

MINUTES OF THE OCTOBER 26, 2009  
MEETING OF THE  
INTERIM FINANCE COMMITTEE  
LEGISLATIVE COUNSEL BUREAU  
Carson City, Nevada

Cochair Steven Horsford called a regular meeting of the Interim Finance Committee (IFC) to order on October 26, 2009, at 8:20 a.m. in Room 3137 of the Legislative Building. The meeting was videoconferenced to the Grant Sawyer Office Building in Las Vegas and Great Basin College in Elko. [Exhibit A](#) is the agenda, [Exhibit B](#) is the guest list, and [Exhibit C](#) is the meeting packet. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Senator Bernice Mathews, Cochair  
Assemblywoman Heidi Gansert  
Assemblyman Pete Goicoechea  
Assemblyman Tom Grady  
Assemblywoman Debbie Smith  
Senator William J. Raggio

LEGISLATIVE COUNSEL BUREAU STAFF IN CARSON CITY:

Tracy Raxter, Fiscal Analyst, Assembly  
Mark Krmpotic, Fiscal Analyst, Senate  
Steve Abba, Deputy Fiscal Analyst  
Eileen O'Grady, Chief Deputy Legislative Counsel  
Sherie Silva, IFC Committee Secretary  
Tracie Battisti, Fiscal Division Secretary

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Steven Horsford, Cochair  
Assemblyman Morse Arberry Jr., Vice Chair  
Assemblywoman Barbara Buckley  
Assemblyman Marcus Conklin  
Assemblyman Moises (Mo) Denis  
Assemblyman Joe Hardy  
Assemblyman Joseph Hogan  
Assemblyman John Ocegüera  
Senator Bob Coffin  
Senator Randolph Townsend  
Senator Joyce Woodhouse

COMMITTEE MEMBERS PRESENT IN ELKO:

Senator Dean Rhoads

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Ellen Koivisto  
Assemblywoman Sheila Leslie  
Assemblywoman Kathy McClain

Cochair Horsford called the meeting to order at 8:20 a.m. and asked for a roll call.

A. ROLL CALL.

Sherie Silva, Secretary, Interim Finance Committee, called the roll by location, beginning with Las Vegas. A quorum of each House was present.

\*B. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS,  
ALLOCATION OF BLOCK GRANT FUNDS AND POSITION CHANGES  
IN ACCORDANCE WITH CHAPTER 353, *NEVADA REVISED  
STATUTES*.

1. **Governor's Office – State Energy Office – Energy Conservation – FY 2010 –**  
Addition of \$9,593,500 in Federal American Recovery and Reinvestment Act, Energy Efficiency and Conservation Block Grant (EECBG) funds to provide resources to rural cities and counties, purchase a natural gas and electrical monitoring system for state buildings, implement emergency vehicle idle reduction, Phase II of the photovoltaic project and replace incandescent bulbs in traffic signals and street lights in rural areas. **Requires Interim Finance approval since this request involves the allocation of block grant funds and this action requires a public hearing. Work Program #C16957**

Mr. Lynn Hettrick, Deputy Chief of Staff for the Governor's Office, approached the testimony table and stated he wanted to thank everyone on the Committee, as well as staff, for scheduling the meeting ahead of time and quickly. A block grant meeting was required in order to disburse American Recovery and Reinvestment Act (ARRA) funds, and approval of the agenda items would put people to work two weeks sooner than if the work programs had been delayed until the November meeting. He thanked Assemblywoman Smith for working with him to schedule the meeting. Mr. Hettrick said the Governor's Office appreciated working with the Committee for the betterment of Nevada.

Jim Brandmueller, Acting Director of the Nevada State Energy Office (SEO), introduced Jim Groth, Nevada Army National Guard Environmental Office, who had been appointed as director of the State Energy Office and would begin his duties in mid-November, and Pete Konesky, State Energy Office.

