

October 5, 2018

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

RE: Docket No. 18-06003 - Joint application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of their 2019-2038 Triennial Integrated Resource Plan and 2019-2021 Energy Supply Plan.

Dear Ms. Osborne:

Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (the "Companies") hereby submits for filing the enclosed Stipulation signed by the Regulatory Operations Staff of the Public Utilities Commission of Nevada, the Office of the Attorney General's Bureau of Consumer Protection, Nevadans for Clean Affordable Reliable Energy, Sierra Club and Natural Resources Defense Council, and the Companies. The Stipulation constitutes a negotiated settlement between the signatories, which is entered into for the purpose of resolving all the issues raised by the signing parties in Phase II of the above mentioned docket.

Of the four other parties that were granted rights to participate in Phase II of this proceeding, the Stipulation reflects that three of those parties do not oppose it. The fourth, Smart Energy Alliance, has not indicated its position on the Stipulation as of the time of the filing of that document.

Should you have any questions regarding this filing, please contact me at 702-402-5697 or dbrooks@nvenergy.com.

Sincerely,

/s/ Douglas Brooks
Douglas Brooks
Senior Attorney

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint application of Nevada Power Company d/b/a NV)
Energy and Sierra Pacific Power Company d/b/a NV)
Energy for approval of their 2019-2038 Triennial Integrated Resource Plan and 2019-2021 Energy Supply Plan.

STIPULATION – PHASE II

Pursuant to Nevada Administrative Code ("NAC") §§ 703.750 and 703.845, Nevada

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

NV Energy ("Sierra" and together with Nevada Power, the "Companies" or "NV Energy"), the

Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada

("Commission"), the Office of the Attorney General's Bureau of Consumer Protection ("BCP"),

Nevadans for Clean Affordable Reliable Energy ("NCARE"), and, jointly, the Sierra Club and
the Natural Resources Defense Council ("NRDC"), each individually a "Signatory" and together
the "Signatories", enter this Stipulation to resolve all issues related to the Companies' 2019-2021

Joint Demand Side Management Plan ("DSM Plan"), also known as Phase II of this Docket.

SUMMARY OF STIPULATION

The Signatories agree that this Stipulation provides a reasonable resolution of issues raised in Phase II and that the Stipulation is in the public interest.

The Stipulation only settles issues related to Phase II of this docket. The Stipulation only seeks relief that the Commission is empowered to grant. Accordingly, the Signatories recommend that the Commission accept the Stipulation, and grant certain requests for relief made by the Companies' in their DSM Plan.

RECITALS

- 1. On June 1, 2018, the Companies filed with the Commission an application requesting approval and acceptance of its 2019-2038 Triennial Integrated Resource Plan ("Joint IRP"), including the DSM Plan, for the period 2019-2021.
- 2. The DSM Plan was made pursuant to the applicable provisions of the Nevada Revised Statutes ("NRS") and the NAC, Chapters 703 and 704, including but not limited to NAC §§ 704.934.
- 3. On June 12, 2018, the Commission issued a Notice of Electric Utilities' Joint Integrated Resource Plan and Notice of Prehearing Conference.
- 4. Pursuant to NRS §§ 703.301 and 228.360, Staff and the BCP participate in these proceedings as a matter of right.
 - 5. On July 2, 2018, NCARE filed a petition for leave to intervene ("PLTI").
 - 6. On July 3, 2018, Sierra Club and NRDC filed a joint PLTI.
- 7. On July 5, 2018, Copper Mountain Solar 5, LLC ("Copper Mountain"); Dodge Flat Solar, LLC and Fish Springs Ranch Solar, LLC (collectively "NextEra"); Interwest Energy Alliance ("Interwest"); Northern Nevada Industrial Electric Users ("NNIEU"); Smart Energy Alliance ("SEA"); Vote Solar; and Wynn Las Vegas, LLC ("Wynn") filed PLTIs. The Southern Nevada Air Conditioning Refrigeration Service Contractors Association ("SNARSCA") filed comments.
- 8. On July 9, 2018, the Presiding Officer held a prehearing conference, at which the Signatories discussed the PLTIs, procedural schedule and discovery procedures.
- 9. On July 13, 2018, the Commission issued Procedural Order No. 1, which set the procedural schedule for this docket and designated the DSM Plan as Phase II.

