



**NEVADA LEGISLATURE  
LEGISLATIVE COMMISSION'S COMMITTEE TO  
CONDUCT AN INTERIM STUDY ON THE PRODUCTION  
AND USE OF ENERGY**

**(Senate Concurrent Resolution No. 19, File No. 99, *Statutes of Nevada 2009*)**

**SUMMARY MINUTES AND ACTION REPORT**

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The sixth meeting and work session of the Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy was held on Tuesday, June 29, 2010, at 11 a.m. in Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas Nevada. The meeting was videoconferenced to Room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://www.leg.state.nv.us/interim/75th2009/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775/684-6835).

**COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Senator Michael A. Schneider, Chair  
Assemblywoman Marilyn Kirkpatrick, Vice Chair  
Senator John J. Lee  
Assemblyman Marcus L. Conklin

**COMMITTEE MEMBER PRESENT IN CARSON CITY:**

Assemblywoman Heidi S. Gansert

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Scott Young, Committee Policy Analyst, Research Division  
Matthew S. Nichols, Principal Deputy Legislative Counsel, Legal Division  
Anne Vorderbruggen, Senior Research Secretary, Research Division

## **WELCOME AND OPENING REMARKS**

- Senator Michael A. Schneider, Chair, welcomed members and the public to the sixth meeting and work session of the Nevada Legislature's Committee to Conduct an Interim Study on the Production and Use of Energy.

## **APPROVAL OF "SUMMARY MINUTES AND ACTION REPORT" OF THE MEETING HELD ON JUNE 1, 2010, IN LAS VEGAS, NEVADA**

- The Committee **APPROVED THE FOLLOWING ACTION:**

SENATOR LEE MOVED TO APPROVE THE MINUTES OF THE JUNE 1, 2010, MEETING HELD IN LAS VEGAS, NEVADA. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KIRKPATRICK AND PASSED UNANIMOUSLY.

## **PUBLIC COMMENT**

- Suzanne Johnson, private citizen, Gardnerville, Nevada, reported that Nevada's Portfolio Energy Credit Program is now listed in the Database of State Incentives for Renewables and Efficiency under "Performance-Based Incentive." She thanked the staff of the Public Utilities Commission of Nevada (PUCN) for their efforts in getting this program listed in the database.
- Monica Brett, Nevada Program Associate, Southwest Energy Efficiency Program (SWEET), Boulder, Colorado, stated that since Nevada's residential energy efficiency legislation is based on the United Kingdom's (UK) model of implementing a similar European Union directive, she had contacted the UK government representative in charge of these efforts who told her that, since September 2007, an energy performance certificate has been required for all homes when built, rented, or sold. The energy performance certificates are produced by accredited energy assessors. Ms. Brett further reported that the UK's program has a public awareness component, and SWEET is working with resource media to produce a public awareness campaign for Nevada explaining the consequences of energy escaping from homes.

Ms. Brett stated that SWEET supports Senator Schneider's energy efficiency recommendations.

In response to questions from Chair Schneider about whether SWEET had met with the real estate industry and if the real estate industry is in support of energy performance certificates, Ms. Brett stated that SWEET has worked with the real estate industry. She said the Realtors had expressed concern about the cost to homeowners and the potential stigma, if a home has a bad score. She noted that, in collaboration with the energy audit associations, SWEET is providing open houses to educate and train the real estate profession regarding residential energy efficiency.

- Assemblywoman Kirkpatrick stated that she had submitted a bill draft request for reconsideration of the home energy audit requirements. Some of the items for discussion would include: (1) how historical homes are affected; (2) the areas where energy audit people are not available; and (3) the protection of consumers. Assemblywoman Kirkpatrick said she had been on four different energy audits with the same client who lives in her district, and received four different results and costs. She stated she is not opposed to the energy audit requirement, but emphasized that legislation is needed to clarify the issue and to put legislative intent on the record.
- Alison Haugh, representing Southern Nevada Building Performance Professionals (SNBPP), Las Vegas, Nevada, commented that she supports Senator Schneider's recommendations on energy efficiency and stated that SNBPP is willing to work with the Committee and provide testimony during the next legislative session. Ms. Hough invited Assemblywoman Kirkpatrick and Committee members to the next meeting of the SNBPP. Assemblywoman Kirkpatrick requested that she receive a week's advance notice of the meeting.
- Bob Tregilus, Electric Auto Association of Northern Nevada, Reno, Nevada, expressed his support for Recommendation No. 5, to request the drafting of a bill to authorize State and local government fleets to delay purchase of new fuel efficient vehicles for up to two years, until all-electric vehicles are available. Mr. Tregilus also stated he supports Recommendation No. 6, to request the drafting of a bill to authorize the PUCN to provide incentives for investments in advanced travel center electrification systems and systems for recharging plug-in electric or plug-in electric hybrid vehicles, but suggested that a sales tax reduction be considered instead of a rebate.

