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Public Utilities Commission of Nevada

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September 16, 2026

Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701

Re: Application of SV RNO Property Owner 1 LLC for a Permit to Construct the Proposed South Valley Generation Facility in Storey County, Nevada, under the provisions of the Utility Environmental Protection Act.
Docket No. 26-04026

Application of PR RNO Property Owner 1, LLC for a Permit to Construct the Peru Ridge Self-Generation Project, consisting of natural gas-fueled electrical generating facilities located in Storey County, Nevada, under the provisions of the Utility Environmental Protection Act.
Docket No. 26-04027

Dear Ms. Osborne:

Please find enclosed the Answer to the Exceptions of Nevadans for Clean Affordable Reliable Energy on behalf of SV RNO property owner 1, LLC and PR RNO property owner 1, LLC, in the above-referenced docket.

Please contact the undersigned if you have any questions.

Sincerely,

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of SV RNO Property Owner 1 LLC for a Permit to Construct the Proposed South Valley Generation Facility in Storey County, Nevada, under the provisions of the Utility Environmental Protection Act.	Docket No. 26-04026
and	and
Application of PR RNO Property Owner 1, LLC for a Permit to Construct the Peru Ridge Self-Generation Project, consisting of natural gas-fueled electrical generating facilities located in Storey County, Nevada, under the provisions of the Utility Environmental Protection Act.	Docket No. 26-04027

APPLICANT'S ANSWER TO EXCEPTIONS OF NEVADANS FOR CLEAN AFFORDABLE RELIABLE ENERGY

I. INTRODUCTION

SV RNO property owner 1, LLC and PR RNO property owner 1, LLC ("Applicants") pursuant to Procedural Order No. 4 issued on September 3, 2026 ("Order") and NAC 703.486, hereby file this answer ("Answer") to the exceptions ("Exceptions") filed by Nevadans for Clean Affordable Reliable Energy ("NCARE").

The exceptions process under NAC 703.486 is limited to alleged errors in findings and conclusions in the Proposed Order—it is not a vehicle to relitigate denied motions, revisit discovery disputes, challenge discretionary procedural rulings, or inject collateral regulatory issues outside the statutory scope of UEPA review. NCARE's own filing confirms this procedural irregularity: NCARE concedes at the outset that its Exceptions is not exhaustive and explicitly reserves additional issues for a future rehearing. This affirmative reservation confirms that NCARE improperly views the exceptions process as a mechanism for serial pre-litigation, re-litigation, and improper record padding, and is consistent with NCARE's repeated attempts to expand the UEPA process beyond its intended scope. The Commission should reject NCARE's use of the exceptions process as both an expansion of the UEPA process and an improper substitute for other procedural mechanisms before the Commission.

In this case, all procedural requirements were met, NCARE suffered no aberrations or prejudice, and the Proposed Order was properly issued. To wit, the applications were filed on April

20, 2026. The Commission issued notices on April 24, 2026. NCARE was granted party status on May 20, 2026. Prehearing conferences were held on June 15–16, 2026. The procedural schedule was set in Procedural Order No. 1 on June 17, 2026. A discovery conference was held on June 24, 2026. NCARE filed direct testimony on July 8, 2026. A full evidentiary hearing was held on July 30, 2026 ("July 30 Hearing"), at which all exhibits (exhibits 1–14) were admitted. NCARE was afforded every procedural right available under Nevada law and the Commission's rules—party status, discovery, the filing of testimony, appearance at hearing, cross-examination of witnesses, and the filing of motions. NCARE's disagreement with the outcomes of those proceedings does not render the process deficient.