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- 10. On July 18, 2018, the Commission issued an order granting the PLTIs for NCARE, Sierra Club and NRDC, Copper Mountain, NextEra, Interwest, NNIEU, SEA, Vote Solar and Wynn. The Commission's order provided for participation in all three phases of this Docket, including Phase II, to NCARE, SEA, Interwest, Vote Solar, and NNIEU. It limited the participation of Sierra Club and NRDC to Phases II and III, and limited participation to only Phase III for Copper Mountain, Next Era, and Wynn. Thus the parties entitled to participate in Phase II consist of Staff, BCP, NCARE, Sierra Club and NRDC, SEA, Interwest, Vote Solar, and NNIEU ("Phase II Parties") The Signatories to this Stipulation are the only parties that filed testimony that address Phase II issues.
- 11. The Signatories have investigated the DSM Plan, conducted analysis of the Companies' requests and agree to enter into the Stipulation.
- 12. The Phase II Parties who are not signatories to this Stipulation were provided with the term sheet containing the agreement of the parties on October 3, 2018, and a copy of a final draft of the Stipulation on October 4, 2018, and had the opportunity to review the Stipulation, provide any comments or issues with the Stipulation, and determine if they would sign the Stipulation, not oppose the Stipulation or not agree to the Stipulation. Interwest, NNIEU and Vote Solar have respectively stated to the undersigned counsel for NV Energy that they do not oppose the Stipulation.
- 13. This Stipulation resolves all issues related to Phase II of the above-referenced docket.
- 14. If the Presiding Officer rejects this Stipulation, the Signatories shall proceed with full presentations of their cases and are not bound by the terms of this Stipulation.

d/b/a NV Energy

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NOW THEREFORE, in light of the foregoing considerations, the Signatories agree and recommend the following:

AGREEMENT OF THE SIGNATORIES

- 1. The Commission should accept and approve the Companies' Application for approval of their joint DSM Plan for the Action Plan period 2019 – 2021 filed in Docket No. 18-06003, except as modified by this Stipulation.
- 2. For **Nevada Power**, the Commission should accept and approve, subject to the modifications described below, the proposed budget levels for the Demand Side Management programs for the Action Plan period of 2019 – 2021 as set forth in Table DSM-2A found in Volume 6, page 11 of 339 of the Integrated Resource Plan filed on June 1, 2018. The revised budget levels supported by the Signatories are shown in Attachment 1. The exceptions are as follows:
 - a. Energy Education: Increase by \$100,000 in each year of the Action Plan period to increase the number of energy kits.
 - Energy Reports: Reduce by \$400,000 in each year of the Action Plan period. b.
 - Residential Lighting: Increase by \$100,000 in each year of the Action Plan c. period.
 - d. Commercial Services: Increase by \$200,000 in each year of the Action Plan period.
- 3. For Sierra, the Commission should accept and approve, subject to the modifications described below, the proposed budget levels for the Demand Side Management programs for the Action Plan period of 2019 – 2021 as set forth in Table DSM-2B found in Volume 6, page 12 of 339 of the Integrated Resource Plan filed on June 1, 2018. The revised

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budget levels supported by the Signatories are shown in Attachment 1. The exceptions are as follows:

- a. <u>Energy Education</u>: Increase by \$75,000 in each year of the Action Plan period to increase the number of energy kits.
- b. <u>Energy Reports</u>: Reduce by \$75,000 in 2019, \$175,000 in 2020 and \$275,000 in 2021.
- c. <u>Residential Air Conditioning</u>: Do not offer the program and eliminate the proposed budget of \$600,000 in 2019, \$500,000 in 2020 and \$500,000 in 2021.
- d. <u>Commercial Services</u>: Increase by \$600,000 in 2019, \$600,000 in 2020 and \$700,000 in 2021.
- 4. The Signatories agree that Nevada Power and Sierra should implement the following modifications for the programs specified during the Action Plan period of 2019 2021:
 - a. <u>Energy Education</u> (Nevada Power and Sierra):
 - Measurement and Verification analysis and claimed energy savings will apply to energy kits only.
 - b. <u>Pool Pumps</u> (Nevada Power):
 - i. Limit eligibility to customers that have not previously received a pool pump under the program, based on the honor system.
 - c. <u>Low Income</u> (Nevada Power and Sierra):
 - i. Allow the installation of up to 20 LEDs in higher use lamp sockets with an average of 10 LEDs per home.
 - ii. Track and report on low income participation in all approved programs to demonstrate at least 5% of the total budget is being dedicated to this effort.

d. <u>Program Development</u> (Sierra):

- i. Conduct a trial of Energy Star certified ductless mini-split heat pumps in new construction or for the replacement of electric resistance units to assess market demand and cost-effectiveness of this measure.
- ii. If the Multi-Family program development trial that will be complete in 2019 is successful, NV Energy may submit the Multi-Family program as a standalone program to be implemented in 2020 or 2021 for review and approval by the Commission in an annual DSM Update Report.