Continuing, Mr. Tregilus expressed his support for Recommendation No. 8, to request the drafting of a bill authorizing the PUCN to adopt regulations establishing a feed-in tariff program.

- John Hadder, Director, Great Basin Resource Watch, Reno, Nevada, indicated his support for Recommendation No. 8, commenting that it is a timely issue. He stated that for purposes of developing renewable energy and restoring Nevada's economy, it is important to request a bill draft and have public debate on the issue.
- Chair Schneider announced that the Committee had received approximately 20 e-mails in support of the feed-in tariff. (Please see [Exhibit B.](#))

**WORK SESSION: DISCUSSION AND POSSIBLE ACTION ON RECOMMENDATIONS RELATING TO:**

- *Increasing Energy Efficiency of State Facilities, Including Leased Space*
- *Bonding Authority for Property Assessed Clean Energy Projects*
- *Programs to Increase Motor Vehicle Fuel Efficiency and to Reduce Emissions*
- *Incentives for Energy Efficiency and Renewable Energy Programs*

**“WORK SESSION DOCUMENT”**

The following “Work Session Document” ([Exhibit C](#)) has been prepared by the Chair and staff of the Nevada Legislative Commission’s Committee to Conduct an Interim Study on the Production and Use of Energy (Senate Concurrent Resolution No. 19, File No. 99, *Statutes of Nevada 2009*). It is designed to assist the Committee members in developing statements and determining recommendations to be forwarded to the 2011 Session of the Nevada Legislature. Each item in this document may be the subject of further discussion, refinement, or action. Each adopted item will become part of the Committee’s final report to the 76th Session of the Nevada Legislature.

The Committee may request up to five legislative measures and must submit its requests to the Legislative Counsel on or before September 1, 2010, in accordance with subsection 3(b) of *Nevada Revised Statutes* (NRS) 218D.160.

Committee members and members of the public made numerous recommendations in correspondence and at the Committee’s five hearings on November 3, 2009; December 15, 2009; January 19, 2010; April 20, 2010; and June 1, 2010. The source of each recommendation appears in parentheses. However, if several persons contributed or made similar statements, only the main source is noted. Also, the Chair and the staff have combined similar items and adjusted terminology for clarity and consistency.

The document lists the recommendations under selected topics, but not in order of importance or priority. At this time, they do not necessarily have the support of the Chair or members.

Each recommendation is conceptual in nature and will be subject to further discussion. The Committee may accept, reject, modify, or take no action on each one. Additionally, although possible actions may be identified within each recommendation, the Committee may choose to recommend any of the following actions: (1) draft legislation; (2) draft a legislative resolution; (3) draft a Committee letter; (4) draft a Committee resolution; or (5) include a statement in the final report.

During the process of drafting legislation, the Legislative Counsel may consult with the Chair, the staff, or other persons to obtain clarification or additional details. If a recommendation

mentions a specific NRS chapter or section, its completion may also require amendments to other related chapters or sections. Please note that specific details of approved requests for legislation or Committee statements may need to be clarified by staff prior to drafting. Supporting documents for some recommendations may be obtained by contacting Scott Young, Principal Policy and Special Projects Analyst, Research Division, Legislative Counsel Bureau, at 775/684-6825. All place names referred to in this document are in Nevada unless otherwise noted.

Finally, the eventual implementation of a recommendation may have a fiscal impact. The staff will work, as necessary, with the appropriate parties to include fiscal estimates in the Committee's final report.

