

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R005-22

February 17, 2022

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1, 6 and 7, NRS 703.025, 704.210, 704.741, as amended by section 39 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3793, and section 14 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3782; § 2, NRS 703.025, 704.210, 704.741, as amended by section 39 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3793, and NRS 704.7836, as amended by section 44 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3800; §§ 3-5, NRS 703.025, 704.210 and 704.741, as amended by section 39 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3793; §§ 8 and 10, NRS 703.025; §§ 9 and 11, NRS 703.025 and 704.210.

A REGULATION relating to energy; revising the required contents of the distributed resources plan of a utility; revising provisions governing expenditures relating to energy efficiency and conservation programs in a demand side plan; revising the options for the supply of capacity and electric energy that an electric utility must consider to meet expected future demand on its system; revising the required contents of the supply plan, action plan and progress report relating to the action plan of an electric utility; revising provisions governing the Electric Vehicle Program; repealing certain regulations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Public Utilities Commission of Nevada to adopt necessary and reasonable regulations governing public utilities. (NRS 704.210) Existing law requires certain electric utilities with an annual operating revenue of \$2,500,000 or more in this State to submit to the Commission on or before June 1 of every third year, a plan to increase its supply of electricity or decrease the demands made on its system by its customers, and requires that plan to include a distributed resources plan. (NRS 704.736, 704.741, as amended by section 39 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3793) Existing law requires that the distributed resources plan include a plan to accelerate transportation electrification, which is defined as the use of electricity from external sources to power passenger vehicles, trucks, buses, trains, boats or other equipment that transports goods or people. (Section 14 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3783 (NRS 704.7867)) **Section 1** of this regulation requires the plan to accelerate transportation electrification to include all financial

impacts and certain related matters associated with the plan. **Section 1** also requires an electric utility to request a non-bypassable per kilowatt hour charge to pay for the participation of eligible customers who purchase or plan to purchase electricity from a provider of new electric resources in certain programs to accelerate transportation electrification.

Existing regulations require a utility, as part of its resource plan, to submit a demand side plan to promote energy efficiency and conservation. Existing regulations also require not less than 5 percent of the total expenditures related to energy efficiency and conservation programs in the demand side plan to be directed to energy efficiency and conservation programs for low-income customers of the electric utility. (NAC 704.934) **Section 2** of this regulation revises that provision to require not less than 10 percent of the total expenditures related to energy efficiency and conservation programs in the demand side plan to be directed, through certain programs, to energy efficiency measures for customers of the utility in low-income households and residential customers and public schools in historically underserved communities.

Existing regulations require a utility to develop a set of analyses of its options for supply to be considered for meeting the expected future demand on its system, which must include, in relevant part, options for low carbon intensity. (NAC 704.9355) **Section 3** of this regulation requires the consideration of options of low carbon dioxide emissions, rather than low carbon intensity.

Existing regulations require a utility to provide a supply plan as part of its resource plan and require the supply plan to contain a diverse set of alternative plans which include a list of options for the supply of capacity and electric energy. (NAC 704.9156, 704.937) Existing regulations require that at least one of those alternative plans be of low carbon intensity and include: (1) the generation or acquisition of an amount of renewable energy greater than the applicable portfolio standard established by the Commission; (2) changes to the utility's existing fleet of resources for the generation of power; (3) the application of technology that would significantly reduce carbon emissions; or (4) any combination thereof. (NAC 704.937) **Section 4** of this regulation removes those requirements and provides that at least one of the alternative plans be of low carbon dioxide emissions that uses sources of supply that will achieve certain reductions in carbon dioxide emissions and includes the deployment of distributed generation. Existing regulations also require a supply plan to include a conceptual renewable energy zone transmission plan for the 20 years covered by the forecast in the supply plan. (NAC 704.9385) **Section 5** of this regulation removes that requirement.

Existing regulations provide that each resource plan of a utility must include a detailed action plan based on an integrated analysis of the demand side plan and supply plan of the utility. Existing regulations provide that the action plan must contain a budget for planned expenditures and a renewable energy zone transmission action plan for serving one or more of the renewable energy zones designated by the Commission. (NAC 704.9489) **Section 6** of this regulation requires the utility to include the category of transportation electrification in the budget and removes the requirement to include a renewable energy zone transmission action plan. Existing regulations also provide that a utility must file a report on the progress of its action plan with the Commission. (NAC 704.9498) **Section 7** of this regulation provides that the report must include information concerning the status of the plan to accelerate transportation electrification.

Legislation adopted during the 2021 Legislative Session removed the requirement for an electric utility to submit an annual plan for carrying out the Electric Vehicle Program. (NRS 701B.670, as amended by section 10 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3780) Existing regulations require each utility to file an annual plan with the

Commission relating to the Electric Vehicle Program. (Section 24 of LCB File No. R022-18) In accordance with the legislation adopted during the 2021 Legislative Session, **section 8** of this regulation removes this requirement but retains the requirement for each utility to file a report on the productivity of the Electric Vehicle Program for the previous year and a status report on the current year through 2026. **Sections 9 and 10** of this regulation repeal certain regulations relating to renewable energy zones and the Electric Vehicle Program.

Section 1. NAC 704.9237 is hereby amended to read as follows:

704.9237 1. The resource plan of a utility must contain a distributed resources plan for the 3 years covered by the action plan of the utility. The distributed resources plan of a utility must be consistent with the action plan of the utility.

2. The distributed resources plan must:

(a) Identify and evaluate the locational benefits and costs of distributed resources. The evaluation must be based on:

- (1) Reductions or increases in local generation capacity needs;
- (2) Avoided or increased localized investments in distribution infrastructure;
- (3) Reductions or increases in safety benefits of the electric grid;
- (4) Reductions or increases in the reliability benefits of the electric grid;
- (5) Any other localized savings that the distributed resources provide to the electric grid;

and

(6) Any other costs that distributed resources impose on customers of the electric utility or utilities.

