

Digest for Adopted Regulation R_131-13

Existing law requires an electric utility that primarily serves densely populated counties to submit to the Public Utilities Commission of Nevada a comprehensive plan for the reduction of emissions from coal-fired electric generating plants and the replacement of the capacity of such plants with increased capacity from renewable energy facilities and other electric generating plants. (NRS 704.7316) Existing law requires the Commission to adopt regulations necessary to carry out those provisions relating to the submission by the electric utility of an emissions reduction and capacity replacement plan. (NRS 704.7322)

Section 12 of this regulation requires an electric utility that primarily serves densely populated counties to file its initial emissions reduction and capacity replacement plan on or before May 1, 2014, and file each subsequent plan with the supply plan which existing law and regulations require the utility to file with the Commission every 3 years. **Section 12** also requires the plan to include certain information relating to the retirement or elimination of coal-fired electric generating plants and the replacement of that capacity with increased capacity from renewable energy facilities and other electric generating plants. Under **section 12**, if the utility or its affiliate submits a proposal in response to a request for proposals for generating capacity from renewable energy facilities, the utility must use an independent evaluator selected in consultation with the Regulatory Operations Staff of the Commission to evaluate proposals, and may not recover from ratepayers any of the costs associated with the use of the independent evaluator. Finally, **section 12** authorizes the utility to recover the just and reasonable costs associated with the request for proposals process for increasing capacity from renewable energy facilities that is included in the plan approved by the Commission.

Section 13 of this regulation requires an electric utility that primarily serves densely populated counties to file with the Commission an action plan that specifies the actions the utility intends to undertake to meet the requirements of its emissions reduction and capacity replacement plan. Under **section 13**, the utility must file its initial action plan on or before May 1, 2014, as an amendment to the resource plan filed by the utility every 3 years pursuant to existing law and regulations, and the utility must file subsequent action plans with its resource plan. **Section 15** of this regulation provides that the Commission will issue an order approving the action plan as filed by the utility or specifying the parts of the action plan that it considers inadequate. **Section 16** of this regulation requires the utility to continuously monitor its action plan and, under certain circumstances, to file an amendment to the action plan. **Section 17** of this regulation prescribes the contents of an amendment to the utility's action plan. **Section 18** of this regulation provides that the Commission will issue an order approving the amendment to the utility's action plan or specifying the parts of the amendment that the Commission considers inadequate.

Under existing law, the Commission must hold a hearing on the emissions reduction and capacity replacement plan filed by a utility and accept or modify the plan. (NRS 704.746) If the Commission modifies the plan, the electric utility may accept the modification or withdraw the proposed plan. (NRS 704.7321) **Section 14** of this regulation sets forth the circumstances under which the Commission may issue an order accepting or modifying the plan filed by the utility. Under **section 14**, if the Commission modifies the plan and the utility elects to withdraw the plan, the utility must file a new plan within a certain time period and the Commission may not impose an administrative fine against the utility if it files a new plan within that time period.

Under existing law, if the Commission accepts a utility's emissions reduction and capacity replacement plan, upon completion of construction or acquisition of any electric generating plan or other facility constructed or acquired pursuant to the plan, the utility must begin recording in a regulatory asset, with carrying charges, an amount that reflects a return on the utility's investment in the facility, depreciation of the utility's investment in the facility and the cost of operating and maintaining the facility. (NRS 704.7317) **Section 19** of this regulation prescribes the manner in which the utility records these costs in a regulatory asset or liability account and requires the utility to submit the regulatory asset or liability account to the Commission in the next general rate case necessary to clear the accumulated balance in the account.