

**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 first meeting of the Nevada Legislature's Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy was held on Tuesday, November 3, 2009, 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 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 Lee  
Assemblyman Marcus L. Conklin

**COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Senator Randolph Townsend  
Assemblywoman Heidi Gansert

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

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

## **OPENING REMARKS AND INTRODUCTIONS**

Chair Schneider welcomed members, presenters, and the public to the first meeting of the Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy.

## **REVIEW OF THE COMMITTEE WORK PLAN**

- Scott Young, Committee Policy Analyst, Research Division, Legislative Counsel Bureau (LCB), reviewed the work plan for the Committee. Mr. Young announced there will be a total of six meetings of the Committee, with future meetings to be held on Tuesday, December 15, 2009; Tuesday, January 19, 2010; Thursday, March 4, 2010; Tuesday, April 20, 2010; and Thursday, June 17, 2010. He requested that detailed recommendations from the public and State agencies be received in writing before the April 20, 2010, meeting of the Committee.

Mr. Young announced that the Committee members received binders containing copies of the major 2009 energy legislation. He noted that some Committee documents are quite lengthy and will be posted on the Committee website for access by the public and the Committee. Mr. Young stated that some materials have already been posted and the documents received today will be posted on the website. He further advised that five bill draft requests are available for the Committee.

Chair Schneider stated that the Nevada Legislature has not conducted a formal energy study since 1998 and the Committee wants to be able to pass along the expertise and insights of legislators who will be leaving the Legislature. He said the Committee will look at a broad range of energy issues, discuss their impacts on Nevada, and formulate policies to ensure the State is positioned to benefit from wise use of its energy resources.

## **PRESENTATION ON ELECTRATHERM TECHNOLOGY AND POTENTIAL APPLICATIONS**

- Steve Olson, President and Chief Financial Officer, ElectraTherm, Inc., provided a brochure ([Exhibit B-1](#)) and a Microsoft PowerPoint presentation on ElectraTherm's Green Machine process ([Exhibit B-2](#)).

Mr. Olson congratulated Nevada for putting the Renewable Energy Portfolio Standard (RPS) in place. He stated that the recommendations his company would have for specific areas that would help his company include: (1) keeping in mind the distributed energy paradigm where smaller system sizes are encouraged; (2) recognizing systems that can take waste heat and turn it into emissions-free electricity; and (3) removing the requirement for a utility subsidy for the system to be recognized as an energy efficiency measure.

In response to questions from Assemblywoman Kirkpatrick, Mr. Olson said his company did not receive any of the renewable energy abatements that expired in June because they did not pursue them, and stated he would provide to the Committee a list of the items that would be helpful to his company.

Responding to Senator Townsend, Mr. Olson further explained his company's process and stated it is not 100-percent efficient, as they are merely installing their machine into an operation's already existing process and making additional electricity for the use of that system's operation.

Senator Townsend suggested that Chair Schneider consider putting together a working group which would focus only on the efficacy of specific types of energy production and combinations to make them more efficient, which may include weatherization and looking at the smaller industries already in existence. He further suggested there are ways to gear the subsidies to be more incentive based.

Chair Schneider announced that some energy programs enacted in the 2009 Legislature were not carried through thoroughly, and the Committee would like to know immediately if any programs should be implemented or updated, or if they have outlived their usefulness.

#### **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 152 AND SENATE BILL 358 FROM THE REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION (NSHE)**

- Daniel J. Klaich, Chancellor, NSHE, reported that the NSHE has provided two reports on the progress of their compliance with Senate Bill 152 (Chapter 490, *Statutes of Nevada 2009*) and Senate Bill 358 (Chapter 321, *Statutes of Nevada 2009*). Mr. Klaich noted that a report titled *Nevada System of Higher Education: Senate Bill 152, 90-Day Compliance Report, Weatherization and Energy Retrofit Projects* ([Exhibit C-1](#)) has been posted on the Committee's website at <http://www.leg.state.nv.us/Interim/75th2009/Committee/>. He stated that copies of a presentation titled "Renewable Energy Infrastructure - Training Programs, Research Efforts, Capital Proposals" ([Exhibit C-2](#)) have been provided to the Committee. Mr. Klaich noted that the summary of proposed project costs on page 55 of [Exhibit C-2](#) identifies \$29 million in NSHE projects and, in response to an additional request from Nevada's Office of Energy, Office of the Governor, and the State Public Works Board, Department of Administration, the list was distilled down to the highest priority project for each institution, resulting in a total of \$1.9 million (see page 58 of [Exhibit C-2](#)).

