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Power plays

By Andrew Conte

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Senate Majority Leader Harry Reid's dream of masterminding the Saudi Arabia of renewable energy in the Nevada desert seems so close that not even the membership of a little-known federal agency can be left to chance.

The Democrat's interest in the Federal Energy Regulatory Commission starts with his desire to grow the renewable energy industry in his home state, experts said.

Reid regards the industry as a way to generate jobs in Nevada, where the government owns more than 80 percent of the land, said Chris Miller, an energy industry lobbyist who was the senator's senior policy adviser on energy for eight years.

"He loves infrastructure," Miller said. "It's jobs. It's development. He thinks that's something that Congress should be, and is, responsible for."

The Senate plans to vote as early as Tuesday on confirming Norman Bay, FERC's director of enforcement, to a five-year term on the five-member commission, and confirming a second term for acting commission Chair Cheryl LaFleur.

Reid opposed other nominees deemed not friendly enough to solar, wind and geothermal power, observers said.

Winning the FERC vote could be as simple as partisan politics, said Myron Ebell, director of the Center for Energy and the Environment at the Competitive Enterprise Institute, a free-enterprise think tank in Washington. Bay has more experience in enforcement than with energy policy, Ebell said.

"Getting someone like Bay will help Harry Reid and the Democrats reward their friends and punish their enemies," Ebell said. "He's the kind of guy who will go after people, and the people he will go after are not the major Democratic Party donors."

Reid's office did not respond to repeated requests for comment.

Attorney Jon Wellinghoff, who chaired FERC for four years until November, said fights over confirming Bay and LaFleur are tied to supporters of coal wanting to use the agency to oppose increased regulation from the Environmental Protection Agency over power plant emissions. Wellinghoff said he resisted such pressure as chair.

"Coal interests primarily are looking to use FERC as leverage against the EPA," Wellinghoff said. "They're trying to say there are reliability issues if they shut down coal plants."

Solar industry executives hope Nevada can experience a rags-to-riches story as successful as Reid's own, going from growing up without indoor plumbing in southern Nevada to claiming a portfolio of real estate and financial investments worth \$2.9 million to \$6.48 million, according to his Senate financial disclosure report.

A major piece of Nevada's drive toward renewable energy is scheduled to go online this year at the Crescent Dunes concentrating solar energy plant in Tonopah, 200 miles northwest of Las Vegas. The plant reflects the sun's rays from 10,000 billboard-sized mirrors and concentrates them onto a 540-foot central tower, where the heat turns salt into a molten heat used to produce steam around the clock for generating electricity.

The \$1 billion project would not have happened without a \$737 million Department of Energy loan guarantee, said Kevin Smith, CEO of SolarReserve, a Santa Monica, Calif., company building the plant. He credited Reid with protecting the loan guarantee program and working with the Air Force to find a suitable location that wouldn't interfere with training flights over desert areas.

Mutually supportive

The Energy Department has provided more than \$5 billion in loan guarantees for five concentrating solar plants in Nevada, California and Arizona that it says will be fully functional by the end of 2014. The agency calls this year a "significant milestone" for solar energy.

"(Reid) was very supportive from really the very early days," Smith said. "...Â He's been a big supporter of the project and for renewable energy generally."

The renewable energy industry has supported Reid as well.

Solar and other energy company executives contributed more than \$209,000 to Reid's campaign fund since the 2010 election cycle, when he defeated Republican challenger Sharron Angle.

Officials specifically identified with solar companies gave \$29,500 of that, while a solar energy industry political action committee gave another \$12,000.

FERC officials also gave to Reid. Before his term as FERC chairman ended in November, Wellinghoff made two \$500 contributions to Reid's campaign, one each in 2009 and 2010. Linda Ross, identified as a FERC management analyst, separately gave Reid \$1,000 in 2010, according to Federal Election Commission records.

Wellinghoff defended his campaign support for Reid, pointing out he was a Nevada resident for more than 60 years before recently moving to San Francisco. The Tribune-Review could not reach Ross.

Beyond supporting large solar projects, Reid went all out to secure a 235-mile power line strung across Nevada to bring renewable electricity to market. The Department of Energy provided a \$343 million loan guarantee, the first time the program sponsored a transmission line.

"This transmission line is a major step toward unlocking Nevada's vast clean energy potential and creating thousands of jobs that will stay in Nevada and that cannot be shipped overseas," Reid said at the time.

The project established 400 construction jobs.

The senator appeared in Nevada with then-Energy Secretary Steven Chu in 2010 to announce the formation of a solar laboratory at the Nevada Test Site, used in the 1950s to test atomic weapons. That project never received congressional funding and has stalled, an Energy spokesman said.

"I've been in this (solar) business for a long, long time, and it's kind of ebbed and flowed according to the politics," said Robert Boehm, director of the Center for Energy Research at the University of Nevada, Las Vegas.

Political power

Reid has maintained a firm hold on the politics of renewable energy by co-hosting an annual summit meeting in Las Vegas that draws corporate interests and top political leaders. Hillary Rodham Clinton, a potential Democratic candidate for president, is scheduled to speak at the seventh event in September in the Mandalay Bay Convention Center.

Critics have raised questions about Reid's oldest son, Rory, a former Nevada gubernatorial candidate. A Chinese solar company hired his law firm to represent it. But the investment deal fell apart last summer, and Rory Reid quit the firm about a year ago to become an on-air TV

personality and in-house legal counsel for News 3 KSNV in Las Vegas.

Because the government owns so much land in Nevada, Harry Reid has a natural interest in seeing it become developed, said Janine Blaeloch, director of the Western Lands Project, a Seattle-based nonprofit seeking to keep federal land public.

Environmental groups across the West worry that the growth of industrial-sized solar plants occurs at the expense of desert habitats. A recent Fish and Wildlife Service preliminary report found that birds and insects flying near a concentrating solar plant in Southern California were badly burned or even incinerated by its intense heat.

"The politics of public land are a big factor," Blaeloch said. "(Reid) wields a huge amount of power, and not just because he's the majority leader. He is someone who has selectively done good things for the national environmental groups so that he keeps their support."

Even with Reid's outsized support for renewable energy, his interest in FERC is unusual because of its limited ability to help the industry in Nevada, said Robert Michaels, an economics professor at California State University, Fullerton, and a Cato Institute adjunct scholar.

"It's a really strange thing for him to be trying to stack things at FERC," Michaels said. "Going through that amount of effort to get those people on that commission, when you don't know what the commission's agenda is going to be or what it can get away with doing, is today's mystery."