

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 an amendment to their) Docket No. 25-10025
2025-2027 Energy Supply Plan to participate in the)
Extended Day-Ahead Market.)
_____)

At a special session of the Public Utilities
Commission of Nevada, held at its offices
on April 3, 2026.

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Business Process Analyst III Blanca Castillo

ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following findings of fact and conclusions of law:

I. INTRODUCTION

On October 22, 2025, Nevada Power Company d/b/a NV Energy (“NPC”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC” together with NPC, “NV Energy”) filed with the Commission a joint application, designated as Docket No. 25-10025, for approval of an amendment to their 2025-2027 Energy Supply Plan (“ESP”) to participate in the Extended Day-Ahead Market (“EDAM”) currently being set up by the California Independent System Operator Corporation (“CAISO”).

II. SUMMARY

The Commission grants the joint application, as set forth below in this order.

III. PROCEDURAL HISTORY

- On October 22, 2025, NV Energy filed the joint application with the Commission. NV Energy filed the joint application pursuant to the Nevada Revised Statutes (“NRS”) and Nevada Administrative Code (“NAC”) Chapters 703 and 704, including, but not limited to NRS 704.741, NAC 704.9504(3), and the July 9, 2024, Order issued by the Commission in Docket No. 23-10019. NV Energy requests that certain information in the joint application receive confidential treatment pursuant to NRS 703.190 and NAC 703.527.
- The Regulatory Operations Staff of the Commission (“Staff”) participates as a matter of right pursuant to NRS 703.301.
- On November 5, 2025, Western Resources Advocates (“WRA”) filed a petition for leave to intervene (“PLTI”).
- On November 6, 2025, the Commission issued a notice of joint application and notice of prehearing conference. On that same day, the Nevada Attorney General’s Bureau of Consumer Protection (“BCP”) filed a notice of intent to intervene pursuant to NRS Chapter 228.
- On November 24, 2025, Google LLC (“Google”) filed a PLTI.
- On November 26, 2025, Southwest Power Pool (“SPP”) filed a PLTI.
- On December 3, 2025, Southern Nevada Water Authority (“SNWA”), MGM Resorts International (“MGM”), Caesars Enterprise Services, LLC (“Caesars”), Boyd Gaming Corporation (“Boyd”), Station Casinos, LLC (“Station”), Venetian Las Vegas Gaming, LLC (“Venetian”, together with Boyd and Station, “SNGG”), Powerex Corp. (“Powerex”), Switch,

Ltd. (“Switch”), Wynn Las Vegas, LLC (“Wynn”), Advanced Energy United (“AEU”), and Nevada Gold Mines LLC (“NGM”) each filed a PLTI.

- On December 4, 2025, NV Energy filed an amendment to the joint application.
- On December 10, 2025, the presiding officer held a prehearing conference. NV Energy, Staff, BCP, WRA, Google, SPP, SNWA, MGM, Caesars, SNGG, Powerex, Switch, Wynn, AEU, and NGM all made appearances and discussed a procedural schedule and PLTIs.
- On December 11, 2025, the presiding officer issued an order granting the PLTIs of WRA, Google, SPP, SNWA, MGM, Caesars, SNGG, Powerex, Switch, Wynn, AEU, and NGM. On the same date, the presiding officer issued Procedural Order No. 1, establishing a procedural schedule.
- On January 29, 2026, the presiding officer issued Procedural Order No. 2.
- On February 10, 2026, Staff, Google, BCP, WRA, SPP, and AEU each filed direct testimony, Powerex and Wynn (collectively, “Powerex/Wynn”) filed joint direct testimony, and NGM, SNGG, MGM, Caesars, and SNWA (collectively, “the Joint Parties”) filed joint direct testimony. On the same date, the Commission issued a notice of hearing.
- On February 12, 2026, NV Energy filed an amendment to the joint application.
- On February 13, 2026, the presiding officer issued Procedural Order No. 3.
- On February 25, 2026, NV Energy filed rebuttal testimony.
- On March 3, 2026, the presiding officer issued Procedural Order No. 4.
- On March 6, 2026, Staff filed work papers for its direct testimony.
- On March 10, 2026, the Commission held a hearing in this docket.

IV. NV ENERGY’S APPLICATION

Introduction and NV Energy’s Prayers for Relief

1. NV Energy requests that the Commission approve an amendment to the Power Fundamentals and Portfolio Optimization Procedures portions of NV Energy’s 2025-2027 ESP to allow NV Energy to participate in the CAISO EDAM beginning in the fall of 2028, which NV Energy asserts will enable NPC and SPPC to further optimize their power supply portfolios for the benefit of their customers. (Ex. 100 at 1.)

2. In addition to its request that the Commission grant the joint application, NV Energy requests that the Commission:

1. Approve NV Energy's participation in the CAISO EDAM as prudent;
2. Approve the 2025-2027 ESP with amendments to the Power Fundamentals and Current Portfolio Optimization Procedures portions of the ESP as prudent;
3. Find that NV Energy's ESP, as amended, satisfies the requirements of NAC § 704.9494(4)(a)-(c);
4. Authorize the establishment of a regulatory asset for SPPC for EDAM implementation costs and approve EDAM implementation cost allocation of 75 percent to NPC and 25 percent to SPPC.

(*Id.* at 17.)

A. Prudence of Participation in the CAISO EDAM and Filing Requirements

NV Energy's Position

NAC § 704.9494(4)(a)-(c)

3. NV Energy explains that its request to participate in EDAM is based on both quantitative and qualitative considerations, primarily including experience, footprint and connectivity, projected customer benefits, governance, and market design. (Ex. 104 at 9-15.) NV Energy states that the Commission may find that the proposed amendment to the 2025-2027 ESP is prudent pursuant to NAC 704.9494, if it determines that the amendment satisfies the requirements of NAC 704.9494(4)(a)-(c). (Ex. 103 at 9.)

Foundation from the Western Energy Imbalance Market (“WEIM”)

4. NV Energy states that, based on its experience with the WEIM, it is familiar with the systems, terminology, and communication protocols required to ensure smooth and successful participation in CAISO’s markets, while also minimizing the risk and reducing implementation timelines. (Ex. 104 at 16.) NV Energy states that EDAM builds directly on the WEIM framework allowing it to take advantage of its prior investments and operational experience. (*Id.* at 17.) NV Energy states that CAISO’s WEIM demonstrated substantial benefits, provided operating experience, and resulted in lower implementation costs. (*Id.* at 9.) NV Energy states that since the start of WEIM, in November 2014, the cumulative economic benefits totaled \$7.41 billion, of which \$828 million accrued to NV Energy’s customers through the second quarter of 2025. (*Id.* at 18.) NV Energy asserts that joining EDAM would result in significant annual cost savings for NV Energy customers, estimated at \$93.1 million per year, attributable to lower production costs, increased market sales revenues, and higher short-term wheeling revenues, and relies on a study performed by The Brattle Group (“Brattle Group Study”) in support of the asserted estimated benefit to Nevada ratepayers. (Ex. 101 at Technical Appendix 1; Ex. 104 at 6, 12; Ex. 109 at 9.)

Diversity of Resources

5. NV Energy states that EDAM offers a diverse, geographically expansive portfolio of energy resources in the Western Interconnection, providing a foundation for operational efficiency and policy objectives. (Ex. 104 at 22.) NV Energy further states that EDAM includes multiple balancing authorities and is diverse geographically, technologically, in load and renewable profiles, and in operational benefits. (*Id.* at 22-23.) NV Energy states that EDAM’s diverse load and renewable profiles improve supply-demand balancing, and EDAM’s resource diversity reduces the need for high reserves, with the Brattle Group Study estimating a 2 to 4.2

gigawatt hour (“GWh”) reduction in imbalance reserve requirements compared to a business-as-usual scenario. (*Id.* at 23.)

Renewable Portfolio Standard (“RPS”) Compliance and Solar Curtailment

6. NV Energy states that EDAM participation will support Nevada’s RPS by expanding access to low-cost and regional renewables and optimizing existing resources via reduced curtailment, improved utilization, and improved forecasting and scheduling. (*Id.* at 23-24.)

Resource Optimization (“RO”)

7. NV Energy states that in its WEIM participation, the RO served as a Participating Resource Scheduling Coordinator (“PRSC”) handling WEIM tasks such as reporting generation outages, submitting economic bids, providing forecasts and schedules, and making plans to serve customer needs efficiently. (*Id.* at 26.) NV Energy explains that the PRSC creates a balanced schedule to optimize power supply which is then submitted to the WEIM entity an hour before operating delivery time. (*Id.* at 27-28.) NV Energy states that the final schedules go to CAISO, which handles any imbalance charges or payments for deviations. (*Id.* at 28.)

8. NV Energy represents that EDAM eliminates base schedules and instead the RO submits bids and self-schedules to CAISO. (*Id.* at 29.) NV Energy states that EDAM does not change existing Western Electric Coordinating Council (“WECC”) bilateral trading schedules, but day-ahead traders can refine their positions before the CAISO day-ahead market run. (*Id.* at 30.) NV Energy states that the main change is that it must submit bids a day ahead, rather than a base schedule plan. (*Id.*) NV Energy explains that any forecasted load not cleared in the day-ahead market goes to the Residual Unit Commitment process. (*Id.*) NV Energy states that the day-ahead Resource Sufficiency Evaluation (“RSE”) ensures bid-in and self-scheduled supply meets

forecasted load plus reserves, with binding and advisory checks throughout the morning for reliability. (*Id.*)

9. NV Energy states that it will implement software updates to allow day-ahead energy bids and self-schedules for both load and supply, and will identify new tools to assist with EDAM responsibilities. (*Id.* at 30-31.)

Projected Costs

10. NV Energy states that the estimated implementation cost for EDAM is \$16.2 million, with \$12.7 million for capital and \$3.4 million in operations, maintenance, administrative, and general (“OMAG”) costs, including a contingency of 20 percent. (Ex. 104 at 33; Ex. 117 at 6.) NV Energy states that OMAG covers labor, vendor costs, consulting, external legal support, hardware and software acquisitions, licenses, hardware and software subscriptions, and external fees and contingency. (Ex. 104 at 33.)

11. NV Energy states that the ongoing EDAM participation costs are estimated at \$16.5 million annually, covering incremental staff, annual maintenance fees for Open Access Technology International (“OATI”), Power Costs, Inc., and CAISO’s Grid Management Charge (“GMC”). (*Id.* at 34.) NV Energy asserts that it will require eight full-time staff for EDAM operations, including bidding, schedule submission, additional settlements and analytics support, IT support, and market policy and management support, at a cost of \$1.6 million. (*Id.* at 34-35.) NV Energy states that new PRSC tools and applications will result in a one-time cost of \$700,000, while OATI software upgrades will cost about \$30,000 per year. (*Id.* at 36.)

12. NV Energy states that CAISO estimates the ongoing GMC to be \$14.8 million, which may increase if other entities delay joining EDAM. (*Id.* at 36-37.) NV Energy states that the first-year costs are reasonable, but future costs are uncertain and depend on other entities’

participation in EDAM. (*Id.* at 37.) NV Energy states that no new generation capital is needed for EDAM participation, as existing resources will be used. (*Id.*)

13. NV Energy states that EDAM's implementation fee ranges from \$1.2 to \$1.4 million over 18 months, depending on the size, complexity and onboarding duration. (Ex. 106 at 3.) NV Energy states that a \$300,000 deposit is required upon signing the Implementation Agreement, which may be refunded if actual costs are lower than the deposit. (*Id.*)

14. NV Energy states that CAISO recovers administrative costs through the GMC and other fees. (*Id.*) NV Energy states that these charges are based on a cost-of-service study and included in the annual revenue requirement, following a public stakeholder process under CAISO's tariff. (*Id.*) NV Energy states that the cost-of-service study uses an activity-based costing system to allocate resources and staff time across market services, system operations and congestion revenue rights. (*Id.* at 3-4.) NV Energy states that the annual revenue requirement includes CAISO's operating and maintenance budget, debt services, cash funded capital, other costs and revenues, and operating cost reserve adjustment. (*Id.* at 4.) NV Energy states that the operating cost reserve adjustment reflects credits or debits from the previous year and maintains reserve and debt service reserve. (*Id.* at 5.) NV Energy states that GMC rates are set by applying service category percentages to the revenue requirement and divided by forecasted volumes, which are based on historical trends and expert input. (*Id.* at 6.) NV Energy states that these rates and fees are charged to participants as services are provided. (*Id.*)

Potential Risks

15. NV Energy states that participating in EDAM carries risks but considers them low and manageable compared to the potential economic and reliability benefits that EDAM participation brings to customers. (Ex. 103 at 12-13.) NV Energy states that the first risk is the

need for approximately \$12.74 million in capital and \$3.41 million in OMAG. (*Id.* at 12.) NV Energy states that the second risk is that EDAM costs could exceed its estimated annual operation and maintenance costs, which are \$16.52 million, including the GMC and need to hire eight full-time employees. (*Id.*) NV Energy states that the third risk is that market design may not work as intended, creating more exposure to market outcomes. (*Id.* at 13.) NV Energy states that the fourth risk involves the possible withdrawal of entities or establishment of Markets+. (*Id.*) NV Energy states that the fifth risk concerns governance changes due to California Assembly Bill 825 and the creation of a new RO for EDAM and WEIM oversight. (*Id.*)

16. NV Energy states that it will mitigate EDAM risks by planning capital upgrades including retaining Utilicast, L.L.C. (“Utilicast”), for a gap analysis, creating a project management team, developing detailed project schedules, and establishing an implementation agreement with CAISO. (*Id.* at 14.) NV Energy states that the implementation agreement will define specific project tasks each party must perform, delivery times for those tasks, meeting requirements, and a process for approving changes for successful EDAM participation in 2028. (*Id.*) NV Energy states that it will not execute the implementation agreement until the Commission approves the amended application and milestones are due based on definable actions. (*Id.*)

17. NV Energy states that it can observe and learn from EDAM participation from the first participants in the new market, prior to a decision to go live in the market. (*Id.*) NV Energy states that because participation in the EDAM is voluntary, it may terminate EDAM participation at any time with six months’ notice without paying an exit fee and may still participate in the WEIM. (*Id.* at 13.)

