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## Energizing renewable technology: policy, permitting & politics

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# Energizing Renewable Technology: Policy, Permitting & Politics

Presented By  
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August 20, 2008



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# POLICY

## The History of Renewable Development: The Nevada Experience

- The initial renewable portfolio standard (1997): One-half of one percent of total energy sales for Nevada's electric utilities must be renewable.
- The regulatory and legislative climate (1997-2001): Efforts on behalf of the few with moderate success.
- Adoption of the renewable portfolio standard (2001): One of the most aggressive in the country:
  - 5% of total energy sales must be renewable by 2003-2004
  - A 2% increase every two years
  - Capped at 15% of total energy sales by 2013
  - 5% of the amount must be generated or acquired from solar renewable systems

# POLICY

## The History of Renewable Development: The Nevada Experience

- Modification of the Portfolio Standard in 2005:
  - 6% of total energy sales must be renewable by 2005-2006
  - A 3% increase every two years
  - Capped at 20% of total energy sales by 2015
  - 5% of the amount must be generated or acquired from solar renewable systems
  - Up to 25% of the portfolio may be met by Energy Efficiency measures
- Energy Efficiency measures defined as installed after January 1, 2005 at a retail customer location; up to 50% of which must be residential customers; must reduce consumption; the cost of the installation must be reimbursed by the provider of electric service.

# POLICY

## The History of Renewable Development: The Nevada Experience

- Calculating Portfolio Credits on a kilowatt hour basis
- Contract term must be for a minimum 10 years unless otherwise agreed
- Pro forma contracts that are negotiated with local utilities:
  - Firm versus non-firm resources; how the contract terms vary
- The development of regulations to carry out the provisions of the law; the contract must be just and reasonable:
  - Reasonableness of the price
  - Firmness of the resources
  - Information of assurances that provider will deliver the resource in accordance with the contract
  - The use of natural resources (e.g., the scarcity of water in Nevada)
  - Availability of transmission to transmit the energy



# POLICY

## The History of Renewable Development: The Nevada Experience

- NAC 704.8887: An entire Section in the administrative code dedicated to determining if the price is reasonable:
  - Compliance with the utility's approved resource plan, RPS compliance filing
  - Reasonableness of price escalators
  - Impact of or reduction of:
    - Air emissions
    - Water consumption
    - Waste disposal and other land uses
    - Impacts on wildlife
  - Awareness of these criteria and the history of the regulating body's treatment and evaluation of previous contracts will be an indicator of when and whether renewable technologies will get to market.

# POLICY

## The History of Renewable Development: The Nevada Experience

- Once adopted, was the renewable portfolio standard in Nevada met?
- What were the concerns upon adoption:
  - Was it too aggressive?
  - What was the legislative reaction to it?
  - What market events impacted the ability to meet the renewable portfolio standard?

# 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



# PERMITTING

## How do State and Federal Laws Impact the Permitting Process?

- State and Federal permitting requirements differ
- National Environmental Policy Act
  - Environmental Impact Statement
  - Environmental Assessment
  - Approximately 85% of Nevada is federal lands
- State processes that result in the “tail wagging the dog”
- The Alturas Intertie example
- Nevada Senate Bill 362 in 2001

# PERMITTING

## How do State and Federal Laws Impact the Permitting Process?

- Nevada Utility Environmental Protection Act:
  - Finding of need and determining if the project is in the public interest
  - Assurance that all permits have been obtained from federal, state and local entities
- Local Permitting requirements include:
  - Special Use Permits
  - Grading Permits
  - Air Permits
- The environment running into environment: Renewable energy and the environmental impacts of construction.

# POLITICS

## Is Renewable Energy a Non-Partisan Issue?

- In Nevada, it is non-partisan.
- In 2001, the aggressive renewable portfolio standard that became law was drafted and supported by legislators and members of the industry from both sides of the aisle.
- Since 2001, changes to the renewable portfolio standard that have increased the percentage of renewable energy, implemented the energy efficiency, etc. have garnered the support of both Democrats and Republicans.
- Not a blanket approval but enough support from both sides to move it forward for the foreseeable future.

