

Training Day

Regulatory Frameworks for Electricity Network Resilience

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Public Utilities Commission of Nevada

Nevada's Natural Disaster Protection Program

State law adopted in 2019 following devastating fires in neighboring states

Nevada Revised Statutes 704.7983

2. A natural disaster protection plan submitted to the Commission pursuant to subsection 1 must:

- (a) Identify areas within the service territory of the electric utility that are subject to a heightened threat of a fire or other natural disaster.
- (b) Propose an approach for the mitigation of potential fires or other natural disasters that is cost effective, prudent and reasonable.
- (c) Describe the preventive measures and programs the electric utility will implement to minimize the risk of its electric infrastructure causing a fire.
- (d) Describe the participation of the electric utility, including, without limitation, any commitments made, in any community wildfire protection plans, as defined in 16 U.S.C. § 6511, established in this State.
- (e) Propose protocols for de-energizing distribution lines and disabling reclosers on those lines in the event of a fire or other natural disaster. Such protocols must consider the associated impact of such actions on public safety and mitigate any adverse impact on public safety plans, including, without limitation, impact on critical first responders and on health and communication infrastructure.
- (f) Describe the procedures the electric utility intends to use to inspect the electric infrastructure of the electric utility.
- (g) Describe the procedures the electric utility intends to use for vegetation management.
- (h) Describe the procedures the electric utility intends to use to restore its distribution system in the event of a natural disaster.
- (i) Demonstrate that the natural disaster protection plan is consistent with the emergency response plan submitted by the electric utility pursuant to [NRS 239C.270](#).
- (j) Describe the ability of the electric utility to implement the natural disaster protection plan and identify additional funding needed for the implementation of the plan.



Nevada's Natural Disaster Protection Program



- Identify areas of heightened risk – risk based planning and situational awareness
- Method for mitigation – operational practices and system hardening
- Preventative measures to minimize risk of infrastructure causing fire
- Participation in community wildfire plans (US Federal Law)
- Protocols for de-energization
- Emergency Response
- Inspections and corrections
- Vegetation Management
- Restoration
- Consistency with Emergency Response Plans
- Funding and Implementation



Nevada's Natural Disaster Protection Program



- Plans are filed and approved by the Commission based on a three-year cycle
- Cost recovery is an annual filing to determine whether costs are reasonable
- The rate for plan costs is separate line-item on customer's bills

NDP Plans and the cost recovery have been highly litigated. Costs have exploded.

Who knew the electric company needed a meteorologist?

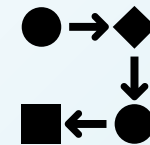


Nevada's Natural Disaster Protection Program



Issues

- Inspections/Assessment took far more time than expected
- Available technology exploded
- Lack of transparency in coordination in emergency response
- Challenges in determining normal course of business
- Incentives for NDPP investment created disincentives for regular O&M
- Determining who benefits and who pays
- Interplay with insurance and overall risk-mitigating investments
- Difficulty measuring value of NDPP investment
- Public Safety Outage Management controversy
- The liability debate



Wildfire Workbook for Utility Regulators

The frequency and intensity of wildfires is increasing, posing serious operational and financial challenges to electric utilities. The risk of wildfires, once considered an issue for the Western U.S., is now a national concern. Public utility commissions play a crucial role in addressing wildfire risk by ensuring that electric utilities operate safely and reliably, carefully weighing the costs and benefits of wildfire mitigation approaches.

NARUC created the Wildfire Workbook for Utility Regulators to provide commissions with a compilation of wildfire-related policies and practices in use today, as well as key considerations for future action. Content addresses utility risk management and operational practices, financial and cost-recovery mechanisms, as well as coordination with stakeholders.

Information compiled in the workbook is not "best practices." This is by design, because each state has nuances that dictate what is acceptable and appropriate for geography, utilities, rules, regulations, and policies within their authority.

The Wildfire Workbook is divided into seven chapters, each examining a specific wildfire-related topic. Each chapter is available in e-book and PDF format.

www.NARUC.org/core-sectors/critical-infrastructure-and-cybersecurity/wildfire-workbook/



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