

**MINUTES OF THE
SENATE COMMITTEE ON ENERGY, INFRASTRUCTURE AND
TRANSPORTATION**

**Seventy-fifth Session
April 28, 2009**

The Senate Committee on Energy, Infrastructure and Transportation was called to order by Chair Michael A. Schneider at 9:16 a.m. on Tuesday, April 28, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Michael A. Schneider, Chair
Senator Maggie Carlton, Vice Chair
Senator John J. Lee
Senator Shirley A. Breeden
Senator Randolph Townsend
Senator Barbara K. Cegavske
Senator Dennis Nolan

GUEST LEGISLATORS PRESENT:

Assemblyman Kelvin Atkinson, Assembly District No. 17
Assemblywoman Barbara E. Buckley, Assembly District No. 8
Assemblyman John C. Carpenter, Assembly District No. 33

STAFF MEMBERS PRESENT:

Matt Nichols, Committee Counsel
Scott Young, Committee Policy Analyst
Josh Martinmaas, Committee Secretary

OTHERS PRESENT:

Alfredo Alonso, Ausra Solar
Judy Stokey, Director, Governmental Affairs, NV Energy
Janine Hansen, Nevada Committee for Full Statehood

Senate Committee on Energy, Infrastructure and Transportation
April 28, 2009
Page 2

Rose McKinney-James, The Solar Alliance

Tom Clark, Sempra Energy

Tom Fronapfel, Administrator, Division of Field Services, Department of Motor Vehicles

Michael Geeser, AAA Nevada

Rhonda Bavaro, Administrator, Motor Carrier Division, Department of Motor Vehicles

Paul Enos, CEO, Nevada Motor Transport Association

CHAIR SCHNEIDER:

We have some news articles this morning. The first is from the *Las Vegas Sun* and is titled, "S&P: Rate hikes help to improve Southwest Gas credit rating" ([Exhibit C](#)). Standard & Poor's raised their rating on corporate credit to "BBB," up from "BBB-." There is also information about recent rate filings and their potential impact on customers. The second article is titled, "Evergreen Solar PV Panels Power EV Recharging Station in Germany" ([Exhibit D](#)) and is about photovoltaic-powered, free public vehicle-charging stations in high traffic areas in Frankfurt, Germany. It has six charging ports and provides power for small-scale electric vehicles like Segways, electric bikes and scooters. "On a summer day the station will produce approximately 21 kilowatt hours of electricity and enough annually to power 115,000 kilometers of travel for the average e-scooter." The cost of the installation is \$85,229.

We have Assembly Joint Resolution (A.J.R.) 10 before us today.

ASSEMBLY JOINT RESOLUTION 10: Urges Congress to enact legislation requiring the Secretary of the Interior to convey ownership of certain land to the State of Nevada for the development of projects for renewable energy. (BDR R-686)

ASSEMBLYWOMAN BARBARA E. BUCKLEY (Assembly District No. 8):

Although our unemployment rate of 10.4 percent was only the seventh highest in the United States—which is an average of 8.5 percent now—that number is deceptive. Only 4 of our counties reported unemployment rates below 7 percent mostly due to the price of gold and the accompanying employment in the mining industry. Elko is at 6.2 percent, Eureka is 6.8 percent, Lander is 6.7 percent and White Pine is 6.8 percent. The larger counties have dramatically higher rates though. Carson City is at 11.3 percent, Douglas is 11.2 percent, Lyon is 15.2 percent, Washoe is 11.2 percent, and Clark is 10.4 percent. The

unemployment in the building trades is astronomical; we are at about 50 percent in Washoe and Clark Counties. We all hold our breath as we watch CityCenter and Fontainebleau being built.

In 2008, we were second in the Country in the number of personal bankruptcy filings and remain the national leader in foreclosure filings. Ordinary Nevadans are suffering, and the dismal state of the State coffers is enough to take your breath away. In the money committees, we have been saying, "Just think, it will take us \$500 million just to fund the Governor's budget." And we all know how bad the Governor's budget is. I shudder to think what that number is going to be on Friday.