## **RECOMMENDATIONS FOR LEGISLATIVE MEASURES**

**RECOMMENDATION NO. 1—Request the drafting of a bill to provide that the Chief of the Buildings and Grounds Division of the Department of Administration shall consider the energy efficiency characteristics and energy costs of prospective leased office rooms outside of State buildings for the use of State officers and employees before entering into or renewing a lease. To the extent practicable, the Chief shall only enter into leases for space that meets or exceeds the minimum standards for the conservation of energy and energy efficiency in buildings established by the Nevada Energy Commissioner as provided in NRS 701.220. This proposal would amend NRS 331.110. (Recommended by Senator Townsend, November 3, 2009.)**

**RECOMMENDATION NO. 2—Request the drafting of a bill requiring the Chief of the Buildings and Grounds Division of the Department of Administration, in consultation with the State Public Works Board, to consider the feasibility, practicability and fiscal impact of constructing office space for State officers and employees instead of leasing such space, prior to entering into or renewing a lease. (Recommended by Senator Schneider, November 3, 2009.)**

- Assemblyman Conklin stated that energy efficiency is critical to meeting the power needs of the future, but stressed his concern over the cost. He commented that the cost to the State and the consumer will be his concern regarding all the recommendations, but he could support both Recommendations No. 1 and No. 2.
- The Committee **TOOK THE FOLLOWING ACTION:**

**ASSEMBLYMAN CONKLIN MOVED TO ADOPT RECOMMENDATION NO. 1 AND RECOMMENDATION NO. 2 AS A BILL DRAFT REQUEST TO THE 2011 LEGISLATURE. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KIRKPATRICK.**

Discussion on the motion included concerns about the costs associated with the recommendations, the availability of funds to accomplish the recommendations, and the possibility of renegotiating existing leases at a lower price.

- Assemblywoman Gansert stated that she supports the motion with the caveat that the issue will be evaluated thoroughly during the next legislative session, recognizing the fiscal problems of the State, consumers, and the economy.

CHAIR SCHNEIDER CALLED FOR A VOTE ON THE MOTION AND IT PASSED UNANIMOUSLY.

**RECOMMENDATION NO. 3—Request the drafting of a bill to amend Chapters 244A (“Counties: Financing of Public Improvements”) and 266 (“General Law for Incorporation of Cities and Towns”) of NRS to allow Property Assessed Clean Energy (PACE) programs to be funded through local government bonds. During the 2009 Session, Section 18.9 of Senate Bill 358 (Chapter 321, *Statutes of Nevada*) amended NRS 271.265 to include an energy efficiency improvement project, a public safety project, and a renewable energy project among the kinds of projects the governing body of a county, city, or town can acquire, improve, equip, operate, and maintain. However, the corresponding sections in Chapters 244A and 266 of NRS, which would allow bond funding for these additional kinds of projects, were not amended. In order to give effect to S.B. 358, the appropriate corresponding amendments must also be made in Chapters 244A and 266 of NRS. (Recommended by the City of Henderson, December 15, 2009; Vote Solar, June 1, 2010.)**

- Chair Schneider noted some concern was expressed by Committee members that the PACE program would financially impact other citizens. He explained that the program is funded by bonds purchased by bondholders and the bonds are repaid by assessments on the property of the person who owns the land where the system is installed. Chair Schneider further stated there is no cost to any other citizens; and San Francisco even has a program where a portion of the systems must be used for low-income citizens, which emphasizes the flexibility of the PACE programs.
- Assemblywoman Kirkpatrick stated she has many unanswered questions about the PACE program. She noted that Nevada is a unique state, with issues other places do not have, such as a high transient rate, homeowners associations, and foreclosures.
- Senator Lee said he concurs with Assemblywoman Kirkpatrick and will not be supporting Recommendation No. 3.
- Assemblywoman Gansert stated she also has concerns about who would be paying for the projects; the program has not been refined enough to make sure that whomever receives the benefit will be paying for it; and she would be opposing Recommendation No. 3.

- Assemblywoman Kirkpatrick suggested that, through performance contracts, governmental entities have the ability to carry out some of these projects, and suggested that the program be tried on some of the governmental buildings before exposing homeowners to it.
- Chair Schneider stated he will meet with the representatives of the City of Henderson to attempt to address the questions raised by the Committee, and this recommendation will probably be brought up again for the next legislative session.

The Committee took no action on Recommendation No. 3 due to lack of a motion.

