh)	4,131	4,217	4,456	4,284	8,591
Grid Value					
Lifetime Emissions Reductions (tCO2)	745,780	761,382	804,701	773,696	1,551,565
First Year Source Energy Savings (GWh)	658	593	631	689	1,656
Lifetime Source Energy Savings (GWh)	4,131	4,217	4,457	4,286	8,594
Realistically Achievable Potential					
Traditional					
Lifetime Emissions Reductions (tCO2)	682,438	693,521	731,252	687,497	1,367,716
First Year Source Energy Savings (GWh)	612	543	577	622	1,509
Lifetime Source Energy Savings (GWh)	3,780	3,841	4,050	3,808	7,576
Grid Value					
Lifetime Emissions Reductions (tCO2)	682,503	693,627	731,401	687,722	1,368,294
First Year Source Energy Savings (GWh)	612	543	577	622	1,510
Lifetime Source Energy Savings (GWh)	3,780	3,842	4,051	3,809	7,579

Portfolio Metrics for Achievable Potentials- SPPC

Scenario	2025	2026	2027	2030	2040
Maximum Achievable Potential					
Traditional					
Lifetime Emissions Reductions (tCO2)	341,781	362,798	393,135	410,400	852,570
First Year Source Energy Savings (GWh)	280	297	323	367	734
Lifetime Source Energy Savings (GWh)	1,893	2,010	2,178	2,273	4,722
Grid Value					
Lifetime Emissions Reductions (tCO2)	341,784	362,802	393,140	410,417	852,627
First Year Source Energy Savings (GWh)	280	297	323	367	734
Lifetime Source Energy Savings (GWh)	1,893	2,010	2,178	2,273	4,723
Realistically Achievable Potential					
Traditional					
Lifetime Emissions Reductions (tCO2)	306,087	325,051	349,465	361,096	759,439
First Year Source Energy Savings (GWh)	212	227	245	281	606
Lifetime Source Energy Savings (GWh)	1,695	1,800	1,936	2,000	4,207
Grid Value					
Lifetime Emissions Reductions (tCO2)	306,090	325,055	349,470	361,113	759,496
First Year Source Energy Savings (GWh)	212	227	245	281	606
Lifetime Source Energy Savings (GWh)	1,695	1,800	1,936	2,000	4,207

Key Takeaways

- **Economic Potential calculations screened out the majority of measures and savings from Technical Potential.** This screen is based on a measure having an nTRC that is at least 1.0. In total, approximately 68% of measures and 47% of Technical Potential for energy savings (75% of Technical Potential for demand savings) did not pass this screen and were not included in Economic Potential across both NPC and SPPC.
- **Commercial measures were more likely to be included in Economic Potential,** owing to the diminishing list of cost-effective energy efficiency measures in the residential sector, and the historic implementation of the Business Energy Services program in the commercial sector.
- **Significant categories of measures and end-uses that did pass the economic screen and are included in economic potential include:**
 - Residential single family and multi-family new construction
 - HVAC tune-up and control measures
 - Home Energy Reports
 - Most commercial measures, with a particular focus on upgrading non-GSL and commercial lighting
 - Thermostat demand response measures
 - Bring-Your-Own-Battery demand response programs
- **Variations in program implementation and avoided costs between NPC and SPPC territory led to differences in the list of measures included in Economic Potential calculations.** In particular, residential HVAC tune-up measures were less cost-effective in SPPC territory, as compared to NPC.
- **Out of the potential savings included in Economic Potential for energy savings, 72% is considered to be part of the Maximum Achievable Potential given practical constraints to consumer marketing and customer adoption curves, and 63% is considered to be Realistically Achievable Potential given historical and typical customer rebate amounts.** For demand savings, 37% of economic potential is determined to be the Maximum Achievable Potential, while 35% is Realistically Achievable.

DSM Portfolio Design

- **Grid Value Methodology Program Design**

- The Companies brought on consulting firm, Tierra, who has extensive experience supporting the DSM grid value transition in other desert southwest territories like Arizona to support NV Energy program design

- **Transitional Period**

- It is still unknown what role different government agencies will play in energy programs due to federal funding allocations and forthcoming competitive grant(s)
- With the presentation of a new KW target, and new customer programs, NV Energy will need time to stand up new programs and create market awareness for participation

- **Is the DSM portfolio equivalent to the market potential study?**

- No. To create a portfolio that served all customers, the Companies had to insert non-cost-effective residential measures.

- **Are the Companies presenting a source energy metric that E3 recommended?**

- Not at this time. The Companies are presenting transitional metrics of KWH and KW, to allow for further stakeholder feedback of the market potential study and target recommendations.
- The Companies present the data within the presentation of portfolios, that the savings target recommended by E3 and other metrics, could be set if it is found the transitional metrics the Companies presented are not necessary

DSM Preferred Portfolio

Recommended Target & Request for Approval

- 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 kilowatt-hours, and incremental demand reduction capacity, in kilowatts, during the Action Plan period between 2025 through 2027. The proposed Grid Value portfolio proposes a demand savings target of an average reduction of 174 incremental new dispatchable MW with a kWh savings target of 0.7% of the forecasted weather normalized retail sales Statewide for the three-year period.

DSM Portfolios: Traditional vs Grid Value

Total (2025-2027)

	Traditional	Grid Value
Gross Annual Energy Savings at Meter (kWh)	1,157,612,000	740,756,000
Gross Coincident Demand Savings at Meter (kW) in 2027	226,224	266,599
Program Budgets (\$)	\$351,424,000	\$248,007,000
Benefits (\$)	\$711,754,651	\$813,719,267
Costs (\$)	\$511,423,107	\$415,720,546
Net Benefits (\$)	\$200,331,545	\$397,998,721
nTRC Benefit Cost Ratio	1.39	1.96
\$/kWh	\$0.30	\$0.33
\$/kW	\$517.81	\$310.09
Percentage to Retail Sales	1.1%	0.7%

Annual Average (2025-2027)

	Traditional	Grid Value
	385,870,867	246,918,667
	226,224	266,599
	\$117,141,333	\$82,669,000
	\$237,251,550	\$271,239,756
	\$170,474,369	\$138,573,515
	\$66,777,182	\$132,666,240
	1.39	1.96
	\$0.30	\$0.33
	\$517.81	\$310.09
	1.1%	0.7%

Traditional

	Traditional	Grid Value
First Year Source Energy (kWh)	2,331,573,349	1,544,783,208
Lifecycle Source Energy Metric	13,276,835,130	8,515,581,696
First Year Emissions (tCO2)	420,934	278,889
Lifecycle Emissions (tCO2)	2,396,951	1,537,372
First Year Source Energy (\$/kWh)	\$0.15	\$0.16
Lifecycle Source Energy Metric (\$/kWh)	\$0.03	\$0.03
First Year Emissions (\$/tCO2)	\$834.87	\$889.27
Lifecycle Emissions (\$/tCO2)	\$146.61	\$161.32

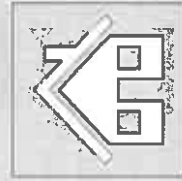
Traditional

	Traditional	Grid Value
	777,191,116	514,927,736
	4,425,611,710	2,838,527,232
	140,311	92,983
	798,984	512,457
	\$0.15	\$0.16
	\$0.03	\$0.03
	\$834.87	\$889.27
	\$146.61	\$161.32

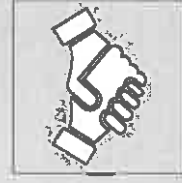
2025-2027 Proposed Programs



EDUCATION
SERVICES



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2025-2027 Grid Value and Traditional Comparison Overview

GRID VALUE	Program Budgets (\$)			Gross Annual Energy Savings at Meter (kWh)			Gross Coincident Demand Savings at Meter (kW)		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
NPC	\$55,863,000	\$60,741,000	\$65,259,000	188,144,000	197,922,000	208,742,000	197,239	222,114	250,216
SPPC	\$20,213,000	\$22,005,000	\$23,826,000	47,500,000	48,627,000	49,821,000	35,914	42,460	50,466
NVE	\$78,076,000	\$82,746,000	\$89,185,000	235,644,000	246,549,000	258,563,000	233,153	284,575	300,681
Savings to Sales Percentage				0.7%	0.7%	0.7%			

TRADITIONAL	Program Budgets (\$)			Gross Annual Energy Savings at Meter (kWh)			Gross Coincident Demand Savings at Meter (kW)		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
NPC	\$84,610,000	\$88,694,000	\$95,849,000	282,982,000	309,140,000	328,107,000	188,191	187,784	192,915
SPPC	\$27,551,000	\$27,860,000	\$26,860,000	75,154,000	77,071,000	75,158,000	36,472	37,028	36,302
NVE	\$112,161,000	\$116,554,000	\$122,709,000	368,136,000	386,211,000	403,265,000	224,662	224,792	229,217
Savings to Sales Percentage				1.1%	1.1%	1.1%			

2025-2027 NV Energy NTRC Traditional/Grid Value comparison (Ace Guru)

Programs	2025		2026		2027	
	Traditional	Grid Value	Traditional	Grid Value	Traditional	Grid Value
NV Energy						
Energy Education [1]	N/A	N/A	N/A	N/A	N/A	N/A
Energy Reports	1.57	1.94	1.70	2.05	1.51	1.86
Program Development [2]	N/A	N/A	N/A	N/A	N/A	N/A
Education Services Total	1.25	1.21	1.36	1.28	1.20	1.16
Home Energy Saver	0.47	0.48	0.47	0.47	0.46	0.45
Residential HVAC	0.40	0.43	0.37	0.43	0.44	0.42
Residential Codes and New Construction	0.62	0.72	0.63	0.72	0.63	0.72
Low Income	0.11	0.10	0.11	0.11	0.10	0.11
Energy Assessments and Direct Install	0.34	0.39	0.34	0.38	0.33	0.37
Multifamily	0.92	1.14	0.92	1.14	0.91	1.13
Residential Demand Response - Manage	3.83	3.83	3.91	3.90	4.02	4.02
Residential Demand Response - Build	0.77	2.62	0.68	2.55	0.65	2.56
Residential Services Total	1.25	2.16	1.22	2.24	1.19	2.36
Energy Smart Schools	0.89	0.97	0.99	0.97	0.95	0.94
Business Energy Services	1.50	1.36	1.31	1.35	1.30	1.34
Commercial Demand Response - Manage	4.42	4.42	4.51	4.45	4.62	4.63
Commercial Demand Response - Build	0.33	0.46	0.32	0.69	0.31	0.84
Non-Residential Services Total	1.54	1.38	1.37	1.38	1.35	1.40
NV Energy Total	1.35	1.88	1.28	1.94	1.25	2.03

[1] Energy (kWh) and demand (kW) savings are not tracked for this program because behavioral programs 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 behavioral programs and/or technologies.

