

SENATE BILL NO. 395—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

(ON BEHALF OF THE GOVERNOR)

MARCH 23, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Makes various changes regarding renewable energy and energy efficiency and alters the composition of the Commission on Economic Development. (BDR 58-1219)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to governmental administration; revising provisions governing the issuance of certain permits by the Public Utilities Commission of Nevada pursuant to the Utility Environmental Protection Act; altering the composition of the Commission on Economic Development; requiring the Chief of the Purchasing Division of the Department of Administration to adopt regulations establishing standards for the procurement of certain appliances, equipment, lighting and other devices; requiring the State Public Works Board to adopt certain standards concerning the efficient use of water and energy; requiring licensed vehicle dealers to provide certain information concerning vehicle emissions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 **Section 4** of this bill alters the definition of “utility facility,” as that term is
- 2 used in the Utility Environmental Protection Act which provides for the issuance of
- 3 permits by the Public Utilities Commission of Nevada for the construction of utility
- 4 facilities, to: (1) require a nameplate capacity for electric facilities of not more than
- 5 70 megawatts rather than a generating capacity of not more than 35 megawatts; and
- 6 (2) apply to certain electric and gas facilities located in a county whose population



* S B 3 9 5 R 4 *

7 is 100,000 or more (currently Clark and Washoe Counties) which were previously
8 excluded.

9 **Section 5** of this bill exempts certain utility facilities from certain findings that
10 are a condition precedent to permitting under the Utility Environmental Protection
11 Act.

12 **Sections 6 and 24** of this bill alter the composition of the Commission on
13 Economic Development to require that at least two of the appointed members be
14 from counties whose population is less than 100,000. (NRS 231.040)

15 **Section 8** of this bill requires the Chief of the Purchasing Division of the
16 Department of Administration to adopt regulations establishing standards favoring
17 the procurement of appliances, equipment, lighting and other devices that bear the
18 "Energy Star" label or meet other requirements prescribed by federal law unless to
19 do so would not be cost-effective.

20 **Section 10** of this bill requires the State Public Works Board to adopt standards
21 and performance guidelines concerning the efficient use of water and energy.

22 **Section 18** of this bill requires vehicle dealers in Nevada, beginning with the
23 2012 model year and thereafter, to ensure that each new vehicle offered for sale is
24 accompanied by a disclosure of the vehicle's estimated carbon dioxide emissions, if
25 such information is available.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** (Deleted by amendment.)

4 **Sec. 4.** NRS 704.860 is hereby amended to read as follows:
5 704.860 "Utility facility" means:

6 1. Electric generating plants and their associated facilities,
7 except ~~↳~~

8 ~~—(a) Electric generating plants and their associated facilities that~~
9 ~~are or will be located entirely within the boundaries of a county~~
10 ~~whose population is 100,000 or more; or~~

11 ~~—(b) Electric~~ *electric* generating plants and their associated
12 facilities which use or will use renewable energy, as defined in NRS
13 704.7811, as their primary source of energy to generate electricity
14 and which have or will have a ~~generating~~ *nameplate* capacity of
15 not more than ~~35~~ *70* megawatts, including, without limitation, a
16 net metering system, as defined in NRS 704.771.

17 ~~↳~~ *↳* As used in this subsection, "associated facilities" includes,
18 without limitation, any facilities for the storage, transmission or
19 treatment of water, including, without limitation, facilities to supply
20 water or for the treatment or disposal of wastewater, which support
21 or service an electric generating plant.

22 2. Electric transmission lines and transmission substations that:

23 (a) Are designed to operate at 200 kilovolts or more;

24 (b) Are not required by local ordinance to be placed
25 underground; and



- 1 (c) Are constructed outside any incorporated city.
2 3. Gas transmission lines, storage plants, compressor stations
3 and their associated facilities when constructed outside ~~the~~
4 ~~—(a) Any] any~~ incorporated city . ~~the; and~~
5 ~~—(b) Any county whose population is 100,000 or more.]~~
6 4. Water storage, transmission and treatment facilities, other
7 than facilities for the storage, transmission or treatment of water
8 from mining operations.
9 5. Sewer transmission and treatment facilities.