(b) As part of the distributed resources plan, the utility may propose tariffs, bilateral contracts, competitive solicitations or other mechanisms that it has identified and evaluated that maximize locational benefits and minimize the incremental cost of distributed resources.

(c) Identify existing programs approved by the Commission that address the deployment of distributed resources, including, without limitation, tariffs and incentives, and propose cost-effective methods of effectively coordinating the deployment of distributed resources with such existing programs to maximize the locational benefits and minimize the incremental costs of distributed resources.

(d) Identify and evaluate any incremental utility investment or expenditure necessary to integrate cost-effective distributed resources into the distribution planning process consistent with the goal of yielding a net benefit to the customers of the electric utility or utilities.

(e) Identify and evaluate potential barriers to the deployment of distributed resources, including, without limitation, safety standards related to technology or operation of the distribution system and make recommendations regarding accepting or overcoming identified potential barriers in a manner that will ensure the safety of the distribution grid and the reliability of service.

(f) Be developed by a utility using a forecast of net distribution system load and distributed resources. The forecast must be for a period of not less than 6 years, beginning with the year after the distributed resources plan is filed. The net distribution system load and distributed resources forecast will include system, substation and feeder level net load projections and energy and demand characteristics for all distributed resource types.

3. The distributed resources plan must include:

(a) A grid needs assessment, which must be based on the net distribution system load, distributed resource forecast and the facilities capacity analysis. The grid needs assessment must include, without limitation:

(1) The hosting capacity analysis described by paragraph (b);

(2) An analysis of the suitability of non-wires alternatives to mitigate identified transmission and distribution system constraints;

(3) A locational net benefit analysis to compare utility infrastructure upgrade solutions and distributed resources solutions to forecasted transmission and distribution system constraints; and

(4) Recommendations for the deployment of utility infrastructure upgrade solutions and non-wires alternative solutions to identified transmission and distribution system constraints.

(b) A hosting capacity analysis of the distribution system. The hosting capacity analysis shall be performed using a load flow analysis and forecasted distribution facilities and their capacity, configuration, loading and voltage data gathered at the substation, feeder and primary node levels. The utility shall perform scenario analyses to evaluate hosting capacity under normal conditions and planned and unplanned contingency conditions. The utility shall provide a detailed description of the methods and outcomes it used to perform the hosting capacity analysis. The utility shall also provide a detailed narrative describing the utility's progress towards providing publically-available, real-time hosting capacity data.

(c) Recommendations for new cost-effective distributed resources, sourcing of distributed resource solutions and utility infrastructure upgrade solutions which have been determined to be the preferred solution to constraints on a utility's electric grid on the basis of the analysis in the grid needs assessment. Such recommendations must be based on the locational net benefit analysis of resource options to utility customers.

(d) A summary that explains how distributed resources have affected the need for supply side resources in the resource planning process. The summary shall include, without limitation, a description of the effect of distributed resources on the need for new generation and transmission

resources and how distributed resources are integrated into the transmission planning and supply side planning portions of the resource planning process.

(e) A summary that describes the results of an informal stakeholder process to discuss recommendations for improvements to the hosting capacity analysis. The informal stakeholder process shall occur not less than 120 days before the filing of a distributed resources plan and be organized by the utility.

(f) A technical appendix that conforms to the requirements of NAC 704.922.

(g) A plan to accelerate transportation electrification in this State that:

(1) Complies with the requirements of section 14 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3782 (NRS 704.7867); and

(2) Includes all financial impacts associated with the plan and separately identifies the financial impacts of any proposed financial incentives or special accounting treatment requested, including, without limitation, a rate impact analysis that specifies the rate impact of any such proposal on each rate class.

4. If the utility changes the methodology of forecasting or the methodology used to conduct the hosting capacity analysis or grid needs assessment from the methodology used in the previous resource plan filed by the utility, the utility shall identify and provide a justification for the change.

5. Unless otherwise ordered by the Commission, in addition to, and separately from, the updates required pursuant to NAC 704.9239, the utility shall, not less than once per year, post publicly on its Internet website an update to the hosting capacity analysis of the distribution system. The Internet website of the utility shall contain a portal that provides maps and accessible electronic data suitable for distribution to the public.

6. To the extent that a plan to accelerate transportation electrification submitted pursuant to paragraph (g) of subsection 3 includes programs in which customers may participate, eligibility for participation by customers in such programs must be offered by the utility on a nondiscriminatory basis to both bundled retail customers and eligible customers, as defined in NRS 704B.080, who purchase or plan to purchase electricity from a provider of new electric resources, as defined in NRS 704B.130. Before eligible customers who purchase or plan to purchase electricity from a provider of new electric resources may participate in such programs, the utility shall request, and the Commission may approve, a non-bypassable per kilowatt hour charge to fully pay for the participation of eligible customers who purchase or plan to purchase electricity from a provider of new electric resources.

Sec. 2. NAC 704.934 is hereby amended to read as follows:

704.934 1. As part of its resource plan, a utility shall submit a demand side plan that is cost effective as a whole.

2. The demand side plan must include:

(a) An identification of end-uses for programs for energy efficiency and conservation.

(b) An assessment of savings attributable to technically feasible programs for energy efficiency and conservation, as determined by the utility. The programs must be ranked in a list according to the level of savings in energy or reduction in demand, or both.

(c) An assessment of technically feasible programs to determine which will produce benefits in peak demand or energy consumption. The utility shall estimate the cost of each such program. The methods used for the assessment must be stated in detail, specifically listing the data and assumptions considered in the assessment.

