

**Churchill County
Agenda Report**

Date Submitted: February 11, 2008

Agenda Item:

Consent # D

Agenda Date Requested: February 20, 2008

To: Board of Churchill County Commissioners

From: Pamela D. Moore, Administrative Aide to the Board of County Commissioners

Subject Title: Sierra Pacific Power Company provides a copy of a Las Vegas Review-Journal article entitled "Renewables Can't Do It All" regarding renewable energy.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other – Informational Only


Does this action require a Business Impact Statement? No


Recommended Board Action: None.

Discussion: Sierra Pacific Power Company provides a copy of a Las Vegas Review-Journal article entitled "Renewables Can't Do It All" regarding renewable energy. The article is attached for review.

Prepared By: _____ Date: February 11, 2008
Pamela D. Moore, Administrative Aide

Reviewed By: _____ Date: _____, 2008
Brad Goetsch, Churchill County Manager

 _____ Date: 2/11, 2008
Rusty Jardine, Churchill County Civil Deputy Attorney

 _____ Date: 2/11/08, 2008
Alan Kalt, Churchill County Comptroller

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

OPINION AND COMMENTARY
FROM OUR READERS

NEVADA VIEWS

Renewables can't do it all

A balanced energy portfolio is best for state

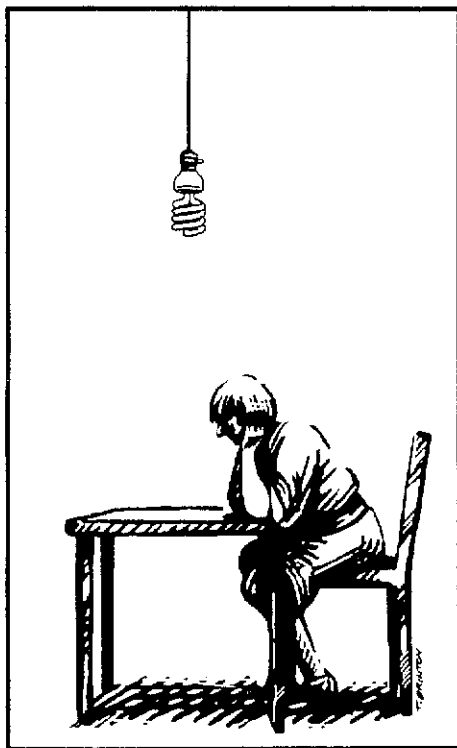
By MICHAEL YACKIRA
SPECIAL TO THE REVIEW JOURNAL

There has been much debate recently regarding Nevada's energy future. Electricity supply is a vital challenge for our growing state, and our response to this issue will help shape the economic future. Providing a reliable electricity supply is a complex process that involves environmental and reliability considerations as well as cost issues that impact everyone.

I believe that there is no single energy resource or solution that can do the job alone. Some have suggested that Nevada should rely exclusively on renewable energy sources such as geothermal, solar and wind power. Often missing from this dialogue is a realistic view of the challenges we face in developing renewable energy resources, along with the issues of reliability and cost.

Our utilities — Nevada Power Co. in Southern Nevada and Sierra Pacific Power Co. in the north — are committed to furthering the development of renewable energy. Our customers in Northern Nevada have been using geothermal power since the mid-1980s. In fact, Nevada leads the nation in geothermal capacity per capita and was one of the first states to require utilities to invest in renewable energy.

More recently, we have experienced strong progress in solar energy. Nevada Solar One, a 64-megawatt solar power plant near Boulder



City and the largest of its kind built since the early 1990s, began producing electricity last year. And with the recent completion of a 14-megawatt solar plant at Nellis Air Force Base, Nevada is now the No. 1 state in the nation for solar power on a per capita basis. Although our state's renewable resources are abundant — and more renewable energy is on the way — most renewable resources have inherent limits because they are not available 100 percent of the time. Our

customers continue to need electricity when the sun isn't shining and the wind isn't blowing. We also have an obligation to keep electricity prices reasonable and predictable. While some forms of renewable energy are priced competitively, others are far more expensive. That expense is exacerbated by the need to provide backup supplies. In other words, when the wind is not blowing sufficiently to produce power, traditional power plants must

be ready and available to keep the lights on and the air conditioners running in the summertime.

Our company believes that renewable energy is an important component of a balanced portfolio of supply alternatives. It therefore plays a prominent role in our plans to serve Nevada's needs now and in the future. But if we bet Nevada's energy future solely on renewable resources, prices will increase and reliability will decrease.

Our answer is a comprehensive, three-part strategy that balances conservation and energy efficiency, renewable energy and new fossil-fueled power plants.

Over the next three years we expect to spend at least \$135 million on conservation and energy efficiency. During 2007 alone, our programs saved almost 200 million kilowatt hours statewide and helped customers reduce their power bills, second only to California in reducing consumption per customer.

Since the beginning of 2006, we have more than doubled our owned power generating capacity, building power plants in Nevada for Nevadans. And we're adding even more, both here in Las Vegas as well as in Northern Nevada. When we complete our gas-fueled Tracy energy center near Reno this spring, Northern Nevada will virtually be energy self-sufficient.

Our strategy also includes the coal-fueled Ely Energy Center being developed in White Pine County. The first phase of this project will generate 1,500 megawatts of electricity and help us meet and sustain Nevada's extraordinary growth.

Because Nevada is the fastest growing state, extraordinary amounts of power are needed to keep up

with demand. The new coal technology planned at Ely, which will meet or exceed air quality requirements, will go a long way toward meeting those demands in a clean and sustainable way.

In fact, when we open, it will be the cleanest coal plant in the nation.

It should not be overlooked that coal is our nation's most abundant fuel resource and it can stabilize electricity costs because wholesale prices for coal are more predictable than prices for natural gas. At present, we rely extensively on natural gas markets that are prone to price fluctuations. Coal will help balance our supply portfolio and mitigate this risk.

The Ely project includes a 250-mile transmission line that will enable our two utilities to share power resources for the first time. And this line will provide a pathway to move new supplies of renewable energy between north and south, wherever they are most needed. Equally important is the fact that the Ely Energy Center will allow our company to close older, less-efficient coal plants in Southern Nevada. The ultimate result will be a significant decrease in greenhouse gas emissions.

In summary, Sierra Pacific Resources is very scrupulous about being good stewards of the environment and is dedicated to providing our customers with reliable electricity at reasonable and predictable prices. Over the past several months, Nevada's energy future has been debated loudly and furiously. I respectfully request that citizens examine all the facts before taking sides on these important issues.

Michael Yackira is president and chief executive officer of Sierra Pacific Resources, the parent company of Nevada Power.