



NEVADA LEGISLATURE
LEGISLATIVE COMMITTEE ON ENERGY
(Nevada Revised Statutes [NRS] 218E.805)

SUMMARY MINUTES AND ACTION REPORT

The second meeting of the Nevada Legislature's Legislative Committee on Energy was held on Tuesday, December 8, 2015 at 9 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3137 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/78th2015/committee/>. In addition, copies of the audio or video record are available through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835) and may be available online at <http://www.leg.state.nv.us/Granicus/>.

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman Erven T. Nelson, Chair
Senator Michael Roberson

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Senator James A. Settelmeyer, Vice Chair
Assemblyman Randy Kirner

COMMITTEE MEMBERS ABSENT:

Senator Kelvin D. Atkinson (Excused)
Assemblywoman Olivia Diaz (Excused)

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Marjorie Paslov Thomas, Principal Research Analyst, Research Division

Brenda J. Erdoes, Legislative Counsel, Legal Division

Dan Yu, Principal Deputy Legislative Counsel, Legal Division

Roman Edwards, Deputy Legislative Counsel, Legal Division

Janet Coons, Principal Administrative Assistant, Research Division

Any agenda items taken out of order during the meeting have been placed in proper agenda order in the minutes for purposes of continuity.

AGENDA ITEM I—OPENING REMARKS

Chair Nelson called the meeting of the Legislative Committee on Energy to order.

AGENDA ITEM II—PUBLIC COMMENT

Chair Nelson called for public comment; however, no testimony was presented.

AGENDA ITEM III—APPROVAL OF MINUTES OF THE MEETING HELD ON NOVEMBER 20, 2015, IN LAS VEGAS, NEVADA

MOTION: Vice Chair Settlemeyer moved to approve the minutes of the meeting held on November 20, 2015, in Las Vegas, Nevada. The motion was seconded by Senator Roberson and passed unanimously.

AGENDA ITEM IV—OVERVIEW OF ENERGY EFFICIENCY AS A RESOURCE

Chair Nelson explained that Senate Bill 360 (Chapter 531, *Statutes of Nevada*) from the 2015 Legislative Session directs the Committee to study the development, viability expansion, and implementation of energy efficiency (EE) programs.

J. R. Tolbert, Senior Director, State Policy, Advanced Energy Economy (AEE), Washington, D.C., shared a Microsoft PowerPoint presentation ([Exhibit B](#)), which provided an overview of AEE, the EE industry, and what drives EE deployment in the states.

Chair Nelson and Mr. Tolbert discussed conservation codes.

AGENDA ITEM V—PRESENTATION ON UTILITY SECTOR ENERGY EFFICIENCY POLICIES AND DISCUSSION ON IMPLEMENTING SUCH POLICIES IN NEVADA

Martin Kushler, Ph.D., Senior Fellow, American Council for an Energy-Efficient Economy, Washington, D.C., shared a Microsoft PowerPoint presentation ([Exhibit C](#)), which emphasized the following four key points:

1. It is much cheaper to save energy than it is to produce it;
2. Nevada is totally dependent on fuels imported from other states and countries. Every dollar of fuel imports reduced through EE is a dollar that can stay and circulate in Nevada's economy;

3. Utilities do not voluntarily engage in (or fund) “serious” customer EE programs; and
4. National data overwhelmingly show that energy efficiency resource standards are extremely effective.

Dr. Kushler pointed out that Nevada’s EE ranking in the United States has fallen from 16 in 2009 to 31 in 2015. He recommended Nevada establish strong energy efficiency resource standards for its utilities to improve their EE performance. Dr. Kushler shared four common state policies for achieving optimal utility EE and his recommendations for Nevada to achieve an optimal state policy for utility EE programs.

Vice Chair Settlemeyer and Dr. Kushler discussed the reasons for Nevada’s decline in EE.

AGENDA ITEM VI—PRESENTATION ON THE ECONOMIC AND ENVIRONMENTAL BENEFITS OF ENERGY EFFICIENCY POLICIES

Tom Polikalas, Nevada Representative, Southwest Energy Efficiency Project (SWEET), shared a Microsoft PowerPoint presentation titled “Energy Efficiency Policy Recommendations for Nevada” ([Exhibit D](#)). He mentioned a SWEET report titled *The \$20 Billion Bonanza* ([Exhibit E](#)), which was issued in 2012 and identified best practice electric utility EE programs and their benefits for the Southwest. Mr. Polikalas requested the Committee support giving the Public Utilities Commission of Nevada (PUCN) the authority to decouple electric revenues from electric sales and direct the PUCN to move forward on decoupling. He submitted SWEET’s legislative proposal for EE goals and incentives ([Exhibit F](#)) and a report titled *A Decade of Decoupling for US Energy Utilities: Rate Impacts, Designs, and Observations* ([Exhibit G](#)).

AGENDA ITEM VII—PRESENTATION ON ENERGY EFFICIENCY INCENTIVE PROGRAMS AND ACTIVITIES IN NEVADA

A. Governor’s Office of Energy (GOE)

David Gibson, Energy Efficiency Specialist, GOE, shared a Microsoft PowerPoint presentation, which provided a case study of EE improvements he made to his own home ([Exhibit H](#)).

Kevin Hill, Energy Efficiency Program Manager, GOE, shared a Microsoft PowerPoint presentation, which identified the GOE’s EE programs for residential, commercial, and public facilities ([Exhibit I](#)). He stressed there is significant outreach to Nevada citizens to educate them about the various programs.