In response to a question from Senator Townsend about what mechanism was used to determine the order of priority for the projects on each campus, Mr. Klaich said the projects listed for each campus are in order of priority, but they have not attempted to further prioritize them on a system-wide basis, as time was limited.

Gerry Bomotti, Senior Vice President for Finance and Business, University of Nevada, Las Vegas (UNLV), stated that in prioritizing UNLV projects, the focus was on payback in terms of total campus savings. He noted that the HVAC Control Valves/Digital Control Conversion and Building Conservation Improvements, Flora Dungan Humanities Building project was not the UNLV's first priority project in the "S.B. 152 90-Day Compliance Report" ([Exhibit C-2](#), page 55); however, the project was considered more appropriate for the stimulus funds available from the American Recovery and Reinvestment Act of 2009 (ARRA).

Responding to a question from Senator Townsend regarding the two amounts for the Flora Dungan Humanities Building, Mr. Bomotti said they were asked to reexamine their projects and present a project that would fall within the range of available money. In reviewing the projects, the UNLV identified some additional weatherization and other improvements beyond the heating, ventilation, and air conditioning system; therefore, the packaging of the project is different.

Continuing, Senator Townsend asked if the NSHE would bid the Tropicana Garage Photovoltaic Addition project. Mr. Bomotti stated if the money was received for the project, the UNLV would go out to bid. He noted that the State Public Works Board, Department of Administration, would be the building official for the project, but it would be managed at UNLV and they would go through the normal solicitation process.

David Frommer, Executive Director of Planning and Construction, UNLV, responded to Senator Townsend regarding the power that would be generated by the photovoltaic addition and stated the annual output of the 30,000 square foot photovoltaic surface is estimated at 1.4 million kilowatt (kW) hours.

Mr. Klaich added that the difference between the charts on page 55 of [Exhibit C-2](#) and the following pages is because the NSHE was responding to two separate requests: (1) the S.B. 152 90-day compliance report; and (2) and the request from the State's Office of Energy to prioritize the projects for the federal ARRA stimulus funds.

Responding to questions from Senator Lee about the Bigelow Physics Roof Replacement project and the Tropicana Avenue/Bock Street Traffic Control Signal project, Mr. Bomotti said the Bigelow Physics roof is an inefficient roof and should be replaced for energy savings. He said there would be significant savings in terms of transportation activities with the new major entrance/exit into the campus off of Tropicana Avenue. He further explained that no funding has been allocated to date for the projects submitted by the campuses. The projects on page 58 of [Exhibit C-2](#) have been highlighted by the campuses if funding is available. The UNLV has one project on that list.

In response to Assemblywoman Kirkpatrick's question about the qualifying criteria established by the United States Department of Energy (DOE) for funding, Mr. Bomotti stated information was provided relative to the estimated savings and job creation for the major project designated by the UNLV for ARRA funding.

In response to a question from Assemblywoman Gansert regarding the projected energy savings and tracking, Mr. Bomotti said the estimates are based on other UNLV projects and noted the estimates have been fairly accurate so far.

- Carl Diekhans, President, Great Basin College (GBC), reviewed the GBC's report on page 50 of [Exhibit C-2](#). He discussed the programs in the report that support the renewable energy industry in Nevada, which include the: (1) Direct Use Geothermal Demonstration Project; (2) SolarGenerations: NV Energy Solar Grant; (3) National Science Foundation Center for Excellence Grant Proposal; (4) Industrial Energy Efficiency Program; (5) Renewable Energy lab apparatus in existing Electrical Technology Program; and (6) Valley Electric/Rheem Solar Hot Water Heating Project.
- Manoranjan (Mano) Misra, Ph.D., Director, Renewable Energy Center, University of Nevada, Reno (UNR), provided a Microsoft PowerPoint presentation highlighting the University's renewable energy development efforts. Please see [Exhibit D](#).
- Michael Richards, Ph.D., President, College of Southern Nevada, reported that the college is working with industries in the community, focusing on solar, HVAC, sustainable construction, automotive (biofuels), and energy efficiency ([Exhibit C-2](#)). A key partner is Nevada's Department of Employment, Training and Rehabilitation (DETR).

