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# The Renewable Energy Boom: How Nevada is Playing a Vital Role in this Growth Market

Presented By  
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# Brief History

- In 1997 the State of Nevada adopted a renewable energy portfolio standard that required that one-half of one percent of total energy sales for Nevada's electric utilities be renewable.
- The required use/purchase of Renewable energy for public utilities was virtually unheard of in Nevada prior to this time.
- The parties and or entities who supported the use of renewable energy found themselves unable to move the ball forward in spite of the new law.

# Brief History

- So many other issues took precedence like opening the energy markets to competitors and allowing customers to choose their providers.
- By 2000 the process of developing regulations to address the 1997 law was underway.
- In 2001 the State of Nevada adopted one of the most aggressive portfolio standards in the country. It required that five percent of the utilities' total energy sales be renewable commencing in 2003 and increasing every two years by two percent until 2015 when the renewable energy component was required to be fifteen percent of the total energy sales.

# Brief History

- In 2005 the Nevada legislature modified this requirement to a three percent increase until the renewable energy component of total energy sales was twenty percent.
- ...thereby creating an instant market for renewable resources.

# The Reaction

- The reaction to the legislation was divided into two camps:
  - It is right for Nevada and achievable.
  - It is right for Nevada but too aggressive for Nevada's utilities have little experience with the generation of renewable energy; the exception being the Sierra Pacific Power Company geothermal experience.

# The Result

- It was right for Nevada but it was not achievable in the amount of time that the statute dictated. The Nevada utilities were unable to meet the portfolio standard for the first several years (once again, with the exception of the Sierra Pacific Power Company geothermal experience).

# What Resources Qualify?

- Biomass: Agricultural crops and agricultural wastes and residues; wood and wood wastes and residues; Animal wastes; Municipal wastes (biogas); and Aquatic plants
- Geothermal
- Solar Energy
- Wind
- Waterpower (with limitations)
- Energy Efficiency measures were not included

# Incorporating Energy Efficiency

- The In 2003, the Nevada Legislature adopted Assembly Bill (“AB”) 3 which made several changes to the existing law by addressing energy efficiency measures and the ability to use energy efficiency measures in complying with the renewable portfolio standard.
- This included the adoption of significant tax incentives for meeting certain building standards.

# Incorporating Energy Efficiency

- AB 3 further included the ability for “Energy Efficiency Measures” to play a role in meeting the renewable portfolio standard:
  - Not more than 25 percent of that amount may be based on energy efficiency measures.
  - At least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

# Incorporating Energy Efficiency

- Property tax abatement example: Not more than 10 years and not in excess of fifty-percent of the taxes already imposed.
- May 3, 2007 the Nevada Senate passes SB 567:
  - “Senate Bill 567, which is expected to race through the Assembly today, aims to make up for a shortfall in revenues to fund the \$7 billion budget for the next two years. On Tuesday, the Nevada Economic Forum announced that revenues would be \$110 million less than previously projected.”

# The Fix

- Nevada Legislative Session 2007, Assembly Bill 621.
- Designed to add predictability to the allowance for tax abatement for green.