

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of NEVADA POWER COMPANY d/b/a NV Energy and SIERRA PACIFIC POWER COMPANY d/b/a NV Energy, seeking approval to add 600 MW of renewable energy and 480 MW of energy storage capacity, among other items, as part of their joint 2022-2041 integrated resource plan, for the three year Action Plan period 2022-2024, and the Energy Supply Plan period 2022-2024.

Docket No. 21-06____

VOLUME 1 OF 18

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

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TRANSMITTAL LETTER



June 1, 2021

Ms. Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701-3109

RE: Docket No. 21-06___ Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy, seeking approval to add 600 MW of renewable energy and 480 MW of energy storage capacity, among other items, as part of their joint 2022-2041 integrated resource plan, for the three year Action Plan period 2022-2024, and the Energy Supply Plan period of 2022-2024.

Dear Ms. Osborne:

Enclosed for filing please find the attached Application made by and on behalf of Sierra Pacific Power Company d/b/a NV Energy and Nevada Power Company d/b/a NV Energy (the “Companies” or “NV Energy”) seeking approval of their joint triennial integrated resource plan (addressing the 20-year planning period 2022 to 2041 and action plan period 2022 to 2024) (“2021 Joint IRP”) and energy supply plan (addressing the three year period 2022 to 2024) (“2021 ESP”). The entire filing is contained in 17 volumes, which are numbered sequentially and are individually indexed. A complete index of the entire filing by volume is attached to this transmittal letter.

Additional Copies: To facilitate the review of the filing by the Public Utilities Commission of Nevada (“Commission”) and its policy advisors, courtesy copies are being printed and will be provided to both the Carson City and Las Vegas offices as they become available. Please advise me at the number below as to how many printed versions should be delivered to each location. As always, additional copies of the print version of the filing will be provided upon request.

Workpapers: Electronic copies of the filing, along with the executable electronic copies of load forecasting and demand-side plan workpapers will be delivered to the Regulatory Operations Staff (“Staff”) and the Attorney General’s Bureau of Consumer Protection (“BCP”) in both their Carson City and Las Vegas offices.

Confidentiality: Accompanying this transmittal letter are portions of the filing that are to be kept under seal pursuant to NAC § 703.527 *et seq.* This information is printed on pink paper and transmitted in a sealed envelope, appropriately marked, and contains the unredacted versions of the following:

Load Forecasts. The Companies prepared comprehensive load forecasts for the 2021 Joint IRP and the 2021 ESP. Certain information in the narratives and Technical Appendix item LF-1 in both the 2021 Joint IRP and 2021 ESP are confidential because they contain usage of discrete and specific customers. This information cannot be made public without the consent of the customers identified and qualifies for confidential treatment under NRS § 703.190.

Fuel and Purchased Power Price Forecasts and Market Fundamentals. The Companies prepared price forecasts for natural gas, coal and purchased power for the 2021 Joint IRP and the 2021 ESP. The following figures in the fuel and purchased power narrative in the 2021 Joint IRP are confidential and have been redacted in the public version of the filing:

- Figure PF-2 – Annual Average Gas Price Forecast
- Figure PF-3 – Average Market Implied Heat Rate Southern Nevada
- Figure PF-4 – Average Market Implied Heat Rate Northern Nevada
- Figure PF-5 – Average Annual Power Price Forecast Mead
- Figure PF-6 – Average Annual Power Price Forecast Northern
- Figure PF-7 – Base, High and Low Gas Price Forecast SoCal
- Figure PF-8 – Base, High and Low Gas Price Forecast Malin
- Figure PF-9 – Base, High and Low Power Price Forecast Mead
- Figure PF-10 – Base, High and Low Power Price Forecast Northern Nevada
- Figure PF-11 – Projected Capacity Prices
- Figure PF-12 – Projected Coal Prices

In addition, in the 2021 Joint IRP, Technical Appendix item FPP-1 provides additional confidential fuel price information. Further, in the 2021 Joint IRP market fundamentals narrative, natural gas price forecasts are confidential

In the ESP the following figures in the fuel and purchased power narrative are confidential and have been redacted in the public version of the filing:

- Figure ESP-28 – Base, High and Low Gas Price Forecast SoCal
- Figure ESP-29 – Base, High and Low Gas Price Forecast Malin
- Figure ESP-30 – Base, High and Low Power Price Forecast Mead
- Figure ESP-31 – Base, High and Low Power Price Forecast Northern Nevada
- Figure ESP-32 – Projected Coal Prices

In addition, in the 2021 ESP market fundamental narrative, natural gas price forecasts are confidential and Technical Appendix FPP-1 contains confidential fuel price information.

Fuel and purchased price forecasts qualify for confidential treatment under NRS § 703.190. They derive independent economic value from not being generally known and disclose the Companies' views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage the Companies by limiting their ability to foster competition among prospective suppliers, compromising the Companies' negotiating position and reducing its bargaining leverage. Publication of this information would unfairly advantage competing coal buyers and impair the Companies' ability to achieve the most favorable pricing and terms and conditions from suppliers on behalf of its customers.

Gas Premiums. Section 2.C, Fuel Supply narrative in the 2021 Joint IRP contains confidential gas price premiums. This confidential information is commercially sensitive and/or trade secret information that derives independent economic value from not being

generally known. Disclosure of this confidential information to any third party would adversely affect The Companies' ability to obtain favorable terms from its gas suppliers.

