25-08027

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NVEnergy

December 18, 2025

Ms. Trisha Osborne, Assistant Commission Secretary
Public Utilities Commission of Nevada
Capitol Plaza
1150 East William Street
Carson City, Nevada 89701-3109

RE: Docket No. 25-08027 - Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for Approval of their Joint Energy Supply Plan Update for 2026 and 2027.

Dear Ms. Osborne:

Enclosed for filing please find Nevada Power Company d/b/a NV Energy's ("Nevada Power") and Sierra Pacific Power Company d/b/a NV Energy's ("Sierra" and, together with Nevada Power, the "Companies" or "NV Energy") Comments submitted pursuant to the Public Utilities Commission of Nevada's ("Commission") Order dated November 19, 2025, in the above-referenced docket (the "Order").

Accompanying this transmittal letter are portions of the filing that are to be kept under seal pursuant to NRS § 703.190(2) and NAC § 703.527 *et seq*. This information is contained in a sealed envelope appropriately marked, and contains the unredacted versions of the following:

Capacity Forecasts. The tables on page 15 of the Comments include capacity surplus/deficiency forecasts that constitute commercially sensitive and/or trade secret information that derive independent economic value from not being generally known. This information is not known outside the Companies and its distribution is limited within the Companies. This information discloses key operating characteristics of the Companies' generation fleet and the Companies' views and expectations of relevant markets and their future procurement plans.

Identity of Other Entities Evaluating Resource Adequacy Alternatives. On page 19 of the Comments, the Companies identify other entities with whom they have had discussions regarding the development of a resource adequacy program. Because those discussions are commercially sensitive and the identity of all of the entities with whom those discussions have occurred are not publicly known, the Companies have redacted the names of those entities. In order for those discussions to be as productive as possible, it is essential that any entity whose interest is not yet publicly known be able to participate without their participation being disclosed by the Companies in a filing before the Commission.

Additionally, pursuant to the Commission's Order, the Companies are providing working papers related to the FS Analysis discussed on page 13 of the Comments and the North American Electric Reliability Corporation ("NERC") Generation Availability Data System ("GADS") data discussed on pages 11 and 18 of the Comments. These working papers include commercially sensitive and/or trade secret information that derive value from not being generally known. This

data also discloses key operating characteristics of the Companies' generation fleet and the Companies' views and expectations of relevant markets and their future procurement plans.

Pursuant to NAC § 703.5274(1), one unredacted copy of the confidential information will be filed with the Commission's Secretary in a separate envelope stamped "confidential." Redacted versions of confidential information will be submitted for processing and posting onto the Commission's public website.

Pursuant to NAC § 703.5274(2), the Companies hereby request that the above-described information not be disclosed to the public. The Companies request that this information remain confidential for a period of five years, after which time the Commission may destroy or return the confidential information, at its convenience. Confidential workpapers will be provided as a courtesy via the attached storage device to the Commission.

The Companies have entered into protective agreements with the Regulatory Operations Staff ("Staff") of the Commission and the Attorney General's Bureau of Consumer Protection ("BCP") and will serve them with the confidential information described above concurrent with this filing. Confidential workpapers will be provided as a courtesy via storage device to the Staff and the BCP.

Should you have any questions regarding this filing, please contact me at (775) 834-5793 or michael.knox@nvenergy.com.

Respectfully submitted,

/s/ Michael D. Knox
Michael D. Knox
Senior Attorney

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 acceptance of their Joint Energy Supply Plan Update for 2026-2027.	Docket No. 24-08027

COMMENTS OF NEVADA POWER COMPANY D/B/A NV ENERGY AND SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY

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") hereby submit these Comments pursuant to the Public Utilities Commission of Nevada's ("Commission") Order dated November 19, 2025, in the above-referenced docket (the "Order").

The Companies provide their responses below.

Topic (a): Describe NV Energy's ongoing rights and obligations within the Western Resource Adequacy Program ("WRAP") following NV Energy's withdrawal notification and the duration of those rights and obligations.

On October 24, 2025, the Companies submitted formal notice of their intent to withdraw from WRAP, pursuant to Section 9.1 of the WRAP Agreement. This notice initiates a defined Withdrawal Period, during which the Companies retain certain rights and remains subject to obligations under the WRAP Tariff and Business Practice Manuals ("BPMs") until the withdrawal becomes effective. Attached as Exhibit A is WRAP's description of withdrawal period participation requirements.

The Companies' rights and obligations during the Withdrawal Period are summarized below:

Obligations During Withdrawal Period

Under the WRAP Tariff, the Companies must continue to comply with all program requirements applicable to the current season, including:

Forward Showing Program Compliance

The Companies remain obligated to complete capacity demonstrations for any seasons to which they have committed prior to withdrawal. This includes meeting requirements outlined in BPM 103 (Participant Forward Showing Capacity Requirements) and BPM 108 (Forward Showing Submittal Process). The Forward Showing Requirements continue until the summer 2027 season.

Operations Program Participation

The Companies must participate in operational resource sharing for any periods where commitments exist, as detailed in BPM 201 (Operations Program Timeline) and BPM 204 (Holdback Requirement). The Operational Program Requirements remain in effect until the summer 2027 season.

Financial and Settlement Requirements

All outstanding financial obligations, including deficiency charges under BPM 107 and settlement pricing under BPM 206, must be satisfied even if withdrawal becomes effective before the close of the season. However, the notice was given prior to the start of the binding seasons, meaning that the Companies are not subject to any deficiency charges.

Data and Confidentiality Duties

The Companies must continue to submit required data and maintain confidentiality under WRAP governance provisions in the WRAP Tariff.

Governance

The Companies will continue to participate in Resource Adequacy Participants Committee ("RAPC"), Participant Review Committee ("PRC"), Task Forces, and Workgroups. However, the Companies cannot vote on matters where the impacts extend beyond the withdrawal period.

Rights During Withdrawal Period

The Companies retain governance-related rights, including participation in dispute resolution processes and stakeholder forums, as provided under WRAP Tariff governance provisions.

Duration of Obligations and Rights

The Withdrawal Period extends from the date of notice (October 24, 2025) through the effective withdrawal date specified under the WRAP Agreement. Obligations persist through the end of any program season for which commitments were made prior to withdrawal and until all outstanding financial and performance obligations are settled. For the Companies, this period is expected to run through the conclusion of the summer 2027 program cycle.

Topic (b): Please summarize the results of the October 2025 RAPC meeting and any other WRAP developments related to the Day Ahead Market Task Force, the Planning Reserve Margin ("PRM") Task Force, and deficiency charges. Please explain the extent to which these developments address the risks that NV Energy identified in testimony.