Mr. Brandmueller explained the purpose of the work program was to accept the Energy Efficiency and Conservation Block Grant (EECBG), which was received from the Department of Energy (DOE) on September 30, 2009. The grant had two parts; part

one was to fund those cities and counties in the state of Nevada that were not directly funded by the Department of Energy. The top ten cities and the top ten counties received funding directly from the Department of Energy. For the purpose of this grant, Carson City was considered a city, so the grant provided funding for the remaining six counties and nine cities within the state of Nevada, utilizing the same formula used by the Department of Energy in determining the base amounts to the directly-funded cities and counties. That funding accounted for 60 percent of the grant funds, and the balance of the funds was for projects to be managed by the state to benefit those areas of the state covered by this block grant. Mr. Brandmueller offered to answer any questions from the Committee.

Assemblywoman Buckley asked if the federal government had indicated that this was the formula distribution plan, or if the plan was devised by the State Department of Energy.

Mr. Brandmueller replied the formula was developed by the SEO using the same formula as utilized by the Department of Energy. He said a certain amount of leeway was allowed in proposing alternatives, but the DOE formula seemed to be the best method to reach the cities and counties in an equitable manner.

Assemblywoman Buckley asked if the previous plans included Clark and Washoe Counties.

Mr. Brandmueller explained this specific program was to reach those cities and counties and areas of the state which were not directly funded by the DOE. He said the other plans did include activities in Clark and Washoe Counties, but several areas of the state were excluded under this grant due to the fact that they received direct funding from the Department of Energy.

Assemblywoman Buckley asked if the work program was a replacement for some items in the previous plan.

Mr. Brandmueller replied the work program was not a replacement; it was a wholly-specific grant which was just for the indicated activities.

Assemblywoman Buckley asked when it was anticipated the work could begin.

Mr. Brandmueller responded that as soon as the item was approved by IFC, he would direct staff to notify the counties that the Energy Office was ready to begin accepting proposals; the letters would be sent out that afternoon.

Assemblywoman Buckley asked how much Clark and Washoe Counties would receive as direct allocations.

Mr. Brandmueller cited the allocations made to Clark and Washoe Counties and their respective cities:

Boulder City	\$61,600
Henderson	\$2,237,000
City of Las Vegas	\$5,449,200
City of Mesquite	\$69,900
North Las Vegas	\$1,907,400
Clark County	\$7,663,500
City of Reno	\$2,142,800
City of Sparks	\$840,000
Washoe County	\$401,200

Senator Rhoads asked what original criteria was used that allowed the other counties and cities to not be eligible – was it by population or geography?

Mr. Brandmueller replied the criteria was strictly by population, to include the top ten cities by population and the top ten counties by population within each state. The EECBG was apportioned to the remaining cities and counties, which became somewhat disproportional in Nevada because of the limited number of cities and counties as opposed to some of the eastern states, which had 100 counties or more, but those were the proportioned amounts directed by the Department of Energy.

Senator Rhoads affirmed that the original allocation did not include the rural counties and cities.

Mr. Brandmueller indicated that was not entirely true. Rural allocations were made as follows:

City of Elko	\$76,500
Carson City	\$538,900
Fernley	\$52,000
Churchill County	\$104,900
Douglas County	\$195,000
Elko County	\$123,600
Humboldt County	\$75,600
Lyon County	\$165,200
Nye County	\$185,700
Pershing County	\$50,000
White Pine County	\$50,000

Assemblyman Denis recalled Mr. Brandmueller had referred to applications. It was his understanding this was an allocation of money to the cities and counties, and he asked if he was correct.

Mr. Brandmueller replied yes and no. For the purposes of the program, the state was not required to directly allocate the money to the cities and counties, and in consultation with several of them, the project would actually be run through the State Energy Office, which would accept all of the federal reporting criteria and applications and assorted

administrative tasks which would befall on the counties. Several of them had advised the Energy Office that they did not have the capability of handling the administrative duties.

Assemblywoman Denis asked if the state would have to provide the administrative oversight.

Mr. Brandmueller indicated the SEO would not be responsible for oversight specifically, but it would have the administrative function of reporting on behalf of the counties under the 1512 reporting requirements established under the ARRA funds. His office would work with the local governments and handle many of the administrative duties as far as purchasing and other activities. As a requirement of the grant, the state was required to provide oversight on the projects and to determine finality of the projects, progress reports, et cetera.