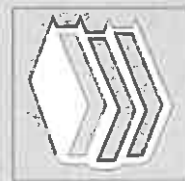
2025-2027 NPC Grid Value Portfolio

	Budgets			RWH Savings			Demand Savings (\$/kW)			Dispatchable Load (\$/kW)		
	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
NPC Education	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00									
NPC Education	\$ 907,000.00	\$ 907,000.00	\$ 907,000.00									
NPC Education	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00									
Total Education Services	\$ 1,907,000.00	\$ 1,907,000.00	\$ 1,907,000.00									
NPC Residential	\$ 4,175,000.00	\$ 4,175,000.00	\$ 4,175,000.00									
NPC Residential	\$ 4,318,000.00	\$ 4,318,000.00	\$ 4,318,000.00									
NPC Residential	\$ 1,256,000.00	\$ 1,256,000.00	\$ 1,256,000.00									
NPC Residential	\$ 2,594,000.00	\$ 2,594,000.00	\$ 2,594,000.00									
NPC Residential	\$ 3,819,000.00	\$ 3,819,000.00	\$ 3,819,000.00									
NPC Residential	\$ 243,000.00	\$ 243,000.00	\$ 243,000.00									
NPC Residential	\$ 9,102,000.00	\$ 9,102,000.00	\$ 9,102,000.00									
NPC Residential	\$ 6,616,000.00	\$ 6,616,000.00	\$ 6,616,000.00									
Total Residential Services	\$ 34,123,000.00	\$ 34,123,000.00	\$ 34,123,000.00									
NPC Commercial	\$ 1,965,000.00	\$ 1,965,000.00	\$ 1,965,000.00									
NPC Commercial	\$ 16,419,000.00	\$ 16,419,000.00	\$ 16,419,000.00									
NPC Commercial	\$ 1,122,000.00	\$ 1,122,000.00	\$ 1,122,000.00									
NPC Commercial	\$ 327,000.00	\$ 327,000.00	\$ 327,000.00									
Total Non-Residential Services	\$ 19,833,000.00	\$ 19,833,000.00	\$ 19,833,000.00									
Total NPC	\$ 55,963,000.00	\$ 55,963,000.00	\$ 55,963,000.00									

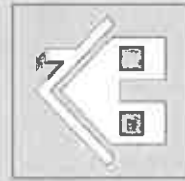
2025-2027 SPPC Grid Value Portfolio

		Budgets			KWh Savings			Demand Savings (kW)			Dispatchable Load (kW)		
		2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
SPPC Residential	Energy Education	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00									
SPPC Residential	Home Energy Reports	\$ 313,000.00	\$ 313,000.00	\$ 313,000.00									
SPPC Residential	Program Development	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00									
Total Education Services		\$ 813,000.00	\$ 813,000.00	\$ 813,000.00									
SPPC Residential	Energy Assessments and Direct Install	\$ 959,000.00	\$ 959,000.00	\$ 959,000.00									
SPPC Residential	Residential HVAC & Heat Pumps	\$ 206,000.00	\$ 206,000.00	\$ 206,000.00									
SPPC Residential	Home Energy Seer	\$ 3,734,000.00	\$ 3,734,000.00	\$ 3,734,000.00									
SPPC Residential	Residential Codes & New Construction	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00									
SPPC Residential	Low Income	\$ 1,419,000.00	\$ 1,419,000.00	\$ 1,613,000.00									
SPPC Residential	Oil Multifamily	\$ 388,000.00	\$ 583,000.00	\$ 777,000.00									
SPPC Residential	Residential DR Build	\$ 2,512,000.00	\$ 3,094,000.00	\$ 3,651,000.00									
SPPC Residential	Residential DR Migrate	\$ 1,126,000.00	\$ 1,393,000.00	\$ 1,716,000.00									
Total Residential Services		\$ 10,387,000.00	\$ 11,411,000.00	\$ 12,679,000.00									
SPPC Commercial	Schools Program	\$ 711,000.00	\$ 711,000.00	\$ 711,000.00									
SPPC Commercial	Business Energy Services	\$ 4,834,000.00	\$ 4,834,000.00	\$ 4,834,000.00									
SPPC Commercial	Commercial DR Build	\$ 3,304,000.00	\$ 4,015,000.00	\$ 4,551,000.00									
SPPC Commercial	Commercial DR Migrate	\$ 184,000.00	\$ 221,000.00	\$ 338,000.00									
Total Non-Residential Services		\$ 9,033,000.00	\$ 9,781,000.00	\$ 10,434,000.00									
Total SPPC		\$ 20,213,000.00	\$ 22,005,000.00	\$ 23,926,000.00									

2025-2027 Proposed Programs



EDUCATION
SERVICES



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Energy Education Program



Energy Reports Program



Program Development

Education Services

Focus on outreach, engagement, and education efforts that inform customers on how they can use energy more efficiently.

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Education Services

Energy Education – Provides educational tools and tips to NV Energy's residential and commercial customers to encourage the need to keep energy efficiency and savings opportunities in mind.

Program	Proposed Budget	Participant Goal
2025		
Nevada Power		
Energy Education	\$500,000	75,000
Sierra		
Energy Education	\$250,000	17,500
NV Energy		
Energy Education	\$750,000	92,500
2026		
Nevada Power		
Energy Education	\$500,000	75,000
Sierra		
Energy Education	\$250,000	17,500
NV Energy		
Energy Education	\$750,000	92,500
2027		
Nevada Power		
Energy Education	\$500,000	75,000
Sierra		
Energy Education	\$250,000	17,500
NV Energy		
Energy Education	\$750,000	92,500

Energy Reports - Provides periodic paper and electronic communications to a select group of residential customers, including single family, multifamily and low-income class customers.

Program	Proposed Budget	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Participant Goal
2025				
Nevada Power				
Energy Reports	\$907,000	4,110	11,284,000	169,740
Sierra				
Energy Reports	\$313,000	3,140	8,704,000	74,970
NV Energy	\$1,220,000	7,250	19,988,000	244,710
2026				
Nevada Power				
Energy Reports	\$907,000	4,110	11,284,000	169,740
Sierra				
Energy Reports	\$313,000	3,140	8,704,000	74,970
NV Energy	\$1,220,000	7,250	19,988,000	244,710
2027				
Nevada Power				
Energy Reports	\$907,000	4,110	11,284,000	169,740
Sierra				
Energy Reports	\$313,000	3,140	8,704,000	74,970
NV Energy	\$1,220,000	7,250	19,988,000	244,710

Education Services

Program Development— investigates and tests emerging products or services that may enhance the DSM portfolio. Products, services, and program concepts are investigated to determine if they are opportunities to improve existing DSM program designs or implement new program designs.

Program	Proposed Budgets (\$)(M)
2025	
Nevada Power	
Program Development	\$500,000
Sierra	
Program Development	\$250,000
NV Energy	\$750,000
2026	
Nevada Power	
Program Development	\$500,000
Sierra	
Program Development	\$250,000
NV Energy	\$750,000
2027	
Nevada Power	
Program Development	\$500,000
Sierra	
Program Development	\$250,000
NV Energy	\$750,000

Residential Services

Variety of services available to residential electric customers who traditionally occupy single-family or multi-family homes in Nevada. NV Energy will offer a bundled set of products and services targeted to reach the vast majority of the residential market and provide customers with multiple opportunities to participate.

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Home Energy Saver

Residential AC and Heat Pumps

Residential Codes and New Construction

Assessments and Direct Install

Qualified Customer

Income Qualified Multifamily

Residential Demand Response – Build and Manage

Residential Services

Home Energy Saver – Incentive and rebate program that targets residential energy loads, including appliances, electronics, and pool pumps. The Program employ upstream, midstream and downstream delivery channels for components, and will prioritize integrating residential energy efficiency measures into ongoing DR and load management programs.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Home Energy Saver	\$3,256,000	1,761	6,758,000	21,598
Sierra				
Home Energy Saver	\$3,734,000	890	4,603,000	18,668
NV Energy	\$6,990,000	2,651	11,361,000	40,266
2026				
Nevada Power				
Home Energy Saver	\$3,256,000	1,761	6,758,000	21,598
Sierra				
Home Energy Saver	\$3,734,000	890	4,603,000	18,668
NV Energy	\$6,990,000	2,651	11,361,000	40,266
2027				
Nevada Power				
Home Energy Saver	\$3,257,000	1,761	6,758,000	21,598
Sierra				
Home Energy Saver	\$3,734,000	890	4,603,000	18,668
NV Energy	\$6,991,000	2,651	11,361,000	40,266

Residential AC & Heat Pumps - is an incentive and rebate program towards improvement, purchase and/or installation of equipment that targets residential heating and cooling energy loads. The Program will continue provide incentives to replace old, inefficient HVAC systems with higher efficiency equipment and tune-ups, incorporating load shifting and demand limiting technologies into the offerings.

Program	Proposed Budget	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
HVAC and Heat Pumps	\$ 4,318,000.00	3,024	4,381,000	6,712
Sierra				
HVAC and Heat Pumps	\$ 206,000.00	222	248,000	1,103
NV Energy	\$ 4,524,000.00	3,296	4,641,000	7,875
2026				
Nevada Power				
HVAC and Heat Pumps	\$ 4,319,000.00	3,024	4,394,000	6,712
Sierra				
HVAC and Heat Pumps	\$ 206,000.00	222	248,000	1,103
NV Energy	\$ 4,525,000.00	3,296	4,642,000	7,875
2027				
Nevada Power				
HVAC and Heat Pumps	\$ 4,321,000.00	3,024	4,396,000	6,712
Sierra				
HVAC and Heat Pumps	\$ 206,000.00	222	248,000	1,103
NV Energy	\$ 4,527,000.00	3,296	4,644,000	7,875

Residential Services

Residential Codes and New Construction— Provides support to the residential new construction market to increase the energy efficiency of Nevada homes. Two separate but complementary components: (1) New Construction and (2) Residential Codes with emphasis on integrate load management enabling equipment.

Qualified Customer Program – Provides installation of new energy-saving appliances to qualified low-income residential customers ("QAR") throughout NV Energy's service territories. Proposing a new Weatherization track, in conjunction with and the local Weatherization Assistance Program ("WAP") regional network, administered by the Nevada Housing Division ("NHD").

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Residential Codes and New Construction	\$2,594,000	1,875	3,387,000	2,200
Sierra				
Residential Codes and New Construction	\$23,000	10	31,000	20
NV Energy	\$2,617,000	1,885	3,418,000	2,220
2026				
Nevada Power				
Residential Codes and New Construction	\$2,594,000	1,875	3,387,000	2,200
Sierra				
Residential Codes and New Construction	\$23,000	10	31,000	20
NV Energy	\$2,617,000	1,885	3,418,000	2,220
2027				
Nevada Power				
Residential Codes and New Construction	\$2,594,000	1,875	3,387,000	2,200
Sierra				
Residential Codes and New Construction	\$23,000	10	31,000	20
NV Energy	\$2,617,000	1,885	3,418,000	2,220

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Low Income	\$3,819,000	150	606,000	2,291
Sierra				
Low Income	\$1,419,000	55	213,000	1,155
NV Energy	\$5,238,000	205	819,000	3,446
2026				
Nevada Power				
Low Income	\$4,498,000	180	789,000	2,471
Sierra				
Low Income	\$1,419,000	55	213,000	1,155
NV Energy	\$5,917,000	235	1,002,000	3,626
2027				
Nevada Power				
Low Income	\$4,498,000	180	789,000	2,471
Sierra				
Low Income	\$1,613,000	60	240,000	1,225
NV Energy	\$6,111,000	240	1,029,000	3,696

Residential Services

Qualified Income Multifamily - Designed to encourage multifamily property owners and property managers to install devices in the residential and common areas properties to provide energy and demand savings as well as to seek additional opportunities to improve the overall efficiencies. Available for both existing buildings and new construction.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2025				
Nevada Power Multifamily	\$243,000	137	390,000	2,160
Sierra Multifamily	\$388,000	132	396,000	2,160
NV Energy	\$631,000	269	786,000	4,320
2026				
Nevada Power Multifamily	\$366,000	205	586,000	3,240
Sierra Multifamily	\$583,000	197	594,000	3,240
NV Energy	\$949,000	402	1,180,000	6,480
2027				
Nevada Power Multifamily	\$488,000	273	781,000	4,320
Sierra Multifamily	\$777,000	237	792,000	4,320
NV Energy	\$1,265,000	510	1,573,000	8,640

Energy Assessments and Direct Install - Builds upon previous efforts to bundle appointments and simplify operations by combining Online Energy Assessment, In-Home Energy Assessment, and Direct Install and Home Improvement. Better serve customers as they initiate the process of improving their homes' energy efficiency by setting a clear program participation pathway integrating home improvement opportunities across the DSM portfolio.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2025				
Nevada Power Energy Assessments and Direct Install	\$4,175,000	2,797	8,415,000	50,523
Sierra Energy Assessments and Direct Install	\$959,000	400	1,186,000	9,033
NV Energy	\$5,134,000	3,109	9,601,000	59,556
2026				
Nevada Power Energy Assessments and Direct Install	\$4,175,000	2,797	8,415,000	50,523
Sierra Energy Assessments and Direct Install	\$959,000	400	1,186,000	9,033
NV Energy	\$5,134,000	3,109	9,601,000	59,556
2027				
Nevada Power Energy Assessments and Direct Install	\$4,175,000	2,797	8,415,000	50,523
Sierra Energy Assessments and Direct Install	\$959,000	400	1,186,000	9,033
NV Energy	\$5,134,000	3,109	9,601,000	59,556

