15-07041

Public Utilities Commission of Nevada

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Filed For: State Senator Aaron D Ford

In accordance with NRS Chapter 719,
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by: /s PeterKoltak

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State Senator Aaron D Ford

AARON D. FORD
SENATOR
District No. 11

SENATE DEMOCRATIC LEADER

COMMITTEES:
Member
Judiciary
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State of Nevada
Senate

Seventy-Eighth Session

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January 6, 2016

Commissioner David Noble
Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701-3109

Re: Net Energy Metering Decision, Docket No. 15-07041

Dear Commissioner Noble:

I appreciate the hard work of you and your staff in meeting Senate Bill 374's December 31, 2015 deadline to adopt a successor net metering (NEM2) tariff. I am writing, however, to express my concerns regarding this decision's effects on Nevada's solar industry. In particular, I am deeply concerned about the imposition of significant new charges on existing NEM customers. As such, I encourage the PUCN to grant the Bureau of Consumer Protection's motion to stay the decision pending petitions for rehearing, clarification, or reconsideration.

As you are aware, the PUCN has an on-going duty to "encourage the development and use of renewable energy resources" in Nevada (NRS 703.151). The Legislature passed SB 374 believing that the PUCN would strike a balance by appropriately valuing NEM while continuing to: 1) "Encourage private investment in renewable energy resources"; 2) "Stimulate the economic growth of this State"; and 3) "Enhance the continued diversification of the energy resources used in this State." These goals have not changed. In fact, they may be even more important now given the pressing need to address environmental concerns while continuing to grow and diversify our state economy.

Rooftop solar is a transformative technology that allows ordinary Nevadans to be part of a clean energy solution. The high demand for rooftop solar systems during the last 18 months demonstrates that Nevadans want the opportunity to generate their own clean energy and will seek these technologies if offered at a fair and competitive rate. Moreover, it is widely acknowledged that NEM may provide public benefits through a reduction in air pollution, carbon emissions, or utility investment in grid infrastructure. The PUCN's decision, however, does not appear to give these benefits much weight.

Failure to appropriately consider these public benefits may have unintended short-term effects on solar companies currently doing business in Nevada and stifle future growth, particularly in environmentally-friendly residential construction projects that employ thousands of Nevadans. Nevada is at the precipice of remaining a leader in clean energy progress. We can only ensure short-term and long-term investment

in clean energy by ensuring that our regulatory environment provides certainty and security for those seeking to invest in this technology.

It has also come to my attention that PUCN's retroactive application of increased rates on existing NEM customers may be nationally unprecedented. Indeed, to my knowledge, no other state has decided that it is in the public interest to raise rates on customers whom the state previously encouraged to install solar. I am concerned that retroactivity will unduly harm existing customers and risks dissuading future residential customers from considering a solar option at all.

It is clear from media reports and subsequent constituent response that there remains considerable confusion about the PUCN's decision. It also appears that the arguments for reconsideration of portions of PUCN's decision merit careful review. For those reasons, I believe a stay of the PUCN's decision pending further proceedings is justified, and I hope you will grant the BCP's motion.

Thank you for your consideration.

Sincerely,

Senator Aaron D. Ford
Senate Democratic Leader
Nevada Senate District 11