Operational Data. A comprehensive IRP analysis necessarily relies on confidential information regarding the performance characteristics of the Companies' generating fleet. In the 2021 Joint IRP, the following Technical Appendix items are provided in redacted form in the public version of the filing.

- GEN-1 – Unit Characteristics Table
- GEN-2 – New Generation Unit Performance Data
- GEN-3 – 2017 Plant Emission Rates
- ECON-3 – Average Generation Costs
- ECON-5 – Hourly Marginal Costs
- ECON-7 – Capital Projects
- ECON-11 – PLEXOS LT Candidate Unit Details

Similar information is included in POWER-1 and ECON-1 in the 2021 ESP.

Generation unit characteristics and similar operational data qualify for confidential treatment under NRS § 703.190. The information in these Technical Appendices derive independent economic value from not being generally known. This information discloses the Companies' views and expectations of the relevant markets and its future procurement opportunities. This information is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage the Companies by limiting their ability to foster competition among prospective energy suppliers and buyers; compromising the Companies negotiating positions and reducing their bargaining leverage. Publication of this information would unfairly advantage competing market participants and impair the Companies' ability to achieve the most favorable pricing and terms and conditions from suppliers on behalf of its customers.

Renewables. The following Technical Appendices for the Renewable Plan in the 2021 Joint IRP are confidential:

- REN-3 Fort Churchill Solar Array Lease Agreement
- REN-4 Due Diligence Summary
- REN-19-IP - Iron Point - Cost Comparison to a Rate Based Asset
- REN-19-HP - Hot Pot - Cost Comparison to a Rate Based Asset
- REN-20-IP - Iron Point - Competitive PV Bid Analysis
- REN-20-HP - Hot Pot - Competitive PV Bid Analysis
- REN-21-IP - Iron Point - Competitive Energy Storage Pricing Analysis
- REN-21-HP - Hot Pot - Competitive Energy Storage Pricing Analysis
- REN-23 FC Present Worth Revenue Requirement Summary

REN-3 contains a confidentiality provision that requires the agreement to be maintained confidential. Similarly, portions of the Renewable Plan and Shane Pritchard's testimony that reference portions of this agreement are redacted. REN-4 contains the Companies' due

diligence review of the projects, which if publicly disclosed could provide an unfair market advantage to competitors by showing the Companies' internal analysis on projects. REN-19-IP and REN-19-HP contain capital costs and expenses of the Iron Point and Hot Pot projects, which includes the Companies' forecasts and assumptions that are not publicly disclosed and contain proprietary information of third parties. REN-20-IP, REN-20-HP, REN-21-IP and REN-21-HP confidential as they contain bid information of non-selected projects from past requests for proposals. Public disclosure of this information could allow a competitor to determine the Companies' forecasts and assumptions, and this information may impact the Companies' ability to negotiate in the marketplace and obtain the best terms and pricing for their customers. This information qualifies for confidential treatment under NRS § 703.190.

Transmission Infrastructure. In the 2021 Joint IRP, the Companies have prepared a comprehensive transmission plan. Technical Appendix TRAN-2 contains customer specific load information that is included in the study and qualifies as for confidential treatment under NRS § 703.190.

Forecasted Financial Data. A comprehensive IRP analysis necessarily relies on confidential information regarding the impact of the Preferred Plan on the Companies' financial performance. That information is discussed in the narrative of the Financial Plan. The following figures in the Financial Plan narrative are confidential and have been redacted in the public version of the filing.

- Figure FP-3 – Nevada Power Summary of External Debt Financing
- Figure FP-4 – Sierra Summary of External Debt Financing
- Figure FP-11 – Nevada Power Funds from Operations to Total Debt
- Figure FP-12 – Nevada Power EBITDA Interest Coverage
- Figure FP-13 – Nevada Power Total Debt to Total Capital
- Figure FP-14 – Nevada Power Cash from Operations to CAPEX
- Figure FP-15 – Sierra Funds from Operations to Total Debt
- Figure FP-16 – Sierra EBITDA Interest Coverage
- Figure FP-17 – Sierra Total Debt to Total Capital
- Figure FP-18 – Sierra Cash from Operations to CAPEX

The financial analysis accompanying the 2021 Joint IRP qualifies for confidential treatment under NRS § 703.190. It derives independent economic value from not being generally known and discloses the Companies' views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies. Moreover, the financial analysis contains non-public financial data.

Pursuant to NAC § 703.5274(1), one unredacted copy of the confidential information will be filed with the Commission's Secretary in a separate envelope stamped "confidential." Redacted versions of confidential information will be submitted for processing and posting onto the Commission's public website.

Ms. Osborne
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Pursuant to NAC § 703.5274(2), the Companies hereby request that the above-described information not be disclosed to the public. The Companies request that this information remain confidential for a period of five years.

Confidential treatment of the above-described information will not impair the ability the Staff or the BCP to fully investigate the Companies' proposals. Pursuant to NAC § 703.527 and § 703.5274, Staff and BCP have already executed a protective agreement for this case and will be immediately provided unredacted copies of the filing.

Should you have any questions regarding this filing, please contact me at (775) 834-5678 or timothy.clausen@nvenergy.com.

Respectfully submitted,

/s/Timothy Clausen
Timothy Clausen
Senior Attorney

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CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing of **NEVADA POWER COMPANY D/B/A NV ENERGY, AND SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY** in Docket 21-06__ upon the persons listed below by electronic mail:

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DATED this 1st day of June, 2021.

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