Residential Services

Residential DR - Focus on DR load reduction and energy savings during times of peak energy use via smart thermostats while scaling non-thermostat flexible load resources to better optimize the use of and integration of renewable energy resources. Program is split into two components: Build and Manage. The Build component recruits new residential customers 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 customers that were recruited into the Build component in previous years.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Unit Goal
2024				
Nevada Power				
Residential DR - Manage	\$6,616,000	116,132	24,694,000	127,100
Residential DR - Build	\$9,102,000	40,809	10,540,000	26,400
Nevada Power Total	\$15,718,000	156,941	34,944,000	153,500
Sierra				
Residential DR - Manage	\$1,110,000	18,310	3,139,000	19,500
Residential DR - Build	\$2,512,000	7,113	1,146,000	9,020
Sierra Total	\$3,622,000	25,423	4,285,000	28,520
NV Energy				
Residential DR - Manage	\$7,712,000	133,254	27,833,000	146,670
Residential DR - Build	\$11,414,000	48,209	11,400,000	33,310
NV Energy Total	\$19,126,000	181,463	39,233,000	179,980
2024				
Nevada Power				
Residential DR - Manage	\$7,529,000	131,953	28,007,000	144,350
Residential DR - Build	\$10,704,000	46,946	11,406,000	30,200
Nevada Power Total	\$18,233,000	178,899	39,403,000	174,550
Sierra				
Residential DR - Manage	\$1,393,000	22,504	3,844,000	24,000
Residential DR - Build	\$3,094,000	8,565	1,396,000	7,010
Sierra Total	\$4,487,000	31,070	5,240,000	31,010
NV Energy				
Residential DR - Manage	\$8,922,000	155,411	31,851,000	166,460
Residential DR - Build	\$13,798,000	55,234	11,772,000	37,210
NV Energy Total	\$22,720,000	209,664	43,623,000	203,670
2027				
Nevada Power				
Residential DR - Manage	\$8,603,000	150,811	31,699,000	164,340
Residential DR - Build	\$12,097,000	51,702	11,310,000	33,800
Nevada Power Total	\$19,670,000	202,513	43,009,000	197,140
Sierra				
Residential DR - Manage	\$1,716,000	27,083	4,611,000	29,100
Residential DR - Build	\$3,651,000	9,833	1,381,000	7,000
Sierra Total	\$5,367,000	37,516	5,992,000	37,000
NV Energy				
Residential DR - Manage	\$10,319,000	178,406	36,315,000	193,430
Residential DR - Build	\$15,710,000	61,544	13,650,000	41,000
NV Energy Total	\$26,029,000	240,442	50,015,000	234,430

Non-Residential Services

Provides services for commercial, industrial, non-profit, and school customers.



Non-Residential Services

Energy Smart Schools – Designed to facilitate energy efficiency improvements and peak demand reduction public schools as well as higher education institutions. The Program offers three types of energy services to school administrators: rebates, strategic energy management services and a high level of technical assistance.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Energy Smart Schools	\$1,965,000.00	2,679	19,989,000	19,989
Sierra				
Energy Smart Schools	\$711,000.00	380	3,192,000	3,192
NV Energy	\$2,676,000.00	3,059	23,181,000	23,181
2026				
Nevada Power				
Energy Smart Schools	\$1,965,000.00	2,679	19,989,000	19,989
Sierra				
Energy Smart Schools	\$711,000.00	380	3,192,000	3,192
NV Energy	\$2,676,000.00	3,059	23,181,000	23,181
2027				
Nevada Power				
Energy Smart Schools	\$1,965,000.00	2,679	19,989,000	19,989
Sierra				
Energy Smart Schools	\$711,000.00	380	3,192,000	3,192
NV Energy	\$2,676,000.00	3,059	23,181,000	23,181

Business Energy Services – Energy efficiency technical assistance and rebates to commercial and industrial customers, promoting investments in retrofits and new construction projects. Goal is to generate long-term energy savings and peak demand reduction by working with building owners and contractors to realize the benefits of energy efficiency allowing for lowering operating costs and reducing the total cost of ownership.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Business Energy Services	\$16,419,000	12,511	91,200,000	91,200
Sierra				
Business Energy Services	\$4,834,000	1,351	24,000,000	24,000
NV Energy	\$21,253,000	14,870	115,200,000	115,200
2026				
Nevada Power				
Business Energy Services	\$17,104,000	11,086	95,500,000	95,500
Sierra				
Business Energy Services	\$4,834,000	3,351	24,000,000	24,000
NV Energy	\$32,038,000	14,436	119,500,000	119,500
2027				
Nevada Power				
Business Energy Services	\$18,184,000	11,881	101,000,000	101,000
Sierra				
Business Energy Services	\$4,834,000	3,351	24,000,000	24,000
NV Energy	\$33,018,000	17,236	125,000,000	125,000

Non-Residential Services

Commercial DR - Focus on DR load reduction and energy savings during times of peak energy use via smart technologies for the purposes of load reduction and energy savings. Program is split into two components: Build and Manage. The Build component recruits new residential customers 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 customers that were recruited into the Build component in previous years.

Program	Proposed Budget (\$)	Annual Demand Savings (kW) Target	Annual Energy Savings (kWh) Target	Units Goal
2025				
Nevada Power				
Commercial DR - Manage	\$327,000	10,68	4,048,000	9,14
Commercial DR - Build	\$1,122,000	9	1,716,000	1,43
Nevada Power Total	\$1,449,000	11,64	6,714,000	19,58
Sierra Program				
Commercial DR - Manage	\$184,000	1,327	527,000	2,42
Commercial DR - Build	\$1,204,000	325	115,000	5,45
Sierra Total	\$1,388,000	1,654	642,000	3,024
NV Energy				
Commercial DR - Manage	\$511,000	12,210	5,325,000	11,62
Commercial DR - Build	\$4,626,000	1,281	1,831,000	1,98
NV Energy Total	\$5,137,000	13,495	7,156,000	13,604
2026				
Nevada Power				
Commercial DR - Manage	\$322,000	11,684	5,404,000	9,048
Commercial DR - Build	\$1,862,000	2,200	1,922,000	2,140
Nevada Power Total	\$2,184,000	13,884	7,327,000	11,088
Sierra Program				
Commercial DR - Manage	\$221,000	1,746	589,000	2,850
Commercial DR - Build	\$4,015,000	938	137,000	969
Sierra Total	\$4,236,000	2,684	726,000	3,819
NV Energy				
Commercial DR - Manage	\$593,000	13,430	5,993,000	12,790
Commercial DR - Build	\$5,677,000	3,130	2,069,000	3,109
NV Energy Total	\$6,270,000	16,560	8,063,000	15,899
2027				
Nevada Power				
Commercial DR - Manage	\$574,000	13,950	5,873,000	11,403
Commercial DR - Build	\$2,626,000	3,540	2,062,000	2,850
Nevada Power Total	\$3,200,000	17,490	7,935,000	14,253
Sierra Program				
Commercial DR - Manage	\$338,000	2,566	667,000	3,533
Commercial DR - Build	\$4,551,000	1,600	1,610,000	1,700
Sierra Total	\$4,889,000	4,166	828,000	4,933
NV Energy				
Commercial DR - Manage	\$912,000	16,522	6,540,000	14,930
Commercial DR - Build	\$7,177,000	5,140	2,233,000	4,150
NV Energy Total	\$8,089,000	21,662	8,763,000	19,080

2025-2027 Gas Program- SPPC

40

2025-2027 Gas Program

- One program is being proposed- Gas Energy Education
- There will be 5 components:
 - Gas Online Energy Assessments
 - Gas In-home Energy Assessments
 - Gas Energy Reports
 - Residential Gas Education
 - Commercial Gas Education
- Proposed budget, goals and savings
- Benefit, costs, and NTRC/TRC

C&EE Program	Proposed Budget, Goals, and Savings		
	2025	2026	2027
Gas Energy Education Proposed Budget	\$373,000	\$373,000	\$373,000
Gas Energy Education Proposed Participant Goals	74,560	74,560	74,560
Gas Energy Education Proposed Calculated Savings (THERMS)	392,400	392,400	392,400
			1,119,000
			223,680
			1,177,200

Program	Benefits	Costs	Net Benefits	B/C Ratio
Gas Energy Education NTRC	\$361,070	\$373,000	(\$11,930)	0.97
Gas Energy Education TRC	\$288,856	\$373,000	(\$84,144)	0.77
Gas Energy Education NTRC	\$331,946	\$373,000	(\$41,054)	0.89
Gas Energy Education TRC	\$265,557	\$373,000	(\$107,443)	0.71
Gas Energy Education NTRC	\$283,509	\$373,000	(\$89,491)	0.76
Gas Energy Education TRC	\$226,807	\$373,000	(\$146,193)	0.61
Gas Energy Education NTRC	\$976,526	\$1,119,000	(\$142,474)	0.87
Gas Energy Education TRC	\$781,220	\$1,119,000	(\$337,780)	0.70

Next Steps

- Scheduling

nve_working_groups@encolorconsulting.com

Thank You

Appendix

NTG Update

45

2025-2027 NTG Results

Program	Territory	Recommended 2025-2027 NTG
Qualified Appliance Replacement Program (Low Income)	Sierra	1
Home Energy Saver—Retail Appliance Incentives	Nevada Power	0.74 midstream/ upstream; 1.00 giveaway
Home Energy Saver—Residential High-Efficiency Air Conditioning	Nevada Power	0.72 to 1.00
Home Energy Saver—Pool Pump Calibration	Nevada Power	0.72 to 1.00
Residential Direct Install and Home Improvements	Nevada Power	0.9
Energy Education Kits	Sierra	0.75 to 1.00
Energy Reports	Nevada Power	0.75 to 1.00
In-Home Energy Assessments	Sierra	1
Online Energy Assessments	Nevada Power	1
Residential Demand Response	Sierra	1.00 kW 0.91 to 1.00 kWh 1.00 kW 0.95 to 1.00 kWh
Residential Codes and New Construction	Nevada Power	0.8
Energy Smart Schools	Sierra	0.6
Commercial Demand Response	Nevada Power	0.64 to 0.87
Business Energy Services	Nevada Power	0.71 to 0.77
	Sierra	1.00 kW 0.94 to 1.00 kWh 1.00 kW 0.96 to 1.00 kWh
	Nevada Power	0.75
	Sierra	0.75

DSM-8

DSM Working Group Meeting slides



NVEnergy

DSM Goals Working Group

Meeting #1

March 30th 2023

Agenda



- Working Group Purpose
- Ground Rules
- Introductions
- Community Agreements
- Decision Making
- Legislative Session
- Brainstorming
- Next Steps

DSM Goals Working Group Purpose



“...assist the Companies with providing recommendations to the Commission regarding both the goals and the metrics by which to set goals for the 2025-2027 DSM Plan for demand and energy savings and potentially other metrics as well as barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers”

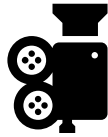
Ground Rules



Listen and be
present



Feel free to
add your
thoughts to
the chat



Keep your
camera
on, as
much as
possible



Put your
hand up if
you want to
speak



This is a
safe space

Introductions



- Please include:
 - Your name
 - Your organization
 - Your role
 - A 30-second elevator pitch of something that makes you excited about participating in this working group
- nve_working_groups@encolorconsulting.com

Community Agreements



- Respect and honor silence and confidentiality
- Be present
- Take care of your personal needs
- Speak your truth and let others speak theirs
- No one knows everything; together we know a lot
- No fixing, no saving
- Honor time agreements
- Be curious
- We are all human, not perfect
- Expect and accept non-closure
- Understand your position and impact

Decision Making Principles



- We will have a “strategic dissenter” or “devil’s advocate” to try to avoid group-think
- Follow a general framework of outlining options, their benefits/costs, and mitigation strategies while decision making
- We will make decisions by
 - Consensus: input and acceptance from each member of the team, *does not mean unanimous*.
 - What if people are absent?
 - If voting, do we do so during meetings or confidentially?
 - NV Energy ultimately decides with the input from the working group

Goal Setting Brainstorm



Should/can we consider metrics other than energy or demand reduction?

