

STATE QUESTION NO. 6

Amendment to the *Nevada Constitution*

CONDENSATION (Ballot Question)

Shall Article 4 of the *Nevada Constitution* be amended to require, beginning in calendar year 2022, that all providers of electric utility services who sell electricity to retail customers for consumption in Nevada generate or acquire incrementally larger percentages of electricity from renewable energy resources so that by calendar year 2030 not less than 50 percent of the total amount of electricity sold by each provider to its retail customers in Nevada comes from renewable energy resources?

Yes

No

EXPLANATION & DIGEST

EXPLANATION—This ballot measure proposes to amend Article 4 of the *Nevada Constitution* to require all providers of electric utility services that sell electricity to retail customers for consumption in Nevada to meet a Renewable Portfolio Standard (RPS) that would go into effect beginning in calendar year 2022 and increase gradually until the RPS reaches 50 percent in calendar year 2030. According to the Public Utilities Commission of Nevada, an RPS establishes the percentage of electricity sold by an electric utility to retail customers that must come from renewable sources.

The measure requires the Nevada Legislature to provide by law for provisions, consistent with the language of the ballot measure, to implement the requirements of the constitutional amendment. These requirements include a mandate that each provider of electric utility service that sells electricity to retail customers for consumption in Nevada must generate or acquire electricity from renewable energy resources in an amount that is:

- For calendar years 2022 and 2023, not less than 26 percent of the total amount of electricity sold by the provider to retail customers in Nevada during that calendar year;
- For calendar years 2024 through 2026, inclusive, not less than 34 percent of the total amount of electricity sold by the provider to retail customers in Nevada during that calendar year;
- For calendar years 2027 through 2029, inclusive, not less than 42 percent of the total amount of electricity sold by the provider to retail customers in Nevada during that calendar year; and
- For calendar year 2030 and each calendar year thereafter, not less than 50 percent of the total amount of electricity sold by the provider to retail customers in Nevada during that calendar year.

The Nevada Legislature would have until July 1, 2021 to pass any law required to carry out the provisions of the constitutional amendment. Renewable energy resources is not specifically defined in the ballot measure; however, the language of the ballot measure indicates that renewable energy resources include solar, geothermal, wind, biomass, and waterpower.

The measure also contains a statement of policy that declares it is the policy of Nevada that people and entities that sell electricity to retail customers in Nevada be required to obtain an increasing amount of their electricity from renewable energy resources such as solar, geothermal, and wind. The statement of policy also declares that increasing renewable energy will reduce Nevada’s reliance on fossil fuel-fired power plants, which will benefit Nevadans by improving air quality and public health, reducing water use, reducing exposure to volatile fossil fuel prices and supply disruptions, and providing a more diverse portfolio of resources for generating electricity.

A “Yes” vote would amend Article 4 of the *Nevada Constitution* to require all providers of electric utility services that sell electricity to retail customers for consumption in Nevada to generate or acquire an increasing percentage of electricity from renewable energy resources so that by calendar year 2030 not less than 50 percent of the total amount of electricity sold by each provider to its retail customers in Nevada comes from renewable energy resources.

A “No” vote would retain the provisions of Article 4 of the *Nevada Constitution* in their current form. These provisions do not require all providers of electric utility services that sell electricity to retail customers for consumption in Nevada to generate or acquire an increasing percentage of electricity from renewable energy resources.

DIGEST—Nevada’s current Renewable Portfolio Standard (RPS) law is found in Chapter 704 of the *Nevada Revised Statutes* (NRS). Under current law, each provider of electric service in Nevada must generate, acquire, or save electricity from a renewable energy system or efficiency measures in an amount that is not less than 20 percent of the total amount of electricity the provider sells to retail customers in Nevada during the calendar year. Pursuant to current law, the RPS will increase to 22 percent for calendar years 2020 through 2024, inclusive, and finally it will increase to 25 percent for calendar year 2025 and each calendar year thereafter.

Approval of this ballot question would not change Nevada’s current RPS law found in Chapter 704 of NRS. Instead, approval of this ballot question would add a provision to the *Nevada Constitution* that requires the Nevada Legislature, not later than July 1, 2021, to provide by law for provisions to implement the requirements of the constitutional amendment described in the Explanation in the previous section.

