

**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 the Fifth Amendment to the  
2021 Joint Integrated Resource Plan

Docket No. 23-08015

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Nevada Power Company d/b/a NV Energy and  
Sierra Pacific Power Company d/b/a NV Energy

Docket No. 23-08015

Fifth Amendment to the 2021 Joint Integrated Resource Plan (2022-2041)

Prepared Direct Testimony of

**Brian Turner**

**I. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS**

**Q. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS ADDRESS, AND PARTY FOR WHOM YOU ARE FILING TESTIMONY.**

A. My name is Brian Turner. My current position is Director, Western States Regulatory Policy for Advanced Energy United. My business address is 1801 Pennsylvania Avenue NW, Suite 401, Washington, D.C. 20006. I am filing on behalf of Advanced Energy United.

**Q. PLEASE DESCRIBE ADVANCED ENERGY UNITED.**

A. United, formerly Advanced Energy Economy, is a national association of

businesses involved in the advanced energy industry sector. Our membership represents a broad coalition of large and small companies working across the energy technology spectrum, including energy efficiency, demand response, solar photovoltaics, wind, storage, electric vehicle manufacturer and charging infrastructure providers, advanced metering infrastructure, transmission and distribution developers, enabling software, and more. It also includes large energy customers looking to meet sustainability goals with access to advanced energy resources. United maintains in-house expertise in resource and transmission planning and procurement, utility regulation and energy markets. United also draws on the expertise and input of our membership. These comments were developed with the input of United's Driving Technology Adoption and Market Transformation – West Working Group.

**Q. PLEASE DESCRIBE ADVANCED ENERGY UNITED'S MEMBERS AND INTERESTS IN NEVADA'S RESOURCE PLANNING.**

A. The member companies of Advanced Energy United span a wide range of economic interests in NVE's resource planning and procurement, transmission, and demand side management. United's members work with NVE in a wide variety of ways, as large customers and vendors, as development partners and competitors, and as critical complements.

**Insert economic data regarding United member companies and business interest in Nevada, as well as peer western states.**

Each of these relationships may affect, and is affected by, NVE's IRP planning and related transmission and procurement decisions.

All United members benefit from transparency into the needs and plans of NVE as well as confidence in the thoroughness of the decision-making process and prudence of decisions.

United's developer members have specific interests and expertise in the resource planning and procurement process for NVE. United's members characterize the current process as broken.

**Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND AND EXPERIENCE.**

A. As United's western states regulatory director, I direct our engagement in regulatory dockets in several western states, including Nevada, Arizona, Colorado and New Mexico.

I have nine years' experience in senior executive positions in California state government with authority developing, implementing, and coordinating state utility regulatory policy, as well as transportation, climate, and air pollution planning and policy. For three years until the pandemic required a family focus, I led a consultancy in utility resource and transmission planning and regulation. I have been in this position with Advanced Energy United since January of 2023.

My educational background includes a BA in Economics and Urban Planning from Sonoma State University, and both a Masters of Public Policy and a Masters of Science in Energy and Resources from the University of California, Berkeley.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA ("COMMISSION")?**

A. No.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. The purpose of my testimony in this proceeding is to explain why this application must be

- Rejected in its entirety due to:
  - Unwarranted (illegal?) withholding of material information (specifically confidential data), prejudicing intervenors
  - Inadequacy of the application
    - Failure to perform alternatives analysis

- Mis-application of LSAP process
  - Lack of carbon scenario
  - Potentially faulty environmental/economic analysis – but can't be sure because of withholding issue
- Inability to demonstrate prudence of the proposal because of
  - Lack of transparent and timely competitive procurement
  - Lack of comprehensive or comparative modeling
  - Failure to apply IRA incentives
- The 5<sup>th</sup> Amendment proposal is premature.
  - Full IRP filing is required in six months
  - Full IRP is the right place to analyze issues
  - Idaho Power decision is uncertain
- Alternatively, reject Valmy repower
  - Does not present a complete solution to Valmy retirement
    - Does not achieve same definition, requirements, goals
  - Complete an analysis that encompasses a broader set of options to the goals of Valmy retirement including cost-effectiveness, reliability, and environmental goals

The most egregious aspects of this proposal are:

- The Valmy Repower plan, that reneges on a decade of company promises to retire Valmy and is supported by rushed, partial, and misleading analysis. At heart, the Company has only identified a potential need for resources in the Valmy area for up to two years, 2026-28. To meet this limited, short-term need, the Company has proposed a \$83 million dollar capital investment and unknown gas purchase commitment and attendant price risk, and

environmental risk for 24 years until 2049, worsening the outlook for achieving the state's clean energy goal.

