

**House Resources Committee**  
**Reconciliation Bill**  
**May 3, 2025**  
**Renewable Energy Title**

Section 80182, Pages (75-84)

This section codifies increased rents and fees paid by renewable energy facilities, raising the overall cost of these projects.

- This increase would make solar projects developed on public lands less competitive than projects developed on private and state lands.
- This increase in rents and fees would disproportionately affect Nevada, which has the highest percentage of public lands in the West.
- Because solar does not generally compete with oil and gas for land use in Nevada, burdening solar with increased rents and fees would diminish Nevada's role in contributing American energy dominance.
- Assuming that development pivots to other states to avoid increased rents and fees on public lands in Nevada, revenues from this program would actually decrease, undermining the apparent intention of the bill to increase revenue to the U.S. Treasury, states, and counties.
- Assuming that solar projects are developed on public lands in Nevada notwithstanding increased rents and fees, the contracted cost for power will pass this increase through to the buyer--and ultimately to ratepaying customers--effectively imposing a tax on energy consumption.

**Two Solar Fees Increased in the Legislation**

- *Acreage Rents Fees*: The legislation revives an older method of computing the acreage rent fees paid. These fees are only paid once the facility starts generating electricity, then capacity fees kick in. Although these rents are higher than what the industry pays today, the increase does not make the projects uneconomic.

- *Megawatt Capacity Fees* would increase to 4.58% of the gross proceeds from the sale of electricity produced by the renewable energy project. This increase is over 3X what is paid today and would make the projects uneconomic.

### **Retroactivity and Grandfathering**

- Developers reasonably rely on existing laws and regulations when they bid and negotiate contract prices. Retroactively imposing increased fees without regard to the commercial status of a project could cause operational and advanced-stage projects to fail unless their power purchase agreements can be renegotiated, which, depending on the specific terms and conditions of the agreement, may not be possible. [The bill is silent regarding retroactivity.]
- The bill should be clarified to provide for grandfathering of any project that, as of the effective date of the bill, has either 1) submitted a bid in a competitive auction conducted by BLM or submitted a bid to any entity conducting an RFO to procure energy. By definition, this would grandfather more advanced projects that, as of the effective date, have been short-listed or which have executed a power purchase agreement or has been selected in a competitive auction by BLM.

### **Compromise Capacity Fee Increase Proposal**

- Before the current MW capacity fee calculation was introduced, solar developers paid \$2,000/MW and though it is tolerable it is not desirable.
- The current calculation works out to between \$1200-\$1400 per MW, meaning this would be an increase of between \$600-\$800 per MW over the *status quo*.
- Grandfathering provision is needed with any fee increase.