The results from the October 16, 2025, RAPC meeting are summarized below:

Deferral Deficiency Charge Resolution

The most notable outcome from the meeting was the passage of the deferral deficiency charge resolution concept paper, which is attached as Exhibit B (the "Deferral Concept Paper"). The Deferral Concept Paper outlines principles, eligibility criteria, deferral terms, and approval concepts that the RAPC has adopted for further exploration and a final design into the future through an expedited proposal. This is part of the WRAP stakeholder process, but it occurs outside the normal track of the PRC change request process. Additionally, the concept paper details an additional process for a final design that could result with a permanent deferral resolution in the future, but those details and terms are unknown at this time. A WRAP participant may request a partial deferral of deficiency charges for up to five years if they can demonstrate an investment for a physical resource that would have resolved the deficiency and are able to attest to making commercially reasonable efforts to resolve the deficiencies.

If finalized and adopted by RAPC and approved by the Western Power Pool ("WPP") Board and the Federal Energy Regulatory Commission ("FERC"), the deferral deficiency charge concept partially addresses an issue where a participant could incur deficiency charge penalties when they have planned to meet the resource adequacy requirement but something occurred with the physical asset such that it will not meet its intended operational date. In this case, the participant would be partially penalized but would have to resolve the deficiency within five years. There are potential issues with this concept that will remain unknown until the design is finalized. First, this concept does not address the Companies' primary issue with the program, which is the excessively high deficiency charge, which is based on the Cost of New Entry ("CONE"). Regardless, this proposal has merit and could be of assistance in the event of any penalty, given the supply chain issues and industry uncertainty currently in place. The second issue is that the concept paper references commercially reasonable efforts, a term not defined in the program. It would be best that commercially reasonable efforts remain undefined and up to interpretation between the WPP and the participant, but there have been efforts to define this term in the past. It would be completely inappropriate for this term to be defined in such a way that sets a price for capacity. Finally, the concept does not specify the amount of the partial deficiency charge and lacks sufficient detail for the Companies to determine its future usefulness. The Companies support the development of the proposal and will continue to watch for developments.

Day Ahead Market Task Force

The Day Ahead Market Task Force proposes to align the operational subregions with the market footprints and to leverage the market dispatch for the operational part of the program. The long-term goal of the task force would be to increase access to the diversity of load and resources in order to achieve a single forward showing footprint. The approved concept paper envisions an operations program sharing calculation that occurs at each individual market footprint for sharing amongst those participants before a sharing calculation between the participants in both markets. This would be part of a long-term vision and would require both support from market operators

and seams agreements. The capacity that is needed for holdback would retain a capacity payment and would satisfy the obligation by participating in the market where the deficit occurred. The dispatch and resulting market settlements would occur through the market. The concept is still incomplete and identifies the need to develop a method for participants that will remain in the Western Energy Imbalance Market ("WEIM") or are not participating in a day ahead market to be able to participate in a new operations program paradigm that is defined by the two day ahead market footprints. Additionally, the concept does not yet explain how the forward showing regions would be impacted. It is unknown whether the task force would recommend one or more footprints for the forward showing or if the footprint would align with the day ahead market footprints. Ultimately, the transmission connectivity within the footprint is important and should be considered when developing the forward showing footprint because it ensures there is enough connectivity for the program's resources to meet the load. The forward showing footprint matters because it is utilized for the modeling of the one event in 10 year loss of load metric to determine the PRMs or resource adequacy requirement for the participants. The Companies are participating in this task force and will follow the developments closely.

There are a few concerns that the Companies will be considering with these developments. First, the forward showing footprint should match the operations program footprint. As stated earlier, the forward showing footprint establishes the amount of capacity needed for reliability and should be deliverable to load in the operations program. If the market footprint does not have access to the same forward showing footprint used for planning, then the participants within that market will no longer be planning for the reliability metric which has been used as an industry standard. Moreover, the market designs and transmission interconnectivity of each market should be considered for sharing amongst them to ensure that one market is not unfairly leaning on another for capacity and that the energy is settled appropriately. Therefore, the seams agreements are very important. The developments in this task force are critical because they determine how the sharing will occur, which is the major benefit from this program. This is an area where the governance

issue could come into play that was stated in the testimony of Lindsey Schlekeway.[1] It is critical that the participants that either remain in the WEIM or eventually join the California Independent System Operator's ("CAISO") Extended Day Ahead Market ("EDAM") have the ability to veto a policy decision that could harm their customers. At this time, the Day Ahead Market Task Force is not holding any additional meetings in 2025 and will reconvene in 2026.

PRM Task Force

The PRM task force is developing a proposal that is currently out for comment by the members with a target to approve the proposal at the start of 2026. As a reminder, the PRM metric is the modeled uncertainty that participants should plan for in the forward showing horizon to have sufficient capacity to meet load plus this modeled uncertainty. The draft proposal pushes the PRM timeframe from two years with a five year advisory to five years ahead of the forward showing submission and 10-year advisory PRMs. This proposal seeks to address the timing issues by pushing the Board approved PRM further into the future in order to allow additional time for participants to plan to the metrics. There is concern from the task force members that participants could withdraw from the program within this timeframe because the withdrawal period is set at two years. Therefore, to address this concern the task force proposes a threshold to trigger an additional study for advisory PRMs so WRAP participants understand the additional needed capacity for the program. The proposal does not include a change to this new advisory metric as it would be solely informational but would come at an additional administrative cost.

In addition to this timeframe change, the task force proposes to shorten the winter season from November 1 through March 15 to November 20 through the end of February. In order to address the monthly variability of the PRMs, the task force proposes changes to how the Loss of Load Expectation ("LOLE") study is spread to each month in the season, clarification on the historical weather years used in the modeling, and an adjusted treatment of the contingency reserves. The LOLE study will set more of the LOLE risk on the peak season months (December,

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[1] Docket No. 25-08027, Prepared Direct Testimony of Lindsey Schlekeway at Q&A 9.

January, February, July, and August) which should increase the capacity requirement in those months and lower the LOLE risk in the shoulder months resulting in less variable monthly PRMs. The proposal sets the utilization of rolling 40-year historical weather years rather than adding additional weather years to each study with a minimum requirement of using 40 years. Finally, the task force proposes to use the methodology adopted by the reserve sharing group for contingency reserve calculations rather than the current contingency reserve requirement which is planned to retire in the future. This would ensure that the WRAP requirement is always consistent with the methodology determined by the reserve sharing group.

Overall, the Companies view these proposed changes as enhancements to the current WRAP framework. However, the task force decided not to address the year-over-year PRM variability, which was the first critical issue identified in the testimony from Lindsey Schlekeway.[2] For a frame of reference, if a PRM varies by a few percent (i.e., 3 percent) for a system that has 10,000 MW of load, then a participant will need to plan for an additional 300 MW from the previous year. The proposal does allow for additional time to bring this additional resource online to meet the new requirement, but the year-over-year variability seems unreasonable, coupled with a penalty set at a multiplier of the CONE.