So, what does that have to do with Bureau of Land Management (BLM) land and A.J.R. 10? For years we have relied heavily on gaming and tourism to fund our State's budget. Over 60 percent of State's finances are funded from those 2 sources. Every time tourism dipped, whether it was right after the attacks of September 11, 2001, when people stopped flying, or right now when the Country and world face a recession, we see our finances dip to a level where we cannot sustain ordinary operations. We have to diversify our economy to be less reliant on tourism. How do we do that? We already know one answer, and that is the new green-energy economy. You have all been working on it for years. I do not have to tell you why it is a good thing, you already know. While there are many obstacles, there are also many ways to make it happen. There is the strategic use of the stimulus dollars, and creating grid and transmission lines to make sure we have the ability to move our renewable energy to where people need it. One of the biggest impediments we have is sufficient land in order to jump-start these projects, and that is what A.J.R. 10 is all about.

We know Nevada is blessed with abundant renewable-energy resources; wind, geothermal, and solar, but the BLM controls 67 percent of our land. That is just one federal agency. When I have met with many renewable-energy developers, I ask, "Tell me what our biggest obstacles are?" One of them is land. The BLM approval process for leasing is cumbersome and time-consuming. They have a couple of people in the room with thousands of applications. Several years ago, U.S. Senator Harry Reid and I partnered on a successful project where Senator Reid basically appropriated land to the City of Las Vegas to build the first nonprofit, affordable-housing project in the State. We picked out two pieces of land suitable for development where it made sense for vulnerable

and frail seniors to live. We used the deed descriptions, the land descriptions, and basically appropriated the land from the federal government to the State.

That is what I am proposing to do for renewable energy, to actually deed land to the State, so we can jump-start our process. We can do a request for proposal, and we could ensure the business has financing. We could also choose three different parcels in three different parts of the State, the north, the rural areas and the south, and jump-start some more projects; it is a no-brainer. It would take the land out of the hands of the federal government and give it to Nevada. It would allow us to jump-start some renewable-energy projects, thereby turning over more revenue to Nevada. It makes sense to be able to fast-track some projects at a time when we need to diversify our economy. In doing so, we not only create a new revenue source for the State, we also create jobs in a faster fashion, which we all know the economy needs.

SENATOR TOWNSEND:

On page 2, lines 41, 42 and 43, it states, "After identifying those parcels or portions of land, to convey ownership of those parcels or portions of land to the State of Nevada for development of those projects;" Is it your intention, or do you envision, that to be where it stops, or will the State be allowed to put those into fee simple and put them into private ownership for purposes of collecting property tax? I do not know what your goal is here. I know what the value is of putting it in private hands. This may be the right first step before you evolve to that. What are your thoughts?

ASSEMBLYWOMAN BUCKLEY:

I would prefer to have it be available for transfer to fee simple, should it make sense. For the assisted-living project we partnered with the federal government on, they used a 100-year lease mechanism. It is probably out of our hands. We would prefer the simpler mechanism. If you are ranking them, fee simple is at the top. Certainly a 100-year lease allows the project to go forward.

SENATOR CEGAVSKE:

On page 2, lines 14 to 15, I am curious about the language, "... not less than 20 percent ... sold by providers" Is that existing or new? Is that for everyone that is here now and everyone who comes in?"

Senate Committee on Energy, Infrastructure and Transportation
April 28, 2009
Page 5

ASSEMBLYWOMAN BUCKLEY:

That is the existing law we passed last Session: expand the renewable-energy portfolio standard to 20 percent by 2015.

SENATOR CEGAVSKE:

Does it hold it for anyone coming in at 20 percent?

ASSEMBLYWOMAN BUCKLEY:

Yes.

CHAIR SCHNEIDER:

Have you talked to U.S. Senator Reid? Is he amenable to this resolution?

ASSEMBLYWOMAN BUCKLEY:

I have talked to U.S. Senator Reid. You all know of his commitment to renewable energy. He is also very committed to reforming the BLM process. We are used to getting things done very quickly here, such as our 120-day session training. I have faith we could create a pilot-project process with a few pieces of land much quicker than anything the federal government could do.

CHAIR SCHNEIDER:

Absolutely. Have you talked to any of our other congressional members?

ASSEMBLYWOMAN BUCKLEY:

I have not, but my hope is to get the resolution passed and sent to all of them.