In response to questions from Assemblywoman Kirkpatrick regarding enrollment, the cost of hybrid vehicle maintenance, who is providing the funding, and how the community is informed about the programs, Dr. Richards said he will provide the enrollment figures to the Committee. Dr. Richards further stated the college is working with partners in the industry to train technicians, and the training is just beginning so he is not sure of the cost. He noted the College of Southern Nevada has a website that includes information about the programs, and they are working with partnerships to obtain federal grants.

Following up on Assemblywoman Kirkpatrick's queries, Mr. Klaich said the NSHE is pleased about the level of collaboration with their partners and State agencies. He said the NSHE is doing its best to ramp up enrollment; and community colleges, particularly, are seeing enrollment growth.

- Michael Auerbach, Ph.D., Vice President of Academic and Business Development, Desert Research Institute (DRI), talked about DRI's research projects related to renewable energy, including the Nevada Renewable Energy Consortium and the purchase of a manufactured home to be based on their Reno campus, which will be used as a demonstration site for some of their programs.

Responding to a question from Assemblywoman Kirkpatrick about whether working with the K-12 education system on behavioral changes is a role within their new research, Dr. Auerbach stated it is not a specific role in the first two years of the consortium when

most of the money is directed toward research and development. However, using other awards the DRI has, they definitely intend to reach out and expand their involvement in education at all levels.

- Assemblywoman Kirkpatrick requested data on what the private entities are offering and noted the home energy audits are coming up and the Legislature needs to be ready to help them move forward. Dr Auerbach said he would provide that information.

Subsequent to the meeting, the Committee received a document from NSHE titled “UNLV—A Leader in Renewable Energy Research” which provides examples of UNLV’s research projects involving renewable energy. (Please see [Exhibit C-3](#). This exhibit was received after the meeting and is being included as an exhibit at the request of Chair Schneider.)

### **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 339**

**(As directed by Chair Schneider, this agenda item was taken out of order.)**

- George M. Caan, P.E., Executive Director, Colorado River Commission of Nevada (CRC), reported on the CRC’s progress in implementing Senate Bill 339 (Chapter 225, *Statutes of Nevada 2009*). He stated that S.B. 339 directs the CRC to perform several tasks related to assessing the feasibility of constructing new hydrokinetic energy generators on the Colorado River below the Hoover Dam. Mr. Caan outlined the CRC’s general work plan and schedule for implementing S.B. 339 ([Exhibit E](#)). Mr. Caan further stated the Colorado River is one of the most heavily managed systems in the United States. Most of the energy produced by the river system has been tapped for construction of the dams. Therefore, the flows of the river have been constrained by the construction of dams and deliveries for water uses. With that in mind, Mr. Caan said the CRC will look at any potential feasibility and present a report as prescribed by the Legislature.

### **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 358 AND ASSEMBLY BILL 522, AND ON THE APPLICATION FOR AND DISTRIBUTION OF AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS FROM THE OFFICE OF ENERGY, OFFICE OF THE GOVERNOR**

**(As directed by Chair Schneider, this agenda item was taken out of order.)**

- Scott Young, Committee Policy Analyst, Research Division, announced that James Brandmueller, Acting Director, Office of Energy, Office of the Governor, was present at the meeting earlier but had to leave and noted the report from the Office of Energy will be rescheduled.

### **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 152**

- Chair Schneider reported that Allen Biaggi, Director, State Department of Conservation and Natural Resources (SDCNR), had a prior commitment and stated that



David K. Morrow, Administrator, Division of State Parks, SDCNR, would appear on his behalf.

- Mr. Morrow reported that S.B. 152 requires the Division to conduct a study to determine the feasibility of constructing hydroelectric and wind power generators at the South Forks reservoir in Elko County. Although a fiscal note was submitted, the Legislature has not appropriated funds. Therefore, no contracts have been pursued. A complete copy of Mr. Morrow's report is included as [Exhibit F](#).