Final Thoughts

As noted from each item from the RAPC meeting, the Companies are supportive of the progress that is being made within the program. The changes are moving in a positive direction, but do not entirely address the critical issues stated in testimony.[3] In summary, WRAP is not planning to address the PRM volatility coupled with the steep penalties for deficiencies, the governance and market participation conflicts, or the lack of market oversight and procurement mechanisms which were the first three critical issues identified within the testimony.[4] It is unclear whether the Day Ahead Market Task Force will address the issues regarding the underutilization of transmission resulting in a lack of diversity benefit or the uncertainty around operational

[2] Docket No. 25-08027, Prepared Direct Testimony of Lindsey Schlekeway at Q&A 8.
[3] Docket No. 25-08027, Prepared Direct Testimony of Lindsey Schlekeway at Q&A 8, 9, 10, 11, and 12.
[4] Docket No. 25-08027, Prepared Direct Testimony of Lindsey Schlekeway at Q&A 8, 9, and 10.

holdback. These last two critical issues may be addressed within this Day Ahead Market Task Force, but the potential also exists to make the program worse than the current form. Considering the extensive risks within the program and the unknowns that are currently under development, the Companies believe their decision to withdraw from the program remains prudent. The Companies will continue to watch the program as it develops into the binding phase.

Topic (c): Please describe the various resource adequacy horizons, e.g., Forward Showing, Operational, etc., and various categories, e.g., PRM used to measure WRAP obligations and compliance deficiencies.

The WRAP, administered by WPP, establishes a regional framework to ensure resource adequacy across participating entities. WRAP operates under two primary program horizons: the Forward Showing Program and the Operational Program. These components are governed by the WRAP Tariff, effective March 16, 2025, and further detailed in the WRAP BPMs.

Forward Showing Program

Timing and Compliance Requirements

In accordance with BPM 103 (Participant Forward Showing Capacity Requirements), each Load Responsible Entity ("LRE") must submit a Forward Showing ("FS") capacity demonstration no later than seven months prior to the commencement of each Binding Season (Summer and Winter). The FS submission must include:

- Monthly P50 peak load forecasts (BPM 103 §4);
- Applicable monthly Forward Showing Planning Reserve Margins ("FSPRMs") (BPM 102 §8);
- Demonstrated capacity from Qualifying Resources and Qualifying Contracts (BPMs 105 and 106); and
- Demonstrated 75 percent firm transmission paths of the MW quantity of the capacity requirement.

Capacity Requirement Calculation

The FS Capacity Requirement is calculated as:

$$\text{FS Capacity Requirement}_{month} = \text{P50 Peak Load}_{month} \times (1 + \text{FSPRM}_{month})$$

This requirement is adjusted for contingency reserves (BPM 103 §6).

PRM Methodology

FSPRMs are derived from probabilistic LOLE studies conducted annually by the Program Operator (Southwest Power Pool). These studies are designed to meet a reliability criterion of no more than one event-day in 10 years per season (BPM 102 §8).

PRM values are calculated seasonally and vary by month and subregion. For example, the approved FSPRMs for Summer 2025 (WPP Memorandum, November 27, 2024) are:

Subregion	June	July	August	September
Mid-Columbia ("MidC")	26.2%	14.5%	16.1%	14.2%
Southwest & East Diversity Exchange ("SWEDE")	18.6%	14.4%	13.7%	26.1%

These values are applied to each LRE's monthly peak load forecast to determine the FS Capacity Requirement (BPM 103 §3).

Operational Program

Function and Structure

The Operational Program provides intra-season capacity sharing among WRAP participants. It evaluates real-time system conditions and facilitates surplus capacity transfers to LREs experiencing deficits (BPM 201 Operations Program Timeline).

Daily and Multi-Day-Ahead Assessments

Participants submit daily forecasts of load, resource output, contingency reserves, and outages (BPM 201 §2). The Program Operator conducts:

- Multi-Day-Ahead Assessments (seven-day horizon) to identify indicative surplus/deficit positions (BPM 201 §2); and
- Preschedule Day Sharing Calculations to establish binding Holdback Requirements and match surplus/deficit participants (BPM 201 §3).

Holdback and Energy Deployment

Surplus participants are assigned Holdback Requirements (BPM 204) and must reserve capacity for potential deployment. Deficit participants may request energy assistance, which is transacted via bilateral agreements at indexed prices (BPM 205).

Final energy deployment is scheduled and tagged no later than 60 minutes prior to the operating hour (BPM 205 §3.1).

Subregional Coordination

Operational sharing occurs within defined subregions (MidC and SWEDE). Interregional transfers are limited to a nominal 500 MW for diversity benefits and are not guaranteed under the Operational Program.

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Topic (d): Please identify and describe the various manuals, modeling, and forecasting methodologies, including load and weather data sources, used to capture NV Energy's loads and resources in the various WRAP resource adequacy horizons. Please provide the Commission and Staff with access to this information.

The WRAP establishes standardized forecasting requirements across three principal components: the Advance Assessment, the Forward Showing Program, and the Operations Program. These requirements, as set forth in the WRAP Tariff and associated BPMs, are designed to ensure that participants maintain sufficient resources to meet forecasted obligations under varying timeframes.

Advance Assessment

The Advance Assessment is a program-wide evaluation conducted by the Program Operator to determine regional resource adequacy for upcoming seasons. Pursuant to BPM 101 – Advance Assessment (WRAP BPM 101 – Advance Assessment), this process occurs approximately twelve months prior to the Forward Showing deadline and includes studies of the FSPRM and Qualifying Capacity Contribution ("QCC") values. These studies utilize participant-submitted data to model adequacy standards and resource contributions for both two-year and five-year study periods.

Participants are required to provide historical hourly load data (typically 8,760 hours per year) and resource registration details through the Advance Assessment Data Request process. Participants must also provide North American Electric Reliability Corporation Generation Availability Data System ("GADS") data, hourly generation profiles for the last 10 years for all units, and nameplate for wind, solar and hydro. The Program Operator aggregates this data to produce indicative adequacy results for the WRAP region, which are subsequently shared with participants for planning purposes (WRAP BPM 101 – Advance Assessment).

Forward Showing Horizon

Under the Forward Showing Program, each LRE must submit a monthly P50 peak load forecast for each month of the binding season. The P50 forecast represents the median expected monthly peak load and is derived from historical load data. BPM 103 specifies that participants typically utilize five years of historical monthly peak load data to develop these forecasts (WRAP BPM 103 – Forward Showing Capacity Requirements). For winter months, WRAP applies a seasonal peak methodology: December, January, and February share the same P50 peak value calculated as the median of the maximum monthly peaks, while November and March use their respective medians.

In addition to historical data, WRAP applies a standard annual load growth factor to account for anticipated demand increases. These forecasts are incorporated into probabilistic

modeling for LOLE studies and PRM calculations, as described in BPM 102 (WRAP BPM 102 – Reliability Metrics).