- The withholding of materially important information from intervenors. As one example, NVE refuses to release the fuel and purchase power forecast that includes details on the amortization cost of natural gas pipeline costs. In other words, the Company makes several references to an agreement with its natural gas supplier, the Ruby Pipeline Llc, to roll the pipeline development expenses into its gas contract. Yet this material capital cost, opaquely converted into an operating expense, is withheld from intervenors.
- The Tracy 4/5 upgrades to enable operation until 2049. Again, the LSAP analysis was applied to short-circuit the capacity expansion modeling process and identification of alternatives.
- The lack of competitive solicitation. NVE uses infrequent, unpredictable, opaque RFPs to gather market interest. In recent years, NVE has received up to 10x less RFP responses than its peer utilities in the West. These RFP responses then may languish or be treated to slow, unpredictable and opaque negotiations. Only a small number of bids submit and persist through the process, and the result is a dramatic reduction in the price and quality of projects offered to NVE.
- The median price of solar and solar plus storage bids to Xcel's last RFP in Colorado were \_\_\_ and \_\_\_. In contrast, the 3 bids evaluated by NVE in this application are \_\_\_ and \_\_\_.

**Q. WHAT DECISION SHOULD THE COMMISSION MAKE REGARDING THE FIFTH AMENDMENT APPLICATION.**

A. Faced with the fatal deficiencies and errors in the application, the Commission is theoretically faced with two choices: either order the correction of these deficiencies and errors and re-filing of the application, or reject the application - or at least those portions of the application that suffer from the deficiencies outlined above.

However, the correction pathway may prove to be infeasible given the short timeline until the 2024 IRP is due. The argument that this amendment unacceptably undermines the 2024 IRP will only increase with time. Moreover, if the Commission were to order a re-filing of the application, the amendment application would become subject to the requirements of AB 524, which though not yet translated into regulatory language, clearly expresses an intent that an application of the size and complexity of the instant filing requires a full IRP. Either way, correction and re-filing may likely be infeasible.

Instead, the Commission should reject the application in its entirety and require NVE to bring forward these issues in the full IRP process in six short months. Alternatively, the Commission should reject the generation and storage proposals while allowing the transmission-related projects, including the Esmerelda and Amargosa substations and Apex Master Plan, to proceed.

**Q. PLEASE EXPLAIN WHY BEST PRACTICES IN RESOURCE PLANNING REQUIRE THE CONSIDERATION OF THE VALMY REPOWER AND TRACY 4/5 PROJECTS.**

A. Cite to Nevada law on IRP requirements (NRS 704.741, 704.744, 704.746, 704.751, 704.752; NAC 704.9215, 704.922, 704.9225, 704.923, 704.9237, 704.925, 704.9281, 704.9321, 704.934, 704.9355, 704.9357, 704.9359, 704.937, 704.9395, 704.9401, 704.944) and limitations on amendments, even before AB 524.

Discuss AB 524, and why even if not controlling law for this application, the interests are relevant, reflective, and similar to existing Commission and ratepayer interest.

**NAC 704.9395 Resource plan: Information on financial and economic characteristics of planned facilities.** ([NRS 703.025](#), [704.210](#), [704.741](#)) A utility's resource plan must contain information on the financial and economic characteristics of planned facilities. The information must include:

1. The estimated costs of construction, including:
  - (a) Annual flows of expenditures with allowance for money expended during construction; and
  - (b) Annual flows of expenditures without allowance for money expended during construction;
2. The estimated costs of operation, including:
  - (a) Variable costs per kilowatt-hour, with expenses for fuel and other items indicated separately; and
  - (b) Fixed costs per kilowatt-hour;
3. Net environmental costs and net economic benefits to the State;
4. The rates of escalation of cost, including:
  - (a) Capital costs;
  - (b) Variable fuel costs;
  - (c) Nonfuel operating costs;
  - (d) Environmental costs; and
  - (e) Fixed operating costs; and
5. The average cost per kilowatt-hour at projected loads in current dollars for each year of the plan for each existing and planned facility.