Open Access Transmission Tariff (“OATT”) Revisions

18. NV Energy states that its OATT will require changes to participate in EDAM. (Ex. 118 at 30.) NV Energy states that it expects to be the fourth Federal Energy Regulatory Commission (“FERC”) jurisdictional entity in EDAM, and will use PacifiCorp and Portland General Electric’s frameworks to guide the necessary OATT amendments. (*Id.* at 31.) NV Energy states that transmission customers are urging EDAM entities to adopt consistent rules to prevent seams within EDAM. (*Id.* at 31-32.) NV Energy states that it will follow the same stakeholder process used for WEIM OATT changes, including, a stakeholder process announcement, overview presentation, two rounds of tariff postings for stakeholder comments and meeting, and a FERC filing. (*Id.* at 32.)

19. NV Energy states that EDAM requires additional participation requirements for its OATT customers because, for the market to work, all transmission schedules must be included in market optimization and pricing. (*Id.*) NV Energy states that four participant roles will exist: balancing authority, resource owner, transmission service provider, and load serving entity (“LSE”). (*Id.* at 33.) NV Energy states that each role must have a Scheduling Coordinator. (*Id.*) NV Energy states that its OATT will allow Nevada LSEs to appoint their own Scheduling Coordinator, if they satisfy CAISO requirements and coordinate meter data issues. (*Id.*) NV Energy states that default LSEs may only self-schedule load and are not permitted to participate in economic load bidding. (*Id.* at 34.)

20. NV Energy states that the RSE ensures each Balancing Authority Area (“BAA”) meets its obligations before transferring with other balancing authorities in the EDAM footprint area. (*Id.*) NV Energy states that the RSE test reviews the entire BAA, so it must use the OATT to determine RSE requirements of the BAA through to each customer. (*Id.*) NV Energy states

that the EDAM entity must allocate RSE responsibilities to each LSE using CAISO forecast and must measure each LSE's performance. (*Id.* at 35.)

Governance

21. NV Energy states that it prefers EDAM/WEIM's approach over Markets+ governance structure for market oversight because of the Pathways effort. (Ex. 118 at 26.) NV Energy states that Pathways Step 1 granted the Western Energy Markets ("WEM") Governing Body primary authority over market initiatives. (*Id.*) NV Energy states that Pathways Step 1 eliminated the Board of Governors' veto over market changes through the Board of Governors can remove initiatives from the consent agenda and initiate dispute resolution. (*Id.*) NV Energy states that continued disagreements between Board of Governors and the WEM Governing Body are addressed by reflecting both positions in FERC Section 205 filings for FERC's determination. (*Id.*) NV Energy states that Pathways Step 2 will further increase independent oversight. (*Id.*)

Aggregated Distributed Energy Resources ("DER")

22. NV Energy states that CAISO developed various DER and demand-side response ("DSR") market participation models enabling resource aggregations in day-ahead and real-time markets, which have been filed, adjudicated by FERC, and incorporated into the CAISO tariff, pursuant to FERC Order 2222. (Ex. 114 at 4.) NV Energy further notes that SPP's compliance tariff with FERC Order 2222 will not be operational until 2030. (Ex. 103 at 14.) NV Energy states that CAISO offers DSR and DER market participation models including proxy demand resource, reliability demand response ("DR") resource, DER aggregation, and heterogeneous DER aggregation. (Ex. 114 at 4.) NV Energy states DER and DSR market participation remains in development, with ongoing workshops and rulemakings addressing gaps and barriers. (*Id.* at 8.) NV Energy states that CAISO established demand and distributed energy market integration

working group meetings to collaborate with stakeholders and improve participation models and market rules in the day-ahead and real-time markets. (*Id.*)

23. NV Energy states that it is replacing its current Demand Response Management System (“DRMS”) with a more integrated Distributed Energy Resource Management System (“DERMS”) designed to support market integration. (*Id.*) NV Energy states that the upgrade is a multi-stage upgrade process, with Phase 1(a) completed May 23, 2023, improving the security of device communications, and Phase 1(b) expected to replace the current DRMS software in the second quarter of 2026. (*Id.*) NV Energy states that Phase 2 of the DERMS project will add enhanced control of additional devices, enable new grid services by aggregating DERs, improve automation, and optimize decision-making for economic dispatch, with completion targeted for 2028. (*Id.* at 9.) NV Energy states that it could develop a bidding strategy for resource aggregation from DR programs but needs further evaluation of current DSM and DER plan program suitability and infrastructure for utilization in CAISO market participation models, potential modifications to grid services tariffs and customer participation agreements to facilitate market participation, and metering and telemetry for dispatchable resources. (*Id.* at 10.)

24. NV Energy states that it is not directly bidding load in WEIM, but provides load impact forecasts for DR events to CAISO. (*Id.* at 12.) NV Energy states that the submitted load shape to CAISO included projected DR event impacts in the current WEIM scenario. (*Id.*)

25. NV Energy states that if its request to join EDAM is approved, it proposes the Commission conduct a workshop to address Nevada DER and DSR participation in the CAISO market. (*Id.* at 13.) NV Energy states that stakeholders have time to develop participation and coordination methods, as EDAM participation is planned for fall 2028. (*Id.*) NV Energy states that regular check-ins with the Commission and stakeholders are important to ensure participation

methods benefit customers and ratepayers, given technological advances and continued CAISO market improvements. (*Id.* at 13-14.)

Changes to Joint Dispatch Agreement (“JDA”)

26. NV Energy states that it created the JDA to allow economic dispatch between NPC and SPPC. (Ex. 118 at 57.) NV Energy states that the JDA defines the rights and obligations for coordinated generation dispatch to: (1) most economically serve both NPC and SPPC native load customers; and (2) equitably share the resulting cost savings. (*Id.*) NV Energy states that the JDA was approved by both FERC and the Commission, with the “Indefinite” JDA reflecting WEIM participation in Docket No. 15-03001. (*Id.*) NV Energy states that it plans to file an updated JDA to support EDAM participation. (*Id.*)

Parties Generally or Conditionally Supportive of the Joint Application

Google’s Position

27. Google recommends that the Commission approve NV Energy’s request to amend its 2025-2027 ESP to join the CAISO EDAM effective January 2028. (Ex. 600 at 4.)

28. Google states that EDAM is the natural evolution of NV Energy’s membership of the CAISO WEIM and will enable NV Energy to more effectively manage its portfolio, reduce fuel costs, and improve grid reliability. (*Id.* at 5.) Google notes that NV Energy estimates \$93.1 million in average annual net benefits from EDAM participation via production cost savings, congestion revenue, and wheeling revenue. (*Id.*)

29. Google states that EDAM provides NV Energy with direct access to a highly diverse resource mix which is complementary to NV Energy’s own solar production, which allows NV Energy to import clean energy when it is most cost-effective and export surplus energy when NV Energy’s own resources are peaking. (*Id.* at 6.) Google further states that strong connectivity available with several major EDAM participants expands market trading

opportunities and minimizes internal market barriers to trade, i.e. seams, by aligning rules and procedures across the interconnection. (*Id.*) Google represents that aligning with direct neighbors via EDAM will help ensure that external transfers are not limited to emergency conditions but are instead part of a daily optimized service which will improve overall service reliability. (*Id.*)

30. Google further states that NV Energy can leverage its existing institutional knowledge from participation in the WEIM, software integrations, and operational experience to reduce implementation risk and uncertainty which would exist in joining an entirely new market. (*Id.* at 7.) Google also asserts that EDAM participation will promote two Nevada state policies, including Nevada's RPS and the requirement that every transmission provider in the State of Nevada join a regional transmission organization ("RTO") on or before January 1, 2030. (*Id.* at 7-11.) Google concludes that were NV Energy to remain in the WEIM as opposed to joining EDAM, NV Energy would forego approximately \$93.1 million in annual net benefits to its customers, fall behind in its progress toward timely joining an RTO, and inhibit NV Energy's ability to meet RPS requirements. (*Id.* at 11.)

AEU's Position

31. AEU recommends that the Commission approve the joint application. (Ex. 1400 at 6.) AEU states that EDAM will benefit Nevada independent power and transmission developers and producers via improved access to information in preparing purchase power agreements ("PPAs") or build-transfer bids to NV Energy and more options for operating as a merchant generator, and will provide unique benefits to renewable generators. (*Id.* at 23-24.) AEU further asserts that EDAM will benefit large commercial and industrial customers because of the reduced revenue requirement anticipated to result from EDAM participation, anticipated reliability benefits of a broader day-ahead market, expanded access to energy resources, virtual power

purchase agreements, consistency in market rules and accounting methodologies across utilities, and stable governance. (*Id.* at 25-28.)

32. AEU states that EDAM's current governance, as modified by the Pathways Step 1 Proposal, provides a high level of fairness and independence based on the independence of the existing WEM Governing Body. (*Id.* at 8-9.) AEU further states that the current CAISO stakeholder process offers fairness, transparency, and technical proficiency, which will be promoted via the Pathways Step 2 proposal. (*Id.* at 9-12.)

33. AEU asserts that, while the Regional Organization for Western Energy ("ROWE") may eventually provide a "pathway to an RTO" as contemplated in the report on regional market activities in Docket No. 23-10019, it does not currently do so. (*Id.* at 13-14.) AEU notes that providing "the full suite of RTO services" does not automatically confer status as an RTO either by FERC or Nevada Senate Bill 448 (2021) ("SB 448"). (*Id.* at 14.) AEU states that it agrees with NV Energy's position that it is not reasonable, feasible, or desirable for NV Energy to pursue entry into SPP's RTO Expansion, and represents that an RTO-compliant model is preferable for stakeholders and policy interests. (*Id.*) AEU submits that the opportunity to develop such a model is worthy of delaying the SB 448 deadline in order to develop a pathway to compliance under the ROWE. (*Id.*)

34. AEU further recommends that the Commission issue a directive to NV Energy regarding the statutory requirement to submit by January 1, 2027, a request for a waiver or delay of its obligation to join a RTO, that if NV Energy submits a request for a waiver or delay, then NV Energy include in the operative filing a "Roadmap to an RTO" based on the ROWE model with demonstrated pursuit of said Roadmap. (*Id.* at 6.) AEU recommends that the requested directive include:

1. A definition of the minimum and desired services that would qualify as an RTO under the relevant FERC and Nevada requirements,
2. A description of realistic models to accomplish these services under the ROWE governance model,
3. A proposed timeline for developing and implementing these services under the ROWE, and
4. A proposed new deadline to achieve compliance with SB 448.

(*Id.* at 15.)

35. AEU also recommends that the Commission open an investigatory docket regarding participation of aggregated DERs in the EDAM market, both through the load forecast adjustment pathway and directly as bid in the market. (*Id.* at 6.) AEU represents that EDAM participation offers potential benefits to DER aggregators which would incentivize DER adoption, including transparent forward price signals for DER participation, membership in a large market of buyers and sellers, and standardization of DER aggregator operation. (*Id.* at 17-18.) AEU states that while it agrees with NV Energy's suggestion that the Commission sponsor a workshop to examine how best to approach Nevada DERs and DSRs with respect to the CAISO market, AEU prefers that the Commission open a formal investigatory docket to house the proposed workshops and a report containing specific recommendations for any necessary regulatory action or recommendations to other parties, including CAISO, that may assist in moving initiatives forward. (*Id.* at 20.)