(d) An energy efficiency plan which complies with the requirements of NRS 704.7836, *as amended by section 44 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3800*, and which includes any additional goals for energy savings established by the Commission.

3. In creating its demand side plan, a utility shall consider the impact of applicable new technologies on current and future energy efficiency and conservation options. The consideration of new technologies must include, without limitation, consideration of the potential impact of advances in digital technology and computer information systems.

4. A utility shall include in its demand side plan an energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel. The energy efficiency program must include, without limitation, the use of new solar thermal energy sources.

5. The demand side plan must provide a list of the programs for which the utility is requesting the approval of the Commission. The list must include, without limitation:

(a) An estimate of the reduction in the peak demand and energy consumption that would result from each proposed program, in kilowatt-hours and kilowatts saved. The programs must be listed according to their expected savings and their contribution to a reduction in peak demand and energy consumption based upon realistic estimates of the penetration of the market and the average life of the programs.

(b) An assessment of the costs of each proposed program and the savings produced by the program. If the program can be relied upon to reduce peak demand on a firm basis, the assessment must include the savings in the costs of transmission and distribution.

(c) An assessment of the impact on the utility's load shapes of each proposed and existing program for energy efficiency and conservation.

(d) If a program is an educational program, the projected expenses of the utility for the educational program.

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

7. The utility shall include with its demand side plan a report on the status of all programs for energy efficiency and conservation that have been approved by the Commission. The report must include tables for each such program showing, for each year, the planned and achieved reduction in kilowatt-hours, the reduction in kilowatts and the cost of the program.

8. Not less than ~~5~~ **10** percent of the total expenditures related to energy efficiency and conservation programs in the demand side plan must be directed to energy efficiency ~~and conservation programs for low-income~~ **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.~~

9. On or before July 1 of each year following the filing of its resource plan, the utility shall file with the Commission a copy of the complete analysis that the utility used in determining for the upcoming year which energy efficiency and conservation programs are to be continued and which programs are to be cancelled. Within 180 days after the analysis is filed, the Commission will accept the analysis as filed, accept the analysis with modification or reject the analysis.

10. As used in this section:

(a) “Energy efficiency and conservation program” has the meaning ascribed to it in NRS 704.7366.

(b) “Energy savings” has the meaning ascribed to it in NRS 704.7834.

(c) “New solar thermal energy sources” means energy sources which are installed after the effective date of the utility’s energy efficiency program and which reduce the consumption of electricity or any fossil fuel by using solar radiation to heat water or to provide space heating or cooling.

Sec. 3. NAC 704.9355 is hereby amended to read as follows:

704.9355 1. A utility shall develop a set of analyses of its options for supply to be considered for meeting the expected future demand on its system. These analyses must include an examination of the environmental impact of each option, taking into account the best available technologies and the environmental benefit of renewable resources. The options to be analyzed must include:

(a) Construction or acquisition of new generation facilities or upgrades to existing generation facilities, including retrofitting existing facilities with more efficient systems or converting to other fuels;

(b) Construction of new transmission facilities or upgrades to existing transmission facilities;

(c) Purchase of long-term transmission rights on transmission facilities owned by other persons;

(d) Improvements in the efficiency of operations and scheduling, including, without limitation, improvements that are attributable to the proposed implementation of new digital and computer information system technologies;

(e) Options of low carbon ~~intensity~~ *dioxide emissions*; and

(f) Transactions with other utilities, independent producers and utility customers for:

- (1) Pooling of power;
- (2) Purchases of power; or
- (3) Exchanges of power.

2. As used in this section ~~†~~:

~~—(a) “Carbon intensity” has the meaning ascribed to it in NRS 704.741.~~

~~—(b) “Environmental†~~, “*environmental* benefit of renewable resources” means the present worth over a 20-year period of the benefits associated with the generation and maintenance of renewable resources for supply of capacity or energy, or supply of both capacity and energy, that results in a reduction of harm to the environment.

Sec. 4. NAC 704.937 is hereby amended to read as follows:

704.937 1. A utility’s supply plan must contain a diverse set of alternative plans which include a list of options for the supply of capacity and electric energy that includes a description of all existing and planned facilities for generation and transmission, existing and planned power purchases, and other resources available as options to the utility for the future supply of electric energy. The description must include the expected capacity of the facilities and resources for each year of the supply plan. At least one alternative plan must be of low carbon ~~†intensity and include:†~~ *dioxide emissions that:*

(a) ~~†The generation or acquisition of an amount of renewable energy greater than required by NRS 704.7821;†~~ *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;*

- (b) ~~{Changes to the utility's existing fleet of resources for the generation of power;}~~ *Includes the deployment of distributed generation; and*
- (c) ~~{The application of technology that would significantly reduce emissions of carbon; or~~
~~—(d) Any combination thereof.}~~ *If the plan is submitted on or before June 1, 2027, uses sources of supply that result in, by the year 2030, an 80 percent reduction in carbon dioxide emissions from the generation of electricity to meet the demands of customers of the utility as compared to the amount of such emissions in the year 2005.*

2. A utility shall identify the criteria it has used for the selection of its options for meeting the expected future demands for electric energy and shall explain how any conflicts among criteria are resolved.

3. In comparing alternative plans containing different resource options, the utility shall calculate the present worth of future requirements for revenue for each alternative plan for the supply of power. A comparison of the present worth of future requirements for revenue for each alternative plan must be presented in the resource plan. As calculated pursuant to this subsection, the present worth of future requirements for revenue for each alternative plan must include, without limitation, a reasonable range of costs associated with emissions of carbon in the 20-year period of the resource plan as private costs to the utility.