Assemblyman Denis asked if that requirement applied to all of the counties and cities receiving funds.

Mr. Brandmueller responded it would apply only to those receiving funds pursuant to this specific grant, and not the directly-funded allocations. Those entities would be reporting directly to the DOE, and the State Energy Office would have no input. He noted that a couple of cities and counties may have already completed their projects at this point since they had been funded significantly earlier.

Assemblyman Denis asked if reports on those projects would be available if they were submitted directly to the federal government.

Mr. Brandmueller said it was his understanding that the interim Stimulus Oversight Subcommittee had requested reports from the Nevada Association of Counties (NACO) and the League of Cities, which would be the proper source of information for project activities.

Senator Raggio said he was having some difficulty understanding how the funds were going to be utilized. He understood there were six counties and nine cities ineligible for direct funding, but there were certain restrictions on the utilization of the funds. He noted the back-up information indicated funds could be used for reducing fossil fuel emission, reducing total energy use, improving energy efficiency and transportation, building and other appropriate sectors, and overall creating and retaining jobs. He asked if the funds were to be used for those purposes; Mr. Brandmueller replied that was correct.

Continuing, Senator Raggio said he did not see any information in the back-up material concerning what the cities and counties receiving the grants would be using the funds for specifically. He noted Mr. Brandmueller had said his office would be receiving applications, and he asked for what purposes the entities would be requesting the funds.

Mr. Brandmueller responded there were a wide variety of activities being considered. Lincoln County was looking at retrofitting its courthouse with a more efficient heating system and some other energy efficiency measures. Some of the counties were looking at the possibility of conducting energy audits, changing lighting and those types of activities. There was also the possibility of doing some renewable energy projects.

Senator Raggio asked if someone would have a monitoring role to ensure the money would be used for projects that met the grant criteria.

Mr. Brandmueller replied that was absolutely one of the roles retained in the State Energy Office pursuant to the grant, which was why the applications were being submitted to his office. Negotiations would then be entered into with the cities and counties and then inter-local agreements to ensure they were in compliance with all of the requirements of the federal grant being submitted for approval today. The Energy Office would monitor the projects and then sign off on them before the final report could be submitted to the Department of Energy in two years.

Senator Raggio remarked the lament seemed to be that nationwide good accurate reports were not being received as to how the various stimulus funds were being utilized. He understood there were still reports due from state agencies with information concerning what, if any, jobs had been created. He was anxious to see evidence of some real results. He asked how soon it would be known what the funds would be used for.

Mr. Brandmueller said he hoped to report that information to the interim committee at its meeting on November 10, 2009. All of the cities and counties were aware that the Energy Office would be requesting information from them, and hopefully they would respond promptly. Senator Raggio said he would be interested in receiving that information.

Assemblyman Goicoechea observed it appeared there would be significant oversight as it pertained to the six counties and nine cities applying for the \$9.5 million pot. However, it was his understanding the state had no oversight at all over the appropriations that went directly from ARRA funding to the larger cities and counties. Mr. Brandmueller replied that was correct.

Assemblyman Goicoechea noted there was at least one jurisdiction that chose not to accept the money, and he asked if those funds would revert or if they would be returned to the pool.

Mr. Brandmueller said his office was having discussions with Senator Reid's office, who was attempting to pursue getting those funds back into the pool. At this point in time, the Department of Energy's position was if a directly-funded jurisdiction did not apply, the funds would revert to the treasury. However, Mr. Brandmueller added, every effort was being made to ensure those funds would come to Nevada and stay in Nevada.

Senator Townsend noted that of the 40 percent of the \$9.5 million available for the state, the State Energy Office had identified a little over \$1.8 million for various projects, which included two items on which he would like further information. One was \$200,000 for electricity and natural gas monitoring systems for state-owned buildings, and the other was \$650,000-plus for traffic and street lights throughout rural Nevada. He asked Mr. Brandmueller to provide more specific information on those two items.