ARGUMENTS FOR PASSAGE

The Renewable Energy Promotion Initiative

Question 6 would require electricity providers to get at least 50 percent of Nevada’s electricity from renewable sources like solar, wind, and geothermal by the year 2030. Nevada is one of America’s sunniest states¹, yet we get only 20 percent² of our power from clean, renewable sources like solar. Instead, we spend \$700 million a year to import dirty fossil fuels from other states.³ Question 6 would change that.

A ‘YES’ vote on Question 6 would *provide a guarantee* that electricity suppliers get more electricity from renewable sources like solar. While Question 3 is a complicated debate about which utility companies will provide our electricity, Question 6 is simple. It is the only measure on the ballot that would guarantee we get more of our energy from renewable sources like solar and wind.

A ‘YES’ vote on Question 6 would *ensure cleaner air and healthier families*. By replacing dirty fossil fuels with clean energy, Question 6 would reduce emissions of toxic pollutants like sulfur dioxide that make our air less safe to breathe. Scientists have found that improved air quality will reduce asthma attacks and other respiratory illnesses⁴, and these health benefits will result in fewer hospital visits and school absences, saving Nevadans \$20 million per year.⁵

A ‘YES’ vote on Question 6 would *boost our economy*. Instead of sending \$700 million a year to other states for fossil fuels, Question 6 would lead to \$6.2 billion dollars of investment in Nevada and create 10 thousand new jobs.⁶

A ‘YES’ vote on Question 6 would *save Nevadans money*. The cost of clean energy is already cheaper than dirty energy sources: electricity from a new large-scale solar power plant in Nevada is 45 to 70 percent cheaper than electricity from a new power plant fueled with out-of-state gas.^{7,8} The cost of energy storage is declining fast⁹, making solar an even more attractive option.

Question 6 would leave a healthier, economically vibrant Nevada for future generations. We urge you to vote ‘YES’ on Question 6.

The above argument was submitted by the Ballot Question Committee composed of citizens in favor of this question as provided for in NRS 293.252. Committee members: Dylan Sullivan, Warren Hardy, and Bob Johnston. Pursuant to NRS 293.252(5)(f), the Committee does not believe the measure will have any negative fiscal impact. This argument, with active hyperlinks, can also be found at www.nvsos.gov.

¹<http://wonder.cdc.gov/NASA-INSOLAR.html>

²<https://www.eia.gov/electricity/monthly/archive/february2018.pdf>

³<https://www.eia.gov/state/data.php?sid=NV#ConsumptionExpenditures>

⁴<https://www.ucsusa.org/clean-energy/renewable-energy/public-benefits-of-renewable-power#bf-toc-1>

⁵<https://www.nrdc.org/experts/dylan-sullivan/50-renewables-nv-will-boost-investment-cut-pollution>

⁶Id.

⁷<https://www.lazard.com/perspective/levelized-cost-of-energy-2017/>

⁸<https://www.utilitydive.com/news/nv-energy-23-cent-solar-contract-could-set-new-price-record/525610/>

⁹<https://about.bnef.com/blog/tumbling-costs-wind-solar-batteries-squeezing-fossil-fuels/>

REBUTTAL TO ARGUMENTS FOR PASSAGE

The proponent’s argument established why we *don’t* need these energy ballot measures: their citation¹ demonstrates that energy mandates are reckless.

Funny fact: California pays Nevada to accept excess solar energy from *their* grid glut.² Do we want to become California, paying exorbitant energy bills caused by poor policy?³

Nevada applies steadiness to guide our industrious State towards renewable self-sufficiency. Representatives you vote for dutifully implement appropriate guidelines to adapt safe, reliable, affordable energy. Progress continues to advance within the renewable industry besieged with infancy. Allowing outsiders to handcuff Nevada is misguided.

Sad fact: California wild fires create vast amounts of Nevada's poor air quality.⁴ California should manage its forests instead of telling Nevadans what to do.

Don't fall prey to an impatient out-of-state billionaire with previous questionable motives.^{5,6} Say no to this outsider pouring millions of dollars⁷ into a PAC he personally started⁸ to rewrite⁹ our State Constitution.

Nevada's at the forefront of providing renewable energy¹⁰ while charging rates far below national average.¹¹ Vote 'NO' against schemes to remove money from hard-working Nevadans. Local prosperity demands prudence on *our* part.

Home means Nevada! Let Nevadans decide, not some San Francisco billionaire. Vote 'NO' on Ballot Question 6.