Should/can low-income or market transformation programs have different metrics?

Goal Setting Brainstorm



What are major external factors that would impact (positively and negatively) NV Energy's ability to deliver the portfolio?

What do we need to know more about?

Next Steps



Encolor will draft group goals for working group review

Set timeline for ongoing meetings



NVEnergy



Terminology



- Limited Income / Low Income is
 - a household, which may include one or more persons, with a median household income of not more than 80% of the area median household income
 - Section 44 of SB 448 requires at least 10% of expenditures related to energy efficiency programs must be spent on measures for customers in low-income households, residential customers, and public schools in historically underserved communities

Terminology



- **Historically underserved community is**
 - Designated as a qualified census tract by the Secretary of Housing and Urban Development pursuant to 26 U.S.C.
 - In the immediately preceding census, at least 20 percent of households were not proficient in the English language
 - A public school in this State
 - In which 75 percent or more of the enrolled pupils in the school are eligible for free or reduced-price lunches pursuant to
 - That participates in universal meal service in high poverty areas or
 - Qualified tribal land

Terminology



- **Market transformation is**

- The overall goal of market transformation is to increase the share of energy-efficient products and services through fundamental, enduring changes in targeted market (US DOE)

“Traditional resource acquisition programs (monetary incentives for energy efficient products and services) are designed to garner savings quickly with a straightforward effectiveness metric of \$/kWh. Conversely, market transformation programs are designed to change markets permanently by making energy efficient equipment and practices the norm.”

From: <https://www.utilitydive.com/news/market-transformation-moving-beyond-traditional-energy-efficiency-programs/557985/>



DSM Goals Working Group

Meeting #2

July 24th, 2023

Agenda



- DSM Goals Working Group Purpose
- Ground Rules
- Secondary Research Outcomes
- Focus Group Outcomes
- Equitable Program Design Best Practices
- Metric Discussion
- Call to Action
- Next Steps

DSM Goals Working Group Purpose



“...assist the Companies with providing recommendations to the Commission regarding both the goals and the metrics by which to set goals for the 2025-2027 DSM Plan for demand and energy savings and potentially other metrics as well as barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers”

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Listen and be
present



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Keep your
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much as
possible



Put your
hand up if
you want to
speak



This is a
safe space



- Residential Tax Credits
 - Customers must have a tax liability, no credits.
 - “A taxpayer will not receive a tax refund for any amount that exceeds the taxpayer’s tax liability for the year”
 - Limited opportunities for renters
 - “the home must be owned and used by the taxpayer as the taxpayer’s principal residence”
 - Renters, if they’re the tax payer, qualify for the audit
 - Used equipment does not qualify
 - Utility incentives reduce the qualifying amount of the tax credit
 - Max total yearly home efficient credit up to \$3,200
 - No lifetime limit, credits determined annually

Secondary Research: Federal Funding



- Commercial Tax Credits:
 - Customers must have a tax liability, no credits.
 - “The 179D tax deduction does not apply to non-tax paying entities” (U.S. DOE <https://www.energy.gov/eere/buildings/179d-commercial-buildings-energy-efficiency-tax-deduction>)
 - Tax exempt entities (Indian tribes, place of worship, homeless shelter, etc.) qualify
 - Eligible recipients: building owners, long-term lessees (if they make construction expenditures), designers of energy efficient building properties (i.e. architects, engineers)
 - New construction or renovation
 - Multifamily residential rental properties > 4 units above grade included

Secondary Research: High Efficiency Electric Home Rebates

- Technologies (maximum rebated costs):
 - Heat pump water heater (\$1,750)
 - Heat pump (\$8,000)
 - Electric stove, cooktop, range, or oven (\$840)
 - Electric heat pump clothes dryer (\$840)
 - Load service center upgrade (\$4,000)
 - Insulation, air sealing, and ventilation (\$1,600)
 - Electric wiring upgrade (\$2,500)
- Rebate cap of \$14,000 per household, varied levels based on income
- DOE will issue funding to State Energy Office.
- State Energy Office will issue the rebates under their own procedures and timelines.

Secondary Research: HOMES Rebates



- Home energy performance-based, whole-house (HOMES) rebates:
 - \$2,000-\$4,000 rebate depending on savings (20-35%)
 - Can't be combined with other programs
 - Expanded rebates for low income
 - Doesn't specify type of retrofits
- Two options
 - Modeled performance: Models whole-home energy consumption before and after an energy efficiency retrofit.
 - Measured energy performance

Source: Congressional Research Service <https://sgp.fas.org/crs/misc/IF12258.pdf>

Focus Group Topics



- **Research Overview**
 - Focus Group Objectives
 - Community Organizations
- **High Level Takeaways**
 - Demographics
 - Community Barriers & Needs
 - Awareness of NV Energy Programs
 - Customer Engagement

Focus Group Objectives



Gather information on...

1. How Community Based Organizations (CBOs) are serving communities.
2. What obstacles and challenges these communities face.
3. How to better engage communities through NV Energy programs.

*The CBO focus groups are the first in a series of discussions aimed at helping NV Energy develop a plan for increasing participation in historically disadvantaged communities.

June 2023 Focus Group 1



Northern Nevada CBOs:

- Reno Focus Group 1: 8 participants, 3 hours long

Community Organization	Who they serve?
United Way	Families with children
Step2	Women experiencing domestic violence and substance use, strong interest from bilingual population
Rebuilding Together Northern Nevada	Urban and rural populations with an emphasis on low-income, veterans, senior homeowners
RAVE Family Foundation	Families with children, young adults
Nevada Urban Indians*	American Indians and Alaska Natives
Senior Services	Senior citizens experiencing financial hardships
Friends In Service Helping (FISH)	Community members experiencing hunger, homelessness, and underemployment

**Nevada Urban Indians requested two participants attend the focus group.*

June 2023 Focus Group 2



Southern Nevada CBOs:

- Las Vegas Focus Group 2: 7 participants, 3 hours long

Community Organization	Who they serve?
Boys and Girls Club	Children and adolescents
HopeLink	Service to all , emphasis on children under 18, 61% women, 39% men
Gay and Lesbian Center of Southern Nevada	LGBTQIA+ community members, seniors, those with a chronic illness
Lutheran Social Services	Service to all, emphasis on seniors, homeless, and undocumented
Three Square	Service to all, emphasis on senior, homeless, undocumented community members
HELP of Southern Nevada	Community members who are homeless or have unstable housing, blind
Nevada HAND	Low-income residents, seniors

June 2023 Focus Group 3



Southern Nevada CBOs:

- Las Vegas Focus Group 3: 8 participants, 3 hours long

Community Organization	Who they serve?
Goodwill Southern Nevada	Service to all, emphasis on veterans, underemployed, limited ability, survivors of domestic violence
Jewish Family Service Agency	Service to all
Asian Community Development Center	Asian, Pacific Islander, and other ethnic communities
Rebuilding Together Southern Nevada	Low income, seniors, veterans, limited ability homeowners
East Valley Family Services	Families with children, seniors
United Labor Agency of Nevada	Anyone experiencing hardship from a crisis
Kline Veterans Fund	Veterans who may be at risk, seniors, homeless, limited ability, chronically ill
Safe House	Domestic violence survivors

Focus Group Takeaways



- High Level Takeaways Overview
 - Demographics
 - Community Barriers & Needs
 - Awareness of NV Energy Programs
 - Customer Engagement

Community Demographic Takeaways



CBOs talked about how community members can be left behind or require more effort to reach due to...

- Limited income
- Undocumented
- Homeless
- Rural (Northern Nevada)
- Diverse languages, limited English speaking
- Diverse cultures: Hispanic, Chinese, Native American
- Limited education, low literacy rate
- Renters, many manufactured homes
- Seniors, limited ability
- Access or distance to services

Barriers & Needs Takeaways



- CBOs talked about three different areas of challenges facing their community members.
 - Each category of barriers results in specific solutions to overcome them.
1. **Community barriers** are broadly systemic but prevent some customers from accessing energy efficiency services.
 2. **CBO internal barriers** to providing services and incorporating energy efficiency into their communications.
 3. **Barriers to installing** energy efficiency upgrades in the housing stock of disadvantaged communities (i.e., participation barriers).

Community Barriers Takeaways



- Cultural norms, especially in limited income communities, create tendencies to avoid getting help
- Immigration status prohibits people from seeking help, due to fear
- Overarching challenges with day-to-day due to...
 - Mental health and substance abuse challenges
 - Criminal record may make it difficult for some to be eligible for assistance
 - Reduced likelihood to seek help or treatment for substance use issues in some communities

Community Barriers Takeaways



- Connectedness to services, beyond just distance
 - Most of the population does not own a vehicle
 - Ride sharing is required for access to services
 - Limited public transportation options
 - Transportation for the elderly or those with limited ability is especially challenging
- Access and ability to navigate the internet
 - Challenges with filling out paperwork are amplified
 - Some lack an email address and access to check messages on a regular basis
 - Some reliance on public Wi-Fi or cell phone data

CBO Internal Barriers Takeaways



- Communication with the community was seen as an internal barrier to the delivery of services
 - Bilingual staff are often non-native
 - CBOs struggle to reflect the diversity of the community
- Management of Resources
 - Administrative resources, staff and funding are spread thin
 - Grant guidelines put restrictions on how money can be spent, limited ability to cover administrative costs (i.e., fees, deposits, etc.)
 - Challenge is getting the resources administered
- Coordination of Services
 - Delivery must aim for a one stop concept
 - Confidential information sharing can be a challenge

Participation Barrier Takeaways



- Awareness of NV Energy programs was low
- Many residents need emergency support first
 - Energy is in the list of priorities, but not top of mind
 - Elderly population is often on a fixed income, no ability to manage fluctuating utility costs
- Housing Stock Challenges
 - Many people that would be identified as disadvantaged live in rental units, some in manufactured homes
 - Multifamily units oftentimes have minimal efficiency upgrades, conversion of motels to multifamily communities is a trend
 - Customers are often facing an eviction and utility service termination by the time they seek help from the CBOs

Awareness of NV Energy Programs



- Limited awareness of NV Energy programs
 - Only Southern CBOs had participated as business customers with NV Energy
 - Northern CBOs were generally not aware of NV Energy programs
- Some CBO mentioned partnering with NV Energy in other capacities than energy efficiency
- Southern CBOs were aware of PowerShift program, but none had participated on their own
 - Experience with CBO facility projects

CBO Insight on Community Engagement



- Overarching need to coordinate services
 - CBOs are already working in the communities
 - CBO staff have limited training and funding is limited
 - CBOs welcome continued engagement with NV Energy to educate themselves and the community
- Coordination of different funding sources
 - CBOs have established referral connections in some cases
 - CBOs are not always coordinating the “safety net” or set of services that is offered across CBOs and state programs.
 - Delivering services often requires private and federal programs
- Getting out into the Community!
 - Services and programs must be brought to the customer
 - Provide connections when customers come in the door

Where is Energy in the conversation?



- Disadvantaged customers lack the capacity to make the connection to energy efficiency
- Community members do engage with...
 - Bill pay support, Flex Play programs
 - CBOs engage with utility bill pay on behalf of the customer
- Solutions must minimize the need for decision making on the part of the customer
 - Pre-buy, more EE equipment available on burnout
 - If the barrier is access – solutions must address this hurdle
- In one focus group, the CBOs shared that as a company, NV Energy generally lacked empathy indicating there is an opportunity to better engage with the community going forward. This comment wasn't related to the EE offerings nor was it specific to any program or experience.