II. ARGUMENT AND ANSWER TO EXCEPTIONS

A. NCARE's Attempt to Relitigate the Hearing Officer's Discovery Rulings is Improper and Without Merit.

1. The Hearing Officer Properly Exercised Discretion in Managing Discovery and Cross-Examination.

NCARE's first exception improperly asks the Commission to second-guess the Hearing Officer's denial of NCARE's Motion to Compel and the Hearing Officer's limitations on cross-examination. Each decision was a proper exercise of discretion by the Hearing Officer in managing the proceeding. NCARE's attempt to relitigate this issue through the exceptions process is improper.

The Hearing Officer addressed these matters squarely at the July 30 Hearing and provided his reasoning on the record. The Hearing Officer found that NCARE's discovery requests were "only tangentially relevant" to the UEPA determinations the Commission must make.[1] He further noted that the requests were "not the same as being wholly irrelevant,"[2] but that the tangential nature of the discovery did not warrant compelling production in a UEPA proceeding where the Commission's statutory mandate is otherwise prescribed by NRS 704.890(1). Hearing officers possess broad discretion over relevance, evidentiary scope, and hearing management. The Hearing Officer here appropriately balanced relevance, procedural efficiency, and the limited statutory scope of UEPA review. NCARE's disagreement with those discretionary rulings does not establish procedural error, abuse of discretion, or denial of due process. The record reflects a fair and orderly

[1] *See* Tr. at 8:3–12.
[2] *See* Tr. at 8:19–22.

proceeding in which NCARE participated extensively, presented testimony, cross-examined witnesses, and litigated its position.

2. NCARE's Requested Discovery Was Outside the Scope of Relevant UEPA Issues.

NCARE's discovery requests sought (at best, tangentially relevant) information about whether the applicants are "public utilities" or "providers of electric service"—issues that are emphatically not part of the UEPA statutory framework. NRS 704.890(1) provides the specific determinations the Commission must make: (i) the nature and probable effect on the environment; (ii) the need for the facility; (iii) whether the need balances any adverse effect on the environment; (iv) whether the facility represents the minimum adverse effect considering available technology and alternatives; and (v) whether the facility will serve the public interest. NCARE's requested discovery instead focused on customer identity, contractual relationships, Aggreko's operational role, utility-status theories, and alleged "provider-of-electric-service" questions. Those issues are collateral to the statutory UEPA determinations before the Commission. None of these determinations require the Commission to first independently adjudicate whether Applicants are public utilities under NRS 704.020(2), whether Applicants qualify for the data center exemption under NRS 704.021(13), or whether Applicants are "providers of electric service" under NRS 704.7808. The Hearing Officer correctly determined that the requested discovery would improperly expand the proceeding beyond its statutory purpose. Discovery requests directed toward collateral regulatory theories are not necessary to resolve the Applications.

3. Regulatory Status Questions Must Be Raised in Separate Proceedings in the Appropriate Forum.

The Applications seek permits under UEPA, not declaratory rulings regarding utility regulation. The Hearing Officer correctly excluded these issues from the limited UEPA proceeding and informed NCARE that it would be required to pursue a declaratory order or advisory opinion under NAC 703.825 for these asserted collateral regulatory-status questions.[3] The Hearing Officer expressly stated that he "will not be recommending the [C]ommission make a determination on that issue in this docket."[4] This determination was a sound exercise of discretion. UEPA proceedings are not a catch-all forum for resolving every conceivable regulatory question that might tangentially relate to an applicant or pending application. The Order appropriately confines

[3] *See* Tr. at 8.
[4] *Id.*

itself to the statutory findings required by UEPA, and does not exceed its statutory authority, as seemingly requested by NCARE.

