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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

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

2026 Joint Triennial Integrated Resource Plan (2027-2046)
Docket No. 26-05007

Prepared Rebuttal Testimony of
Shawn Elicegui
(Phase II)

SECTION I: INTRODUCTION

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

A. My name is Shawn Elicegui. I am Senior Vice President, Regulation and Resource Planning for Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and, together with Nevada Power, the “Companies” or “NV Energy”). My business address is 6100 Neil Road, Reno, Nevada. I am filing testimony on behalf of the Companies.

2. Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed prepared direct testimony in this docket on May 6, 2026. My responses to Questions 2 and 3 of that testimony, together with Exhibit Elicegui-Direct-1, describe my qualifications and current responsibilities.

**3. Q. WHAT IS THE PURPOSE OF YOUR PREPARED REBUTTAL
TESTIMONY?**

1 A. My rebuttal testimony provides policy support for the Companies' proposed Large
2 Load Electric Service Agreement ("LLESA") and responds to the September 22,
3 2026 testimony of the following witnesses:

- 4 • Regulatory Operations Staff ("Staff") witness Adam Danise;
- 5 • MECP 1 Reno LLC ("EdgeCore") witness Therese Kerfoot;
- 6 • SV RNO Property Owner 1, LLC and PR RNO Property Owner 1, LLC
7 ("Fleet") witness Dennis Bartlett;
- 8 • Novva Holdings LLC ("Novva") witness Wes Swenson; and,
- 9 • Redwood Materials, Inc. ("Redwood") witness Alex Heard.

10
11 **4. Q. PLEASE PROVIDE AN OVERVIEW OF YOUR REBUTTAL**
12 **TESTIMONY.**

13 A. In Section II of my rebuttal testimony, I provide additional context for this
14 proceeding and explain how the Companies' Joint 2026 Integrated Resource Plan
15 filing (the "2026 IRP") provides a forum through which the Commission can
16 evaluate the costs associated with serving large-load customers and determine the
17 terms and conditions under which NV Energy should plan for and serve such
18 customers. In Section III of my testimony, I explore the distinction between line
19 extension agreements and electric service agreements and explain how customers
20 establish service with the Companies. I also identify the rate schedules that allow
21 the Companies to require electric service agreements. Section IV of my testimony
22 explains that the LLESA proposed by NV Energy is designed to not only protect
23 existing customers but also introduces more certainty into the integrated resource
24 planning process. In Section V, I address the applicability of an LLESA to specific
25 customers and the need to treat similarly situated customers consistently. Finally,
26 in Section VI, I respond to parties' testimony regarding the recently issued
27

Executive Order 2026-005, Order Establishing the Nevada Standard for Responsible Data Center Development (the “EO”).

SECTION II: SPEED TO POWER CONTINUES TO DRIVE UNPRECEDENTED LOAD GROWTH

5. Q. YOUR DIRECT TESTIMONY INDICATES THAT THE 2026 IRP OCCURS AT A PIVOTAL TIME BECAUSE NV ENERGY FACES A “STEP-CHANGE” IN GROWTH. DO YOU STILL BELIEVE THAT IS THE CASE?

A. Yes. In my prepared direct testimony, I explained how federal AI-related policies shaped this filing and explained that the Companies had “received large load service requests that drive a step-change in Nevada’s electrical system.”¹ While some question this statement,² as Ms. Wells explains, in the 22-month period between October 2023 (the point at which the major project inputs to the 2024 IRP load forecast were finalized) and August 2025 (the point at which the major project inputs to the 2026 IRP load forecast were finalized) major project contribution to peak demand in 2032 increased materially. Specifically:

- Study phase requests increased by 4.9 GW, or 105.5 percent;
- The estimated full build-out project load (“EFBPL”) associated with signed line extension agreements increased 1.9 GW, or 68.8 percent; and,
- The major projects contribution to the base load forecast increased by 2.2 GW, or 103.7 percent.

Furthermore, 3.4 GW of large-load customers signed a LLESA with the Companies in 2026, all of which have been filed with the Commission for approval. Delivering

¹ Prepared Direct Testimony of Shawn EliceGUI at 4.

² See Docket No. 26-05007, Phase II: Prepared Direct Testimony of Adam E. Danise at 17, Q&A 33.

service to just a portion of these major projects will require a “step-change in Nevada’s electrical system.”

Importantly, the need for speed to power has only increased since August 2025. Two projects that were in study phase in August 2025 have signed line extension agreements *and* a LLESA. Moreover, the testimony submitted by several witnesses in this docket on September 22, 2026, as well as the testimony submitted on October 2, 2026,³ proves the point. Several witnesses note that Governor Lombardo signed the EO, which, among other things, requires a Responsible Speed to Power Plan by December 31, 2026, that establishes a framework for serving all identified data center load by 2036.

6. Q. WHY DID NV ENERGY DEVELOP THE LLESA?

A. The need for additional planning tools became clear during NV Energy’s 2024 IRP filing. Parties in that proceeding expressed concern that data center load had not materialized consistently with line extension load ramp schedules.⁴ As noted above, NV Energy experienced a step-change in data center requests for service. Accordingly, NV Energy introduced the LLESA in 2025 for several purposes, including: (i) as a planning tool to assist the Companies in the process of planning to meet the electric service needs of master planned community (“MPC”)

³ In accordance with Procedural Order No. 4, the Companies will separately respond to testimony filed on October 2, 2026.