**RECOMMENDATION NO. 4—Request the drafting of a bill to authorize the Division of Environmental Protection, State Department of Conservation and Natural Resources, to adopt regulations implementing a program to require engine repair, oil change, and brake service companies to perform tire pressure checks as part of any service they perform. (Recommended by Senator Schneider, December 15, 2009.)**

- Chair Schneider stated that estimates for Nevada are not available, but estimates for California indicate that, with proper tire inflation, California would eliminate 700,000 metric tons of greenhouse gases, save 75 million gallons of gas, extend tire life by 4,700 miles, and save each driver \$12 a year. He further noted that about 38 percent of California's vehicles have severely underinflated tires, which use more gas and cause handling and safety issues.
- Assemblywoman Gansert said she understands the benefits of properly inflated tires, but has a concern about the role of the government in regulating and mandating that the tire pressure be checked.
- Assemblyman Conklin stated that he agrees with Assemblywoman Gansert's concerns, but he also sees the value of the tire pressure checks as it is not just a question of personal safety but also the other people on the road who may be injured. He noted that by checking tire pressure when regular service is performed, the drivers can be alerted to a problem. Assemblyman Conklin commented that as a matter of general public safety, it would be beneficial to have a full hearing on the issue and understand what the impacts would be.
- Chair Schneider stated this is a safety and environmental issue that should be discussed, and give representatives of the service stations an opportunity to have input about whether required tire pressure checks would be a burden on their business and what the cost would be to them.

- The Committee **TOOK THE FOLLOWING ACTION:**

SENATOR LEE MOVED TO ADOPT RECOMMENDATION NO. 4 AS A BILL DRAFT REQUEST TO THE 2011 LEGISLATURE. THE MOTION WAS SECONDED BY ASSEMBLYMAN CONKLIN AND PASSED, WITH ASSEMBLYWOMAN GANSERT VOTING NAY.

**RECOMMENDATION NO. 5—Request the drafting of a bill to authorize State and local government fleets to delay purchase of new fuel efficient vehicles for up to two years, until all-electric vehicles are available. (Recommended by Bob Tregilus, December 15, 2009.)**

Discussion on Recommendation No. 5 included that the State agencies currently attempt to purchase the most economical vehicles, they already have the option to purchase electric vehicles; and there is a need to make sure the new all-electric vehicles are free of bugs and are cost effective.

- Chair Schneider clarified that Recommendation No. 5 would not mandate a two-year delay, but would authorize State and local governments to delay the purchase of new vehicles, at their discretion.

The Committee took no action on Recommendation No. 5 due to lack of a motion.

**RECOMMENDATION NO. 6—Request the drafting of a bill to authorize the Public Utilities Commission of Nevada (PUCN) to provide incentives for investments in advanced travel center electrification systems and systems for recharging plug-in electric or plug-in electric hybrid vehicles. Also, establishing the Electric Vehicle Demonstration Program; requiring electric utilities in this State to administer the Demonstration Program in their service areas; and providing other matters properly relating thereto. The proposal will be for three categories of allotments: (a) public schools and other public entities; (b) private persons; and (c) businesses. Each category will be allotted 500 vehicles, and the Demonstration Program will last until 2012 or when the allotments are sooner exhausted. Rebates will be limited to \$1,500 per vehicle. In other major respects, the proposal will follow the provisions of Senate Bill 327, First Reprint, from 2009, except the provisions will be administered by the PUCN and the utility instead of the now-defunct Task Force. (Recommended by Senator Schneider, December 15, 2009.)**

- Chair Schneider stated the air quality issues in Nevada are not going away and neither is the need to ensure that Nevada's infrastructure is ready to handle large numbers of electric vehicles. He also noted the impact that prenatal diesel exhaust exposure has on children, which has been linked to significant reductions in IQ scores, in addition to the detriment to the health of the general population in terms of respiratory and heart issues.
- Assemblyman Conklin noted that the money for this incentive program would either come from energy rates or a mill assessment, both of which are paid by consumers.

Assemblyman Conklin stated that a broader policy question is that roads are currently funded with revenue from the gasoline tax, and as people move to electric cars, another way must be found to fund roads. He suggested that these issues should also be addressed.