**NAC 704.944 Supply plan: Discussion of alternative strategies.** ([NRS 703.025](#), [704.210](#), [704.741](#)) A utility shall include in its supply plan a comprehensive discussion of the alternative strategies that the utility would pursue if any preferred resource or facility were not available as described in the supply plan.

Cite to NARUC, DOE, RMI, LBNL on best practice for when to do a full IRP and level of analysis required for projects of this type.

**Q. PLEASE DESCRIBE HOW THIS FIFTH AMENDMENT IMPACTS THE TIMING OF THE UPCOMING 2024 IRP.**

A. The Companies are required to file the 2024 IRP in June of 2024. The Companies have already begun their assumptions, forecasts, drafting, and preparation of the 2024 IRP. If this amendment were to be approved, the Companies would have to amend their current plan for the 2024 IRP.

That analysis cannot possibly satisfy the requirements of Nevada law given the uncertainties posed by the current application. From the perspective of the 2024 IRP *currently in progress*, the current amendment application represents a reduction in choices and alternatives, cost-effectiveness and ability to meet state policy goals. **Check whether ability to meet IRP requirements is compromised by keeping open docket on 5<sup>th</sup> Amendment.**

**Q. DOES THE FIFTH AMENDMENT PREFERRED PLAN SATISFY THE REQUIREMENT FOR A COMPLETE SOLUTION TO VALMY RETIREMENT.**

A. For over a decade NVE has promised to retire North Valmy by 2025. **Pull all quotes of NVE promising or suggesting retirement of Valmy.** In all that time, NVE did not suggest re-powering or conversion to natural gas.

This longstanding commitment by the Companies is recorded not only in the Companies' public statements, but also in regulatory and other legal filings. 2012 IRP first proposed a 2021 retirement for Unit 1, in the final order the Commission approved a 2025 retirement for both units. In the 2018 IRP the Sierra again proposed an "early retirement" for Unit 1 by 2021, and in 2019 IRP both units were confirmed for retirement by 2025. **The Decision in this case used phrases such as \_\_\_\_\_ and \_\_\_\_\_.** None of these plans discussed repowering the facilities, and did not include repowering within the definition of retirement.

"By the end of 2019, the Companies will have retired or eliminated their ownership interests in all of the coal-fired generation serving southern Nevada. This IRP continues this legacy, providing a



blueprint and for the orderly and structured early retirement of North Valmy Unit 1, four years ahead of schedule in 2021."<sup>1</sup>

"In this Joint IRP filing, which benefits from the context of the gigawatt of renewable resources that Companies are proposing to add to their portfolios, the Companies are proposing the retirement of North Valmy Unit 1 on December 1, 2021."<sup>2</sup>

"Q. Could Valmy 1 be operated past 2021? A. Yes. Other than MATS, current environmental regulations do not impact the availability of the unit past 2021. However, with uncertainty regarding the environmental regulatory future of coal units, the Company is not recommending changing the retirement date beyond 2021 at this time."<sup>3</sup>

The Commission deemed the retirement of Valmy 1 in 2021 inadequate in Docket No. 12-08009 based on the LSAP analysis provided by the Company.<sup>4</sup>

US EPA air permit for Valmy also envisions, in fact legally requires, a December 2025 retirement. Repowering is not presented as an option in the permit, and was not among the options investigated by the Company or EPA when the permit was sought. Is re-power classified as new or modified source under Section 111? Was state SIP based on retirement?

In its order in the Fourth Amendment to the 2021 IRP, docket 22-11032, the Commission ordered NVE to present "the following related to the retirement of the coal-fired Valmy generating units:

a. A complete solution for the retirement of the Valmy coal plant;

b. Comprehensive analysis and comparisons of the financial and economic impacts of each potential solution; and,

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<sup>1</sup> Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a/ NV Energy seeking approval to add 1,001 MW of renewable power purchase agreements and 100 MW of energy storage capacity, among other items, as part of their joint 2019-2038 integrated resource plan, for the three year Action Plan period 2019-2021, and the Energy Supply Plan period 2019-2021 at page 6.

<sup>2</sup> *Id.* At 14.

<sup>3</sup> Docket No. 12-08009. Vol. 2. Direct testimony of Kevin C. Geraghty, Q. 12.

<sup>4</sup> Docket No. 12-08009 Commission Order.

c. Updated information on the federal and state limitations on continued operations of Valmy and associated costs.”<sup>5</sup> This language also speaks to retirement, and does not include or encompass repowering.

