

ENERGY CENTRAL PROFESSIONAL

Governor vetoes controversial last-minute energy bill

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Gov. Brian Sandoval vetoed a controversial transmission line and energy bill that had been heavily pushed by the state's most powerful lobbyists during the final hour of the 2011 Nevada legislative session.

Sandoval, in his veto message for Assembly Bill 416, expressed concerns about the potential impact on Nevada ratepayers and that the bill would allow NV Energy to circumvent normal approvals from the Nevada Public Utilities Commission.

"To increase utility rates on Nevadans struggling to emerge from a severe economic recession would result in the imposition of an unnecessary and unfair burden on our recovery," he wrote. The bill, critics said, could have put ratepayers on the hook for \$1 billion in transmission lines so the utility could export power to other states, like California and Arizona. (NV Energy said that number "is simply not true.")

But that provision, as well as two other controversial components, were tacked on to AB 416, which dealt with renewable energy incentives, in the final hour of the session.

NV Energy had made the transmission line legislation its top priority. But it was frustrated when it ran into road blocks in the Assembly. Hence, the powerful lobbyists it employs, who are also close to Sandoval, were brought in for the last-minute process.

In a statement Friday, NV Energy said, "While we believe AB 416 contained important energy policy regarding Nevada's future involvement in renewable energy development, we respect the governor's decision."

As late as Thursday night, Sandoval said he was still deliberating what to do with the bill.

NV Energy had made the case that the transmission language was urgent to move the state forward to be an energy exporter. Other third-party companies said they are willing to build the transmission lines to California and Arizona, which have aggressive requirements to use renewable energy, but that AB 416 would have given the utility an unfair advantage.