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## ***Nevada Offers Prime Home for Renewable Energy Projects***

**By Mike Skaggs, executive director of the Nevada Commission on Economic Development**

When it comes to renewable energy, the State of Nevada boasts a sunny disposition on this industry. Rich in energy resources, such as geothermal, solar, wind and biomass, renewable energy is a natural fit for the state. Our state has a unique opportunity to reduce energy costs and grow its economy while achieving energy independence.

Nevada is a leader in geothermal and solar power potential and much of the state is suitable for wind power development. The Colorado River, which forms Nevada's southern border, is a powerful hydroelectric power resource. Our state is already leading in per capita solar energy production. The federal government has shown commitment to the development of renewable energy and created solar investment tax credits that will continue to stimulate investment and job creation in the solar industry.

The State of Nevada has taken a leadership role in the nation's effort to reduce reliance on fossil fuels and foreign oil by becoming one of the first states in the nation to adopt a renewable portfolio standard (RPS). As part of our 1997 restructuring legislation, state law mandates that a significant portion of the energy Nevada sells to its customers comes from renewable sources. In the 2009 legislative session, Nevada renewed its commitment to energy independence by extending and increasing the RPS to 25% renewable energy by 2025 – this is one of the most RPS in the country.

In terms of reducing global carbon dioxide, which leads to global warming, alternatives to non-renewable energy sources such as coal, nuclear fission, and natural gas have many advantages including improved air quality and other potential environmental and health benefits. Generating renewable energy tends to be more expensive than traditional carbon-based energy production; however, the technology around renewable energy continues to improve production efficiencies and bring the cost of renewable sources closer to price parity with traditional energy production. Technological advances in renewable energy production will be a key factor in the long term success of this industry. Nevada is focused on supporting and creating state of the art research

and development facilities that will help incubate this process. Public-private partnerships and the engagement of the higher education community will lead to new technology being created in Nevada by Nevada institutions and companies.

To help facilitate the renewable projects required by the RPS, then 2009 legislature renewed and improved its financial incentive program for renewable energy generators. Projects are eligible for significant sales and payroll tax abatements. In addition, they are eligible for 55% property tax abatements for 20 years. This is a significant improvement over previous legislation and illustrates Nevada's proclivity to supporting these developments. Nevada understands that providing financial incentives to developers will significantly improve its chances of capturing market share for energy production. Other states are also increasing their financial incentive packages and it is a highly competitive environment.

Nevada is extremely fortunate to possess abundant renewable resources that can accommodate the development of technologies that include wind, geothermal, solar and biomass. Recently, The Geothermal Energy Association ranked Reno as one of the leading geothermal cities in the world. The great development potential positions Nevada as one of the top states for pursuing alternative energy. Many of the geothermal industry leaders are already doing business in Nevada and plan to expand operations in the near future.

A factor hindering the development of statewide renewable energy resources has been the fact that a significant portion of the area feasible for renewable energy generation is not currently connected to adequate transmission technology. Many measures have been taken to develop the necessary infrastructure to exploit the energy potential. For example, Gov. Jim Gibbons issued an Executive Order forming the Renewable Energy Transmission Access Advisory Committee (RETAAC) to advise policymakers on the most efficient means to access a transmission system grid that would enable transfer of energy across the state. Currently, the committee is implementing its recommendation to construct 14 transmission routes in Nevada.

Another encouraging development is the investment in a 250-mile transmission line that will connect NV Energy in Reno and Las Vegas. The transmission line will allow the companies to add new renewable resources and continue to diversify NV Energy's portfolio. Connecting NV Energy in the north and south will also allow solar power developed in Southern Nevada to be transmitted to Northern Nevada. The abundant geothermal power in Northern Nevada will also be transmitted to Southern Nevada across the same line. Research is also being done around state of the art "smart-grid" technology. Nevada has the ability to be a prime beta site for this new technology because of the wide variety of energy sources being used in the state. Smart grid technology transfers energy from generation facilities to cover peak energy consumption in a very efficient manner.

Not only is renewable energy a huge advantage for our state's future, but developing the industry in our state will also lead to job creation. With unemployment remaining high, bringing the entire renewable energy supply chain to the state will help create jobs, not only in the development and maintenance of the plants, but also in the manufacturing areas that will support the renewable energy industry and the research and development which provide new technology.

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*Mike Skaggs is the executive director of the Nevada Commission on Economic Development. NCED serves as a resource to businesses considering relocating to the state, planning expansion or for those interested in starting a new business. The NCED's goal is to maintain a diverse economic base, strive for a healthy economy through quality jobs and competitive wages, and provide a quality of life that attracts and retains businesses. More information on NCED and its mission can be accessed at [www.expand2nevada.com](http://www.expand2nevada.com).*