

# NEVADA STATE OFFICE OF ENERGY

LEGISLATIVE REVIEW  
& STATE PROGRAMS

July 2011

2

## Topics

2011 Legislature in Review

Transmission

NSOE Programs

Green Building and RE Tax Abatements



## NSOE/REEEA Merger

4

### □ **SB426**

- Merges REEEA with NSOE, Director oversees policies and programs of both
- NSOE takes on tracking of energy usage for state-owned buildings
- Clarifies tax exemption of certain renewable energy facilities
- Allows NSOE to enter into contracts for renewable energy projects on state facilities with third party financing
- Director may add up to 3 members to each of the task forces (state & local panel, energy task force)

## Utility programs

5

- **AB150** – Allows measurable behavioral changes in energy consumption to be included in NVE's energy efficiency portfolio standards
- **AB359** – Revises Waterpower Program, adds Indian Tribes, increases goal to 5MW, allows contiguous property net metering
- **AB380** – Extends the sunset dates for the Water, Wind and Solar programs to 2021

## Utility programs

6

- **SB 59** – Increases capacity of net metering program from 1% to 2% (statewide)
- **SB181** – Amends requirements of Solar Thermal Demonstration Program: System must have received an **OG-100** or OG-300 certification from the Solar Rating and Certification Corporation, or **other performance certification approved by the PUCN.**

## Economic Development

7

- **AB202** - Provides for the partial abatement of certain property taxes for certain new manufacturing businesses in this State, changes LEED EB program.
  - Silver level or higher
  - New manufacturing business in the State
  - Employs at least 25 full-time people
  - At least 100% of the average state wage
  - Abatement is good for one year (25%, 30%, 35%)

## Economic Development

8

- **AB449** – Office of Economic Development
  - Move office under the Governor
  - Develop a State Plan for Economic Development
  - Direct assistance and encouragement of business and industry in the state
  - Establish regional development authorities
  - Creates the Catalyst Fund and Knowledge Fund
  - Energy Office works with Econ Dev on granting of partial tax abatements

## Economic Development

9

- **SB60** – NSOE Revolving Loan Fund (RLF)
  - Expands use of RLF to include certain energy efficiency, conservation and renewable energy manufacturing projects
  - Allows NSOE to utilize these funds in cooperation with third-party financing to effectively leverage available funds
  - Allows NSOE to use portion of interest to fund staff
- **SB233** – Establishes grant coordination office with emphasis NSOE, HHS and Econ Development
  - Chief of the Office of Grant Procurement, Coordination and Management
  - Research, coordinate, work with federal delegation and state agencies

## Environmental or Community Concerns

10

- **AB122** - Allows governing bodies to develop reasonable restrictions relating to **finish**, height, **location**, noise, safety and **setback** of wind energy systems
- **SB40** – requires state agencies to consult with State Public Works Board before adopting regulations concerning the construction, maintenance, operation or safety of buildings in the state. SPWB may provide recommendations as necessary.

## Environmental or Community Concerns

11

- **ACR3** – Proactive protection and restoration of sage grouse and recognize need to acquire and maintain sources of money to protect and restore habitat.
- **AB307**
  - Requires energy development project over 10MW to file with NDOW
  - NDOW may seek cost recovery for review
  - NSOE to facilitate energy development discussions
  - Creates the Energy Planning and Conservation Fund and the Fund for Recovery for Costs

## Energy Efficiency

12

- **AB432** – Residential Energy Audits
  - Removes program from Energy Office
  - Now a voluntary system for home energy audits through Real Estate Division
  - Real Estate Division creates licensing process for qualified auditors, uses national standards for audits
  - Auditor must provide information to homeowner and DOE
  - Sets fees for licensure and continuing education requirements

## AB416 – Bill Components

13

- Defines Geothermal power as RE and removes county approval for geothermal on RE tax abatements
- Incentives
  - Limits Solar program to \$255M, Wind and Water Program to \$60M
  - 150 MW capacity goal for solar
  - < 30kW gets upfront incentive, between 30kW and 500kW get 5 year PBI
  - System incentive should be less than 50% of cost
- Allows transmission for export to be reviewed and approved by PUC with reasonable cost recovery by utility.
- PPA contracts with the utility are confidential

## AB416 – Governor Veto

14

- State needs to protect the integrity of the integrated resource plan approval process and rate containment
- Utility is to present best combination of sources of supply to meet projected consumer demand or the best method to reduce demand while meeting the RPS with adequate transmission
- Recovery of costs for siting, development and permitting of transmission facilities or corridors for RE export goes against principles in resource plan filing.
- Rate payers shoulder burden of risk for out-of-state energy needs while not allowed to participate in economic success
- Unfair burden to rate payers in a tough economy



