

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fifth Session  
April 22, 2009**

The Committee on Commerce and Labor was called to order by Chairman Marcus Conklin at 1:43 p.m. on Wednesday, April 22, 2009, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/75th2009/committees/](http://www.leg.state.nv.us/75th2009/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Marcus Conklin, Chairman  
Assemblyman Kelvin Atkinson, Vice Chairman  
Assemblyman Bernie Anderson  
Assemblyman Morse Arberry Jr.  
Assemblywoman Barbara E. Buckley  
Assemblyman Chad Christensen  
Assemblywoman Heidi S. Gansert  
Assemblyman Ed A. Goedhart  
Assemblyman William C. Horne  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Mark A. Manendo  
Assemblywoman Kathy McClain  
Assemblyman John Ocegüera  
Assemblyman James A. Settlemeyer

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Senator Steven Horsford, Clark County Senatorial District No. 4  
Senator Michael (Mike) A. Schneider, Clark County Senatorial  
District No. 11

**STAFF MEMBERS PRESENT:**

Dave Ziegler, Committee Policy Analyst  
Dan Yu, Committee Counsel  
Andrew Diss, Committee Manager  
Karen Fox, Committee Secretary  
Sally Stoner, Committee Assistant

**OTHERS PRESENT:**

Charles L. Horsey III, Administrator, Housing Division, Department of  
Business and Industry  
Danny Thompson, representing Nevada State AFL-CIO, Henderson,  
Nevada  
Ernie E. Adler, representing International Brotherhood of Electrical  
Workers #1245, Carson City, Nevada  
Judy Stokey, representing NV Energy, Las Vegas, Nevada  
Robert Tretiak, representing International Energy Conservation,  
Las Vegas, Nevada  
Clay Fitch, representing Nevada Rural Electric Association, Wells, Nevada  
Joseph Johnson, representing the Toiyabe Chapter of the Sierra Club,  
Reno, Nevada  
Kyle Davis, representing Nevada Conservation League, Las Vegas,  
Nevada  
Larry Mosley, Director, Department of Employment, Training and  
Rehabilitation  
Marty Ramirez, Budget Consultant, Department of Employment, Training  
and Rehabilitation  
Michael Tanchuck, Labor Commissioner, Office of Labor Commissioner  
Monica Brett, representing Nevada Southwest Energy Efficiency Project,  
Las Vegas, Nevada

**Chairman Conklin:**

We will open the hearing on Senate Bill 152 (1st Reprint).

[Senate Bill 152 \(1st Reprint\)](#): Enacts the Green Jobs Initiative. (BDR 58-172)

**Senator Steven Horsford, Clark County Senatorial District No. 4:**

I appreciate what this Committee has been doing on renewable energy, and I am pleased to present S.B. 152 (R1). This bill presents a unique opportunity, because of the funds that are provided from the stimulus dollars, to put Nevadans back to work. Secondly, this bill will create a cleaner Nevada for our children and our future. Investing in a green-job economy is a two-for-one benefit in my opinion. We will create a more stable economy and can invest in making the planet a cleaner and safer place for our future. The impetus behind S.B. 152 (R1) is an opportunity to leave this state in a better place than how we found it. In the following PowerPoint presentation ([Exhibit C](#)), I would like to highlight the intent of this bill.

As you already know, Nevada is facing unprecedented economic turmoil and our workforce is suffering as a result. When I first presented this bill in the Senate, we had an unemployment rate of 9.1 percent. That has now risen to 10.4 percent as of March 2009 and is predicted to increase even further throughout this year to 11 percent or higher. A large portion of the 128,000 unemployed workers come from the construction industry and could benefit from the opportunities that are presented through this Weatherization Assistance Program. I think that we all agree we need solutions to help our economy recover and do so in a way that does not depend on tourists coming from somewhere else to dictate success here in Nevada. We have plenty of wind, solar, and geothermal energy available to us, but we do not have the highly technical, skilled workforce that renewable energy businesses are looking for. Based on studies and analyses that have been presented, if we are to be successful in bringing some of these developments online, we are going to need to show the private sector that we are willing to invest in Nevadans to have a trained and qualified workforce.