4. The utility shall calculate the present worth of societal costs for each alternative plan for the supply of power. The present worth of societal costs of a particular alternative plan must be determined by adding the environmental costs that are not internalized as private costs to the utility pursuant to subsection 3 to the present worth of future requirements for revenue. In calculating the present worth of societal costs for each alternative plan pursuant to this subsection, the utility shall include as environmental costs the utility's estimate of the level of

environmental costs resulting from carbon dioxide emissions for that year and the social cost of carbon.

5. For the purposes of subsection 4 and NAC 704.9215 and 704.9359, the social cost of carbon must be determined by subtracting the costs associated with emissions of carbon internalized as private costs to the utility pursuant to subsection 3 from the net present value of the future global economic costs resulting from the emission of each additional metric ton of carbon dioxide. The net present value of the future global economic costs resulting from the emission of an additional ton of carbon dioxide must be calculated using the best available science and economics such as the analysis set forth in the “Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis” released by the Interagency Working Group on Social Cost of Greenhouse Gases in August 2016. This publication may be obtained, free of charge, at the Internet website **https://obamawhitehouse.archives.gov/sites/default/files/omb/inforeg/scc_tsd_final_clean_8_26_16.pdf**. The utility shall submit information supporting the method used by the utility to calculate the social cost of carbon.

6. The utility shall consider for each alternative plan the mitigation of risk by means of:
- (a) Flexibility;
 - (b) Diversity;
 - (c) Reduced size of commitments;
 - (d) Choice of projects that can be completed in short periods;
 - (e) Displacement of fuel;
 - (f) Reliability;
 - (g) Selection of fuel and energy supply portfolios; and

(h) Financial instruments or electricity products.

7. The alternative plans of the utility must:

- (a) Provide adequate reliability;
- (b) Be within regulatory and financial constraints;
- (c) Meet the portfolio standard; and
- (d) Meet the requirements for environmental protection.

8. The utility shall identify its preferred plan and fully justify its choice by setting forth the criteria that influenced the utility's choice.

~~{9. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 704.7811.}~~

Sec. 5. NAC 704.9385 is hereby amended to read as follows:

704.9385 1. The supply plan of the utility must develop and document the origins of:

- (a) The assumptions, data and projections used by the utility to calculate the costs and benefits of its options.
- (b) The assessment of current and anticipated electric market conditions by the utility for the region in which the utility operates.
- (c) The basic economic and financial limitations of the utility.
- (d) The assumptions used by the utility for developing the environmental costs and the net economic benefits to the State from each of the options of the utility for future supply.
- (e) The criteria used by the utility for determining the reserve margin.
- (f) The assumptions used by the utility for renewable resources.
- (g) The assumptions used by the utility for independent power producers.

(h) The assumptions used by the utility for the reduction in demand and energy requirements associated with customers exiting service from the utility and customers utilizing distributed generation resources.

2. Regarding generation, a utility's supply plan must contain a table of all its existing and planned facilities for electric generation that it expects to be operating in each of the 20 years covered by its forecast. Each of the following items of information must be set forth in the table if applicable to a listed facility:

- (a) The planned or actual commercial operation date of the facility;
- (b) The date of the planned retirement of the facility, including the criteria used to select that date;
- (c) The type of facility;
- (d) The rated generating capacity and net expected generating capacity of the facility;
- (e) The fuel used;
- (f) The capacity of the facility for storing fuel; and
- (g) The designation of the capacity type of the facility, such as base load, intermediate or peaking.

3. The supply plan of a utility must include a transmission plan for the 20 years covered by the forecast in the supply plan. The transmission plan must include, without limitation:

- (a) A summary of the capabilities of the transmission system, including import, export and the rating of significant transmission paths within the system of the utility, and of the existing and planned transmission system of the utility for each year in the period covered by the resource plan.

(b) A description of the transmission projects the utility is considering for expanding or upgrading the capabilities of its transmission system, the anticipated timing of those projects and the impact of the projects on the transmission capabilities of the existing and planned transmission system of the utility.

(c) Identification of the transmission capacity required to serve bundled retail transmission customers, unbundled retail transmission customers and those wholesale transmission customers for whom the utility has an obligation to provide transmission services, for annual and peaking periods throughout the period covered by the resource plan.

(d) Identification of all existing and proposed transmission service agreements, and their expiration dates, with transmission customers for transmission service on the transmission system of the utility and the impact of these agreements on available capacity for bundled retail transmission customers on the proposed or existing transmission facilities.

(e) A table identifying all the transmission capacity that the utility has secured for its bundled retail transmission customers on both its transmission system and the transmission systems of other entities.

(f) A description of the participation of the utility in regional planning organizations and an explanation of the role of those organizations in the transmission planning process of the utility.

(g) A summary of the impacts of relevant orders of the Federal Energy Regulatory Commission issued since the utility filed its last resource plan.

(h) A demonstration that the utility has attempted to reduce the impact of line losses upon its future resource requirements.

4. Regarding the purchase of power, the supply plan must contain a list showing:

(a) All sources from which the utility has contracted to buy, or has plans or potential opportunities to buy, electric power during the 20 years covered by the supply plan; and

(b) The amount of electric power that the utility has contracted to buy, or has plans or potential opportunities to buy, from each source and the years for which delivery of the electric power is contracted or planned.

5. The utility shall include in its supply plan a map or maps that identify the location of each existing or planned generation or transmission facility, renewable energy system and independent power producer that are projected to be relied upon during the period covered by the action plan.