⁴ See, e.g., Docket No. 24-05041, Phase III Prepared Direct Testimony of Patrick A. Morton at 8 (Q&A16); see also Docket No. 24-05041, Phase III Prepared Direct Testimony Percival Lucban at 8, Q&A 16 (noting concerns with mission critical loads with high power factors, and suggesting a “similar exercise” to the one undertaken by the Ohio Public Utilities Commission); Phase III Prepared Direct Testimony of Ryan Sinclair at 3-5; Phase III Prepared Direct Testimony of Anita Casteldine, Ph.D., (recommending that the Commission remove all study phase load from the long-term base load forecast).

1 developers, other land developers, and end-users all seeking to facilitate data center
2 development and (ii) to ensure that data center development proceeds responsibly.⁵
3 One goal of this filing is to provide a public forum in which stakeholders can engage
4 in civil discourse about the terms and conditions under which the Companies should
5 plan for and serve large-load customers. Regardless of whether the Commission
6 approves the LLESA as proposed by NV Energy, this filing has served one if its
7 core objectives – it has provided a public forum in which the impacts of serving
8 large-load customers can be quantified (see, for example, the difference between
9 the Base Minus informational case and Preferred Plan)⁶ and stakeholders can
10 thoughtfully address the issues associated with responsibly planning for and
11 providing electric service to data centers.

12
13 Several parties recommend approval of the LLESA (with modifications) and that
14 the Commission conduct a separate proceeding to develop processes and
15 procedures to ensure implementation of the LLESA is consistent with the intent of
16 the agreement – to ensure that existing customers are not harmed by, and indeed
17 benefit from, responsible development. This is why the Companies recommend that
18 the Commission approve the LLESA and proceed in the manner as explained by
19 Ms. Wells.

20
21 **SECTION III: LINE EXTENSION AGREEMENTS ARE NOT AN APPLICATION FOR**
22 **ELECTRIC SERVICE AND ARE NOT AN ELECTRIC SERVICE AGREEMENT**
23

24 ⁵ The LLESA, which is designed to serve as a uniform agreement, responds to suggestions that the Companies provide a
25 framework that contains appropriate customer protections against the potential adverse consequences of data center
26 growth. The LLESA can easily be converted into a tariff or a data center-specific customer schedule. As explained in
27 Section III of my testimony, NV Energy has the authority to require a service agreement, such as the LLESA, under
several of its tariffs. The requirement of an electric service agreement is neither new nor novel.

⁶ See, e.g., Joint Application Vol. 9 at 199-200, Figures EA-57 and EA-58.

1 **7. Q. SEVERAL PARTIES MAKE STATEMENTS REGARDING NV ENERGY’S**
2 **COMMITMENTS AND OBLIGATIONS UNDER RULE 9 AGREEMENTS.⁷**
3 **PLEASE EXPLAIN WHAT RULE 9 AND LINE EXTENSION**
4 **AGREEMENTS ADDRESS.**

5 A. Electric Rule 9, Line Extensions, specifies how new physical connections and
6 customer-requested modifications of the Companies’ existing transmission and
7 distribution electric system are designed, constructed, inspected, paid for, owned
8 and taxed. Electric line extension agreements – agreements signed pursuant to
9 Electric Rule 9, allocate cost and construction responsibilities for line extensions
10 between the Companies and applicants. A line extension, consistent with Rule 1,
11 encompasses the “continuation” of transmission and distribution facilities to the
12 point of demarcation between the Companies’ distribution system and the
13 applicant’s facilities.⁸ The parties to line extension agreements should have
14 expectations regarding the costs and responsibilities for construction and
15 continuation of transmission and distribution facilities to the applicant’s premises
16 based on the terms and conditions of the specific line extension agreement.

17
18 **8. Q. DOES A LINE EXTENSION AGREEMENT EITHER ESTABLISH**
19 **ELECTRIC SERVICE WITH THE COMPANIES OR SERVE AS AN**
20 **ELECTRIC SERVICE AGREEMENT?⁹**

21 A. No, a line extension agreement is not a tool for establishing electric service with
22 the Companies, as Mr. Bartlett suggests. I also disagree with Mr. Danise’s

23
24 ⁷ See Phase II: Prepared Direct Testimony of Adam E. Danise at 2-14; Direct Testimony of Dennis Bartlett at 22-30;
Direct Testimony of Therese Kerfoot at 7-12, 18-22; Direct Testimony of Wes Swenson at 6-9.

25 ⁸ See Sierra Pacific Power Company d/b/a NV Energy, Tariff No. Electric No. 1, Rule No. 1, Definitions, Seventh Revised
26 Sheet No. 6 (defining line extension); *see also* Nevada Power Company d/b/a NV Energy, Tariff No. 1-B, Rule No. 1,
Definitions, Fifth Revised Sheet No. 43 (defining line extension). For ease of reference, I will refer to Tariff No. Electric
27 No. 1 as the “Sierra Pacific Tariff” and Tariff No. 1-B as the “Nevada Power Tariff” in this testimony.

28 ⁹ See Direct Testimony of Dennis Bartlett at 22.

conclusion that “the requested service contemplated under the Rule 9 process is the provision of electric service to meet the applicant’s new or modified load, not merely the physical interconnection of an applicant’s load.”¹⁰ Not every line extension applicant is asking the Companies for bundled “electric service” (i.e., to produce or procure, transmit and deliver electricity to the applicant). Some line extension applicants are distribution-only service customers and some are MPC developers. And some line extension applicants have already established service with the Companies. Accordingly, a line extension agreement cannot be a means of establishing electric service with the Companies.