This is not only an opportunity to create more jobs for more Nevadans, but this is also an opportunity to take a bold step towards a better future for upcoming generations. We can orient our state towards renewable energy leadership by taking steps now on energy efficiency. We can reduce our energy use, saving dollars and reducing our dependency on foreign oil. We can also help Nevada families conserve so they can have the money they need for other essential parts of their budget, including medical bills, food, and other rising expenses that every family has to balance.

This will also create an opportunity for all communities, regardless of socioeconomic status, to be able to benefit from what this new economy can create. I want to make sure that whatever we do this session, we do it in a way that allows all communities to benefit, because there are certain communities that often get left out when we develop new opportunities. As cochair of the Senate Finance Committee I was asked how we are going to pay for this. How are we going to pay to train all the workers and to expand the number of homes to be weatherized? Because of the weatherization stimulus funds that are available, we have the opportunity to use these onetime investments to jumpstart this project in ways that we otherwise would not have been able to do. The Green Jobs Initiative is meant to strategically leverage those funds that are already earmarked for specific purposes. The federal stimulus includes \$22.3 million for job training, \$22.6 million for weatherization, \$26.3 million for state energy programs, and an estimated \$26 million for energy efficiency block grants. The Green Jobs Initiative envisioned in this proposal is to use a portion of the funds in a strategic way to leverage some of the strategic approaches that we hope to pass this session to make renewable energy a bigger focus. The job training funds will be used by the Department of Employment, Training and Rehabilitation (DETR), and the weatherization funds will be administered by the Division of Housing to contract with one or more qualified nonprofit groups that will set up training programs in each of the three areas that are identified in the bill. This training collaborative will teach workers the skills they need to weatherize homes and buildings as well as skills regarding solar, wind, geothermal, biomass, and other forms of renewable energy we may not yet realize will emerge. I view this as an opportunity to create a career ladder for these workers.

We have a group of workers who have the skills and training to do the weatherization. Those are individuals who have been properly trained through apprenticeship programs throughout our state. We also know that we need to have technical skills in the areas of renewable development if we are going to attract the level of development to our state that we know we have the potential to attract. The career ladder opportunity is to move workers from one rung of the career ladder to another. In the construction sector in particular, workers may have levels of skill in specific aspects of construction, but they may need to acquire additional skills in order to meet the needs of the renewable energy companies. We also need to move some of the workers from construction to operations, to manufacturing, or to research and development. All of these are new avenues and career opportunities that will be born because of the new green economy that we hope to create this session. These skills will apply not only to projects involved in retrofitting existing buildings but also in building new, more energy efficient buildings in the future and in building and

maintaining large renewable energy complexes that will power Nevada's future for decades to come.

The Green Jobs Initiative takes the stimulus funds allocated for weatherization of low income housing and for energy efficiency block grants and starts immediate projects to employ our newly trained workers. The Initiative requires prioritized lists of projects from the Public Works Board, the school boards of each county, and the Board of Regents, within 90 days of passage of this bill. Based on the identification of those projects, the available dollars that will come to Nevada and the dollars we can apply for will help to put people to work with the skills that we need. It will also improve the energy efficiency of public buildings, which cost taxpayers a lot more money since we know that public buildings are not the most energy efficient. All projects that are funded through the stimulus act are required to pay prevailing wage, and for that reason S.B. 152 (R1) includes provisions requiring payment of prevailing wage. There is an amendment that was adopted in the Senate whereby the Labor Commissioner would establish those rates.

Finally, Mr. Chairman and members of the Committee, this is where we see what President Obama calls a "threefer." We create jobs, save energy, and save our citizens money, both in terms of their lower home energy bills and the lower cost of each school and state building, which are among the most wasteful buildings with respect to energy efficiency in the state. We expect to be able to weatherize 6,550 low-income homes, which is five times the number that were weatherized in 2008. At the end of the day we will have a skilled workforce that is ready to compete for a new wave of renewable energy projects, making our state an attractive place to build renewable energy businesses.