4. The Record Establishes the Self-Generation Nature of the Projects.

Even if the Hearing Officer had granted NCARE's motion to compel, the additional discovery would not change the outcome here. NCARE sought discovery into whether the Applicants or Aggreko qualify as a public utility or a provider of electric service, which Applicants and Aggreko are not. These are regulatory-status questions which, as explained above, play no part in the UEPA determinations NRS 704.890(1) requires the Commission to make. The Hearing Officer emphatically recognized NCARE's attempt to expand the scope of the UEPA process at the July 30 Hearing: even assuming the Applicants were later found subject to the renewable portfolio standard, that would be a matter for a future compliance proceeding because an entity served entirely by fossil generation can still satisfy the renewable portfolio standard by purchasing portfolio energy credits on the open market.[5] Nothing about a speculative, future compliance question bears on whether the Projects satisfy NRS 704.890(1)(a) through (g). NCARE cannot show, and does not attempt to show, how the discovery it was denied would have altered the record on any of the determinations the Commission is required to make. NCARE's offered exception on this point identifies no prejudice, only disagreement with a discretionary ruling, and should be rejected on that basis alone.

Moreover, the issue NCARE is seeking discovery on—the so-called "self-generation" argument—is itself a red herring. The Order's use of the phrase "lawful self-generation" does not transform UEPA proceedings into a forum for resolving questions of regulatory status. NRS 704.890(1) prescribes the specific determinations the Commission must make—none of which require the Commission to adjudicate whether the Applicants are public utilities. The record on this point is clear and consistent. The Applications contain consistent information that the Projects will provide power exclusively for on-site data center consumption.[6] Applicants' witness testified to this at the July 30 Hearing.[7] Staff reviewed the Applications and concurred.[8]

5. NCARE Received Full Procedural Rights and Due Process.

Finally, NCARE's suggestion that it was denied procedural rights is flatly contradicted by the record. NCARE was granted party status, filed direct testimony,[9] appeared at the July 30

[5] *See* Tr. at 13:4–11.
[6] *See* Ex. 1; Ex. 3.
[7] *See* Ex. 4.
[8] *See* Ex. 13.
[9] *See* Ex. 7.

Hearing, cross-examined witnesses, and filed motions. Its disagreement with the Hearing Officer's rulings does not render the process deficient, nor does it provide a basis for the Commission to revisit those rulings through the filed exceptions process.

B. The Environmental Analysis is Sound and Based on The Record.

NCARE's second asserted exception challenges the Order's environmental analysis on two grounds: (1) the treatment of the Projects' temporary nature, and (2) the minimum adverse effect analysis. Neither challenge has merit.

1. The Temporary Nature of the Projects is Clear from the Record.

Applicants, Applicants' submitted materials, and Applicants' testimony consistently describe an anticipated two-to-three-year operating timeline for the Projects. The Order acknowledges that there is some inherent imprecision in the Applications regarding exact duration but correctly found that the characterizations do not transform the Nevada Department of Environmental Protection ("NDEP") air permit durations into the Projects' probable operating periods. Air permits are issued in fixed terms by NDEP pursuant to NDEP's own regulatory framework—such permits do not track and are not designed to track the operating life of any particular facility. NCARE's attempt to equate permit duration with operational duration is legally and factually unsupported. NDEP does not even offer a permit term matching the Applicants' anticipated two-to-three-year timeline: an initial Class 1 OPTC permit allows up to one year for construction before being incorporated into a Title V operating permit carrying a mandatory five-year term. This regulatory regime was accurately explained in Applicants' rebuttal testimony and again during the July 30 Hearing and properly recognized by the Order.[10] The Commission cannot countenance NCARE's repeated attempts to blatantly misrepresent the regulatory regime.

Moreover, NCARE's worst-case-scenario analysis is legally incorrect. NRS 704.890(1)(a) requires the Commission to evaluate "probable" effects on the environment—not worst-case scenarios. The worst-case scenario asserted by NCARE is not "probable," it is instead, impossible. Indeed, Staff explicitly testified that the 24/7 operational scenario NCARE asserts as the basis for environmental analysis was "not only improbable, but impossible."[11] Staff's witness confirmed the point directly: generation equipment cannot run at full output every hour of the year because of routine maintenance, and "even if you wanted to, you couldn't."[12] Accordingly, the Order

[10] *See* Ex. 14 at 10.
[11] *See* Tr. at 121–122.
[12] *See* Tr. at 122:7–12.

properly finds that the environmental statements satisfy UEPA requirements based on probable, not hypothetical worst-case, operational scenarios.

