

NEVADA CONSERVATION LEAGUE

Nevada Conservation League
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November 12, 2026

Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701

Re: Docket No. 26-05007 – NV Energy 2026 Integrated Resource Plan, Phase III

Dear Chair Williamson, Commissioner Cordova, and Commissioner Brown:

The Commission faces consequential decisions about how Nevada will meet unprecedented projected electricity demand driven by data centers and AI. The scale of this projected growth is extraordinary, but so is the uncertainty surrounding it. While significant new energy resources may be needed, considerable uncertainty remains about how much of this demand will materialize and when. Decisions made in this Integrated Resource Plan (IRP) could commit Nevadans to billions of dollars in long-term costs, making careful scrutiny of the underlying assumptions and proposed investments essential.

Throughout this IRP, including in our initial comments and subsequent Phase II letter, the Nevada Conservation League (NCL) has emphasized the importance of affordability, clean energy, careful scrutiny of projected demand, and investments in resources that can help manage that demand. These priorities are especially critical in Phase III, as the Commission considers NV Energy's long-term load forecast and proposed supply-side investments. The testimony filed in this phase raises significant questions about the costs, risks, and necessity of proposed generation investments, as well as the planning and procurement process used to develop them.

Prioritize Renewable Energy Investments

Nevada has an opportunity to meet growing electricity demand with homegrown clean energy resources that support reliability, affordability, and compliance with the state's Renewable Portfolio Standard (RPS). NCL supports moving forward with the renewable energy power purchase agreements proposed in this IRP.

One of the clearest advantages of these resources is how quickly they can be deployed. Under NV Energy's preferred plan, 16 solar, storage, and geothermal projects are expected to come online within the next three years, well before any proposed gas plants. Nevada's abundant solar resources can be paired with short- and long-duration battery energy storage systems to strengthen reliability, better meet peak demand, and reduce exposure to volatile fuel prices.

These investments are also critical to meeting Nevada's clean energy requirements. By NV Energy's own admission, their preferred plan would leave the utility out of compliance with the RPS through

2032.[1] The Commission should not allow continued noncompliance when renewable projects are available to help close the gap. Delaying renewable energy development would only compound this problem.

The Commission should prioritize approval of these renewable energy projects while ensuring that the costs of serving speculative large-load growth are not shifted onto existing customers. Nevada should not delay available clean energy investments while considering far more expensive, uncertain, and polluting gas plants.

Reject Expensive and Unnecessary Gas Expansion

NCL is deeply concerned by NV Energy's proposal to construct three new gas plants at Fort Churchill and obtain pre-development funding for a fourth, placeholder gas resource. This spending would expose Nevada customers to billions of dollars in construction costs, long-term fuel price volatility, and the risk of stranded assets, to serve highly uncertain data center demand. They would also lock Nevada into additional polluting fossil fuel systems for decades, further jeopardizing compliance with the RPS.

NV Energy's own proposed construction costs are staggering.[2] Testimony further examines these costs, outlined below, and raises important questions about their affordability and cost-effectiveness.[3]

- Fort Churchill 1 (2030): $1.813 billion, or $5,804/kW.
- Fort Churchill 2 (2031): $1.804 billion, or $5,774/kW.
- Fort Churchill 3 (2032): $840 million, or $2,100/kW.

These three facilities total approximately $4.5 billion in proposed construction costs, before accounting for ongoing fuel, operating, and other associated expenses. NV Energy is also requesting more than $13 million in pre-development funding for an additional placeholder gas resource anticipated in 2034. These extraordinary costs pose significant financial risks to ratepayers, particularly if projected demand fails to materialize. As Commission Staff noted, the technology proposed for Fort Churchill 1 and 2 is "ultra expensive," with each facility costing billions of dollars compared to hundreds of millions for other gas plants.[4] At a time when Nevadans are struggling with rising utility bills, this is deeply concerning. We are disappointed that the extraordinary costs and financial risks did not receive even greater attention in the filed testimony and hope they will be thoroughly examined during the upcoming hearing.

The underlying demand forecasts do not provide a sufficiently reliable foundation for approving these investments. Of the 50 large-load projects included in NV Energy's forecast, fewer than half have agreements indicating an intent to take service from the utility.[5] Significant uncertainty remains about which projects will materialize, their timing, and their actual electricity requirements. If projected data center development is delayed, scaled back, or fails to materialize, existing customers could be left paying for expensive generation assets that are not needed. These risks are particularly troubling given that NV Energy expects the proposed Fort Churchill facilities to operate only up to 20% of the time.[6] Such limited utilization raises additional questions about whether these multibillion-dollar investments are the most cost-effective way to meet potential future peak demand.

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[1] NV Energy 2026 IRP Application, Volume 8, page 160.
[2] NV Energy 2026 IRP Application, Volume 2, Exhibit A, pages 2-3.
[3] Testimony of Edward Burgess on behalf of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, pages 27-28.
[4] Testimony of Gary Cameron on behalf of Regulatory Operations Staff, filed October 16, 2026, page 9.
[5] NV Energy 2026 IRP Application, Volume 7, page 9.
[6] NV Energy 2026 IRP Application, Volume 8, pages 18, 22, and 25.