In addition to the provisions of the bill, I would like to present an amendment ([Exhibit D](#)) to address some concerns that have come to my attention since the passage of the bill. The amendment allows contractors to seek written permission to proceed from the Director of DETR, if they believe they cannot reasonably meet the requirement that 50 percent of the workers on a project funded through this bill have gone through the training. It is not our intent to displace those workers who have the skills to do the projects. As long as those contractors make a reasonable effort to hire those workers who are unemployed or to recruit from those who have been trained, I think we will have met the intent. Instead, contractors will be permitted to meet the requirement by hiring workers who have gone through an apprenticeship that is registered with the State Apprenticeship Council pursuant to NRS Chapter 610.

If you would like, I can go through certain provisions of the bill at this time.

**Chairman Conklin:**

Do you have it in a brief summary form?

**Senator Horsford:**

I will try to be brief. The major components of the bill are in sections 9 and 10. Section 9 speaks to the process with DETR as well as the Housing Division, the structure of the nonprofit collaboratives, the makeup of those collaboratives, and the manner in which DETR and the Housing Division would go about allocating those funds. Section 10 speaks to the process for the State Public Works Board in identifying and doing an assessment of the public buildings that would benefit from retrofitting or energy efficiency enhancements that could be carried out under the provisions. It also speaks to the school districts and state System of Higher Education which would also be able to identify projects that could benefit under the provisions of the stimulus act for retrofitting other public buildings.

At the request of the Senate, there were two other provisions added. Section 11 notes the possible feasibility for the Lovelock Correctional Facility to use geothermal resources to provide heating to all or a portion of the facility. Subsection 2 of section 11 reviews the feasibility of constructing a hydroelectric generation unit at the existing dam at South Fork, or wind turbines at South Fork or any other area near Elko, which is based on some work that had been previously done by the representatives in that area. When the bill came forward, that was brought as an option to be put in the bill, and we agreed.

**Chairman Conklin:**

Do we have any statistics on the cost savings to an individual homeowner on average when we weatherize a home?

**Senator Horsford:**

I do not, but I am sure Mr. Horsey and his staff at the Housing Division have that information.

**Chairman Conklin:**

Do you have an idea of what the potential savings could be in energy costs for state facilities?

**Senator Horsford:**

Based on the retrofit program that the Washoe County School District did two years ago, there was a significant savings in energy costs.

**Chairman Conklin:**

Are there any questions from the Committee?

**Assemblyman Anderson:**

I noted the mock-up has a change to reduce the requirement relative to the employment standards. Will we not lose the opportunity to make sure that individuals, who are potentially moving into the workforce, see this as a positive thing to get their resume submitted in order to take advantage of gaining a place in the workforce? I realize that it means those individuals who are already in the workforce, who may not have it, will get a job, but there is no incentive to pick this up, if that is one of the primary purposes of the bill. Will we not lose it if we take away the incentive?

**Senator Horsford:**

You are correct. There are current workers who are unemployed or underemployed who may have been previously trained but need a certain level of upgrade training in order to make themselves more marketable. That is an important message we need to keep. There are certain apprenticeship programs, such as the International Brotherhood of Electrical Workers' (IBEW) program, that currently have renewable energy components. Those programs and curriculums will have to be reviewed; however, based on what I have seen of those programs, they would meet the minimum requirements of any Weatherization Assistance Program. We want all the stakeholders to be involved and understand what skills are necessary, so we have the opportunity to move those workers at every rung level of the career ladder and not just in one particular area.

**Assemblyman Anderson:**

How are you going to measure the size of the workforce for the particular job in question? It may start off with a relatively small number and then move dramatically to a larger number as it moves into development. I want to know what the base number is. Are you talking about 50 percent of 2 workers or 50 percent of 100?