- Chair Schneider stated that there are programs in place to help subsidize the incentives. He noted that S.B. 358 (Chapter 321, *Statutes of Nevada 2009*) and Assembly Bill 510 (Chapter 168, *Statutes of Nevada 2009*) authorize the Public Utilities Commission of Nevada to establish a reduced rate for low-income customers, and A.B. 522 (Chapter 377, *Statutes of Nevada 2009*) creates the Fund for Renewable Energy into which a portion of the property taxes collected from the developer of a renewable energy facility who receives a property tax abatement is deposited; 75 percent of the money in the fund must be used to offset the cost of electricity to customers. Chair Schneider suggested that a distance tax be considered to fund roads.
- Assemblywoman Kirkpatrick said her constituents are tired of subsidizing others when their rates keep increasing. She stated she is aware of companies that do demonstration projects who are serious about coming to Nevada, and she committed to help by finding a company that would bring a demonstration project to Nevada, at no cost to the State.
- Assemblywoman Gansert noted that Nevada does have portfolio standards and has been aggressive about trying to get renewable energy companies to locate in the State, but the resources are not available to be able to provide the proposed incentives at this time and she has a concern about the subsidies.

The Committee took no action on Recommendation No. 6 due to lack of a motion.

**RECOMMENDATION NO. 7—Request the drafting of a bill requiring certain contractors to offer upgrades for renewable energy and energy efficiency; requiring certain contractors assisting buyers in obtaining financing to offer, or work with lenders that offer, energy efficient mortgages; requiring licensees of the Real Estate Division of the Department of Business and Industry to make certain information about energy efficiency in residential property available to each party to a real estate transaction; revising continuing education requirements relating to energy efficiency for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers, and certified or licensed real estate appraisers; and providing other matters properly relating thereto. This proposal is the same as S.B. 242, Second Reprint, from 2009. (Recommended by Senator Schneider, April 20, 2010.)**

- Chair Schneider stated that homes and commercial buildings use 71 percent of the electricity in the United States and it is expected to increase to 75 percent by 2025; yet 78 percent of the people who bought homes said that nobody had spoken to them about energy efficiency when they purchased their homes.

- Senator Lee disclosed that his wife is a real estate agent and he is a plumbing contractor, and questioned how requiring certain contractors to offer upgrades for renewable energy and energy efficiency would affect his business. Chair Schneider clarified that this provision would apply to contractors that build a development of 25 or more single-family residences.
- Assemblywoman Kirkpatrick expressed her support for this recommendation, and suggested that the contractors who are offering the energy upgrades be on file with the Office of Energy or the State Contractors' Board as it adds value to the contractor and is helpful to the consumer. She also stressed the importance of having a pamphlet available for the consumers to educate them about what questions to ask their Realtor.
- Assemblywoman Gansert stated she will support this recommendation. However, she expressed concern about the list of qualifying upgrades and requiring energy efficient mortgages, if there is not a sufficient supply of the qualifying upgrade or lenders who offer that particular service.
- The Committee **TOOK THE FOLLOWING ACTION:**

SENATOR LEE MOVED TO ADOPT RECOMMENDATION NO. 7 AS A BILL DRAFT REQUEST TO THE 2011 LEGISLATURE. THE MOTION WAS SECONDED BY ASSEMBLYMAN CONKLIN AND PASSED UNANIMOUSLY.

**RECOMMENDATION NO. 8—Request the drafting of a bill authorizing the PUCN to adopt regulations establishing a feed-in tariff program for renewable energy sources of all types listed in NRS 704.7811. The program must not conflict with existing statutory programs such as net metering and the renewable portfolio standard. The program should focus on providing incentives for projects and participants that do not presently qualify for existing statutory renewable energy programs and, in particular, for projects in the 100 kilowatt to 3 megawatt range. The program should adopt best practices from existing feed-in tariff programs in other jurisdictions, including foreign programs, and should be constructed in a manner to balance potential impacts on ratepayers with advancement of the legislative findings on State energy policy enunciated in NRS 701.010. The program should also be consistent with existing federal requirements. The PUCN should be given the authority to design the pricing mechanism and to administratively set rates. (Recommended in varying forms by numerous interested parties; proposal as outlined is based on PUCN report recommendations submitted June 1, 2010.)**

- Chair Schneider stated that feed-in tariffs (FITs) have caused enormous growth in renewables in Spain and Germany and this growth has supported many jobs and new local industries. He noted that, if properly constructed, a FIT can be of great benefit to Nevada in the same way. Nevada has a gap in its renewable incentive structure for businesses with over 500 employees which are the companies that are installing

renewable systems in other states while Nevada loses out, and there are also gaps, depending on the size of installations.