Weather Inputs

WRAP does not prescribe a single weather dataset. For the 2026-2027 Advanced Assessment Study, a minimum of forty-four (44) weather years were utilized in the modeling study. WRAP has not made available the weather dataset used.

Operations Horizon

In the near-term operational horizon, WRAP requires participants to provide real-time, day ahead, and six-day-ahead forecasts for both load and variable energy resources (e.g., wind and solar). These forecasts support operational reliability and scarcity sharing among participants. BPMs in the 200 series (e.g., BPM 201–209) outline the operational program timelines and data submission requirements for these short-term forecasts.

Topic (e): Please identify and describe the information, including underlying modeling and forecasting data, available to NV Energy that demonstrates its ability to comply with WRAP resource adequacy requirements in the various horizons. Please provide the Commission and Staff with access to this information.

In order to meet WRAP's requirements, the Companies receive a QCC for each of their resources, a P50 Peak Demand for each month of the season, and PRM for each month. The Forward Showing Capacity Requirement is the amount of capacity a WRAP participant needs to meet for each month in the season. The Forward Showing Capacity for each month is equal to the P50 Peak Demand and the PRM for that month. A WRAP participant is deemed resource sufficient if the participant's total QCC portfolio meets the Forward Showing Capacity requirement.

Additionally, the Companies must demonstrate that they have 75 percent of their Forward Showing Capacity Requirement in firm transmission.

Resource QCCs, PRM, and P50 Peak Demand are calculated by WRAP through data the participant submits through the advance assessment and other various submissions and requests from WRAP.

The Companies demonstrate their ability to comply with the WRAP requirements in the file [FS Analysis] and the following resource workbooks for each summer and winter season starting with winter 2022-2023 through the first binding season of winter 2027-2028. These workbooks contain the Companies' resources and their respective QCCs received from WRAP, the Monthly PRMs, and the P50 Peak Demand. The workbooks compare the Companies' total resource portfolio QCC and Forward Showing Requirement to calculate if they met the Forward Showing Requirement in each month or if the Companies were deficient in a specific month. The Companies used input assumptions and preliminary data to forecast parameters where data has yet to be finalized. They then used any identified capacity deficiencies to estimate potential deficiency charges that the Companies could have incurred during that season. Deficiency charge penalties are described in further detail in the discussion of Topic (f).

Topic (f): Please identify and describe the information, including underlying modeling and forecasting data, available to NV Energy that demonstrates what NV Energy's WRAP deficiency charge penalties would have been historically up to and including the first binding season. Please provide the Commission and Staff with access to this information.

In the file [FS Analysis], provided concurrently with these Comments, any capacity deficiency identified from the seasonal workbooks are entered into the that year's deficiency charge calculation, or [XX CONE]. The [XX CONE] applies a Deficiency Charge Penalty to each month the participant was capacity deficient. The [XX CONE] is a draft spreadsheet that can be used to calculate potential penalties available only to participants with access to the WRAP RAPC SharePoint.

Deficiency Charge Penalties are calculated using a formula based off the amount of MW deficiency per month and the CONE.

The total deficiency charge for a participant within a Summer Season is equal to the highest MW monthly deficiency value in that season multiplied by the Annual CONE multiplied by 1000 multiplied by the Summer Season Annual CONE Factor.

Max Summer Deficiency (MW) × Annual CONE ($/kW-year) × 1000 × Summer Season Annual CONE Factor

Any additional monthly deficiencies in that same summer season are equal to the summer Deficiency multiplied by the Annual CONE multiplied by 1000 multiplied by 200 percent.

Additional Summer Deficiency (MW) × (Annual CONE ($/kW-year)/12) × 1000 × 200%

The deficiency charge calculation utilizes a $91.81/ kW-Year CONE value.[5] This was originally determined through the CONE Penalty task force. The proposal states that the WPP will update the CONE annually, but this has not occurred. This is the only value that has been published to date; therefore, this is the value that the Companies utilized for the deficiency charge calculations knowing that today's penalties are likely much higher.

The Annual CONE Factor is based on the ratio of Aggregate Capacity Deficiencies for the WRAP Region for all participants divided by the aggregate maximum monthly P50 Peak Load Forecast for all participants.

Monthly deficiencies in the immediate succeeding winter season with a higher MW deficiency value than the highest MW deficiency value in the preceding summer season will also receive a scaled deficiency charge.

In order to calculate the Companies' potential deficiency charges, they would identify any months the Companies were deficient and apply the deficient MW value to the equations described above.

Deficiency charges are described in more detail in WRAP BPM 107 3.3.2 and in WRAP Tariff Section 17.

Topic (g): Please provide a high-level description, including tables and charts, summarizing the extent to which NV Energy was able to comply with WRAP resource adequacy requirements in the various horizons; and what NV Energy's deficiency penalties would have been historically and up to including the first binding season. At a minimum, please include a breakdown by month.

[5] Western Power Pool. CONE Penalty Task Force – Proposal. p 2. Accessed at 2022-02-10__CONE_Penalty_Proposal.pdf.

The Companies would comply with the WRAP summer season resource adequacy requirements for the first time in summer 2026. The Companies do not meet the WRAP requirements for summer 2023, summer 2024, summer 2025, and preliminary forecasts indicate they would not meet WRAP Requirements in summer 2027.

The Companies have met WRAP requirements for every winter season except winter 2022-2023 and they anticipate meeting winter season requirements in the forecasted seasons of 2026-2027 and 2027-2028.

The Companies project they would have incurred significant deficiency charges based off the deficiency charge calculation. However, these calculations are based off program assumptions that are not available to the Companies, such as the total summer seasonal Deficit used to calculate the CONE factor.

Below is a table showing the MW value of capacity surplus and/or capacity deficit. The program operates under two seasons, winter and summer, therefore the months of April, May, and October are not part of the program.

Capacity Surplus/Deficiency				
Year	June	July	August	September
2023	[redacted]			
2024				
2025				
2026				
2027				

Capacity Surplus/Deficiency					
Year	November	December	January	February	March
22-23	[redacted]				
23-24					
24-25					
25-26					
26-27					
27-28					

Below are the potential deficiency charges the Companies could have incurred from the program based off submitted and forecasted data. In addition to the assumptions previously stated, these charges are based off assumptions the Companies have made to the Aggregate Capacity Deficiencies for the entire WRAP Region and the Aggregate Maximum Monthly P50 Peak Load Forecasts for all participants in the season.

A 75 percent reduction in deficiency charge would apply to the first binding season of Winter 2027-2028, and a 50 percent reduction in deficiency charge would apply to the first Summer Season of 2028.