## TRANSMISSION ISSUES

16

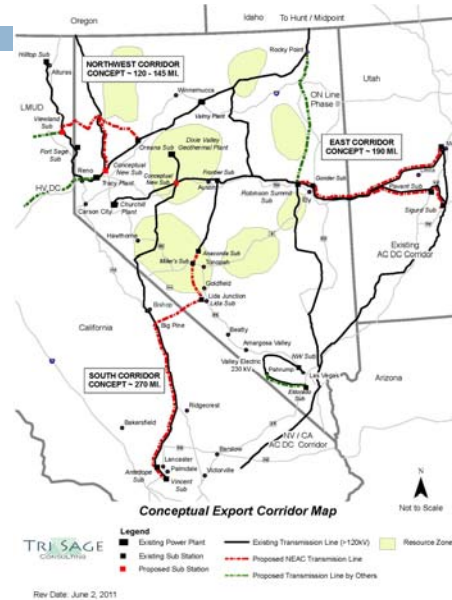
- NV Energy's Renewable Transmission Initiative
  - ▣ NVE submitted Preliminary POD for RTI with BLM and UEPA permit with PUCN
  - ▣ Conducting solicitation of interest following 2 informational meetings August 10 & 12
  - ▣ Will require FERC and PUCN approval



## TRANSMISSION ISSUES

17

- Nevada Energy Assistance Corp
  - Funded through ARRA engineering grant
  - Study 3 transmission corridors for export
  - Outreach trip to California to meet with agencies, utilities and developers
  - Working to develop business case for an export market



## TRANSMISSION ISSUES

18

- Develop business case with economic analysis of transmission alternatives and development structures (CAISO, partnerships, etc)
- Outreach to California, engage in bi-state policy discussions
- Engage in CPUC rule making proceedings regarding SB1X-2
- Understand interconnection, reliability, congestion in regional market (WECC, FERC)



20

The mission of the NSOE is to ensure the wise development of the state's energy resources in harmony with local community economic needs and Nevada's natural resources by leading the nation in renewable energy production, energy efficiency and conservation, and exportation.

MISSION STATEMENT

## NSOE Duties

21

- Advocate for and encourage renewable energy, energy efficiency and reduction of fossil fuel use
- Serve as point of contact and manager of energy related grants
- Educate and disseminate information to the public on conservation, energy efficiency and renewable energy
- Participate in regional planning for transmission for renewable energy exportation
- To promote energy projects that enhance the economic development of the State

## ARRA “Stimulus” INITIATIVES

- State Buildings - \$7M for 124 lighting retrofit & solar projects
- Schools - \$9.5M to 16 school districts for mostly solar PV
- Street Lights/Traffic Signals - \$1.5M in LED lighting to 6 counties
- Appliance Rebates - \$2.5M to replace old appliances with EnergyStar models
- Engineering Study - transmsion



## ARRA “Stimulus” INITIATIVES

- Cities & Counties - \$6M for EE/RE projects
- Street Lights/Traffic Signals - \$1.5M for EE lighting upgrades
- Idle Reduction - \$700K for devices to power emergency vehicles after shutoff



## ARRA “Stimulus” INITIATIVES

- Received \$46 million in energy stimulus (ARRA) funds
- DOE impressed with progress, “Nevada is picking up the slack for other states and we applaud the NSOE for their hard work”
- Nevada #1 in U.S. for expending EECBG and in Top 5 for expending SEP ARRA funds



## NV HOME ENERGY FITNESS

- \$5M DOE grant to retrofit 5% of Nevada homes by 2021
- Get an Energy Audit, spend at least \$2,000 to make your home 20% more efficient, get \$1,000 rebate back
- Potentially a \$220M economic impact



## ADOPTION of 2009 IECC

26

- Regulations under development – hearings in Sept, Oct and Nov, 2011
- Regulations effective July 1, 2012
- All jurisdictions must implement regulations
- Southern Nevada jurisdictions have already adopted the 2009 IECC, eff. July 5, 2011
- Goal to achieve 90% compliance of the 2009 IECC by 2017.
- A copy of the draft regulations and information to submit comments or proposed language can be found at [www.energy.nv.gov](http://www.energy.nv.gov).

## ENERGY EFFICIENCY MEASURES

27

- Track energy usage of state-owned buildings to develop baseline
- Prepare a state energy reduction plan to reduce grid-based energy purchases by 20% by 2015.
- General Purpose Light efficiency
  - ▣ Establish minimum standard of efficiency that must be at least 25 lumens per watt of electricity consumed.