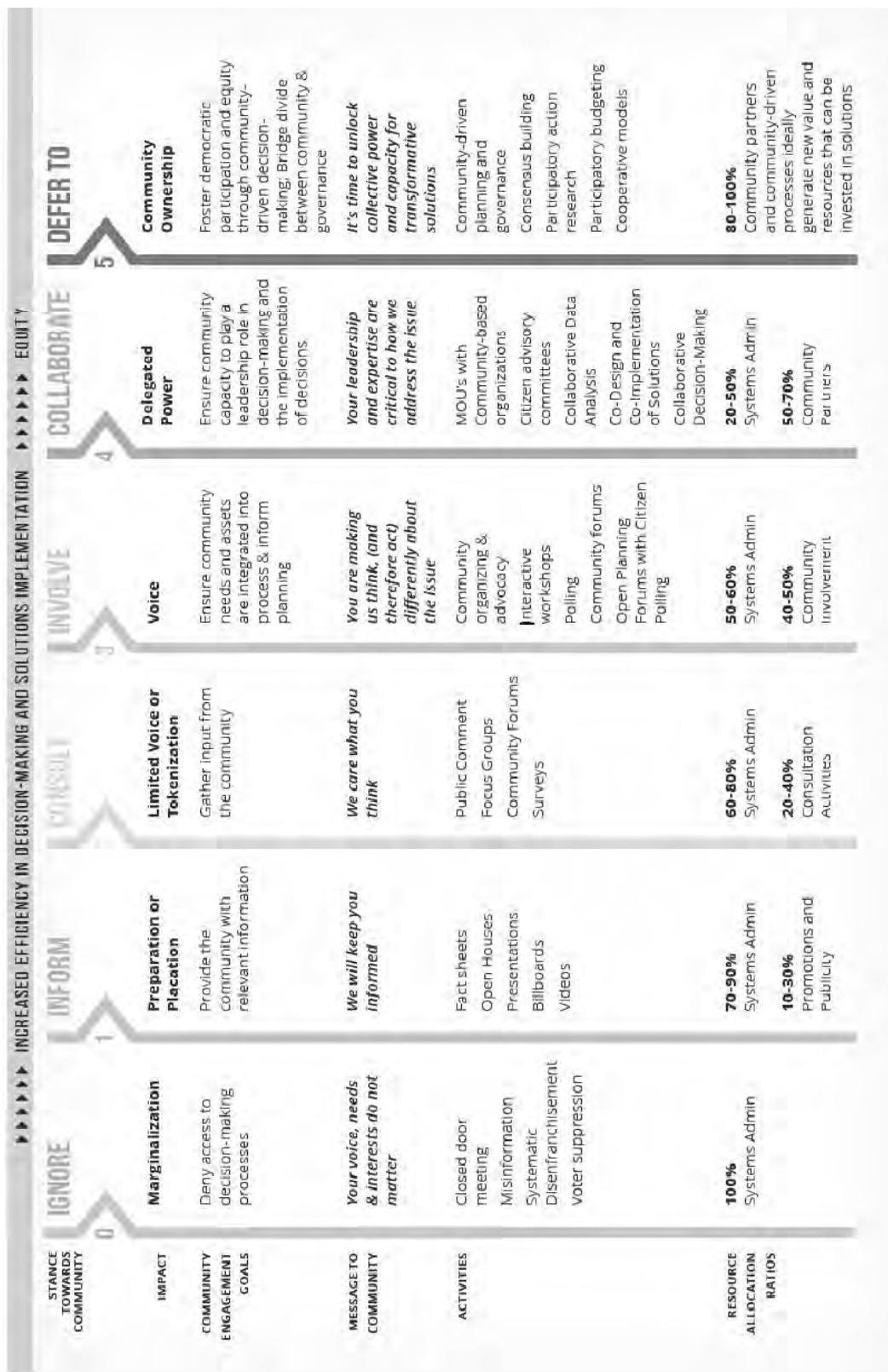
Community Engagement Framework



2



THE SPECTRUM OF COMMUNITY ENGAGEMENT TO OWNERSHIP



**Framework was developed by Facilitating Power.*

Equity Best Practices



An equitable program design may:

- Include diverse language requirements
- Identify frontline community needs
- Build relationships
- Cultivate a sense of community buy-in
- Work in coalitions
- Identify Community-Based Organizations (CBO)
- Respect CBOs and Community Leaders' time and expertise
- Provide adequate funding

NV Energy Portfolio Metric Discussion



- Current NV Energy metrics
- DER Toolkit and Forecast
- Discuss an alternative metric or framework such as:
 - Greenhouse Gas Reduction
 - Community Impact
 - ?

External factors that could impact metrics:

- Federal Funding
- Cost Effectiveness (Net-to-Gross)
- Potential Study
- ?

Call to Action



The next step in this process is for this group to take the information that's been provided to date and propose potential metrics.

Next Steps



NV Energy to send out a survey to inform recommendations and next steps.



NVEnergy



Secondary Research: Federal Funding



• Included technologies:

Residential	Commercial
Exterior doors	Lighting systems
Exterior windows and skylights	HVAC
Insulation, air leasing	Hot water systems
Home energy audit	Building envelope
Central AC	
Heat pumps	
Heat pump water heater	

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 - a household, which may include one or more persons, with a median household income of not more than 80% of the area median household income
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 - That participates in universal meal service in high poverty areas or
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- **Market transformation is**

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From: <https://www.utilitydive.com/news/market-transformation-moving-beyond-traditional-energy-efficiency-programs/557985/>

DSM GOALS WORKING GROUP MEETING

October 30, 2023



AGENDA

Welcome &
Introductions

Survey Results
& Discussion

Goals & Metrics
Benchmarking

Proposal &
Analysis
Frameworks

Timeline &
Next Steps

2

DSM Goals Working Group Purpose

“...assist the Companies with providing recommendations to the Commission regarding both the goals and the metrics by which to set goals for the 2025-2027 DSM Plan for demand and energy savings and potentially other metrics as well as barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers”

Ground Rules



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- No one knows everything; together we know a lot
- No fixing, no saving
- Honor time agreements
- Be curious
- We are **all** human, not perfect
- Expect and accept non-closure
- Understand your position and impact

DSM Working Group Survey Review and Discussion

6

Survey Results – NVE Portfolio Priorities

Q: What are the priorities of NV Energy's DSM portfolio that are important to your organization?

- All respondents generally viewed the priority to be to cost-effectively hit (or exceed) savings targets
- To provide reliable electricity at “reasonable cost,” which can mean different things depending on what is considered reasonable
- Two mentions of expansion of program offerings
- Other considerations for greenhouse gas reductions (n = 1), and inclusion of an equity adder in benefit-cost calculations (n =1)

Survey Results – New Goals and Metrics?

Q: What new method of energy savings and associated metrics for energy savings goals, if any, do you think would be consistent with Nevada state policy?

- 3 of the 4 respondents provided input to the questions in this section
- Consensus is that a GHG goal would be consistent with Nevada state policy
- Consensus among the 3 respondents that a GHG goal should include some type of nested energy and peak demand savings targets
- One mentioned including a natural gas efficiency standard as a decarbonization strategy
- One mentioned New York as an example of nested goals for fuel or resource specific targets within larger carbon reduction goals

Survey Results – DSM Goals and Metrics

<i>Q: What new goals would be consistent with NV policy?</i>	<i>Q: How would you track and measure these metrics?</i>	<i>Q: How would the goal/metric impact portfolio design?</i>	<i>Q: What are the goal/metric pros and cons?</i>
GHG emissions goal with natural gas efficiency standard and potential peak demand savings goal	Grid make up and delivery schedule; natural gas tracked in MMBtus, cost savings, emissions reductions; peak demand through utility time and consumption data	Drives EE measures in areas with most fossil fuel intensive infrastructure, necessitates EE incentives available to high energy burden households	Con: Decarbonization not economically feasible in certain communities and households
Nested fuel goals within larger CO2 education goal and kWh savings goal (example: New York)	DSM Collaborative reporting to the Commission	Requires cost-effective program design, program ramp-up, incentives rework to overcome current underperformance	Pros: Transparent and consistent with statute while also ensuring minimum investments in traditional EE, electrification, and DR
GHG reduction; everything behind-the-meter, including PV and all resource-to-grid enabling technologies as DSM resources	Telemetry data in resource-to-grid technologies and EPA fuel efficiency standards and grid fuel mix from a past year	Fuel-switching barriers would disappear; there'd be a discussion on which technologies and treatments qualify as DSM resources	Pros: DSM as a resource improves health and safety while mitigating climate impacts of growth Con: Requires fresh perspective; change from the status quo (also a pro!)

Survey Results – Group Outcome or Deliverables

Q: What do you believe should be the specific deliverable(s) or outcome(s) of the DSM Savings Goal Working Group?

- Expanded energy savings methodology that supports national decarbonization goals
 - Should highlight communities most in need
- Consensus proposal to Commission for the next IRP
- Recommended goals and metrics; guidelines for ranking the metrics and comparing new metrics to traditional metrics

10

Survey Results – Additional questions to be addressed

Q: What other questions would you like to discuss before the DSM Goals Working Group?

- What are the best strategies for energy efficiency outreach in communities that experience disproportionately high energy burdens?
- For customer targeting, does NVE have existing data and processes enabling targeting of the best candidates per customer segment for DSM offerings? If not, what are the gaps?

11

Discussion

Goals/Metrics

Nevada Context & Related Definitions

13

NV Energy Savings Policy

NRS 704.7836 Commission required to establish by regulation goals for energy savings for each utility; Commission authorized to modify goals under certain circumstances; inclusion and approval of energy efficiency plan as part of resource plan; allocation of percentage of total expenditures on energy efficiency programs to low-income households and certain customers in historically underserved communities.

1. The Commission shall establish by regulation for each electric utility goals for energy savings resulting from energy efficiency programs implemented by the electric utility each year, which must be included in the resource plan filed by the electric utility pursuant to NRS 704.741.
2. The Commission may:
 - (a) Modify a goal for energy savings it has previously established for an electric utility.
 - (b) Upon receipt of a petition submitted by an electric utility, temporarily lower a goal for energy savings it has previously established for the electric utility if the electric utility demonstrates that economic reasons which are not reasonably within the control of the electric utility will prevent the electric utility from meeting the goal for energy savings established pursuant to subsection 1.

NV Energy Savings Policy continued

3. Upon establishment or modification by the Commission of a goal for energy savings for an electric utility pursuant to this section, the affected electric utility may file an amendment to its most recent resource plan filed pursuant to NRS 704.741 to incorporate the goal for energy savings into the resource plan.
4. Each electric utility shall develop and include in its most recent resource plan filed pursuant to NRS 704.741 an energy efficiency plan that:
 - (a) Is designed to meet or exceed the goals for energy savings established by the Commission pursuant to this section;
 - (b) Includes one or more energy efficiency programs; and
 - (c) Is cost effective.

NV Energy Savings Policy continued

5. In approving an energy efficiency plan developed by an electric utility to meet the goals for energy savings established by the Commission pursuant to this section, the Commission shall approve an energy efficiency plan that is:
 - (a) Designed to meet or exceed the goals for energy savings established by the Commission pursuant to this section; and
 - (b) Cost effective.
6. The Commission may approve an energy efficiency plan submitted pursuant to NRS 704.741 that consists of energy efficiency and conservation programs that are not cost effective if the Commission determines that the energy efficiency plan as a whole is cost effective.
7. Unless the Commission determines that it is not cost effective, any energy efficiency plan approved by the Commission must provide that not less than 10 percent of the total expenditures related to energy efficiency programs must be spent 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. For the purposes of this subsection, programs that can offer variable incentive levels must offer higher incentive levels for low-income households. (Added to NRS by 2017, 4292; A 2021, 3800)

NV Energy Savings Definitions

Pursuant to NRS 704.7833, energy efficiency program is defined as:

“Energy efficiency program” means a program designed, intended or used to improve energy efficiency by reducing the energy consumption by a retail customer of an electric utility.

- The term includes, without limitation, a demand-side response program or load-limiting program that shifts the consumption of energy by a retail customer from one period to another period.
- The term does not include the implementation or assessment of any rate which is based on the time of day, day of the week or time of year during which electricity is used or which otherwise varies based upon the time during which the electricity is used.

NV Energy Savings Definitions continued

Pursuant to NRS 704.7834, energy savings is defined as:

“Energy savings” means the gross energy savings resulting from energy efficiency measures adopted through the implementation of an energy efficiency program, but does not include net energy savings resulting from energy efficiency measures adopted by retail customers of the electric utility which are not attributable to participation in an energy efficiency program.