2. The Minimum Adverse Effect is Clearly Stated in the Applications.

NCARE further contends that Applicants failed to adequately evaluate alternatives. This contention is also contradicted by the record. Applicants evaluated combined-cycle and simple-cycle gas turbines, fuel cells, solar, wind, geothermal, battery storage, and reciprocating engines.[13] NRS 704.870(1) describes the application requirements for an alternative analysis—it calls for alternate locations and consideration of alternatives, not a technology-by-technology feasibility study of every conceivable generation source.

The manufacturer lists the Jenbacher J420 engines, the Projects propose to use, as capable of running on biogas and landfill gas.[14] That Applicants chose to fuel the Projects with conventional natural gas rather than renewable natural gas is a design choice within their discretion, not a gap in the alternatives analysis NRS 704.890(1)(d) requires. Applicants rejected combined-cycle gas turbines for the same reasons they rejected other alternatives: incompatibility with the Projects' construction timeline, unsuitability for temporary service, and a lack of the modularity needed to match output to the data centers' actual ramping loads.[15] The technology the Applicants did select performs better on emissions, not worse, than comparable existing generation in the region.[16]

The Order properly concludes that alternatives that cannot be sited and energized within the bridging period are not viable alternatives for purposes of NRS 704.890(1)(d). The Projects are designed to bridge a temporary gap until permanent utility service becomes available. An alternative that cannot be constructed and operational within that timeframe is not a meaningful alternative—it is a theoretical exercise that has no actual relation to the projects or their implementation.

C. Paragraph 38 of the Order Correctly Addresses the Commission's Relationship With NDEP.

NCARE's third exception requests that the Commission delete paragraph 38 from the Order, which addresses the relationship between UEPA review and NDEP's specialized air permitting authority under NRS 704.877. NCARE's request must be denied.

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[13] *See* Ex. 14 at 13–14.
[14] *See* Tr. at 63–69; Ex. 11; Ex. 12.
[15] *See* Ex. 14 at 12.
[16] *Id.*

NRS 704.877 is relevant in this matter, even though NDEP has not yet completed its review of the Projects' air permit applications. The Order properly conditions approval on NDEP permitting, and paragraph 38 appropriately recognizes NDEP's expertise in air quality matters. The Commission has long recognized that NDEP possesses specialized expertise in evaluating air quality impacts, and NRS 704.877(1) expressly acknowledges this division of regulatory authority. Staff consistently applies this practice in all UEPA proceedings. Staff does not conduct, nor does UEPA require, its own independent environmental study, but instead reviews the environmental statement prepared by an applicant's environmental professional and defers to NDEP's determination once NDEP issues the required permits. This process, and paragraph 38, is consistent with Staff's handling of comparable UEPA proceedings (for example, Docket No. 25-08009), that likewise proceeded to a compliance order and permits to construct.[17]

The Order does not eliminate the Commission's environmental obligations under UEPA. The only matter that paragraph 38 addresses is the specific relationship between UEPA review and NDEP's specialized air permitting authority. The Commission retains and exercises its full UEPA obligations, including its determination of probable environmental effects under NRS 704.890(1)(a), while appropriately recognizing that detailed air quality permitting is within NDEP's specialized jurisdiction.

NCARE's request to delete paragraph 38 risks creating confusion about the relationship between UEPA and NDEP permitting and implies that UEPA may require the Commission to duplicate NDEP's air quality analysis. Such an implication would be contrary to the statutory framework, unnecessarily and improperly expanding UEPA's remit and improperly reworking the Nevada legislature's delegation of authority to NDEP.