Deficiency Charges		
Year	Total	75% Reduction
2022	$ 28,045,461.21	$ 7,011,365.30
2023	$ 254,817,699.28	$ 63,704,424.82
2024	$ 172,197,527.83	$ 43,049,381.96
2025	$ 206,359,301.88	$ 51,589,825.47
2026	$ -	$ -
2027	$ 90,703,532.71	$ 22,675,883.18

Topic (h): Please identify the business units, steering and/or oversight committees, and positions or individuals currently involved in NV Energy's WRAP implementation and describe in detail the roles of each. Implementation and role description should include but is not limited to oversight, policy, forecasting, modeling, post analysis, operations, data submittal, and post processing/reconciliation. Please explain the extent to which these roles will change or have changed following the Companies' withdrawal notification.

The following WRAP activities have been implemented within the Resource Optimization department:

- The Director, Trading Operations and that business unit worked with PCI Energy Solutions to implement an automated solution for the operational program data submission. Additionally, the Director has assisted in the future forward showing workbooks to forecast the WRAP position. The trading operations team pulls the annual hourly generator specific data required for each annual assessment. With the notification to withdraw from WRAP, the Companies will no longer submit the

data needed for the annual assessment and will not forecast a future WRAP position.

- The real-time operations team performs the operational program follow up for the program and has the ability to utilize the raise hand feature within the program for supply. This functionality will continue until NV Energy is no longer within the program.
- The Resource Optimization Commercial Manager planned for the WRAP administrative fees and handled the accounting. Additionally, the Resource Optimization Commercial Manager was preparing to handle the WRAP settlements for holdback and delivery. The Companies will continue to plan and pay the programs administrative fees through the withdrawal period but will no longer train and prepare for the WRAP settlements.
- The contract management group was developing a plan to obtain signed joint contract accreditation forms from the Companies' power purchase agreements. This activity has ceased following the withdrawal notification from the program.
- The Market Policy Director and Market Policy Manager both handle the forward showing process which includes compiling the load, generation QCC and transmission data in the forward showings, submitting the file to the program, and working to cure deficiencies. Most of the data utilized for this submission is provided by the program operator following their modeling of the annual assessment data. This process will continue for the winter 2026-2027 and summer 2027 non-binding seasons. Additionally, the forward showing process requires an annual submission of resource operational tests which are performed by the Market Policy Manager. The annual assessment data submission is performed by this team, but the annual assessments will no longer be needed following the withdrawal notification from the program. Furthermore, the Market Policy Director and

Manager participate in various task forces for program policy development, have submitted change requests, and participate in the program meetings which include the resource adequacy participant committee and program review committee. The policy team will continue to participate in the programs meetings and policy development through the withdrawal period and potentially beyond.

- The overall WRAP participation oversight and project management is handled by the Market Policy Director.

The following WRAP activities have been implemented within other company departments:

- The Corporate IT Energy Applications group supports the WRAP operational data submission. This work includes troubleshooting issues when data issues occur. This activity will continue through the WRAP withdrawal period.
- The Federal Energy Policy Director has provided policy support and has attended resource adequacy participant committee meetings occasionally. This activity may continue throughout the withdrawal period.
- The Senior Engineer II Gen Asset Performance has tested the Companies' thermal generation fleet to satisfy the program's capacity test requirements which is required every five years. Additionally, the Engineer has provided the North American Electric Reliability Corporation ("NERC") GADS data needed for the annual assessment. This data is utilized for the calculation to determine the thermal resources QCC which is performed by the program operator. These functions will no longer continue during the withdrawal period.
- The Resource Planning and Analysis team provided forward showing review prior to submission in the past and the load forecasting team within the department would provide the annual actual load data needed for the annual assessment. These activities will no longer continue during the withdrawal period.

- The Transmission Business Services department would supply an updated Network Integration Transmission Service Agreement ("NITSA") for the forward showing submissions. This activity will no longer continue during the withdrawal period.

The decision to withdraw from the program was made by senior leadership through a signed key decision. The signed copy of this report is attached as Exhibit C.

Topic (i): Please describe the extent to which NV Energy has pursued alternative avenues to WRAP. To date, please identify the other companies involved, the individuals at NV Energy who have been involved in those discussions, and the number of discussions. Further, please indicate whether future discussions have been scheduled, whether any discussions are anticipated to occur soon, the likely frequency of those discussions, and the business units as well as individuals likely to participate in those discussions. In addition, please identify and describe any corporate strategic goals or initiatives involving resource adequacy and/or regional reliability coordination.

The Companies have been involved in discussions with future EDAM entities and EDAM leaning entities for the potential development of a Resource Adequacy program that would take advantage of the interconnectivity of the EDAM participants. To date [redacted] have been the primary entities involved in discussions. The individuals at the Companies that are leading their participation and taking part in these discussions are Ms. Schlekeway, David Rubin, and Rodger Manzano. Departments such as Resource Optimization, Resource Planning, and Regulatory have been included in internal discussions about the potential program for areas of alignment and potential design issues. Other departments will be involved once discussions become detailed and nuanced to obtain perspectives and input for their areas of expertise.

During the summer of 2025, there was a meeting amongst the entities that participate in the WRAP with the WPP leadership discussing outstanding issues within the program and the upcoming date for a decision to become binding. Following this discussion, there were a few informational meetings to explain the WRAP mechanics with entities that are not and have not

participated in the WRAP. Then the group discussed if there was a desire to work on a potential Resource Adequacy program for EDAM and what guiding principles might be important. In total this summer, there were around seven meetings discussing a potential EDAM Resource Adequacy program.

The initial kickoff meeting for more robust discussions and to establish a regular meeting cadence kicked off on October 15, 2025. The group decided to hold weekly meetings beginning October 30, 2025, and a future in-person, two day session in mid-January. Currently, the discussions have been informational to gain a better understanding of CAISO's capabilities for this type of service and a high level understanding of other resource adequacy design choices. The group is beginning to discuss high level preferences on design in order to understand if there is enough consensus to move forward into more detailed discussions. The group is working towards high level design consensus between potential participants with an understanding that the overall program will need to be designed in detail through a stakeholder process. The Companies' policy leads will continue to follow and participate in the working groups and will involve other internal departments for input. These departments may include and are not limited to Resource Planning, additional resources within Resource Optimization, Transmission Business Services, and Power Generation.

In addition to these program meetings, some of this group of entities commissioned a study through the Brattle Group ("Brattle") to understand if there was value to a potential EDAM Resource Adequacy footprint or if the PRM would not be comparable to the current WRAP subregions. This can be viewed on the Brattle website.[6] This smaller group met almost every other week beginning in April through August. To be clear, the Companies made the decision to withdraw from the program solely on the current WRAP framework and based on the five critical issues identified in testimony.[7] The Brattle study illustrates that an EDAM Resource Adequacy

[6]Brattle. November 12, 2025. Brattle Experts Assess Value of Regional Resource Adequacy Footprints for Utilities in the Western Electricity Coordinating Council. Accessed at https://www.brattle.com/insights-events/publications/brattle-experts-assess-value-of-regional-resource-adequacy-footprints-for-utilities-in-the-western-electricity-coordinating-council/.