**Senator Horsford:**

There are two aspects to that question. The low-income housing Weatherization Assistance Program, as it is done now, would continue with the new standards, based on the federal requirements and use of those dollars. As part of the energy audit there is a feasibility study to determine the cost/benefit of doing the weatherization and how many people it would take to do a particular weatherization or energy efficiency retrofit to a low-income home. That is different than the public building portion of the bill, which would go through the Public Works Board. Pages 5 and 6 list the types of components

the Public Works Board would review, such as the length of time necessary to commence the project, the number of workers estimated to be on the project, the effectiveness of the project in increasing energy efficiency, and whether the project is leveraging the private sector incentives that are largely administered by NV Energy. Those are factors that will be reviewed in the prioritization of those public projects.

**Assemblywoman Kirkpatrick:**

Will the unemployed workers be able to fit within a piece of this training program? It seems redundant to have them go through the whole piece if they are already partly-trained. I do not see that piece in the mock-up. What are the criteria for the Director of DETR to have the ability to make that justification? Because they do not meet the whole criteria, I do not want to see the individuals who have been working in green jobs for a while, and individuals in the Weatherization Assistance Programs, have to go back through the entire training program. Is there a mechanism where they can start in the middle if they already have some experience?

The bill indicates that a nonprofit organization must be able to provide this service within one of three written agreements. Is the intent for one nonprofit to do them all across the state? I want to know how the nonprofit works.

**Senator Horsford:**

On page 4, section 9, subsection 2 of the bill, it states that to qualify as a nonprofit collaborative they must enter into a written agreement relating to job training and career development activities with one or more of the following: a labor management agency or other affiliated agency which has established an apprenticeship program, a community college or another institution of higher education, or a trade association which has an accredited job skills program. Then it says that DETR shall contract with one or more qualified nonprofit collaboratives. The Department of Employment, Training and Rehabilitation would have that discretion based on the collaboratives that apply. There would be a bidding request for proposal (RFP) process that Director Mosley of DETR can explain. The intent is not to have this done by one entity but to spread it out and make sure it meets the regional needs of the state. What we may need in southern Nevada, based on the existing structure that we have, may be different than the rule for the northern part of the state. I feel it is important to have the stakeholder collaborative because there are programs that do this on some level already. Rather than duplicating that infrastructure or not taking advantage of the training or expertise that some of the programs provide, we are missing an opportunity to move the workers and get them skilled in a way that is greater than what we would otherwise get with the current product.



Based on discussions with Mr. Ernie Adler and his representative from the International Brotherhood of Electrical Workers, I have learned that many of those ongoing programs provide a level of training in their apprenticeships where workers can go back to acquire additional skills as necessary. Rather than having them start from scratch, this amendment addresses the issue of someone who had previous apprenticeship skills training. I feel that you need to have a certain level of skill to do this. If we are really going to do what we say we are going to do—provide skills, meet a need, and grow a workforce—we need to determine the level of skill needed. I believe that skill tests are best based on the work that DETR does around their sector approach and understanding what the industry says they need. That will be determined from the input from unions, trade associations, and apprenticeship programs, whether they are union or nonunion. They are best informed of what the basic skills should be.

**Assemblywoman Kirkpatrick:**

On the legislative side, we have been fairly good about the accountability measures and making sure that people are making progress. Where are the accountability measures in this bill to make sure the time frames and deadlines are met? My understanding is the stimulus Weatherization Program has three deadlines, one of which we have already missed. The next two deadlines are coming shortly.

**Senator Horsford:**

As you know, this is an ongoing process, so if you have suggestions or ideas to put in the bill that we may have not included on the Senate side, I would definitely be open to those. I know you have worked to tighten up the accountability portion, and I do not think there is anything specific other than the contractual requirements through DETR and the Division of Housing, but I would be open to any other ideas you or the Committee may have.

**Assemblyman Manendo:**

I understand that Chaparral High School is the most expensive school in the state to heat and cool. I also understand the Public Works Board is going to determine the specific projects. How will the Public Works Board actually know about these projects? Will there be some kind of public input, because I know there are a lot of teachers, students, alumni, and school district representatives who would want to bring that forward? What is the component to get the public's input as well?