WRA's Position

36. WRA recommends that the Commission grant the joint application and approve NV Energy's participation in the CAISO EDAM beginning Fall 2028, subject to the following conditions:

1. Require NV Energy to provide regular updates of substantive changes to EDAM market participants, resource diversity, governance structures, and market rules

and practices;

2. Require NV Energy to inform the Commission, Tribes, and other Nevada stakeholders of opportunities to participate in EDAM decision-making processes;
3. Require NV Energy to provide quarterly updates of key market performance data associated with NV Energy's participation in EDAM, including: (a) Operational costs and benefits; (b) Energy transfers between the NV Energy BAA and other BAAs; (c) Transfers and interoperability agreements associated with seams between adjoining markets; (d) Efficiency of market dispatch; (e) Effects on utility resource planning and procurement; (f) Transmission availability and use; (g) greenhouse gasses; (h) Renewable resource curtailment; (i) Resource adequacy and system reliability, including performance during extreme weather events; (j) Market power mitigation; and (k) Any additional evaluations conducted on NV Energy's participation in the market.

(Ex. 1500 at 4-5.)

37. WRA asserts that an operational footprint representing nearly half of the load in the Western Interconnection will minimize seams, which supports transmission interconnectivity and resource diversity. (*Id.* at 8-9.) WRA further explains that NV Energy has participated in the WEIM since 2015, and CAISO's experience operating this footprint and lessons learned for EDAM provides valuable insight as NV Energy joins the market, and the EDAM offers timely and appropriate onboarding and exit timelines. (*Id.* at 9.)

38. WRA states that the Brattle Group Study cost-benefit analysis projects a \$93.1 million benefit if NV Energy joins EDAM as opposed to a \$7.3 million cost if NV Energy were to continue business-as-usual. (*Id.* at 10.) WRA also notes that the projected costs to join CAISO are significantly less than the projected cost savings from market participation and are lower than the expected share of implementation costs for NV Energy to join Markets+ and the likely cost of switching market operators from WEIM to SPP's Markets+. (*Id.* at 11.)

39. WRA also states that the current EDAM governance structure and stakeholder participation processes support NV Energy's participation in EDAM because any stakeholder may participate in CAISO's stakeholder process for policy initiatives, the Western Energy

Markets Regional Issues Forum provides opportunities for stakeholders in different sectors and the general public to discuss policy market operational design issues, the Body of State Regulators provides a forum for state regulators to express common positions, and CAISO will begin conversations with Tribes to incorporate Tribal laws and regulations into long-term decision planning beginning in 2026. (*Id.* at 12-13.) WRA asserts that CAISO's open decision-making process enables inclusive stakeholder participation and exploration of issues. (*Id.* at 14-15.). WRA further explains that the Pathways initiative has begun the process to establish the ROWE board as of January 2026, which will provide independent regional governance of EDAM and enhance transparency and fairness for market participants. (*Id.* at 13-14.)

40. WRA states that the EDAM resource adequacy and reliability measures support NV Energy's participation in EDAM due to the diverse mix of resources, as well as transmission considerations, including CAISO and stakeholders' work in the Congestion Revenue Allocation initiative supports NV Energy's request to join EDAM. (*Id.* at 19-20.)

41. Finally, WRA asserts that a well-designed day-ahead market is an incremental step toward a statutory RTO that offers cost, reliability, and efficiency benefits while allowing time for additional testing and experience with greater centralized grid coordination and further development of market and governance options, and would not reduce NV Energy's ability to join a statutory RTO with the same or a different market operator in the future. (*Id.* at 27.)

Staff's Position

42. Staff recommends that the Commission approve NV Energy's request to participate in EDAM only if all of Staff's recommendations are accepted. (Ex. 306 at 2.) Staff notes that because NV Energy seeks to proceed with activities necessary to join EDAM, Staff did not assess the advantages and disadvantages of NV Energy either joining Markets+ or remaining outside a day-ahead market. (*Id.* at 4.)

NAC § 704.9494(4)(a)-(c)

43. Staff notes that NV Energy requested limited amendments to portions of the 2025-2027 ESP, and recommends that the Commission find that NV Energy's 2025-2027 ESP continues to be consistent with the ESP previously approved pursuant to NAC 704.9494 in Docket No. 24-05041 because EDAM participation will begin in 2028, which is outside of the term of the 2025-2027, and because the requested amendments are consistent with, and will not have a material effect on, the approved ESP. (*Id.* at 15-16.)

44. Staff recommends that the Commission order NV Energy, in its next integrated resource plan ("IRP"), to seek approval for the ESP in which the plan period includes EDAM participation in 2028. (*Id.* at 17.) Staff states that the joint application does not include any information as to how EDAM participation complies with NAC 704.9494, and asserts that NV Energy did not provide additional information on the subject in response to discovery. (*Id.*) Staff states that, therefore, NV Energy should be required to provide an analysis of how EDAM participation affects the balance of supply cost minimization, retail price volatility minimization, and supply reliability maximization over the term of the ESP, the optimization of NV Energy's overall supply portfolio for the benefit of its retail customers, and NV Energy's creditworthiness, consistent with NAC 704.9494. (*Id.* at 18.)

Projected Benefits

45. Staff explains that NV Energy did not conduct an empirical analysis to demonstrate that the 2032 study year used in NV Energy's simulation is an accurate reflection of the first decade of market operation, nor include a probabilistic analysis to assess the likelihood of different resource plans or load projections in WECC. (*Id.* at 7.) Staff asserts that these omissions undermine the reliability of NV Energy's estimate of EDAM participation benefits because there

is no suitable range or probability distribution of benefits and costs, which provides little basis for Staff to rigorously analyze the variability of the net benefits represented in support of the joint application. (*Id.* at 8.)

46. Staff states that, despite its concerns, it recommends that the Commission approve EDAM participation because the analysis contained in the joint application is the best information available to the Commission and reflects potential net benefits for ratepayers, important external factors favor EDAM participation, and Staff's additional recommendations establish meaningful protections for ratepayers and balance pursuit of potential market efficiencies with safeguards to ratepayers in the event the projected net benefits fail to materialize. (*Id.* at 8-9.)

47. Staff asserts that NV Energy provides little information as to how the Commission, Staff, and Intervenors may evaluate whether the proposed benefits of EDAM participation are realized, or in which proceeding such an evaluation may appropriately be performed. (*Id.* at 10-11.) Staff states that to protect ratepayers due to the uncertainty of the benefits identified by NV Energy, NV Energy should only recover the costs of EDAM participation if it can demonstrate that benefits of EDAM participation outweigh the costs. (*Id.* at 11.) Staff notes that, if benefits associated with EDAM participation do not materialize or do not outweigh the costs, it would not be burdensome for NV Energy to exit EDAM and, instead, continue to participate in the WEIM. (*Id.* at 12.)

48. Staff asserts that the joint application does not propose methodologies for quantifying benefits of EDAM participation, nor specify accounting treatment of such benefits. (*Id.* at 13-14.). Staff further asserts that NV Energy should formulate, and receive Commission approval of, reliable methodologies to quantify the benefits of EDAM participation. (*Id.* at 13.)

Compliance and Statutes

49. Staff asserts that the joint application largely satisfies the recommendations for information to be included in an application to join a day-ahead market, which the Commission adopted in Docket No. 23-10019. (Ex. 303 at 1-2.) Staff states that EDAM's monetary benefits must be at least partially guaranteed to NV Energy's retail customers, but that external factors outweigh Staff's concerns and ultimately support NV Energy joining EDAM, including:

1. The SB 448 mandate that transmission providers in the state join a RTO on or before January 1, 2030;
2. Growing movement toward an RTO across the Western United States, for which the WEIM and EDAM under CAISO and Markets+ under SPP are likely precursors;
3. RTOs and DAMs are understood to deliver substantial cost savings and efficiency benefits;
4. NV Energy does not desire to join Markets+;
5. NV Energy is a current WEIM participant and has an existing relationship with CAISO;
6. Long-term delay of NV Energy participating in EDAM could risk pre-established market rules rather than advantages available in early market rule development.

(*Id.* at 2-3.)

50. Staff qualifies that it has concerns with the information included in the joint application in response to the Commission's order in Docket No. 23-10019. (*Id.* at 3.) Staff states that the joint application includes incomplete detail regarding certain items which may reduce potential benefits, including: 1. Congestion and transfer revenues (*id.* at 4-7), 2. Other revenues and the EDAM Access Charge (*id.* at 7-10), 3. Sunk costs related EDAM participation (*id.* at 10-12), 4. Redispatch (*id.* at 12-14), and 5. Governance (*id.* at 14-17). Staff states that these areas fail to define a clear range of certainty for the proposed \$93.1 million EDAM benefit to be fully realized. (*Id.* at 3.)

RO

51. Staff recommends that the Commission find that NV Energy's shareholders should bear any cost associated with RSE surcharges assessed to NV Energy as a result of NV Energy failing the EDAM RSE. (Ex. 304 at 2, 26.)

52. Staff states that NV Energy does not provide an analysis of its ability to satisfy the daily EDAM RSE, and instead simply represents that it has sufficient resources online to pass the RSE each day based on its forecasted load and resource mix, and therefore will not pay any RSE surcharges. (*Id.* at 21.) Staff also states that NV Energy does not quantify the potential costs to ratepayers in the event NV Energy fails the RSE. (*Id.*) Staff represents that, since NV Energy confidently assumes it will not pay any RSE surcharges, the Commission should hold NV Energy to its assumption and require NV Energy's shareholders to bear the cost of any such RSE surcharges. (*Id.* at 21-22.)

Projected Costs

53. Staff recommends that the Commission authorize NV Energy to establish a not-to-exceed initial implementation budget of \$16.15 million and annual participation budget of \$16.52 million, and asserts that the Commission should order NV Energy to seek Commission approval prior to incurring any costs in excess of these not-to-exceed budgets. (Ex. 302 at 1.) Staff asserts that NV Energy, with assistance from Utilicast, conducted a gap analysis to estimate implementation costs of \$16.5 million, including a 20 percent contingency. (*Id.* at 3.) Staff states that the 20 percent contingency added to NV Energy's budget provides a sufficient buffer should actual costs exceed estimates. (*Id.* at 4.)

54. Staff states that it does not request any reduction of NV Energy's proposed initial implementation and annual participation budgets, and further states that the 20 percent

contingency added to NV Energy's budget provides a sufficient buffer should costs exceed estimates. (*Id.*)

55. Staff recommends that the Commission order NV Energy to incur the majority of the initial implementation costs in the 18-month window approaching the targeted EDAM implementation date of December 31, 2028, and order NV Energy to allocate the initial implementation and annual participation costs equally between NPC and SPPC. (*Id.* at 2.)

56. Staff states that NV Energy should delay spending the proposed capital and O&M costs to as late as possible, while still enabling it to participate in EDAM in fall 2028. (*Id.* at 5.)

Staff asserts that such a delay is justified because:

1. There is no identified need to join EDAM by 2028 rather than wait until other utilities join and use the experience of other entities to evaluate potential costs and benefits to joining EDAM,
2. Uncertainties exist as to the benefits and analysis supporting the joint application, annual gross savings calculations, and differences in NV Energy's projected implementation and participation costs compared to those requested by other utilities seeking to join EDAM; and,
3. Such delay will provide a level of protection to ratepayers and shareholders in the event NV Energy elects to delay or cancel its energy imbalance market ("EIM") participation and will allow gradual hiring of the eight full time employees NV Energy proposes to hire for EDAM implementation and participation.

(*Id.* at 5-8.)

57. Staff further states that due to the uncertainty surrounding EDAM net benefits, EDAM implementation costs should be in the same investment category as those that might

generate no benefits or lower than expected benefits and should be treated in a manner similar to other voluntary capital projects such as land acquisition, new battery research, and three year energy supply contracts. (*Id.* at 9.) Staff asserts that the \$1.56 million in fees paid to CAISO as the market operator are the only costs that are outside the ordinary course of business, while all other EDAM implementation cost categories may be treated as normal course of business study costs until benefits are realized. (*Id.* at 10.) Staff therefore recommends that, with the exception of implementation costs incurred by the deemed approved date, NV Energy's implementation costs should begin in 2027 or later, and the hiring of full-time employees should occur after the EDAM go-live date. (*Id.*)

Potential Risks

58. Staff states that the joint application addresses the structure and projected benefit of congestion and transfer revenues in EDAM and WEIM, but does not explore the downside risks related to congestion and transfer revenues. (Ex. 303 at 4.) Staff asserts that the Brattle Group Study and the joint application describe an acceptable 50/50 split when allocating transfer revenues between BAAs, but Staff states that it is concerned that EDAM's congestion revenue rules may change from their current or pending structure and no longer allocate congestion revenue to those bearing the cost of addressing the congestion. (*Id.* at 4-6.) Staff further asserts that NV Energy failed to provide a breakdown of the projected \$56 million congestion revenue benefit upon request, and confirmed that the exact methodology for allocating EDAM congestion revenue in the 2032 case is unknown. (*Id.* at 6.) Staff states that CAISO's EDAM Congestion Revenue Allocation Initiative, while proposed to promote fairness, has resulted in a self-scheduling incentive which is a topic of discussion within CAISO. (*Id.*) Staff states that the self-scheduling incentive is beneficial to NV Energy's transmission customers, and changes by

CAISO to de-incentivize self-scheduling would increase pressure on NV Energy to de-prioritize contracts with non-jurisdictional customers based on changes to the OATT caused by EDAM participation. (*Id.* at 6-7.)