D. The Public Interest Analysis Properly Considers All Relevant Benefits.

NCARE's fourth exception asserts that the Order improperly attributes economic benefits of the data center operations to the Projects themselves. This exception fundamentally misunderstands the relationship between the Projects and the data center operations and is indicative of NCARE's unsupported position throughout these proceedings.

The temporary generation facilities enable the data center operations. Without the projects, the data centers cannot reliably operate until there is permanent utility service. The economic benefits therefore flow directly from the projects, because it is the projects that make the data center operations possible during the bridging period before permanent utility service is available.

[17] *See* Ex. 13 at 3–4.

To artificially sever the economic benefits of the data center operations from the temporary facilities that make them possible would ignore economic reality.

NAC 703.423(12)(a) directs the Commission to consider "economic benefits that the proposed utility facility will bring to the applicant and this state." The benefits to Nevada include the enabling of significant economic activity: construction jobs, property tax revenues, economic diversification, and the establishment of data center operations that will generate ongoing economic value. Applicants disclosed these benefits in the Applications and testimony.[18]

NCARE's attempt to draw an arbitrary and artificial line between the projects and the data centers they directly serve is inconsistent with the statutory framework and would produce an absurd result: that a facility which is the necessary precondition for hundreds of millions of dollars in economic activity brings no economic benefit to the state. The Order properly rejected this unnecessarily constrained reading of the public interest standard.

E. Paragraph 69 Accurately Reflects the Record.

NCARE's fifth exception challenges paragraph 69 of the Order, which notes that the regulatory-status questions raised by NCARE during the proceedings are not presented by the Applications and are not properly before the Commission. NCARE proposes specific revisions to this paragraph that would render this analysis meaningless.

Paragraph 69 is accurate. The Order correctly notes that the Applications do not present questions regarding whether the Applicants are public utilities or providers of electric service. This is consistent with the Hearing Officer's statements wherein he expressly stated he would not recommend the Commission make a determination on regulatory-status issues in this docket.[19]

NCARE's proposed revisions would remove factual findings from the Order and replace those findings not with facts, but with NCARE's preferred characterization of the record. Such a change is self-serving to NCARE and would impermissibly remove objective facts from the record that support the Order's conclusion that that regulatory-status questions are not properly before it. The commission should reject these proposed revisions and adopt paragraph 69 as written.

F. The Deemed-Approval Argument is Irrelevant.

NCARE's sixth and final Exception argues that UEPA does not contain a deemed-approval provision if the Commission misses the 150-day statutory deadline under NRS 704.8905. This argument is nothing but a transparent attempt to delay the proceeding.

[18] *See* Ex. 1; Ex. 3; Ex. 4.
[19] *See* Tr. at 8.

Whether or not UEPA contains deemed-approval language is irrelevant to the merits of the Order. There is no basis for the Commission not to act on the merits of well-supported Applications simply because NCARE erroneously believes that the statutory timeline is not enforceable. The Commission has a statutory obligation under NRS 704.8905 to grant or deny approval within 150 days of the filing of the Applications, and it should fulfill that obligation. The Order provides a thorough, well-reasoned basis for granting both Applications, and the Commission should adopt it without modifications.

III. CONCLUSION

For the foregoing reasons, the Commission should therefore reject NCARE's Exceptions in their entirety. The Order is well-reasoned, supported by substantial evidence in the record, and consistent with applicable law. All procedural requirements were met, and NCARE received full due process at every stage of these proceedings.

The Commission should adopt the Order as a final order and grant both Applications subject to the compliance items identified therein.

DATED this 16th day of September, 2026.

Respectfully submitted,

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/s/ Curt R. Ledford

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing **ANSWER TO EXCEPTIONS OF NEVADANS FOR CLEAN AFFORDABLE RELIABLE ENERGY** upon each of the parties on the attached service list in this proceeding via electronic mail.

DATED this 16th day of September, 2026.

Sincerely,

/s/ Miriam Harris
Miriam Harris
Paralegal
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