[7] Docket No. 25-08027, Prepared Direct Testimony of Lindsey Schlekeway at Q&A 8, 9, 10, 11, and 12.

footprint would be comparable to the subregions that currently exist in WRAP. Therefore, there is potentially a viable option that could be developed for EDAM without the WRAP issues identified in testimony.[8]

One of the Companies' core goals is for operational excellence to successfully deliver safe and reliable service to our customers while implementing necessary natural disaster protection plans. Reliability is core to our business and regional resource adequacy programs are intended to support reliability. The Companies participate in the Reliability Coordinator ("RC") West and a Reserve Sharing Group which are regional programs geared towards maintaining regional reliability. While the Companies do not have any specific goals or initiatives aimed specifically at regional resource adequacy planning, we will strive to enhance reliability if regional efforts arise as long as the benefits of the program outweigh the risks associated for the program.

Respectfully submitted this 18th day of December, 2025.

NEVADA POWER COMPANY
d/b/a NV ENERGY

SIERRA PACIFIC POWER COMPANY
d/b/a NV ENERGY

/s/Michael Knox
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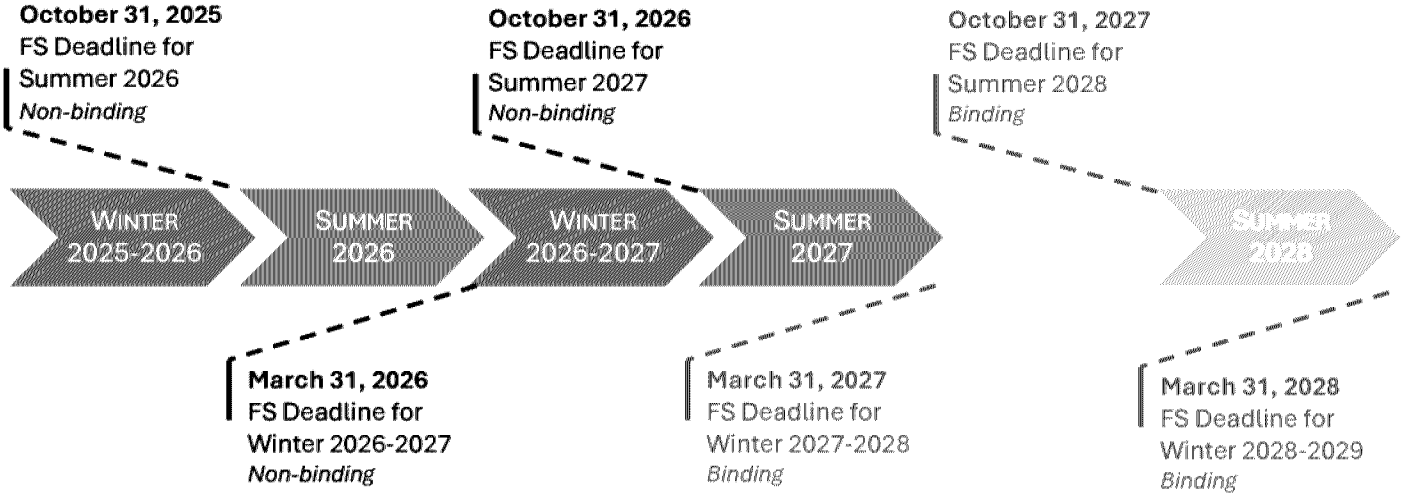
[8] Id.

EXHIBIT A

PARTICIPATION REQUIREMENTS DURING WITHDRAWAL PERIOD

For those that gave notice to withdraw prior to Winter 2027-2028



Forward Showing Requirements

- Submit and cure Forward Showing for Summer 2026
- Submit and cure Forward Showing for Winter 2026-2027
- Submit and cure Forward Showing for Summer 2027

Operations Program Requirements

- Participate in Winter 2025-2026
- Participate in Summer 2026
- Participate in Winter 2026-2027
- Participate in Summer 2027

Advance Assessment Data Request Requirements

- No additional Advance Assessment data needed

Governance

- Continued Participation in RAPC/PRC/Task Forces/Workgroup
- Cannot vote on any that have impacts extending beyond the Withdrawal Period

Financial Obligations

- All financial obligations incurred before and during the Withdrawal Period must be satisfied (contract payments though end of Withdrawal Period)

WRAPA 9.1.1 During Participant's Withdrawal Period, Participant remains subject to all requirements and obligations imposed by the Tariff and this Agreement, including but not limited to all obligations imposed in the Forward Showing Program and Operations Program and obligation to pay Participant's share of all costs associated with the WRAP.

EXHIBIT B

WRAP Participants Resolution on Deferral of Deficiency Charges for Strategic Resource Investment

WHEREAS, the Western Resource Adequacy Program (WRAP) Resource Adequacy Participant Committee (RAPC) is committed to ensuring long-term reliability and resource adequacy across participating entities;

WHEREAS, Deficiency Charges are a critical mechanism to incentivize compliance with WRAP planning standards and ensure equitable contribution to regional reliability;

WHEREAS, certain WRAP Participants may face temporary deficiencies due to timing mismatches between resource development and planning assessments;

WHEREAS, the WRAP Tariff currently includes discounts to Deficiency Charges intended to provide deficient WRAP Participants access to pooled capacity during the Transition Period (through Winter 2028/29)

WHEREAS, strategic investments in physical resources ("steel in the ground") that directly address identified deficiencies can provide long-term reliability benefits to the WRAP footprint;

NOW, THEREFORE, BE IT RESOLVED, that WRAP Participants hereby agree to:

1. Develop an Expedited Proposal as an additional option available to deficient Participants during the Transition Period enacting the following concepts regarding the deferral of Deficiency Charges, AND
2. Following completion of the Expedited Proposal, develop a Non-Task Force Proposal (NTFP) for an enduring solution for deficient participants after the Transition Period which may differ from the concepts described herein.

Deferral Eligibility

A WRAP Participant may request a partial deferral of Deficiency Charges:

- For up to five concurrent (5) years.
- Demonstrating investment in physical resources or a commitment to a long-term contractual agreement that would resolve the identified deficiency in a future season.
- Participant must attest they have made commercially reasonable efforts to resolve capacity deficient month(s) but were unable to do so.

Investment Criteria

Eligible investments must be in the form of demonstrated commitment (e.g., under contract, in construction, declared commercial operation date – details to be determined) to tangible, physical infrastructure (e.g., generation, energy storage, transmission) or a qualified long-term contractual agreement that addresses the identified deficiency.