9. **Q. PLEASE EXPAND ON YOUR ANSWER.**

A. A holistic review of the Companies’ electric rules and schedules shows that line extension agreements and electric service agreements, when such electric service agreements are required, have separate and distinct purposes. Indeed, not every potential customer signs a line extension agreement, and many line extension agreement counterparties do not receive or use electricity produced or procured by the Companies. The distinction between a line extension agreement and a service agreement is important to avoid reaching the erroneous conclusion that a line extension agreement is a means of establishing electric service with the Companies or is an application for electric service.

To obtain electric service, a potential customer must apply for service under Rule 3. Rule 2, Section A.1, which provides, “service described hereunder may be obtained by any person or agency by making application in accordance with Rule

¹⁰ Phase II: Prepared Direct Testimony of Adam E. Danise at 14, Q&A 27.

No. 3 and, if required, by signing a contract in accordance with Rule No. 10.”¹¹
Customers only establish electric service through an application for such service.

Rule 9 does not even come into play in a scenario where a potential new customer requests service but does not require a line extension – i.e., the continuation of, or branch from the nearest available existing distribution line or facility owned by the Companies, including any increase of capacity of existing lines or facilities to fulfill the customer’s requirements.¹² Thus, not every customer enters into a line extension agreement with the Companies.

On the other hand, when an existing customer – one who is taking service pursuant to a tariff schedule – wants to alter the customer’s operations in such a way that requires a modification of the Companies’ distribution facilities, the customer must enter into a line extension agreement with one of the Companies. In that scenario, the line extension cannot represent an application for service and cannot establish electric service with the Companies.

Finally, not every counterparty to a line extension agreement intends to purchase electricity produced or procured by the Companies. Distribution-only service customers enter into line extension agreements with the Companies. The Companies are not responsible for producing or procuring electricity for distribution-only service customers; to the contrary, providers of new electric resources are responsible for producing or procuring electricity for distribution-only service customers. Similarly, the Companies enter into MPC umbrella line extension agreements. The counterparties to MPC umbrella line extension

¹¹ See Nevada Power Tariff, Rule 2; Sierra Pacific Tariff, Rule 2.

¹² See Nevada Power Tariff No. 1-B, Rule 1 & Sierra Pacific Tariff, Rule 1.

1 agreements – as well as substation high voltage distribution line extension
2 agreements implementing MPC umbrella agreements – generally do not plan on
3 purchasing electricity from the Companies.¹³
4

5 In summary, Rule 9 does not establish the framework under which a potential
6 customer asks one of the Companies to provide electric service. Nor does a line
7 extension agreement establish the terms and conditions under which the Companies
8 will produce or procure and supply electricity to a customer; it only establishes the
9 parties' rights and obligations with respect to the construction of a line extension –
10 transmission and distribution infrastructure. A line extension agreement is not an
11 energy service agreement and should not be conflated with an energy service
12 agreement or an application for service.
13

14 **10. Q. DO CERTAIN PORTIONS OF MR. DANISE'S TESTIMONY SUPPORT**
15 **YOUR CONCLUSION THAT A LINE EXTENSION AGREEMENT**
16 **SERVES DIFFERENT PURPOSES THAN AN ELECTRIC SERVICE**
17 **AGREEMENT?**

18 A. Yes. Mr. Danise makes several statements that support the conclusion that a line
19 extension agreement serves a different purpose than, and is not, an electric service
20 agreement. Specifically:

- 21 • He agrees the Estimated Full Build-out Project Load ("EFBPL") does not create
22 an "unconditional generation capacity entitlement;"¹⁴
23

24 ¹³ The typical counterparty to an MPC umbrella agreement is a land developer, is not an end-user of electricity, and
25 never establishes electric service with the Companies. Instead, entities that purchase land from the MPC land developer
(or, more commonly, purchase homes from an entity that purchased land from the MPC land developer) must establish
electric service with the Companies.

26 ¹⁴ Phase II: Prepared Direct Testimony of Adam E. Danise at 8-9, Q&A 18. Mr. Barlett appears to agree with this
27 proposition, as he concludes that Nevada statutes do not impose "an unconditional obligation to provide unlimited service

- He acknowledges that “generation capacity and long-term energy supply” to provide service “remain unresolved at the time” line extension agreements are executed;¹⁵
- He agrees that “Rule 9 is limited to qualifying upstream substation, high-voltage distribution and distribution facilities” and that “generation or upstream energy supply resources” fall outside the definition of a line extension;¹⁶
- He says the costs of upstream commitments should be allocated “through a separate tariff or other appropriate mechanism.”¹⁷
- He acknowledges that a line extension agreement does not contain the terms and conditions necessary to provide electric service.¹⁸

In short, neither the EFBPL nor the line extension agreement create any entitlement to generation capacity or energy supply. This is because the line extension agreement does not, as Mr. Danise recognizes, address generation and upstream energy supply resources, which fall outside the definition of a line extension.

11. Q. IF A LINE EXTENSION AGREEMENT DOES NOT ESTABLISH THE TERMS AND CONDITIONS OF SERVICE, WHAT DOES?

A. The complete body of the Companies’ rules and schedules establishes the terms and conditions of service. Importantly, for the purposes of this proceeding,

or on any timeline requested by a customer, regardless of system capability or applicable tariffs.” Direct Testimony of Dennis Bartlett at 24. I disagree, however, with his conclusion that the Companies’ obligation is not tethered to the execution of an electric service agreement. As noted elsewhere in my testimony, the Companies have the right to require a contract for service under certain special conditions in certain rate schedules. If the Companies require such a contract, and the customer refuses to sign such an agreement, the customer is not in compliance with the schedule and the Companies are neither obligated nor required to provide service under the schedule.