NVE is attempting to re-define retirement. In its final Decision regarding the 4<sup>th</sup> Amendment to the 2021 IRP, the Commission directed NV Energy to provide “a. A complete solution for the retirement of the Valmy coal plant...” Instead, the narrative of the Fifth Amendment promises a “complete solution to the timely retirement of coal *combustion* at Valmy” (narrative p3, emphasis added)

Repowering is not retirement. “Retirement of coal combustion” is not a thing. Therefore, this application does not satisfy the requirement to present a complete solution to Valmy retirement.

Further, this proposal fails because it does not achieve the same goals as retirement. Valmy retirement designed to achieve multiple goals, including environmental and price risk. Repowering does not achieve environmental goals – pollutant increase. Does not eliminate environmental risk – no mention of potential future regulatory risk affecting dispatch out to 2049, unrealistic. Does not eliminate price risk, merely shifts from coal to gas. Gas volatility (cite to 2022 price spikes) and delivery risk, including Ruby Pipeline risk.

**Q. DOES THE FIFTH AMENDMENT SATISFY THE REQUIREMENT FOR A COMPLETE ANALYSIS OF ALTERNATIVE VALMY SOLUTIONS?**

A. No. In its final Decision regarding the 4<sup>th</sup> Amendment to the 2021 IRP, the Commission directed NV Energy to provide “a. A complete solution for the retirement of the Valmy coal plant b. Comprehensive analysis and comparisons of the financial and economic impacts of each potential

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<sup>5</sup> Docket No. 22-11032 Commission Order at page 125 (May 12, 2023).

solution; and c. Updated information on the federal and state limitations on continued operations of Valmy and associated costs.”

The Commission required that each potential solution receive analysis and evaluation. Instead, NVE excluded multiple potential solutions, including those identified in its own, flawed solutions identification process. NVE chose to present only comparative analysis of its portfolio alternatives, and only those that included either the re-powering of Valmy existing generators or the construction of new natural gas simple cycle turbines.

The reason NVE primarily studied alternatives including the Valmy repower is due to NVE’s incorrect application of the LSAP process that proposed to include the Valmy Repower in the base case.

NVE did profess to move forward one alternative for analysis that did not include the Valmy Repower – instead this alternative relies on the construction of two new simple cycle peaker generators at the Valmy site. However, NVE did not move forward non-gas alternatives (Valmy Bess and Hot Pot) studied in the LSAP that met the same needs as the “No repower” gas CT scenario. There is no explanation for this failure – check LSAP testimony.

Because of this failure, there was no “comprehensive analysis and comparisons of the financial and economic impacts of each potential solution” as ordered in Docket \_\_\_\_.

**Q. DOES THE CARLIN TREND LOAD POCKET REQUIRE “AROUND-THE-CLOCK GENERATION”?**

A. “Around-the-clock generation” is not a recognized utility resource planning term, though NVE uses the phrase multiple times to support the Valmy Repower proposal. The Company suggests that this 24/7 generation is necessary planning constraint/objective [examples of statements that demonstrate this]. The Company then uses this need as a rationale for the Valmy repower or CT

alternative. The “around the clock generation” rubric encompasses a range of recognized planning constraints and objectives, which may be accomplished by a broader array of technologies.

In fact, the relevant constraints in the Carlin Trend load pocket only emerge under extreme contingency conditions. These conditions by their nature are unpredictable and highly unlikely (under current system configuration). If they do occur, they may affect the system for seconds or days. This latter uncertainty reflects not just the inherent uncertainty of the scenario – it also reflects a lack of analysis. NVE does not seem to have substantiated this risk, let alone performed a risk analysis to quantify potential event scenarios and likelihood. **Check relevant testimony (Pottety/Cook?)**

The resources necessary to address this contingency are fast-start resources and either non-energy-limited generation or long-duration energy storage. Because the risk is unquantified, it is not known whether 4-, 8-, or 100-hour storage would be sufficient. But each of these are potential solutions.