**Senator Horsford:**

On page 7, section 10, subsection 2 of the bill, it states the board of trustees of each school district identifies the projects at the school district level. The

school districts do them for the schools, the System of Higher Education does it for the System, and the Public Works Board does it for all of the public buildings because of the separation issues. I am not opposed to adding a provision to require some type of a public hearing around the prioritization of those buildings. There is some time limitation, since we have 90 days after the effective date of the bill for those projects to ultimately get to us. To Assemblywoman Kirkpatrick's point, there is a lot more money coming from the federal government which is available through grant funding, but if we do not identify the projects and explain how we can benefit from them, then that money will go to another state. The opportunity we have is not just the \$1.5 billion we know we are getting, but there is a larger pool of money we can apply for.

**Assemblyman Manendo:**

My intention was not to drag our feet, but to make sure we had some public input as well.

**Assemblywoman Kirkpatrick:**

I think Assemblyman Manendo makes a very good point. Maybe there needs to be a means test with all of the agencies when they submit their projects. Last session I had a bill to require public buildings to be energy efficient that died a very slow death. One of the things we observed by changing all of the light bulbs in one of the buildings at the community college was that it saved them \$24,000 per year. I think a means test would be a great selling point for each agency as well as helping the public to understand the projects. If we retrofitted Chaparral High School, it would save the students in that school district a significant amount of money. Having the local agencies and the Board of Regents prioritize based on a means test would be a good requirement.

**Senator Horsford:**

The Washoe County School Board did just that and now know what they could do if they had the money. They did not get the money because the voters did not approve it, but now there is an opportunity to use the stimulus to enhance some of those buildings. They had public hearings based on the process they used, but I do not know if we want to do that in every case. There needs to be some mechanism to indicate how they determined which projects made the list and which ones did not. Clark County has a new formula to rate if a school needs to be rebuilt or retrofitted.

**Chairman Conklin:**

Are there any questions from the Committee? Is there anyone who wishes to testify in support of S.B.152 (R1)?

**Charles L. Horsey III, Administrator, Housing Division, Department of Business and Industry:**

We are in support of S.B. 152 (R1). For the last ten years the Housing Division has had the responsibility and pleasure of administering the state's Weatherization Assistance Program, which has been a huge success. If there have been any shortcomings to the Weatherization Assistance Program over the years, it is because of a shortage of adequately trained personnel. We had a concern when S.B. 152 (R1) was introduced because we had been working for several years on a delivery system which includes four nonprofits, including Help of Southern Nevada, which is our largest subgrantee. Those nonprofits have done a great job and have been ramping up in anticipation of the economic stimulus monies coming their way. Our primary concern is that the current delivery system is retained. We think there is enough work and money that can go around, and we welcome new entities that can enter the fray. In fact, last Monday we conducted our first RFP, and there will be more subgrantees to get the program started. As additional nonprofits and entities are brought on board from the unions and other sources, we will conduct subsequent RFPs. Our goal is to develop more subgrantees to spend these monies. We do not under any circumstances want the \$37 million for the residential component of the Weatherization Assistance Program to be lost. Therefore, we hope to add additional subgrantees as they are trained. We are not waiting for S.B. 152 (R1) to pass because we believe that it is good public policy and this Committee will indeed endorse the bill. We have begun working with DETR to develop the curriculum that would fit our requirements and the Department of Energy's requirements and bring added skills to the workforce. In addition, DETR has requested us to look at sites for training possibilities, such as the community college. We are working diligently with DETR to implement this program when it is signed into law.

Regarding your question of cost savings, Mr. Chairman, every component we install under the current Weatherization Assistance Program must have a positive rate of return. We save the average taxpayer approximately 20 percent on his utility bills. We have not seen the breakdown of what the prevailing wage requirement will do, but everything we currently do has to have a positive rate of return.

Assemblywoman Kirkpatrick's comments were correct about the accountability requirements. Not only is the accountability going up from this Body but from the federal level as well. Our department along with Dr. Hilary Lopez, who administers all of our federal programs, has been meeting with providers for accountability reports. We will have that component in place when the work actually starts. We are excited about the \$37 million to expend and feel that it would be a shame if the money was not spent for this very worthwhile process.