The above rebuttal was submitted by the Ballot Question Committee composed of citizens opposed to this question as provided for in NRS 293.252. Committee members: Don Gustavson (Chair) and Jerry Stacy. This rebuttal, with active hyperlinks, can also be found at www.nvsos.gov.

¹<https://www.utilitydive.com/news/nv-energy-23-cent-solar-contract-could-set-new-price-record/525610/>

²<https://www.mnn.com/earth-matters/energy/blogs/california-generating-so-much-solar-energy-its-paying-other-states-take-it>

³<https://www.cnbc.com/2017/02/06/californias-electricity-glut-residents-pay-more-than-national-average.html>

⁴<https://knpr.org/headline/2018-08/california-wildfires-cause-poor-air-quality-nevada>

⁵<http://www.foxnews.com/politics/2013/06/27/critics-accuse-keystone-foe-hypocrisy-over-oil-investment-history.html>

⁶<https://www.washingtontimes.com/news/2014/mar/27/lee-terry-billionaire-poised-profit-block-keystone/>

⁷<https://www.opensecrets.org/donor-lookup/results?name=Thomas+Steyer&cycle=&state=&zip=&employ=&cand=NextGen+Climate+Action>

⁸<https://www.crunchbase.com/organization/nextgen-climate>

⁹<https://www.nvsos.gov/SOSCandidateServices/AnonymousAccess/ViewCCEReport.aspx?syn=UGxq7tc4feLYMWu1%252bW5FNw%253d%253d>

¹⁰<https://www.nvenergy.com/about-nvenergy/news/news-releases/nv-energy-exceeds-nevadas-renewable-requirement-for-eighth-straight-year>

ARGUMENTS AGAINST PASSAGE

A constitutional mandate dictating energy policy is unnecessary and risky. Nevada's current Renewable Portfolio Standard is already set to increase to 25 percent by 2025.¹ This steady approach was carefully studied and executed by Nevada lawmakers and approved by the governor² to invest in Nevada's future to become the world's leader in renewable energy while at the same time protecting Nevadans against out-of-control rate hikes.

Passage of Question 6 would pour concrete language into the Nevada Constitution and recklessly pave a path putting ratepayers at risk by erasing Nevada's legislative ability to judiciously apply its own adjustments to our current Renewable Portfolio Standard.

Governor Sandoval expressed it best regarding a similar failed measure that proposed to confine the types of energy consumption Nevadans should be forced to rely on, when he wrote, "*If these aggressive new energy policies are enacted, it is the ratepayer who bears the risk of increased rates.*"³

Green technology continues to evolve, and cost-effectiveness for storage and delivery continues to improve. Meanwhile, renewable energy is still dealing with birth pains. The representatives you vote for are better positioned to protect you when they're allowed to induct renewable energy policies based on merits, rather than mandates that serve to punish consumers and impose flawed policies.

The Nevada Legislature adopted its first Renewable Portfolio Standard in 1997.⁴ Higher standards were legislatively adjusted as technology improved.⁵ Prudence and patience are exercised to encourage innovation while protecting ratepayers. To do otherwise is to asphyxiate innovation and jeopardize the affordable supply of reliable energy Nevadans are currently allowed to purchase.

An energy crisis does not exist in Nevada. Ratepayers currently enjoy safe reliable delivery of energy at rates that are far below the national average.⁶ Do not confine choice by allowing the attachment of restrictive mandates into our Constitution. If renewable energy was already at a stage of superiority capable of competing on price, it wouldn't demand a constitutional mandate.

Nevada is better served by a legislative process that safely adjusts the proportional quantities of Nevada's power usage as technological developments continue to advance. Question 6 proposes to rip away our safety net by mandating rigid timeframes that removes the ability to consider ratepayer protections and impending technological improvements.

Mandates are unbending and unforgiving. The passage of Question 6 threatens to repress future innovation and wound our efficiency. Defend Nevada consumers by voting no on Ballot Question 6.

The above argument was submitted by the Ballot Question Committee composed of citizens opposed to this question as provided for in NRS 293.252. Committee members: Don Gustavson (Chair) and Jerry Stacy. This argument, with active hyperlinks, can also be found at www.nvsos.gov.