**Another potential long-term solution is enhanced geothermal generation. The Valmy area is considered to have excellent enhanced geothermal potential.**

The Company claims that the timeline requires repowering – and its approval in the abbreviated amendment process – because the Valmy plant cannot be operated past 2025. The Company complains of cost uncertainty and state “misalignment” with carbon goals. The Company claims it “observed higher market quotes for coal” yet the **prices included in the Fifth Amendment are not substantially different from those in the 2021 EIA forecast.** Finally, this coal bearishness contradicts the NERA study on IRA effects. That study purported to find reduced costs in both future coal and gas costs. The Company reports modifying their projection of future natural gas costs to reflect this 4% - 9% price reduction thanks to the IRA, but the Company does not report whether and how they reduced coal prices. **Check testimony.**

**Q. CAN AND SHOULD THE COMMISSION DELAY A DECISION ON A VALMY SOLUTION TO THE 2024 IRP?**

A. Yes. The decision is not ripe, wise, or appropriate at this time

- Idaho Power – don't know Idaho decision until XXX. If IP doesn't join in the Valmy Repower, NVE proposes to build both units. But they do not present this plan in any alternatives. The Commission does not have the information necessary to make a decision, and the Companies don't have the information necessary to prepare their 2024 IRP.
- The Companies have not provided the analysis required by the Fourth Amendment decision (specifically the comparison of potential Valmy solutions).
- The Companies analysis is flawed and must be corrected (inappropriate use of LSAP, distortionary price forecasts)
- The Companies have not performed a recent, transparent, and competitive solicitation to receive fresh bids of potential resources that could meet the Valmy need. The Companies and the Commission have no assurance that the Companies or Nevada ratepayers are considering the best options for a Valmy solution because the Companies have not tested the market.

**Q. SHOULD THE COMPANIES PERFORM A SOLICITATION FOR FRESH RESOURCE BIDS?**

A. Yes. The Commission should leverage the opportunity of the Fifth Amendment to order a fresh solicitation. This solicitation process could take one of two forms:

- Order the Companies to perform a solicitation targeted to the Valmy need now.
- Use the 2024 IRP to develop a comprehensive statement of need, including a refreshed and detailed determination of need in the system Valmy solution, that can form the basis for an

all-source RFP at the conclusion of the 2024 IRP process. The Companies would then evaluate those bids and put together a proposed portfolio as the First Amendment to the IRP.

**Q. WHY DO YOU SAY THE ONLY NEED SUPPORTING THE VALMY REPOWER IS FOR 1-2 YEARS?**

A. The only need the plan identifies for Valmy is voltage support in the Carlin Trend load pocket that “must be running or able to start quickly to prevent low-load conditions given certain transmission outages, at least until Greenlink West is in service” (p 137) “After Greenlink West is in service, the requirements for generation at Valmy may be relieved, dependent on load growth.” Greenlink West is expected to be in service by the end of 2026 [CITE]. Thus the only “need” that has been identified is for fast-start capacity in the Carlin trend area between the planned retirement of the Valmy plant in December 2025, and the planned in-service date of the Greenlink West in December 2026.

Even incorporating a contingency of substantial delay, Greenlink West would be in service within 1-2 years of the current retirement date – creating an identified “need” for only 1-2 years.

The Companies have specified that the primary legal barrier to keeping Valmy in service until it can be fully retired is the air permit (NDEP RHR Title V) that expires on December 31, 2028. This provides three years of buffer that can be used to allow Greenlink West to come into service, eliminating the only specific “need” for a Valmy solution.

**Q. HOW IS THE FUEL PRICE FORECAST MISLEADING?**

A. First, the Companies commissioned an analysis of what they call “federal climate policy” which is unusual at least, and potentially highly misleading. Further its application appears to bias the Companies’ analysis.

First, the NERA analysis is an unusual and questionable interpretation of “federal climate policy”. The only explicit climate policy in the IRA actually goes against NERA’s primary argument that Clean Air Act regulation of GHGs is unlikely – in fact, the IRA re-affirms the authority of US EPA to regulate GHGs under the CAA – making future explicit regulation more likely, not less. Instead, NERA focuses on the renewable and nuclear energy incentives in the IRA to argue that the net effect on resource planning should be a reduction in the cost of fossil fuels. This is a novel interpretation.

While a simple Econ 101 tenet is that a reduction in demand, all else being equal, will lead to a reduction in price, all else is seldom equal, and the NERA analysis glosses over a whole world of complications. Global gas markets, federal and state environmental regulation of gas production, long-run supply response (decrease) to lower demand and prices – all these factors will have the tendency to counteract any demand-induced short-term reduction in gas prices. NERA discusses some of these effects as rationale for the “no carbon policy” scenario – but the Companies decline to use this scenario.