6. ~~In addition to the transmission plan required by subsection 3, the supply plan of a utility must include, as a discrete but integrated item in the supply plan, a conceptual renewable energy zone transmission plan for the 20 years covered by the forecast in the supply plan. The renewable energy zone transmission plan must include distinct conceptual transmission plans, which may include capacity for export to other states, for serving each of the renewable energy zones designated by the Commission pursuant to NAC 704.880. Each of the distinct conceptual transmission plans must include:~~

~~—(a) A description of the construction or expansion of transmission facilities required to be added to the utility's existing transmission system;~~

~~—(b) An estimate of cost at the planning level, including, without limitation, estimates for permitting and other expenses of transmission development and estimated development schedules for the transmission facilities included in the transmission plan, based on information known by the utility at the time the transmission plan is submitted to the Commission;~~

~~—(c) A description of any restrictions or limitations on the construction or expansion of transmission facilities, including, without limitation, generator tie lines in the applicable transmission plan due to any local topographical, environmental, governmental, land use or other factors or limitations that are known by the utility at the time the transmission plan is submitted to the Commission; and~~

~~—(d) An estimate of the capacity of the renewable energy resources capable of being developed in the applicable zone, based on information that is known to the utility at the time the transmission plan is submitted to the Commission.~~

~~—7.1~~ The supply plan of a utility must include the list of all assets of the utility required by NRS 704.7338. If a utility owns only part of an asset included on the list, the identity of every other owner and the percentage of the asset owned by each owner must be set forth on the list.

Sec. 6. NAC 704.9489 is hereby amended to read as follows:

704.9489 1. Each resource plan of a utility must include a detailed action plan based on an integrated analysis of the demand side plan and supply plan of the utility. In its action plan, the utility shall specify all its actions that are to take place during the 3 years commencing with the year following the year in which the resource plan is filed. The action plan must contain:

(a) An introductory section that explains how the action plan fits into the longer-term strategic plan of the utility.

(b) A list of actions for which the utility is seeking the approval of the Commission.

(c) A schedule for the acquisition of data, including planned activities to update and refine the quality of the data used in forecasting.

(d) A specific timetable for acquisition of options for the supply of electric energy and for programs for energy efficiency and conservation.

(e) If changes in the methodology are being proposed, a description fully justifying the proposed changes, including an analysis of the costs and benefits. Any changes in methodology that are approved by the Commission must be maintained for the period described in the action plan.

(f) A section describing any plans of the utility to acquire additional modeling instruments.

(g) A section for the utility's program for energy efficiency and conservation, including:

(1) A description of continued planning efforts;

(2) A plan to carry out and continue selected measures for energy efficiency and conservation that have been identified as desirable; and

(3) Any impacts of imputed debt calculations associated with energy efficiency contracts in the preferred plan.

(h) A section for the utility's program for acquisition of resources for the supply of electric energy for the period covered by the action plan, including:

(1) The immediate plans of the utility for construction or acquisition of facilities or long-term purchases of power;

(2) The expected time for construction or acquisition of facilities and acquisition of long-term purchases of power identified in subparagraph (1);

(3) The major milestones of construction; and

(4) Any impacts of imputed debt calculations associated with renewable energy contracts or energy efficiency contracts in the preferred plan.

2. The action plan must contain an energy supply plan and a distributed resources plan **H**, *including, without limitation, a plan to accelerate transportation electrification, as required by*

section 14 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3783 (NRS 704.7867).

3. The action plan must contain a budget for planned expenditures suitable for comparing planned and achieved expenditures. Expenses must be listed in a format that is consistent with the categories and periods to be presented in subsequent filings. The budget must be organized in the following categories:

- (a) Forecasting of loads;
- (b) Energy efficiency and conservation;
- (c) Distributed resources;
- (d) *Transportation electrification*;
- (e) Plan for supply; and
- ~~(e)~~ (f) Financial plan.

4. The action plan must contain schedules suitable for comparing planned and actual activities and accomplishments. Milestones and points of decision committing major expenditures must be shown.

5. ~~{The action plan must contain a renewable energy zone transmission action plan for serving one or more of the renewable energy zones designated by the Commission or an explanation of why no renewable energy zone transmission action plan is contained in the action plan. In addition to the other action plan requirements set forth in this section, the renewable energy zone transmission action plan must include, with supporting data and documentation, for each action item recommended by the utility:~~

~~—(a) For permitting, routing study and right-of-way acquisition expenses, evidence addressing:~~

- ~~—— (1) How such expenditures will facilitate compliance with NRS 704.7821 in a manner consistent with NAC 704.8901 to 704.8938, inclusive; and~~
- ~~—— (2) All other benefits Nevada retail ratepayers will derive from the expenses;~~
- ~~—— (b) For proposed construction and expansion of transmission facilities:~~
 - ~~—— (1) Evidence of how the proposed construction and expansion will facilitate compliance with NRS 704.7821 in a manner consistent with NAC 704.8901 to 704.8938, inclusive;~~
 - ~~—— (2) A listing and description, including detailed cost estimates and development schedules, of the transmission facilities recommended by the utility for construction or expansion;~~
 - ~~—— (3) A listing and description of transmission alternatives that were considered by the utility, including transmission development partnerships;~~
 - ~~—— (4) Data and economic analysis that supports the transmission projects recommended by the utility, including, without limitation, a comparison of the levelized cost, including transmission, of procuring renewable resources from the renewable energy zones proposed to be served by the utility's recommended transmission projects to other renewable resource options, including those that are located in and out of renewable energy zones designated by the Commission;~~
 - ~~—— (5) Evidence of the financial commitments from developers of renewable energy projects located in the affected renewable energy zones;~~
 - ~~—— (6) An estimate of the level of capacity and energy that the utility expects to utilize from the affected renewable energy zones in the next 20 years, commencing with the year following the year in which the resource plan is filed; and~~
 - ~~—— (7) The estimated time frame to fully utilize the capacity of the construction and expansion of transmission facilities recommended by the utility; and~~