Continuing, Chair Schneider stated that any FIT designed by the PUCN under this proposal would have to be approved by the Legislature, so the legislators would have an opportunity to change any aspects of the proposal they think would not be appropriate for Nevada. He further noted that to reduce the impact on ratepayers, both S.B. 358 and A.B. 510 authorize the PUCN to establish a reduced rate for low-income customers.

- Assemblyman Conklin stated that with his current knowledge of FITs, he would not support this recommendation, noting that there needs to be an incentive that is clear and he is not convinced this is the right one. He said he would support a discussion of FITs but he is concerned that the consumer would have to pay and the universal energy charge that supports low-income customers is probably not enough to cover the cost for those customers.
- Assemblywoman Kirkpatrick said she is concerned that this proposal is very specific, and she is also concerned about the impact on the people in her district, the majority of whom are in the low-income bracket. She stated that before the next legislative session she would research FITs to determine how they work.

Responding to a question from Chair Schneider about whether he is suggesting that there be a discussion about FITs during the next legislative session, Assemblyman Conklin recommended that this bill draft be sponsored by an individual legislator who would work with all involved parties to find consensus before the next session. He opined that FITs are a big issue and it is his opinion that they create more difficult issues than they provide solutions.

The Committee took no action on Recommendation No. 8 due to lack of a motion.

**RECOMMENDATION NO. 9—Request the drafting of a bill requiring that all diesel fuel sold or offered in the State of Nevada must contain at least 5 percent biodiesel by volume, one year after in-state production volume of 30 million gallons of biodiesel has been reached and sustained for three months on an annualized basis. All diesel fuel sold or offered in the State of Nevada must contain at least 10 percent biodiesel by volume, one year after in-state production volume of 60 million gallons of biodiesel has been reached and sustained for three months on an annualized basis, provided vehicle manufacturers recognize engine warranties associated with the use of biodiesel blends of 10 percent or more. (Recommended by Josh Griffin, June 1, 2010.)**

**RECOMMENDATION NO. 10—Request the drafting of a bill amending NRS 366.022 to more accurately comply with national standards by specifying that biodiesel is defined as mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats which conform to ASTM D6751 specifications for use in diesel engines. Biodiesel refers to**

**the pure fuel before blending with diesel fuel. Biodiesel blends are denoted as, “BXX” with “XX” representing the percentage of biodiesel contained in the blend (i.e., B20 is 20 percent biodiesel, 80 percent petroleum diesel). Additionally, amend NRS 366.190 to include a distinct taxation definition for biodiesel. Currently, biodiesel is taxed the same as petroleum diesel. (Recommended by Josh Griffin, June 1, 2010.)**

- Chair Schneider stated that Recommendation No. 9 and Recommendation No. 10 were recommended by Josh Griffin, who is not able to be present at this meeting because he is attending the annual meeting of the Western Governors’ Association, and those recommendations can be addressed together.
- Chair Schneider noted that the reason for this request is that a plant in North Las Vegas is prepared to make a serious investment in biodiesel.
- Assemblyman Conklin stated that he supports a bill draft in this area, but whenever a different tax structure is proposed, it has to be examined very closely; however, he would support bringing it to the Legislature.
- The Committee **TOOK THE FOLLOWING ACTION:**

ASSEMBLYMAN CONKLIN MOVED TO ADOPT RECOMMENDATION NO. 9 AND RECOMMENDATION NO. 10 AS A BILL DRAFT REQUEST TO THE 2011 LEGISLATURE. THE MOTION WAS SECONDED BY SENATOR LEE.

- Assemblywoman Gansert stated that biodiesel will probably be an industry that will continue to grow and will reduce emissions, but she has a concern that this is special legislation, so she will not support the motion. She noted she appreciates that if the recommendations go forward, they will be appropriately vetted.
- Chair Schneider noted that support for this mandate was expressed by Carlos Luri of Bently Biofuels at the Committee’s December 15, 2009, meeting, which indicates there is interest in this issue from both northern and southern Nevada.

