

169 FERC ¶ 61,059  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Richard Glick and Bernard L. McNamee.

Nevada Power Company  
Sierra Pacific Power Company

Docket Nos. ER19-2648-000  
ER19-2649-000

ORDER ACCEPTING REVISED JOINT DISPATCH AGREEMENT AND  
CERTIFICATE OF CONCURRENCE

(Issued October 18, 2019)

1. On August 20, 2019, in Docket No. ER19-2648-000, Nevada Power Company (Nevada Power) filed, on behalf of itself and its corporate affiliate, Sierra Pacific Power Company (Sierra Pacific) (collectively, Operating Companies), pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> revisions to their Joint Dispatch Agreement (JDA).<sup>2</sup> Sierra Pacific also submitted a revision to its Certificate of Concurrence with the JDA in Docket No. ER19-2649-000. As discussed below, we will accept the revisions, effective October 19, 2019, as requested.

**I. Background**

2. Nevada Power and Sierra Pacific are vertically integrated public utilities and wholly owned subsidiaries of NV Energy, Inc., a subsidiary of Berkshire Hathaway Energy Company. The Operating Companies jointly offer transmission service under the Nevada Power Open Access Transmission Tariff.

3. On January 1, 2014, the One Nevada Transmission Line (ON Line), a 234-mile, 500 kV transmission project, was placed into service, interconnecting the transmission systems of the Operating Companies. The new interconnection initiated the consolidation of the Operating Companies' individual Balancing Authority Areas (BAA) into a single BAA. During the ON Line's initial development, the Operating Companies envisioned merging into a single corporate entity upon its completion and energization, in order to operate as a single utility. However, once it became apparent the ON Line would

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<sup>1</sup> 16 U.S.C. § 824d (2018).

<sup>2</sup> Nevada Power is the designated filer of the JDA, as permitted by Order No. 714, *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

enter commercial operation before all regulatory reviews of the proposed merger were completed, the Operating Companies developed the JDA as an interim measure to permit joint economic dispatch when the ON Line was in service, even though the utilities would still operate as separate corporate entities.

4. The Commission authorized the proposed merger<sup>3</sup> and accepted the JDA to be effective on January 1, 2014, for one calendar year.<sup>4</sup> On October 1, 2014, the Operating Companies filed to extend the JDA for another one-year term while continuing to work with the Public Utilities Commission of Nevada (Nevada Commission) on the possibility of merging. The Commission accepted the JDA extension for filing on November 5, 2014.<sup>5</sup> In 2015, the Operating Companies withdrew their application to merge at the Nevada Commission and advised the Commission there would be no consummation of the authorized merger. As a result, on July 30, 2015, the Operating Companies submitted amendments to remove the word “interim” from the JDA, incorporate methods for transacting in the California Independent System Operator Energy Imbalance Market, and extend the JDA through 2019. The amendments to the JDA were accepted for filing on September 3, 2018.<sup>6</sup>

## II. Summary of Operating Companies’ Proposal

5. Under its current terms, the JDA will expire on December 31, 2019.<sup>7</sup> The Operating Companies propose to amend the JDA so that the agreement will have an indefinite term unless it is terminated by mutual agreement of the Operating Companies or by action from the Commission or the Nevada Commission. The Operating Companies state that an indefinite term will preserve the regulatory oversight of the JDA and eliminate unwarranted administrative expenses while continuing to produce significant customer benefits.

6. The amended JDA also reflects changes intended to implement cost and capacity allocations of new power supply resources as determined by the Nevada Commission.

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<sup>3</sup> *NV Energy, Inc.*, 145 FERC ¶ 61,170 (2013).

<sup>4</sup> *Nevada Power Co.*, 145 FERC ¶ 61,238 (2013).

<sup>5</sup> *Nevada Power Co.*, Docket Nos. ER15-11-000 and ER15-14-000 (Nov. 5, 2014) (delegated order).

<sup>6</sup> *Nevada Power Co.*, Docket No. ER15-2310-000 (Sept. 3, 2015) (delegated order).

