



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

SUMMARY MINUTES AND ACTION REPORT

The fourth meeting of the Nevada Legislature's Legislative Committee on Energy was held on Friday, June 17, 2016, 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," the "Meeting Notice and Agenda," and other meeting materials are 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 Stephen H. Silberkraus, Chair
Senator Kelvin D. Atkinson
Assemblywoman Olivia Diaz
Assemblyman Randy Kirner

COMMITTEE MEMBER PRESENT IN CARSON CITY:

Senator James A. Settelmeyer, Vice Chair

LEGISLATOR ABSENT:

Senator Michael Roberson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Marjorie Paslov Thomas, Principal Research Analyst, Research Division
Bryan Fernley, Senior Principal Deputy Legislative Counsel, Legal Division
Matthew S. Nichols, Senior Principal Deputy Legislative Counsel, Legal Division

Roman Edwards, Deputy Legislative Counsel, Legal Division
Janet Coons, Principal Administrative Assistant, Research Division

Items taken out of sequence during the meeting have been placed in agenda order.

AGENDA ITEM I—OPENING REMARKS

Chair Silberkraus called the meeting to order. He introduced himself as the new Chair of the Committee and shared meeting protocol.

AGENDA ITEM II—PUBLIC COMMENT

Chair Silberkraus called for public comment.

Marlene Adrian, resident, Las Vegas, Nevada, submitted written testimony requesting the Committee to restore the original net metering contract, which did not have any time limitations ([Agenda Item II A](#)).

Cassandra Rice, owner of Gymcats, Henderson, Nevada, and advocate for renewable energy and energy efficiency (EE), shared the EE improvements she has made in her business.

Joanne Leovy, M.D., resident, Las Vegas, Nevada, submitted written comments regarding climate change and its relation to organized medicine ([Agenda Item II B](#)). She encouraged the Committee to consider and enact legislation to promote novel technologies and fee structures for renewable energy production, storage, and delivery.

Tyler Tingey, resident of Nevada, commented on clean energy sources and the effects of climate change. He stated Nevada is a leader in solar and geothermal energy.

Larry K. Fosgate, resident, Las Vegas, Nevada, urged the Legislature to think of how the State can prosper from the energy needs of California by capitalizing on Nevada's many energy sources.

Jaina Moan, resident, Las Vegas, Nevada, submitted written comments that encouraged the Committee to consider the long-term, large-scale implications of the State's energy choices and choose energy sources that provide the greatest economic sustainability for Nevada's communities ([Agenda Item II C](#)).

Julio Ramirez, resident of Nevada, stated he sells solar energy systems. He expressed disappointment with the decision of the Public Utilities Commission of Nevada (PUCN) to create the separate rate class for solar customers and the decision to cut important EE programs. He opined that low-income communities should have access to EE programs.

Jarrett Clark, Program and Outreach Director, Clean Energy Project, shared the sentiments of small business owners encouraging the State to use its vast geothermal resources and its great potential for renewable energy.

Tom Dudas, resident of Nevada, said he would like the entitlement of the EE implementation rate reversed ([Agenda Item II D-1](#)) and Senate Bill 358 (Chapter 321, *Statutes of Nevada 2009*) amended to encourage free commerce and the production of EE products, which would improve the availability of green energy. Mr. Dudas shared an article about Berkshire Hathaway selling energy at market rate ([Agenda Item II D-2](#)). He questioned why Nevada Power Company was allowed to collect an overcharge for so many years.

David Gibson, resident, Reno, Nevada, and energy consultant based in northern Nevada, provided an update on the renewable energy improvements he made to his home ([Agenda Item II E](#)). He noted that financing the project was difficult, which illustrates how critical a green bank is to Nevada.

Bradley Cladianos, student at Arizona State University and native Nevadan, commented on two policies implemented by the Arizona Public Service that he opined would be beneficial to Nevada: (1) a \$1,500 rebate offered to builders for new homes built with energy star standards; and (2) an EE program for residents who live in multifamily unit housing.

Thomas E. Gray, resident, Carson City, Nevada, submitted written testimony suggesting the statement made by NV Energy and the PUCN that Nevada's previous net metering program forced low-income residents to subsidize the cost of high-income residents' rooftop solar systems is a misrepresentation of the facts ([Agenda Item II F](#)).

Arlene Kam, environmental science teacher, Sierra Vista High School, Clark County School District, discussed the following topics: (1) using LED lighting in schools; (2) reducing the amount of water used for energy; and (3) misinformation presented in NV Energy commercials.