I wanted Assemblyman Manendo to know that historically the primary beneficiaries of the Weatherization Assistance Program have been senior citizens and senior citizens living in mobile homes, since that constituent group needs help with their utility bills more than any other group. I believe that Senator Horsford and Mr. Adler have gone a long way to address our concerns regarding the 50-percent requirement.

**Chairman Conklin:**

Are there any questions from the Committee?

**Assemblyman Settlemeyer:**

Do you know how much money a person will be saving on his power bills?

**Charles Horsey:**

I am going to let Greg Davis, who has run the program for 20 years, answer that question.

**Chairman Conklin:**

Mr. Settlemeyer, do you mind if I have Mr. Davis get back to staff and share it with the Committee, since we need to adjourn the meeting by 4:00 p.m. today? I am also interested in that number. Mr. Davis, I would appreciate your getting back to Mr. Ziegler on that item so he can share that information with the staff.

**Assemblywoman Kirkpatrick:**

I would like information to confirm that we will not have to upgrade any regulations with the new federal statutes for our current Weatherization Assistance Program. I know one concern has been with the new international codes that are being adopted. We can never assist enough to help someone save for the long term. I would rather spend the money to fully upgrade one house, instead of spreading it out for years to come, because it will never change his power bill. I believe that our standards will need to be upgraded to meet the federal portion. I would like to know how long that process will take.

**Chairman Conklin:**

Mr. Horsey, I would assume you have analyzed the program to weatherize a home to a certain point where returns begin to diminish. That way, you are getting the maximization for your dollars spent. We would appreciate if you could share that information with us as well.

**Charles Horsey:**

One of the benefits of the economic stimulus plan is for us to spend more funds per home, which is a great benefit that may allow us to get into the areas you were talking about.

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Danny Thompson, representing Nevada State AFL-CIO, Henderson, Nevada:**

We would like to thank Senator Horsford for sponsoring this bill. While there has been a lot of discussion about weatherization, this bill is very broad in covering all aspects of renewable energy and the possibilities for jobs that relate to those technologies. Here in Nevada, we have the finest training facilities in the nation. We have upgraded many of the facilities to include renewable certifications. One of the components of the five-year IBEW master electrician program is that you have to be a certified solar photovoltaic (PV) installer. Two weeks ago we added a wind turbine in Las Vegas so that we can offer wind turbine certification if you are in a program as a master electrician. Given the current economic conditions in Nevada, we are heading for historic high numbers in unemployment which you will see at the end of the year when the big jobs on the Strip will end and CityCenter will build out. At that point, things like this are what we will have to turn to when we put Nevadans to work. We are very much in favor of this bill and would urge its passage.

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Ernie E. Adler, representing International Brotherhood of Electrical Workers #1245, Carson City, Nevada:**

We support this bill the way it is written. Earlier we had submitted an amendment, but Senator Horsford has done an excellent job of putting together an amendment better than what we originally suggested. His amendment allows people who have completed apprenticeship programs to remain on the job and install high tech electrical meters because there was a question of whether some of these individuals would have to start at the beginning of the job training program. The way this bill was constructed, people might have to go to job training centers to get training upgrades that would be one-day courses, but it is not anticipated that they are going to have to be totally retrained. An electrical journeyman now has five years of training. I think the amendment that Senator Horsford has presented acknowledges that and allows for those types of individuals to continue working. It also allows the weatherization crews to continue until they can bring on workers who are alternatively trained. I think that amendment will work very well with this bill.

**Assemblywoman Kirkpatrick:**

There are 8,500 workers that know more about Leadership in Energy and Environmental Design (LEED) certifications than we have ever had in our state. I want to have it on the record that if a worker is already moving within the

certification process, he does not have to be retrained. If a constituent calls me and tells me he is out of work, I want to be able to make some phone calls for him and refer to this meeting.

**Ernie Adler:**

Senator Horsford said it was not his intent to retrain people who are already trained but to bring new people into the industry.

**Chairman Conklin:**

Are there any questions from the Committee for Mr. Adler? There are none.