59. Staff states that the Brattle Group Study does not fully define the exact level of uncertainty with which it assumes non-participant bilateral trades, including short-term wheeling, which Staff asserts leads to questions regarding the viability the \$93.1 million benefit projected in the joint application. (*Id.* at 8.) Staff asserts that uncertainty regarding bilateral trades and short-term wheeling may cause up to \$55.8 million in revenue to be unrealized. (*Id.* at 9.) Staff states that because the model is particularly sensitive, these revenue sources should be considered conservatively. (*Id.*)

60. Staff further states that the joint application does not provide specific details regarding the calculation of the EDAM Access Charge, or what it is projected to be in the EDAM case. (*Id.*) Staff asserts that the EDAM Access Charge is one of three revenue drivers clearly distinguished throughout most of the written testimony supporting the joint application, but is inconsistently omitted in other portions of the joint application, which Staff states leads to broader uncertainty regarding the total projected benefits and the representation of the EDAM Access Charge with the Brattle Group Study. (*Id.* at 9-10.)

61. Staff asserts that if NV Energy is authorized to join a day-ahead market, certain costs will become irreversible and may be largely borne by retail customers which may affect the timing rationality of a potential market exit, potentially including implementation costs, ongoing participation costs, or other investments. (*Id.* at 10.) Staff notes that the joint application identifies certain potential sunk costs, but does not include the total abandoned investment if NV Energy were to leave EDAM at various points in time, which Staff asserts is necessary to

determine the potential timing and circumstances required to justify an economically viable exit from the market. (*Id.* at 11.) Staff states that the lack of a timeline of sunk costs reduces the import of the option to freely leave EDAM. (*Id.* at 11-12.)

62. Staff notes that redispatch related risks are difficult to quantify, but emphasizes that redispatch remains a real uncertainty and potential cost implication, particularly in the EDAM case due to NV Energy's protected sales increase which would potentially increase redispatch risk. (*Id.* at 13-14.) Staff asserts that the primary economic implication of redispatch is unforeseen forced expenditures and operational strain which may overexpose LSEs and retail customers to related risk and associated costs. (*Id.* at 14.) Staff states that increased costs could arise from increased gas prices, wear-and-tear on generating units, and potential variable fuel requirements. (*Id.*)

OATT Revisions

63. Staff recommends that the Commission require, as a compliance item, that NV Energy file progress reports after each stakeholder meeting updating the Commission on the progress of its OATT stakeholder process. (Ex. 304 at 2, 26.)

64. Staff notes that the Commission's report in Docket No. 23-10019 included comprehensive criteria to be included in NV Energy's application to join a day-ahead market, which included proposed revisions to the OATT set forth in adequate detail to permit review of the potential effect on NV Energy's BAA, concerns regarding impact of the day-ahead market on non-jurisdictional transmission customers in NV Energy's BAA, and the process by which the day-ahead market and NV Energy ensure retail customers are compensated for available transmission capacity including congestion revenues. (*Id.* at 23-24.)

65. Staff asserts that NV Energy has not yet prepared amendments to the OATT related to EDAM participation, and will undertake an OATT analysis subject to a stakeholder process similar to that employed when NV Energy revised the OATT to participate in the WEIM. (*Id.* at 24.) Staff represents that NV Energy will propose to FERC modifications to the OATT to permit EDAM participation with most revisions occurring in Attachment P, revisions to Schedule 1-A, and to Schedules 4 and 9. (*Id.* at 24-25.) Staff, however, states that the impact of the revisions to NV Energy's native and non-native load customers may not be known until the stakeholder process is completed and a revised OATT is filed with FERC. (*Id.* at 25.) Staff asserts that the Commission should be informed of the progress of the stakeholder process and resulting OATT revisions because many aspects of NV Energy's EDAM participation may affect NV Energy's native load customers, and the Commission may need to intervene in NV Energy's OATT filing at FERC. (*Id.*)

Governance

66. Staff states that it supports the governance changes effectuated by Pathways Step 1, which provided dispute resolution processes and language regarding importance of considered interests across the WEIM and EDAM and notes that as of July 2025, the WEM Governing Body has primary authority on issues applicable to WEIM and EDAM. (Ex. 303 at 15.) Staff states that Pathways Step 2 has not yet gone into effect, but will include the formation of a new fully independent regional organization with sole authority over WEIM and EDAM. (*Id.*) Staff asserts that Pathways Step 1 is the full extent to which independent governance may be achieved under current California law, and that the level to which the initiative may slow has not been assessed. (*Id.* at 16.) Staff explains that EDAM's existing governance structure potentially places NV Energy's retail customers under undue external state influence based on California policies. (*Id.* at

16-17.) Staff notes that it is difficult to quantify the risks associated with the EDAM's various governance-related issues, but asserts that they must be considered due to their potential economic consequences. (*Id.* at 17.)

Joint Dispatch Agreement

67. Staff recommends that the Commission order NV Energy to develop and obtain Commission approval of a methodology to quantify the annual adjusted production cost ("APC") savings resulting from its participation in EDAM and a methodology to allocate the APC savings between NPC and SPPC in the JDA. (Ex. 304 at 2, 26.) Staff states that it has concerns regarding the Brattle Group Study's claimed \$34.2 million in APC savings associated with NV Energy's participation in EDAM. (*Id.* at 14.) Staff asserts that these concerns make it unlikely that NV Energy will realize the level of APC savings reflected in the Brattle Group Study. (*Id.* at 14-19.)

68. Staff asserts that NV Energy's potential APC savings are seasonal and highly dependent on NV Energy's ability to acquire excess California solar energy at very low, zero, or negative cost during limited hours of the day in the spring, which the Brattle Group Study does not test against potential variance in amounts of solar energy available. (*Id.* at 14-16.) Staff also asserts that the Brattle Group Study masks NV Energy's exposure to the risk of higher market prices during peak hours. (*Id.* at 16-17.) Staff further asserts that the Brattle Group Study assumes that NV Energy always passes the EDAM RSE. (*Id.* at 14.) Finally, Staff asserts that neither the Brattle Group Study nor NV Energy address how EDAM participation or resource adequacy is affected during times when market disruptions occur or when CAISO is under an emergency alert. (*Id.* at 17-19.) Staff explains that NV Energy has experienced several occasions in which CAISO curtailed imports from California to NV Energy's BAA with follow-up discussions with CAISO revealing that exports from California could no longer be supported on a

consistent basis, which NV Energy deemed merited non-CAISO power purchases at elevated prices. (*Id.* at 18-19.) Staff states that, despite the foregoing, NV Energy appears to disregard these concerns. (*Id.* at 19.)

69. Staff asserts that revisions to the JDA between NPC and SPPC are necessary based on NV Energy's representation that all EDAM market transactions revenues will be allocated between NPC and SPPC, but NV Energy has not initiated an internal analysis of the scope of changes necessary to update the JDA to facilitate EDAM participation. (*Id.* at 22.) Staff notes that NV Energy believes the most complicated issue will be determining the counterfactual case when calculating the joint dispatch savings. (*Id.*)

70. Staff states that it, therefore, recommends that the Commission require, as a directive, that NV Energy obtain Commission of the revised JDA reflecting EDAM participation prior to joining EDAM, and that NV Energy include the methodology used to create the counterfactual case and allocate the costs and revenues associated with its participation in EDAM between NPC and SPPC. (*Id.* at 23.)

Parties Partially or Fully Unsupportive of the Joint Application

The Joint Parties' Position

71. The Joint Parties recommend that the Commission find that the information in the joint application is inadequate to support a predetermination that it is prudent for NV Energy to join the CAISO EDAM prior to seeing how the EDAM operates for utilities joining in 2026 and 2027, and without reviewing and approving modifications that NV Energy proposes making to the OATT before it is filed with FERC. (Ex. 700 at 2.)

72. The Joint Parties state that while implementation, administration, and penalty costs are relatively known, the benefits of joining the CAISO EDAM are uncertain as they are based on

assumptions used in a production cost model. (*Id.* at 4.) The Joint Parties request that the Commission exercise caution and observe whether the modeled benefits of joining the CAISO EDAM in 2026 and 2027 are realized prior to finding that it is prudent for NV Energy to join the CAISO EDAM in 2028. (*Id.*)

73. The Joint Parties explain that NV Energy estimates NPC's and SPPC's CAISO EDAM implementation costs to be \$16.15 million from 2025 to 2028 which includes a 20 percent contingency and estimated \$1.5 million payment to CAISO for CAISO's implementation costs. (*Id.*, citing Ex. 100, Ex. A at 192, Fig. 59.) The Joint Parties note that NV Energy includes \$1.94 million in labor costs and \$790,000 in OMAG and general costs, while paragraph 391 of the Commission's Order in Docket No. 22-09006 denied inclusion of staff or labor costs in the RTO regulatory asset accounts. (*Id.* at 5.) The Joint Parties therefore recommend that the Commission clarify that the regulatory asset for CAISO EDAM implementation costs should not include NV Energy's labor costs, which would reduce the reasonably known implementation costs to \$13,420,000, or in the alternative, that parties in future general rate cases ("GRCs") remove all labor costs plus carry from the CAISO EDAM regulatory asset accounts when NV Energy seeks recovery of the costs through an amortization expense. (*Id.*)

74. The Joint Parties further state that NV Energy's customers could incur financial penalties from CAISO if the Nevada Balancing Authority fails CAISO's RSE. (*Id.* at 8-9.) The Joint Parties explain that without information regarding how the EDAM works for western electric utilities joining in 2026 and 2027, there are concerns surrounding the RSE process and potential for financial penalties to Nevada retail and wholesale customers. (*Id.* at 9.) The Joint Parties state that within a year to 18 months of EDAM operation additional data regarding RSE

penalties will likely exist to confirm or negate this concern, but inadequate information as to the cost of RSE failures exists at present. (*Id.*)

75. The Joint Parties acknowledge that NV Energy's estimated gross annual benefits of joining the CAISO EDAM compared to staying in the WEIM is \$93.1 million, and state that the net benefit to NV Energy's customers would be \$76.6 million per year, not including amortization costs of regulatory asset accounts, but note that the net benefit does not include the cost of any potential RSE penalties. (*Id.* at 10). The Joint Parties assert that a production cost model does not provide adequate information to support a predetermination that joining the CAISO EDAM is prudent because experience with production cost modeling demonstrates that the model is often wrong. (*Id.* at 11.)

76. The Joint Parties state that experience during the 2000-2001 Western Energy Crisis supports a "wait-and-see" approach to making a final decision to join the CAISO EDAM. (*Id.*) The Joint Parties further note that PacificCorp and Portland General Electric are joining the CAISO EDAM in 2026, while four additional electric utilities are joining the CAISO EDAM in 2027. (*Id.* at 12.) The Joint Parties state that CAISO will publish reports regarding EDAM performance for these utilities, and suggest that a review of these reports will be helpful to the Commission and parties in deciding whether actual benefits of participation in the CAISO EDAM reflect the calculated benefits. (*Id.*)

77. The Joint Parties further recommend that the Commission include in its order a directive that NV Energy file in a new docket for Commission approval its proposed modifications to the OATT before the Commission gives final approval for NV Energy to join the CAISO EDAM. (*Id.* at 2.) The Joint Parties state that Nevada ratepayers will be affected by significant changes to NV Energy's OATT, and the Commission cannot make a prudency

determination without reviewing the proposed changes to understand the effect they will have on Nevada ratepayers. (*Id.* at 4.)

SPP's Position

78. SPP recommends that the Commission ensures that it has developed a more complete record on day-ahead market issues, including contract service and governance structures, prior to ruling on NV Energy's application to join EDAM, Markets+, SPP's RTO, or any other day-ahead market to protect Nevada ratepayers' interests. (Ex. 1200 at 2-3.)

79. SPP asserts that CAISO and EDAM governance structures are subject to, and were created by, California state law, and the California statute that created the Electricity Oversight Board which oversees CAISO states that the Electricity Oversight Board was created "in order to ensure that the interests of the people of California are served," and otherwise directs that CAISO should give the highest priority to serving the interests of the people of California in periods of peak demand. (Ex. 1201 at 5.) SPP further asserts that Cal.Pub.Util. Code § 345.5(b) further undermines CAISO's ability to independently serve the interests of citizens and consumers in other states because the statute refers to the interests of the people of California and specifically mandates that CAISO follow the greenhouse gas reduction policies of the California legislature with no exception for circumstances where doing so conflicts with priorities of participating out-of-state parties. (*Id.* at 6-7.) SPP asserts that Markets+ is not so constrained, and is designed for flexibility to accommodate individual utility needs and state policy decisions. (Ex. 1200 at 7.)