CHAIR SCHNEIDER CALLED FOR A VOTE ON THE MOTION AND IT PASSED WITH ASSEMBLYWOMAN GANSERT VOTING NAY.

**RECOMMENDATION NO. 11—Request the drafting of a bill amending NRS 701B.100 of the Solar Energy Systems Incentive Program to replace the current program year segment to allow for a market-based step-down program. Also, amending NRS 701B.240 to eliminate the current three categories of participation and instead substitute two categories, denominated residential and nonresidential. Additionally, clarifying that the amounts specified in NRS 701B.260(4) [\$78,260,000 for the period beginning July 1, 2010, and ending June 30, 2013, inclusive, and \$255,270,000 for the period beginning**

**July 1, 2010, and ending June 30, 2021] represent budget amounts and not ceilings.**  
(*Recommended by Vote Solar and the Solar Alliance, June 1, 2010.*)

- Assemblywoman Kirkpatrick questioned if this recommendation involves issues the PUCN would be considering at its scheduled meeting.
- Scott Young, Committee Policy Analyst, Research Division, Legislative Counsel Bureau (LCB), responded that the PUCN will not be addressing the issues regarding the Solar Energy Systems Incentive Program contained in Recommendation No. 11, at its meeting.
- Rebecca Wagner, Commissioner, PUCN, who was following the meeting on the Internet, confirmed by e-mail that Mr. Young's explanation was correct.
- Assemblywoman Kirkpatrick stated that before she makes a commitment, she needs to understand the intent behind eliminating the three categories of participation in the Solar Energy System Incentive Program and substituting the two categories of residential and nonresidential.

Continuing, Assemblywoman Kirkpatrick noted that the legislators worked very hard to make sure there was a representative of distributed generation (DG) on every renewable energy task force; however, members of the Assembly have not been included in the discussions about DG. She stated that she is willing to have the discussion on this recommendation with the exception of eliminating the three categories of participation, but at this time the Assembly has not been educated enough to make a decision on this recommendation.

- Senator Lee stated that he would withhold his vote on this recommendation until the Assembly members have been included in the discussions and are educated about the DG program.
- Assemblywoman Gansert stated that she likes the concept of a market-based step-down program, but she would have a concern about how the money is divided up and that would have to be extremely well vetted and categorized in a final bill draft.
- Matthew S. Nichols, Principal Deputy Legislative Counsel, Legal Division, LCB, pointed out that the program currently has a 9 percent per year carve-out set aside for DG based on a percentage of the amount allocated per calendar year and if the concept of a program year goes away, as proposed, the measurement for that DG set-aside also goes away. Mr. Nichols noted that how much of the program allocation each year should be set aside for DG or if it should be some measure of the program as a whole is a significant policy question that needs to be settled before the bill can be drafted.

- Assemblyman Conklin offered to request this bill draft through the Assembly Committee on Commerce and Labor and stated he would include Assemblywoman Kirkpatrick, along with anyone else who wants to work on it.

The Committee took no action on Recommendation No. 11 due to lack of a motion.

**RECOMMENDATION NO. 12—Request the drafting of a bill amending NRS 704.773 to increase the maximum cumulative net metering capacity from 1 percent of peak capacity to 2 percent and removing the maximum capacity of a net metering system in NRS 704.771, which currently stands at 1 megawatt. (Recommended by Vote Solar and the Solar Alliance, June 1, 2010.)**

- Assemblyman Conklin stated that the net metering capacity was increased to 1 percent less than three years ago and, while he is not opposed to expanding net metering when appropriate, one of the big concerns is understanding the impact that net metering has on the total capacity of the grid and the ability of the utility to effectively estimate what peak will be so they can purchase the cheapest energy for that peak capacity. He stated Nevada is no where near 1 percent of net metering capacity and there is plenty of capacity remaining for net metering projects. Assemblyman Conklin opined this might be something to consider in the 2013 Session, but this bill is not necessary at this time.

The Committee took no action on Recommendation No. 12 due to lack of a motion.