B. NV Energy

Jack McGinley, Director, Regulatory and Legislative Strategy, NV Energy, shared a Microsoft PowerPoint presentation, which focused on the regulatory process, current customer demand side programs offered, and current budget levels ([Exhibit J](#)). He noted there is significant outreach, and customers do take advantage of the programs.

C. Nevada Manufacturers Association (NMA)

Ray Bacon, Executive Director, NMA, presented written testimony regarding EE and future policies for the State and manufacturing sector ([Exhibit K](#)), which focused on the relationship between water and energy, the role of solar energy in Nevada, and products for EE. He also presented a study by the Desert Research Institute titled *Estimate of Water Use by Thermoelectric Power Plants in Nevada* ([Exhibit L](#)). Mr. Bacon stressed the biggest challenge in the energy field is storage. He discussed climate change and ozone regulations.

AGENDA ITEM VIII—OVERVIEW OF THE WESTERN ENERGY IMBALANCE MARKET AND THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Jack McGinley, previously identified, shared a Microsoft PowerPoint presentation regarding NV Energy's participation in the CAISO Energy Imbalance Market (EIM) ([Exhibit M](#)). He announced that NV Energy successfully began participating in the western EIM on December 1, 2015.

Stacey Crowley, Director, Regional Affairs, CAISO, shared a Microsoft PowerPoint presentation regarding the EIM and the Harry Allen to Eldorado Transmission Line ([Exhibit N](#)). She discussed what CAISO does, its role in the EIM, and the transmission planning process.

Ms. Crowley explained that Los Angeles and Sacramento are not members of CAISO because they are municipally owned utilities with different economic structures.

AGENDA ITEM IX—OVERVIEW OF RESIDENTIAL AND LIGHT COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING DESIGN STANDARDS AND RECOMMENDATIONS FOR IMPROVING ENERGY EFFICIENCY

Neal VanCitters, Principal, Sierra Energy Resources, LLC, shared a Microsoft PowerPoint Presentation regarding residential and light commercial heating, ventilation, and air conditioning (HVAC) design standards ([Exhibit O](#)). He discussed relevant organizations and standards, the impact of HVAC oversizing, and offered recommendations to maximize EE. Mr. VanCitters submitted a topic brief from the Office of Energy Efficiency & Renewable Energy, U.S. Department of Energy, titled *Residential Mechanical Equipment Loads and Sizing* ([Exhibit P](#)).

AGENDA ITEM X—PUBLIC COMMENT

Chair Nelson called for public comment.

Tom Clark, Partner, Tom Clark Solutions, Reno, Nevada, testified on behalf of Semptra U.S. Gas & Power, LLC, which owns and operates a 550-megawatt facility in the Eldorado Valley. He requested an opportunity to provide the Committee with a full update on current and future projects in the Eldorado Valley.

AGENDA ITEM XI—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:12 p.m.

Respectfully submitted,

Janet Coons
Principal Administrative Assistant

Marjorie Paslov Thomas
Principal Research Analyst

APPROVED BY:

Assemblyman Erven T. Nelson, Chair

Date: _____

EXHIBITS

EXHIBIT	WITNESS/ENTITY	DESCRIPTION
Exhibit A	Marjorie Paslov Thomas, Principal Research Analyst, Research Division, Legislative Counsel Bureau	Agenda
Exhibit B	J. R. Tolbert, Senior Director, State Policy, Advanced Energy Economy, Washington, D.C.	Microsoft PowerPoint Presentation
Exhibit C	Martin Kushler, Ph.D., Senior Fellow, American Council for an Energy-Efficient Economy, Washington, D.C.	Microsoft PowerPoint Presentation
Exhibit D	Tom Polikalas, Nevada Representative, Southwest Energy Efficiency Project (SWEEP)	Microsoft PowerPoint Presentation
Exhibit E	Tom Polikalas, Nevada Representative, SWEEP	Report titled <i>The \$20 Billion Bonanza</i>
Exhibit F	Tom Polikalas, Nevada Representative, SWEEP	Legislative proposal regarding energy efficiency
Exhibit G	Tom Polikalas, Nevada Representative, SWEEP	Report titled <i>A Decade of Decoupling for US Energy Utilities: Rate Impacts, Designs, and Observations</i>
Exhibit H	David Gibson, Energy Efficiency Specialist, Governor's Office of Energy (GOE)	Microsoft PowerPoint Presentation
Exhibit I	Kevin Hill, Energy Efficiency Program Manager, GOE	Microsoft PowerPoint Presentation
Exhibit J	Jack McGinley, Director, Regulatory and Legislative Strategy, NV Energy	Microsoft PowerPoint Presentation
Exhibit K	Ray Bacon, Executive Director, Nevada Manufacturers Association (NMA)	Written testimony
Exhibit L	Ray Bacon, Executive Director, NMA	Report from the Desert Research Institute titled <i>Estimate of Water Use by Thermoelectric Power Plants in Nevada</i>
Exhibit M	Jack McGinley, Director, Regulatory and Legislative Strategy, NV Energy	Microsoft PowerPoint Presentation
Exhibit N	Stacey Crowley, Director, Regional Affairs, California Independent System Operator	Microsoft PowerPoint Presentation

Exhibit O	Neal VanCitters, Principal, Sierra Energy Resources, LLC	Microsoft PowerPoint Presentation
Exhibit P	Neal VanCitters, Principal, Sierra Energy Resources, LLC	Topic brief from the Office of Energy Efficiency and Renewable Energy, United States Department of Energy, titled <i>Residential Mechanical Equipment Loads and Sizing</i>

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 and other materials distributed at the meeting 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 or telephone: (775) 684-6827.