e. <u>Direct Install</u> (Nevada Power and Sierra):

- i. NV Energy will provide low cost low-flow shower heads and aerators as part of the direct install programs. These measures will be installed in homes with electric water heaters or the homes of Sierra gas customers. The Companies will look for joint funding sources to support the addition of these measures in homes with gas water heating by continuing discussions with Southwest Gas and the Las Vegas Valley Water District. Any joint funding must be approved in a future DSM Update Report filing.
- 5. The Signatories further agree that Nevada Power and Sierra shall implement the following additional items:
 - a. NV Energy will commit to performing a new rate impact study similar to that filed by Nevada Power in its 2012 Integrated Resource Plan (Docket No. 12-06053). This study was conducted by Cadmus Group, Nevada Power filed

testimony in support of the rate impact study. This study will be funded from the agreed upon overall budget.

b. For Sierra's common electric and natural gas programs, which are the programs administered jointly but reported on and funded separately (Energy Assessments, Energy Reports and Direct Install), Sierra will conduct measurement and verification analyses to determine both electric and natural gas savings. Costeffectiveness analyses will be run both with combined budgets and savings and as a stand-alone electric or natural gas program, and will be reported in each annual filing.

GENERAL PROVISIONS

- 6. Neither this Stipulation, nor its terms, nor the Commission's acceptance of the recommendations contained herein shall have any precedential effect in other proceedings before the Commission, a court of law, or any state or federal regulatory bodies for any purpose, nor shall it be deemed a waiver of any position or argument made by any signatory in any such proceedings. As such, nothing in this Stipulation shall be construed as limiting the ability of the Parties to make recommendations with respect to the Companies' future DSM Annual Update Report filings.
- 7. In accordance with NAC § 703.845, this Stipulation settles only issues relating to the present proceedings and seeks relief that the Commission is empowered to grant.
- 8. This Stipulation is entered into for the purpose of resolving all the issues relating to Phase II of this Docket by and among the signatories as set forth above. This Stipulation is

 $^{^{1}}$ The study is discussed in Docket No. 12-06053, the DSM Plan, Vol. 7, pages 61 - 67 of 319; Haeri testimony in Volume 3; and an explanation of the study is found in DSM-5 in Volume 9.

made upon the express understanding that it constitutes a negotiated settlement. The provisions of this Stipulation are not severable.

- 9. This Stipulation represents a compromise of the positions of the Signatories. As such, conduct, statements and documents disclosed in the negotiation of this stipulation shall not be admissible as evidence in these Dockets or any other proceeding. Except as set forth herein, neither this Stipulation, nor its terms, nor the Commission's acceptance or rejection of the terms contained in this Stipulation shall have any precedential effect in future proceedings.
- 10. This Stipulation may be executed in one or more counterparts, all of which together shall constitute the original executed document. This Stipulation may be executed by Parties by electronic transmission, which signatures shall be as binding and effective as original signatures.