#### **RECOMMENDATIONS FOR ADDITIONAL STUDY**

**RECOMMENDATION NO. 13—Request the Public Utilities Commission of Nevada to open an investigatory docket to examine the feasibility of authorizing State and/or local governments to enter into purchase power agreements or other suitable arrangements pursuant to which the governmental entities, separately or jointly, could contract with electric power producers for a portion of the governmental entities' electric load to be supplied from renewable energy sources constructed within Nevada. The governmental entities, in turn, would be authorized to allow qualifying businesses to access portions of the power produced under such arrangements at a fixed rate for a specified number of years as an economic development tool to attract new enterprises to locate in Nevada or to incentivize existing businesses in Nevada to expand their operations and as a specific program to implement the legislative declaration of State energy policy embodied in NRS 701.010. The PUCN would report its findings, conclusions, and recommendations to the 76th Session of the Nevada Legislature no later than February 11, 2011, if possible. (Recommended by Senator Townsend, January 19, 2010.)**

- Senator Lee stated that this recommendation does not appear to require any regulation of the governmental entities that would use this authorization to attract new businesses to Nevada. He noted that Nevada has a regulated industry and he could not support any community on its own being able to do this without the proper oversight.

- Assemblywoman Kirkpatrick stated that she agrees with Senator Lee, but for a different reason, and she would not support this recommendation because there would be no transparency and local governments need to be more accountable for doing the necessary paperwork.

The Committee took no action on Recommendation No. 13 due to lack of a motion.

## **POSSIBLE COMMITTEE LETTERS, RESOLUTIONS, AND STATEMENTS**

**RECOMMENDATION NO. 14—Request a letter to the Database of State Incentives for Renewables and Efficiency website requesting that it update its information on Nevada renewable energy incentives to include accurate information on portfolio energy credits.**  
*(Recommended by Suzanne Johnson, June 1, 2010.)*

- Chair Schneider noted that Suzanne Johnson had testified earlier in the meeting under “Public Comment” that the information on the website of the Database of State Incentives for Renewables and Efficiency has been updated to include Nevada’s Portfolio Energy Credit Program.

The Committee took no action on Recommendation No. 14.

## **PUBLIC COMMENT**

- Randell S. Hynes, President, Solar Forces, Inc., Las Vegas, stated that he was present at the meeting to listen to the discussion on the solar program, FITs, and the PACE program. Mr. Hynes recommended that Nevada’s cap of 1 percent of net metering capacity be removed as it puts Nevada at a disadvantage in attracting investors. He noted that the only neighboring state that has a cap is California and California’s cap is 5 percent, which would allow investors to put in over 3,000 MW of DG, which is California’s goal. Mr. Hynes also commented that the limit on net metering connections is an arbitrary number and should be changed.

Discussion ensued between Mr. Hynes and Senator Lee about the need to balance the interests of the utilities and the ratepayers in planning for the future.

- Patrick T. Sanderson, Lobbyist, Laborers International Union Local 872, Carson City, urged that requests for proposals for future projects contain a requirement that a percentage of workers be from Nevada. Mr. Sanderson said that Nevada’s workers need to get back to work to help support the State, education, and the businesses in the State.
- Assemblywoman Kirkpatrick noted that A.B 522 (Chapter 377, *Statutes of Nevada 2009*) contains a requirement that 30 percent of the workers on construction of renewable energy facilities must be residents of Nevada. She noted there are federal commerce laws that preclude the ability to require that 100 percent of the workers be

Nevada residents. Assemblywoman Kirkpatrick further reported that a bill draft request has been submitted for a bidders' preference on local government contracts.

**ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 1:22 p.m.

Respectfully submitted,

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Anne Vorderbruggen  
Senior Research Secretary

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Scott Young  
Committee Policy Analyst

APPROVED BY:

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Senator Michael A. Schneider, Chair

Date: \_\_\_\_\_

## LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Scott Young, Committee Policy Analyst, Research Division, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is a document dated June 29, 2010, titled “Messages in Support of Feed-In Tariffs,” which consists of e-mail messages in support of feed-in tariffs received by LCB staff, provided by Scott Young, Committee Policy Analyst, Research Division, LCB.

[Exhibit C](#) is the “Work Session Document” dated June 29, 2010, provided by Scott Young, Committee Policy Analyst, Research Division, LCB.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at [www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm](http://www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm) or telephone: 775/684-6827.