**Judy Stokey, representing NV Energy, Las Vegas, Nevada:**

We are here today to support S.B. 152 (R1) with the amendment, especially since our workers have gone through the apprenticeship program and will not have to be recertified again.

**Chairman Conklin:**

Are there any questions from the Committee for Ms. Stokey? There are none.

**Robert Tretiak, representing International Energy Conservation, Las Vegas, Nevada:**

As many of you know, I have been preaching the gospel of energy efficiency for a number of sessions, and people are starting to understand that energy conservation saves more than just energy. This morning I heard that my 24-year-old nephew, who is a licensed air conditioning technician, was laid off. I told him that, oddly enough, his Legislature is working on providing jobs for exactly his type of skill set. Are we in a depression or a recession? We economists say a recession is when your neighbor is out of work; a depression is when you are out of work. People are hurting and need these jobs. We can leverage the apprenticeships by leveraging this money and the people who are already trained by pairing them with apprentices we call "green-terns." We have instituted a residential energy efficiency program which will include job training. We are in the process of promulgating the class descriptions since the classes will be taught by experienced university-level energy efficiency engineers. Our concept would be to do our residential energy efficiency program based on what the Houston model did by going into neighborhoods and moving on an assembly-line basis to deliver a system of energy efficiency. When we do an outreach to a neighborhood, we intend to not only do those who qualify because they are at the 200-percent poverty level, but also offer this economic service to people who do not come under that category. We offer the service on a reduced-fee basis so we can deliver as much energy efficiency and reduction of fossil fuel consumption as possible.

By doing this graduated training we can move people up, as Senator Horsford called it, a career ladder. We can start, train them in one area, and continue to train them as they are working with people who are experienced. As we do low-to-moderate demographic residential areas, we will still offer these to non-qualifying residents at attractive prices. The concept is to provide jobs so that we can offer as broad a range of services to as many homes as possible. Because of a number of factors, utility rates have doubled in southern Nevada in the past 15 years. People feel the pain of this even if they are not low-income. Certainly low-income and fixed-income senior residents are feeling this more because their 401(k)s and retirement accounts have been decimated and their incomes are dropping. While their fixed incomes are dropping, their expenses are going up.

Chairman Conklin, the only number I know about is when we researched what is being done in the city of Houston. They are spending approximately \$1,000 on a 1,400-square-foot home, where the resident is saving an estimated \$500 per year.

Four years ago I lobbied for a bill that said we need to save 20 percent of our power at public buildings by the year 2015. The reasoning behind that is that we should not waste taxpayer dollars on energy inefficient buildings. I am pleased to tell you that I have recently had a number of very encouraging meetings with Public Works, Purchasing, and Buildings and Grounds, and they are now establishing a substantial appetite to pick "low-hanging fruit" by saving our taxpayer dollars now and reducing the cost of fuel consumption. We are in favor of S.B. 152 (R1) and feel that Senator Horsford and his staff have done a great job of determining how to deploy the federal funds, create green-collared jobs, and save residents money on their energy bills. [Distributed an informational document ([Exhibit E](#)).]

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Clay Fitch, representing Nevada Rural Electric Association, Wells, Nevada:**

We represent the nonprofit rural electric cooperatives in the public utility districts of the State of Nevada. We have been doing home energy audits and providing funding for low-income weatherization to our members through incentives. We strongly support S.B. 152 (R1) and feel it is a great enhancement to our programs and ability to deliver benefits to rural Nevada.

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Joseph Johnson, representing the Toiyabe Chapter of the Sierra Club, Reno, Nevada:**

We had concerns originally about scheduling 50 percent of the employees, but I believe the amendment proposed before you satisfies our concerns, and now we entirely support the bill. As a previous practicing geologist, I have a question regarding section 11 concerning the geothermal study for the Lovelock Correctional Center. Do you want to review direct heating of geothermal in that particular location, or is the intent to review geo-source heat pumps that have been widely deployed in this institution? Whether the definition needs to be enhanced or described is a question for the Committee and the sponsor.