SENATOR LEE:

I hope you can do this. We have wildlife study areas, wildlife conservation areas and all sorts of things. Are you thinking about lands that already have the impact statements done? Or are you thinking about areas farther out? Would the goal be to get out into the rural areas, where you can convene your transmission lines for the power?

ASSEMBLYWOMAN BUCKLEY:

That would be ideal. We would want to pick land that is suitable, where the environmental work is already done and it is near transmission lines. Certainly, in the future, you could not have one of those factors. But, if our goal is to make this a success, show the State can successfully manage it, get it done quickly to create jobs and showcase our potential for being the renewable

energy capital of the world, then you would want all three of those things present.

SENATOR LEE:

It is very hard to do this, but very worthwhile for our needs.

ASSEMBLYWOMAN BUCKLEY:

With the cost of land being so great, having this federal resource available makes projects pencil out easier since that cost is not involved. Also, with the federal government controlling so much of our land, there is scarce supply.

SENATOR LEE:

When we first started working towards the shooting range, the property was valued at \$229 million. When we finally got it, it was worth \$1.5 billion because of the rising cost of land. You are right.

ALFREDO ALONSO (Ausra Solar):

We strongly support A.J.R 10. The most significant issues for us are land and being near transmission lines; both are very difficult. In Nevada, over the next few years, we will see a lot of improvement on the federal side because of Senator Reid's efforts to streamline some processes. But Assemblywoman Buckley is absolutely right; there is no one who is going to do this faster than Nevada. If there is a way to do this, even in a pilot program, it will advance those efforts.

JUDY STOKEY (Director, Governmental Affairs, NV Energy):

We are in support of A.J.R. 10. Renewable energy is going to be a big part of the country's energy solution. The obstacles Assemblywoman Buckley mentioned are prominent when we try to do things with companies. Land in Nevada is predominately owned by the federal government. Anything we can do to move this forward and get this process moving would benefit the State.

CHAIR SCHNEIDER:

So is NV Energy ready to build a 100-megawatt plant on some of the land?

MRS. STOKEY:

We are in partnership with some companies trying to get some things done now.

JANINE HANSEN (Nevada Committee for Full Statehood):

The Nevada Committee for Full Statehood has worked since 2000 on the issue of control of Nevada's land by the BLM and U.S. Forest Service. The amount of land the federal government controls through usurpation has increased over the years. Nevada is at a great disadvantage; we are in effect treated as a territory because we did not come into the union on an equal footing. We support this resolution and encouraged Assemblywoman Buckley when she came to Elko. This is just the beginning to start retrieving our land from the federal government and to increase the economic foundation. One problem Nevada has in rural counties is there is such a small percentage, maybe only 1 percent, that is private land, so there is no tax base. This creates tremendous hardships on the individual counties. The article I handed out, "The Federal Land Stranglehold" ([Exhibit E](#)), mostly focuses on the issues of Clark County, but this is an issue in every county in the State.

One problem is that we know alternative energy is quite expensive. President Barack Obama has recently said he is also interested in oil and gas exploration. In 1967 through 1973, there was exploration by Gulf Oil north-northwest from McGill. They found a reserve there of over 300 barrels a day. It was on par with the Bakersfield find in California. If this was pursued, we could even have a refinery out there that would greatly help eastern Nevada and the overall energy in the State. Many of our natural resources have not been developed to a great degree because of the stranglehold of the federal government and the difficulty of getting through the federal regulatory process. We fully support A.J.R. 10 and encourage you to look at other opportunities to retrieve our land and increase the tax base. This will create jobs and improve the future economic stability of our State.

ROSE MCKINNEY-JAMES (The Solar Alliance):

I am here to offer support for A.J.R. 10. I am approaching almost two decades of work towards the advancement of the deployment of renewables. I currently represent some of the largest solar companies in the world. Throughout this time, we have faced many barriers, not the least of which is the availability of land. This resolution is an attempt to address a serious barrier. My focus is on getting renewable projects on the ground. We have an opportunity to bring the economies of scale necessary to reduce some of the economic issues we have faced before. We would all love to see Nevada as the showcase for renewables and more importantly, the citizens of Nevada as the direct benefactors of renewables.