Goals/Metrics Benchmarking

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Benchmarking –ACEEE Viewpoint

Reference: Gold, R., A. Gilleo and W. Berg. Next-Generation Energy Efficiency Resource Standards. ACEEE Report. August 2019

- Since 1999, 27 states had adopted an EERS (Energy Efficiency Resource Standard) or EEPS (Energy Efficiency Portfolio Standard)
- In 2017, States with an EERS were responsible for 80% of utility sector energy savings
- EERS states achieved an average of 1.2% of retail sales while non-EERS states saved an average of .3% of retail sales
- Most of the targets were set in terms of savings as a percentage of retail sales
- Targets are most generally set based upon the review of recent potential studies
- Several states set demand reduction goals in addition to energy savings goals
- Nearby states such as California and Arizona consider multiple target dimensions and portfolios of clean energy in energy savings goal targets

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Benchmarking – Guiding Questions

Process for Adopting New Metrics

- What was the context for the shift in metrics?
- What steps were taken by the company or commission staff?
- Was the change managed (or not)?
- What were the intended, an unintended, consequences from the shift?

Examples for Review:

1. New Mexico
2. Arizona
3. Colorado
4. California

New Mexico – Energy Efficiency Policy

In 2005, the Efficient Use of Energy Act (EUEA) charged electric and natural gas utilities to achieve savings of 5% of 2005 total retail kWh sales by 2014 and 8% of 2005 total retail kWh sales by 2020.*

This was later updated in 2019 by HB 291 to call for 5% savings relative to 2020 retail sales between 2021-2025.*

What is the context?

- Utilities and commission adjusted the EUEA order in 2019 without much debate.

* Efficient Use of Energy Act, HB267 [HB0267BIS \(nmlegis.gov\)](https://nmlegis.gov/bills/200/267)

* [HB291 Legislation - New Mexico Legislature \(nmlegis.gov\)](https://nmlegis.gov/bills/200/291)

New Mexico – Energy Efficiency Policy

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This was later updated in 2019 by HB 291 to call for 5% savings relative to 2020 retail sales between 2021-2025.*

What are the consequences?

- Demand response programs are mandated through separate dockets, and include two voluntary DR programs, Power Saver and Peak Saver programs.
- State provides tax credits for green buildings.
- Standard rebate energy efficiency programs are offered through electric utilities.

* Efficient Use of Energy Act, HB267 [HB0267BIS \(nmlegis.gov\)](https://nmlegis.gov/bills/200/267)

* [HB291 Legislation - New Mexico Legislature \(nmlegis.gov\)](https://nmlegis.gov/bills/200/291)

Arizona's – Energy Efficiency Policy

AZ ACC proposed requiring at least a 1.3% annual energy efficiency savings through 2023, as well as ramping up a demand-side resource capacity equal to at least 35% of 2020 peak demand. This proposed rule was developed from 2016 through 2019 and discussed on the next slide.*

What is the context?

- Prior goals were focused on energy savings, established in 2005. A series of working groups in 2009, resulted in new proposed goals.
- 2010 aggressive policy to target reduction in rising energy use, and to specifically target peak demand.

*DOCKET NO. RE-00000C-09_0427

*EXHIBIT A Docket No. RU-00000A-18-0484

Arizona's – Energy Efficiency Policy

November 2020 the Arizona Corporation Commission (ACC) submitted a Memorandum and Proposed Order (Energy Rules) with standards to achieve 100% reduction in carbon emissions by 2050 [EXHIBIT A Docket No. RU-000000A-I 8-0484].

A 2021 Strategen Report stated, “the Energy Rules would direct APS and TEP to deliver 100% carbon-free power by 2050, expand programs to help customers save energy, and boost investment in battery storage.”

What steps were taken?

- The Rules were developed after years of analysis, more than a dozen public meetings, thousands of written comments, and hundreds of hours of engagement by stakeholders.
- In 2022 and 2023 ACC voted down the rules in 3-2 split vote, leaving AZ with the renewable energy standard adopted in 2006 [Docket No. RU-000000A-18-0284].

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Colorado's Social Cost of Carbon

In 2021, Colorado General Assembly adopted a series of legislation to target reductions in greenhouse gas emissions.

Senate Bill 21-264, which requires gas utilities to implement clean heat plans that reduce emissions 4% by 2025 and 22% by 2030 from a 2015 baseline.

Senate Bill 21-246, requires utilities to support all cost-effective electrification including the full social cost of carbon and methane emissions in cost-effectiveness evaluations.

What is the context?

- Social Cost of Carbon established as part of SB21-246, and SB21-264 are part of a larger Greenhouse Gas Pollution Reduction Roadmap, which calls for increases in near-term energy efficiency.

California's Total System Benefit (TSB)

New Metric: Total System Benefit (2021 Ruling) was selected to replace the traditional kWh, kW, and therms as the primary metric in 2024 planning.*

2021 Scoping Memo states "that along with the new TSB, there will still be tracking in the traditional kWh, kW, and therms format, facilitating demand forecasting, as well as historical comparison."

What is the context for shift?

- 2020 was a challenging year for California (blackouts, fires, etc.)
- California Energy Efficiency Coordinating Committee (CAEECC) put forth a series of working groups, parties were asked "to address whether a GHG, energy savings, bill savings, avoided grid cost, resiliency, or other metric is the most appropriate as the primary objective?"

*RULEMAKING 13-11-005.

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California's Total System Benefit (TSB)

Total System Benefit (2021 Ruling) is the total dollar benefit of the lifecycle energy, capacity, and GHG benefits, expressed on an annual basis. Methodology was further defined through 2021 Potential and Goals study, as:

$$\begin{array}{c} \text{TOTAL SYSTEM} \\ \text{BENEFITS} \end{array} = \begin{array}{c} \text{Net Avoided Cost} \\ \text{Benefits (Energy} \\ \text{and Capacity)} \end{array} - \begin{array}{c} \text{Increased Supply} \\ \text{Cost} \end{array}$$

The increased supply costs accounts for instances where energy efficiency result in increased costs to supply energy. These include interactive effects, load increases resulting from fuel substitution, and costs related to increased high GWP gases emissions.

California's Total System Benefit (TSB)

Total System Benefit (2021 Ruling) is the total dollar benefit of the lifecycle energy, capacity, and GHG benefits, expressed on an annual basis. Methodology was further defined through Potential and Goals study, as:

Why make this shift?

- As the metric is expressed annually, this ties the goals for the program directly to the avoided cost value of energy efficiency savings.
- It is a metric agnostic of fuel, which facilitates fuel switching as an option, without the need to convert savings from one fuel to another.

Benchmarking –Industry Trends & Key Takeaways

- The clean energy transition and massive adoption of utility-scale renewable energy generation and distributed energy resources are shifting industry policies away from traditional EER approaches.
 - As a result, states like California and Colorado are adopting goals that support decarbonization, grid flexibility and resiliency, and equity.
- This shift is also driving utilities to look at grid value - the combined value of energy efficiency, demand response and grid flexibility, and resilience measures. Integrated service approaches that realize the cost efficiencies of delivering these services together are also evolving.
- Fuel substitution methods and conversion approaches emerged in the context of decarbonization and developing beneficial electrification approaches
 - e.g. CA started with fuel conversion then migrated to the Total System Benefit method

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Benchmarking –Industry Trends & Key Takeaways

- General movement away from traditional energy efficiency resource standards (EERS) approaches due to clean energy transition and massive adoption of utility-scale renewable energy generation and distributed energy resources (DER).
- Top drivers for EERS policy reform: Decarbonization, Grid resiliency, Cost, and Equity
- Fuel substitution methods and conversion approaches emerged in the context of decarbonization and developing beneficial electrification approaches
 - e.g. CA started with fuel conversion then migrated to the Total System Benefit method
- The cost efficiencies of delivering integrated energy efficiency & demand response measures are documented and are evolving into integrated service approaches.
- Long term resource planning methods are evolving in an attempt to find least cost portfolios of resources that include DERs.

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Proposal & Analysis Frameworks (working group exercises)

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Potential Expansion Frameworks Discussion Portfolio Types vs Portfolio Objectives (high level)

<i>Portfolio Type</i>	<i>Traditional</i>	<i>Grid Value</i>	<i>Grid Value & Electric Grid Decarbonization</i>	<i>Full Decarbonization</i>
Objectives				
Energy Savings	✓	✓	✓	✓
Demand Flexibility	✓	✓	✓	✓
Electric System Decarbonization	✓	✓	✓	✓
Economy-Wide Decarbonization	✓	✓	✓	✓
Cost-Effective	✓	✓	✓	✓
Equitable	✓	✓	✓	✓
...other (working group input and discussion)				

Portfolio Types vs Portfolio Objectives (detail)

Objectives	<i>Traditional</i>	<i>Grid Value & Electric Grid Decarb</i>	<i>Full Decarbonization</i>
Energy Savings	-all types of energy efficiency ("EE") measures.	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels
Demand Flexibility		-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)	-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)
Electric System Decarbonization		-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting	-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting
Economy-Wide Decarbonization			-beneficial electrification -measures that move natural gas loads to high-efficiency electric loads
Cost-Effective	-portfolio must pass TRC -valuation must account for non-energy benefits	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable curtailment; fossil-fuel generator dispatch; avoided cost of carbon	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable curtailment; fossil-fuel generator dispatch; avoided cost of carbon; gas to electric net efficiency gains
Equitable	Portfolio must address low income and HUCs	Portfolio must address low income and HUCs	Portfolio must address low income and HUCs
... other (working group input and discussion)			

Portfolio Types vs Potential Targets and Metrics (working group exercise)

	<i>Traditional</i>	<i>Grid Value & Electric Grid Decarb</i>	<i>Full Decarbonization</i>
Potential Targets	(should be based on new potential study) Current target for current metric is 1.1% of annual weather-adjusted forecasted electricity sales for first-year of energy savings measures	(should be based on new potential study)	(should be based on new potential study)
Potential Metrics (any type)	Absolute #, minimum target per year	Absolute # or x% of annual peak demand reduced (kW)	Absolute # or x% of GHGs reduced Absolute # or x% of CO2 reduced Total System Benefit
Potential Metrics (expressed as Energy Savings in kWh compliant with NRS 704.7834)	x% of annual weather-adjusted forecasted electricity sales per year for 1 st year measure savings x% of cumulative electricity sales by a target year for lifetime measure savings x% of adjusted electricity sales (non-EV, no DOS customers, or other logical and required adjustments)	x% reduction in fossil-fuel generated electricity expressed in kWh; plus, x% reduction in renewable energy curtailed expressed in kWh (i.e. energy saved from being wasted)	x% reduction in fossil-fuel generated electricity expressed in kWh; plus, x% reduction in renewable energy curtailed expressed in kWh (i.e. energy saved from being wasted); plus, x% reduction in site gas consumption saved (as proxy for CO2 reduction) converted from therms to kWh equivalent

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Key Target & Metric Dimensions to Consider

(working group exercise)

Quantitative (i.e. impacts calculation methodologies)	Qualitative
1 st year savings vs measure lifetime savings	Are the targets and metrics fully consistent with policy objectives?
Annual savings vs cumulative savings over time	Are the metrics SMART (simple, measurable, actionable, realistic, timely)?
Static baselines vs adjusted Baselines	To what extent does metric quantification depend upon stakeholder consensus across other input assumptions required for metric calculation?
Forecasted vs actual	To what extent is achievement of the target (dependent variable) determined by or controlled by utility (i.e. are there independent variables out of the control of the utility)?
...other...	...other...

1st year savings vs measure lifetime savings

Annual savings vs cumulative savings over time

Static baselines vs adjusted Baselines

Forecasted vs actual

...other...

Are the targets and metrics fully consistent with policy objectives?

Are the metrics SMART (simple, measurable, actionable, realistic, timely)?

To what extent does metric quantification depend upon stakeholder consensus across other input assumptions required for metric calculation?

To what extent is achievement of the target (dependent variable) determined by or controlled by utility (i.e. are there independent variables out of the control of the utility)?