Mr. Brandmueller explained the first item was to obtain a program Buildings and Grounds was currently in the process of adopting that would determine energy uses both before and after retrofits, which could help identify more clearly the needs within state buildings for energy opportunities to provide retrofits to those projects. The traffic signals and lighting would be switching from the use of conventional incandescent lighting in traffic signals and, in some cases, halogen or conventional incandescent lighting in street lights, to more efficient LED lights, which had a lifespan of between 15 and 20 years and used approximately 20 percent of the energy used by the current lights. Mr. Brandmueller said significant inroads would be made in savings through those applications.

Senator Townsend realized \$200,000 was a very small portion of the 40 percent. He understood the explanation, but he did not understand why a simple analysis could not be made on current usage. He asked why \$200,000 was needed to monitor something that was already being monitored by the companies involved, based on usage. It was known how many therms and kilowatts per square foot were being used, as well as the age of the buildings; he did not understand the need for a separate monitoring system.

Mr. Brandmueller reiterated that the project was at the request of Buildings and Grounds. Apparently there were several issues with state buildings that had multiple metering systems to coordinate to determine exactly what was being used in a given building. The information referred to by Senator Townsend on square footage was information the utilities did not necessarily have to analyze the bills. He said in at least one state building with this system, areas were found where the state had actually been overcharged for one item or another. The monitoring system would provide a back-up review to those systems.

Senator Townsend remarked the amount of \$200,000 might be used elsewhere to get a better return. He noted that both power companies would come out and provide an energy audit to any residential individual at no cost. He believed they would probably be willing to do the same for some of the state's facilities. He suggested that available resources could be considered in order to expend those funds on projects with a greater return.

Mr. Brandmueller said he would consider Senator Townsend's comments and review the issue and report back to the interim Stimulus Oversight Subcommittee on November 10.

Senator Raggio said he noticed there was a little over \$1 million contingency for city and county sub-grants to ensure completion, a project cost based on an estimated 20 percent of county and city project activities. He asked for an explanation of the contingency.

Mr. Brandmueller replied the agency had to guarantee that the projects would be completed. In the eventuality, which was found particularly in the renewable energy and somewhat in the energy efficiency market with costs as unstable as they had been over the past year or two, that funds would be depleted prior to the completion of the project. Senator Raggio asked if the contingency was applicable to the six counties and nine cities that did not get direct funding. Mr. Brandmueller replied that was correct.

Senator Raggio still had concern that he did not understand the issue. He asked if all of the projects had to be completed by April 30, 2012. Mr. Brandmueller replied that was true; the funds must be expended and the projects completed by that date.

With regard to the funding that would go directly to the ten largest cities and counties, Senator Raggio understood that the Energy Office did not have any authority or monitoring over those funds. He asked how the Legislature would know what those entities would do with the funding.

Mr. Brandmueller replied he assumed that information would be made available. His office had received a request for some information from NACO and the League of Cities because they had been asked to report to the Stimulus Oversight Subcommittee at its meeting on November 10 on ARRA funding and activities. Senator Raggio said he would look forward to receiving that information.

Assemblywoman Smith stated she wanted to clarify that the Stimulus Oversight Subcommittee would meet on November 10, and the local governments had been requested to attend the meeting and report on their projects involving direct allocations of ARRA funds. The request had been made through NACO and the League of Cities, and she anticipated the Subcommittee would receive some good information, as well as an update from the Energy Office on this portion of the funding.

Cochair Horsford asked if there would be specific identification of the number of jobs created by project from the proposals being received from the counties and cities. Mr. Brandmueller replied that information would absolutely be included.

Cochair Horsford asked if that information would be part of the evaluation of the grant. Mr. Brandmueller said the information would be a part of criteria for awarding of the grant.

Senator Horsford asked if the number of jobs created would be part of the evaluation the Energy Office would use to determine which grants to award, based on the timeliness of how those jobs could actually be created.



Mr. Brandmueller explained the funds would be apportioned based upon the population of the area. He did not see the ability of the Energy Office to withhold funds, since they were approved by the Department of Energy for distribution to those counties. However, identification and enumeration of jobs created would certainly be a requirement throughout the process.