TOM CLARK (Sempra Energy):

We support A.J.R. 10. This gives the State the ability to follow the example set by the projects in Boulder City. The two projects built there are built on land owned by Boulder City; we lease that property from Boulder City. Because of their forward thinking, they captured that land from the BLM a few years ago and went through the entire environmental process. It made developing these projects easier, faster and better. If the State can capture some BLM land to develop these projects, it will kick-start renewable energy in the State.

CHAIR SCHNEIDER:

We will close the hearing on A.J.R. 10 and open the hearing on Assembly Bill (A.B.) 25.

ASSEMBLY BILL 25 (1st Reprint): Revises provisions governing examinations of applicants for a Nevada driver's license. (BDR 43-343)

TOM FRONAPFEL (Administrator, Division of Field Services, Department of Motor Vehicles):

The original purpose of section 1 in A.B. 25 was to eliminate the requirement in *Nevada Revised Statutes* (NRS) 483.330 to administer vision, knowledge and skills examinations to all individuals under the age of 25 when they apply for a Nevada driver's license and possess a valid driver's license from another state or jurisdiction. As it is currently written, this statute requires testing of all individuals in this age group and category regardless of their previous driving history. Our current practice is to administer only the knowledge and vision examinations to these individuals unless they have had their license suspended, revoked or canceled during the immediately preceding four years; have been convicted for vehicular homicide; during the immediately preceding seven years been convicted of driving under the influence of alcohol or a prohibited substance; they have restrictions on their license which the DMV must reevaluate to ensure that they can safely operate a motor vehicle; they have had three or more convictions of moving traffic violations during the immediately preceding four years; or during the immediately preceding four years they have been convicted of any of the offenses that are required to be reported under federal law.

With the new language in the reprint of A.B. 25, this practice will continue only for those individuals under the age of 21, which should substantially reduce the number of people to whom we administer skills, knowledge and vision tests. As

an example, in fiscal year 2008, for those under the age of 25, there were approximately 7,500 individuals per year to whom we administered these tests. Amending this language to reflect only individuals under the age of 21 should reduce that number to about 2,500 individuals per year. This is a huge reduction in our workload. The criterion of age 21 was agreed to after testimony in the Assembly and agreement with AAA Nevada; we worked out the language jointly. This is a win for both the DMV and the individuals coming in from out-of-state. It will substantially reduce our workload for out-of-state surrenders and allow us to focus on problem drivers in that age group.

SENATOR NOLAN:

Regarding the change in age from 25 to 21, we must have previously determined 25 was an age of maturity and experience. Is there any objective reason or data for the age of 21? Have other states had experience in that same age category? I understand the need to try to reduce the number of people applying for tests, but I would hate to see us trade off four years for more accidents.

MR. FRONAPFEL:

The original age of 25 was selected because that was the age insurance companies gave discounts for insurance premiums on an annual basis. Based on the discussion we had on the Assembly side, primarily with AAA Nevada, the age discounts now occur at 18, 21 and 25. Originally, we wanted to eliminate the provision altogether, but with the agreement and testimony from Mothers Against Drunk Driving (MADD) and AAA, we agreed that 21 would be an appropriate age, given maturity and the insurance threshold for reduced insurance premiums. Based on our experience with the DMV, that is a reasonable age group as well, so we concurred with that suggestion.

SENATOR CARLTON:

Was there any discussion that 21 is the first year they can go out and drink legally? That seems to be a dangerous year; it was a scary year as a parent.

MR. FRONAPFEL:

We did not have that discussion about drinking per se, but that was the concern MADD had in terms of the ability for an individual to be more rational when they get into a motor vehicle, so 21 seemed to be a rational number on which we could agree. We did not have the discussion as far as the drinking provisions.

MICHAEL GEESER (AAA Nevada):

We worked on this bill in the Assembly with the DMV to try to change the language. The main intent for us was to be able to capture teenagers who are moving to Nevada and at least make them look at something before they drive on our roads. We understand the huge backlog of getting people tested behind the wheel at the DMV. That is where this bill was headed, but at the very least, if teenagers are moving to Nevada, it is important for that age group to look at a handbook and get tested on the rules of the road in our State.

