

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Application of Nevada Power Company d/b/a NV Energy seeking approval of the Second Amendment to its 2016-2035 integrated resource plan.

Docket No. 16-08\_\_

**VOLUME 1 OF 7**

**NEVADA POWER COMPANY D/B/A NV ENERGY**

<b>DESCRIPTION</b>	<b>PAGE NUMBER</b>
Transmittal Letter	2
Table of Contents	7
Certificate of Service	11

## **TRANSMITTAL LETTER**



August 15, 2016

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

RE: Docket No. 16-08\_\_\_\_, Nevada Power Company d/b/a NV Energy's Application seeking approval of its Second Amendment to integrated resource plan (addressing the twenty-year planning period 2016 to 2035 and action plan period 2016 to 2018).

Dear Ms. Osborne:

Enclosed for filing please find the attached Application made by and on behalf of Nevada Power Company d/b/a NV Energy ("Nevada Power" or the "Company") seeking approval of its Second Amendment to its integrated resource plan (addressing the twenty-year planning period 2016 to 2035 and action plan period 2016 to 2018).

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.

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 contained in a sealed envelope, appropriately marked, and contains the unredacted versions of the following:

**Customer Specific Information.** Portions of Technical Appendix Item LF-1 containing customer-specific information regarding the projected loads of specific customers have been redacted. Technical Appendix Item GEN-8 is a confidential document setting forth a customer's termination and assignment rights regarding the South Point facility. Customer-specific information qualifies for confidential treatment under NRS § 703.190.

**Fuel and Purchased Power Price Forecasts.** Nevada Power has prepared price forecasts for natural gas, coal and purchased power for the IRP and the ESP. In the Market Fundamentals section of the narrative, the following figures are confidential and have been redacted in the public version of the filing.

- Figure PF-2. Annual Average Gas Price Forecast (Base Fuel- No CO<sub>2</sub>)
- Figure PF-3. Average Market Implied Heat Rate Forecast (Base Fuel- No CO<sub>2</sub>)
- Figure PF-4. Average Annual Power Price Forecast – Mead
- Figure PF-6. Base, High and Low Gas Forecast – SoCal
- Figure PF-7. Base High and Low Power Price Forecast – Mead On Peak
- Figure PF-8. Nevada Power Projected Coal Prices

Technical Appendix Items FPP-1 and FPP-2 provide additional 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 Nevada Power's 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 Nevada Power's customers by limiting Nevada Power's ability to foster competition among prospective suppliers, compromising Nevada Power's negotiating position and reducing its bargaining leverage. Publication of this information also would unfairly advantage competing buyers. Public disclosure of this information will hinder Nevada Power's ability to achieve the most favorable pricing and terms and conditions from competing suppliers and buyers on behalf of its customers.

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

- TA GEN-1. Unit Characteristics Table;
- TA GEN-2. New Generation Unit Performance Data
- TA GEN-3. 2015 Plant Emission Rates;
- TA GEN-6. South Point Due Diligence Report
- TA GEN-7. Open Source RFP Bid Analysis Summary
- TA GEN-8. Wynn Termination and Assignment
- TA ECON-1. Workshop Minutes;
- TA ECON-3. Average Generation Cost; and
- TA ECON-5. Hourly Marginal Energy Cost.
- TA ECON-18. Open Source RFP Report

Generation unit characteristics, operational data, due diligence and bid analyses 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 is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage Nevada Power's customers by disclosing Nevada Power's capabilities to successfully compete in the energy market, both in securing supply on behalf of its customers, or in selling into the market (the proceeds of which are returned to customers). Publication of this information would limit Nevada Power's ability to participate in competitive markets, advantaging competing market participants and hindering Nevada Power's ability to achieve the most favorable pricing and terms and conditions from competing suppliers on behalf of its customers. Moreover, due diligence and bid analyses discuss information obtained from bidders pursuant to non-disclosure agreements and competitive solicitation protocols.