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	2	This Stipulation is entered int	o by e	ach Signatory as of the date entered below
	3			NEVADA POWER COMPANY, d/b/a NV Energy SIERRA PACIFIC POWER COMPANY,
	4			d/b/a NV Energy
	5	Dated: 10/5/18	_	1-1-B-W
	6		By:	Name: Douglas Brooks Title: Senior Counsel
	7			Title: Senior Counsel
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npany	9			REGULATORY OPERATIONS STAFF
mpany er Con rgy	10			
Nevada Power Company and Sierra Pacific Power Company d/b/a NV Energy	11	Dated: 10-4-18	By:	Merch Hi Burnett
ida Po a Paci 1/b/a P	12	Dated. 10 1 10	<i>ا</i> رد	Name: Meredith Barnett Title: Assistant Staff Counsel
Neva Sierr	13			
and	14			
	15			OFFICE OF ATTORNEY GENERAL, BUREAU OF CONSUMER
	16			PROTECTION
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	18	Dated:	Зу:	
	19			Name: Michael Saunders Title: Senior Deputy Attorney General
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	1			NEVADANS FOR CLEAN AFFORDABLE RELIABLE ENERGY
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	3			Cam Dy
	4	Dated: 10/4/2018	By:	·
	5			Name: Cameron Dyer Title: Staff Attorney
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	8			SIERRA CLUB NATURAL RESOURCES DEFENSE COUNCIL
Nevada Power Company and Sierra Pacific Power Company d/b/a NV Energy	9			COUNCIL
Nevada Power Company Sierra Pacific Power Com d/b/a NV Energy	10			
ada Power Comp :a Pacific Power (d/b/a NV Energy	11	Dated:	By:	Name: Katherine Ramsey Title: Staff Attorney
da Pov Pacif /b/a N	12			Title: Staff Attorney
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	4	Dated:	By:	Name Company Dave
	5			Name: Cameron Dyer Title: Staff Attorney
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	7			
	8			SIERRA CLUB NATURAL RESOURCES DEFENSE
ıpany	9			COUNCIL
npany er Com gy	10			Katterie A. Ransey
and Sierra Pacific Power Company d/b/a NV Energy	11	Dated: Oct. 5, 2018	D V	Name: Katherine Ramsey Title: Staff Attorney
	12			Title: Staff Attorney
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		Budget (\$)		Energ	Energy Savings (MWh)	MWh)	Forecaste	Forecasted Retail Sales (MWh)	s (MWh)	Energy S	Energy Savings Percentage of Retail Sales	centage S
Filed Docket 18-06003	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Nevada Power	\$49,800,000	\$49,800,000 \$50,200,000 \$50,600,000 266,880 258,421	\$50,600,000	266,880	258,421	260,498	20,272,610	20,487,236	20,272,610 20,487,236 20,780,182		1.32% 1.26% 1.25%	1.25%
Sierra	\$14,800,000	\$14,800,000 \$15,500,000 \$16,100,000	\$16,100,000	79,531	81,697	85,963	9,071,001	9,338,156	9,338,156 9,613,733		0.88% 0.87% 0.89%	0.89%
NV Energy	\$64,600,000	\$64,600,000 \$65,700,000 \$66,7	\$66,700,000	346,410	340,118	346,462	700,000 346,410 340,118 346,462 29,343,611 29,825,392 30,393,915 1.18% 1.14%	29,825,392	30,393,915	1.18%	1.14%	1.14%

		Budget (\$)		Energy	Energy Savings (MWh)	MWh)	Forecaste	Fore casted Retail Sales (MWh)	s (MWh)	Energy S	Energy Savings Percentage of Retail Sales	centage s
As Stipulated Docket 18-06003	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2019 2020	2021
Nevada Power	\$49,800,000	\$49,800,000 \$50,200,000 \$50,600,000 266,880 258,422 260,499 20,275,610 20,487,236 20,780,182 1.32% 1.26% 1.25%	\$50,600,000	266,880	258,422	260,499	20,275,610	20,487,236	20,780,182	1.32%	1.26%	1.25%
Sierra	\$14,800,000	\$14,800,000 \$15,500,000 \$16,100,000 83,834	\$16,100,000	83,834	84,684	87,603	9,071,001	9,338,156	9,613,733	0.92%	0.91%	0.91%
NV Energy	\$64,600,000	\$64,600,000 \$65,700,000 \$66,700,000 350,714 343,106 348,101 29,346,611 29,825,392 30,393,915 1.20% 1.15% 1.15%	\$66,700,000	350,714	343,106	348,101	29,346,611	29,825,392	30,393,915	1.20%	1.15%	1.15%

			As Stipulated	ulated		
		Budget (\$)		Ener	Energy Savings (MWh)	Wh)
Nevada Power	2019	2020	2021	2019	2020	2021
Energy Education	\$100,000	\$100,000	\$100,000	(738)	(738)	(738)
Energy Reports	-\$400,000	-\$400,000	-\$400,000	(4,433)	(4,433)	(4,433)
Energy Assessments	\$0	0\$	0\$	ı	1	-
Program Development	\$0	\$0	\$0	N/A	N/A	N/A
Subtotal - Outreach & Program Development	-\$300,000	-\$300,000	-\$300,000	(5,171)	(5,171)	(5,171)
Residential Lighting	\$100,000	\$100,000	\$100,000	535	535	535
Pool Pumps	80	0\$	0\$	ı	1	-
Low Income	80	0\$	0\$	ı	ı	ı
Residential Air Conditioning	\$0	0\$	0\$	ı	1	-
Direct Install	\$0	0\$	0\$	ı	1	-
Residential Demand Response - Manage	\$0	\$0	\$0	-	1	_
Residential Demand Response - Build	\$0	\$0	\$0	ı	1	-
Cultivial Homo Comitor	\$100,000	\$100,000	\$100,000	535	525	535
Santon Trome Services	000,001φ	000,0010	000,0010	CCC	ccc	CCC
Schools Program	\$	\$0	\$0		1	-
Commercial Services	\$200,000	\$200,000	\$200,000	4,637	4,637	4,637
Commercial Demand Response - Manage	\$0	\$0	\$0	I	1	_
Commercial Demand Response - Build	\$0	\$0	\$0	ı	-	_
Subtotal - Business Services	\$200,000	\$200,000	\$200,000	4,637	4,637	4,637
Total DSM Programs	80	80	80	0	0	0