Verification and Approval

Eligibility criteria will be outlined in detail in proposed Business Practice Manual (BPM) or WRAP Tariff changes. Participants will attest to meeting eligibility criteria and supply required supporting documentation of met criteria. Participants seeking a deferral whose supporting material is not deemed acceptable by Program Administrator may appeal to the Board for further consideration.

Deferral Terms

- A small portion of the deficiency charge will be collected each year of the deferral period; the amount collected will be lower than the existing Discounted Deficiency Charge amount
- Some of the charge collected may be eligible for return to Participant
- Some portion of the charge collected will be distributed (per mechanisms similar to those in existing WRAP Tariff),
- Continued deferral over deferral period is contingent on continued progress toward resource completion but shall not extend beyond five (5) years.

Transparency and Reporting

- Participants receiving deferrals shall provide semi-annual updates to WPP on project status.
- WPP will maintain a record of approved deferrals.

Dispute Resolution

- In the event of a disagreement regarding deferral, the matter shall be dealt with per dispute resolution provisions already contained in WRAP Tariff Section 9.

EXHIBIT C

PRIVILEGED & CONFIDENTIAL

Key Decision Report
WRAP Binding Participation Decision

Description: Decision for WRAP Binding Participation
Owner: Michael Holland, VP, Resource Optimization
Date: July 30, 2025

Description of Key Decision:

The purpose of this key decision report is to document the decision and reasons for not joining the Western Resource Adequacy Program ("WRAP") as a binding participant.

Executive Summary:

The Companies have decided to withdraw from WRAP due to significant risks that currently outweigh the program's benefits. While supportive of regional collaboration for resource adequacy and reliability, the Companies identified five critical issues within WRAP's framework that must be resolved before reconsidering participation:

1. Excessive Penalties and Planning Uncertainty

   WRAP imposes steep penalties for capacity deficiencies identified seven months before the compliance season, based on the Cost of New Entry ("CONE") values or the cost to build a new gas generator. Combined with volatile Planning Reserve Margin ("PRM") requirements, this creates high financial risk and planning challenges, especially amid supply chain disruptions and rapid load growth.

2. Governance and Market Participation Conflicts

   The governance structure, influenced by the Markets+ tariff, mandates WRAP participation for all market entities, potentially disadvantaging those in the Energy Imbalance Market ("EIM") or transitioning to the Extended Day-Ahead Market ("EDAM"). The voting model may dilute the influence of non-Markets+ participants. This could lead to potential harm prior to the participant's ability to exit the program. Exiting the program occurs two years following a notification.

3. Lack of Market Oversight and Procurement Mechanisms

   WRAP lacks a formal capacity market and market monitoring, despite imposing mandatory participation through Markets+. Strict procurement rules and high penalties create a risk of inflated prices and limited access to compliant supply, with no oversight to prevent market manipulation.

4. Underutilization of Transmission and Diversity Benefits

WRAP's conservative modeling underestimates available transmission capacity and fails to reflect actual market connectivity, particularly within the EIM and the EDAM. This limits the program's ability to leverage regional diversity and deliver customer benefits.

5. Uncertainty Around Operational Holdback Availability

   The operational holdback mechanism is untested and may not function effectively during widespread events like heatwaves. The program's structure and Markets+ integration raise concerns about the reliability and availability of holdback capacity when most needed.

Discussion:

The Companies have made the decision to withdraw from WRAP due to inherent risks that outweigh the program's current benefits for both the Companies and its customers. While the Companies recognize the value of regional collaboration in resource adequacy planning to ensure reliability across the West, there are five critical issues within WRAP's existing framework that significantly elevate risk exposure. These concerns must be addressed before the Companies can consider rejoining the program.

1. Excessive Penalty Structure and Planning Uncertainty

The first program issue is the high penalty structure for deficiencies that occur in the forward showing timeframe, which occurs seven months before the compliance season. WRAP has developed a penalty structure that could be a multiplier of the CONE, which essentially is the cost to build a gas generating plant without the benefit of receiving megawatts to help resolve any deficiency. Utilizing the most recently available CONE value, Resource Optimization calculated that penalties could range from $16 to $22 million for a 100 MW deficiency if it occurred during every month for the summer season.[1] This makes joining the program troublesome for load serving entities that are planning to catch up and meet increasing loads in an unprecedented time. Recently, the industry has been challenged with supply chain issues, tariffs, rapid load growth, etc. The Companies are expecting roughly 2,400 MW of nameplate capacity to be installed on the grid by summer 2028 as part of the 2024 IRP approvals. However, if a project is delayed and misses its commercial operational date, then the Companies would be required in the program to replace this capacity with supply that meets the program's requirements. These requirements include having external capacity purchases demonstrate secured firm transmission from the resource to the load, along with an attestation from the supplier that the supply is surplus. If the Companies are not able to meet the WRAP-quality supply requirements in time for the forward showing cure period, then the Companies would face the deficiency charges.

Further complicating program compliance is the volatility of the PRM. Year-over-year changes have ranged from minor adjustments to swings as large as 10%. For a monthly peak load of 10,000 MW, this could translate to an unexpected need for 1,000 MW of additional capacity which is an unrealistic burden within such a short timeframe. This level of variability is too large to occur on such a short timeframe leaving little to no time for a participant to react and procure the additional supply. The

[1] It is important to note that the CONE has not been updated since the program inception but will be updated annually sometime in the future

Companies are pleased that the program is initiating the process to potentially revise the policy and address this issue beginning in July 2025. However, the resolution of this issue will likely occur after the deadline, October 31, 2025, to withdraw from the program in order to not become a binding participant.

2. Governance Challenges and Market Participation Conflicts

The second issue of the program is the current governance structure following the recent approval of the Markets+ tariff which requires all load serving entities within that market to be a WRAP participant. While expanding participation can enhance regional reliability, it may disadvantage entities that prefer to remain in the EIM or transition to the EDAM. It is expected that each year new participants will join the WRAP as Markets+ moves through implementation adding in new balancing authority areas. Any third-party load serving entities that are in a balancing authority area that joins Markets+ will also join WRAP. This will add additional members that are not currently participating in the program along with additional load increasing the amount of voting members that participate in a specific market.

In the Resource Adequacy Participant Committee each member gains a vote utilizing a house and senate model to vote on program changes that if approved will move to the Board. The house vote uses the participants median monthly P50 peak load while the senate vote uses a non-weighted single vote for each member. As this new market moves through implementation it is not unreasonable to assume that the participants within that market may need to propose and implement changes to accommodate Markets+. It is unknown if such changes would or would not harm the members that are remaining in the EIM or leaning towards EDAM, but it is possible considering the participants in this minority group will likely lose their veto power with new member additions. Additionally, there is a two-year exit provision in the program. The outcome could be that a change passed through the governance process could harm the participants who participate in another market, and those participants would be compelled to bear the provisions until they are able to exit the program.