**Renewable Plan.** Technical Appendix REN-2 includes PPA placeholder pricing assumptions used by Nevada Power in developing the Preferred Plan and alternatives. The PPA pricing assumptions qualify for confidential treatment under NRS § 703.190. This information derives independent economic value from not being generally known and discloses Nevada Power's views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies.

**Forecasted Financial Data.** A comprehensive IRP analysis necessarily relies on confidential information regarding the impact of the Preferred Plan on the Company's projected financial performance. That information is discussed in the External Filing Requirements section of the Financial Plan, which is included in the narrative. The following figures in the Financial Plan narrative, as well as the accompanying discussion of those figures, are confidential and have been redacted in the public version of the filing.

- FP-3 (Summary of External Financing)
- FP-8 (Funds from Operations to Total Debt)
- FP-9 (EBITDA Interest Coverage)
- FP-10 (Total Debt to Total Capital)
- FP-11 (Cash from Operations to CAPEX)

The financial analysis accompanying the IRP qualifies for confidential treatment under NRS § 703.190. It derives independent economic value from not being generally known and discloses Nevada Power's 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 and projections.

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.

Pursuant to NAC § 703.5274(2), Nevada Power hereby requests that the above-described information not be disclosed to the public. Nevada Power requests that this information remain confidential for a period of five years, after which time the Commission may destroy or return the confidential information, at its convenience.

Nevada Power has transmitted protective agreements to the Staff and BCP so that they may be expeditiously served with the confidential information described above.

Ms. Osborne  
August 15, 2016  
Page 4 of 4

Should you have any questions regarding this filing, please contact me at (775) 834-5694 or belliot@nvenergy.com.

Respectfully submitted,

/s/Elizabeth Elliot  
Elizabeth Elliot  
Associate General Counsel

## **TABLE OF CONTENTS**

**NEVADA POWER COMPANY D/B/A NV ENERGY**

**TABLE OF CONTENTS**

**SECOND AMENDMENT TO THE 2016 – 2035 INTEGRATED RESOURCE PLAN**

**VOLUME 1 OF 7**

Transmittal Letter  
Table of Contents  
Certificate of Service

**VOLUME 2 OF 7**

**APPLICATION**

Exhibit A – Action Plan  
Exhibit B – Road Map  
Exhibit C – Draft Notice  
Exhibit D - Narrative

**VOLUME 3 OF 7**

**TESTIMONY**

James Doubek  
Terry A. Baxter  
Abdul Razack  
Marc D. Reyes  
Joseph R. Brignola  
Patricia Rodriguez  
Anita L. Hart  
Kevin Geraghty  
Jesse E. Murray  
Marie Steele  
Sachin Verma  
Joseph E. Sinobio  
Robert R. Kocour, Jr  
Dr. David Harrison, Jr  
Kevin Bethel



**VOLUME 4 OF 7**  
**TECHNICAL APPENDIX**  
**LOAD FORECAST**

- LF-1 Nevada Power Company's 30 Year Load Forecast (REDACTED)
- LF-2 CBER June 2015 Long Term Population Forecast
- LF-3 CBER December 2015 Economic Outlook
- LF-4 LVCVA Resort and Other Destination Amenities Construction Bulletin (September 15, 2015)
- LF-5 LVCVA Resort and Other Destination Amenities Construction Bulletin (March 16, 2016)
- LF-6 2011 Residential Appliance Saturation Survey Report
- LF-7 Forecasting Using Statistically Adjusted End-Use Models
- LF-8 2008 Commercial Natural Gas Statistically Adjusted End-Use Models

**VOLUME 5 OF 7**  
**TECHNICAL APPENDIX**  
**LOAD FORECAST**

- LF-9 Peak and Hourly Load Forecasting Methodology Slides
- LF-10 Global Insight October 2015 Economic History and Forecast
- LF-11 LVCVA Resort and Other Destination Amenities Construction Bulletin (June 22, 2016)
- LF-12 CBER June 2016 Economic Outlook
  
- LF-13 Nevada State Demographer Intercensal Population Estimates
- LF-14 Population of Nevada's Counties and Incorp Cities 2015

