Nevada Senate Passes Plan to Retire Coal-fired Plants

SANDRA CHEREB, Associated Press

CARSON CITY, Nev. (AP) — The Nevada Senate endorsed NV Energy Inc.'s plan Wednesday to retire coal-fired power plants and pave the way for the state's biggest electrical utility to transition to more renewable sources.

After several revisions, SB123 was approved unanimously and now moves to the Assembly.

Under the bill, NV Energy will eliminate at least 800 megawatts of coal-fired electric generating capacity by Dec. 31, 2019. It also provides for the construction or acquisition of 350 megawatts of generating capacity from renewable energy and another 550 megawatts of capacity from other electric generating plants such as natural gas.

One megawatt of power can supply about 600 homes during peak energy usage.

Senate Committee on Commerce, Labor and Energy Chairman Kelvin Atkinson, D-North Las Vegas, said the bill makes a "strong policy statement" and puts Nevada at the "forefront of energy policy in this country."

NV Energy has 10 power plants in Nevada, seven of which use natural gas.

Under the bill, NV Energy will close the Reid Gardner coal plant in southern Nevada by 2017. The company also plans to cease taking power from the Navajo plant in northern Arizona and close the Valmy coal-fired plant in northern Nevada by 2025.

While initial versions of the bill came under fire from consumer advocates and members of the Public Utilities Commission, the revised language had bipartisan support and alleviated earlier concerns.

PUC members had objected to one provision that would have allowed NV Energy to build new cleaner-burning facilities without regulatory oversight and protection for ratepayers.

But the bill was amended and Atkinson said the PUC will continue to review "rate consequences" of new plant construction.

"I may not necessarily agree with my colleagues whether coal is good or bad … but the political reality is that sooner or later those plants are going to be gone," said Sen. James Settelmeyer, R-Minden.

Republican Gov. Brian Sandoval and Democratic U.S. Sen. Harry Reid, who earlier

this year called on NV Energy to give up its coal plants, both supported the bill and urged its passage.

But Nevada Policy Research Institute, a conservative think tank, said the utility's plan would lessen regulatory intervention and cost ratepayers.

"There is no cap on rate hikes caused by an increase in natural gas prices, which are historically volatile," said Geoffrey Lawrence, NPRI deputy policy director.

"Ratepayers would have to reimburse NV energy for constructing new power plants and also pay NV energy for the capital costs of coal-fired power plants it's no longer using and even for stockpiles of coal it has purchased but no longer wants to use," Lawrence said.

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