

WHAT IS A RENEWABLE PORTFOLIO STANDARD (RPS)?

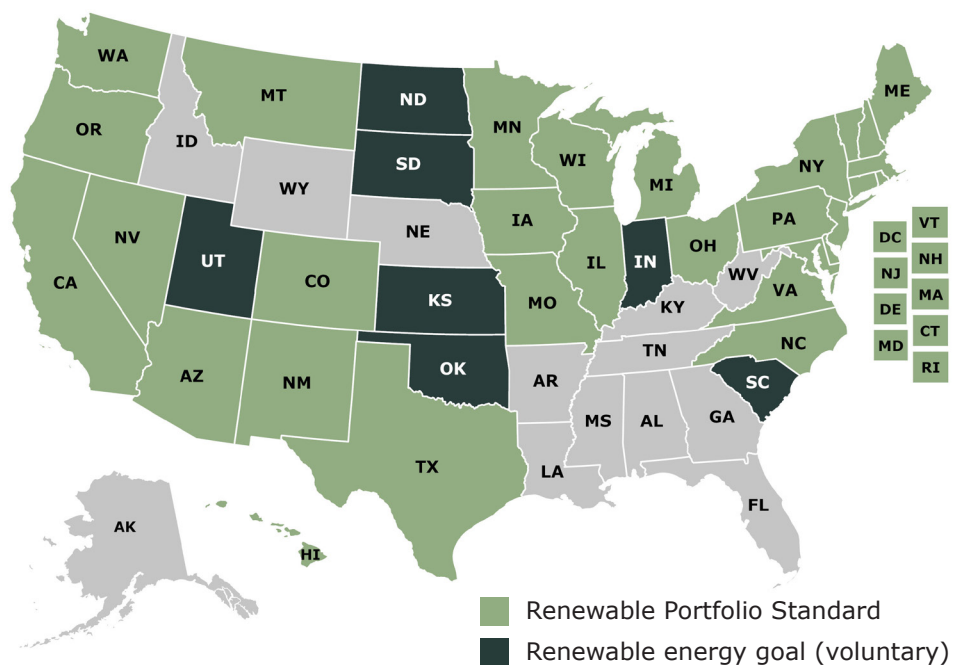
An RPS is a state-level regulatory policy requiring that a minimum amount of electricity sold to retail customers must come from renewable sources. Often the requirements are defined as a percentage of energy that must come from renewables by a given date, such as 22 percent by 2020. States define which technologies are eligible for RPS requirements, as well as which utilities are subject to them.

In Nevada, electric utilities must meet RPS requirements by generating or acquiring electricity from renewable sources including biomass, geothermal energy, solar energy, waterpower, and wind. Until 2025, part of the requirements may also be met by saving electricity with portfolio energy systems or energy efficiency measures.¹

WHICH STATES HAVE AN RPS?

According to the [National Conference of State Legislatures \(NCSL\)](#), Nevada is among the 37 states that have adopted an RPS or set renewable energy goals. Some policymakers have identified renewable energy targets as a way to generate more electricity in-state, increase economic development opportunities in local communities, and diversify the energy supply in order to provide stability for consumers.

STATES THAT HAVE ADOPTED AN RPS OR ESTABLISHED RENEWABLE ENERGY TARGETS, 2020



Source: [National Conference of State Legislatures](#)

In Nevada, RPS requirements may be met using:



biomass



solar



wind



geothermal



waterpower

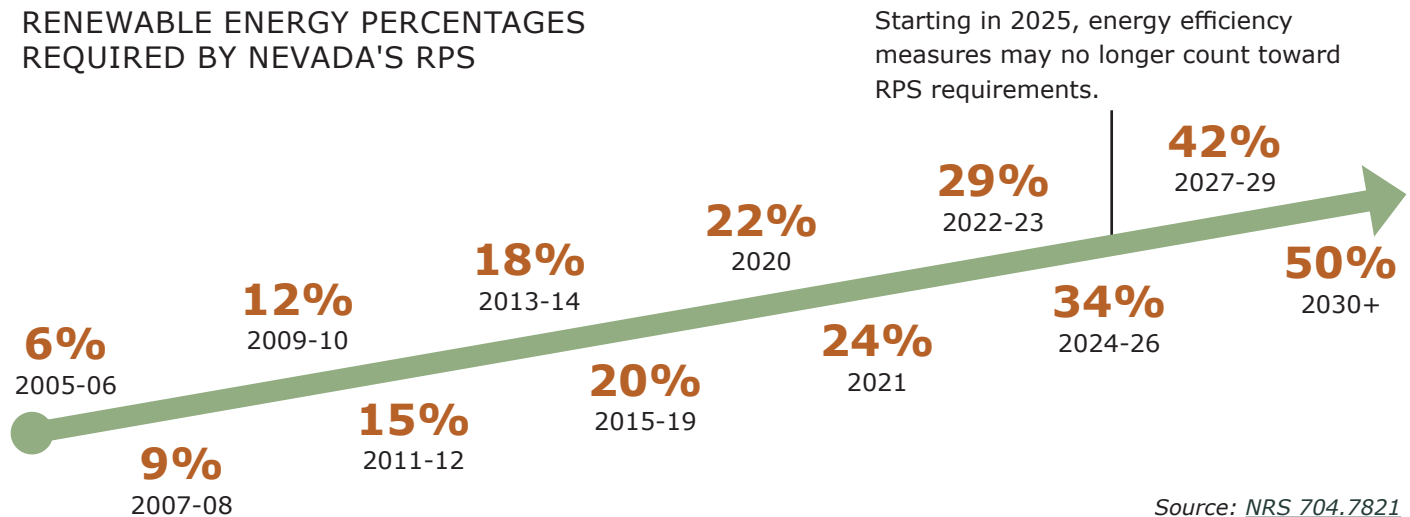
¹ [Senate Bill 252 of the 2013 Session](#) (codified as [NRS 704.7821](#)) established a schedule for reducing the extent to which energy efficiency can be used to comply with the RPS. In calendar years 2020 through 2024, no more than 10 percent of the requirement can be met using this method; beginning in calendar year 2025, energy efficiency may not be used to comply with the RPS.