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 395 FROM THE PURCHASING DIVISION, DEPARTMENT OF ADMINISTRATION**

**(As directed by Chair Schneider, this agenda item was taken out of order.)**

- Kimberlee Tartar, Deputy Administrator, Purchasing Division, Department of Administration, stated that the Purchasing Division is in the process of drafting regulations the Division was tasked to create. She further stated that to begin implementing this requirement before the regulations are promulgated, the Division has created a policy that is enacted in their bid template. She also mentioned that the policy is currently pending the Board of Examiners' approval at its meeting in December.
- Assemblywoman Kirkpatrick asked how the policy supersedes the current regulation and if there is a cost benefit analysis. Ms. Tartar said the policy is a brief statement of what is currently in the statutes, which asks the agencies to first look at energy efficient products and their cost and, whenever practicable, to purchase those products. The policy requires the agency to do an analysis and determine if it is financially practicable for them. .
- Senator Townsend expressed frustration with the drafting of new regulations by State agencies after enabling legislation is adopted by the Legislature. He stated that the public needs to know what is expected and agencies should draft regulations immediately. Senator Townsend suggested that the LCB be asked for assistance and, if guidance is needed, the agency should start with the Legal Division.

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 358 FROM THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)**

- Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, DHHS, provided a spreadsheet on the Energy Assistance Program's Universal Energy Charge (UEC) History and Projections ([Exhibit G-1](#)) and a report titled "Energy Assistance Program Status" ([Exhibit G-2](#)). He noted that the emphasis is on fully spending UEC funds. Mr. Gilliland reported that provisions were adopted at a public hearing held on October 28, 2009, to provide additional flexibility to the Administrator to increase the household benefit which could be paid for any citizen. Additionally, the

provision would expand the arrearage assistance program to all eligible energy assistance applicants, and creates the flexibility to increase the benefit cap in order to ensure that all funds are expended.

- Assemblywoman Kirkpatrick related the problems that she encountered as she followed a disabled senior citizen constituent through the application process beginning in July, and noted her constituent is still waiting for a hot water heater. Mr. Gilliland responded it is their objective to process all applications within a four-week period. He stated he would like to review the specifics of the situation described by Assemblywoman Kirkpatrick so he can see if there is something occurring in the system he is not aware of, and if there is, it will be fixed.

Responding to a question from Chair Schneider, Mr. Gilliland stated that the current UEC carry-forward is zero. Mr. Gilliland further noted the Division will not have \$9.6 million in the Low Income Home Energy Assistance Program fund next September.

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 152**

**(As directed by Chair Schneider, this agenda item was taken out of order.)**

- Charles L. Horsey III, Administrator, Housing Division, Department of Business and Industry, said the United States Department of Energy (DOE) was to supply the wage scale to be used for weatherization projects funded by ARRA the first week of April 2009, but it was not received until August 27, 2009. Mr. Horsey reported that of the five nonprofit subgrantees, two received the necessary certification from DETR and began the weatherization work last week. The other three subgrantees have also received their certification and should commence the weatherization work this week.
- Craig Davis, Grants and Project Supervisor, Housing Division, Department of Business and Industry, reported the Division has received the financial awards letter from the DOE for the balance of the \$37 million, but they have been reluctant to get Interim Finance Committee approval on the remaining 50 percent of that budget because requesting the funds and not spending the money did not make sense. The Division has awarded \$11.5 million to five subgrantees and completed their contract with DETR, which provided funding of \$1.75 million for the nonprofit training collaborative component and \$87,500 for DETR administrative oversight costs. Mr. Davis further reported that the Division has finalized recordkeeping reporting requirements for the Housing Division, the subgrantees, and contractors, and has completed a contract with the UNR to identify in all counties within the State, by poverty, the most needy neighborhoods. Mr. Davis noted that 14 jobs have been created at the subgrantee level.
- Mr. Horsey stated that one of the key components of S.B. 152 was that nonprofit collaboratives would be created to do the training, but the nonprofit collaboratives were not already in existence as was reported and it was not until recently that the nonprofit collaboratives identified themselves and responded to the request for proposal (RFP)



put out by DETR. Mr. Horsey discussed the factors beyond the Division's control in implementing the provisions of S. B. 152.

