



WESTERN RESOURCE
ADVOCATES

For Immediate Release
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CLEAN ENERGY COALITION CHALLENGES NV ENERGY'S OUT-OF-STATE PURCHASES TO MEET RENEWABLE ENERGY STANDARD:
Calls for Green Jobs and Green Energy to be Created in Nevada

CARSON CITY, NV -- A clean energy coalition today challenged NV Energy's reliance on contracts with out-of-state utilities to meet Nevada's renewable energy standard, claiming the estimated \$38 million spent in 2010 to meet the standard has done little to encourage the development of new renewable energy projects. Nevadans for Clean Affordable Reliable Energy (NCARE) requested that the Public Service Commission order NV Energy to cease using the out-of-state contracts to comply with the renewable energy standard, and to instead encourage the development of new renewable energy resources in Nevada.

Nevada's Renewable Portfolio Standard (RPS) law requires electric utilities to acquire renewable energy, or save energy from efficiency measures, in an amount that equals or exceeds a specified percentage of all the electricity they sell each year. Starting at 6% for 2005 and 2006, the RPS gradually increases, requiring utilities to acquire renewable energy or save from efficiency measures a minimum of 25% of all electricity sales in 2025. As written, the RPS should stimulate development of new renewable energy resources within Nevada, reducing the state's dependence on coal and natural gas, and protecting public health by reducing emissions from polluting forms of energy generation.

NV Energy's short-term renewable energy contracts with Idaho Power Company and PacifiCorp are yielding none of the results that could benefit Nevadans. The renewable energy purchased comes from hydropower, geothermal and wind generating units located in Idaho, Utah and Wyoming. As none of these states has an RPS, Idaho Power and PacifiCorp are able to sell renewable energy from these units into Nevada, and simply replace that energy with electricity from fossil-fueled units. NV Energy's contract with Idaho Power merely swaps fossil-fueled energy produced in Nevada for hydropower energy produced in Idaho. Nevada's air gets no cleaner, no new jobs are created, and there is no further development of Nevada's world class renewable energy resources.

NV Energy has consistently stated that it is only using the short-term out-of-state contracts to fill in short-term deficiencies or gaps on its path to RPS compliance, and that

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the gaps should disappear as previously approved renewable projects come on line during the next few years. NCARE argues the estimated \$38 million cost of these gap-filling purchases would have been better spent to develop additional renewable resources in Nevada.

As Phil Williamson, a Senior Energy Policy Advisor at Western Resource Advocates and President of NCARE, testified at the hearing today, “The question is whether, at the expiration of these short-term, gap-filling contracts, their use will have accomplished anything in terms of renewable energy development in Nevada or anywhere else. If not, they are a poor value at any price.”

In the event of a future short-term deficiency or gap in meeting the renewable energy standard, NCARE recommends the Public Utilities Commission consider the alternative of leaving the gap unfilled if the costs of gap-filling contracts exceed the benefits. The Public Utilities Commission has the flexibility to make such a move so it can assure that money from utility customers intended to encourage the development of renewable energy resources actually accomplishes that goal.

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Western Resource Advocates is a regional non-profit conservation organization dedicated to protecting the West's land, air and water. Visit us online at www.westernresourceadvocates.org.

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Nevadans for Clean Affordable Reliable Energy (NCARE) is a non-profit association of public interest entities formed to promote the expanded use of renewable energy.