80. SPP states that for a market operator to be truly independent it must be overseen by an independent body, comprised of independent members. (*Id.*) SPP asserts that SPP's Board's duties are to the organization and its members and, by contrast, the CAISO Board of Directors are

chosen via a Board Nominee Review Committee which narrows potential candidates for selection by the Governor of California and approval by the California state legislature. (Ex. 1201 at 7-8.)

81. SPP asserts that the Pathways Initiative will not be operational until 2028, states that unexpected complications may delay this operational date, and expresses skepticism that the board membership changes prescribed by Pathways will actually result in corresponding changes in how CAISO operates via elimination of California prioritization contrary to what is required by California state law. (*Id.* at 8-9.) SPP recommends that the Commission consider these factors in this proceeding if the Commission decides to pursue additional information regarding the progress made with Pathways/EDAM and Markets+ over the coming years. (Ex. 1200 at 9.)

Powerex/Wynn's Position

82. Powerex/Wynn recommend that the Commission prioritize the independence of the market's governance over most other factors, particularly that the Commission evaluate the extent to which the current and future evolution of the market rules and operation is independent of the interests of any participant, class of participants, or state. (Ex. 900 at 3.) Powerex/Wynn state that simply because organized markets are subject to a FERC-approved tariff does not ensure equitable treatment of all participants because FERC is generally limited to approving or rejecting filed proposals rather than replacing a proposal with an alternative of its own design, and the market tariff provides only a high level explanation of a market without detailing specific market operations or outcome determinations. (*Id.* at 6-7.)

83. Powerex/Wynn assert that the interests of market participants are best served by an independent market operator without obligations to one subset of the market, which may be furthered by market monitoring which is independent of the market operator. (*Id.* at 7.) Powerex/Wynn explain that an independent market operator would be suited to respond to

evolving market conditions after approval of a tariff by FERC. (*Id.* at 7-8.) Powerex/Wynn further state that while an independent board with authority over the tariff is necessary, it is not sufficient unless the market operator reports to and is overseen by an independent board because the market operator will be critically involved in market design and implementation processes, as well as day-to-day operation of the organized market which can significantly affect market outcomes. (*Id.* at 8-9.)

84. Powerex/Wynn note that CAISO is subject to California state laws governing its operations, has a board of governors appointed by the Governor of California, which is responsible for hiring and overseeing management, including the CEO and director of market monitoring, voting on policy priorities and proposals, and authorizing tariff amendments to be filed with FERC. (*Id.* at 9-10.) Powerex/Wynn assert that while CAISO is required to act in the interest of entities in California, it does not have such an obligation to entities in Nevada, which causes structural constraints to CAISO's ability to act impartially among participants across multiple states. (*Id.* at 10.) Powerex/Wynn state that these constraints do not provide the adequate independence necessary for a multi-state day-ahead organized market. (*Id.*)

85. Powerex/Wynn state that the Pathways Step 2 Proposal would provide additional independence because it would shift FERC-filing authority to a new ROWE with an independently appointed board. (*Id.*) Powerex/Wynn, however, note that CAISO would continue to be the market operator for EDAM and the WEIM, and because the ROWE is proposed to have minimal staff, continued reliance on CAISO staff will be necessary. (*Id.* at 10-11.)

Powerex/Wynn assert that a better option would be to provide sufficient staffing for the ROWE to act truly independently of CAISO. (*Id.* at 11.) Powerex/Wynn conclude that while the Pathways

Step 2 Proposal would improve EDAM governance, it would not fully cure independence concerns. (*Id.*)

86. Powerex/Wynn also recommend that the Commission place little weight on the estimated benefits provided by the Brattle Group in support of the joint application. (*Id.* at 3.) Powerex/Wynn assert that the Brattle Group estimates are inherently inaccurate because (i) the production cost models used cannot accurately model key operational realities that significantly affect market outcomes, and (ii) the estimates apply the results to periods years in the future where changes in input assumptions in many areas can substantially change the results. (*Id.*)

87. Powerex/Wynn also assert that the estimated benefits are largely the result of the Brattle Group's assumption that trade between EDAM and Markets+ will be inefficient. (*Id.* at 4, 17.) Powerex/Wynn state that assumptions that trade barriers will persist are uncertain due to the mutual benefit to both markets from reducing unnecessary barriers to trade and potential for FERC to require barriers to be minimized. (*Id.*)

88. Powerex/Wynn state that NV Energy will incur congestion costs to be collected by CAISO when congestion occurs on external constraints. (*Id.*) Powerex/Wynn assert that NV Energy will only avoid congestion charges if it "self schedules" its generation and load rather than being dispatched by EDAM, and states that these congestion charges do not appear to have been considered in the Brattle Group Study. (*Id.*) Powerex/Wynn note that the Brattle Group Study also does not account for the absence of explicit congestion coordination agreements similar to those in place between the SPP, the Midcontinent ISO and PJM. (*Id.* at 18-19.)

89. Powerex/Wynn state that they are aware of two other studies that attempted to estimate the benefits to Nevada customers under different organized market configurations and they maintain the same concerns with the accuracy of these alternative studies. (*Id.* at 20.)

Powerex/Wynn recommend the Commission view the Brattle Group Study as confirming that Nevada ratepayers are likely to benefit from participation in a centralized day-ahead and real-time market, but caution against viewing the Brattle Group Study as a definitive statement as to which future organized market option would provide the most value to Nevada ratepayers. (*Id.*)

BCP's Position

90. BCP recommends that the Commission deny NV Energy's request to approve SPPC's and NPC's participation in the CAISO EDAM as prudent. (Ex. 400 at 2.)

91. BCP states that it agrees with the risk factors identified by NV Energy related to the projected benefits of EDAM, and largely agrees that NV Energy has the capability to manage these risks. (*Id.* at 4.) BCP further states, however, that it disagrees with NV Energy's request for a prudency determination regarding these risks. (*Id.*) BCP explains that NV Energy can reasonably expect to recover EDAM implementation costs in a GRC without a prudency determination in this docket if EDAM performs as NV Energy projects, but a prudency determination in this docket would inappropriately shift risk to ratepayers if EDAM does not realize the anticipated benefits. (*Id.*) BCP states that NV Energy may still proceed with the required steps for EDAM participation in 2028 without a prudency determination in this docket, and declining to make the requested prudency determination in this docket will maintain regulatory pressure on NV Energy to effectively mitigate risk while the EDAM governance structure and identities/volume of participants clarify over the next year. (*Id.* at 4-5.)

NV Energy's Rebuttal

AEU

92. NV Energy recommends that before proceeding with an investigatory docket related to DER aggregation in the EDAM as recommended by AEU, the Commission consider

proceeding with a series of less formal workshops to determine whether there is a need to initiate an investigatory docket as well as inform the scope of such a docket and whether specific regulatory action is necessary. (Ex. 126 at 2.) NV Energy states that stakeholders may present working group materials, expert analysis, and recommendations to the CAISO Demand and Distributed Energy Market Integration working group, with a subsequent report on these items including in a relevant forthcoming docket, such as the Distributed Resource Plan update, which may inform the decision whether to open an investigatory docket. (*Id.*)

WRA

93. NV Energy states that the information WRA requests for regular updates is already available on the CAISO website. (Ex. 119 at 7, Ex. 120 at 7.) NV Energy states that it is willing to provide reports on items not available from CAISO but requests the Commission to define the scope and set deadline for when reporting would terminate. (*Id.*)

94. NV Energy states that it is difficult to keep the Commission and stakeholders informed about decision-making opportunities because these processes change quickly. (Ex. 129 at 14.) NV Energy states that CAISO provides a public calendar and other initiatives for stakeholder participants. (*Id.*) NV Energy states that CAISO staff and the Department of Market Monitoring (“DMM”) share information through special reports and meetings, including quarterly market performance meetings. (*Id.* at 15.) NV Energy states that duplicating reports is inefficient and increases costs. (*Id.*)

Joint Parties

95. NV Energy states that it disagrees with the Joint Parties’ request to delay a prudency determination until after observing how EDAM performs in 2026 and 2027. (Ex. 119 at 2.) NV Energy states that it needs sufficient time to obtain the resources required for EDAM

participation, and delaying approval does not change this need. (*Id.* at 3-4, Ex. 120 at 3-4.) NV Energy states that delaying this approval will just increase its costs and impact customers. (Ex. 119 at 4.)

96. NV Energy states that it disagrees with the Joint Parties' recommendations to delay a prudence determination until after the OATT changes are filed at FERC. (Ex. 130 at 37.) NV Energy states that PacifiCorp and Portland General Electric provide good frameworks for developing its OATT due to similar retail access to customers. (*Id.* at 38.) NV Energy states that FERC has exclusive jurisdiction over the OATT. (*Id.* at 39.)

SPP

97. NV Energy states that SPP omits discussion of California AB 825 § 345.6. (*Id.* at 11.) NV Energy further states that SPP incorrectly attributes a nonexistent quote to Section 345.5(b) of the California Public Utilities Code. (*Id.* at 12.) NV Energy asserts that SPP references the Electricity Oversight Board, which has been defunded by the California legislature. (*Id.* at 13.) NV Energy states that SPP, as well as Powerex/Wynn, overlooks the WEM Governing Body's mandate to promote, protect, and expand WEIM and EDAM, for the "benefit of their participants as a whole and the consumers they serve," not solely for California and its ratepayers. (*Id.* at 15-16).

Powerex/Wynn

98. NV Energy states that Powerex/Wynn's understanding of the Board of Governors authority is incorrect and incomplete. (*Id.* at 5.) NV Energy states that the Board of Governors does not vote on policy priorities, as they are developed through a stakeholder-driven Policy Catalog and Roadmap process managed by CAISO staff. (*Id.*) NV Energy states that stakeholders submit proposals, which are evaluated for alignment with CAISO's Strategic Plan, goals, and

available resources, resulting in a multi-year Policy Roadmap. (*Id.*) NV Energy states that these plans are presented to the WEM Governing Body and Board of Governors. (*Id.*) NV Energy states that under the Pathways Step 2, the independent ROWE Board will formally adopt the Policy Catalog and Roadmap. (*Id.*)

99. NV Energy states that Powerex/Wynn fails to address the enhanced role of the WEM Governing Body after Pathways Step 1 in July 2025. (*Id.* at 6.) NV Energy states that the WEM Governing Body maintains primary authority over market related initiatives, and in the event of an objection from the Board of Governors, can submit a competing Section 205 filing to FERC. (*Id.*) NV Energy states that Powerex/Wynn's failure to recognize the WEM Governing Body's role demonstrates an incomplete understanding of EDAM and WEIM governance. (*Id.* at 7.)

100. NV Energy provides testimony from a CAISO representative providing a detailed update on the progress of the Pathways Initiative, and stating that on January 20, 2026, the Pathways Initiative Launch Committee incorporated the ROWE, which will perform the independent governance function with the members of the Pathways Formation Committee temporarily appointed to serve as the initial Board while the stakeholder process for nominating and appointing a permanent Board is ongoing, and the ROWE intends to assume market oversight responsibilities in the beginning of 2028. (Ex. 123 at 2-5.)

101. NV Energy states that Powerex/Wynn omit discussion of legislation that California passed last year which specifically facilitates the regional market. (Ex. 130 at 11.) NV Energy states that AB 825 adds section 345.6, which clarifies CAISO's obligations under section 345.5. (*Id.*) NV Energy states that section 345.6 outlines when California electrical corporations can participate in a CAISO operated market governed by an independent regional organization. (*Id.*)

102. NV Energy states that it disagrees with Powerex/Wynn on the need for ROWE to have a policy staff at the outset of EDAM. (*Id.* at 21.) NV Energy states that in Pathways Step 2, the ROWE Board of Directors will have sole authority over market initiatives, including section 205 filings at FERC. (*Id.*) NV Energy states that the Launch Committee supported incrementally forming a policy board at the start of ROWE operations. (*Id.* at 22.) NV Energy states that it supports the transition to ROWE. (*Id.* at 23.)