<sup>7</sup> Transmittal at 6.

Specifically, the amended JDA adds section 6.5, which provides for an 60/40 (Nevada Power/Sierra Pacific) percent cost allocation methodology for six new renewable power supply projects as specified in Appendix A of the JDA.<sup>8</sup> The Operating Companies attest that by eliminating the assignment of all costs for an individual project to either Operating Company, the proposed 60/40 percent cost allocation better assigns risks and benefits, and protects customers against the over-reliance on a single project.<sup>9</sup>

### **III. Notice and Responsive Pleadings**

7. Notices of the Operating Companies' filings were published in the *Federal Register*, 84 Fed. Reg. 45,487 (2019), with interventions and protests due on or before September 10, 2019. A timely motion to intervene and limited protest was filed by Truckee Donner Public Utility District (Truckee). The Operating Companies filed an answer on September 17, 2019.

8. Truckee does not object to the Operating Companies' proposal to extend the JDA term indefinitely, amend the JDA to provide for potential cost allocations, or the 60/40 percentage cost allocation methodology for the six new renewable projects. However, Truckee protests section 6.5 as drafted, arguing that the revision fails to establish an appropriate process for effecting future Nevada Commission cost allocation decisions. Truckee explains that, although section 6.5 provides that costs will be allocated "as specified in Appendix A to this agreement," it fails to specify that changes to Appendix A must be filed with the Commission under section 205 of the FPA.<sup>10</sup> Accordingly, Truckee requests that the Commission make it clear that any future alternative allocations must be filed with the Commission under section 205 of the FPA before taking effect.

9. In response, the Operating Companies state that they agree that any future change to Appendix A to the JDA would need to be filed with the Commission pursuant to section 205 of the FPA.<sup>11</sup> The Operating Companies state that the language in section 6.5 that Truckee references recognizes that other projects, in addition to the six renewable projects added to the amended JDA, may be allocated on a means other than an entity-specific basis and that the provision provides for Nevada Commission approval for such alternative allocation. The Operating Companies explain that there is a two-step process for approval of such alternative allocations: (1) Nevada Commission approval of

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 8.

<sup>10</sup> Protest at 5.

<sup>11</sup> Operating Companies Answer at 3.

the alternative allocation; and (2) a filing under section 205 of the FPA to amend Appendix A.<sup>12</sup> The Operating Companies reason that because Appendix A can only be modified pursuant to a filing under section 205 of the FPA, no clarification in the JDA is required.

#### **IV. Discussion**

##### **A. Procedural Matters**

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), Truckee's timely, unopposed motion to intervene serves to make it a party to these proceedings.

11. Rule 213(a)(2) of the Commission's Rules of Practice and Procedures, 18 C.F.R. § 385.213(a)(2) (2019), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the Operating Companies' answer because it has provided information that assisted us in our decision-making process.

##### **B. Substantive Matters**

12. We find the proposed revisions to the amended JDA to be just and reasonable. We find that the Operating Companies have adequately addressed Truckee's concerns that the amended JDA fails to establish an appropriate process for giving effect to future Nevada Commission cost allocation decisions. As the Operating Companies acknowledge, they have an obligation under section 205 of the FPA to seek Commission approval for any additions, subtractions, or modifications to Appendix A.<sup>13</sup> Additionally, section 13.2 of the JDA requires that any changes to the JDA, which includes Appendix A, are subject to all "necessary state and federal approvals." Accordingly, we accept the amended JDA and Certificate of Concurrence, effective October 19, 2019, as requested.

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<sup>12</sup> *Id.* at 3-4.

<sup>13</sup> *See id.* at 3. Specifically, the Operating Companies acknowledge that first, they must seek approval from the Nevada Commission and, second, they must file an amendment to Appendix A of the JDA with the Commission.

The Commission orders:

Nevada Power's and Sierra Pacific's amended JDA and Certificate of Concurrence are hereby accepted for filing, effective October 19, 2019, as requested.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.