In response to Assemblywoman Kirkpatrick regarding the information provided to the person who receives assistance, Mr. Davis said that all people who receive weatherization assistance are provided a building weatherization report at the conclusion of the work. The report identifies the type of work, the day the work was completed, the contractor, and the subgrantee representative who signs off on the work. Mr. Davis further stated that all of the work is entered into a database which describes the work, the costs associated with the work, and the therms and kW hours saved for each job.

Responding to requests from Assemblywoman Gansert, Mr. Horsey stated that he will provide the Committee with copies of the application and the report which is generated by the nonprofit agency at the conclusion of the work. He further explained that applications are consistent within each community partner program.

- Ardell Galbreth, Deputy Director, DETR, noted that DETR is responsible for the training component of the weatherization program and reviewed their RFP process and their marketing campaign.
- Mendy Elliott, Assistant Deputy Director, Workforce Solutions Unit, DETR, stated that Larry Mosley, Director, DETR, has the authority to provide waivers to the nonprofits and contractors that cannot meet the 50 percent requirement. Ms. Elliott reported that they have currently issued 20 waivers accounting for 185 jobs, and weatherizations for 1,900 homes. She stated that DETR is partnering with the NSHE on grants; two grants have been submitted and they are in the process of requesting a third grant. Ms. Elliott reported that the Green with Envy Grant for \$855,000 will create labor market information for the Department, which will allow them to determine what strategies can be used as they move forward with workforce training. The State Energy Sector Partnership Grant is a \$6 million grant to work with education in the area of renewable energy. Ms. Elliott reported that the grant DETR is in the process of applying for is in the amount of \$8.25 million, which would support the development and deployment of training and education programs for the electric power sector grid, with focus on achieving a national clean energy smart grid.

Responding to a question from Senator Lee about whether untrained employees need to be trained if a waiver is applied for and received, Ms. Elliott replied the waiver is for 90 days, which allows the nonprofit collaborative to get up and running and train employees. She noted that the weatherization training could be an entrance into training for other occupations.

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 152 FROM THE STATE PUBLIC WORKS BOARD**

**(As directed by Chair Schneider, this agenda item was taken out of order.)**

- Gustavo Nunez, P.E., Manager, State Public Works Board, stated that the Board submitted a list of weatherization and energy retrofit projects to the LCB ([Exhibit H](#)). The project list can also be viewed on the Committee's website at <http://www.leg.state.nv.us/Interim/75th2009/Committee/>.

In response to a question from Assemblywoman Kirkpatrick about the status of the required regulations, Mr. Nunez said the regulations have been written and provided to the LCB for review, the required workshops will be held sometime in November, with the adoption hearing in December, after which time the regulations will be sent to the Legislative Commission.

Assemblywoman Kirkpatrick asked if the State Public Works Board's website will be updated with current information on the projects, and requested copies of the agendas when the public hearings on the regulations are held. Mr. Nunez replied that the notices will be published on their website as soon as the dates are determined and will be posted at the required posting locations.

- Continuing, Mr. Nunez reported that the lease rights from the Bureau of Land Management, U.S. Department of the Interior, to use geothermal at the Lovelock State Prison are currently tied up with Vulcan Power Company; however, the State Public Works Board has met with Vulcan Power Company and indicated to them the State's interest in using their waste hot water to heat the prison. Mr. Nunez further reported there is a 500-foot well near the prison where they have found 160 degree water, which is marginal, and said they would have to drill deeper. Mr. Nunez stated the DRI has agreed to help write geothermal grants at no cost to the Department.

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 188, SENATE BILL 358, AND ASSEMBLY BILL 387 FROM THE PUBLIC UTILITIES COMMISSION OF NEVADA (PUCN)**

- Sam Thompson, Chairman, PUCN, introduced Commissioner Rebecca Wagner, Executive Director Crystal J. Jackson, and Director of Regulatory Operations Anne-Marie Cuneo. Mr. Thompson reported on renewable portfolio standard, disposal and recycling of certain waste, and electric decoupling. Please see [Exhibit I](#) for details of Mr. Thompson's report.
- Rebecca Wagner, Commissioner, PUCN, reported on the PUCN's solar thermal systems demonstration program, renewable energy zones, and various incentive programs ([Exhibit I](#)).

