

Energy Efficiency and Electric Infrastructure in the State of Nevada

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In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Nevada, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

Electric Market Overview

Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.¹ The following summarizes electric utilities in Nevada by type:

- *Investor-Owned Electric Utilities:* Nevada's one investor-owned electric utility is NV Energy, which operates the utilities that are regulated separately in northern and southern Nevada.
Nevada Power Company: <https://www.nvenergy.com/>
Sierra Pacific Power Company: <https://www.nvenergy.com/>
- *Member-Owned (Electric Cooperative):* Nevada has 3 electric cooperatives
- *Municipally-Owned/Publicly-Owned Utilities:* Nevada has 1 municipally- publically-owned electric systems in the state (City of Boulder City)
Other: 1 Retail Power Marketer; 1 Political Subdivision; 1 Wholesale Power Marketer; 1 State²

Electric utility service areas (as available): http://puc.nv.gov/Utilities/Utility_Service_Area_Maps/

Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.³

- Restructuring was suspended in Nevada. <http://www.eia.gov/electricity/policies/restructuring/nevada.html>

Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves

¹ Source: EIA

² Source): EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and Public Utilities Commission of Nevada (<http://puc.nv.gov/Utilities/Electric/>)

³ Source: The Regulatory Assistance Project (RAP)

identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.⁴

- Nevada is not part of an RTO or ISO. Only a small part of the Valley Electric Cooperative Region falls under the California ISO. <http://www.ferc.gov/market-oversight/mkt-electric/california.asp>

Utility Oversight and Planning

Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.⁵

- The Public Utilities Commission of Nevada (PUCN) regulates the investor-owned utilities. The PUCN does not rate regulate municipal-owned utilities and has limited authority over utility cooperatives. <http://puc.nv.gov/About/About/>

Integrated Resource/Procurement Planning

Integrated Resource Plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution-only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.⁶

- Nevada Power Company's most recent IRP 2013: https://www.nvenergy.com/company/rates/filings/IRP/NPC_IRP/
- Sierra Pacific Power Company's most recent IRP: https://www.nvenergy.com/company/rates/filings/IRP/SPPC_IRP/

Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- State of Nevada Status of Energy Report (2014): http://energy.nv.gov/uploadedFiles/energynvgov/content/About/2014_Nevada_Status_Of_Energy_Report.pdf

Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- The \$20 Billion Bonanza: Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest: http://www.swenergy.org/Data/Sites/1/media/documents/publications/20BBonanza/20B_Bonanza-COMplete_Report-Web.pdf
- Incorporating Energy Efficiency into Western Interconnection Transmission Planning: <http://emp.lbl.gov/sites/all/files/lbnl-6578e.pdf>

⁴ Source: [EPA Energy and Environment Guide to Action](#)

⁵ Sources: [EPA Energy and Environment Guide to Action](#) and RAP

⁶ Source: [EPA Energy and Environment Guide to Action](#)

Energy Efficiency Policies/Activities

Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.⁷

- Nevada has a mandatory combined EERS/RPS. Energy Efficiency can meet up to 20% of requirements towards Nevada's EERS/RPS during 2015-2019, 10% during the 2020-2024, and then zero starting in 2025.

Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state⁸:

- *Program Administrator:*
Nevada Power Company and Sierra Pacific Power Company subsidiaries of NV Energy:
<https://www.nvenergy.com/home/saveenergy/rebates/index.cfm>
Most recent program filings: N/A
Nevada Power Company: <https://www.nvenergy.com/company/rates/filings/index.cfm>
Sierra Pacific Power Company:
https://www.nvenergy.com/company/rates/filings/2014SPPC/SPPC_%20ASDComplianceFiling.pdf
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Other Key Stakeholders

State Air Office:

- Bureau of Air Pollution Control: <http://ndep.nv.gov/bapc/>
Nevada Division of Environmental Protection: <http://ndep.nv.gov/index.htm>

State Energy Office:

- Governor's Office of Energy: <http://energy.nv.gov/>

Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes⁹.

- Bureau of Consumer Protection: http://ag.nv.gov/About/Consumer_Protection/Bureau_of_Consumer_Protection/

⁷ Ibid.

⁸ For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=NV>

⁹ [EPA Energy and Environment Guide to Action](#)

Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Southwest Energy Efficiency Project (SWEET): <http://www.swenergy.org/>
- Western Resource Advocates: www.westernresourceadvocates.org

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* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact eeaccountmanager@icfi.com