¹⁵ Phase II: Prepared Direct Testimony of Adam E. Danise at 13, Q&A 25.

¹⁶ Phase II: Prepared Direct Testimony of Adam E. Danise at 14, Q&A 26.

¹⁷ *Id.*

¹⁸ Phase II: Prepared Direct Testimony of Adam E. Danise at 8, Q&A 16. (“Practically, Rule 10 should be construed as treating a line extension contract (Rule 9 agreement) as the service contract with a separate tariff or other mechanism that outlines the terms and conditions of that service.”)

Schedule No. GS-3, Large General Service, and Schedule LGS-3, Large General Service – 3, both contain special conditions that allow the Companies to “require” a “contract for service.”¹⁹ Mr. Danise acknowledges that GS-3 and LGS-3 allow NV Energy to require an electric service agreement.²⁰ In this proceeding, NV Energy proposes a form “service contract” – the LLESA – that is intended to achieve ends with which Staff agrees; namely, that: (i) large-load customers pay for (x) a slice of the existing system the Companies use to provide service to such customers and (y) the full incremental cost of service, and (ii) customers not already receiving service “should bear the full incremental cost to serve their load, regardless of when that customer executed their Rule 9 agreement.”²¹

12. Q. MR. DANISE SUGGESTS THAT NV ENERGY SHOULD HAVE OBTAINED COMMISSION APPROVAL TO AMEND ITS FORM RULE 9 AGREEMENT TO REQUIRE LARGE-LOAD APPLICANTS TO EXECUTE SEPARATE SERVICE AGREEMENTS TO SECURE GENERATION CAPACITY AND ENERGY SUPPLY.²² DO YOU AGREE COMMISSION APPROVAL WAS REQUIRED?

A. No. Rule 9 operates in conjunction with other authorities, including rules and tariffs, and the Companies’ form Rule 9 agreements prior to the amendment expressly incorporated and subordinated their terms to such rules and tariffs. As explained above, large customer tariffs allow the Companies to require that a large

¹⁹ Similarly, Schedule LGS-2, Large General Service – 2, Schedule No. GS-2-TOU, Medium General Service – Time-of-Use, and Schedule No. GS-2, Medium General Service, also allow the Companies to require a service contract, while the general service and residential schedules do not.

²⁰ Phase II: Prepared Direct Testimony of Adam E. Danise at 22-23, Q&A 44.

²¹ Phase II: Prepared Direct Testimony of Adam E. Danise at 26, Q&A 52. Staff and the Companies disagree on one issue – whether EdgeCore’s Mt. Elbert project should be required to sign an LLESA. *See* Phase II: Prepared Rebuttal Testimony of Janet Wells, Section II.

²² Phase II: Prepared Direct Testimony of Adam Danise at 7, Q&A 15.

customer enters into a service agreement. Further, Staff acknowledges that NV Energy is able, under Commission-approved Rule 10 and the LGS-3/GS-3 tariffs, to require separate agreements.²³ Because the separate service agreement requirement was already included in the Rule 9 agreements, the amendment merely made the requirement explicit and neither created nor altered any applicant's rights or obligations. The amendment is fully consistent with the Companies' tariffs and did not require a Rule 9 deviation. Staff also acknowledges that Rule 9 agreements do not need Commission approval.²⁴ Therefore, a revision to the agreement to make clear that NV Energy will be exercising its right to require such an electric service agreement was not required to be approved by the Commission prior to implementing the change.

13. Q. ARE THE RISK MITIGATION PROVISIONS OF RULE 9 SUFFICIENT TO ENSURE THAT LARGE-LOAD CUSTOMERS BEAR THE COSTS THEY CAUSE?

A. No. The risk mitigation provisions of Rule 9, and those contained in line extension agreements, only address risks associated with the high voltage distribution assets needed to interconnect a major project (i.e., those facilities that are the subject of the line extension agreement). The risk mitigation provisions of Rule 9 and related line extension agreements *do not* address the risks associated with upstream generation and energy supply resources (which, as Staff acknowledges, fall outside the scope of the line extension agreement), transmission needed to integrate

²³ *Id.* at 22-23, Q&A 44. Mr. Danise suggests that NV Energy should have stopped signing line extension agreements. *Id.* at 17, Q&A 33. But NV Energy proceeded consistent with this reasonable interpretation of the tariffs and when a need was identified, developed a uniform service agreement for use with large-load customers that protects against the potential adverse consequences associated with growth that the parties identified in Docket No. 24-05041 and brings additional certainty to the integrated resource planning process.

²⁴ *Id.* at 7, Q&A 14.

generation and energy supply resources, and fuel transportation commitments. This is likely why most if not all the stakeholders in this proceeding recognize that Nevada needs an additional framework – whether it is the LLESA or a large-load tariff – to ensure that data center development proceeds in a responsible manner.

14. Q. WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION?

A. I recommend that:

- The Commission approve the LLESA as drafted by the Companies for use as a form electric service agreement with large-load customers pursuant to special condition 10 of Schedule No. GS-3 and Schedule LGS-3;
- If the Commission determines that a large-load tariff is necessary, it direct NV Energy to convert the LLESA into a large-load tariff and file it with the Commission for review and approval; and,
- The Commission find that a line extension agreement addresses only the design, construction, timing, and cost allocation of the high voltage distribution facilities, and does not establish electric service with the Companies and, similarly, is not an electric service agreement.

