Tax Incentives Offered by the Governor’s Office of Energy

Governor’s Office of Energy
www.energy.nv.gov

Paul A. Thomsen
Director
Mission

- Ensure wise development of Nevada's energy resources in harmony with local economic needs
- Position Nevada to lead the nation in renewable energy production, energy conservation, and the exportation of energy
- GOE implements the laws of the state as defined by Nevada Revised Statutes
- Manage energy-related programs, facilitate cooperation between key stakeholders, and collaborate with local, regional, federal partners to ensure a reliable and sustainable energy system
- Advise Governor on energy policy
State Overview

- Nevada can require 8,000 MW of capacity during summer peak
- Approx. 66% is natural gas-fired, 14% is coal-fired, 20% is renewable
- Nevada’s energy mix is one of nation’s cleanest
- SB 123 requires replacement of coal-fired generation with 900 MW of cleaner energy by December 31, 2019

Presentation Overview

- Renewable Energy Tax Incentive Program
- Renewable Energy Fund (REF)
- LEED Tax Incentive Program
Renewable Energy Tax Incentive Program

- GOE awards partial sales and use tax and partial property tax incentives to eligible renewable energy producers (NRS 701A.300-450)

- GOE reviews applications, conducts public hearings to determine eligibility, and reviews annual compliance reports after incentives are granted

- Today, Nevada’s incentives are on par or worth more than federal incentives

- Projects that received GOE incentives created approximately 3,000 direct construction jobs, paying average wage of $37.30 per hour
Renewable Energy Tax Incentive Program

• Since the inception of the program, Nevada’s investment of $500 million has resulted in $5.5 billion in capital investment, payroll, and taxes, culminating in a 10-to-1 return on our investment

• 21 facilities have received an abatement

• To be eligible:
  • Projects must employ 50%+ Nevada workers
  • Pay 175% of Nevada’s average wage
  • Offer health care benefits to workers and dependents
Renewable Energy Fund (REF)

- Prior to 2013, 45% of taxes paid on eligible projects funded a portion of GOE’s budget (BA 4869)

  - 75% of the money received from the tax incentive program is used to offset cost or use of electricity by retail customers of a public utility subject to Renewable Portfolio Standard

  - 25% of the money received from the tax incentive program is used to pay administrative expenses

- Currently, a fee of $7,500 is collected to defer the cost of the program administration in lieu of a portion of taxes paid

- To date, two successful programs have launched utilizing REF funding and one program is awaiting legislative approval to launch
Renewable Energy Fund (REF)
H.E.R.O.S.

- $600,000 has been budgeted for the Home Energy Retrofit Opportunity for Seniors
- Provides an energy assessment of qualifying senior’s home and installation of up to $6,000 worth of recommended weatherization measures
- Reduces energy costs by improving energy efficiency at home

PCAAP

- $1 million has been budgeted for the Performance Contract Audit Assistance Program
- Funds the financial grade audit, the 1\textsuperscript{st} step in determining the viability of a performance contracting project
Renewable Energy Fund (REF) DEAL

- $1.5 million has been budgeted for the Direct Energy Assistance Loan program for state employees

- Will provide an interest-free loan for qualified employees for an energy assessment and the installation of up to $6,000 ($8,000 for veterans) worth of recommended weatherization measures

- Will reduce energy costs by improving energy efficiency at home
LEED Tax Incentive Program

- Since the inception of the program, Nevada’s investment of $107 million has resulted in $811 million in capital investment, culminating in a 8-to-1 return on our investment

- GOE awards partial property tax incentives to eligible LEED building owners (NRS 701A.100-115). To be eligible projects must meet LEED Silver, Gold, or Platinum certification

- Incentives range from 25% to 35% of property taxes paid for 5 to 10 years

- 44 building owners have received abatements, and 59 properties are currently registered with GOE and awaiting certification

- Projects are monitored by compliance report starting in year three. Currently, a fee of $1,750 is collected to defer cost of program administration
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