## OTHER PROGRAMS

- Energy emergency plan
- Alternative Fuels and state fleet - 75% state vehicles must be alt. fuel
- Revolving Loan Fund - Over \$11M in low-cost loans to 15 Renewable Energy projects



LV Motor Pool Ethanol Tank



RO Ranch Waterpower Project

## OTHER PROGRAMS

- Third party contracts for renewable energy projects - RE systems at 55 State & City of Las Vegas potential sites
- State and Local Government Panel on Renewable and Efficient Energy & New Energy Industry Task Force



## NSOE Jobs

30

Office of Energy Program	**Projected Jobs Created	Projected Retained Jobs
ARRA – SEP	206	111
ARRA - EECBG	34	61
NRI	242	175
ARRA - Energy Assurance Planning	2	3
Statewide MSA	235	70
<b>Total Jobs</b>	<b>519</b>	<b>420</b>

**\*\* The NSOE acknowledges that the number of jobs anticipated to be created prior to the start of a project and what is actually created will differ because the formulas used to derive the data are different.**



## GREEN BUILDING TAX ABATEMENT

32

- Director to review LEED versions annually
- LEED NC, C&S and EB
- Under the Energy and Atmosphere Credit 1:
  - ▣ At least 3 points to meet Silver level
  - ▣ At least 5 points to meet Gold level
  - ▣ At least 8 points to meet Platinum level
- Must utilize an independent third-party commissioning firm for commissioning

## GREEN BUILDING TAX ABATEMENT

33

- Submit application no later than 120 days after receiving approval to construct project or registering with USGBC
  - The Director will not accept an application from project that has been issued a certificate of occupancy and has been certified by the USGBC
- NSOE acknowledge receipt & forward
- Within 48 months of application, provide proof that project met Silver level or higher or apply for extension
- NSOE has 120 days to review and determine eligibility, send certificate for abatement

## GREEN BUILDING TAX ABATEMENT

34

LEED NC, LEED C&amp;S, LEED EBOM

LEED Certification Level	Energy Conservation Points from USGBC						
	1-2 pts	3 pts	4 pts	5 pts	6 pts	7 pts	8-10 pts
<b>Silver</b>	No Abatement	25% for 5 years	25% for 6 years	25% for 7 years	25% for 8 years	25% for 9 years	25% for 10 years
<b>Gold</b>	No Abatement	25% for 5 years	25% for 6 years	30% for 7 years	30% for 8 years	30% for 9 years	30% for 10 years
<b>Platinum</b>	No Abatement	25% for 5 years	25% for 6 years	30% for 7 years	30% for 8 years	30% for 9 years	35% for 10 years

Abatement on real property

## GREEN BUILDING TAX ABATEMENT

35

Northern Nevada projects

Project Name	County	Type	Size (SF)	Date of Eligibility
WMS Gaming	Washoe	NC – Gold	53,048	07/2011
PetSmart Distribution Center	Storey	EB – Silver	870,720	04/2011
JC Penney Reno Distribution Center	Washoe	EB - Silver	1.5 M	03/2010
Somersett Town Center	Washoe	C&S - Silver	354,000	02/2010
United Construction	Storey	NC - Gold	12,172	11/2009
West America Commerce Center	Washoe	C&S - Silver	632,130	09/2009



## RENEWABLE ENERGY TAX ABATEMENTS

37

- Provides partial sales and use tax and property tax abatement qualified projects
  - 110% of avg. hourly wage (excl. mgmt & admin)
  - 150% of avg. hourly wage for construction employees (excl. mgmt & admin)
  - Construction employees must be offered health insurance & option for dependent coverage
  - Health benefits meet minimum requirements
- With county pop. > 100,000 or city > 60,000
  - 75 or more full time construction employees during 2<sup>nd</sup> Qtr of construction, at least 30% NV residents
  - Capital investment in state of at least \$10M
- With county pop. < 100,000 or city < 60,000
  - 50 or more full time construction employees during 2<sup>nd</sup> Qtr of construction, at least 30% NV residents
  - Capital investment in state of at least \$3M

## RENEWABLE ENERGY TAX ABATEMENTS

38

- Partial Property Tax Abatement for 20 fiscal years immediately following the date of approval
  - Equal to 55% of the taxes on real and personal property payable by the facility each year
  - No applicable if receiving any other abatement or exemption from property taxes
- Partial Sales and Use Tax Abatement for 3 years beginning on the date of application approval
  - No applicable if receiving any other abatement or exemption from local sales and use taxes
  - Receive certificate allowing purchaser to pay only 2.25% sales and use tax

## RENEWABLE ENERGY TAX ABATEMENTS

County	Company	Type	Size (MW)
Clark	CC Landfill Energy LLC	Biomass	10.6
White Pine	Spring Valley Wind	Wind	150
Pershing	Ormat Technologies (Jersey Valley)	Geothermal	25
Clark	Fotowatio Nevada Solar LLC	PV	12
Clark	Silver State Solar North	PV	50
Lander	Ormat Technologies (McGinness Hills)	Geothermal	43
Elko	Ormat Technologies (Tuscarora)	Geothermal	120 kV transmission line / 16MW

40

## Contact

Stacey Crowley, NSOE Director [scrowley@energy.nv.gov](mailto:scrowley@energy.nv.gov)

Phone: (775) 687-1850

Website: [www.energy.nv.gov](http://www.energy.nv.gov)