10 **Sec. 5.** NRS 704.890 is hereby amended to read as follows:

11 704.890 1. Except as otherwise provided in subsection 3, the
12 Commission may not grant a permit for the construction, operation
13 and maintenance of a utility facility, either as proposed or as
14 modified by the Commission, to a person unless it finds and
15 determines:

- 16 (a) The nature of the probable effect on the environment;
17 (b) ~~the~~ *If the utility facility emits greenhouse gases and does*
18 *not use renewable energy as its primary source of energy to*
19 *generate electricity, the* extent to which the facility is needed to
20 ensure reliable utility service to customers in this State;
21 (c) That the need for the facility balances any adverse effect on
22 the environment;
23 (d) That the facility represents the minimum adverse effect on
24 the environment, considering the state of available technology and
25 the nature and economics of the various alternatives;
26 (e) That the location of the facility as proposed conforms to
27 applicable state and local laws and regulations issued thereunder and
28 the applicant has obtained, or is in the process of obtaining, all other
29 permits, licenses and approvals required by federal, state and local
30 statutes, regulations and ordinances; and
31 (f) That the facility will serve the public interest.

32 2. If the Commission determines that the location of all or a
33 part of the proposed facility should be modified, it may condition its
34 permit upon such a modification. If the applicant has not obtained
35 all the other permits, licenses and approvals required by federal,
36 state and local statutes, regulations and ordinances as of the date on
37 which the Commission decides to issue a permit, the Commission
38 shall condition its permit upon the applicant obtaining those permits
39 and approvals.

40 3. The requirements set forth in paragraph (f) of subsection 1
41 do not apply to any application for a permit which is filed by a state
42 government or political subdivision thereof.

43 4. *As used in this section, “renewable energy” has the*
44 *meaning ascribed to it in NRS 704.7811.*



1 **Sec. 6.** NRS 231.040 is hereby amended to read as follows:

2 231.040 1. The Commission on Economic Development is
3 composed of the Lieutenant Governor, who is its Chairman, and six
4 members who are appointed by the Governor.

5 2. The Governor shall appoint as members of the Commission
6 persons who *are residents of Nevada and who* have proven
7 experience in economic development which was acquired by them
8 while engaged in finance, manufacturing, mining, agriculture, the
9 field of transportation, or in general business other than tourism or
10 gaming.

11 3. The Governor shall appoint ~~[at]~~ *to the Commission:*

12 (a) *At least one member who is a resident of [:*

13 ~~—(a)]~~ Clark County.

14 (b) *At least one member who is a resident of* Washoe County.

15 (c) ~~[A—county]~~ *At least two members who are residents of*
16 *counties* whose population is ~~[50,000 or less.]~~ *less than 100,000.*

17 **Sec. 7.** (Deleted by amendment.)

18 **Sec. 8.** Chapter 333 of NRS is hereby amended by adding
19 thereto a new section to read as follows:

20 *1. The Chief shall adopt regulations which set forth*
21 *standards to be used by using agencies when purchasing new*
22 *appliances, equipment, lighting and other devices that use*
23 *electricity, natural gas, propane or oil. Except as otherwise*
24 *provided in subsection 2, the standards must require that such new*
25 *appliances, equipment, lighting and other devices have received*
26 *the Energy Star label pursuant to the program established*
27 *pursuant to 42 U.S.C. § 6294a, or its successor, or meet the*
28 *requirements established pursuant to 48 C.F.R. § 23.203.*

29 *2. The standards described in subsection 1 do not apply*
30 *insofar as:*

31 (a) *No items in a given class of appliances, equipment, lighting*
32 *or other devices have been evaluated to determine whether they*
33 *are eligible to receive the Energy Star label or have been*
34 *designated by the Federal Government to meet the requirements*
35 *established pursuant to 48 C.F.R. § 23.203; or*