The proposed gas plants also carry substantial development and supply chain risks.[7] Ongoing constraints in gas turbine manufacturing, equipment availability, and construction schedules create uncertainty about whether these facilities can be completed on time and at the projected costs. These uncertainties compound the financial risks already associated with speculative demand forecasts. Even if constructed as proposed, these plants would expose customers to decades of natural gas price volatility and additional air pollution and emissions at a time when Nevada should be expanding cleaner, more flexible alternatives.

The Commission does not need to approve these gold-plated gas plants now. Significant uncertainty about future demand may be resolved as large-load policies are finalized and proposed projects advance or fall away. The Commission should also ensure that energy efficiency, demand response, battery storage, and virtual power plants receive meaningful consideration as alternatives to additional gas generation. As highlighted in testimony, treating virtual power plants as supply-side resources would allow for a more direct comparison with traditional generation and help ensure that lower-cost, flexible alternatives are fully considered before committing to expensive new gas plants.[8]

The Commission should reject all three proposed Fort Churchill gas plants and the requested pre-development funding for the placeholder gas resource. NV Energy should return with a more reliable demonstration of need and a competitive evaluation of alternatives before seeking approval for additional gas generation. Existing customers should not bear the financial risk of speculative large-load development.

Require a More Transparent, Competitive, and Flexible Procurement Process

The fundamental problem extends beyond the individual resources proposed in this IRP. NV Energy's current planning and procurement process is not adequately equipped to address the extraordinary uncertainty associated with large-load growth. The utility is seeking approval for major investments without a sufficiently reliable understanding of future demand or a comprehensive, competitive assessment of the resources available to meet it. The resulting portfolio includes billions in proposed gas generation while still failing to achieve RPS compliance.

The Commission should require NV Energy to revisit its approach and establish a more logical sequence between demand forecasting, resource planning, and competitive procurement. The utility should first establish a credible range of resource needs, informed by more reliable large-load commitments and appropriate risk scenarios. It should then conduct a transparent and competitive Request for Proposals (RFP) process to identify the most cost-effective resources capable of meeting those needs before returning to the Commission for approval of major new investments.

The current approach effectively asks the Commission to approve expensive, long-lived infrastructure before the underlying need and available alternatives have been adequately established. That sequence

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[7] Testimony of Edward Burgess on behalf of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, page 29. half of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, pages 42-47. Testimony of Courtney Fieldman on behalf of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, page 8.

[8] Testimony of Edward Burgess on behalf of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, pages 42-47. Testimony of Courtney Fieldman on behalf of Advanced Energy United and Southwest Energy Efficiency Project, filed October 16, 2026, pages 12-15. Testimony of Devi Glick on behalf of the Sierra Club, filed October 16, 2026, pages 20-21.

is particularly problematic when large-load forecasts can change dramatically over a relatively short period. A stronger procurement process should include:

- **Greater transparency and independent oversight:** Provide meaningful access to procurement information, clear evaluation criteria, and independent oversight to strengthen confidence in the process and its outcomes.
- **Better coordination between the IRP and RFP:** Define resource needs before soliciting projects, then use competitive bids to inform the final portfolio and investment decisions.
- **More flexible procurement:** Consider incremental or contingent resource options that can respond to changing demand without committing customers prematurely to major infrastructure.
- **Fair consideration of alternatives:** Evaluate renewable energy, storage, demand response, virtual power plants, and other flexible resources alongside fossil fuel generation, using consistent assumptions and cost comparisons.

These improvements would help NV Energy respond more effectively to changing demand, strengthen competition, and reduce the risk of unnecessary investments. Nevada needs a planning process that is nimble enough to respond to actual demand, transparent enough to ensure accountability, and rigorous enough to protect customers from unnecessary costs. The Commission should require these improvements before considering additional large-scale gas investments.

The Path Forward

Nevada faces important decisions about how to meet growing electricity demand while keeping energy affordable and advancing its clean energy requirements. The Commission should not allow speculative data center growth to justify billions of dollars in gas infrastructure without a clear demonstration of need, a thorough assessment of alternatives, and adequate protections for existing customers.

The Commission should:

1. **Approve the proposed renewable energy projects** that can be deployed in the near term, help address the RPS shortfall, and support a more affordable and reliable energy system.
2. **Reject the three proposed Fort Churchill gas plants** and the placeholder gas resource's pre-development funding, given their extraordinary costs, uncertain necessity, and substantial financial and development risks.
3. **Require NV Energy to improve its planning and procurement process**, including more reliable large-load forecasting, a transparent and competitive RFP, and meaningful consideration of flexible, lower-cost alternatives before returning for approval of additional generation.

Nevadans are already facing significant energy affordability challenges. The Commission has a responsibility to ensure that major utility investments are justified by demonstrated need, not speculative growth, and that existing customers are protected from unnecessary financial risk. Moving forward with available renewable energy projects while rejecting unjustified gas investments and requiring a stronger planning process will help protect Nevada customers and advance the state's clean energy future.

Thank you for your consideration.

/s Christi Cabrera-Georgeson
Deputy Director
Nevada Conservation League