In response to a question by Senator Lee about who would build the transmission line from the north to the south of the State, Mr. Thompson said there will be a legal analysis made by the PUCN predicated upon proof produced by the various parties, including the applicant, NV Energy. NV Energy will file its Integrated Resource Plan on December 1, 2009. Mr. Thompson stated the case has yet to be filed and he does not know what it will contain or who will intervene. Senator Lee commented the real issue is that something be decided quickly.

## **PROGRESS REPORT ON IMPLEMENTATION OF SENATE BILL 358 FROM BUILDINGS AND GROUNDS DIVISION OF THE DEPARTMENT OF ADMINISTRATION**

- Chair Schneider stated the purpose of *Nevada Revised Statutes* 331.095, enacted in 1993, is to track the use of energy in buildings owned and leased by the State. He noted this law has not been complied with since Nevada Power and Sierra Pacific Power Company merged in 1998, because there was a change in the utility computer systems and the Buildings and Grounds Division did not have the funds to update the computer program. Chair Schneider stated the first step in controlling energy usage is to know how much the State is using and where. Therefore, the Legislature included a provision in S.B. 358 to use ARRA funds to get the program functioning again. Chair Schneider stated that Cindy Edwards, Administrator of the Buildings and Grounds Division, is present to bring the Committee up to date on the program.
- Cindy Edwards, Administrator, Buildings and Grounds Division, Department of Administration, stated that, after much thought and analysis regarding how to best proceed with tracking energy use statewide, the Division has decided to use LPB Energy Management's billing process service, which is in an existing contract through the Purchasing Division. She noted that the major factors in taking this direction and not requiring agencies to do this in-house are not only the unknown implementation costs but also concerns with agencies' ability to comply with the implementation and maintenance of the database due to current staffing levels and the lack of information technology resources. Ms. Edwards said the estimated annual cost of the service is \$220,000 based on 4,000 monthly electric, gas, sewer, and water accounts. The LPB Energy Management's monthly bill processing fee covers the initial database construction, including historical bill information back through 2005, and, if desired, upload of information into the Energy Star Program of the U.S. Environmental Protection Agency. Ms. Edwards further reported that the bills are audited by LPB Energy Management and any identified savings would be split evenly with the agency. It is expected that the savings would pay for the agency's bill processing fees. She stated that, in the event it does not, it is their understanding the balance of the expense could be paid from the ARRA Act funding.
- Senator Townsend asked if anyone knows exactly how many square feet of buildings the State owns and leases, and the energy usage. He stated he would like to know how

many people occupy a building and what the electricity and natural gas usage is for every building owned or leased by the State of Nevada.

Ms. Edwards responded that the square footage of the buildings owned by all State agencies is available in the State Public Works Board database, as well as the square footage of all buildings leased which are under the control of the Buildings and Grounds Division. Ms. Edwards further responded that a spreadsheet containing information on the electrical load for all State-owned buildings was provided during the 2009 Legislative Session and she will provide that spreadsheet for the Committee and obtain the data on the State's use of natural gas. She stated that each agency pays for its own utilities and that information is not centralized; however, she will work on centralizing the State's energy use data.

- Scott Young, previously identified, read for the Committee the information in an e-mail he had received from Ms. Edwards during the last legislative session regarding energy use, which indicated that the total usage for Fiscal Year (FY) 2008 was 253,326,430 kW hours. He also reported he had recently received the FY 2008 actual amounts paid by various agencies for electricity and natural gas, which indicate the State spent approximately \$34.8 million for electricity and \$6.4 million for natural gas in FY 2008. Mr. Young noted this does not include utility expenses paid by the NSHE through other non-State sources of funding.
- Assemblywoman Kirkpatrick suggested they work with the Nevada Energy Commissioner and the newly created New Energy Industry Task Force to require that energy usage data be kept for each State building.
- Senator Townsend stated that as leases expire, the State should be encouraged to first consider buildings that are energy efficient or Leadership in Energy and Environmental Design system certified.
- Chair Schneider suggested that the State consider building rather than leasing office buildings.

