

Nevada Energy Perspectives



Governor's Office of Energy

www.energy.nv.gov

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July 2015 WRP Energy Committee webinar
July 28, 2015

Department Overview

- The mission of the Governor's Office of Energy is to ensure the wise development of Nevada's energy resources in harmony with local economic needs and to position Nevada to lead the nation in renewable energy production, conservation, and the exportation of energy.
- The Governor's Office of Energy implements the laws of the State as defined in Nevada Revised Statutes 701 and 701A; manages energy-related programs; facilitates cooperation between key stakeholders; advises the Governor on energy policy; and collaborates with our local, regional, and federal partners to ensure a reliable and sustainable energy system.
- Nevada's energy sector strong thanks to natural resources, modern infrastructure, enhanced programs that attract developers and benefit ratepayers

Renewable Energy Tax Abatement Program

- Awards partial sales and use tax and / or partial property tax abatements to renewable energy producers
- Eligibility: 50% Nevada workers, pay 175% Nevada's average wage, offer health care benefits to workers and dependents
- Since program's inception:
 1. Nevada's investment of \$585 million has attracted \$5.7 billion in capital investment, payroll, and taxes paid, representing a 10-to-1 return on Nevada's investment
 2. 3,422 construction jobs created
 3. 22 renewable power plants operating in NV
- EXAMPLE: Copper Mountain 3 > Sempra solar power plant (255MW capacity) > received \$66.4 million investment with Nevada gaining \$732 million > 11-to-1 return on Nevada's investment



Revolving Loan Program

- Funded from American Recovery and Reinvestment Act of 2009
- Provides short-term (up to 15 years), low-cost loans (0-3% interest rate) to develop eligible projects
- Projects may receive minimum of \$100,000, maximum of \$1 million
- Since program's inception in 2009, more than \$17.4 million has been loaned to 20 projects
- EXAMPLE: City of Las Vegas > 3 parking shade solar structures > received \$1.2 million loan > created 12 jobs > will produce 1.2 million kWh of power annually > reduce greenhouse gas emissions by 23.8 million tons CO₂ annually



Performance Contract Audit Assistance Program

- Funds a financial grade audit, which is first step to determine if a performance contract is right for a project
- Performance contract is way to upgrade facilities with no up-front capital and pay for them through guaranteed energy savings
- Since program's inception in 2014, \$328,000 has been awarded for two audits
- EXAMPLE: Cities of Reno / Sparks > received \$150,000 to cover audit for Truckee Meadows Water Reclamation Facility > led to \$25 million performance contract > will save cities \$1.1 million in energy costs annually > reduce energy consumption by 5.8 million kWh annually



International Energy Conservation Code

- GOE required to adopt latest version of IECC, which is a model for the establishment of minimum design and construction requirements for energy efficiency
- In 2014, Nevada adopted the 2012 IECC
- Sponsored training in Reno and Las Vegas that attracted more than 300 industry consultants and contactors



Home Energy Retrofit Opportunity for Seniors Program

- Funded by GOE and administered by Nevada Housing Division, program reduces energy costs by improving energy efficiency of the home
- Provides up to \$6,000 for qualifying senior's, and covers an energy assessment and installation of recommended weatherization measures
- Program requirements:
 1. Be age 60 years and greater
 2. Be NV Energy customer
 3. Own and reside in home
 4. Have income at or below 200% of federal poverty guidelines
- Since the program's inception in 2014, 132 homes have been served, with an annual savings of 4,641 kWh and 314 therms of natural gas, and \$800 average cost savings per home/year.



Direct Energy Assistance Loan Program

- Funded by GOE and administered by Nevada Housing Division
- Provided by State of Nevada to its employees, the program is an interest-free loan for energy efficiency upgrades
- \$1 - \$3,000 = \$50 monthly payments; \$3,001 - \$6,000 = \$100 payments; employees who are veterans are eligible for up to \$8,000
- Maximum term = 60 months
- First known loan program of its kind, can serve as model for other city, county, and State governments

LEED Tax Abatement Program

- Offers building owners tax incentives to improve the energy efficiency of their buildings.
- Incentives range from 25% to 35% of the property taxes paid for a period of 5 to 10 years, depending on certification level
- Leadership in Energy and Environmental Design (LEED) is rating system developed by U.S. Green Building Council to measure energy efficiency in buildings
- In 2014-2015, 33 buildings in Nevada received LEED certification
- More than 57 million square feet of LEED-certified or equivalent floor space has received a GOE tax incentive in 2014-2015



Energy Imbalance Market

- In 2014, Nevada's PUC and FERC approved NV Energy's request to participate in a six-state Energy Imbalance Market that:
 1. Analyzes supply and demand to dispatch lowest cost resources to meet energy needs every 5 minutes
 2. NV Energy participation will save ratepayers \$4 - \$6.5 million annually



One Nevada Line

- 231-mile One Nevada Transmission Line completed in January 2014



1. Connects Nevada's northern and southern service areas for first time
2. 500,000 voltage with capacity of 600 – 800 MW

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