103. NV Energy states that it does not agree with Powerex/Wynn that it is necessary for the independent market monitor to report to the ROWE Board of Directors. (*Id.* at 26.) NV Energy states that under Pathways Step 2, the CAISO Board and ROWE Board would jointly select future heads of the DMM. (*Id.*)

104. NV Energy states that Powerex/Wynn incorrectly claim that the Brattle Group Study assumes inefficient market-to-market seams trading between EDAM and Markets+. (*Id.* at 13.) NV Energy states that the Brattle Group Study details the assumptions governing the efficiency of market-to-market seams trading, including a \$3/MWh hurdle rate for Markets+ seams trades plus any applicable transmission fees. (*Id.*) NV Energy states that this rate reflects bilateral trading frictions, price uncertainty, and trading margins, and recognizes mandated economic bidding at Markets+ inerties. (*Id.*) NV Energy states that the Brattle Group Study assumes Markets+ seam trades cost half as much as non-Markets+ bilateral trades. (*Id.*) NV Energy states that the study results show significant volumes of power traded across EDAM and Markets+ seams, with over 4,000 GWh traded annually when joining EDAM increases trading opportunities with Markets+ members, demonstrating efficient market-to-market trading compared to bilateral trading. (*Id.*) NV Energy states that modeling an efficient EDAM-Markets+ seam may overstate the benefits of joining EDAM by increasing opportunities to sell low-cost

power to Markets+ entities in Arizona. (*Id.*) NV Energy states that it tested a scenario where such cross-market trades do not occur to assess the robustness of EDAM participation benefits. (*Id.* at 13-14.) NV Energy states that even without these trades, it would still see nearly \$60 million in annual benefits from joining EDAM. (*Id.* at 14.)

105. NV Energy states that it disagrees with Powerex/Wynn's assertion that the Brattle Group Study incorrectly assumes internal congestion in the NV Energy BAA is fully hedged and returned to NV Energy. (*Id.*)

106. NV Energy states that Powerex/Wynn fail to address upcoming changes to the transitional congestion revenue allocation mechanism. (*Id.*) NV Energy states that EDAM stakeholders and CAISO plan to refine this mechanism to include congestion from both market scheduled and self-scheduled transactions in the near term. (*Id.* at 15.) NV Energy states that, after refinement, congestion from all transactions will be allocated to the BAA where they occur. (*Id.*) NV Energy states that, due to uncertainty about EDAM congestion revenue allocation in 2032, the study aligns with stakeholder plans. (*Id.*) NV Energy states that it was not appropriate to apply the transitional mechanism for 2032 analysis, as EDAM stakeholders plan to change the mechanism after market launch. (*Id.*) NV Energy states that applying the committed near-term mechanism is more reasonable. (*Id.*)

107. NV Energy states that it disagrees with Powerex/Wynn's suggestion to dismiss product cost modeling results for EDAM participation due to the limitations they list. (*Id.* at 17.) NV Energy states that Powerex/Wynn do not explain how these limitations affect the benefit estimates. (*Id.*) NV Energy states that while it acknowledges some modeling limitations, these actually understate EDAM's benefits. (*Id.*) NV Energy states that its analysis is conservative because production cost models overstate bilateral market efficiency, thus understating the value

of a regionally optimized market. (*Id.*) NV Energy states that its study uses weather-normalized loads, monthly gas prices, and excludes transmission outages, reducing the likelihood of scarcity events and underrepresenting when EDAM provides the most customer value. (*Id.*) NV Energy states that production cost modeling is a standard industry practice for assessing regional market participation benefits and is widely relied upon by regulators. (*Id.* at 19.) NV Energy states that market operators, utilities, and market monitors frequently use these models to evaluate regional markets such as EDAM and Markets+. (*Id.*)

BCP

108. NV Energy states that it disagrees with BCP's recommendation to deny authorization for EDAM participation. (Ex. 119 at 3, Ex. 120 at 3.) NV Energy states that the Commission should find its participation prudent because NV Energy must still demonstrate to the Commission that it executed EDAM implementation and operation prudently to recover costs. (Ex. 119 at 4.)

Staff

109. NV Energy states that routine measurement and reporting of EDAM benefits are critical to determining customer value. (Ex. 121 at 6.) NV Energy states that it uses software to determine the economic benefits of EIM transactions, with results reported annually in the deferred energy accounting adjustment. (*Id.* at 7.) NV Energy states that CAISO will conduct and publish public benefit analyses for EDAM in accordance with its EIM practices. (*Id.* at 8.) NV Energy states that it proposes a structured, multi-pronged approach to quantify and report EDAM benefits, consistent with its WEIM methodology. (*Id.* at 9.) NV Energy states that it will use both a collaborative analytical approach with production cost modeling and a CAISO-generated benefits metric. (*Id.* at 9-10.) NV Energy states that it will collaborate with its production

modeling software vendors and Staff to develop a methodology to evaluate the benefits of EDAM to Nevada ratepayers. (*Id.*) NV Energy states that, due to the sub-hourly nature of EDAM transactions resulting in significant computational demands, routine production cost studies between actual and counterfactual scenarios to the level of granularity may not be feasible. (*Id.* at 10.) NV Energy states that it is committed to working with Staff and its vendors to develop an analytical framework that produces meaningful, decision-useful estimates of EDAM value. (*Id.*) NV Energy states that it proposes to incorporate CAISO's independent benefit calculations as a benchmark, anticipating alignment with its internal benefit calculations. (*Id.*)

110. NV Energy represents that Staff's concerns should be mitigated by the fact that any costs incurred to implement EDAM participation will be subject to a reasonableness analysis in a future GRC, and NV Energy can notify Staff and the Commission if the implementation budget is forecast to exceed the original estimated amount by a predetermined threshold, if deemed necessary by the Commission. (*Id.* at 4.)

111. NV Energy states that Staff's recommendation that NV Energy delay EDAM implementation activities and incur the majority of the initial implantation costs until the 18-month window before the targeted EDAM implementation date does not account for practical realities. (*Id.* at 4-5.) NV Energy asserts that the cost estimating model included with the joint application as Technical Appendix 2 demonstrates that a little more than half of the projected costs are anticipated to be incurred in the final 18 month window prior to the EDAM implementation date, which reflects that substantially more time than 18 months is necessary for plan set up and implementation. (*Id.* at 5.) NV Energy states that the Utilicast Gap Analysis functions as a blueprint for project implementation, and a tighter timeline may result in costly mistakes which would put projected benefits at risk. (*Id.*) NV Energy also notes that constrained

timelines may exacerbate risk of employee burnout and turnover, and the asserts that the projected timeline is necessary to compete for vendor time. (*Id.*) NV Energy further states that it identified a fall 2028 EDAM-join date as the earliest possible date by which it could feasibly implement EDAM without a condensed schedule, which will maximize projected customer benefits. (*Id.* at 6.)

112. NV Energy states that it supports Staff's recommendation to file progress reports after each stakeholder meeting to update the Commission on the OATT stakeholder process. (Ex. 130 at 41.) NV Energy states that it recognizes the need for transparency and will post drafts, comments, and responses on its Open Access Same-time Information System ("OASIS"). (*Id.*) NV Energy states that it understands the importance of compliance filings and can commit to the request. (*Id.*)

113. NV Energy states that it agrees with Staff that it should be required to file changes to the JDA reflecting EDAM participation with the Commission, and concurs with Staff that the filing must include a counterfactual case which allocated costs and revenues associated with EDAM participation between NPC and SPPC. (*Id.* at 36-37.)

Commission Discussion and Findings

NAC § 704.9494(4)(a)-(c)

114. The Commission finds that the ESP, as amended, does not contain any feature or mechanism that the Commission finds would impair the restoration of the creditworthiness of NV Energy. The Commission finds that the ESP, as amended, optimizes the value of the overall supply portfolio of NV Energy for the benefit of bundled retail customers. The Commission further finds that the ESP, as amended, balances the objectives of minimizing the cost of supply,

minimizing the retail price volatility, and maximizing the reliability of supply over the term of the plan.

115. The Commission approves the 2025-2027 ESP and finds the amendments to the Power Fundamentals and Current Portfolio Optimization Procedures portions of the ESP are prudent, as detailed below. The Commission finds that NV Energy's 2025-2027 ESP continues to be consistent with the ESP previously approved in Docket No. 24-05041 because EDAM participation will begin in 2028, which is outside of the term of the 2025-2027, and because the requested amendments are consistent with, and will not have a material effect on, the approved ESP. The Commission orders NV Energy, in its next IRP, to seek approval for the ESP in which the plan period includes EDAM participation in 2028.

NV Energy's Request to Join EDAM

116. The Commission finds that some background and history are helpful in orienting the Commission's decision. A day-ahead market is a centrally organized, financial and physical electricity market where participants, both resource (supply) and load (demand), submit hourly bids and self-schedules. The market optimization determines the least-cost energy dispatch, or market clearing price, to serve load while recognizing physical system constraints. Dispatched resources are compensated at the market clearing price or a higher locational marginal price for the energy they supply. Loads can be economically bid in day-ahead to indicate a price at which they are willing to purchase energy, and all loads are ultimately served in real-time through the least-cost economic dispatch. Market participants receive settlements from the market operator for all resources and loads cleared through the market. Participating in a day-ahead market can enable production cost savings through more efficient trading, unit commitment, and use of available transmission.

117. Joining a day-ahead market is not the equivalent to becoming a participating transmission owner in an RTO. There is no consolidation of BAAs. Transmission control, planning, and cost allocation, as well as resource adequacy and resource planning continue to remain with the member utilities and their respective regulating authorities.

118. Any decision for NV Energy to move away from the status quo of currently participating in the WEIM to join a day-ahead market needs to provide a clear opportunity to create benefits that not only exceed what NV Energy would continue to experience in a potentially reduced WEIM footprint, but also create additional savings above any implementation and ongoing operating costs. NV Energy's three main alternatives are 1) remain in the WEIM but not join a day-ahead market; 2) join EDAM; or 3) join Markets+. As detailed in its testimony,¹ NV Energy participated heavily in the development of both EDAM and Markets+ through formal stakeholder proceedings, extensive written comments, informal discussions, committee service, and, in the case of Markets+, providing funding for the development of SPP's Phase I tariff. The objectives of these activities were to learn the details of the new markets, and to have Nevada's interests reflected in these markets' key policy decisions. Furthermore, NV Energy retained the Brattle Group to perform studies of potential benefits of participation in either day-ahead market. After the Brattle Group's study showed an advantage in joining EDAM, NV Energy retained Utilicast to perform a "Gap Assessment"—a detailed analysis of the costs and schedule associated with NV Energy's transitioning its current WEIM participation to include EDAM.²

119. The Commission finds that the primary factors supporting NV Energy joining EDAM are as follows: 1) NV Energy's positive experience with the WEIM and lower implementation costs resulting from NV Energy's existing WEIM participation; 2) the

¹ See Ex. 117 at 1, for example.

² Discussed in depth by NV Energy in Ex. 117.

connectivity NV Energy will have with the anticipated EDAM market footprint along with the overall connectivity the anticipated EDAM and WEIM participants have with each other; 3) the projected customer benefits that will accrue from EDAM resulting from that connectivity; 4) CAISO's governance structure and particularly CAISO's ability to respond expeditiously to events with targeted, expedited stakeholder processes; and, 5) potentially better opportunities to deploy new technologies related to compliance with FERC Order 2222.

120. The Commission notes that NV Energy has already invested in systems to participate in the WEIM and has almost a decade of experience in the WEIM. As noted by Utilicast's Gap Assessment, "EDAM is essentially an additive market, leveraging nearly all of the functionality of the WEIM." WEIM has demonstrated substantial economic and reliability benefits. The total projected benefits for NV Energy's participation in WEIM through the second quarter of 2025, as calculated by CAISO, total \$828.17 million.

121. The Commission finds that NV Energy has experienced the reliability benefits associated with a highly interconnected footprint. As a participant in the WEIM, NV Energy has had access to a wide pool of energy resources to manage natural intra-hour load deviations caused by changes in the output of variable energy resources. The effects of the September 2022 California heat wave and the Northwestern "cold event" in January 2024 on all customers were mitigated because participants in the WEIM had access to diverse resources throughout the entire footprint.

122. The Commission notes that NV Energy merchant and transmission operations staff have operating experience in the CAISO real-time environment.³ The Commission also notes that NV Energy is already "deeply familiar with the systems, terminology, and communications

³ Ex. 104 at 9.

protocols for successful participations in CAISO's markets" because its resources are included in the CAISO Master File and NV Energy's transmission system topography is part of CAISO's network model.⁴ Being a part of WEIM results in expected lower implementation costs for joining EDAM for both the market operator and NV Energy. The Commission finds that EDAM is a new service that is a combination of the existing CAISO market and the existing WEIM. While both EDAM and Markets+ reflect the untried concept of combining a day-ahead market and continued OATT service in the West, NV Energy has more familiarity with, and, according to NV Energy, greater confidence in, CAISO's incremental expansion. As a result, the Commission finds that EDAM builds directly on the WEIM framework, allowing NV Energy to take advantage of its prior investments and operational experience.

123. The Commission finds that the most important factor in delivering economic and reliability benefits through a day-ahead market is the connectivity between NV Energy and other potential participants as well as the connectivity those entities have with each other. NV Energy has numerous, significant interties with the planned EDAM participants. For example, NV Energy has no fewer than eight interconnections directly with CAISO, and is interconnected with PacifiCorp, Las Angeles Department of Water and Power ("LADWP"), and Idaho Power Company.⁵ Additionally, many prospective EDAM entities have strong transmission ties with each other.