Mr. Fronapfel's testimony is absolutely correct. Years ago, the first price break on insurance started at 25. Things have changed substantially since then as insurance companies have tried to get more competitive. Now the price breaks occur at 18, 21 and 25. That is not even counting the 16-year-old price break depending upon what kinds of grades and student programs the driver has gone through. Setting the age at 21, and forcing new drivers to look at the State's driving handbook, is a good start for them before getting on the road in Nevada.

ASSEMBLYMAN KELVIN ATKINSON (Assembly District No. 17):

When the bill was on the Assembly side, as the DMV spoke, we agreed to what they were doing but we had a few amendments to the bill. I would briefly like to explain proposed amendment 4643 ([Exhibit F](#)). It was passed out of the Assembly Committee on Transportation, and concerns adding a fee for noncommercial driver's license skills tests and written skills tests. As you may be aware, 18 states and the District of Columbia charge a fee when a person applies for a noncommercial driver's license. I have provided a table titled, "States that charge a fee for a noncommercial drive skill test and/or written skills test" ([Exhibit G](#)). The fee varies from as little as \$2 to \$25. Nevada does not charge a fee for driver's licenses, and at the same time, has been one of the fastest-growing states. I am troubled that the DMV reports the average written test failure rate in Nevada in 2008 was 53.8 percent. The DMV gave almost 121,000 first-time written tests. Roughly 65,000 people had to retake that test. Just as alarming is close to 30 percent of the people failed the driver's skill test as well. These failure rates place a huge burden on the staff of the DMV; I do not need to tell you about the wait times at the DMV. This contributes to the wait times; therefore, we amended A.B. 25 to require the DMV to charge a fee when a person applies for a noncommercial driver's license. The fee would be used to cover the cost of administration, along with the written and driver skill test. However, a person would only be charged the fee once, if he had to take both the written and driver's test.

I would also like to propose two amendments to A.B. 25. Our committee counsel provided the mock-up you have before you, [Exhibit F](#). First, in section 1.5, on page 3, lines 7 and 8 of the mock-up, I am proposing the DMV waive the \$25 for the administration of the examination for noncommercial driver's license if the person must take a test for a health reason. Individuals sometimes have to come back in and retake the test either for eye or other health reasons. We did not want those individuals to have to pay to take the test so we are exempting them.

Second, in section 1.5, on page 3, lines 10-12, I am proposing the DMV charge a \$50 administrative fee when a person applies for a Nevada driver's license and is surrendering his or her license from a different state. Our thought process was Nevadans are here and they are at least paying. A lot of these individuals are coming in and they may take a test, and they may get our license, but a lot of them do not even stay here. If they leave, and they do not surrender their license back to us, they may go to California or Arizona, but in most instances they are keeping our driver's license. That is why we have an administrative fee for the out-of-state people. Again, it does not apply to the in-state individuals.

According to the DMV, in the second half of 2008, almost 6,000 out-of-state driver's licenses were surrendered per month. This would equate to a sum of about 71,000 surrendered driver's licenses per year. Adding a \$50 administration fee to process these driver's licenses would generate roughly \$3.5 million for the State Highway Fund. A portion of the money will be directed to the DMV to pay for personnel cost associated with issuing driver's licenses. The portion for the DMV would fall under their 22-percent cap.

I looked at the number of failures, almost 54 percent are failing the written exam, and there is no cost for that. They then rebook again and again. We have a five- to seven-week wait time to get in and the DMV is bogged down. This part of the DMV is further damaged because if there is no cost to failing the exam, people are not going to study. They are not taking it seriously. It is not a coincidence we have a 54-percent failure rate. They say, "Well, I am not going to study. I will go take it, if I fail, then I might study. At least I will know what is on it." It is doing our DMV a great injustice by people doing that. By making them at least pay a minimal fee of \$25, they will take the examination more seriously. We will generate some money for the DMV and our Highway Fund as well, so they can continue to provide services and the wait times in Las Vegas can decrease.

Senate Committee on Energy, Infrastructure and Transportation
April 28, 2009
Page 12

SENATOR NOLAN:

Was this an amendment that was voted on by your Committee?