¹http://puc.nv.gov/Renewable_Energy/Portfolio_Standard/

²<https://www.leg.state.nv.us/Session/75th2009/Reports/history.cfm?ID=768>

³https://www.leg.state.nv.us/Session/79th2017/Reports/VetoMessages/AB206_79th_VetoMessage.pdf

⁴<https://www.leg.state.nv.us/NRS/NRS-704.html#NRS704Sec7801>

⁵https://www.leg.state.nv.us/Session/75th2009/Bills/AB/AB387_EN.pdf

⁶https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

REBUTTAL TO ARGUMENTS AGAINST PASSAGE

Nevada was a national leader when we established our renewable energy standard in 1997, but even with 300 days of sun, we are still getting just 20% of our electricity from renewable energy¹ — and now we're falling behind.

Thirteen states, including Colorado and Oregon, have renewable standards stronger than Nevada's, and five have recently passed standards the same or higher than the one proposed here.² These states are seeing solar and wind energy expand quickly, driving innovation, boosting their economies, and providing electricity at much cheaper prices than anyone had imagined just a few years ago.

In fact, since lawmakers last raised Nevada's standard in 2009³, the cost of solar has fallen 86%⁴, and it's only getting cheaper. Economists say that wind and solar will be soon be significantly less expensive than fossil fuels⁵ — after all, the wind and sun are free.

Nevada voters need to act, because we can't rely on big energy companies alone to take action. Question 6 is the only measure on the ballot that will guarantee electric utilities keep their promise to move us to renewable energy, while maintaining flexibility so future legislatures can raise standards as technology improves.

Vote 'YES' on Question 6.

The above rebuttal was submitted by the Ballot Question Committee composed of citizens in favor of this question as provided for in NRS 293.252. Committee members: Dylan Sullivan, Warren Hardy, and Bob Johnston. Pursuant to NRS 293.252(5)(f), the Committee does not believe the measure will have any negative fiscal impact. This rebuttal, with active hyperlinks, can also be found at www.nvsos.gov.

¹<https://www.eia.gov/electricity/state/nevada/>

²<http://eta-publications.lbl.gov/sites/default/files/2017-annual-rps-summary-report.pdf>

³<https://www.leg.state.nv.us/Statutes/75th2009/Stats200914.html#Stats200914page1399>

⁴<https://www.lazard.com/media/450337/lazard-levelized-cost-of-energy-version-110.pdf>

⁵<https://www.usatoday.com/story/money/energy/2018/04/04/energy-costs-renewables-close-fossil-fuels-challenging-price/485210002/>

FISCAL NOTE

FINANCIAL IMPACT – CANNOT BE DETERMINED

OVERVIEW

Question 6 proposes to amend Article 4 of the *Nevada Constitution* by adding a new section that would create a minimum standard for the amount of electricity generated or acquired from renewable resources by each provider of electric utility service that is engaged in the business of selling electricity to retail customers in Nevada. The minimum standard would begin at 26 percent of all electricity sold at retail in Nevada in 2022 and would increase incrementally in successive calendar years until the standard reaches 50 percent of all electricity sold at retail in Nevada in 2030. The Legislature would be required to pass legislation to implement these requirements no later than July 1, 2021.

FINANCIAL IMPACT OF QUESTION 6

Pursuant to Article 19, Section 4 of the *Nevada Constitution*, a ballot question proposing to amend the *Nevada Constitution* must be approved by the voters at two successive general elections in order to become a part of the *Constitution*. If Question 6 is approved by voters at the November 2018 and November 2020 General Elections, the provisions of the question would become effective on the fourth Thursday of November 2020 (November 26, 2020), when the votes are canvassed by the Supreme Court pursuant to NRS 293.395.

The Fiscal Analysis Division cannot determine how the constitutional provisions of Question 6 will be implemented by the Legislature or which state agencies will be tasked with implementing and administering any laws relating to increasing electricity from renewable energy sources. Thus, the Fiscal Analysis Division cannot determine the impact upon state government with any reasonable degree of certainty.

Additionally, the passage of Question 6 may have an effect upon the cost of electricity sold in Nevada, including the electricity that is purchased and consumed by state and local government entities. The Fiscal Analysis Division is unable to predict the effect that these provisions may have on the cost of electricity in Nevada beginning in calendar year 2022 or the amount of electricity that may be consumed by these government entities beginning in that calendar year; thus, the financial effect upon state and local governments with respect to potential changes in electricity costs cannot be determined with any reasonable degree of certainty.

Prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau – August 7, 2018