AGENDA ITEM III—APPROVAL OF MINUTES OF THE MEETING HELD ON FEBRUARY 8, 2016, IN LAS VEGAS, NEVADA

MOTION: Assemblyman Kirner moved to approve the minutes of the February 8, 2016, meeting held in Las Vegas, Nevada. The motion was seconded by Senator Atkinson and passed unanimously.

AGENDA ITEM IV—OVERVIEW OF THE SOLAR THERMAL SYSTEMS DEMONSTRATION PROGRAM AND RECOMMENDATION TO DISCONTINUE THE PROGRAM

Anne-Marie Cuneo, Director of Regulatory Operations, PUCN, reported the Solar Thermal Systems Demonstration Program has not been successful. Her presentation covered: (1) the Program's legislative history; (2) performance data; (3) competition with natural gas; (4) high installation and administration costs; and (5) low participation rates ([Agenda Item IV A-1](#)). Ms. Cuneo stated the PUCN recommends the Legislature discontinue the Program; she noted the Bureau of Consumer Protection, Office of the Attorney General, also supports

discontinuing the Program. She pointed out that the New Energy Industry Task Force, Governor's Office of Energy (GOE), is looking at other programs and is likely to recommend more effective and efficient uses of ratepayer funds if resources are freed up from this Program.

Assemblywoman Diaz questioned who benefited from the Program; Ms. Cuneo stated she would submit that information to the Committee ([Agenda Item IV A-2](#)).

Ms. Cuneo explained that Chapter 701B ("Renewable Energy Programs") of NRS requires legislation to discontinue the Program.

AGENDA ITEM V—UPDATE ON THE ACTIVITIES OF THE NEW ENERGY INDUSTRY TASK FORCE, GOVERNOR'S OFFICE OF ENERGY

Angela Dykema, Chair, New Energy Industry Task Force, GOE, and Director, GOE, said Governor Brian Sandoval issued an Executive Order on February 23, 2016, reconvening the Task Force. She discussed three policy directives set forth in the Order, advisory committees established to focus on the policy directives, and policy recommendations set forth by each advisory committee. Ms. Dykema shared six recommendations for bill draft requests for the 2017 Legislative Session, which the Task Force sent to the Governor ([Agenda Item V](#)).

AGENDA ITEM VI—FINDINGS AND RECOMMENDATIONS FROM THE COALITION FOR GREEN CAPITAL TO ESTABLISH GREEN BANKS IN NEVADA (PURSUANT TO SENATE BILL 360 [CHAPTER 531, *STATUTES OF NEVADA*] OF THE 2015 LEGISLATIVE SESSION)

Jeffrey Schub, Executive Director, Coalition for Green Capital (CGC), provided an update on the findings and recommendations of the Nevada Green Bank Study, which was directed by S.B. 360 ([Agenda Item VI](#)). He reported there is an opportunity and a need for public/private financing to drive the growth of clean energy markets in Nevada. According to the Study, Mr. Schub said a number of inefficiencies, barriers, and gaps in the market could be addressed through green bank financing and market development tools, which would drive greater private sector activity, more job growth, and more business development in the State. Based on research and interviews conducted during the Study, he commented that green banks could help grow Nevada's clean energy market. Mr. Schub announced that CGC would provide the full report to the Committee by June 30, 2016.

Bryan Garcia, President and Chief Executive Officer, Connecticut Green Bank, explained the commercial property assessed clean energy (PACE) program and discussed how the Connecticut Green Bank grows residential solar with more financing and less State subsidy ([Agenda Item VI](#)).

AGENDA ITEM VII—PRESENTATION ON PROPERTY ASSESSED CLEAN ENERGY

Timothy Farkas, Director of Finance, Ameresco, Inc., shared a presentation regarding PACE finance programs, which highlighted the following: (1) public impact; (2) forms of security for loans; (3) government involvement; (4) the logistics of a PACE program; (5) complement to future efforts; (6) the economic benefits of energy projects; and (7) proposed legislation ([Agenda Item VII](#)). He commented he is not aware of any green bank endeavor in the country that does not have PACE, which is a tool for lending institutions. Mr. Farkas concluded by stating there is strong support for PACE from local municipalities, statewide industries, and the GOE.

