

Monday, May 17, 2021

Dallas Harris
Chair, Senate Growth and Infrastructure
401 S. Carson St.
Carson City, NV 89701

Chris Brooks
Vice Chair, Senate Growth and Infrastructure
401 S. Carson St.
Carson City, NV 89701

RE: Advanced Energy Economy Support for SB 448

Dear Chair Harris, Vice Chair Brooks, and Members of the Committee,

Advanced Energy Economy (AEE) is a national association of businesses that are making the energy we use secure, clean, and affordable. Advanced energy includes a full range of energy technologies and services, both grid-scale and distributed, such as energy efficiency, demand response, energy storage, wind, solar, hydro, geothermal, electric vehicle manufacturers and service providers, and more.

AEE supports SB 448, which would jumpstart significant investment in transportation electrification and provide long-term framework for sustained industry development, require electric utilities to join a Regional Transmission Organization (RTO) by 2030, align transmission and resource planning policies with state goals, create tax parity for energy storage systems, ensure greater energy efficiency spending on historically underserved communities, and more.

SB 448 is an appropriately ambitious piece of legislation to help the state harness the growing clean energy industry for its economic recovery and diversification. This bill will create high-quality and family-sustaining jobs, lower energy costs, and increase private industry investment in the state. The bill will also enhance grid reliability and resilience, allow for more renewable energy integration, and ensure long-term energy affordability into the future.

The advanced energy industry provided Nevadans with nearly 34,000 jobs and strong year over year growth before the pandemic.¹ Additional modeling conducted by The Analysis Group for AEE demonstrated that investment across a broad spectrum of advanced energy technologies, including electric vehicles, energy efficiency, wind, solar, energy storage, and transmission can provide the state with a six-fold return on investment.² Additional benefits include both short-term local construction and

¹ 2019 Nevada Advanced Energy Jobs Fact Sheet (2019), available at <https://info.aee.net/nevada-advanced-energy-jobs-facts-2019>

² Economic Impact of Stimulus Investment in Advanced Energy (2020), available at <https://info.aee.net/economic-impact-of-stimulus-investment-in-advanced-energy-for-nevada>

installation jobs, ongoing maintenance and operations positions, energy bill savings, new local and state tax revenues, and overall gross state product growth.

Specifically, the investment in transportation electrification charging infrastructure complements other state efforts, like the Nevada Clean Cars Initiative, to expand the availability of electric vehicles (EV). Access to charging is perhaps the biggest barrier to driving electric, and ubiquitous charging stations along highways, in urban depots, at tourism and recreation destinations, and within historically underserved communities, will greatly expand EV access. Allowing public and private fleets access to incentive programs will help the light-, medium-, and heavy-duty electric transportation sectors rapidly scale, and setting up a long-term framework for investment will ensure that Nevada is a place for continued attention from this growth industry.

Directing electric utilities to join a Regional Transmission Organization by 2030 secures a modern, efficient, and affordable clean energy future for Nevada. It will lower energy costs for ratepayers by streamlining transmission planning, optimizing development and retirement of generation resources, and using competitive market forces to select the least-cost electricity for ratepayers across the region. A RTO allows for greater renewable energy integration and enhanced grid resilience. As a state with abundant renewable resources and a geographically-central location, Nevada will be well-served by this effort.

Investments in transmission and grid regionalization, along with additional clean energy and transportation options, make Nevada an attractive place for new businesses to locate. Especially for Fortune 500 companies and data centers looking to power their operations with renewable energy, presence of a Regional Transmission Organization is foundational for attractive clean energy customer offerings and low-cost, zero-emission, reliable electricity.

AEE appreciates your consideration of this transformational bill and asks for your support.

