

Nevada: Energy Powers The Economy

[« Back](#)

by Sharon H. Fitzgerald

Nevada's abundance of natural resources is no longer the state's secret weapon to fuel the economy. America's clean-energy initiatives to reduce dependence on foreign oil mean Nevada's ability to generate power from a variety of sources is garnering attention across the nation and the globe.

"The major cluster of emphasis here is renewable energy because of the geographic assets the state has to support that. We produce hydropower, solar power, geothermal power – the fact is, we're the leading generator of solar and geothermal power on a per capita basis of all the states," says Michael E. Skaggs, executive director, Nevada Commission on Economic Development. "We also have wind and biomass."

Chuck Alvey, president and CEO, Economic Development Authority of Western Nevada, adds, "We sit on one of the largest deposits of geothermal energy in the United States," and those resources are close to the earth's surface. Five of the world's largest geothermal companies are in western Nevada, and Ormat Technologies Inc., with geothermal power-generation plants worldwide, is headquartered in Reno. In November, Ormat inked a 20-year purchase agreement for Nevada Power Co. to buy 30 megawatts from Ormat's McGuinness Hills geothermal project, which is under construction. Power sales are expected to begin in 2012.

Skaggs says clean-energy generation in Nevada, coupled with the West's demand for clean energy, is "a perfect storm." California legislation requires that 33 percent of the state's energy demand by 2020 must be met from clean sources, while Nevada and other states have clean-energy mandates as well. "We've created through government policy a natural market for renewable energy, and Nevada sits in the middle of all this," Skaggs says. What's more, Nevada has the transmission lines, thanks in no small measure to Hoover Dam, to move the power to users.

Industries And Innovation

Nevada isn't called "The Silver State" for nothing. Long known for mining, the state is a source for silver, gold, iron ore, copper, titanium, antimony and more. "Commodities are still in great demand," Skaggs says. "That's one of the reasons right now that we're leading the nation in export growth, even though the nation is down in global trade 28 percent. We actually lead the nation because we're only down 6 percent."

In Pershing County, northeast of the Reno area, two mines that had slowed production because of the tough economy are gearing back up – Firstgold Corp., which actually has four gold mines in the state, and Coeur Rochester, specializing in silver and gold. Kathy Johnson, economic development director, Greater Pershing Partnership, says the two mines will soon employ 500 people to 600 people. "For a county of 7,000, that's a substantial number of jobs," Johnson says. "You name it; it's been mined in this county."

On the mining front, Skaggs predicts that iron ore demand will rise. Currently, much of the iron ore mined in Nevada is shipped to China – and comes back to the United States in the form of steel bars. American steel-producing companies may pop up to capture that market and keep the iron ore at home. Nevada would be just the place to do that, he notes.

Of course, another top Nevada employer is tourism in general and gaming in particular. Yet there's more to Nevada's tourism sector than dice and cards. "To really understand Vegas, you have to understand entertainment," Skaggs says. "It is an entertainment venue, and gaming is a part of that." Spinning off from that entertainment emphasis, which includes elaborate live music and theater productions year-round, is a thriving industry surrounding film production. More than 600 feature films, television series and specials, commercials and other media are produced annually in Nevada. Companies that are expert in wardrobe, set design, lighting and other specialties of the trade split their time between the live stage and visiting film productions.

Easy access also earns Nevada a foothold in the logistics sector. Distribution and warehousing is an ideal fit for Pershing County, for example, considering its wide open spaces and access to Interstate 80. "We have very reasonable land costs, a mild climate and room to grow in any direction," Johnson says. "Right now we're at 1.1 person per square mile." The Lovelock Industrial Park, with infrastructure in place, has space available.

Talent And Education

For 13 years, Nevada grew at an astounding pace, keeping contractors and construction workers busy. Today, the principal skill set of the unemployed in Nevada is construction, and the state's moving at a record pace again, this time to retrain these workers to meet the needs of employers in new and emerging sectors. Through the Department for Employment, Training and Rehabilitation, a \$23 million fund was allocated this fiscal year for customized training for companies. "It is our belief that as we take a look at incentives and inducements, the

smartest policy for us is to put the majority of our efforts into training Nevada citizens for new jobs here,” Skaggs says. “So we have bolstered that effort quite substantially.”

The initiative is focused in community colleges such as Western Nevada College, headquartered in Carson City with locations in seven other communities. Tammy Westergard, deputy manager, Carson City Office of Business Development, cites WNC as a powerful incentive to help lure companies in knowledge sectors such as energy and financial services. “We believe that high-tech industries are a good fit here – clean-room industries, alternative energy as well as digital media,” she says. Under development at WNC is a digital technologies curriculum, while the school continues to build its health care emphasis.

Alvey reports more good news for employers. He says two surveys conducted in western Nevada revealed “great promise” for employers looking for skilled workers because of the number of underemployed individuals who choose to stay in the area.

Assets

Among Nevada's most game-changing assets is the Desert Research Institute, the environmental research arm of the Nevada System of Higher Education. DRI conducts cutting-edge applied research on every continent. With more than 500 employees and two main campuses in Reno and Las Vegas, DRI generates \$50 million in revenue annually. Its research ranges from microbiology and atmospheric physics to archaeology and renewable energy - all with a focus on understanding and answering environmental science questions.

Communities in Nevada are building their own assets, focusing on mixed-use environments that coalesce laboratory and advanced-manufacturing space, for example, with residential, retail and office development. In Carson City, Westergard says the city is in the midst of a “catalytic downtown redevelopment project” – eight acres in the shadow of the state capital that will feature a library, a business incubator and a digital-media laboratory. A sales-tax sharing incentive will help fund improvement programs. In Laughlin, a growing community south of Las Vegas, a master plan is moving forward for 9,000 acres bordering the Colorado River on the east and the California state line to the south. Known as Laughlin's Southlands, the sustainable community is the design of University of Nevada, Las Vegas faculty experts along with a private firm specializing in such initiatives. “There is tremendous potential for creating a community vision that includes technology, alternative energy, housing, employment, and open space and recreational components,” says Jackie Brady, Laughlin town manager.

Lifestyle

Nevada offers breathtaking desert and mountain scenery and the hottest nightlife on the planet. Companies looking to retain and lure professionals find Nevada an easy sell. In fact, Alvey says, the Reno-Tahoe area, and Nevada as a whole for that matter, offers a four-point “brand promise”: balance in life, four seasons of outdoor adventure, an emerging business climate and sense of community.

Westergard adds: “We are 20 minutes from toes in Lake Tahoe or 20 minutes from skiing down a mountain.”

For complete details on conducting business in Nevada, visit:

www.expand2nevada.com

www.accessclarkcounty.com

www.carsoncityecondev.com

www.edawn.org

www.pershingcountynevada.com