Instead, the Companies used the NERA estimate of a 4-9% reduction in long-term natural gas costs, and used it to “adjust” the WoodMac price forecast using a NERA study that the companies portrays as “federal climate policy.” However, the primary (only?) effect the NERA study shows is a reduction in the cost of natural gas and coal. NVE applied this reduction as an “adjustment” to the WoodMac natural gas forecast.

It is not evident that the Companies or NERA prevented double-counting of the similar inclusion of IRA effects in Wood Mackenzie’s price forecast. “in its regional modeling of the WECC power

markets, WoodMac in February 2023 published a Long-Term Outlook that assumes limited effects of the IRA on natural gas prices. The Companies applied the NERA price impacts (adjustors) to this WoodMac natural gas price forecast to create natural gas price forecasts under the three carbon policy scenarios for use in the PLEXOS generation dispatch modeling.” [Narrative P. 32] Thus the Companies may be double-counting this effect.

Further, this analysis of the effects of the IRA is limited and one-sided. There is little evidence the Companies considered other impacts of the IRA – specifically the Energy Communities tax credit bonus. (I assume they properly did ITC and PTC, but should check)

Was the coal price adjusted in a similar way? NVE energy chose to use high coal price forecast, with mid sensitivity, in alternatives analysis. Assumedly the IRA would cause a similar reduction in coal demand and thereby coal prices.

Further, there is no evidence the Companies applied the adjusted gas price to the F&PP projections of regional energy costs at Mead [confirm].

If the Companies used NERA’s suspect analysis to lower the price of gas that would fuel the proposed Valmy repower but did not adjust the cost of coal or regional power markets, both of which are factors in an alternative analysis to the Valmy Repower proposal, then that analysis is fundamentally distorted and biased.

**Q. PLEASE EXPLAIN ISSUES WITH THE FIFTH AMENDMENT’S LSAP ANALYSIS AND PROCESS FOR SELECTION OF THE TRACY 4/5 PROJECT.**

A.

**Q. PLEASE EXPLAIN ISSUES WITH THE LACK OF A LOW CARBON SCENARIO.**



A. Nevada law requires that IRPs include a low carbon scenario and Commission regulation \_\_\_ requires \_\_\_. The Commission included a provision that this exercise need not be conducted twice in the same 12-month period. A Low Carbon analysis was conducted for the Fourth Amendment, and so NVE argues no such analysis is required here.

This technical parsing ignores the dramatically changed circumstances and proposal in this application. NVE is seeking to evade the clear intent of the law and regulation.

#### **Q. PLEASE EXPLAIN ISSUES WITH THE FIFTH AMENDMENT'S CONSIDERATION OF RENEWABLE AND STORAGE RESOURCES**

A. The FA is deeply and fatally flawed because of the lack of recent and robust resource solicitation. The specific failures of NVE's procurement process are detailed in numerous recent proceedings, including the Fourth Amendment, the IRP reform docket, and the AB 524 implementation docket.

The Companies claim they "reviewed several resources when building the Preferred and Alternate Plans." However, the number of both external bids and internal **projects reviewed has not been made available to intervenors.** It is likely in the single digits, and external bids were stale.

We know from the last RFP<sup>6</sup> that the Companies received 66 bids in 20\_\_\_. This is in contrast to PSCo that received over 1000 bids, and PacifiCorp that received ?680??. Peer companies are receiving 10X! the number of bids.

**"Out of the five RFPs held since 2020, the sum of projects from those RFPs that will help fill the capacity position the Company started this proceeding with in 2021 is low - only 66 MW. While NV Energy provided its reasoning both for launching the RFPs and for its decisions not to contract,**

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<sup>6</sup> CITE

the decisions are made in NV Energy's discretion separate and apart from the many phases of this ongoing IRP, without supporting data presented to the Commission."

"29. Q. What was the scope of bids received by PSCo all-source RFP? A. Xcel received 417 bids from 238 distinct projects totaling approximately 58,000 MW of capacity for a resource need of 1100 MW. Of the 417 total eligible bids, 160 bids for 79 distinct projects were advanced to computer-based modeling."