36 (b) *The purchase of new appliances, equipment, lighting or*
37 *other devices that have received the Energy Star label would not*
38 *be cost-effective in an individual instance, comparing the cost of*
39 *the item to the cost of the amount of energy that will be saved over*
40 *the useful life of the item.*

41 **Sec. 9.** NRS 333.340 is hereby amended to read as follows:

42 333.340 1. Every contract or order for goods must be
43 awarded to the lowest responsible bidder. To determine the lowest
44 responsible bidder, the Chief:

45 (a) Shall consider, if applicable ~~[the]~~ :



1 ***(1) The*** imposition of the inverse preference described in
2 NRS 333.336.

3 ***(2) The required standards adopted pursuant to section 8 of***
4 ***this act.***

5 (b) May consider:

6 (1) The location of the using agency to be supplied.

7 (2) The qualities of the articles to be supplied.

8 (3) The total cost of ownership of the articles to be supplied.

9 (4) Except as otherwise provided in subparagraph (5), the
10 conformity of the articles to be supplied with the specifications.

11 (5) If the articles are an alternative to the articles listed in the
12 original request for bids, whether the advertisement for bids
13 included a statement that bids for an alternative article will be
14 considered if:

15 (I) The specifications of the alternative article meet or
16 exceed the specifications of the article listed in the original request
17 for bids;

18 (II) The purchase of the alternative article results in a
19 lower price; and

20 (III) The Chief deems the purchase of the alternative
21 article to be in the best interests of the State of Nevada.

22 (6) The purposes for which the articles to be supplied are
23 required.

24 (7) The dates of delivery of the articles to be supplied.

25 2. If a contract or an order is not awarded to the lowest bidder,
26 the Chief shall provide the lowest bidder with a written statement
27 which sets forth the specific reasons that the contract or order was
28 not awarded to him.

29 3. As used in this section, "total cost of ownership" includes,
30 but is not limited to:

31 (a) The history of maintenance or repair of the articles;

32 (b) The cost of routine maintenance and repair of the articles;

33 (c) Any warranties provided in connection with the articles;

34 (d) The cost of replacement parts for the articles; and

35 (e) The value of the articles as used articles when given in trade
36 on a subsequent purchase.

37 **Sec. 10.** Chapter 341 of NRS is hereby amended by adding
38 thereto a new section to read as follows:

39 ***1. For the purposes of the design and construction of***
40 ***buildings or other projects of this State, the Board shall adopt by***
41 ***regulation:***

42 ***(a) Standards for the efficient use of water.***

43 ***(b) Standards for the efficient use of energy, including,***
44 ***without limitation, the use of sources of renewable energy.***



1 (c) Performance guidelines for new, remodeled and renovated
2 buildings.

3 (d) Performance guidelines for retrofit projects, including,
4 without limitation, guidelines for:

5 (1) Energy consumption.

6 (2) The use of potable water.

7 (3) The use of water for purposes relating to landscaping.

8 (4) The disposal of solid waste.

9 2. The standards and performance guidelines adopted in
10 accordance with subsection 1 must include a mechanism for their
11 evaluation and revision to ensure that such standards and
12 guidelines:

13 (a) Are cost-effective over the life of the applicable project.

14 (b) Produce certain threshold levels of cost savings.

15 3. In adopting the standards and performance guidelines
16 pursuant to subsection 1, the Board may consider, without
17 limitation:

18 (a) The Leadership in Energy and Environmental Design
19 Green Building Rating System established by the U.S. Green
20 Building Council or its successor;

21 (b) The Green Globes assessment and rating system developed
22 by the Green Building Initiative or its successor;

23 (c) The standards established by the United States
24 Environmental Protection Agency pursuant to the Energy Star
25 Program;

26 (d) The standards established by the American Society of
27 Heating, Refrigerating and Air-Conditioning Engineers or its
28 successor;

29 (e) The criteria established pursuant to the Federal Energy
30 Management Program established by the United States
31 Department of Energy; and

32 (f) The criteria established by the International Energy
33 Conservation Code.