**FUEL AND PURCHASE POWER FORECASTS**

- FPP-1 Fuel and Purchased Power Price Forecasts – CPP Cases (CONFIDENTIAL)
- FPP-2 Fuel and Purchased Power Price Forecasts – CO2 Cases (CONFIDENTIAL)

**GENERATION**

- GEN-1 Unit Characteristics Table (REDACTED)
- GEN-2 New Generation Units Performance Data and Costs (CONFIDENTIAL)
- GEN-3 2015 Plant Emission Rates (CONFIDENTIAL)
- GEN-4 South Point APA

**VOLUME 6 OF 7**  
**TECHNICAL APPENDIX**  
**GENERATION**  
GEN-5 RFP Protocol

**VOLUME 7 OF 7**  
**TECHNICAL APPENDIX**  
**GENERATION**

- GEN-6 South Point Due Diligence Package (CONFIDENTIAL)
- GEN-7 RFP Shortlist Documents (CONFIDENTIAL)
- GEN-8 Wynn Withdrawal Package (CONFIDENTIAL)

**ECONOMIC ANALYSIS**

- ECON-1 Workshop Minutes (CONFIDENTIAL)
- ECON-2 Description of PROMOD Modeling Software
- ECON-3 Average Generation Costs (REDACTED)
- ECON-4 Scheduled Maintenance
- ECON-5 Hourly Marginal Costs (CONFIDENTIAL)
- ECON-6 Nevada Power 704B2 Load LR
- ECON-7 Nevada Power 704B2 High Load LR
- ECON-8 Nevada Power 704B2 Low Load LR
- ECON-9 Nevada Power 704B6 Load LR
- ECON-10 Sierra Base Load LR
- ECON-11 Sierra High Load LR
- ECON-12 Sierra Low Load LR
- ECON-13 Total Production Costs (all cases + sensitivities)
- ECON-14 Capital Projects (all cases + sensitivities)
- ECON-15 PWRR (Production + Capital Costs)
- ECON-16 Operating Reserves Calculation
- ECON-17 Area Diagram
- ECON-18 Open Resource RFP Report (CONFIDENTIAL)

**CONTRACTS**

- CON-1 Long-Term Purchase Power Agreements

**RENEWABLES**

- REN-1 Utility-Owned 12x24 Supply Tables
- REN-2 Generic Placeholder 12x24 Supply Tables (CONFIDENTIAL)
- REN-3 Generic Placeholder Pricing

**CERTIFICATE OF SERVICE**

**CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing **NEVADA POWER COMPANY D/B/A NV ENERGY'S APPLICATION TO APPROVE SECOND AMENDMENT TO THE 2016 – 2035 INTEGRATED RESOURCE PLAN** in Docket No. 16-08\_\_\_ upon the persons listed below by the following:

**FEDERAL EXPRESS**

Tammy Cordova  
Public Utilities Comm. of Nevada  
9075 West Diablo Drive Suite 250  
Las Vegas, NV 89148  
[tcordova@puc.nv.gov](mailto:tcordova@puc.nv.gov)

**HAND DELIVERED**

Staff Counsel Division  
Public Utilities Comm. of Nevada  
1150 E. William Street  
Carson City, NV 89701-3109  
[pucn.sc@puc.nv.gov](mailto:pucn.sc@puc.nv.gov)

**FEDERAL EXPRESS**

Paul Stuhff  
Attorney General's Office  
Bureau of Consumer Protection  
10791 W. Twain Ave., Ste. 100  
Las Vegas, NV 89135-3022  
[bcpserv@ag.nv.gov](mailto:bcpserv@ag.nv.gov)

**HAND DELIVERED**

Attorney General's Office  
Bureau of Consumer Protection  
100 N. Carson St.  
Carson City, NV 89701  
[bcpserv@ag.nv.gov](mailto:bcpserv@ag.nv.gov)

This document will be available on the following SFTP site:  
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DATED this 15th day of August, 2016.

*/s/ Lynn D'Innocenti*  
Lynn D'Innocenti  
Sr. Legal Admin Assistant  
Sierra Pacific Power Company  
Nevada Power Company