WHAT IS NEVADA'S RPS POLICY?

In 1997, the Nevada Legislature adopted an RPS as part of its electricity restructuring legislation ([Assembly Bill 366](#)). Since then, the RPS has been modified several times, and it is now codified in [Nevada Revised Statutes \(NRS\) 704.7801 through 704.7828](#).

Currently, the percentage of renewable energy required by the RPS will increase incrementally until it reaches 50 percent in 2030.

RENEWABLE ENERGY PERCENTAGES REQUIRED BY NEVADA'S RPS



WHO MUST COMPLY WITH NEVADA'S RPS?

Public utilities—including cooperative associations, nonprofit corporations, and nonprofit associations—must comply with the RPS at certain levels of electricity generation ([NRS 704.7821](#)). Additionally, providers of electric service—defined as any person or entity that is in the business of selling electricity to retail customers for consumption in Nevada—must comply with the RPS, regardless of whether the person or entity is otherwise subject to regulation by the [Public Utilities Commission of Nevada \(PUCN\)](#) ([NRS 704.7808](#)).

WHO IS RESPONSIBLE FOR REGULATORY REVIEW AND COMPLIANCE?

PUCN

The PUCN reviews annual reports submitted by electric service providers to ensure compliance with the RPS. The reports must be submitted on or before July 1 of each year and must contain certain information as required in [NRS 704.7825](#). Penalties for failure to meet these requirements include fines or administrative actions.

The PUCN also has regulatory authority over the system of portfolio energy credits, including how those credits may be used to comply with the RPS. Finally, as the agency responsible for approving rate filings, the PUCN reviews requests regarding renewable energy investments by providers.

OFFICE OF ENERGY

The [Governor's Office of Energy](#) is responsible for receiving RPS compliance reports from electric service providers, such as the Colorado River Commission, that are not subject to the jurisdiction of the PUCN.

LEGISLATIVE ACTIONS: MAJOR CHANGES TO NEVADA'S RPS

1997

- Became the second state in the nation, after Iowa, to adopt an RPS ([AB 366](#)).

2005 (SPECIAL SESSION)

- Raised the RPS to 20 percent of sales by 2015.
- Allowed utilities to receive credits toward meeting the RPS by investing in certain energy efficiency measures. The contribution from such measures was capped at one-quarter of the total standard in any year ([AB 3](#)).

2013

- Revised the qualifications for a portfolio energy system to meet the RPS.
- Limited the use of savings achieved from energy efficiency measures to satisfy the RPS, and prohibited the use of such savings to satisfy the RPS starting in 2025 ([SB 252](#)).

2001

- Increased the incremental RPS requirements, setting them to rise by 2 percent every two years until reaching 15 percent of sales in 2013 ([SB 372](#)).

2009

- Increased the RPS to 25 percent by 2025 ([AB 387](#)).
- Raised the solar "carve-out"—a minimum percentage of the RPS requirement that must be generated from solar energy—from 5 percent to 6 percent beginning in 2016 ([SB 358](#)).

2019

- Increased the RPS to 50 percent by 2030.
- Expanded the definition of a provider of electric service for the purposes of compliance with the RPS.
- Modified the definition of renewable energy with respect to the kinds of waterpower that are considered renewable energy.
- Required cooperatives, nonprofit corporations, and associations supplying utility services solely for their own members to comply with the RPS ([SB 358](#)).

NEVADA'S LEGISLATIVE DECLARATION ON RENEWABLE ENERGY

With the passage of [Senate Bill 358](#), the 2019 Nevada Legislature declared:

...it is the policy of this State to:

- Encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State;
- Become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2050 an amount of energy production from zero carbon dioxide emission resources equal to the amount of electricity sold by providers of electric service in this State; and
- Ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State. Such benefits include, without limitation, improved air quality, reduced water use, a more diverse portfolio of resources for generating electricity, reduced fossil fuel consumption and more stable rates for retail customers of electric service.

OUTLOOK FOR RPS

Since the late 1990s, the Nevada Legislature has taken major steps to enact renewable energy policy in the state. Future advancements in renewable energy technology—along with potential issues such as adding carbon-free goals or mandates to Nevada’s RPS and creating a wholesale power market administered by an independent system operator in the western United States—may bring continued legislative activity during the 2021 Session and beyond.

*In **1997**, Nevada became the second state in the nation, after Iowa, to adopt an RPS.*

*By **2030**, according to Nevada's current RPS, 50% of the state's energy must come from renewable sources.*

MORE INFORMATION ABOUT RPS

NEVADA RESOURCES

State laws:

[NRS 704.7801 through 704.7828](#)

State regulations:

[Nevada Administrative Code 704.8831 through 704.8899](#)

["Renewable Portfolio Standard,"](#)
PUCN

NATIONAL RESOURCES

["State Renewable Portfolio Standards and Goals,"](#) NCSL

[Database of State Incentives for Renewable Energy \(DSIRE\)](#), North Carolina Clean Energy Technology Center