We know that NVE whittled down the initial bid pool to \_\_\_\_\_, and kept \_\_\_\_\_ for negotiations. \_\_\_\_\_ projects have failed. In response to Commission direction during the 4<sup>th</sup> Amendment, NVE said they would revisit bids to see if there were updates to pricing or if the bidders would consider conversion to PPA bids [confirm].

## **Q. HOW IS THE INFLATION REDUCTION ACT CONSIDERED IN THE FIFTH AMENDMENT?**

**A.** IRA not captured because of no recent solicitation.

IRA supposedly used in NERA economic forecast of effect on natural gas prices, but incomplete application.

Majority of Nevada, including Valmy (Carlin Trend area) and Tracy areas, eligible for Energy Communities bonus. This provides a 10% bonus to the ITC and PTC tax credits.

Potential Valmy solutions would also be eligible for the Energy Infrastructure Reinvestment Program (Title 1706), a federal loan guarantee program that can substantially reduce the cost of capital. Qualified projects include the repowering, repurposing, or replacement of fossil generation facilities that have ceased operations. Expenses within these projects include replacing the energy, capacity, and grid services of retired facilities, building new facilities, and the environmental remediation of retired sites.

**Q. HOW HAS THE PROCESS OF OBTAINING ACCESS TO CONFIDENTIAL DOCUMENTS DELAYED YOUR REVIEW OF THE FIFTH AMENDMENT?**

A. Cite to the brief currently in development to be filed 12/18. NVE is withholding material information without legal justification. This undermines the ability for effective intervention, prejudices our ability to intervene. Also affects other parties, including staff and BCP, because they lose the benefit of our testimony.

United has not had the statutorily provided time to fully debrief the fifth amendment to the 2021 IRP.

The Companies have withheld material information that is crucial to understanding the context of this amendment. Further, United staff, alongside other parties, has signed a protective agreement. Even after signing this protective agreement, United staff have faced difficulties and delays with receiving the confidential information that was part of the protective agreement.

NVE has falsely asserted that United is a market participant. Contrary to NVE's false assertions before this Commission, United is not a market participant. United has no investments or financial interests in any of its member companies, no financial interest in energy markets, no commercial activities, beyond this intervention in the instant docket, whatsoever that would utilize the data at issue. Further, United has multiple existing legal barriers to sharing this information with our members. For one, we have signed a protective agreement that explicitly and repeatedly prohibits the disclosure of the specific data at issue. Moreover, United is bound by anti-trust law and our incorporation as a c6 trade org [confirm if this work is c6 or c3 and/or whether it matters to this argument] to prevent the discussion or coordination of any pricing, bid terms, or other commercially sensitive information. NVE is suggesting not only that united is something we are

not, but that we might engage in illegal behavior. This is not only derogatory, it is not legal grounds for withholding information that should be disclosed.

**Q. PLEASE DESCRIBE WHY IT IS IMPORTANT FOR THE COMPANIES TO CONTINUE SOLICITATION FOR RENEWABLE ENERGY CONTRACTS?**

A. Competitive procurement process is important because

- Increased quality and lower cost bids
- More selection and choice of projects to match system need
- Enhanced due diligence due to comparison
- Availability of backup bids and

**CITE to NARUC, LBNL, RMI**

Nevada has a clean energy by 2050 goal. In order to meet this goal, the state needs to grow their renewable energy portfolio. Although the Iron point and Hot Pot projects are no longer being developed as plan with the original developers<sup>7</sup>, the Companies should not shy away from contracting with developers in the future. The Companies have suggested a self-build approach<sup>8</sup> for future renewable energy resources and while the addition of these resources is important, there is a market of developers who want to grow in the state and bid on future projects. Through a successful bid process in the future, the Companies would be able to have developers available were another project to terminate. The Companies acknowledge the delays, shortfalls, and cancelations of renewable projects will impede the ability to meet the Renewable Portfolio Standard.<sup>9</sup> The self-build approach suggested by the Companies does not necessarily prevent these delays, shortfalls, and cancelations just because the utility is regulated. The Companies have stated

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<sup>7</sup> Vol. 2, Direct Testimony of Jimmy Daghlion at 79 of 382.

<sup>8</sup> Vol. 2, Direct Testimony of Jimmy Daghlion at 81 of 382.

<sup>9</sup> Vol. 2, Direct Testimony of Jimmy Daghlion at 78 of 382.

that they are also facing supply issues with resources.<sup>10</sup> By expanding the solicitation process for renewable energy projects, the Companies will reach more developers and have a stronger opportunity to have successful projects that are necessary for this state.