Cochair Horsford wanted to clarify that the items under the EECBG program were part of the overall State Energy Office program, and therefore there would be an evaluation of the types of projects as they related to the state's overall plan.

Mr. Brandmueller replied he was correct; the projects had to comply with the overall state program.

As a final question, Cochair Horsford asked for an update on the status of other funds that had been awarded to the Energy Office and how the office was moving forward on those programs.

Mr. Brandmueller reported the office had in excess of \$1 million currently in engineering with the State Public Works Board, and the first contracts were anticipated to go out for bid in early December. A significant number of lighting projects within state buildings were moving forward, and the schools program was beginning to move. Mr. Brandmueller said it appeared the concerns of the Committee had been resolved, and the Energy Office was awaiting approval from the DOE later in the day. He said draft regulations for the loan program had been forwarded to the Legislative Counsel Bureau for legal counsel review. The appliance rebate program application had been made on October 14, the energy assurance program was submitted on October 8, and both programs were awaiting program plan approval by the Department of Energy.

Cochair Horsford thanked Mr. Brandmueller for the update and noted that progress was being made. He asked for further questions from the Committee; there were none, and he called for a motion for approval.

SENATOR TOWNSEND MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY ASSEMBLYMAN OCEGUERA.

THE MOTION CARRIED.

Mr. Brandmueller noted that the item required a public hearing to actually accept the funds as a block grant.

Cochair Horsford asked if there was any public testimony at any of the locations; there was none.

- 2. Office of the Military – Adjutant General – Construction Fund – FY 2010 –**  
Addition of \$120,000 in Reimbursement funds from the contractor to support the

State Public Works Board expenditures related to the Super Solar Project at the Nevada National Guard facilities. Requires Interim Finance approval since the amount added to the Master Construction Cooperative Agreement Construction category exceeds \$50,000. **Work Program #C16975**

Miles Celio, Administrative Services Officer for the Office of the Military, apologized that the Adjutant General, Brigadier General Burks, was not able to be present, as he was on his way east to a conference.

Mr. Celio explained the work program involved a \$120,000 increase to the construction fund, budget account 3652. The account would be used as a pass-through from the Sierra Solar Company to the Public Works Board to pay permit fees and other fees for what was called the super solar project. Mr. Celio reiterated the funds would strictly be pass-through; permit fees required by the Public Works Board would be paid by Sierra Solar, but the Public Works Board was not able to receive funding directly from a contractor – funding must be received from a state agency.

SENATOR RAGGIO MOVED FOR APPROVAL

THE MOTION WAS SECONDED BY SENATOR TOWNSEND.

Cochair Horsford asked if there was any public testimony at any of the locations; there was none.

THE MOTION CARRIED.

- \*C. STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF STATE LANDS ON BEHALF OF THE NEVADA ARMY NATIONAL GUARD, AND SIERRA SOLAR I, LLC – Pursuant to NRS 322.007, request to lease state lands at the Carson City Fairview Complex, the Floyd Edsall Training Center and the Las Vegas Readiness Center to Sierra Solar I, LLC to finance, design, construct, operate and maintain solar photovoltaic power systems at each location.

Jim Lawrence, Administrator of the Division of State Lands, explained the agenda item involved three separate leases of state land managed by the Nevada Army National Guard. The National Guard had contracted with Sierra Solar to finance, design, construct, operate and maintain solar power systems on the three National Guard sites. The solar systems would be constructed over the parking lots located at the Carson City Fairview Complex, the Floyd Edsall Training Center and the Las Vegas Readiness Center. The systems would provide power to the National Guard facilities at a fixed price, as required by the contract.

Mr. Lawrence said the request was for approval of leases at each of the sites to allow Sierra Solar to enter the land and construct and operate the power systems. The initial

term of the contract and leases was 20 years, with two 15-year options to renew. He offered to answer any questions from the Committee.

Senator Raggio affirmed the contract was for 20 years with two 15-year options. He remarked that seemed to be a long period of time and wondered what would happen with new technology during that time. He asked if there was any obligation to upgrade and/or keep the process technologically current.