~~—(c) In addition to the renewable energy zone transmission action plan requirements set forth in paragraph (b), for construction and expansion of transmission infrastructure that will serve both Nevada retail ratepayers and export markets outside of Nevada:~~

~~——(1) Evidence that any renewable energy developers wishing to export energy outside of Nevada have a buyer for their energy and that the buyer has a means of delivering the energy from the transmission system of the Nevada utility to the point of delivery;~~

~~——(2) A strategic plan to mitigate the potential financial risks to Nevada retail ratepayers associated with stranded investment and infrastructure that is not intended to provide service to Nevada retail ratepayers, including, without limitation, safeguards to monitor the financial risk to Nevada's retail ratepayers and criteria to trigger an amendment to the renewable energy transmission action plan should changes in circumstance occur which could expose Nevada retail ratepayers to such risks; and~~

~~——(3) Identification of the potential resources in the renewable energy zones, including the resources under contract, resources under development, known completion dates and the known amount of capacity and energy to be produced by renewable energy projects in the affected renewable energy zones for customers outside of Nevada.~~

~~—6.1~~ The action plan must include the surplus asset retirement plan required by NRS 704.734, for each asset that has been classified as surplus by the utility pursuant to NRS 704.7338 or reclassified as surplus by the Commission pursuant to NRS 704.7339.

Sec. 7. NAC 704.9498 is hereby amended to read as follows:

704.9498 1. Not earlier than 15 months and not later than 21 months after the date on which the utility files its action plan, the utility shall file a report on the progress of its action

plan with the Commission and serve a copy of the progress report on all parties of record. The progress report must include:

(a) Information concerning the status of planned facilities approved by the Commission, including any cost or schedule variances;

(b) Information concerning the status of all programs for energy efficiency and conservation, including planned and achieved reductions in kilowatt-hours and reduction in demand in kilowatt-hours;

(c) *Information concerning the status of the plan to accelerate transportation electrification, as required by section 14 of Senate Bill No. 448, chapter 552, Statutes of Nevada 2021, at page 3783 (NRS 704.7867), including, without limitation, progress achieved;*

(d) A comparison of budgeted and actual costs for the entire action plan;

~~(d)~~ (e) An identification of and justification for any significant deviation from the approved action plan, including supporting information;

~~(e)~~ (f) An updated forecast of energy consumption and peak demand; and

~~(f)~~ (g) An updated table for loads and resources for the remaining years covered by the 20-year plan.

2. The progress report must be in the same form as the action plan and will be assigned a new docket number by the Commission.

3. The utility or any party of record may request a hearing on the progress report, specifying in its request the reason the utility or party believes a hearing is required. Upon a finding of good cause, the Commission will order a hearing on the matter.

Sec. 8. Section 24 of LCB File No. R022-18 is hereby amended as follows:

~~{1}~~ Not later than February 1, 2018, and annually thereafter, each utility in this State shall include in the annual plan filed with the Commission pursuant to NAC 701B.125 ~~{an annual plan~~

~~for the Electric Vehicle Program which must contain the following:~~

~~—(a) A schedule describing major milestones of the Electric Vehicle Program.~~

~~—(b) A budget which includes information relating to:~~

~~—(1) Incentives, including, without limitation, proposed incentive levels or payments;~~

~~—(2) Contractor costs;~~

~~—(3) Marketing costs;~~

~~—(4) Training costs;~~

~~—(5) Utility administrative costs;~~

~~—(6) Capital costs; and~~

~~—(7) Coordination with federal, state, local and private efforts.~~

~~—(c) Following the first plan year,~~ a report on the productivity of the Electric Vehicle Program for the previous year and a status report on the current year, including, without limitation:

~~{1}~~ 1. The number of applications received by the utility for the Electric Vehicle Program;

~~{2}~~ 2. The number of participants in the Electric Vehicle Program and the number of participants who have withdrawn from the Electric Vehicle Program;

~~{3}~~ 3. The annual budget and expenditures of the Electric Vehicle Program;

~~{4}~~ 4. A list of completed installations;

~~{5}~~ 5. A summary of marketing efforts;

~~{6}~~ 6. A description of training for inspectors, certifiers and contractors and educational activities;

~~{(7)}~~ 7. A list of the third-party vendors and equipment providers, if applicable; and

~~{(8)}~~ 8. Data collected through the Electric Vehicle Program, including, without limitation, utilization of utility-owned charging stations, load profiles, rates paid by customers for charging services and outage information from each charging station.

~~{(d)} A description of the application process, including, without limitation:~~

~~—(1) The procedures to be followed by the applicant and the utility; and~~

~~—(2) Copies of proposed applications and forms.~~

~~—(e) A customer outreach and engagement plan.~~

~~—(f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.~~

~~—(g) An inspection and verification plan.~~

~~—(h) The prioritization of:~~

~~—(1) The installation and development of electric vehicle charging stations in this State at locations specifically designated by the Office of Energy within the Office of the Governor;~~

~~—(2) The installation and development of electric vehicle charging stations as described in section 26 of this regulation; and~~

~~—(3) The conversion of public bus fleets and heavy duty diesel vehicle fleets to electric vehicle technology.~~

~~—(i) A proposed schedule of incentives or any recommendations or modifications to the existing schedule of incentives previously approved by the Commission.~~

~~—2. Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Electric Vehicle Program.~~

~~—3.— From the amount authorized for the payment of incentives pursuant to the programs described in subsection 2 of NRS 701B.005, the Commission will make an initial allocation of \$15,000,000 to the payment of incentives pursuant to the Electric Vehicle Program.]~~

Sec. 9. 1. NAC 704.91542, 704.91543 and 704.94895 are hereby repealed.