124. The Commission finds that, in considering EDAM, NV Energy considered not only existing transmission systems but also the major transmission projects under active development. Most of these new lines are in the BAAs of projected EDAM participants or are anticipated to increase supply diversity by bringing wind into the EDAM footprint. Furthermore,

⁴ *Id.* at 16.

⁵ See Ex. 112 at 7-8.

EDAM facilities' access of day-ahead and real-time supply over Path 66, the California-Oregon Interconnection, and Path 65, the Pacific DC Intertie, will provide significant reliability and diversity benefits for EDAM market participants.

125. The Commission notes that, in 2025, the Brattle Group refreshed its study to include the most recently available Nevada-specific inputs. The 2025 study analyzed the potential benefits for NV Energy to join EDAM, join Markets+, or continue with business-as-usual. The 2025 study examined the following: 1) APC savings; 2) short-term wheeling revenues; 3) market congestion revenues; and, 4) bilateral trading margins. The 2025 study did not attempt to quantify potential reliability or environmental benefits. The 2025 study determined that NV Energy's net system costs are reduced by \$93.1 million by joining EDAM but increase by \$7.3 million moving from WEIM to Markets+. The Brattle Group stated that the benefits calculation was a conservative estimate. The Commission more fully explains below that while the Commission finds and agrees that there will be benefits, the Commission cannot find that \$93.1 million is a precise estimate of projected benefits.

126. The Commission finds that market participation is about achieving cost savings and reliability benefits for customers. As with NV Energy's participation in the WEIM, the cost savings and other benefits associated with participation in EDAM will accrue to customers. These benefits will be associated with lower fuel and purchase power costs resulting from the enhanced optimization of energy supply resources over the EDAM footprint.

127. The Commission finds that EDAM offers a diverse, geographically expansive portfolio of energy resources in the Western Interconnection, providing a foundation for operational efficiency and policy objectives. The Commission finds that EDAM's diverse load and renewable profiles improve supply-demand balancing, and EDAM's resource diversity

reduces the need for high reserve margins, with the Brattle Group Study estimating a 2 to 4.2 GWh reduction in imbalance reserve requirements compared to a business-as-usual scenario.

128. The Commission finds that the governance changes effectuated by Pathways Step 1 provides dispute resolution processes and language regarding importance of considered interests across the WEIM and EDAM and notes that as of July 2025, the WEM Governing Body has primary authority on issues applicable to WEIM and EDAM. The Commission further finds that Pathways Step 2 has not yet gone into effect but is expected to include the formation of a new fully independent regional organization with sole authority over WEIM and EDAM. The Commission finds that it is difficult to quantify the risks associated with the EDAM's various governance-related issues, but the Commission must consider governance issues due to their potential economic consequences. The Commission anticipates that Pathways Step 2 will further increase independent oversight. The Commission notes that the Pathways Initiative has begun the process to establish the ROWE board and finds that this board will provide independent regional governance of EDAM and will enhance transparency and fairness for market participants.

129. As stated above, the Commission finds NV Energy's request to participate in EDAM reasonable based on both quantitative and qualitative considerations, primarily including CAISO WEIM experience, footprint and connectivity, projected customer benefits, DER integration, and governance. Therefore, the Commission approves EDAM participation with several, but not all, of Staff's recommendations. The Commission approves EDAM with several of Staff's recommendations because the analysis contained in the joint application is the best information available to the Commission and reflects potential net benefits for ratepayers, but also because the Staff recommendations adopted below establish meaningful protections for ratepayers

and balance the pursuit of potential market efficiencies with safeguards to ratepayers in the event the projected net benefits fail to materialize.

Staff Recommendations

1. *Resource Optimization*

130. As recommended by Staff, the Commission finds that NV Energy's shareholders should bear any cost associated with RSE surcharges assessed to NV Energy as a result of NV Energy failing the EDAM RSE. NV Energy does not provide an analysis of its ability to satisfy the daily EDAM RSE, and instead represents that it has sufficient resources online to pass the RSE each day based on its forecasted load and resource mix, and therefore will not pay any RSE surcharges. NV Energy does not quantify the potential costs to ratepayers in the event NV Energy fails the RSE. The Commission finds that since NV Energy assumes it will not pay any RSE surcharges, the Commission holds NV Energy to its assumption and requires NV Energy's shareholders to bear the cost of any such RSE surcharges.

2. *Projected Costs and Benefits*

a. *Implementation Costs*

131. The Commission authorizes NV Energy to establish a not-to-exceed initial EDAM implementation budget of \$16.15 million and annual participation budget of \$16.52 million. The Commission finds that NV Energy shall seek Commission approval prior to incurring any costs in excess of these not-to-exceed budgets. NV Energy, with assistance from Utilicast, conducted a Gap Analysis to estimate the implementation costs of \$16.15 million, which includes a 20 percent contingency. The Commission finds that the 20 percent contingency added to NV Energy's budget provides a sufficient buffer should actual costs exceed estimates. The Commission orders

NV Energy to allocate the initial implementation and annual participation costs equally between NPC and SPPC.

b. Implementation Timeline

132. The Commission declines to order NV Energy to incur the majority of the initial implementation costs in the 18-month window approaching the targeted EDAM implementation date of December 31, 2028, as recommended by Staff because the Commission finds that this recommendation does not account for practical realities. The cost estimating model included with the joint application as Technical Appendix 2 demonstrates that a little more than half of the projected costs are anticipated to be incurred in the final 18-month window prior to the EDAM implementation date, which reflects that substantially more time than 18 months is necessary for plan set up and implementation. Furthermore, the Commission notes that NV Energy identified a Fall 2028 EDAM-join date as the earliest possible date by which it could feasibly implement EDAM without a condensed schedule, which will maximize projected customer benefits.

c. Computation of Benefits

133. The Commission adopts Staff's recommendation for NV Energy to perform an internal quantitative calculation of EDAM benefits. Doing so provides the Commission and Nevada stakeholders with an additional data point for comparison to the CAISO benefit analysis; provides the Commission an opportunity to vet the underlying analysis; and aligns with this order's JDA directive of allocating EDAM costs and revenues. Moreover, NV Energy agrees with Staff and supports performing the independent analysis.

d. Accounting Treatment of Implementation Costs

134. As will be further expanded upon in the regulatory asset section below, the Commission finds that, due to the uncertainty surrounding the exact amount of EDAM net

benefits, EDAM implementation costs shall be in the same investment category as those that might generate no benefits or lower than expected benefits and shall be treated in a manner similar to other voluntary capital projects such as land acquisition, new battery research, and three-year energy supply contracts. The Commission finds that the \$1.56 million in fees paid to CAISO as the market operator are the only costs that are outside the ordinary course of business, while all other EDAM implementation cost categories shall be treated as normal course of business. The Commission further finds that, except for implementation costs incurred by the deemed approved date, NV Energy's implementation costs should begin in 2027 or later, and the hiring of full-time employees should be phased to minimize inefficient staffing and match staffing to the workload.

e. Compliance with Report and Order in Docket No. 23-11019

135. The Commission finds that the joint application satisfies the recommendations for information to be included in an application to join a day-ahead market, which the Commission adopted in Docket No. 23-10019. However, the Commission agrees with Staff that some of the information included in the joint application in response to the Commission's order in Docket No. 23-10019 includes sparse detail regarding: 1) congestion and transfer revenues; 2) other revenues and the EDAM Access Charge; 3) sunk costs related EDAM participation; and 4) redispatch, all of which may reduce potential projected benefits. The Commission agrees with Staff that, while these areas fail to define a clear range of certainty for the proposed \$93.1 million EDAM benefit to be fully realized, they contain the information known at this time to satisfy compliance with Docket No. 23-10019. However, without the details of these areas, the Commission cannot find that the benefits of EDAM will ultimately produce a \$93.1 million benefit; rather, the

Commission finds that, for the reasons discussed above, EDAM will benefit customers, but that the precise amount is not known at this time.

3. *OATT Revisions*

136. The Commission finds that NV Energy shall, as a compliance item, file progress reports after each stakeholder meeting updating the Commission on the progress of its OATT stakeholder process and shall post drafts, comments, and responses on its OASIS. The Commission finds that NV Energy has not yet prepared amendments to the OATT related to EDAM participation and will undertake an OATT analysis subject to a stakeholder process similar to that employed when NV Energy revised the OATT to participate in the WEIM. NV Energy will file any proposed OATT modifications with FERC necessary to permit EDAM participation with most revisions occurring in Attachment P, revisions to Schedule 1-A, and to Schedules 4 and 9. However, the impact of the revisions to NV Energy's native and non-native load customers may not be known until the stakeholder process is completed and a revised OATT is filed with FERC. Therefore, the Commission finds that NV Energy shall keep the Commission informed of the progress of the stakeholder process and resulting OATT revisions because many aspects of NV Energy's EDAM participation may necessitate the Commission intervening at FERC. NV Energy is encouraged to include Staff and BCP in the stakeholder process.

4. *Joint Dispatch Agreement*

137. The Commission orders NV Energy to develop and obtain Commission approval of a methodology to quantify the annual APC savings resulting from its participation in EDAM and a methodology to allocate the APC savings between NPC and SPPC in the JDA, as recommended by Staff and agreed to by NV Energy. The Commission finds that NV Energy's potential APC savings are seasonal and highly dependent on NV Energy's ability to acquire

excess California solar energy at very low, zero, or negative cost during limited hours of the day in the spring. The Commission also finds that neither the Brattle Group Study nor NV Energy address how EDAM participation or resource adequacy is affected during times when market disruptions occur or when CAISO is under an emergency alert.

138. The Commission also requires, as a compliance, that NV Energy obtain Commission approval of the revised JDA reflecting its EDAM participation prior to joining EDAM in the fall of 2028. Revisions to the JDA between NPC and SPPC are necessary based on NV Energy's representation that all EDAM market transaction revenues will be allocated between NPC and SPPC, but NV Energy has not initiated an internal analysis of the scope of changes necessary to update the JDA to facilitate EDAM participation. Therefore, the Commission requires that NV Energy obtain Commission approval of the revised JDA reflecting EDAM participation prior to joining EDAM, and that NV Energy include the methodology used to create the counterfactual case and allocate the costs and revenues associated with its participation in EDAM between NPC and SPPC.

WRA Recommendations

139. The Commission agrees with WRA that certain reporting requirements will help the Commission and stakeholders assess the progress and transparency of EDAM implementation, and thus the Commission orders that NV Energy provide, in this docket, semi-annual updates of any substantive changes to EDAM market participants, resource diversity, governance structures, and market rules and practices for five years from the date that NV Energy begins participation in EDAM. The Commission also orders NV Energy file in this docket semi-annual updates of key market performance data associated with NV Energy's participation in EDAM, including:

- (a) NV Energy's estimate of costs and net benefits to customers;
- (b) Energy transfers between the NV Energy BAA and other BAAs;
- (c) Transfers and interoperability agreements associated with seams between adjoining markets;
- (d) any additional evaluations conducted on NV Energy's participation in the market; and,
- (e) renewable resource curtailments for five years from the date that NV Energy begins participation in EDAM.

AEU Recommendations

140. The Commission declines to open an investigatory docket as proposed by AEU but instead accepts NV Energy's suggestion that the Commission sponsor a workshop in Docket No. 23-10019 to examine how best to approach Nevada DERs and DSRs with respect to the CAISO market. The Commission finds that the workshop format will best allow the time efficiencies and flexibility for all participants to explore these issues. The Commission directs interested participants in this docket to engage in Docket No. 23-10019 to schedule the workshop(s).

RTO Findings

141. The Commission declines to rule on or otherwise waive the requirement for NV Energy to join an RTO at this time. The EDAM is not an RTO, and the Commission has EDAM, a day-ahead market, and not an RTO, before it in this docket. While EDAM may well be an important step in a future RTO discussion and decision, the issue of RTO membership is not yet before this Commission and is not yet ripe.

B. Regulatory Asset and Implementation Cost Allocation

NV Energy's Position

142. NV Energy requests Commission approval to establish a regulatory asset for SPPC to record EDAM implementation costs. (Ex. 109 at 3.) NV Energy states the regulatory asset will cover the Utilicast Gap Analysis, business process changes, building and configuring the solution implementation changes, solution implementation or software/hardware vendor solution costs, initial solution testing, CAISO implementation fee, and CAISO testing and Go-Live. (*Id.* at 4.) NV Energy states that cost-sharing remains at 75 percent for NPC and 25 percent for SPPC, as previously ordered by the Commission in Docket Nos. 22-09006 and 25-02026. (*Id.*)

143. NV Energy states that it will defer EDAM implementation costs into a regulatory asset until completion in 2028. (*Id.*) NV Energy states that upon completion, SPPC will seek recovery of the regulatory asset in the next GRC and begin amortization, in accordance with the approved rate and proposed amortization period. (*Id.* at 5.)