SECTION IV: THE CUSTOMER PROTECTION TERMS OF THE LLESA NOT ONLY PROTECT EXISTING CUSTOMERS, BUT BRING ADDITIONAL CERTAINTY TO THE RESOURCE PLANNING PROCESS

15. Q. DOES THE LLESA BRING ADDITIONAL CERTAINTY TO THE LONG-TERM RESOURCES PLANNING PROCESS AT A PIVOTAL TIME?

A. Yes. The LLESA brings additional certainty to the long-term resource planning process by ensuring that large-load customers will use or pay for projected electric demand and consumption at minimum levels. This reduces the risk associated with over- and under-procurement. The agreement contains termination provisions that

mitigate, if not eliminate, the risk of stranded assets. The agreement requires contributions in aid of construction that limit the Companies' investment in generation, transmission and other facilities to levels that will not put upward pressure on rates. And the agreement contains provisions – that the customer pay the otherwise applicable tariff rate and administrative charges – that provide benefits to existing customers.

16. **Q. SHOULD COUNTERPARTIES TO MPC AGREEMENTS WHO INTEND TO DEVELOP COMMUNITIES OF LARGE-LOAD CUSTOMERS BE REQUIRED TO ENTER INTO AN AGREEMENT WITH THE SAME CUSTOMER PROTECTION TERMS AND CONDITIONS AS AN LLESA?**

A. Yes. The Companies request that the Commission determine that a land developer developing a master planned community needs to sign a similar agreement with the same customer protections included in the LLESA. This is because, while planning for the build out of a master planned community poses the same risks – both over- and under-procurement – as planning for an end user, a master planned community developer will not be an end-use customer of NV Energy. Accordingly, a similar agreement with the same protections as the LLESA is necessary to protect customers. If a land developer signs such an agreement, NV Energy's position is that the demand and energy associated with such a developer should not be mitigated in future base load forecasts, same as with large-load customers that sign.

The Companies and existing customers need sufficient assurance regarding the timing and magnitude of the requested load and ramp schedule before the Companies incorporate that load into the forecast and undertake the generation-capacity and energy-supply commitments necessary to serve a project. Project

expenditures and transmission or distribution studies, without the required Rule 9 and LLESA commitments, do not establish the facilities, minimum billing, security, cost-recovery, ramp, and termination commitments needed to protect existing customers if the requested load materializes later, at a lower level, or not at all.

17. Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

A. I recommend that the Commission determine that MPC developers who intend to develop master planned communities for large load be required to enter into an agreement with the same customer protection provisions that are included in the LLESA.

SECTION V. LLESA APPLICABILITY

18. Q. CERTAIN PARTIES, INCLUDING EDGECORE, NOVVA AND REDWOOD, ASK THE COMMISSION TO DETERMINE THAT THE LLESA FRAMEWORK SHOULD NOT APPLY TO CERTAIN OF THEIR PROJECTS. HOW DO YOU RESPOND?

A. Ms. Wells responds to the parties' positions on the applicability of LLESA to their respective load requests. However, the Companies agree that the Commission has the authority to determine whether an LLESA is the appropriate service agreement based on a customer's individual circumstances. This is because the Commission is the agency upon which the Nevada Legislature has conferred the authority and duty to supervise and regulate the Companies. The Commission has the knowledge and specialized expertise to interpret the purpose of a line extension agreement, to assess whether separate agreements are necessary to protect NV Energy customers

from the potential adverse consequences of a large-load customer development and determine how NV Energy should plan for large-load customers.

As recognized by Google witness Carolyn Berry, the Commission sets the rates and conditions of service and should resolve any conflicts between the Rule 9 agreements and load-forecast decisions.²⁵ Rule 10 clearly indicates that contracts for electric service are subject to changes and modifications by the Commission, as do the Rule 9 agreements entered into by these parties. NV Energy has proposed applicability standards; it is for the Commission to set those ultimate guidelines and to determine whether or when exceptions may be made.

19. **Q. DOES NV ENERGY AGREE THAT LLESA APPLICABILITY SHOULD BE APPLIED CONSISTENTLY AND SIMILARLY SITUATED CUSTOMERS BE TREATED THE SAME?**

A. Yes. As a part of its request in this docket, NV Energy is asking the Commission to approve clear applicability requirements for the LLESA. Once the Commission sets these requirements, the decision to execute an agreement should inform how the associated load is reflected in a base load forecast.

To be clear, for purposes of this IRP, NV Energy did not change or alter the discounted load associated with any major project in the Base Load Forecast based on the applicant's decision not to sign an LLESA. Nor is the decision not to sign an LLESA represented in any way in the Base Load Forecast. No customer had executed an LLESA when the inputs to the Base Load Forecast were finalized. Therefore, the output or method of a customer's discounted load calculation was

²⁵ Phase II: Direct Testimony of Carolyn Berry at 16, Q&A 32.

not changed in the Base Load Forecast based on whether the customer later signed, declined to sign, or chose not to pursue an LLESA.

However, on a going forward basis, if the Commission approves the form LLESA (or establishes a similar framework which embodies the same or similar protections for customers), the decision to sign or not to sign a LLESA should impact how the associated load ramp is reflected in a base load forecast. NV Energy's position is that the load ramp associated with a customer should not be mitigated in future base load forecasts if the customer signs an LLESA because the LLESA's minimum demand and energy, the CSGC, the LTER, security, and termination provisions provide enough certainty for the Companies to plan holistically for electric service to the large-load customer.

