

**Question 3** is a Constitutional Amendment on Nevada's statewide ballot this November. If passed, this deeply flawed measure would dismantle and deregulate Nevada's existing electricity system – one of the most reliable and affordable in the nation – and replace it with a new, unknown system established by the legislature and the courts. Question 3 would cost Nevada consumers and taxpayers billions, cause the loss of thousands of good-paying jobs, and disrupt Nevada's progress toward a renewable energy future.

## Question 3 locks a risky experiment into Nevada's Constitution

In the late 1990s and early 2000s, 24 states passed laws to deregulate their electricity systems. The results were so negative that 10 of those states – including Nevada – reversed course and went back to regulated electricity markets. California's failed attempt to deregulate electricity led to skyrocketing electric rates, rolling blackouts, the Enron energy resale scandal, and over \$40 billion in added costs for consumers and taxpayers. Today, it's been nearly 20 years since any state tried to deregulate its electricity system because the process has proven to be so unsuccessful.

Question 3's approach to electricity deregulation is especially risky because it's a Constitutional Amendment, so when things go wrong, it would be very difficult and take many years to repeal. In fact, no state has ever used a Constitutional Amendment to deregulate its electricity system.

## Question 3 leaves implementation to the legislature and courts

Question 3's extremely vague wording doesn't provide clear instructions or any details on how the new electricity system would be set up or how it would function. Instead, implementation would be left to the state legislature and ultimately the courts. Question 3 would result in years of complicated lawsuits, yielding unpredictable results and costing Nevada taxpayers millions.

Promoters of Question 3 have said Nevada's

legislature should pass laws modeling our new electricity system after Texas' partially deregulated system. But Texas has experienced rolling blackout problems over the last decade, and consumer complaints there spiked 8-fold in the years following electricity deregulation. Furthermore, a recent study found that dismantle and deregulate paid \$25 billion more for electricity over a 12-year period than consumers in nearby regulated areas.



## Question 3 could give California & Federal Government more control over Nevada's electricity system

If Question 3 passes, Nevada would become the first state to decide to deregulate without having a wholesale electricity market in place. Proponents have attempted to address this flaw in the measure by proposing that Nevada join California's wholesale electricity system. But this would cause Nevada to lose control of its energy future and increase our reliance on out-of-state energy providers.

This approach would also force Nevada to turn over many governance and oversight duties for its electricity system to California politicians and the Federal Government's Federal Energy Regulatory Commission (FERC).

## Question 3 would cost Nevada consumers and taxpayers billions

Dismantling Nevada's existing electricity system would cost billions of dollars due to Question 3's requirement that NV Energy sell its power plants and terminate long-term energy agreements. There would also be major costs involved in establishing a new deregulated electricity system. These costs would be paid for by all Nevadans in the form of higher electricity rates and higher taxes.

Even Question 3's proponents have admitted in recent Public Utilities Commission hearings that the measure doesn't guarantee lower electricity prices. Under Nevada's current electricity system, electricity rates have already decreased 15% over the past decade, and are among the lowest in the country. In fact, in the 14 states that deregulated electricity, average residential electricity rates are 30% higher than ours in Nevada.



**[Question 3] doesn't say that it guarantees reduced prices ... I want to be careful that we're realistic about what can happen."**

–Texas-based energy marketer  
& Question 3 supporter

Testimony before Nevada's Public  
Utilities Commission, 1/16/18

## Question 3 threatens Nevada's progress toward a clean energy future

Nevada's existing electricity system is a leader in renewable energy, ranking 2nd in the nation for geothermal and 4th for solar power. But Question 3 would threaten over 50 existing and planned clean energy projects across the state, including six recently announced solar energy projects that will generate enough clean energy to power over 600,000 homes.

Question 3 would also shut down Nevada's current rooftop solar program, which serves over 23,000 homes and small businesses across Nevada and is rapidly growing. If Question 3 passes, there's no guarantee solar owners could continue to receive favorable rates for putting the extra clean energy they produce back onto our electric grid. That's why the authors of Nevada's net metering legislation oppose Question 3.



## Join the Coalition to Defeat Question 3

A bipartisan coalition of concerned citizens from across Nevada is coming together to make sure voters get the facts about Question 3 and defeat this damaging measure.

To learn more and join our growing coalition, please visit our website: **NOon3.com**

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RISKY & COSTLY

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