BCP's Position

144. BCP states that it supports NV Energy's request that the Commission authorize the establishment of a regulatory asset for SPPC for EDAM implementation costs allocated 75 percent to NPC and 25 percent to SPPC subject to the same caveats included in Docket No. 25-02016. (Ex. 400 at 2, 5.) Specifically, BCP requests that the Commission note that any such approval does not determine the type or amount of costs appropriate for inclusion in the regulatory asset, the prudence of such costs, or the appropriate allocation of costs between NPC and SPPC, all of which the Commission should determine in future proceedings. (*Id.* at 5-6.)

Staff's Position

145. Staff recommends that the Commission deny NV Energy's request for a regulatory asset for the EDAM implementation costs except for the CAISO implementation fee, which Staff asserts is the only cost identified that is outside the ordinary course of business. (Ex. 300 at 3.) Staff states that NV Energy should, therefore, be permitted to include only the \$1.56 million in CAISO implementation fees to be collected in their amortized amount after NV Energy joins EDAM in 2028, and the prudence and reasonableness of any such costs should be determined in a GRC after 2028 where all revenues, costs, and other transactions may be examined holistically. (*Id.*) Staff further states that such review should include revenues associated with the base tariff general rate ("BTGR") received by NV Energy after EDAM participation begins, which would reduce the revenue requirement collected through general rates. (*Id.*)

146. Staff recommends that implementation costs should be allocated equally between NPC and SPPC because, in response to discovery, NV Energy acknowledged that implementation costs were not split as proposed in Docket No. 25-02016 and stated that it plans to make this fix at a later date, and NV Energy's energy and capacity forecasts through 2044 filed in Docket No. 25-08027 reflect a weighted average energy percentage of 50-50. (Ex. 302 at 11.) Staff asserts that because EDAM implementation and participation would potentially support NPC and SPPC's near-equal forecasted need for energy and capacity, NPC and SPPC should equally share these costs. (*Id.*) Staff states that its recommendation extends to both implementation and participation costs as opposed to NV Energy's request for only implementation cost allocation, because the energy and capacity needs are forecasted well beyond the 2028 EDAM go live date. (*Id.* at 12.)

147. Staff asserts that the \$1.56 million CAISO implementation fee should be allocated 50-50 between NPC and SPPC, consistent with its recommendation to allocate EDAM costs 50-

50, which will result in \$0.78 million allocated to each utility. (Ex. 300 at 3.) Staff states that these amounts will then be amortized over 11 years for NPC and 14 years for SPPC. (*Id.* at 3-4.) Staff asserts that labor costs should not be included in the regulatory asset based on the Commission's analysis in Docket No. 22-09006, and Staff's assertion that NV Energy's existing transmission department is able to perform EDAM-related tasks with any expenses for additional personnel recoverable via base rates. (*Id.* at 4-6.)

148. Staff recommends that the Commission order NV Energy to treat the ongoing annual EDAM expenses as OMAG costs, which may be sought for recovery through the BTGR in a GRC in the ordinary course of business. (*Id.* at 1-2, 16.) Staff asserts that OMAG treatment is appropriate because NV Energy does not appear to request regulatory asset treatment for ongoing annual costs to remain in EDAM, NV Energy could exercise discretion to file a GRC if it seeks to recover costs sooner than every three years, and to the extent that NV Energy requests special recovery of ongoing EDAM costs, the Commission should require that on-going revenues not currently reflected in rates receive the same special regulatory accounting treatment. (*Id.* at 6-7.)

149. Staff further recommends that the Commission order NV Energy to maintain the level of detail contained in its original PeopleSoft accounts as subsidiary ledger(s) for power sales-related transactions. (*Id.* at 2, 16.) Staff asserts that in 2025, NV Energy began migrating from the PeopleSoft accounting system to ORACLE Fusion, which caused Staff difficulty in assessing the monthly financial and quarterly balances related to deferred energy filings. (*Id.* at 7-8.) Staff states that the power-related transactions formerly tracked via PeopleSoft will ultimately affect the base tariff energy rate ("BTER") and the deferred energy accounting adjustment ("DEAA") related transactions and resulting calculations which will ultimately affect the quarterly deferred energy balances and BTER and DEAA rates. (Ex. 300 at 8.) Staff further states

that, based on NV Energy's representations regarding EDAM access charges recorded to FERC account 456.1 and EDAM congestion revenues and transfer revenues recorded to FERC account 555 and a corresponding increase to present rate revenue in a Nevada GRC, it is clear such transaction will ultimately affect the BTGR and BTER. (Ex. 301 at 9.)

150. Staff explains that it is concerned regarding NV Energy's potential consolidation of 38 PeopleSoft purchased power-related accounts into two Fusion-purchased power-related accounts after final migration of accounting systems because such compression may cause a loss of detail provided in the PeopleSoft accounts. (Ex. 300 at 9-10.) Staff claims this potential loss of detail is particularly concerning because the number of transactions recorded once EDAM becomes operational could far exceed currently occurring transactions, which may result in accounting or rate making errors that affect customer bills or hamper Staff and the Commission's ability to timely and effectively review the costs recorded in customer accounts. (*Id.* at 10.)

NV Energy's Rebuttal

151. NV Energy states that it does not have any concerns with Staff's recommendation to treat ongoing EDAM costs as OMAG recovered through the BTGR. (Ex. 125 at 4.)

152. NV Energy states that it agrees with Staff's recommendation to allocate implementation costs and ongoing OMAG costs equally between NPC and SPPC. (*Id.* at 6.)

153. NV Energy states that the intent of the regulatory asset is to capture incremental and necessary costs and not place the regulatory asset into rates until NV Energy has successfully joined, and there is a risk that the costs could enter rates before customers experience benefits if the capital expenditures are treated as any other capital project. (*Id.* at 3.) NV Energy asserts that deferring all incremental costs related to EDAM implementation will prevent customers from

paying for something that does not yet benefit them, and notes that any labor qualifying as OMAG and associated with existing employees would not be deferred. (*Id.*)

154. NV Energy states that, while the Fusion accounting system has introduced some changes to fuel and purchased power accounting in that sub-accounts formerly used to distinguish categories of energy costs are no longer available, these costs remain in the appropriate FERC accounts and are contained in Exhibits E-1 and E-2 submitted with annual deferred energy dockets and monthly reports, and journal entries in the new system reference the old Peoplesoft account. (*Id.* at 4.) NV Energy states that additional detail is, therefore, not required. (*Id.* at 4-5.)

155. NV Energy notes the challenges inherent in the change of accounting system and states that it is willing to work with Staff to redevelop comfort and familiarity in future reporting. (*Id.* at 5.) NV Energy further agrees to hold annual meetings with Staff to review the processes used to account for EDAM costs and revenues. (*Id.* at 6.)

Commission Discussion and Findings

156. The Commission denies NV Energy's request for a regulatory asset for the EDAM implementation costs except for the CAISO implementation fee, which the Commission agrees with Staff is the only cost identified that is outside the ordinary course of business. The Commission finds that NV Energy shall, therefore, be permitted to include only the \$1.56 million in CAISO implementation fees to be collected in their amortized amount after NV Energy joins EDAM in 2028, and the prudence and reasonableness of any such costs shall be determined in a GRC after 2028 where all revenues, costs, and other transactions may be examined holistically. Such review shall include revenues associated with the BTGR received by NV Energy after EDAM participation begins, which would reduce the revenue requirement collected through general rates.

157. The Commission finds that implementation costs shall be allocated equally between NPC and SPPC because, in response to discovery, NV Energy acknowledged that implementation costs were not split as proposed in Docket No. 25-02016 and stated that it plans to make this fix at a later date, and NV Energy's energy and capacity forecasts through 2044 filed in Docket No. 25-08027 reflect a weighted average energy percentage of 50-50. NPC and SPPC should equally share these costs because EDAM implementation and participation would potentially support NPC and SPPC's near-equal forecasted need for energy and capacity. The equal 50-50 allocation to NPC and SPPC extends to both implementation and participation costs as opposed to NV Energy's request for only implementation cost allocation because the energy and capacity needs are forecasted well beyond the 2028 EDAM go live date.

158. The Commission notes that the \$1.56 million CAISO implementation fee shall be allocated 50-50 between NPC and SPPC, which will result in \$0.78 million allocated to each utility. These amounts will then be amortized over 11 years for NPC and 14 years for SPPC. The Commission agrees with Staff that labor costs should not be included in the regulatory asset based on the Commission's analysis in Docket No. 22-09006, and because NV Energy's existing transmission department is able to perform EDAM-related tasks with any expenses for additional personnel recoverable via base rates.

159. The Commission finds that NV Energy shall treat the ongoing annual EDAM expenses as OMAG costs, which may be sought for recovery through the BTGR in a GRC in the ordinary course of business. OMAG treatment is appropriate because NV Energy does not appear to request regulatory asset treatment for ongoing annual costs to remain in EDAM. NV Energy could exercise discretion to file a GRC if it seeks to recover costs sooner than every three years.

160. The Commission finds that NV Energy shall maintain the level of detail contained in its original PeopleSoft accounts as subsidiary ledger(s) for power sales-related transactions. In 2025, NV Energy began migrating from the PeopleSoft accounting system to ORACLE Fusion, which caused Staff difficulty in assessing the monthly financial and quarterly balances related to deferred energy filings. The power-related transactions formerly tracked via PeopleSoft will ultimately affect the BTER and DEAA related transactions and resulting calculations which will ultimately affect the quarterly deferred energy balances and BTER and DEAA rates. The BTGR will also be affected by anything recorded to FERC account 456.1, "Revenues from transmission of electricity of others." The Commission shares Staff's concerns regarding NV Energy's potential consolidation of 38 PeopleSoft purchased power-related accounts into two Fusion-purchased power-related accounts after final migration of accounting systems because such compression may cause a loss of detail provided in the PeopleSoft accounts and therefore requires NV Energy to maintain the level of detail contained in its original PeopleSoft accounts as subsidiary ledger(s) for power sales-related transactions.

Therefore, it is ordered:

1. The application of Nevada Power Company d/b/a NV Energy for approval of an amendment to the 2025-2027 Energy Supply Plan to participate in the Extended Day-Ahead Market is granted as delineated in this order.
2. The application of Sierra Pacific Power Company d/b/a NV Energy for approval of an amendment to the 2025-2027 Energy Supply Plan to participate in the Extended Day-Ahead Market is granted as delineated in this order.

Compliances:

1. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file progress reports after each Open Access Transmission Tariff stakeholder meeting updating the Commission on the progress of the Open Access Transmission Tariff stakeholder process and shall post drafts, comments, and responses on its Open Access Same-time Information System.

2. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall obtain Commission approval of the revised joint dispatch agreement reflecting Nevada Power Company d/b/a NV Energy's and Sierra Pacific Power Company d/b/a NV Energy's participation in the Extended Day-Ahead Market, prior to joining the Extended Day-Ahead Market in the fall of 2028.

3. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall include, in any request for Commission approval of proposed revisions to the joint dispatch agreement, the methodology used to create the counterfactual case and allocation of costs and revenues associated with participation in the Extended Day-Market between Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy.

4. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall provide in this docket, for five years subsequent to joining the Extended Day-Ahead Market, semi-annual updates of any substantive changes to the Extended Day-Ahead Market participants, resource diversity, governance structures, and market rules and practices.

5. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall provide in this docket, for five years subsequent to joining the Extended Day-Ahead Market, semi-annual updates of key market performance data associated with Nevada Power Company d/b/a NV Energy's and Sierra Pacific Power Company d/b/a NV Energy's participation in the Extended Day-Ahead Market, including:

- (a) Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy's estimate of costs and net benefits to customers;
- (b) Energy transfers between Nevada Power Company d/b/a NV Energy's and Sierra Pacific Power Company d/b/a NV Energy's Balancing Authority Areas, and other Balancing Authority Areas;
- (c) Transfers and interoperability agreements associated with seams between adjoining markets;
- (d) Any additional evaluations conducted on Nevada Power Company d/b/a NV Energy's and Sierra Pacific Power Company d/b/a NV Energy's participation in the Extended Day-Ahead Market; and,
- (e) Renewable resource curtailments.

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6. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file the internal quantification of the Extended Day-Ahead Market benefits in this docket, to be used in conjunction with ordering paragraphs 3 and 5, above.

By the Commission,

HAYLEY WILLIAMSON, Chair and Presiding Officer

TAMMY CORDOVA, Commissioner
(Concurs in part and dissents in paragraphs 119, 121, 126-131, 134-135, 138, and Compliance Item paragraphs 1-3, and 6.)

RANDY J. BROWN, Commissioner

Attest:

TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

4/3/26
(SEAL)

