

BALLOT QUESTION NUM. 2

City of Boulder City

Should the City of Boulder City allow clean energy technologies, such as, Battery Energy Storage, Carbon Capture, and Clean Hydrogen, in addition to the two natural gas generation facilities that exist or that are proposed pursuant to existing leases to be approved uses within the Eldorado Valley Transfer Area outside of the Multi-species Habitat Conservation Easement?

Yes

No

EXPLANATION & DIGEST

Section 144 of the Boulder City Charter reads as follows:

into The land acquired by the City pursuant to an agreement entered on July 9, 1995 between the Colorado River Commission, as an agency of the State of Nevada, and the City, will be used only for and limited to public recreational uses, solar energy facilities, a desert tortoise preserve, utility lines, easements, roads, rights-of-way, communication towers, antennas and similar governmental uses and for existing lease and lease options.

Subsection 2 of Section 144 provides that any other land uses in the Eldorado Valley Transfer Area must be approved by the registered voters of the City. In 2007, the voters approved of allowing geothermal and geothermic energy exploration, research, development and production to be done in the Eldorado Valley Transfer Area outside of the Multi-species Habitat Conservation Easement. Natural gas production is not included as permitted use in Section 144, but existing leases and lease options for natural gas facilities were included. This measure does not propose to add to, change or repeal existing law, and will not increase taxes or fees.

The City of Boulder City currently leases land to one operating natural gas facility, and one proposed natural gas “peaker” facility in the Eldorado Valley. Both facilities provide on-demand energy in the event the solar resource is interrupted or if an unusual demand in excess of available solar capacity occurs, ensuring a reliable energy source for its customers. These facilities exist pursuant to existing leases and thus are considered “grandfathered in” pursuant to Section 144 of the City Charter. However, when these existing leases expire, these facilities will not be allowed to continue operating without voter approval. In addition, these facilities are looking at adopting emerging clean energy technologies such as clean hydrogen, carbon capture, and battery energy storage to decarbonize their operations and transition to clean energy.

These contracts bring approximately \$1,275,000 annually in City revenue allowing the City to support government functions and keep property taxes low. Voter input is needed to determine whether these natural gas generation facilities and their potential use of clean energy technologies such as clean hydrogen, carbon capture, and battery energy storage should be allowed to be approved uses within the Eldorado Valley moving forward. If approved, the City Council would only be authorized to potentially

enter into leases allowing only the current natural gas generation facility to continue operation, and the proposed gas “peaker” facility to operate if it becomes operational. No other natural gas generation facility would be authorized by this question. In addition, if approved, the City Council would also be authorized to allow battery energy storage, carbon capture, and clean hydrogen uses within the Eldorado Valley Transfer Area outside of the Multi-species Habitat Conservation Easement.

A “YES” vote would allow clean energy technologies, such as, Battery Energy Storage, Carbon Capture, and Clean Hydrogen, in addition to the two natural gas generation facilities that exist or that are proposed pursuant to existing leases to be approved uses within the Eldorado Valley Transfer Area outside of the Multi-species Habitat Conservation Easement.

A “NO” vote would mean that no new uses would be approved within the Eldorado Valley Transfer Area outside of the Multi-species Habitat Conservation Easement.

ARGUMENT FOR PASSAGE

The request to include clean energy technologies in the Eldorado Valley Transfer Area (EVTA) is a compliment to the current uses in the area. This proposed use aligns with the current zoning, is safe, and has no negative impact. By allowing these uses, the City can continue to receive lease revenues which are approximately 32% of the City’s overall revenues. These revenues support vital governmental functions and keep our property taxes low. Land lease revenues are also stable revenues.

Energy technology has evolved dramatically in recent years. When the land in the EVTA was acquired, these new clean energy technologies had not been developed and therefore, not included as an allowable use in the City Charter. When the solar fields were first being built in the EVTA, one of the challenges was the inability to store the energy. Energy output was cyclical depending on time of day, weather, and season. Energy storage allows consistency in energy output. Approval of this measure will allow for new and innovative technologies in the Eldorado Valley which will help improve power quality and supply reliability. Safe and proven technologies such as energy storage, clean hydrogen, renewable energy and carbon capture helps keep the air clean for our families, kids and grandkids.

In addition to allowing the current leases to continue, approving this measure could lead to other opportunities for the City without delay. Approval would not allow new natural gas generation facilities.

Vote “YES” on Question Num. 2 to ensure Boulder City remains a leader in clean energy.

(Submitted by Ballot Question Committee as provided for in NRS 295.217)

REBUTALL TO ARGUMENT FOR PASSAGE

This argument fails to consider several key issues with this ballot question. The argument for passage discusses increased reliability in energy production through energy storage, etc. No mention is made of whether that energy production will be beneficial in any way to city residents’ electrical utilities through cost reduction.

The argument indicates that the technologies would keep the air clean for our kids and grandkids. This insinuates that air would not be or remain clean if this was not passed, there is no evidence of that.

Finally, the argument indicates that passage would lead to “other opportunities for the City without delay.” There is no mention of what “other opportunities” would be if there would even be any. It is a vague statement written to entice voters into approving a ballot question based on an unknown “opportunity”.

(Submitted by Ballot Question Committee as provided for in NRS 295.217)

ARGUMENT AGAINST PASSAGE

This ballot question is to allow “clean” energy technology in the Eldorado Valley Transfer Area. There are several issues with this question and reasons why it should be voted against.

This question is about the use of “clean energy technologies”. One of the technologies is battery energy storage. On the surface this seems reasonable. The issue is with disposal, and potential for damage of the environment. Over years, the use of batteries will eventually need to be disposed of and/or replaced. There is no discussion in this question of proper disposal of battery systems. It is commonly known that batteries contain potentially toxic and dangerous chemicals, and these chemicals can be harmful if they come into contact with humans.

The second point against passage is that the Eldorado Valley already has significant clean energy production with the large solar farms already in place. Additionally, this question would create more opportunities for large energy corporations to profit off City owned land, with no discussion of, market rates of production, how much profit corporations should be able to take, etc. Should energy companies be profiting off land owned by the City?

Voting “NO” on this ballot question will send a message to City Council that we residents value our community over the profit of corporate interests.

(Submitted by Ballot Question Committee as provided for in NRS 295.217)

REBUTTAL TO ARGUMENT AGAINST PASSAGE

The argument against passage of the ballot question focuses on two issues. One is speculation regarding battery storage which was simply one example, and the other is not related to the purpose of the question.

The argument against allowing energy corporations to profit off City-owned land, and discussion of a private company’s profits has no relevance to the question. The City has dozen of leases with private corporations. The City does not and should not have any control over how much profit corporations “should be able to take.”

This question asks voters if clean energy technologies as well as the existing natural gas generation facility leases, the first of which has been operational for 20 years, are appropriate uses for this land. The intent for the types of uses for this land is clearly identified in the City Charter; however, due to evolving technology, voter approval is needed to expand clean energy types beyond solar. Approval of the question is simply an update of what was already envisioned for this area. If these uses are not allowed, the City will lose \$1,275,000 per year in revenues that are known, and potentially millions more due to missed opportunities.

(Submitted by Ballot Question Committee as provided for in NRS 295.217)

FISCAL IMPACT

Proceeds from any leases entered into as approved by this question will be apportioned in the ratio of 20% to current operational expenses of the City, 20% to the Capital Improvement Fund and 60% divided between the Capital Improvement Fund and current operational expenses as may be determined by the Council as required by Section 142.3 of the City Charter. Any expense related to this question will not require the levy or imposition of a new tax or fee or increase of an existing tax or fee.