#### **PROGRESS REPORT ON ESTABLISHMENT OF THE RENEWABLE ENERGY AND ENERGY EFFICIENCY AUTHORITY AND IMPLEMENTATION OF SENATE BILL 358 AND ASSEMBLY BILL 522**

- Hatice Gecol, Ph.D., Nevada Energy Commissioner, Office of the Governor, provided a Microsoft PowerPoint presentation and discussed the mission and duties of the Nevada Energy Commissioner and the Renewable Energy and Energy Efficiency Authority ([Exhibit J-1](#)). In addition, Dr. Gecol provided copies of the "Renewable Energy Tax Abatements Application," ([Exhibit J-2](#)), which will be posted on the Commissioner's webpage at <http://renewableenergy.state.nv.us/>.

Discussion ensued regarding the application and how information will be provided to counties affected by the renewable energy tax abatements. Dr. Gecol referenced the provisions in A.B. 522 (Chapter 377, *Statutes of Nevada 2009*) regarding the process and the notice requirements.

## **STATUS REPORT ON RENEWABLE ENERGY INCENTIVE PROGRAMS CREATED BY CHAPTER 701B OF NEVADA REVISED STATUTES**

- Judy Stokey, Director, Government Affairs, NV Energy, introduced Greg Kern, Director of Customer Renewable Generation and Energy Efficiency, NV Energy, who provided a Microsoft PowerPoint presentation that outlined the solar energy demonstration programs established in 2003 and 2005 and the RenewableGenerations milestones. Please see [Exhibit K](#).

## **PRESENTATIONS ON THE BACKGROUND AND USES OF FEED-IN-TARIFFS IN CONNECTION WITH DEVELOPMENT AND DEPLOYMENT OF RENEWABLE ENERGY SOURCES**

- Bob Tregilus, Co-Chair, Electric Auto Association of Northern Nevada, provided an informational memorandum and Microsoft PowerPoint presentation on feed-in tariffs (FITs). He explained that FITs work by:
  - (1) Basing tariffs (rates) on actual production costs;
  - (2) Ensuring energy producers a reasonable return on investment;
  - (3) Guaranteeing long-term contracts; and
  - (4) Guaranteeing grid access.

(Copies of Mr. Tregilus' presentation are available as [Exhibit L-1](#) and [Exhibit L-2](#).)

- Sara Birmingham, Director, Western Policy, The Solar Alliance, provided a Microsoft PowerPoint presentation on FITs. A complete copy of Ms. Birmingham's presentation is available as [Exhibit M](#).

In response to requests by Chair Schneider and Assemblywoman Gansert for information regarding the power rates in Nevada and the states that have implemented an FIT, Ms. Birmingham said she will follow up with additional information.

Responding to a question by Senator Lee about the incentives if the project owner does not take advantage of opportunities to upgrade because of changes in the industry, Ms. Birmingham said the price is based on the actual production of the system, so they are encouraged by that structure to ensure the generator is working as efficiently as possible. She noted that in Germany when the market costs reach a certain point, they reduce the rebate, which encourages developers to reduce cost and be as efficient as possible.

- Chair Schneider requested that the PUCN develop a docket for a feed-in tariff to present to the Committee to see if there is any feasibility for a feed-in tariff in Nevada.
- Rebecca Wagner, previously identified, said the PUCN has been contemplating this issue and will discuss it with their legal staff and bring it to the December 15, 2009, meeting of the Committee.

## **PUBLIC COMMENT**

- Robert Tretiak, Ph.D., Business Development Officer, International Energy Conservation, Las Vegas, provided a handout and discussed their Residential Energy Efficiency Retrofit Program. Please see [Exhibit N](#) for Mr. Tretiak's remarks.

Discussion ensued between Senator Lee and Dr. Tretiak regarding the importance of air circulation in homes.

## **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 1:45 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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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-1](#) is a brochure about ElectraTherm’s Green Machine provided by Steve Olson, President and Chief Financial Officer, ElectraTherm, Carson City.

[Exhibit B-2](#) is a Microsoft PowerPoint presentation titled “ElectraTherm, Green Machines for a Sustainable Future, Now,” submitted by Steve Olson, President and Chief Financial Officer, ElectraTherm, Carson City, dated October 29, 2009,.