...other...

Next Steps

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What's Next?

DSM Goals Working Group

Oct 30 Agenda:

- Cost-effectiveness inputs
- Benchmark CA and AZ
- Survey Discussion

Jan Agenda:

- Review portfolio scenario

September

October

November

December

January
2024

Survey analysis and
Secondary
Research on CA
and AZ metrics

Group will meet
regularly to work
more frequently on
these items.

Action Items

- Build out options and frameworks including:
 - Pros and cons of proposed approaches
 - Specific/detailed metric measurement methodologies
- Identify potential barriers that could prevent planning for or evaluating proposed frameworks
- *[capture additional items here and below]*
- ...
- ...
- ...

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Thank You

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Appendix

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NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

Senate Bill 150 (2017) - Section 2-6 - establishes all the definitions, i.e. "Cost Effective", "Energy efficiency program"...

SB 150 Section 10 - directs the Commission to "establish by regulation for each electric utility goals for energy savings resulting from energy efficiency programs implemented by the electric utility each year, which must be included in the resource plan filed by the electric utility pursuant to NRS 704.741..."

NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

Assembly Bill 223 (2017) also establishes some energy efficiency policies.

AB 223 Section 6 - establishes 5% spend for low income.

AB 223 Section 8 – The Commission may accept an energy efficiency plan with energy efficiency programs submitted that are not cost effective if the plan as a whole is cost effective.

The Commission holds a SB 150 rulemaking in Docket No. 17-08023 and solicits comments from NPC/SPPC, BCP, Staff, SWEEP/NRDC/WRA. The Commission accepts the 1.1% target based on the outcomes of Docket No. 17-08023.

NVE History of Savings Goals

History of the 1.1% Energy Savings Goal

The Commission accepts the 1.1% target based on the outcomes of Docket No. 17-08023.

The Commission adopts Regulation LCB File No. R055-18 where it implemented NRS 704.7836 with the savings goal of 1.1% of forecasted weather normalized sales for 2022-2024 and savings goal based on Commission's discretion starting in 2025.

NVE Energy Efficiency Definitions

“Historically underserved community” defined [NRS 704.78343].

1. “Historically underserved community” means:

(a) A census tract:

(1) Designated as a qualified census tract by the Secretary of Housing and Urban Development pursuant to 26 U.S.C. § 42(d)(5)(B)(ii); or

(2) In which, in the immediately preceding census, at least 20 percent of households were not proficient in the English language;

(b) A public school in this State:

(1) In which 75 percent or more of the enrolled pupils in the school are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.; or

(2) That participates in universal meal service in high poverty areas pursuant to Section 104 of the Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296; or

(c) Qualified tribal land, as defined in NRS 370.0325.

NVE Energy Efficiency Definitions

“**Low-income household**” means a household, which may include one or more persons, with a median household income of not more than 80 percent of the area median household income, based on the guidelines published by the United States Department of Housing and Urban Development [NRS 704.78347].

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Benchmarking Sources

New Mexico

- Efficient Use of Energy Act, [Legislation - New Mexico Legislature \(nmlegis.gov\); HB291](#)
- [Energy Efficiency and Electric Infrastructure in the State of New Mexico \(energystar.gov\)](#)
- PNM Integrated Resource Plan 2014-2033, [PNM 2014 IRP.pdf](#)

Benchmarking Sources

Arizona

- [Docket No. RE-00000C-09-0427, Decision No. 71436, and Decision No. 71819](#)
- [Arizona | ACEEE](#)
- [Arizona Clean Energy Rules — Strategen](#)
- [Arizona Clean Energy Rules Back on Track, May 26, 2021, Sierra Club, Arizona Clean Energy Rules Back on Track | Sierra Club](#)
- [Arizona Corporation Commissioners OK clean-energy rules, nix renewables \(azcentral.com\)](#)
- [Arizona regulators reject new clean-energy rules after years of debate \(tucson.com\)](#)

Benchmarking Sources

California Resources

- Proposed Decision of ALJ's Fitch and Kao on the Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Program, Evaluation, and Related Issues, [Rulemaking 13-11-005](#).
- CPUC Continues California's Leadership in Energy Efficiency With New Goals
- [Memo to the Energy Division, CPUC on Updated 2021 Energy Efficiency Potential and Goals Study Results – 2021 Avoided Costs, July 2021](#).
- [draft-2023-group-e-potential-goals-study-report.pdf \(ca.gov\)](#)
- [California Energy Efficiency Coordinating Committee \(caeec.org\)](#)

Colorado

- [Energy Office, Colorado adopts nation-leading policies to reduce GHG pollution from buildings | Colorado Energy Office](#)
- [Greenhouse Gas Pollution Reduction Roadmap](#)

DSM GOALS WORKING GROUP MEETING

November 20, 2023



AGENDA

Welcome &
Introductions

Proposal &
Analysis
Frameworks

Priorities for
the Portfolio

Terminology

SharePoint
Logistics

Timeline &
Next Steps

2

DSM Goals Working Group Purpose

“...assist the Companies with providing recommendations to the Commission regarding both the goals and the metrics by which to set goals for the 2025-2027 DSM Plan for demand and energy savings and potentially other metrics as well as barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers”

Ground Rules



Listen and be
present



Feel free to
add your
thoughts to
the chat



Keep
your
camera
on, as
much as
possible



Put your
hand up if
you want to
speak



This is a
safe
space

Community Agreements

- Respect and honor silence and confidentiality
- Be present
- Take care of your personal needs
- Speak your truth and let others speak theirs
- No one knows everything; together we know a lot
- No fixing, no saving
- Honor time agreements
- Be curious
- We are **all** human, not perfect
- Expect and accept non-closure
- Understand your position and impact

Proposal & Analysis Frameworks (working group exercises)

6

Potential Expansion Frameworks Discussion

Portfolio Types vs Portfolio Objectives (high level)

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Economy-Wide Decarbonization				✓
Cost-Effective	✓	✓	✓	✓
Equitable*	✓	✓	✓	✓
...other (working group input and discussion)				
				7

* As defined in Section 44 of SB 448

Portfolio Types vs Portfolio Objectives (detail)

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...other...	...other...

1st year savings vs measure lifetime savings

Annual savings vs cumulative savings over time

Static baselines vs adjusted Baselines

Forecasted vs actual

...other...

Are the targets and metrics fully consistent with policy objectives?

Are the metrics SMART (simple, measurable, actionable, realistic, timely)?

To what extent does metric quantification depend upon stakeholder consensus across other input assumptions required for metric calculation?

To what extent is achievement of the target (dependent variable) determined by or controlled by utility (i.e. are there independent variables out of the control of the utility)?

...other...

DSM Working Group Priorities

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Survey Results – NVE Portfolio Priorities

Q: What are the priorities of NV Energy's DSM portfolio that are important to your organization?

- All respondents generally viewed the priority to be to cost-effectively hit (or exceed) savings targets
- To provide reliable electricity at “reasonable cost,” which can mean different things depending on what is considered reasonable
- Two mentions of expansion of program offerings
- Other considerations for greenhouse gas reductions (n = 1), and inclusion of an equity adder in benefit-cost calculations (n =1)

Survey Results – DSM Goals and Metrics

<i>Q: What new goals would be consistent with NV policy?</i>	<i>Q: How would you track and measure these metrics?</i>	<i>Q: How would the goal/metric impact portfolio design?</i>	<i>Q: What are the goal/metric pros and cons?</i>
GHG emissions goal with natural gas efficiency standard and potential peak demand savings goal	Grid make up and delivery schedule; natural gas tracked in MMBtus, cost savings, emissions reductions; peak demand through utility time and consumption data	Drives EE measures in areas with most fossil fuel intensive infrastructure, necessitates EE incentives available to high energy burden households	Con: Decarbonization not economically feasible in certain communities and households
Nested fuel goals within larger CO2 education goal and kWh savings goal (example: New York)	DSM Collaborative reporting to the Commission	Requires cost-effective program design, program ramp-up, incentives rework to overcome current underperformance	Pros: Transparent and consistent with statute while also ensuring minimum investments in traditional EE, electrification, and DR
GHG reduction; everything behind-the-meter, including PV and all resource-to-grid enabling technologies as DSM resources	Telemetry data in resource-to-grid technologies and EPA fuel efficiency standards and grid fuel mix from a past year	Fuel-switching barriers would disappear; there'd be a discussion on which technologies and treatments qualify as DSM resources	Pros: DSM as a resource improves health and safety while mitigating climate impacts of growth Con: Requires fresh perspective; change from the status quo (also a pro!)

Terminology

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Historically Underserved Community

- Designated as a qualified census tract by the Secretary of Housing and Urban Development pursuant to 26 U.S.C.
- In the immediately preceding census, at least 20 percent of households were not proficient in the English language
- A public school in this State
 - In which 75 percent or more of the enrolled pupils in the school are eligible for free or reduced-price lunches pursuant to
 - That participates in universal meal service in high poverty areas or
 - Qualified tribal land

Limited Income or Low Income

- A household, which may include one or more persons, with a median household income of not more than 80% of the area median household income
- Section 44 of SB 448 requires at least 10% of expenditures related to energy efficiency programs must be spent on measures for customers in low-income households, residential customers, and public schools in historically underserved communities

SharePoint Logistics

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SharePoint

- Participation in the SharePoint site is optional.
- If you choose not to participate:
 - Encolor can send materials to you via email and will aggregate feedback at the end of review periods.
 - We ask for your permission to share your thoughts with the group

Step 1



Sign in

Email, phone, or Skype

No account? Create one!

Sign in with Windows Hello or a security key ?

