

PLANNING FOR NEVADA'S WATER & ENERGY NEEDS

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The Nevada Legislature requires investor-owned gas, water, wastewater and electric utilities to have plans in place to meet Nevada's future water and energy needs. These plans are called integrated resource plans ("IRP"). Investor-owned utilities must submit their IRPs to the PUCN for approval.

INTEGRATED RESOURCE PLAN ("IRP")

An IRP is a utility's long-term (20 year) plan to meet demand for gas, water, wastewater or electric services in an efficient, reliable and sustainable manner at the lowest reasonable cost to consumers. The 20-year IRP includes an immediate 3-year plan.

PLANNING PRUDENCE DETERMINATIONS

IRPs are referred to as planning prudence determinations, meaning utility expenditures for plant, generation, transmission and distribution are scrutinized and approved by the PUCN before the facilities are actually acquired or constructed. A determination is made by the PUCN in an IRP that a specific facility is a prudent investment and the utility should proceed with its plan for the facility. The IRP process is thorough and analyzes and assesses many different ways to meet forecasted demand, including conservation and renewable energy resources.

FREQUENCY OF IRP FILINGS

Even though IRPs cover a 20-year period, the Legislature requires electric and certain water and wastewater utilities to submit an IRP every three years to the PUCN. This schedule allows utilities to address continuing changes in consumer needs, such as the necessity to build facilities to meet increasing demand for electricity or sewer and water services. However, construction predicted in a utility's IRP to be necessary many years in the future may or may not come to fruition as the utility's IRP changes with each three-year filing due to customer demand growing or slowing. IRP filings must go through the PUCN's hearing process to determine whether the utility's plans to meet future demand are efficient, reliable and sustainable and will be achieved at the lowest possible cost to consumers.

NATURAL GAS INFORMATIONAL REPORTS

Natural gas utilities do not generate their product. Natural gas is extracted from the earth by a third party and distributed to the utility by a pipeline. The natural gas utility is responsible for delivery of the natural gas to end use customers. As a result, the Legislature requires natural gas utilities to file annual informational reports with the PUCN to detail their resource planning. These reports do not go through the hearing process.

IRP HEARING PROCESS

The receipt of an electric utility's IRP filing by the PUCN initiates a process that must, by Nevada law, be completed within 180 days. The law requires the PUCN to "accept or deem inadequate" the plan contained in the IRP filing within that period of time, with the exception of the energy supply plan portion of an electric utility's IRP filing, which must be accepted or deemed inadequate within 135 days.

Electric utility IRP proceedings are typically contested cases, involving many parties to the proceeding conducting discovery and presenting evidence at a hearing. For more information about PUCN processes and procedures in contested cases, see the PUCN's Utility Regulation in Nevada fact sheet.

IRP hearings are typically divided into phases. The energy supply plan is the subject of one part of the hearing, and other issues may be heard in one or more separate phases as necessary. The PUCN typically issues a procedural order in the IRP docket determining which issues will be addressed in each phase of the proceeding, and setting a procedural schedule for things such as testimony and discovery in the separate phases.

The PUCN is not required to conduct a consumer session when an IRP application is filed, but may and often does conduct consumer sessions for IRP filings. Consumer sessions offer a forum for the public to voice opinions directly to PUCN commissioners.

IRP AMENDMENTS

If a utility needs to change its IRP prior to the utility's required filing every three years, the utility may file an application with the PUCN to amend its IRP. IRP amendments are typically treated as contested cases in which parties participate in discovery and evidence is presented at a hearing. The PUCN must take action on IRP amendments in 135 days rather than 180 days.

MORE INFORMATION

More information about PUCN consumer sessions, proceedings, and representation of the collective interests of consumers by the Bureau of Consumer Protection can be found on the Consumers section of the PUCN's website. Also, visit www.leg.state.nv.us to review Nevada Revised Statute Chapter 704 and Nevada Administrative Code Chapter 704 for in depth information about IRP requirements for utilities regulated by the PUCN.



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