2. Sections 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29 and 30 of LCB File No. R022-18 are hereby repealed.

Sec. 10. Section 24 of LCB File No. R022-18 is hereby repealed.

Sec. 11. 1. This section and sections 1 to 9, inclusive, of this regulation become effective upon filing with the Secretary of State.

2. Section 10 of this regulation becomes effective on January 1, 2027.

TEXT OF REPEALED SECTIONS

704.91542 “Renewable energy zone transmission action plan” defined. (NRS 703.025, 704.210, 704.741) “Renewable energy zone transmission action plan” means the part of a utility’s action plan that identifies recommended action items for serving one or more of the renewable energy zones designated by the Commission pursuant to NAC 704.880, including, without limitation, studies, permitting, acquisition of rights of way and construction or expansion of transmission infrastructure.

704.91543 “Renewable energy zone transmission plan” defined. (NRS 703.025, 704.210, 704.741) “Renewable energy zone transmission plan” means the part of a utility’s supply plan that addresses the construction or expansion of transmission facilities to:

1. Serve each of the renewable energy zones designated by the Commission pursuant to NAC 704.880; and
2. Facilitate the utility in meeting the portfolio standard established pursuant to NRS 704.7821.

704.94895 Renewable energy zone transmission action plan: Acceptance of action items. (NRS 703.025, 704.210, 704.741) An action item contained in a renewable energy zone transmission action plan may be accepted by the Commission if the Commission determines that, with respect to that action item:

1. The action item will serve a renewable energy zone and will prudently facilitate the utility’s satisfaction of the portfolio standard established pursuant to NRS 704.7821 in a manner consistent with NAC 704.8901 to 704.8938, inclusive, while adequately mitigating the risk associated with stranded costs of transmission development and the costs of developing transmission capacity not intended to provide service to Nevada retail ratepayers; and
2. The utility has demonstrated that the financial commitments supporting renewable energy development in the affected renewable energy zones are adequate to justify implementation of the action item.

Section 16 of LCB File No. R022-18.

Sec. 12. As used in sections 12 to 26, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 13 to 19, inclusive, of this regulation have the meanings ascribed to them in those sections.

Section 17 of LCB File No. R022-18.

Sec. 13. “Applicant” means:

1. A customer of a utility who applies to participate in the Electric Vehicle Program;
2. A licensed contractor who applies on behalf of a customer of a utility to participate in the Electric Vehicle Program; or
3. Any other person who applies on behalf of a customer of a utility to participate in the Electric Vehicle Program if:
 - (a) The person is designated and authorized by the customer to apply on behalf of the customer to participate in the Electric Vehicle Program; and
 - (b) The designation and authorization are set forth in a letter from the customer to the utility which sets forth the relationships between the customer and the person.

Section 18 of LCB File No. R022-18.

Sec. 14. “Electric vehicle infrastructure and systems” means:

1. Electric vehicles, charging stations for the recharging of electric vehicles and make-ready infrastructure; and
2. Time-variant electricity rates, education initiatives, advisory services for fleet operations and partnerships to promote the development of the Electric Vehicle Program.

Section 19 of LCB File No. R022-18.

Sec. 15. “Electric Vehicle Program” means the Electric Vehicle Infrastructure Demonstration Program created by section 1.4 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1267 (NRS 701B.670).

Section 20 of LCB File No. R022-18.

Sec. 16. “Electric Vehicle Program rate” means the rate established pursuant to section 23 of this regulation.

Section 21 of LCB File No. R022-18.

Sec. 17. “Make-ready infrastructure” means panels, conduits, wiring, cabling or any other components located behind a customer’s meter necessary to support an electric vehicle charging station.

Section 22 of LCB File No. R022-18.

Sec. 18. “Participant” means a person who has been selected by a utility to participate in the Electric Vehicle Program.

Section 23 of LCB File No. R022-18.

Sec. 19. “Utility” means a utility that supplies electricity in this State.

Section 24 of LCB File No. R022-18.

Sec. 20. 1. Not later than February 1, 2018, and annually thereafter, each utility in this State shall include in the annual plan filed with the Commission pursuant to NAC 701B.125 an annual plan for the Electric Vehicle Program which must contain the following:

- (a) A schedule describing major milestones of the Electric Vehicle Program.
- (b) A budget which includes information relating to:
 - (1) Incentives, including, without limitation, proposed incentive levels or payments;
 - (2) Contractor costs;
 - (3) Marketing costs;
 - (4) Training costs;
 - (5) Utility administrative costs;
 - (6) Capital costs; and

- (7) Coordination with federal, state, local and private efforts.
- (c) Following the first plan year, a report on the productivity of the Electric Vehicle Program for the previous year and a status report on the current year, including, without limitation:
 - (1) The number of applications received by the utility for the Electric Vehicle Program;
 - (2) The number of participants in the Electric Vehicle Program and the number of participants who have withdrawn from the Electric Vehicle Program;
 - (3) The annual budget and expenditures of the Electric Vehicle Program;
 - (4) A list of completed installations;
 - (5) A summary of marketing efforts;
 - (6) A description of training for inspectors, certifiers and contractors and educational activities;
 - (7) A list of the third-party vendors and equipment providers, if applicable; and
 - (8) Data collected through the Electric Vehicle Program, including, without limitation, utilization of utility-owned charging stations, load profiles, rates paid by customers for charging services and outage information from each charging station.
- (d) A description of the application process, including, without limitation:
 - (1) The procedures to be followed by the applicant and the utility; and
 - (2) Copies of proposed applications and forms.
- (e) A customer outreach and engagement plan.
- (f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.
- (g) An inspection and verification plan.
- (h) The prioritization of:

(1) The installation and development of electric vehicle charging stations in this State at locations specifically designated by the Office of Energy within the Office of the Governor;

(2) The installation and development of electric vehicle charging stations as described in section 26 of this regulation; and

(3) The conversion of public bus fleets and heavy duty diesel vehicle fleets to electric vehicle technology.