Sierra 2019 Energy Education \$75,000 Energy Reports -\$75,000 Energy Assessments \$0 Program Development \$0 Subtotal - Outreach & Program \$0 Development \$0		2021 20 \$75,000 -\$275,000 -\$275,000 80 80 80 -\$275,000		Energy Savings (MWh)	(Wh) 2021
2019 \$75,0	000 000 000 000	\$75,C -\$275,C -\$270,0	(307) (1,133) (N/A	2020	2021
\$75,0 -\$75,0 Outreach & Program Development		\$75,C -\$275,C -\$200,0	(307) (1,133) - N/A		
Outreach & Program Development		-\$275,0	(1,133) - N/A	(307)	(307)
Outreach & Program Development		-\$200,0	- N/A	(2,233)	(4,633)
Outreach & Program Development		-\$200,0	N/A	-	ı
				N/A	N/A
			(1,440)	(2,540)	(4,940)
Residential Lighting \$0	0\$	0\$	ı	-	ı
Low Income \$0	0\$	0\$	ı	-	1
Residential Air Conditioning -\$600,000	000,000\$-	000,000\$-	(866)	(682)	(682)
Direct Install \$0	0\$	0\$	ı	-	1
Residential Demand Response - Manage \$0	\$0	0\$	I	-	-
Residential Demand Response - Build \$0	\$0	0\$	-	1	-
Subtotal - Home Services -\$600,000	000 -\$500,000	-\$500,000	(998)	(789)	(789)
Schools Program \$0	\$0	0\$	1	1	_
Commercial Services \$600,000	000,000\$ 000,000	\$700,000	6,742	6,316	7,368
Commercial Demand Response - Manage \$0	\$0	0\$	ı	1	_
Commercial Demand Response - Build \$0	\$0	0\$	=	1	-
Subtotal - Business Services \$600,000	\$600,000	\$700,000	6,742	6,316	7,368
Total DSM Programs \$0	0\$ 0\$	0\$	4,304	2,987	1,639



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CERTIFICATE OF SERVICE

2	I hereby certify that I have served	d the foregoing filing of NEVADA POWER
3	COMPANY D/B/A NV ENERGY ANI	O SIERRA PACIFIC POWER COMPANY
4	D/B/A NV ENERGY in Docket 18-06003 to	upon the persons listed below by electronic mail:
5	Tammy Cordova	Staff Counsel Division
6	Public Utilities Comm. of Nevada 1150 E. William Street	Public Utilities Comm. of Nevada 9075 West Diablo Drive Suite 250
7	Carson City, NV 89701-3109	Las Vegas, NV 89148
	tcordova@puc.nv.gov	pucn.sc@puc.nv.gov
8		
9	Paul Stuhff	David Norris
10	Attorney General's Office Bureau of Consumer Protection	Attorney General's Office Bureau of Consumer Protection
11	10791 W. Twain Ave., Ste. 100	100 N. Carson St.
	Las Vegas, NV 89135-3022	Carson City, NV 89701
12	pstuhff@ag.nv.gov	dnorris@ag.nv.gov bcpserv@ag.nv.gov
13		
14	Carolyn Tanner (Interwest)	Rebecca Wagner
15	Tanner Law and Strategy Group Ltd.	Wagner Strategies
	216 E. Liberty Street Reno, NV 89501 lina@tanner1nv.com	316 California Ave. #857 Reno, NV 89509 rebwagner@gmail.com
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17		
18	Robert G. Johnston (NCARE)	Cameron Dyer (NCARE)
19	Western Resource Advocates 550 West Musser Street, Ste. H	550 W. Musser Street, I Carson City, NV 89703
	Carson City, NV 89703	Cameron.dyer@westernresources.org
20	Robert.johnston@westernresources.org	
21		
22	Regina M. Nichols (NCARE)	Rick Gilliam (Vote Solar)
23	Recording Secretary	590 Redstone Drive, Ste. 100
	550 W. Musser Street, G Carson City, NV 89703	Broomfield, CO 80020 rick@votesolar.org
24	rnichols@westernresources.org	Tiene (ottobolmi.org
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