20. Q. IS REQUIRING AN LLESA A "DE FACTO REVISION OF SIGNED AGREEMENTS?"²⁶

A. No, for several reasons. First, the LLESA does not revise any terms of the Rule 9 Agreement. The LLESA is a service agreement; a Rule 9 agreement does not address the terms of electric service; it only addresses certain aspects of acquiring or construction the necessary transmission and distribution facilities to provide for service.

Second, for the reasons stated above, the Companies have always had the right to require separate supply agreements. The LGS-3 and GS-3 schedules permit the Companies to require a separate agreement and nothing in either schedule suggests that there is a temporal limitation on the exercising that provision – i.e., there is no

²⁶ Direct Testimony of Therese Kerfoot at 23-24, Q&A 47.

1 requirement that the separate agreement be executed before or contemporaneous
2 with the Rule 9 agreement.

3
4 Third, even under the assumption that the LLESA requirement constitutes a
5 revision of terms in the Rule 9 Agreement (it does not), Rule 10 and the Companies'
6 Rule 9 agreements state that these agreements are subject to the Commission's
7 modifications, so such a revision is permitted under the contract and the tariffs. The
8 Companies' Rule 9 agreements contain standard language that creates a hierarchy
9 in which Commission-approved service schedules, such as Schedules LGS-3 and
10 GS-3, supersede a Rule 9 agreement. These standard provisions also harmonize a
11 Rule agreement with electric service schedules:

12 Other Services Provided by Utility. Utility will provide other services
13 to Applicant, such as the supply and delivery of electric energy to the
14 Development, in accordance with the Tariff Schedules, Rule 9 (as
15 amended) and Utility's procedures and those other services that are not
16 within the scope of this Agreement.

17 Utility's Tariff Schedules; Commission. This Agreement is made by
18 the Parties pursuant to Utility's Tariff Schedules. Those Tariff
19 Schedules apply to this Agreement, are binding on the Parties and
20 supersede any portion of this Agreement should a conflict arise.

21 Consistent with these provisions, an LLESA, which the Companies are authorized
22 to require under Schedule No. GS-3, Schedule LGS-3 and Rule 10, does not alter
23 or amend a Rule 9 agreement. The two agreements work in unison, and the
24 LLESA's provisions are implemented in addition to the transmission and
25 distribution construction and cost-responsibility obligations outlined in Rule 9.

26 **SECTION VI. EXECUTIVE ORDER/SPEED TO POWER PLAN**

27 **21. Q. HAVE YOU REVIEWED THE EO?**

28 A. Yes.

22. Q. DOES THE EO DIRECT THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT TO CONSIDER OPENING AN INVESTIGATORY DOCKET ON LARGE-LOAD SERVICE, COST RECOVERY AND ITS TIMING, FLEXIBLE SERVICE, CO-LOCATED GENERATION, AND SERVICE DURING A DECLARED GRID EMERGENCY?

A. Yes. The EO also directs the Director of the Office of Energy, the Executive Director and "each electric utility and in consultation with large load customers," to deliver, on or before December 31, 2026, to the Governor a Responsible Speed to Power Plan. The Speed to Power Plan must, among other things, identify the electric facilities required to serve large load anticipated through 2036.

The development of a Responsible Speed to Power by December 31, 2026, will not be an easy task. However, this integrated resource plan filing provides a solid foundation for the development of a Responsible Speed to Power Plan in several respects. First, it identifies most of the resources needed to serve 1.7 GW of data center load (in addition to the 3.4 GW of LLESA load) by 2036. Second, it proposes a framework – the form LLESA – that is consistent with responsible growth.

To serve approximately 1.7 GW of additional large-load customers by 2036, the Companies would need to add a combined 8 GW of nameplate capacity of various resource types, which are currently identified as placeholder resources in the Preferred Plan.²⁷ Once the "large load anticipated through 2036" is identified, this

²⁷ The Companies would, as they have historically done, diligently pursue the addition of generation and energy resources to meet expected load, including issuing requests for proposals for power purchase agreements and the development of new thermal generating resources.

integrated resource plan filing and the Preferred Plan establish a road map for developing the resources need to serve that anticipated load.

While I understand the potential need for a separate proceeding to refine certain processes needed to implement the LLESA, I do not believe that the Commission should deny approval of the form LLESA. Accordingly, I have several recommendations regarding outcomes that are critical in this case. They follow from the observation that:

- Some stakeholders have suggested revisions to the LLESA that are somewhat less protective of existing customers (e.g., reductions in minimum demand levels and minimum energy charge levels);
- Other stakeholders have suggested revisions to the LLESA that would strengthen protections for existing customers.

Based on this observation, I recommend that the Commission approve a form LLESA with (i) a minimum demand charge, (ii) a minimum energy charge, (iii) termination provisions, (iv) security provisions, (v) customer-specific generation charges that provide contributions in aid of construction for the generation and related transmission integration facilities included in the Preferred Plan, (vi) customer specific long term energy rate for the purchased power agreements as well as fuel transportation charges, and (vii) an administrative charge. NV Energy witness Janet Wells provides NV Energy's position on the appropriate terms to be included in the form LLESA. NV Energy would then use this form agreement as the "contract for service" with large-load customers under special condition 10 of Schedule No. GS-3 and Schedule LGS-3. This form LLESA, which "at all times, [is] subject to changes or modifications" that the Commission may order from time to time, should provide sufficient certainty to stakeholders, the Companies and

large-load customers if the Commission determines that another proceeding (e.g., a tariff filing) is necessary to refine processes and procedures needed to implement the LLESA.