AGENDA ITEM VIII—PRESENTATION ON THE BENEFITS OF RENEWABLE ENERGY PRODUCTION IN NEVADA

Joshua Nordquist, Director of Business Development, Ormat Technologies, Inc., presented information regarding the short- and long-term economic benefits of renewable energy production. He discussed the valuations of: (1) green energy; (2) environmental protection; (3) less centralized generation; (4) Nevada's resources for local consumption and exportation; (5) pricing stability; and (6) load following ([Agenda Item VIII](#)). Mr. Nordquist made the following recommendations:

- Establish an evaluation study (led by the GOE or a third party) based on actual data;
- Direct the PUCN to evaluate the value of intermittent, firm, and flexible renewables;
- Determine the true economic benefits of renewable technologies; and
- Provide clear direction (for the utility and the PUCN) of the preference of native Nevada renewable resources.

Mr. Nordquist confirmed that he made a similar presentation to the New Energy Industry Task Force but no recommendations went forward.

AGENDA ITEM IX—PRESENTATION ON ECONOMIC AND RESILIENCY SOLUTIONS USING COMBINED HEAT AND POWER

Gene Kogan, Director, United States Department of Energy Pacific Combined Heat and Power (CHP) Technical Assistance Partnership, provided an overview of the concept, benefits, market, and technical assistance for CHP. He identified Nevada's energy policies that are favorable for CHP; presented various opportunities for CHP in the State; and shared installations summary data in Nevada ([Agenda Item IX A-1](#)). Mr. Kogan submitted a fact sheet ([Agenda Item IX A-2](#)) and a partnership agreement ([Agenda Item IX A-3](#)) regarding CHP for resiliency accelerator.

AGENDA ITEM X—PRESENTATION ON APPLICATIONS AND OPPORTUNITIES FOR COMBINED HEAT AND POWER IN NEVADA

Debra Gallo, Director of Public Affairs, Southwest Gas Corporation, discussed specific applications and potential commercial and agricultural opportunities for CHP in Nevada. Her presentation focused on the current CHP applications in MGM Resort's City Center, Nevada Cogen Associates No. 1, Nevada Cogen Associates No. 2, and Barton Memorial Hospital ([Agenda Item X](#)).

Paul Johnson, Manager, Key Account Management, Southwest Gas Corporation, added that his engineers work with both large-scale and boutique customers on differing technologies, including CHP.

AGENDA ITEM XI—UPDATE ON NV ENERGY'S PARTICIPATION IN THE WESTERN ENERGY IMBALANCE MARKET

(This agenda item was taken out of order.)

Jack McGinley, Executive of Regulatory and Legislative Strategy, NV Energy, presented a brief update on NV Energy's participation in the Western Energy Imbalance Market (EIM), which addressed the EIM's background; operational experience in the first quarter of 2016; transactional benefit analyses; and other entities considering participation in the EIM ([Agenda Item XI](#)).

Assemblyman Kirner and Mr. McGinley discussed the benefits of the EIM in relation to costs.

AGENDA ITEM XII—PUBLIC COMMENT

Chair Silberkraus called for public comment.

Tom Polikalis, Nevada Representative, Southwest Energy Efficiency Project, suggested exploring how the savings of energy programs have affected the State's revenues. He mentioned ElectraTherm, a waste heat to power company in Reno, which exports its products internationally and has one installation in Nevada—the Florida Canyon gold mine—of which ElectraTherm plans to offer a tour before the 2017 Session.

Thomas E. Gray, previously identified, expressed his support for valuing the indirect costs of renewables and EE. He suggested these energy options are cleaner with aesthetic and climate-related benefits, including lower health care premiums. He suggested the PUCN did not take into account any indirect costs when it decided to discontinue the Solar Thermal Systems Demonstration Program.

Fred Voltz, resident, Carson City, Nevada, submitted prepared testimony regarding four observations: (1) the State's electric ratepayers have been forced to contribute to solar

programs; (2) there is no imminent solution to technology limitations; (3) proposed programs ignore the vetting of costs and replacement of short-lived renewable systems; and (4) rate and taxpayers should not have to provide subsidies through grants, taxes, loan programs, and other mechanisms if there is a genuine market for renewables and EE ([Agenda Item XII A](#)).

