



February 6, 2018

TWG Chair Jeremy Susac
Technical Working Group on Open Energy Market Design & Policy: Commercial & Residential
Governor's Committee on Energy Choice

Re: Renewable energy policies and electric competition

Dear Chair Susac:

The Solar Energy Industries Association (“SEIA”) is pleased to present this letter regarding the importance of integrating progressive renewable energy policies with Nevada’s potential electric competition future. The Energy Choice Initiative (“ECI”) passed with overwhelming support in part because of Nevadans’ desire for more renewable energy and better access to distributed energy resources (“DERs”). The proponents of ECI touted the measure as a solution to the fact that ratepayers in Nevada “are limited in the types of renewable energy” they can purchase because most are “forced to buy energy from a monopoly.”¹ They argued that “[w]ithout an open market, it is difficult for Nevadans to take advantage of new technologies in energy generation.”² And they characterized a “YES” vote on ECI as support for “[k]eeping Nevada’s renewable portfolio standard in place, along with Nevada’s other renewable policies,” and “[c]reating a new marketplace where customers and energy providers come together” and “provide[] more resource options for residents and businesses.”³

In approving ECI, the voters endorsed these messages. As such, the design of a competitive electric market in Nevada must prioritize incorporating more renewable energy in Nevada’s resource mix and creating greater access to DERs. Towards that end, it is essential that Nevada not only conform its renewable portfolio standard and net metering policies to a competitive market structure, but also that the state enact a robust community solar policy. These policy actions will ensure that Nevadans get what they voted for in approving ECI.

In conforming Nevada’s renewable portfolio standard, the state should ensure that all load serving entities in a competitive market be required to satisfy the state’s renewable portfolio standard. While there are multiple models to look to in terms of how the renewables are procured,⁴ load serving entities should bear the ultimate responsibility for compliance with any standard.

¹ ECI Argument for Passage, 2016 Voter Guide at 35.

² *Id.*

³ *Id.* at 36.

⁴ Electric customer choice & renewable energy: Insights from other states, Susan Tierney, Analysis Group (November 7, 2017) available at http://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/2017/11-07-2017_EnergyChoice_Agenda5_Sue%20Tierney%20presentation.pdf.

With respect to Nevada's net metering policy, there should be no question that it be conformed to a competitive market structure. In enacting AB 405, the Legislature specifically provided language to address the possibility of the emergence of a competitive electric market in Nevada. Specifically, the Legislature provided that load serving entities be deemed a utility for purposes of Nevada's net metering laws, effectively requiring that they comply with Nevada's net metering policy just as NV Energy does today.⁵

Community solar is the missing piece to Nevada's renewable policy framework. The policy was adopted by the Legislature in 2017 (SB 392) but unfortunately vetoed by the Governor. Community solar gardens ensure that all segments of Nevada's citizenry are able to take advantage of the growing benefits of DERs. Like net metering systems, Community solar gardens provide an opportunity for Nevadans to make a choice about their electric service—to choose renewable energy. What's more, community solar empowers people to join with their friends and neighbors to share in the cost of developing a facility and subscribe to whatever portion they see fit. Community solar gardens are thus a low cost, collaborative DER that is exactly the type of option foreclosed by the current regulatory environment. In order to ensure that a competitive electric market in Nevada serves everyone, the state should adopt a robust community solar policy that operates as contemplated in SB 392.

Electric competition in Nevada presents a unique opportunity. In pursuing this path, however, it would be a mistake to conclude that all features of the existing regulatory construct are outmoded. Nevada's renewable portfolio standard and net metering policies have been powerful drivers of renewable energy development in the state. Community solar gardens represent equally compelling possibilities. For these reasons, SEIA urges you to and your colleagues on the technical working group to make recommendations consistent with those outlined here. Thank you.

Sincere regards,

A handwritten signature in cursive script, appearing to read "Sara Birmingham".

Sara Birmingham
Senior Director, State Affairs
Solar Energy Industries Association

⁵ AB 405 at Section 28.7.