

Testimony in Support of Utility Cost-Sharing Mechanism Bill and Conceptual Amendment

Good afternoon, Chair and Members of the Committee. My name is Caitlin Gatchalian, and I serve as the Nevada Representative for the Southwest Energy Efficiency Project (SWEET).

I'm here today in strong support of AB 452, the utility cost-sharing mechanism bill, that directs the Public Utilities Commission to open an investigatory docket into fuel and purchased power costs and implement a cost-sharing mechanism if found to be in the public interest.

As energy prices continue to fluctuate due to market volatility and global supply chain constraints, it is critical that Nevada adopt smart, proactive policies that protect ratepayers while encouraging prudent utility behavior. A thoughtfully designed cost-sharing mechanism achieves this by aligning the financial incentives of electric utilities with the best interests of customers.

This policy not only encourages utilities to better manage fuel and power purchasing decisions, but also promotes transparency, accountability, and long-term cost control. The mechanism, especially with the inclusion of features like symmetrical or asymmetrical sharing bands and forecast transparency, ensures that risks and rewards are more equitably shared.

We also support the requirement that the Commission explore these issues in depth through a public and transparent investigatory process. This amendment reflects good governance by ensuring that any final mechanism adopted is based on data, stakeholder input, and consideration of market realities. It also encourages innovation in resource planning, including load reduction strategies such as demand-side management and load shifting—tools that can help reduce both volatility and emissions.

Taken together, this bill and its amendment represent a forward-thinking approach to utility regulation that balances economic, environmental, and customer protections.

We urge your support and thank you for your commitment to policies that will build a more resilient and affordable energy future for Nevada.

Thank you.