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24-06014

Public Utilities Commission of Nevada
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In accordance with NRS Chapter 719,
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by: /s Lynn DInnocenti

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This filing has been electronically filed and deemed to be signed by an authorized
agent or
representative of the signer(s) and
SPPC



April 4, 2025

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

RE: Docket No. 24-06014; Joint Application of Sierra Pacific Power Company d/b/a NV Energy and Callisto Enterprises LLC for approval of an Energy Supply Agreement.

Dear Ms. Osborne:

Sierra Pacific Power Company d/b/a NV Energy (“Sierra” or the “Company”) submits the attached Supplemental Testimony of Hank Will.

Portions of the filing accompanying this transmittal letter are to be kept under seal pursuant to NAC § 703.527 *et seq.* This information is contained in a sealed envelope, appropriately marked, and contains the unredacted pages of the supplemental testimony and exhibit of Hank Will along with the workpapers supporting this testimony, provided at the request of the Commission, which includes confidential customer-specific information. The Company requests that this confidential information remain under seal for a period of at least five years following the expiration or earlier termination of the energy supply agreement.

Should you have any questions regarding this filing, please contact me at 702-402-5792 or at deborah.bone@nvenergy.com.

Sincerely,

/s/ Deborah Bone
Deborah Bone
Deputy General Counsel

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Sierra Pacific Power Company d/b/a NV Energy
Docket Nos. 24-06014
Energy Supply Agreement with Callisto Enterprises, LLC

Supplemental Direct Testimony of

Hank Will

I. INTRODUCTION

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

A. My name is Hank Will. My current position is Pricing Specialist in the Regulatory Pricing and Economic Analysis group for Sierra Pacific Power Company, d/b/a NV Energy (“Sierra” or the “Company”) and Nevada Power Company, d/b/a NV Energy, (“Nevada Power,” and together with Sierra, the “Companies”). My primary business address is 6100 Neil Road, Reno, Nevada. I am filing testimony in this proceeding on behalf of Sierra.

2. Q. HAVE YOU PREVIOUSLY OFFERED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed direct testimony on June 7, 2024, in this docket.

3. Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A. The purpose of my supplemental testimony is to provide an explanation of the changes between the energy supply agreement (“ESA”) pricing model that accompanied my direct testimony filed on June 7, 2024, as **Exhibit Will-Direct-2** and the supplemental ESA pricing model included with this testimony as **Exhibit Will-Supplemental-1**.

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4. Q. PLEASE PROVIDE AN OUTLINE OF YOUR EXHIBITS.

A. I am sponsoring the following exhibits:
Exhibit Will-Supplemental-1, Supplemental ESA Pricing Model.

5. Q. IS SIERRA REQUESTING CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION CONTAINED IN YOUR TESTIMONY?

A. Yes. **Exhibit Will-Supplemental-1**, its supporting workpapers, and certain outputs included in my testimony, are confidential consistent with the treatment requested for the workpapers filed at direct for **Exhibit Will- Direct-2**.

6. Q. PLEASE DESCRIBE THE CONFIDENTIAL MATERIAL.

A. My testimony and the workpapers to **Exhibit Will-Supplemental-1** contain customer specific information of Callisto Enterprises, LLC.

7. Q. FOR HOW LONG DOES SIERRA REQUEST CONFIDENTIAL TREATMENT?

A. The requested period for confidential treatment is for no less than five years.

8. Q. WILL CONFIDENTIAL TREATMENT IMPAIR THE ABILITY OF THE COMMISSION'S REGULATORY OPERATIONS STAFF ("STAFF") OR THE BUREAU OF CONSUMER PROTECTION ("BCP") TO PARTICIPATE IN THIS DOCKET.

A. No, in accordance with the accepted practice in Commission proceedings, the confidential material will be provided to Staff and the BCP under standardized protective agreements with them.

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9. Q. PLEASE DISCUSS THE MODELING CHANGES REFLECTED IN EXHIBIT WILL-SUPPLEMENT-1.

A. The Company incorporated the following items from the 2024 Integrated Resource Plan (“IRP”) filing, Docket No. 24-05041,¹ and the Clean Transition Tariff (“CTT”) Advice Letter filing, Docket No. 24-0522,² in **Exhibit Will-Supplemental-1**.³ Generally, these items update data in the models to reflect the most recently available or approved inputs, and transition the assessment of grid capacity charges from relying on the calculated capacity from the long term avoided costs for energy delivered from grid resources to rely on the base tariff general rates (“BTGR”).

- Zeroed the BTGR generation credits when the customer’s load is served by generation that is not the underlying renewable resource, Corsac Generating Station 2.
- Applied the planning reserve margin to the customer’s annual consumption served by the underlying renewable resource in the ESA price calculation.
- Removed the grid hour capacity costs from the ESA price calculation.
- Updated model inputs to current inputs, 2024 Sierra GRC Compliance PRM, and active rates – BTGR, Base Tariff Energy Rate (“BTER”), Deferred Energy Account Adjustment (“DEAA”), and public policy rates.
- Allocated demand between Grid and non-Grid based on the percentage of kWh served from the Grid and served from the Resource during the applicable time-of-use period.⁴

¹ Docket No. 24-05041, December 20, 2024, Order, at Commission Discussion and Findings, paragraphs 585-586, p. 217-218.

