



Office of the Governor

JIM GIBBONS
GOVERNOR

September 7, 2007

Lew Dodgion
Chairman
State Environmental Commission
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701

Dear Chairman Dodgion,

As Governor of the State of Nevada I have a responsibility to protect the physical health and well being of the residents and visitors to Nevada, our magnificent environment, and also the state's economic well being and vitality. I have long believed these factors are not mutually exclusive.

The petition before you today is of great concern to me due to its environmental and economic implications to Nevada.

Since I took office in January of this year I have been very concerned about climate change and what it means for Nevada and the west in general. As a result, I have written executive orders encouraging the development of renewable energy resources, creating the Renewable Energy Transmission Access Advisory Committee, and creating the Climate Change Advisory Committee. This last committee is made up of members of academia, government, environmental advocates and business leaders. That committee has been tasked to evaluate the implications of climate change on Nevada and provide recommendations to me by May 31, 2008, as to how greenhouse gas emissions can be further reduced in Nevada, including through the use of renewable energy resources. Each of these committees will provide recommendations to my administration within the year so that a coordinated and well thought out plan on climate change and renewable energy can be established.

Additionally, in June of this year I signed SB 422 which establishes, for the first time in Nevada, a registry for the tracking of greenhouse gasses and requires the creation and continued update of

a state-wide emissions inventory. Understanding and quantifying emissions in Nevada is a necessary first step in developing sound solutions for a reduction of those emissions.

In July, I directed the Division of Environmental Protection (NDEP) to participate in the Western States Climate Initiative in an observer role to monitor climate change activities in the western U.S., as well as in Canadian Provinces and Mexican States. We must be aware of what is being done on this issue at the regional level and coordinate and leverage our efforts with our neighbors. Additionally, at my direction, Nevada has joined the Climate Registry as a member. The Registry includes 38 states, as well as Native American governments, Canadian Provinces and Mexican States. The Climate Registry establishes a mechanism to measure and verify greenhouse gas emissions consistently across industry sectors and borders. It also encourages voluntary early actions to increase energy efficiency and decrease greenhouse gas emissions.

Finally, there are no fewer than a dozen major climate change bills currently undergoing debate in Congress. As a former Congressman, I know well the federal legislative process and the time it takes to formulate national policy and direction on complex and emotional issues such as climate change.

With regard to the petition before you today, I have two fundamental concerns; timeliness and fairness.

As you may be aware, Nevada currently imports more than half of its power needs. Estimates put the cost of that power importation at \$1.5 billion annually. The three major coal fired power plants proposed in White Pine and Lincoln Counties will boost Nevada's domestic energy production and will greatly reduce Nevada's dependence on outside sources of energy that have proved to be expensive and unpredictable in the past. This goal is especially critical as Nevada continues to grow while power plant shutdowns occur, such as the Mohave Generating Station in Laughlin.

Perhaps just as important as the power generation provided by these plants is the much needed infrastructure they bring to the state in terms of transmission capabilities. There is a very strong need to tie the I-80 power corridor and Las Vegas area together. A transmission line in eastern Nevada will accomplish this necessary task. I strongly support renewable energy resources. However, without a way to efficiently get the power to the market, we cannot build on our renewable portfolio and develop our extensive wind, solar and geothermal resources. The planned transmission lines associated with some of these projects in eastern Nevada will help bring an extra 500 Megawatts of renewable energy resources on line.

While there is a lot of well founded excitement about Nevada's renewable resources, we must recognize that it will be years before these facilities can come on-line in a meaningful way. Solar and wind projects also have inherent shortcomings. They are intermittent sources that can not be relied upon exclusively for reliable base load energy. These plants along with renewable energy projects can all be part of Nevada's energy plan. However, it is unrealistic to rely on those projects to solve energy problems in the short term.

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With regard to fairness, these power companies have invested years and spent millions of dollars in facility design and the permitting process. These facilities and applications have been designed and completed in accordance with sound scientific principles and state and federal laws. Taking actions that would effectively enact a moratorium on the permitting process will not be fair to the applicants and would place the state in a vulnerable position. I understand that there have been advancements on the issue of climate change from the time these applications have been filed. To that end I have instructed the Division of Environmental Protection to establish agreements with these companies so that the facilities can implement carbon capturing technologies, such as carbon sequestration, when those technologies become technically and commercially viable.

Given all of these factors, I strongly urge you to deny the petition before you today. It is not in the best interest of our state to implement what, in effect, will be a moratorium on coal fired power plants in Nevada nor is it wise to institute unrealistic or non-science based emission limits which have not gone through a public process. In addition, I would recommend that the petitioners work with representatives on the Advisory Committee. Likewise, The Division of Environmental Protection could certainly update the State Environmental Commission on a periodic basis on these activities and other efforts with regard to climate change. At some point in the future we will have the information available to make sound, science based decisions with regard to the greenhouse gas control that not only are protective of public health and environmental quality but also allows for a continued vibrant economy for Nevada.

Thank you for your consideration and your efforts on behalf of the citizens of the State of Nevada and your service on the State Environmental Commission.

Sincerely,



JIM GIBBONS
Governor