Jim Groth, Nevada Army National Guard, replied the 20-year initial term and two 15-year terms were scaled to adequately provide for a 35-year life cycle of the solar photovoltaic rays. He said the projects could be compared to Nellis Air Force Base's solar ray system on a power purchase agreement in which the contractor owned, operated and maintained the systems, and it was incumbent upon the contractor to maintain maximum best practices benefit out of the systems to provide the most energy possible.

Senator Raggio affirmed there was some obligation to upgrade the systems during the contract.

Mr. Groth replied Senator Raggio was correct and further explained that over time the systems had an annual degradation rate of about one to one-and-a-half percent inefficiency. As new technologies came forth and as different solar application technologies came about, the panel systems could be replaced on site as needed to keep up the energy production efficiency.

Senator Raggio said he had searched through the contract for the provision that the lessee was responsible for maintaining and keeping the improvements in good working order. It seemed to him that a lot of technology could change over 35 years, and he did not see anything in the contract specifically requiring updates.

Mr. Groth said there was not a specific requirement in the contract other than the known impetus for the vendor to maintain the systems and increase the efficiency. The vendor charged for the kilowatt hour energy produced off the solar systems to the Nevada National Guard, the utility recipient. Therefore, it was incumbent upon the vendor to keep the systems at a peak operating efficiency over time. In actuality, the lease was a single 20-year lease, and there were buy-out clauses: the National Guard could purchase the systems outright after 5 or 6 years after they depreciated, or the Guard could purchase the systems outright at the end of 20 years, or later, as negotiated at the end of the first 20-year agreement.

Senator Raggio asked what the ultimate benefit of the agreement would be to the National Guard.

Mr. Groth responded the ultimate benefit would be receiving solar energy, meeting the Renewable Portfolio Standards (RPS) mandates of the National Guard, the state of Nevada, and the President's Executive Order in the United States.

Senator Raggio asked if there were also energy savings.

Mr. Groth replied there certainly would be energy savings. One of the unique features of the contract was that it was a 20-year power purchase agreement at 15 cents per kilowatt hour. Currently the cost was 13.5 to 14 cents actualized cost per kilowatt hour for energy, and as a state agency, the Guard would enjoy the benefit of the decreased price on the solar energy for probably 18 or 19 of the 20 years of the agreement, just based on a 3 percent increase. Mr. Groth said the Public Works Board had done an estimation of utility increase rates over 20 years, and as the contract was consummated for the 20-year period, the state would receive a benefit of about \$2.8 million for the National Guard just by being under the contract for solar energy. Compared to grid fossil energy, the agency would be receiving solar energy at a reduced rate over the 20-year period.

Senator Raggio remarked the agreement sounded good. He had seen a lot of contracts where the state was going to save money; he had yet to see a compilation of the amount of the savings in retrofitting buildings, so he was hopeful.

Mr. Groth reiterated that one of the unique aspects of the power purchase agreement was that neither the state nor the agency was funding the up-front costs for the system. The capital expense of \$17.3 million was being paid through a power purchase agreement by the private/public partnership relationship with the contractor. Again, the agency would be receiving electrical energy off the solar system just as energy was received now off the grid fossil system through NV Energy, but it would be received as solar power, while not paying any more for it over the term. He added that over time, the cost of the solar energy would actually be significantly less.

Cochair Horsford said he was very supportive of these types of projects and was pleased to see the progress. With regard to the process, he asked how these types of public/private ventures were publicly noticed and if other firms had an opportunity to bid on the partnership that was being proposed.

Mr. Groth replied the process was vetted by the State Purchasing Division and contracted through a request for proposal (RFP) design/build process. Another unique aspect of the project was that the Nevada National Guard's intent and motive was to pursue the deployment of renewable energy systems and do it on a timely basis in 2009 so that electrons could be flowing and a system would be on the ground operating to receive the renewable energy benefit without taking long extended bureaucratic processes to get through typical construction and management of the implementation, construction and engineering phases that went along with many renewable energy projects.

