Renewable Energy System Development Program – SB184

RELATED EXISTING NRS FACTS OVERVIEW
Related Existing NRS

- Portfolio Standard
  NRS 704.7801

- System of Portfolio Energy Credits
  NRS 704.7821(4)

- Temporary Renewable Energy Development
  NRS 704.7827

- Renewable energy system - Defined
  NRS 704.7815
Portfolio Standard

- Established in 1997.
- Requires a certain % of an electric utility’s retail sales come from Renewable Energy.
- Utilities may construct their own renewable energy systems, or
- Buy Portfolio Energy Credits (PCs) earned from renewable energy systems built in Nevada, or elsewhere...
Nevada Power missed the Portfolio quota by 1 Billion PCs, borrowed 500 Million PCs from Sierra Pacific and was fined $192,000 for the shortfall. The PUCN waived the fine in favor of spending it on a school solar PV system.

At NV Energy’s default offer rate to individual system owners (5.5 cents per PC) compliance would have cost the TRED trust $27,500,000.
The 2009 500 Million PC shortfall was carried over and added to the 2010 quota.

The 2010 Portfolio Standard compliance report is due to the PUCN by April 1, 2011.

NV Energy projected that in 2010 they would buy 1.49 Billion PCs from out of state systems, said to be feeding into Nevada.
2011 15% Portfolio Quota

- 11.25% (3/4th of the 15%) 3.15 Billion Kilowatt-hours of the 28 Billion Kilowatt-hours sold to retail customers must come from Renewable Energy.
- 3.75% (1/4th of the 15%) 1.1 Billion PCs, can come from utility Energy Efficiency programs.
- Any Shortfall from 2010 will be added.
System of Portfolio Energy Credits

- System for measuring the bonuses earned by a Renewable Energy System.
- PCs are units used to measure utilities compliance with the Portfolio Standard.
- One Kilowatt-hour of Electricity Generated by a Renewable Energy System Equals One Portfolio Energy Credit (PC)
- Value for non-tangible “Green Attributes” that can be sold separately from electricity.
- Often confused for net excess generation credit of a Net Meter connected system.
NVTREC.COM

- System owner reports system output to PUCN via NVTREC.COM.
- Utility can make offers for PCs registered on NVTREC.COM.
- NVTREC.COM and The System of Portfolio Energy Credits has never been publicized or standard offers established.
Utility can buy RECs from WREGIS.ORG, a regional tracking site used by some states.

One-thousand PCs equals One Renewable Energy Credit (REC, used in other markets)

Also called Tradable REC, Green Tag, Solar REC, Renewable Energy Certificate

NV Energy uses WREGIS to buy out-of-state RECs.
Standard Offer Adds Certainty

- Utility determines the schedule, rate and whether or not to make an offer for PCs.
- NV Energy default offer for PCs from distributed solar is 2.5 cents x Solar Multiplier and 5.5 cents for all other renewable energy systems.
Temporary Renewable Energy Development Program - TRED

- Trust Fund to Buy Renewable Energy & PCs
- Intended to support utility credit worthiness.
- Each NV Energy bill includes a TRED charge to collect funds for each kilowatt-hour at a fraction of a penny that is deposited into the TRED Trust Fund.
Current TRED Rate times 2010 Retail Sales

North $ 0.00123 \times 8,111,005,000 = \$ 9,976,536

South $ 0.00078 \times 20,874,596,000 = \$ 16,282,185

Projected 2011 Total Fund $ 26,258,721
“Renewable energy system” means:

- A facility or energy system that uses renewable energy or energy from a qualified energy recovery process to generate electricity and:
  - Uses that electricity in this State; or
  - Out-of-State that Delivers to Nevada Utility, &
  - Net Metered Systems.