23. Q. IS THE LLESA SUFFICIENT TO SECURE THE VISION OF THE RESPONSIBLE SPEED TO POWER PLAN?

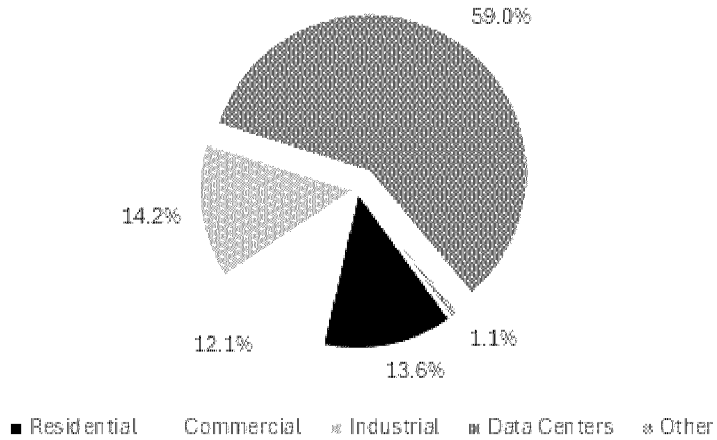
A. No. As Ms. Wells explains, NV Energy faces a step change in large-load service requests. Based on NV Energy's understanding of the state of data center development in northern and southern Nevada, a Responsible Speed to Power Plan would need to address how to serve at least another 2 GW of data center load by 2036 but could include well over that amount of additional data center load. To deliver the Responsible Speed to Power Plan, which effectively is another step change of investment in distribution, transmission, generation and energy resources, NV Energy needs additional assurances from data center customers.

First, the current nine LLESA customers alone will substantially change NV Energy's business, even if those customers only reach minimum demand and minimum energy levels consistent with the LLESAs proposed by NV Energy.²⁸ By 2036, at minimum load levels, the LLESA customers and legacy data centers will constitute 59.0 percent of Sierra's volumetric sales, almost all of which will come from four data centers. *See* Figure SME-Rebuttal-1, below.

²⁸ Docket Nos. 26-05026 through 26-05030.

FIGURE SME-REBUTTAL-1

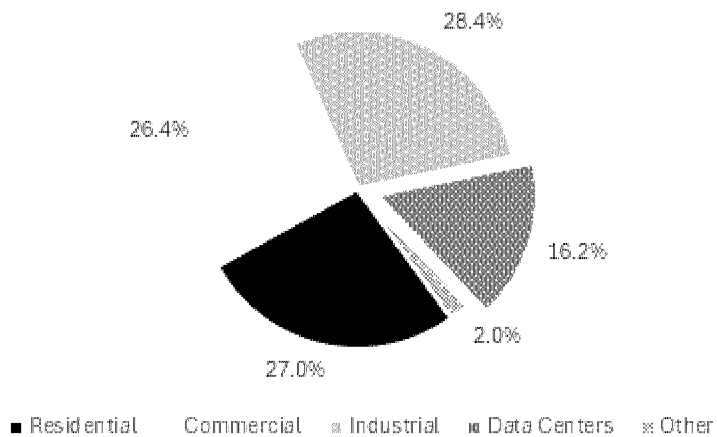
Sierra, Annual MWh, 2036



This is an increase from approximately 16.2 percent of the data center load share in 2026. *See* Figure SME-Rebuttal-2, below.

FIGURE SME-REBUTTAL-2

Sierra, Annual MWh, 2026



Likewise, by 2036, 34.8 percent of Nevada Power's volumetric sales will come from data centers, primarily from five LLESA projects and a few legacy data

centers. *See* Figure SME-Rebuttal 3, below. This is a material increase from the 4.2 percent data center load share in 2026. *See* Figure SME-Rebuttal 4, below.

FIGURE SME-REBUTTAL-3

Nevada Power, Annual MWh, 2036

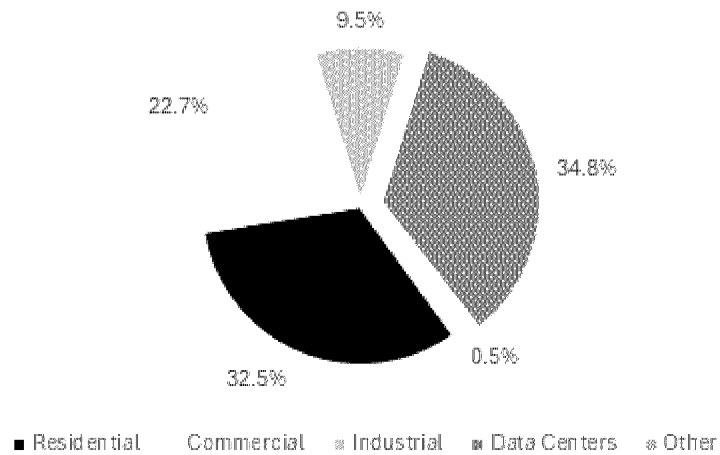
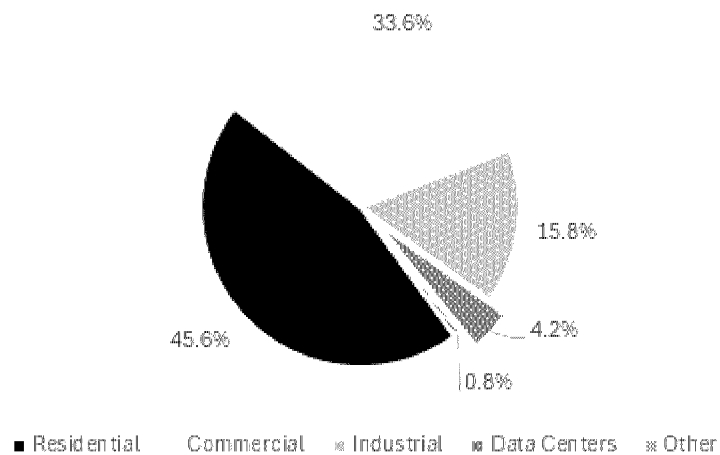