[Exhibit C-1](#) is a memorandum to Cathy Gregg, Budget Analyst IV, State Budget Office, Department of Administration, and Alex Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, from Daniel J. Klaich, Chancellor, Nevada System of Higher Education, titled “Senate Bill 152, 90-Day Compliance Report, Weatherization and Energy Retrofit Projects,” dated August 28, 2009,

[Exhibit C-2](#) is a report titled “Presentation by Nevada System of Higher Education, Renewable Energy Infrastructure—Training Programs, Research Efforts, Capital Proposals,” provided by Daniel J. Klaich, Chancellor, Nevada System of Higher Education, dated October 28, 2009.

[Exhibit C-3](#) is a document presented subsequent to the meeting titled “UNLV—A leader in Renewable Energy Research” provided by the Nevada System of Higher Education. (This exhibit was received after the meeting and is being included as an exhibit at the request of Chair Schneider.)

[Exhibit D](#) is a Microsoft PowerPoint Presentation titled “Renewable Energy Development Efforts, University of Nevada, Reno,” presented by Manoranjan (Mano) Misra, Ph.D., Director, Renewable Energy Center, University of Nevada, Reno, dated November 3, 2009.

[Exhibit E](#) is a memorandum to Chairman Schneider and Members, regarding the Colorado River Commission of Nevada’s progress report on implementation of Senate Bill 339, from George M. Caan, Executive Director, Colorado River Commission of Nevada, Las Vegas, dated November 3, 2009.

[Exhibit F](#) is the testimony of David K. Morrow, Administrator, Division of State Parks, State Department of Conservation and Natural Resources, dated November 3, 2009.

[Exhibit G-1](#) is a spreadsheet titled “Universal Energy Charge (UEC) History and Projections” provided by Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), dated October 29, 2009.

[Exhibit G-2](#) is a Microsoft PowerPoint Presentation titled “Energy Assistance Program Status,” which was presented by Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, DHHS.

[Exhibit H](#) is a letter and report to Lorne Malkiewich, from Gustavo Nunez, P.E., Manager, State Public Works Board, titled “Response to SB 152 Prioritization of Weatherization and Energy Retrofit Projects,” dated September 4, 2009,

[Exhibit I](#) is a memorandum to Chairman Schneider and Committee Members titled “Progress Report on the Implementation of Senate Bill 188, Senate Bill 358, and Assembly Bill 387,” provided by Sam Thompson, Chairman, Public Utilities Commission of Nevada (PUCN) and Rebecca Wagner, Commissioner, PUCN, dated November 3, 2009.

[Exhibit J-1](#) is a Microsoft PowerPoint presentation titled “Establishment of Renewable Energy and Energy Efficiency Authority and Implementation of SB 358 and AB 522,” presented by Hatice Gecol, Ph.D., Nevada Energy Commissioner, Office of Energy, Office of the Governor, dated November 3, 2009.

[Exhibit J-2](#) is a copy of the “Renewable Energy Tax Abatements Application” provided by Hatice Gecol, Ph.D., Nevada Energy Commissioner, Office of Energy, Office of the Governor.

[Exhibit K](#) is a Microsoft PowerPoint presentation titled “RenewableGenerations” offered by Greg Kern, Director of Customer Renewable Generation and Energy Efficiency, NV Energy, dated November 3, 2009.

[Exhibit L-1](#) is a document titled “Renewables, they’re doable with renewable energy feed-in tariffs – FITs!” provided by Bob Tregilus, Co-Chair, Electric Auto Association of Northern Nevada, Reno, dated October 28, 2009.

[Exhibit L-2](#) is a Microsoft PowerPoint presentation titled “Renewable Energy Feed-in Tariffs: The Green-light for Economic Development and Jobs in Nevada,” presented by Bob Tregilus, Co-Chair, Electric Auto Association of Northern Nevada, Reno.

[Exhibit M](#) is a Microsoft PowerPoint presentation titled “Feed-In Tariffs, Presentation to the Nevada Production and Use of Energy Committee” prepared by Sara Birmingham, Director of Western Policy, The Solar Alliance, dated November 3, 2009.

[Exhibit N](#) is the written remarks of Robert Tretiak, Ph.D., Business Development Officer, International Energy Conservation, Las Vegas, dated November 3, 2009.