Mr. Groth said the process had been started in February 2009, and construction would begin in November 2009. On April 30, 2009, a request for proposal was publicly advertised under the mandates of the state RFP solicitation process through purchasing and contracting. The project was publicly announced and publicly solicited; the

solicitation process was open from April 30 to June 8, 2009. Mr. Groth said about 15 vendors made mandatory site visits in May, both in Las Vegas and Carson City, and by June 8, there were 4 respondents to the RFP. A 5-member evaluation team met for 2 days, and a letter of intent was issued to Sierra Solar, LLC in northern Nevada as the recipient of the contract award.

Cochair Horsford observed there were probably other state agencies that would like to enjoy the same type of partnership. He asked how the project was initiated by the Nevada National Guard and if the process had to start with the State Public Works Board.

Mr. Groth responded that the project was unique in the sense that the Nevada National Guard operated a construction facilities management office with capability in engineering, inspection and construction site overview. The Guard submitted an application to the State Public Works Board and received a delegation of authority for the project, and therefore the Nevada National Guard would be running the project under the auspices and inspection purview of the State Public Works Board. The Public Works Board would issue the permits for the project, thus the \$104,000 line-item on Agenda Item B, to be able to receive the permitting fees from the contractor. Mr. Groth reiterated the process was very unique and a very good thing for the state. There had not been a process in place to receive funds from the contractor directly to the State Public Works Board; usually the agency paid a contractor through a project fund to pay for the permits.

Mr. Groth said he would be making presentations the following day regarding business modeling for renewable generation projects, power purchase agreements and private/public partnerships and how other state agencies and entities could benefit from and take advantage of these relationships to create green energy jobs in a quick and timely fashion. There would be lengthy and good discussion on the subject, and he would be happy to continue with community outreach work as he had been doing through an additional duty assignment from General Burks. Assistance had been provided to the Moapa Tribe, North Las Vegas, the city of Laughlin, the Clark County Development and Energy Team, the city of Reno, the city of Sparks, and the Washoe County School District. Many entities had received information on the process over the past two to three months. Mr. Groth said he was in Las Vegas weekly and would be happy to make more presentations as requested. He added that in his new role as the Director of the Office of Energy, he was looking forward to meeting each of the Committee members and working with them to move the projects along.

Cochair Horsford suggested that Mr. Groth make a presentation to the Interim Committee on Energy Production. He congratulated him on his appointment and the public/private venture.

Assemblyman Denis said he was reviewing the scope of work and noted it stated the solar system was being built on top of parking structures. He asked if the structures

were existing and the panels were being placed on top of them; he wondered if the lease included maintenance of the parking structure as well as the photovoltaic.

Mr. Groth replied the system was a complete turn-key operation. Under the rapid deployment intent of the National Guard, efforts were made to pursue the projects and put solar systems on the ground and get them operating as quickly as possible. The most efficient way to do that on already-improved land as a state agency was to look at parking lot systems where a mounted ground-fixed steel structure could be installed. He said there were no steel structures currently in place; those would be installed by the contractor and were part of the total power purchase agreement with the fixed price of 15 cents per kilowatt hour over a 20-year period. The system was an all-inclusive turn-key operation that included the parking lot structures, the overhead panels and the continued operation and maintenance of the systems through the 20-year period.

SENATOR TOWNSEND MADE A MOTION FOR APPROVAL.

THE MOTION WAS SECONDED BY ASSEMBLYMAN ARBERRY

THE MOTION CARRIED.

#### D. PUBLIC COMMENT

There was no public comment at any of the locations.

#### E. ADJOURNMENT.

SENATOR TOWNSEND MOVED FOR ADJOURNMENT.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED..

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Senator Horsford, Cochair  
Interim Finance Committee

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Lorne Malkiewich, Director,  
Legislative Counsel Bureau and  
Secretary, Interim Finance Committee

**EXHIBITS  
INTERIM FINANCE COMMITTEE**

<b>Exhibit</b>	<b>Witness/Agency</b>	<b>Description</b>
A	Fiscal Analysis Division Legislative Counsel Bureau	Agenda
B	Fiscal Analysis Division Legislative Counsel Bureau	Guest List
C	Fiscal Analysis Division Legislative Counsel Bureau	Meeting Packet