**Q. WHAT CONCERNS DO YOU HAVE WITH THE PROPOSED NEW ONSITE GAS PIPELINE THAT WILL RUN FROM RUBY PIPELINE THAT WILL BE NECESSARY FOR THE PREFERRED PLAN OF REPOWERING VALMY WITH NATURAL GAS?**

A. The costs associated with the necessary buildout to Ruby Pipeline for the natural gas repowering at Valmy have not been provided either in the amendment or in the information received under the protective agreement. Without being provided the full information on the costs associated with the natural gas pipeline, the stakeholders involved in this process have not been able to fully understand this amendment.

If the capital costs of the pipeline are amortized through the fuel purchase agreement, the cost of the fuel purchase agreement is higher, the required take-or-pay provisions may be higher, and the dispatch of the plant may be distorted. None of these costs and risks is being vetted by the Commission and stakeholders.

In addition, the Ruby Pipeline itself bears some project risk. The pipeline has previously been in bankruptcy and its future is uncertain. The Companies have not disclosed what a potential future bankruptcy could mean in contract re-negotiations or indeed in fundamental supply risk if the pipeline were to cease operations. [Check and cite]

**Q. PLEASE DESCRIBE YOUR RECOMMENDATIONS TO THE COMMISSION REGARDING THE FIFTH AMENDMENT TO THE 2021 IRP.**

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<sup>10</sup> Vol. 2, Direct Testimony of Gaurav Shil at 107 of 382.

A.

Options:

- United recommends that the Commission dismiss this amendment and require the Companies to include the relevant information from this amendment in the 2024 IRP that will be filed in June.
- United recommends that the Commission provide the stakeholders the statutorily required time with the necessary materials provided to them from the Companies.

**Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

A. Yes.

**This 5<sup>th</sup> Amendment to the IRP is not ripe for consideration since the Preferred Plan relies heavily on the Idaho Power Company 2023 IRP – waste of time to consider**

The Idaho Power Company submitted their 2023 IRP in September of 2023. The Preferred Plan presented in the 5<sup>th</sup> Amendment to the 2021 IRP heavily relies on the approval of the Idaho Power Company's IRP. It is not in the best interest of the State of Nevada to make a decision based on a plan that is heavily reliant on another utility in another state.

**The 5<sup>th</sup> Amendment is not a complete solution to the retirement of the Valmy coal-fired operations**

In its ruling during the 4<sup>th</sup> Amendment to the 2021 IRP, the Commission directed NV Energy to provide “a. A complete solution for the retirement of the Valmy coal plant b. Comprehensive analysis and comparisons of the financial and economic impacts of each potential solution; and c. Updated information on the federal and state limitations on continued operations of Valmy and associated costs.” The 5<sup>th</sup> Amendment does not provide a complete solution for the retirement of the Valmy coal plant, but instead recommends conversion into a

natural gas plant. Retirement and conversion are not one and the same and instead will prolong the life of the Valmy plant, instead of retiring it.

**The Company is using its own failures in contract negotiations to encourage the addition on non-renewable energy resources**

"In the past two years, several project developers have communicated difficulties in obtaining major equipment at acceptable costs to fulfill their contracted obligations. Several of the renewable projects, such as Southern Bighorn Solar, Chuckwalla Solar and Boulder Solar III, that are currently under development are facing delays, shortfalls, or cancelations due to the various market conditions surrounding the solar photovoltaic ('PV') and BESS markets. Delays, shortfalls, or cancelations of any renewable projects currently under development impede the Companies' ability to meet the Renewable Portfolio Standard and other customer needs."

"While the Companies cannot publicly speculate on the eventual fate of individual projects, it is reasonable and prudent to expect and plan for a portion of the projects to reach commercial operation late and for some to never reach commercial operation...The projects included in this filing are self-developed or asset purchase resources for which the Companies manage the major development milestones compared to reliance on unregulated developers."

Most of the Testimony from Jimmy Daghlian is relevant to this section – he is the VP of Renewables and discusses the current market and self-development

[https://app.insightengine.org/dockets/nv-23-08015/filings/20869050?version=beta&filing\\_search\\_id=1615757&document\\_id=176423779](https://app.insightengine.org/dockets/nv-23-08015/filings/20869050?version=beta&filing_search_id=1615757&document_id=176423779)