Best regards,



Sarah Steinberg

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Policy Principal

Advanced Energy Economy



WHY NEVADA NEEDS TO PLAN FOR A REGIONAL GRID NOW

As Nevada transitions to a modern, high-performing grid underpinned by a diverse energy mix, stronger collaboration with other states can deepen energy cost savings and enhance reliability while making sure the electrical grid serves customers efficiently. Harnessing a market-driven regional approach to coordinate energy resource-sharing between Nevada and neighboring states will save ratepayer dollars and significantly reduce pollution while helping keep the lights on during extreme weather events. An expanded regional grid also offers significant economic opportunity for the state by putting Nevada back to work in good infrastructure jobs and driving local economic growth. Taking a leadership role on the formation of a competitive, regionally integrated energy market in the West will lead to more business growth and jobs in the state.

These benefits to Nevadans are magnified by joining a Regional Transmission Organization (RTO). But without sending the right market signal through clear policy direction, Nevada risks losing out on private advanced energy investment, foregoing potential cost savings for utility customers, and falling behind on its decarbonization goals. The state needs a regional grid to secure Nevada's modern, efficient, and affordable energy future.

LOWER ENERGY COSTS FOR ALL RATEPAYERS

Achieving greater coordination in the West through a full RTO – which would enable streamlined transmission planning, optimized build out and retirement of generation resources, and increased transparency to move around energy to where it is needed most – would maximize cost savings and other benefits well above those already realized by the Western Energy Imbalance Market (EIM), which only facilitates quick, real-time energy transactions. According to a recent study produced by the Utah Governor's Office of Energy Development, a Western RTO would save the region more than \$1.2 billion annually in electricity costs. A more interconnected, dynamic grid operating across a broader geographic footprint increases efficiency throughout the energy system, ultimately benefitting all ratepayers by leveraging the lowest-cost energy resources to satisfy market demand. With wind, solar, and energy storage costs continuing to fall, a transparent and competitive RTO structure would ensure that these resources compete on a level playing field and support Nevada's clean energy goals in the most cost-effective manner.

RELIABLE, AFFORDABLE ENERGY DURING SEVERE WEATHER EVENTS AND OUTAGES

In just the past year alone, millions of Americans have experienced unprecedented threats to grid reliability due to natural disasters such as wildfires, deep freezes, and extreme heat. In these moments of crisis, maintaining electricity is not just a luxury, it is an imperative. A well-designed regionally integrated grid, strengthened by additional transmission capacity, would improve resilience and help future-proof Nevada's system to withstand severe weather conditions, mitigate climate risks, and dynamically respond to grid disruptions. By broadening the pool of energy resources available to provide power during times of critical need and coordinating regional energy needs in advance of extreme weather events, a well-designed RTO is better equipped to mitigate the impacts of prolonged outages.

NEW ECONOMIC DEVELOPMENT THROUGH INFRASTRUCTURE INVESTMENT AND CUSTOMER-DRIVEN CLEAN ENERGY DEPLOYMENT

Upgrading and expanding Nevada's transmission infrastructure will stimulate the local and regional economy by boosting in-state jobs. Improved transmission capacity will also incentivize new development of renewable energy and storage projects, resulting in new supplemental revenue streams for communities and the state as a whole. Moreover, an expanded competitive energy market will attract new private investment capital to the state. Large energy buyers, including Fortune 500 corporations with aggressive sustainability targets, have already purchased more than 24 gigawatts of renewable energy capacity nationwide, and an overwhelming majority of these projects are deployed in regions with established RTO markets that provide buyers with more options to source clean, low cost electricity. Joining an RTO will put Nevada in a greater position to capitalize on its resource strengths and drive economic development in communities where projects are located.

REGIONAL LEADERSHIP ON ADVANCED ENERGY

Nevada is one of several states across the West, including Arizona, Colorado, Utah, and New Mexico, actively exploring the benefits of moving to a regional market structure. Among these states, there is growing recognition that strategic cooperation, rather than isolation, is a better way to build resilience, encourage continuous innovation, and realize economic gains. By proactively putting the right pieces in place now, Nevada can claim a leadership role in future multi-state discussions around expanded energy markets. Nevada's competitive edge in the region only stands to grow by embracing a big picture, market-driven approach to decarbonization that puts customers, jobs, and resource reliability at the center.

