

PROPOSED TAC – CLEAN ENERGY SOURCES QUESTIONS – JENNIFER TAYLOR

1. As a state policy do we prioritize procurement of clean energy (non-fossil) first?

Yes. The Executive Order reconvening the New Energy Industry Task Force specifically called for recommendations to “encourage development of clean energy sources and integrate renewable energy technologies into Nevada’s energy sector.”

2. How do you propose we integrate more clean energy into our energy sources?

As a first step, revising inconsistent, and outdated statutes will provide legislative intent and direction for the integration of more clean energy into our energy sources.

In order to demonstrate clear legislative intent for a policy that meets Governor Sandoval’s directive to the Task Force and this Technical Advisory Committee, revisions to some of the State’s energy policy may be appropriate to provide clear direction and prioritization, as well as to clean up statutory conflicts and better reflect the current state of energy for the State. For example, revisions to NRS 701.010, generally, may be appropriate to update NRS 701.010(g), which refers to government and private enterprise being “encouraged to maximize the use of indigenous energy resources to the extent competitively and economically feasible.” That language was added in 1995 with the last revision in 2001. Use of Nevada’s indigenous energy resources have now become “competitively and economically feasible”, and that could be reflected in our statutes to support prioritization of these resources for the State’s energy needs.

Finally, where other statutes fail to provide clear direction regarding this policy of prioritization, they should be revised to remove conflicts and ambiguities preventing the implementation of a State policy directive. For example, as detailed by Anne-Marie Cuneo, NRS 704.746(4)(c) – 704.746(5) address potential items for the PUCN to consider during resource planning. However, she raised the concern that these provisions do so without any legislative direction on priority or quantification. Revisions to these statutes could provide the PUCN with the directives they believe may be lacking to implement a State policy that, in line with other statutes, encourages and/or directs the expansion of the State’s indigenous energy resources.

3. Are there existing statutes that need revision/amendment/deletion in order to implement the broad policy of prioritizing clean energy first? If so, what statutes do you propose be revised/amended/deleted and what is the general direction for your proposal to do so?

In addition to the statutory changes discussed above, revisions should be made to Nevada’s Renewable Portfolio Standard set out in NRS 702.7801, et. seq., to reflect the current functionality of this system in increasing integration of clean energy sources into Nevada’s energy portfolio. Nevada was one of the original leaders in the development of an RPS, but more than 15 years later, revisions are appropriate, especially in the amounts required in NRS 704.7821.

4. Are there specific legislative instructions that need to be provided to the PUC?

- *Decoupling?* The PUCN has indicated it believes it lacks authority to implement decoupling. Therefore, appropriate statutory revisions should be made to provide clear legislative authority to allow the PUC to address decoupling.

- *Loading Order?* The statutory revisions addressed in No. 2, above, should be one method to provide direction to the PUCN that clean indigenous energy sources and energy conservation should be a high priority in developing energy resource plans.

- *Consideration of externalities and how to quantify?* Specific legislative instructions could be provided to the PUCN to have a neutral study conducted in a timely fashion determining the monetary value for ancillary benefits and a monetary cost for environmental harm. This valuation should then be part of the PUCN's analysis in resource planning.

5. What broad policies are necessary to increase Nevada's opportunities for exportation? What policies do we need to coordinate with the Grid Mod TAC?

Given the overall direction to the Task Force and the benefits of ensuring Nevada can remain competitive in the development of regional trading of energy, coordination with the Grid Mod TAC seems appropriate. We should ensure state policies do not impede the potential for exportation, and may gain a better understanding of any existing or future impediments by working with the Grid Mod TAC.

6. Should we revise/expand the RPS? If so, what is your proposal for revision/expansion?

Yes. See No. 3, above. Nevada cannot afford to fall behind our western neighbors as they increase and expand their use of clean energy sources and renewable portfolio standards. Oregon's adoption of an aggressive RPS suggests that Nevada make similar adjustments to remain competitive with our western neighbors. Further, it is the charge of this Task Force to recommend policies that could allow Nevada to lead on clean energy. Accordingly, increasing our RPS to 50% by 2040, will allow us to remain competitive with Oregon and support Nevada's leadership on clean energy.

- *What are the impediments to revising/expanding the RPS?* One of the primary impediments is the current backlog of PEC's.

- *Should we phase out banked credits?* Yes.

7. What specific policy actions should occur, if any, related to EE?

As noted above, the PUCN should have the ability to investigate and act on decoupling. Additionally, we should review energy efficiency policies, like PACE financing implementation or low income energy efficiency measures that could position Nevada to comply with the Clean Energy Incentive Program under the Clean Power Plan, once a final court ruling on those regulations is provided.

8. Are there existing impediments to further clean energy development that can be controlled by the state?

Additional impediments may be identified as the other Technical Advisory Committees continue their work and as the PUCN undertakes its resource planning for Sierra Pacific Power this year. However, the primary impediments are identified above.

Additional policies that can further clean energy development could include the PACE finance program and Green Banks.

9. Will any/all of the proposals set forth above ensure that:

- Nevada will be CPP compliant at the time the stay is lifted?

The policy suggestions delineated above should move Nevada towards, and beyond, the Clean Power Plan compliance glide path.

- Nevada will be in a position to adopt CEIP early-action compliance?

See policy discussions listed above.

- Nevada will be trade ready at the time the CPP stay is lifted?

One of the goals of the Task Force should be ensuring Nevada is well positioned for energy export and energy market regionalization. The policies above, and the discussions in the Grid Mod TAC should work to position Nevada to be part of an export market.