34 4. The regulations adopted pursuant to this section must
35 include provisions for their enforcement.

36 5. As used in this section, "renewable energy" has the
37 meaning ascribed to it in NRS 701A.220.

38 **Sec. 11.** NRS 341.119 is hereby amended to read as follows:

39 341.119 1. Upon the request of the head of a state agency, the
40 Board may delegate to that agency any of the authority granted the
41 Board pursuant to NRS 341.141 to 341.148, inclusive **[]**, and
42 **section 10 of this act.**

43 2. This section does not limit any of the authority of the
44 Legislature when the Legislature is in regular or special session or
45 the Interim Finance Committee when the Legislature is not in



1 regular or special session to consult with the Board concerning a
2 construction project or to approve the advance planning of a project.

3 **Sec. 12.** NRS 341.153 is hereby amended to read as follows:

4 341.153 1. The Legislature hereby finds as facts:

5 (a) That the construction of public buildings is a specialized
6 field requiring for its successful accomplishment a high degree of
7 skill and experience not ordinarily acquired by public officers and
8 employees whose primary duty lies in some other field.

9 (b) That this construction involves the expenditure of large
10 amounts of public money which, whatever their particular
11 constitutional, statutory or governmental source, involve a public
12 trust.

13 (c) That the application by state agencies of conflicting
14 standards of performance results in wasteful delays and increased
15 costs in the performance of public works.

16 2. The Legislature therefore declares it to be the policy of this
17 State that all construction of buildings upon property of the State or
18 held in trust for any division of the State Government be supervised
19 by, and final authority for its completion and acceptance vested in,
20 the Board as provided in NRS 341.141 to 341.148, inclusive **H**,
21 *and section 10 of this act.*

22 **Sec. 13.** (Deleted by amendment.)

23 **Sec. 14.** (Deleted by amendment.)

24 **Sec. 15.** (Deleted by amendment.)

25 **Sec. 16.** (Deleted by amendment.)

26 **Sec. 17.** (Deleted by amendment.)

27 **Sec. 18.** Chapter 482 of NRS is hereby amended by adding
28 thereto a new section to read as follows:

29 *Every vehicle dealer licensed in this State shall ensure that,
30 beginning with the 2012 model year and continuing with
31 subsequent model years, each new vehicle he offers for sale is
32 accompanied by a prominent disclosure setting forth the estimated
33 amount of carbon dioxide that the vehicle emits, unless the
34 information concerning the emissions for that vehicle is
35 unavailable.*

36 **Sec. 19.** NRS 482.36414 is hereby amended to read as
37 follows:

38 482.36414 A person who assumes operation of a franchise
39 pursuant to NRS 482.36396 to 482.36414, inclusive, must be
40 licensed as a dealer pursuant to the provisions of NRS 482.318 to
41 482.363, inclusive **H**, *and section 18 of this act.*

42 **Sec. 20.** (Deleted by amendment.)

43 **Sec. 21.** (Deleted by amendment.)

44 **Sec. 22.** (Deleted by amendment.)

45 **Sec. 22.5.** (Deleted by amendment.)



1 **Sec. 23.** (Deleted by amendment.)

2 **Sec. 24.** As soon as practicable after July 1, 2009, the
3 Governor shall appoint to the Commission on Economic
4 Development any new members required to be appointed to the
5 Commission pursuant to NRS 231.040, as amended by section 6 of
6 this act.

7 **Sec. 25.** 1. This section and sections 1 to 17, inclusive, and
8 20 to 24, inclusive, of this act become effective on July 1, 2009.

9 2. Sections 18 and 19 of this act become effective on
10 January 1, 2010.

⑩



* S B 3 9 5 R 4 *