FIGURE SME-REBUTTAL-4

Nevada Power, Annual MWh, 2026



Similarly, 46.1 percent of Sierra's and 19.8 percent of Nevada Power's 2036 peak demand will come from data centers. All these sales will be concentrated in a single

1 industry and in two distinct locations – the Tahoe Reno Industrial Center and the
2 Apex Industrial Park. This concentration inherently increases the Companies’ risk
3 profile.

4
5 Second, the Companies will have to aggressively pursue new generation and energy
6 resources to serve additional data center load. The Companies will need to identify
7 and pursue all available commercial structures, including power purchase and
8 tolling agreements, to secure the generation capacity and energy needed to fulfill
9 anticipated data center load by 2036. Provisions that ensure NV Energy is fairly
10 compensated and existing customers benefit from this effort will be necessary to
11 deliver a Responsible Speed to Power Plan.

12
13 Finally, NV Energy will undertake a significant expansion of its distribution and
14 transmission system. With the approval of the Greenlink project, Sierra Solar, the
15 Silverhawk combustion turbines and the Valmy combustion turbine projects, NV
16 Energy began a period of significant investment, including in the transmission
17 system. Over the last three years, the Companies’ combined earned rate of return,
18 determined on a regulatory basis, average 6.04 percent, well below the weighted
19 cost of capital. Similarly, the Companies earned return on equity, determined on a
20 regulatory basis – not according to GAAP – averaged 6.87 percent, almost 300 basis
21 points below the authorized cost of equity. Nevada’s traditional regulatory
22 framework, put simply, is not designed to support the timely recovery of
23 investments at the scale NV Energy will need to undertake to implement the
24 Responsible Speed to Power Plan. Adjustments to the regulatory framework will
25 be needed to support the Responsible Speed to Power Plan.

1 **24. Q. PLEASE SUMMARIZE YOUR TESTIMONY ON THE EO AND THE**
2 **SPEED TO POWER PLAN.**

3 A. Federal and state policies are evolving, as is the environment in which electric
4 utilities operate. External forces are reshaping the electric industry and the risk
5 profile of electric utilities. I understand that the technology inside the data centers
6 changes rapidly, while the generation, transmission and distribution infrastructure
7 electric utilities build to serve large load customers have useful lives measured in
8 decades. Delivering responsible development at the pace required by federal and
9 state policies and large-load customers will require NV Energy to change how it
10 operates – to move more quickly and nimbly. NV Energy will need to make
11 significant investments to serve data centers and move efficiently to deliver power
12 at the pace requested by large-load customers. The regulatory framework likewise
13 will need to be nimble and produce balanced outcomes that attract the equity and
14 debt capital needed to support such investments. The rates of return associated with
15 utility investment in assets needed to serve data centers should reflect the inherent
16 risk associated with a single, emerging industry built on nascent technology (and,
17 equally important, a limited set of end-users) becoming a material source of utility
18 revenue. Utility operating results should align with the desire to bring speed to
19 power. Responsible growth, in short, needs to protect existing customers, ensure
20 that the communities that facilitate data centers benefit from the development, and
21 produce a financially viable utility.

22
23
24 The Commission has tools to achieve some of these ends. In light of the rapid
25 evolution of state and federal policies, which developed after this filing had been
26 made, these issues need to be addressed.

SECTION VII. CONCLUSION AND RECOMMENDATIONS

25. Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. I recommend the Commission:

- Approve the LLESA as drafted by the Companies for use as a form electric service agreement with large-load customers pursuant to special condition 10 of Schedule No. GS-3 and Schedule LGS-3, with a (i) minimum demand charge, (ii) a minimum energy charge, (iii) termination provisions, (iv) security provisions, (v) customer-specific generation charges that provide contributions in aid of construction for the generation and related transmission integration facilities included in the Preferred Plan, (vi) customer specific long term energy rate for the purchased power agreements as well as fuel transportation charges, and (vii) an administrative charge;
- Direct NV Energy to convert the LLESA into a large-load tariff and file it with the Commission for review and approval, if the Commission determines that a large-load tariff is necessary;
- Find that a line extension agreement does not establish electric service with the Companies and, similarly, is not an electric service agreement; and
- Determine that MPC developers who intend to develop master planned communities for large load be required to enter into an agreement with the same customer protection provisions that are included in the LLESA.

26. Q. DOES THIS CONCLUDE YOUR PREPARED REBUTTAL TESTIMONY?

A. Yes.

AFFIRMATION

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

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

Date: October 6, 2026


SHAWN ELICEGUI