² Docket No. 24-05023, March 11, 2025, Order, at Section IV paragraph 2, p. 4.

³ Results presented in Exhibit Will-Supplemental-1.

⁴ At direct, summer demand was allocated 100 percent to non-Grid; thus, receiving 100% of potential generation credits. Similarly, winter demand was allocated 100 percent to Grid; thus, receiving 0% of potential generation credits.

- Added a tab to the ESA pricing model that demonstrates the components of the ESA rate that will be collected as BTER and as BTGR.

Figure Will-Supplemental-1 presents a comparison between the ESA energy price and total effective rate resulting from the Company’s direct filing and the supplemental modifications incorporated in **Exhibit Will-Supplemental-1**. The impact of the changes would be to reduce the ESA energy price and decrease the overall effective rate based on the pricing model and current input assumptions.

Figure Will-Supplemental-1: Comparison of CTT Pricing Model Outputs

Customer	ESA Energy Price \$/MWH		Total Effective Rate \$/MWH	
	Direct	Supplement	Direct	Supplement
Google	[REDACTED]	[REDACTED]	\$ [REDACTED]	\$ [REDACTED]

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

10. Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?

A. Yes.

EXHIBIT WILL-SUPPLEMENTAL-1

SIERRA PACIFIC POWER COMPANY - d/b/a NV ENERGY

ESA PRICING MODEL FOR CALLISTO ENTERPRISES, LLC

Energy Supply Agreement Pricing Model

Docket No. 24-06014 Direct Filing

PREPARED BY THE

REGULATORY PRICING AND ECONOMIC ANALYSIS DEPARTMENT

April 2024

THIS ESA PRICING MODEL WAS PREPARED TO SERVE AS A
SUPPLEMENT FOR THE FIXED ENERGY RATE PROVIDED AT DIRECT IN DOCKET NO. 24-06014

Table 1: ESA Pricing

Line No.	Cost Components	Costs (\$)	Line No.
1	Geothermal Cost		1
2	Planning Reserve Margin Cost		2
3	Capacity Protection Cost		3
4	Total Annual Cost		4
5			5
6	Forecast Annual Energy (MWh)		6
7			7
8	Cost Components	Costs (\$/MWh)	8
9	Geothermal Cost		9
10	Planning Reserve Margin Cost		10
11	Capacity Pricing Protection Cost		11
12	ESA Offer Price >>		12
13			13
14			14
15			15
16			16
17			17
18			18

Table 2: ESA Pricing Cost Components

Line No.	Rate Component Calculation		Costs (\$)	Line No.
1	Component 1 Geothermal Cost	Total Geothermal (MWh)	[REDACTED]	1
2		Geothermal Price (\$/MWh)	[REDACTED]	2
3		Annual Geothermal Energy Cost	[REDACTED]	3
4				4
5	Component 2 Planning Reserve Margin	Planning Reserve Margin Energy (MWh)	[REDACTED]	5
6		Planning Reserve Margin Price (\$/MWh)	[REDACTED]	6
7		Annual Planning Reserve Margin Cost	[REDACTED]	7
8				8
9	Component 3 Capacity Protection	Capacity Protection Energy (MWh)	[REDACTED]	9
10		Capacity Protection Price (\$/MWh)	[REDACTED]	10
11		Total Capacity Protection Cost	[REDACTED]	11
12				12
13		Total Annual Cost	[REDACTED]	13
14				14
15				15
16				16
17				17
18				18
19				19
20				20

Table 3: Billing Determinants and Pricing

Line No.		Line No.
1		1
2	Customer Profile	2
3	Energy Served by Dedicated Resource (MWh)	3
4	Grid Energy (MWh)	4
5	Planning Reserve Margin Energy	5
6		6
7		7
8	Pricing	8
9	Geothermal Price (\$/MWh)	9
10	Planning Reserve Margin Price (\$/MWh)	10
11	Capacity Protection Price (\$/MWh)	11
12		12
13		13

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AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, HANK WILL, states that he is the person identified in the foregoing prepared testimony and/or exhibits; that such testimony and/or exhibits were prepared by or under the direction of said person; that the answers and/or information appearing therein are true to the best of his knowledge and belief; and that if asked the questions appearing therein, his answers thereto would, under oath, be the same.

I declare under penalty of perjury that the foregoing is true and correct.

Date: April 4, 2025



Hank Will

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing of **SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY** in Docket No. 24-06014 by electronic service to the following:

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DATED this 4th day of April, 2025.

/s/ Lynn D'Innocenti
Lynn D'Innocenti
Paralegal
Sierra Pacific Power Company d/b/a NV Energy