3. Absence of Market Oversight and Procurement Mechanisms

The third program issue is that WRAP has created a new market product in the west without the creation of a capacity market or method for procuring additional supply with the oversight of a market monitor. The program was originally designed to be voluntary, especially considering the high deficiency penalties. In fact the Federal Energy Regulatory Commission ("FERC") order stated:

> *"The proposed WRAP Tariff sets forth the framework for a new* ***voluntary*** *resource adequacy planning and compliance program in the Western Interconnection. In this order, we accept WPP's proposed WRAP Tariff, effective January 1, 2023, as requested."* [2]

[2] **Northwest Power Pool**, 182 FERC ¶ 61,063 (2023). (*emphasis added*)

Following the approval of the voluntary WRAP tariff, Markets+ filed its tariff requiring that all market load serving entities be a member of WRAP.

> *"SPP states that the proposed Markets+ Tariff requires Markets+ load responsible entities to submit attestations that (1) they will participate in WRAP and (2) will satisfy all applicable requirements of the WRAP Tariff.*[3]

This approved tariff fundamentally changes WRAP in that it is no longer a voluntary resource adequacy program.

The requirement ensures that all Markets+ participants meet the forward showing supply requirements or pay the deficiency charges for each winter and summer season. Since not all participants may not have enough supply to meet the resource adequacy requirements, they will likely need to purchase this supply ahead of the forward showing season. WRAP has specific and strict guidelines for purchasing additional supply in which both the seller and buyer must attest that both parties have met the requirements for the supply to count towards the forward showing. Each contract must have a specific source identified, either resource specific or a system sale that is surplus, the transaction must include firm transmission from source to sink, and each party must provide a signed attestation affirming the capacity being utilized will not be committed to other needs. These requirements are above the commonly used WSPP Schedule C contract which does have financial penalties if the supplier fails to deliver. Since the program is a requirement to participate in a market, this has created a new issue that load serving entities will be required to procure WRAP compliant supply if they cannot meet the requirements on their own. This extends this issue to others that are short within the region and need to purchase WRAP compliant supply due to the competition to receive a product for a program that has very high penalties if no such product can be found. Most of the resources in the Western Energy Coordinating Council ("WECC") region are associated with vertically integrated utilities that must ensure supply to their native load before engaging in bilateral sales. Thus, there is an extremely limited number of suppliers that have both seven-month ahead capacity availability and associated firm transmission rights. As stated earlier, WRAP was designed to be a voluntary program, therefore, no market monitoring department was created to oversee the program. Markets+ simply added the program as a requirement in its tariff, so the market monitor that has authority over the Markets+ tariff will not have authority over WRAP. This lack of oversight leads to the possibility of suppliers taking advantage and offering supply at or near the deficiency charge penalties. This would significantly disadvantage customers in the west from receiving competitive supply that satisfies the forward showing requirements.

4. Underutilization of Transmission and Diversity Potential

The fourth program issue is the conservative approach that the program utilizes to model the transmission connectivity amongst the programs participants. WRAP models the participants in two separate sub regions with limited transmission connectivity between them. This modeling approach does not consider a large amount of the transmission that has been utilized and available through the EIM. It

[3] *Southwest Power Pool, Inc.*, 190 FERC ¶ 61,030 (2025).

is notable that the program has strict transmission requirements, and the Available Transfer Capability ("ATC") determined in real-time is not firm enough to qualify under the program rules. However, there has been significantly more transmission capability that has occurred through market participation than the 500 MW assumed by the program. Therefore, it is the Companies' perspective that the program undervalues this transmission capability which eliminates any major diversity benefit from occurring in the forward showing and in turn increases PRMs. The program should not artificially set the transmission requirement on a definition of OATT firm transmission; but instead, should perform historical studies to determine what transmission has been available seasonally.

5. Uncertainty Around Operational Holdback Availability

The fifth program issue is the uncertainty around the operational program's holdback of capacity. WRAP is untested as the program has yet to establish a binding season. The Companies question whether holdback will be available if a heat wave occurs and Nevada needs to call on the program for supply. The concept of holding back capacity for program participants has been the value proposition for the program. Program members agree to supply surplus to another participant when deficient. However, the program models the participants at two subregions, separating the southwest from the northwest participants. This is not advantageous when weather events in the recent past have occurred over large areas of the desert southwest.

Additionally, the program only measures surplus capacity up to the forward showing requirement minus an uncertainty factor. This means that any capacity that is available above each individual forward showing requirement is not considered for the sharing calculation. Therefore, it is reasonable to assume that the operational program's concept of holdback could not actually be available in the southwest in the event of a large heatwave.

There is also uncertainty about how this holdback would be supplied to EDAM or EIM participants from the Markets+ footprint. Markets+ has incorporated WRAP holdback into their must offer obligation which is also capped at the forward showing requirement. Any additional supply that is available above the participants forward showing requirement is not required to be offered into the market. Additionally, any holdback that is required for WRAP must be offered into the market, and the market footprint as a whole supplies the holdback to the participant requesting holdback.

According to the Markets+ tariff, WRAP holdback would be supplied through a high priority export interchange transaction. This design only works when Markets+ has enough supply to meet load plus uncertainty within its footprint. However, WRAP was designed for scenarios when there may not be enough generation to meet loads and when markets might be resource constrained. In section 2.1.2.1 of the Markets+ tariff, high priority export interchange transactions may be curtailed if needed to maintain at least 50% of the mid-term flex up requirement, which is an hourly uncertainty product. This indicates that holdback may be curtailed if the market cannot meet 50% of the uncertainty requirement. Therefore, it is not clear if holdback would be available to serve a WRAP participant that is not within the Markets+ footprint.

For all the reasons outlined above, the Companies have elected to withdraw from WRAP. The Companies will continue to monitor the program's development and remain open to future participation should WRAP evolve to address these five critical issues. Until then, the Companies will pursue alternative avenues to ensure regional reliability and resource adequacy for our customers.

Regulatory:

Any deficiency charges bring an elevated risk of disallowance during a Deferred Energy Accounting Adjustment (DEAA).

Options:

Not applicable.

Recommendation:

The Companies withdraw from WRAP due to the elevated risk exposure. The Companies will continue to explore alternative strategies to ensure regional reliability and resource adequacy for customers.

Supporting Documentation (Attachments):

Not applicable.

Recommendations Coordinated & Agreed With:

Michael Holland

Vice President, Resource Optimization: Michael Holland

Vice President, Regulatory: Timothy Clausen

Scott Kaufmann

Vice President, Transmission: Scott Kaufmann

Vice President, Integrated Resource Planning: Janet Wells

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing of **NEVADA POWER COMPANY D/B/A NV ENERGY AND SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY** in Docket No. 25-08027 upon all parties of record in this proceeding by electronic service to the following:

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DATED this 18th day of December, 2025.

/s/ Caitlin Katzenbach
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