ASSEMBLYMAN ATKINSON:

It was discussed in Committee, but we forgot to add that part into the bill so we brought it to this Committee. The other amendment, \$25 for written tests and retakes, was discussed and already put in. Proposed amendment 4643, [Exhibit F](#), that you just got today, was put in last Thursday, but it was discussed in committee.

SENATOR NOLAN:

I just did not know why it was not added on the floor if your Committee approved this particular amendment.

ASSEMBLYMAN ATKINSON:

I chose to do it here because we did not have it then.

SENATOR NOLAN:

How did DMV feel about the amendment?

ASSEMBLYMAN ATKINSON:

Their standard language is that they are going to remain neutral because of the fees and where their position is relative to the Governor's Office. I cannot see them not liking it, considering it will bring more money to the DMV.

CHAIR SCHNEIDER:

We will close the hearing on [A.B. 25](#) and open the hearing on [A.B. 372](#).

[ASSEMBLY BILL 372](#): Makes various changes concerning registration of commercial motor vehicles. (BDR 43-1015)

ASSEMBLYMAN JOHN C. CARPENTER (Assembly District No. 33):

I am here today to introduce [A.B. 372](#). This bill proposes to amend NRS chapters 482 and 706 to add definitions for gross vehicle weight rating and combined gross vehicle weight rating. This would ensure appropriate registration fees are paid to the State; reduce the potential for fraud or evasion; provide for the purchase of temporary registration permits prior to motor carriers entering the State; and allow for administrative fines to be assessed for violations of NRS chapter 706. These changes will allow the DMV to fairly

administer registration and permit fees and assess fines for interstate motor carriers traveling through Nevada without credentials. These changes will also assist and prevent an unfair competitive advantage for interstate carriers when compared to intrastate motor carriers.

SENATOR CARLTON:
What is the problem we are trying to solve?

ASSEMBLYMAN CARPENTER:
When people do not register their vehicles with the proper gross weight, and then are cited for having improper registration, or a weight violation, there is no way to make those people reregister their vehicles with the proper weight.

SENATOR CARLTON:
In learning about this issue, have you found it is less expensive for them to get the citation than to properly register the vehicle? Is that the goal, or do they misunderstand what they are supposed to be doing?

ASSEMBLYMAN CARPENTER:
A little bit of both.

RHONDA BAVARO (Administrator, Motor Carrier Division, Department of Motor Vehicles):
I have prepared testimony ([Exhibit H](#)).

SENATOR CARLTON:
On page 3, lines 30 and 31, the conviction language states, "A person who is convicted of, or who pleads guilty, guilty but mentally ill or nolo contendere to, a violation of NRS 484.744" Where does the mentally ill part work in this? Did we just pick up boilerplate language and insert it there?

MRS. BAVARO:
That language is added through the Legislative Counsel Bureau's Legal Division.

MATT NICHOLS (Committee Counsel):
Senator Carlton, you're right, it is standard language. The idea here is that there is no sort of conviction that a person could have on their record that would excuse them from having to reregister the vehicle. So, guilty, no contest, guilty but mentally ill, it won't

matter. If you violate NRS 484.744, which is operating one of these commercial motor vehicles in excess of the registered weight, then you're going to have to reregister the vehicle,

PAUL ENOS (CEO, Nevada Motor Transport Association):

We are in support of A.B. 372. As previously stated, this reduces the potential for fraud and evasion. It also helps level the playing field. Right now, when you are a motor carrier in Nevada, and you are between 10,001 and 26,000 pounds and you go into California, you have to get a trip permit before you go into the state. It would be nice for us to require the same thing. There are many options where these companies can get their permits, whether it is at a truck stop or by using a vendor such as J.J. Keller and Associates, Inc. This does not create an undue burden on the industry.

CHAIR SCHNEIDER:

We will close the hearing on A.B. 372. This is a good bill. With there being no more business before the Committee, I will adjourn the Senate Committee on Energy, Infrastructure and Transportation at 10:15 a.m.

RESPECTFULLY SUBMITTED:

Josh Martinmaas,
Committee Secretary

APPROVED BY:

Senator Michael A. Schneider, Chair

DATE: _____