(i) A proposed schedule of incentives or any recommendations or modifications to the existing schedule of incentives previously approved by the Commission.

2. Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Electric Vehicle Program.

3. From the amount authorized for the payment of incentives pursuant to the programs described in subsection 2 of NRS 701B.005, the Commission will make an initial allocation of \$15,000,000 to the payment of incentives pursuant to the Electric Vehicle Program.

Section 25 of LCB File No. R022-18.

Sec. 21. 1. All reasonable and prudent costs associated with carrying out and administering the Electric Vehicle Program must be accounted for in books and records of a utility separately from amounts attributable to any other activity. The utility must account for such costs and revenues pursuant to section 22 of this regulation.

2. The costs that may be recoverable include, without limitation, costs for labor, materials, rebates, contractors, training, advertising, marketing, measurement, verification, evaluation and overhead, and utility administrative costs.

3. If a utility owns and operates electric vehicle charging stations, the only costs that the utility may recover related to the installation and operation of those electric vehicle charging stations are those costs incurred for installing and operating such charging stations at locations specifically designated by the Office of Energy within the Office of the Governor.

Section 26 of LCB File No. R022-18.

Sec. 22. A utility shall account for costs and revenues in the following manner:

1. Calculate, on a monthly basis, the costs incurred and revenues received in the Electric Vehicle Program since the end of the test period in its last proceeding to change the Electric Vehicle Program rate;

2. Record the cost of the Electric Vehicle Program in a separate subaccount of FERC Account No. 182.3 and make an appropriate offset to other subaccounts;

3. Maintain subsidiary records of the subaccount of FERC Account 182.3 which must clearly delineate, without limitation, the incentives, contractor costs, marketing costs, training costs and utility administrative costs associated with the Electric Vehicle Program;

4. Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the Electric Vehicle Program rate to recover the costs of the Electric Vehicle Program; and

5. Apply a carrying charge at the rate of one-twelfth of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.

Section 27 of LCB File No. R022-18.

Sec. 23. 1. A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 11 of NRS 704.110 a revised Electric Vehicle Program rate. The rate must be calculated by adding the following two components:

(a) A prospective rate determined by dividing not more than the total costs in the Electric Vehicle Program annual plan by the projected kilowatt-hours for the calendar year; and

(b) A clearing rate determined by dividing the cumulative balance in the Electric Vehicle Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in NAC 704.063 by the test period kilowatt-hour sales.

2. The Commission will allow recovery of all prudent Electric Vehicle Program costs included in the subaccount of FERC Account No. 182.3 at the end of the test period as defined in NAC 704.063 and adjust the Electric Vehicle Program rate accordingly.

Section 28 of LCB File No. R022-18.

Sec. 24. 1. An applicant must submit an application for reservation of an incentive to the utility using forms provided by the utility and approved by the Commission.

2. If the application is determined by the utility to be incomplete or to require clarification, the utility shall request additional information from the applicant. If the applicant fails to submit the requested information within 20 calendar days after receipt of the request, the utility shall cancel the application. If an application is cancelled by the utility, the applicant may resubmit an application for the project to the utility. All resubmitted applications must be treated as new applications and be processed in sequence with other new applications. An incentive must not be reserved until the utility receives all required information and documentation and approves the project.

3. The utility shall, within 30 days after receipt of a complete application, review the application and determine eligibility for an incentive. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed notice must specify:

- (a) The dollar amount of the incentive reserved for the project;
- (b) An expiration date for the reservation of the incentive, which must be 12 months after the date of issuance of the notice; and
- (c) That the electric vehicle infrastructure and systems must be purchased, developed, installed and put into operation not later than the expiration date specified in the confirmed reservation notice.

4. After the electric vehicle infrastructure and systems have been purchased, developed, installed and put into operation, the participant must submit to the utility an incentive claim package that includes an incentive claim form and all supporting documentation required by the utility. The incentive claim form must be signed by both the licensed contractor who installed the electric vehicle infrastructure and systems and the participant.

5. To receive an incentive, all requirements of the Electric Vehicle Program must be met, and a complete incentive claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.

6. If an incentive claim package is incomplete or requires clarification, the utility shall request the required information from the participant. If the participant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the incentive claim form. If an incentive claim package is not received on or before the expiration date specified in the confirmed reservation notice, or the information in the incentive claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the participant stating the reasons why the project is rejected and not eligible for an incentive. The participant may resubmit an incentive claim package but will be subject to the eligibility requirements, incentive levels and funding available at the time of the resubmission.

7. The utility providing an incentive shall not issue such an incentive payment to a participant until the participant's electric vehicle infrastructure and systems have been verified as fully operational.

Section 29 of LCB File No. R022-18.

Sec. 25. To qualify for the Electric Vehicle Program:

1. Electric vehicle infrastructure and systems must be located or implemented on property within the Nevada service territory of a participating utility.
2. If the electric vehicle infrastructure and systems involve the installation of any equipment, the equipment must be installed at a location where the electric vehicle infrastructure and systems can be connected to an existing distribution system of a participating utility.
3. If the electric vehicle infrastructure and systems involve the installation of components, the components must be new and unused.

Section 30 of LCB File No. R022-18.

Sec. 26. A utility participating in the Electric Vehicle Program:

1. Shall prioritize incentives for commercially available infrastructure equipment that operates at 240 volts or more.
2. May own and operate electric vehicle infrastructure and systems at public locations, workplaces, multi-family dwellings and fleet charging locations within the service territory of the utility, subject to approval of rates by the Commission.