Next



Sign-in options

Step 2



Microsoft 365 →

Apps



Outlook



Word



PowerPoint



SharePoint



OneDrive



Excel



OneNote

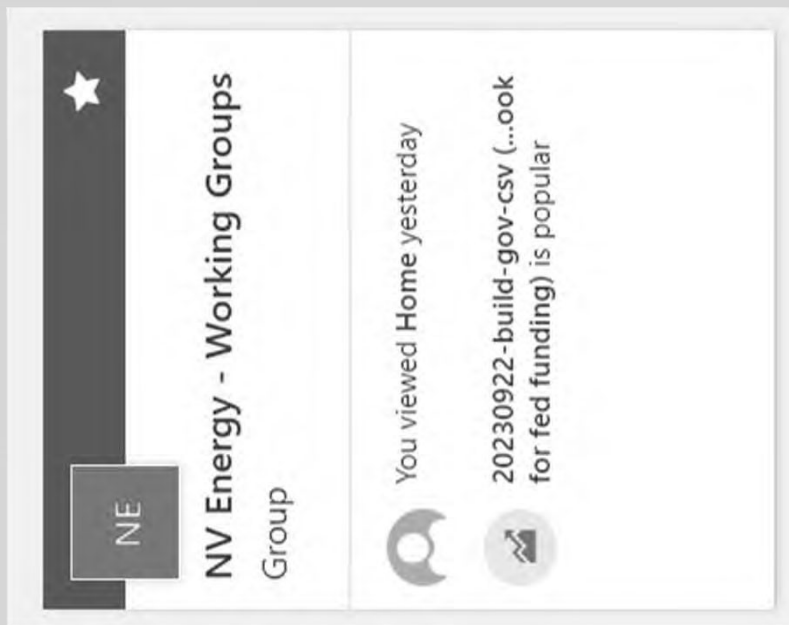


Teams

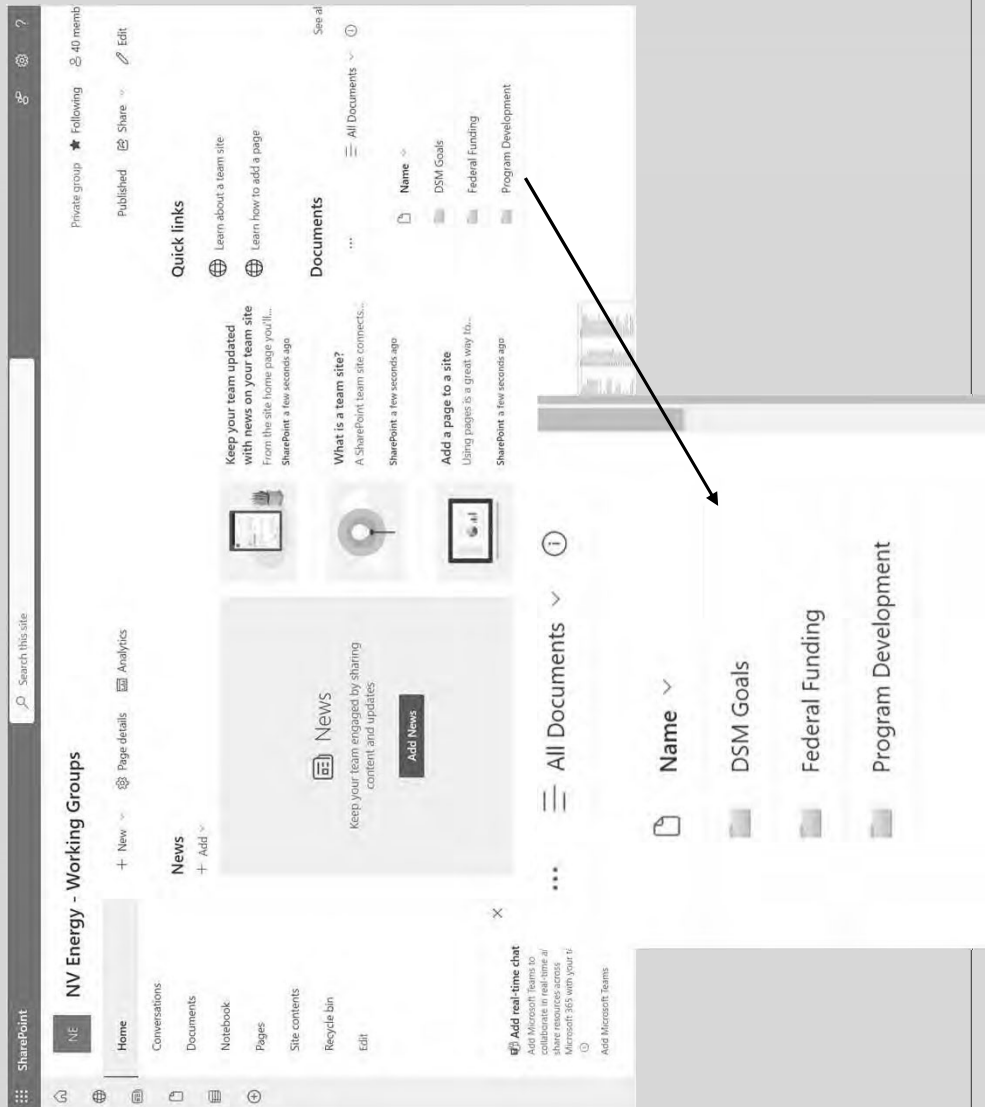
Microsoft 365

Microsoft 365

Step 3



Step 4



Next Steps

Next Steps and Action Items

- *[capture notes here and below]*

- ...

- ...

- ...

nve_working_groups@encolorconsulting.com

Thank You

DSM GOALS WORKING GROUP MEETING

January 8, 2024



AGENDA

Welcome &
Introductions

Updates To
Proposed
Frameworks

Discuss
Feedback

Timeline &
Next Steps

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DSM Goals Working Group Purpose

“...assist the Companies with providing recommendations to the Commission regarding both the goals and the metrics by which to set goals for the 2025-2027 DSM Plan for demand and energy savings and potentially other metrics as well as barriers to planning for and implementing energy efficiency and demand response programs and how to mitigate those barriers”

Ground Rules



Listen and be
present



Feel free to
add your
thoughts to
the chat



Keep
your
camera
on, as
much as
possible



Put your
hand up if
you want to
speak



This is a
safe
space

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Updates to the Proposed Frameworks

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Feedback on the Portfolios

- Feedback suggests adjustments are required for:

Issue	Description
"Equity"	Too broad of a term and confusing as a proxy for the low-income statutory requirement applicable to all portfolios.
"Economy-Wide Decarbonization"	Term does not adequately describe the set of objectives of the third portfolio and is inappropriate
"Full Decarbonization"	Term does not adequately describe the set of objectives of the third portfolio and is inappropriate

High Level Portfolios and Objectives

- What words better reflect the intention of the highlighted terms?

<i>Portfolio Type</i>	<i>Traditional</i>	<i>Grid Value</i>	<i>Grid Value & Electric Grid</i>	<i>Full Decarbonization</i>
Objectives				
Energy Savings	>	>	>	>
Demand Flexibility	>	>	>	>
Electric System Decarbonization				
Economy-Wide Decarbonization				>
Cost-Effective	>	>	>	>
Equitable	>	>	>	>
...other (working group input and discussion)				

Portfolio Types vs Portfolio Objectives* (detail)

Objectives	Traditional	Grid Value & Electric Grid Decarb	Strategic Decarbonization?
Energy Savings	-all types of energy efficiency ("EE") measures.	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels	-higher focus on "Green EE" or measure that reduce electricity generation from fossil fuels
Demand Flexibility		-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)	-measures that maximize avoided energy and capacity costs (e.g. economic, reliability, emergency DR)
Electric System Decarbonization		-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting	-measures that reduce fossil-fuel peaking and ramping generators; -measure that maximize renewable energy use (or reduce curtailment of renewable energy) via load shifting
Renewable Energy Optimization?			-measures promoted by state and federal policy (e.g. heat pump technology) -measures that must achieve fuel neutral energy savings -measures that further improve demand flexibility and renewable integration in alignment with the "energy transition"*** -includes total (all fuels) energy bill savings protections
Cost-Effective	-portfolio must pass TRC -valuation must account for non-energy benefits	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable generator curtailment; fossil-fuel generator dispatch; avoided cost of carbon	-portfolio must pass TRC -valuation must account for non-energy benefits; price volatility (including negative pricing) and renewable curtailment; fossil-fuel generator dispatch; avoided cost of carbon; fuel neutral net efficiency gains

*All portfolios must meet full set of regulatory compliance items which include requirements that ensure minimum participation from low-income and historically underserved communities.

***"Energy transition" phrase refers to efforts to achieve NV net-zero carbon by 2050 and need to adapt end-use loads and demand side measures to most efficiently use (technically and economically) very high volumes of renewable energy with increased supply and energy price volatility.

Statute Key Points

- “**Energy savings**” means the gross energy savings resulting from energy efficiency measures adopted through the implementation of an energy efficiency program
- Designed to meet or exceed the goals for energy savings established by the Commission pursuant to this section
- Includes one or more energy efficiency programs
- Cost effective
- ...not less than 10 percent of the total expenditures related to energy efficiency programs must be spent 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.

Statute Key Points: Section 704.741.3(a)- (c) of the NRS

The Commission **shall require the utility or utilities to include in the plan:**

- 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.**
- 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.
- A comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands or the best methods to reduce the demands, **which must include at least one scenario of low carbon dioxide emissions** that:
- Uses sources of supply that result in, by 2050, an amount of energy production from zero carbon dioxide emission resources that equals the forecasted demand for electricity by customers of the utility;
- Includes the deployment of distributed generation; and...

Discuss Feedback

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Feedback:

- We welcome and value feedback from all working group members
- Does anyone have any feedback on the portfolios or metrics you have not been able to provide?

Feedback: Summary

- kWh, kW and electric grid decarbonization goals are generally supported. Stakeholders recommend:
 - kWh and kW goals should be an absolute number, not % of sales
 - Be cumulative
 - Set close to achievable potential
- Cost effectiveness metrics should be included
- Equity could be considered in program design
- Grid value and electric grid decarbonization portfolio is interesting
- Some stakeholders don't support strategic decarbonization, while others said exploring this model is important for building a shared vision of a decarbonized future energy mix

Feedback: Discussion

- Do you support or have any issues with absolute targets?
- Are there other metrics you want to set, such as % reduction of fossil fuel? Or carbon reduction?
- What about equity related goals?
- Should we explore the strategic decarbonization model more?

Next Steps

Schedule Next Meeting Time

- To discuss during the meeting

nve_working_groups@encolorconsulting.com

Thank You



Federal Funding Working Group

Meeting #1

April 7th 2023



Agenda

- Working Group Purpose
- Ground Rules
- Introductions
- Community Agreements
- Decision Making
- Brainstorming
- Next Steps

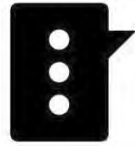


“Continue discussions on topics including incentive levels, program updates and improvements, and availability of federal funding for DSM programs”

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Introductions

- Please include:
 - Your name
 - Your organization
 - Your role
 - A 30-second elevator pitch of something that makes you excited about participating in this working group
- nve_working_groups@encolorconsulting.com

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Decision Making Principles



- We will have a “strategic dissenter” or “devil’s advocate” to try to avoid group-think
- Follow a general framework of outlining options, their benefits/costs, and mitigation strategies while decision making
- We will make decisions by
 - Consensus: input and acceptance from each member of the team, *does not mean unanimous*.
 - What if people are absent?
 - If voting, do we do so during meetings or confidentially?
 - NV Energy ultimately decides with the input from the working group



Congress has structured these rebate programs to be administered by State Energy Offices and Indian Tribes, with the U.S. Department of Energy (DOE) providing guidance and oversight.

“For existing utility programs, DOE is collaborating with utilities to better understand how the program guidance can be developed to provide integrated and streamlined offerings.”

Federal Funding Timeline



From U.S. Department of Energy:

- Publish guidance to states and Indian Tribes in Summer 2023.
- Once DOE has made funds available to states and Indian Tribes, those entities will then be responsible for setting up and administering the programs that make the rebates accessible to households. It is likely that program rollouts will vary across states, but generally DOE expects households to be able to access these rebates in much of the country in late 2023/early 2024.



IRA Background

Maximum allowed rebate amounts defined in Inflation Reduction Act (IRA):

Type of Home Energy Project	Maximum Allowed Rebate Amount Per Household Below 80% Area Median Income (AMI)	Maximum Allowed Rebate Amount Per Household Above 80% Area Median Income (AMI)
Home Efficiency Project with at least 20% predicted energy savings	80% of project costs up to \$4,000	50% of project costs up to \$2,000 (maximum of \$200k for a multifamily building)
Home Efficiency Project with at least 35% predicted energy savings	80% of project costs up to \$8,000	50% of project costs up to \$4,000 (maximum of \$400k for a multifamily building)
Home Electrification Project Qualified Technologies (only households with an income below 150% AMI are eligible)	100% of project costs up to technology cost maximums*; up to \$14,000	50% of project costs up to technology cost maximums*; up to \$14,000 (households with incomes above 150% AMI are not eligible)

But it also says rebates available to household of any income...

Source: U.S. DOE, <https://www.energy.gov/scep/home-energy-rebate-programs-frequently-asked-questions>



IRA Background

High-efficiency electric home rebate program (maximum rebated costs):

- Heat pump water heater (\$1,750)
- Heat pump (\$8,000)
- Electric stove, cooktop, range, or oven (\$840)
- Electric heat pump clothes dryer (\$840)
- Load service center upgrade (\$4,000)
- Insulation, air sealing, and ventilation (\$1,600)
- Electric wiring (\$2,500)



IRA Background

Home energy performance-based, whole-house (HOMES) rebates:

- Models whole-home energy consumption before and after an energy efficiency retrofit.
- \$2,000-\$4,000 rebate depending on savings (20-35%)
- Can't be combined with other programs
- Expanded rebates for low income

IRA Background



Tax credits:

- IRA also includes “a series of long-term (10+ years) tax credits for individuals who would provide up to 30% of project costs back at tax time”

Goal Setting Brainstorm



How could federal funding be incorporated into NV Energy's programs?

How do you envision NVE working with the entities that will allocate the funding?

Federal Funding Brainstorm



How can NV Energy position itself to take full advantage of federal funding?

What should NV Energy do to prepare to help ensure positive outcomes for all customers?

What are potential challenges to receiving this funding and integrating it effectively into the portfolio?

Next Steps



Encolor will draft group goals for working group review

Set timeline for ongoing meetings