Subsequent to the meeting, Jarrett Clark, Program and Outreach Director, Clean Energy Project, submitted the following documents:

- A letter from Deborah Close, Director, Provider Solutions, Patient Point, regarding solar power and other sources of renewable energy ([Agenda Item XII B](#));
- A letter from Dean R. Stanphill, P.E., C.E.M., President, GC Environmental Inc., regarding Nevada's potential to be a leader in renewable energy sources ([Agenda Item XII C](#));
- Written comments and a concept proposal for a Technology R & D Innovation Center from Gary Vesperman, resident, Boulder City, Nevada ([Agenda Item XII D](#)); and
- A memorandum from David G. Yurth, Director, Science and Technology, The Nova Institute of Technology, LLC, regarding a concept proposal for a Technology R & D Innovation Center ([Agenda Item XII E](#)).

J. David Martin, resident, Lamoille, Nevada, submitted written comments regarding the State's clean energy policies ([Agenda Item XII F](#)).

AGENDA ITEM XIII—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:36 p.m.

Respectfully submitted,

Janet Coons
Principal Administrative Assistant

Marjorie Paslov Thomas
Principal Research Analyst

APPROVED BY:

Assemblyman Stephen H. Silberkraus, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	WITNESS/ENTITY	DESCRIPTION
<u>Agenda Item II A</u>	Marlene Adrian, resident, Las Vegas, Nevada	Written comments
<u>Agenda Item II B</u>	Joanne Leovy, M.D., resident, Las Vegas, Nevada	Written comments
<u>Agenda Item II C</u>	Jaina Moan, resident, Las Vegas, Nevada	Written comments
<u>Agenda Item II D-1</u>	Tom Dudas, resident of Nevada	Order on proposed market-based rate tariff changes
<u>Agenda Item II D-2</u>	Tom Dudas, resident of Nevada	Newspaper article
<u>Agenda Item II E</u>	David Gibson, resident, Reno, Nevada, and energy consultant in northern Nevada	Written comments
<u>Agenda Item II F</u>	Thomas E. Gray, resident, Carson City, Nevada	Letter
<u>Agenda Item IV A-1</u>	Anne-Marie Cuneo, Director of Regulatory Operations, Public Utilities Commission of Nevada (PUCN)	Microsoft PowerPoint presentation
<u>Agenda Item IV A-2</u>	Anne-Marie Cuneo, Director of Regulatory Operations, PUCN	Data on the Solar Thermal Systems Demonstration Program
<u>Agenda Item V</u>	Angela Dykema, Chair, New Energy Industry Task Force, Governor's Office of Energy (GOE), and Director, GOE	Microsoft PowerPoint presentation
<u>Agenda Item VI</u>	Jeffrey Schub, Executive Director, Coalition for Green Capital	Microsoft PowerPoint presentation
<u>Agenda Item VII</u>	Timothy Farkas, Director of Finance, Ameresco, Inc.	Microsoft PowerPoint presentation
<u>Agenda Item VIII</u>	Joshua Nordquist, Director of Business Development, Ormat Technologies, Inc.	Microsoft PowerPoint presentation
<u>Agenda Item IX A-1</u>	Gene Kogan, Director, United States Department of Energy Pacific Combined Heat and Power (CHP) Technical Assistance Partnership	Microsoft PowerPoint presentation

<u>Agenda Item IX A-2</u>	Gene Kogan, Director, U.S. Department of Energy Pacific CHP Technical Assistance Partnership	Fact Sheet
<u>Agenda Item IX A-3</u>	Gene Kogan, Director, U.S. Department of Energy Pacific CHP Technical Assistance Partnership	Partnership agreement
<u>Agenda Item X</u>	Debra Gallo, Director of Public Affairs, Southwest Gas Corporation	Microsoft PowerPoint presentation
<u>Agenda Item XI</u>	Jack McGinley, Executive of Regulatory and Legislative Strategy, NV Energy	Microsoft PowerPoint presentation
<u>Agenda Item XII A</u>	Fred Voltz, resident, Carson City, Nevada	Written comments
<u>Agenda Item XII B</u>	Deborah Close, Director, Provider Solutions, Patient Point	Letter
<u>Agenda Item XII C</u>	Dean R. Stanphill, P.E., C.E.M., President, GC Environmental Inc.	Letter
<u>Agenda Item XII D</u>	Gary Vesperman, resident, Boulder City, Nevada	Written comments and concept proposal
<u>Agenda Item XII E</u>	David G. Yurth, Director of Science and Technology, The Nova Institute of Technology, LLC	Memorandum and concept proposal
<u>Agenda Item XII F</u>	J. David Martin, resident, Lamoille, Nevada	Written comments

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