**Chairman Conklin:**

Mr. Johnson, the way I read the bill it says to conduct the study to determine the feasibility of using geothermal resources to provide heating to all or portions of the Lovelock Correctional Center. I do not think that is electrical generation.

**Joseph Johnson:**

In the 2005 Session, we had a bill that allowed direct use of geothermal heat in direct heating, and there are utility entities in Elko heating buildings that way. The definition of geo-source heat pumps is often used as geothermal heating and is widely used in Michigan. My question is simply whether your intent is to use direct heat from geothermal, which is questionable in that geological environment, or whether you are using the heat pump we widely recognize also as geothermal but is a different technology?

**Chairman Conklin:**

The way the bill is written now, I would assume that a feasibility study would include both. Depending on which is more applicable given the circumstances there, they would report back and determine the outcome.

**Joseph Johnson:**

The fiscal note from the agencies will be vastly different between the two technologies. I have no direct interest other than understanding geothermal is used in two different ways at times.

**Senator Horsford:**

We would work with Mr. Johnson and the state Public Works Board as they have indicated that they would do the study at no cost. If you would relay your concerns to them, they could take that into account should the bill proceed as it pertains to the study.



**Chairman Conklin:**

Are there any questions from the Committee for Mr. Johnson?

**Kyle Davis, representing Nevada Conservation League, Las Vegas, Nevada:**

We are in support of S.B. 152 (R1). It is good that we can see the benefit to the economy and the environment. When most people think of green jobs they are thinking about renewable installation, but I think highlighting energy efficiency is important as well, since that is where we will get the biggest bang for our buck in terms of residents' utility bills and reducing our greenhouse gas emissions.

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Larry Mosley, Director, Department of Employment, Training and Rehabilitation:**

As Mr. Horsey indicated, DETR and the Department of Business and Industry have started looking at the curriculum for weatherization as well as at the assumptions as they relate specifically to how many homes would be weatherproofed with this funding. To that end, via the strategic alliance that has been put together, trade, labor, the Nevada System of Higher Education, and the Governor's Workforce Investment Board are now collaborating on putting this curriculum together that includes both. We have undergone the assessment of both of our major facilities in the north and south and will have the results back in a couple of weeks. We strongly endorse S.B. 152 (R1).

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Marty Ramirez, Budget Consultant, Department of Employment, Training and Rehabilitation:**

We have moved aggressively in anticipation of the passage of S.B. 152 (R1) in our meetings with the Housing Division and have identified the obstacles and opportunities. We have assigned rolls and responsibilities and feel very optimistic that our relationship will produce a successful Weatherization Assistance Program.

**Chairman Conklin:**

Are there any questions from the Committee? Is there anyone else wishing to testify in support of S.B. 152 (R1)? Is there anyone wishing to testify in opposition? Is there anyone in the neutral position?

**Michael Tancheck, Labor Commissioner, Office of Labor Commissioner:**

I am testifying in the neutral position to talk about section 12 of the bill—the prevailing wage requirements for the Weatherization Assistance Program. The buildings that the Public Works Board, the university system, and the school districts will be working on are already subject to prevailing wage so we have an existing program for that. The Weatherization Assistance Program is problematic because historically that has been exempt both from Davis-Bacon Wage Determinations and the state prevailing wage. The language in the bill is intended to adopt the Davis-Bacon wage rate schedules and fill in any gaps we find in the different classifications. I have met with the Housing Division, some of the nonprofit agencies, and the contractors to identify the different classifications for the rates, and we are now in the process of building a set of rate tables. The Housing Division needs the rate tables in order to calculate their cost-benefit analysis.

Although I am not proposing an amendment, I wanted to point out that Senate Bill 376 has some language about a *Nevada Revised Statutes* (NRS) 233B.039 exemption for the Labor Commissioner when we are developing the prevailing wage rate tables. We might want to consider that. If I get bogged down in rulemaking in order to establish the rates, it could significantly delay the process.

**Chairman Conklin:**

Are there any questions from the Committee? In order to be eligible for the stimulus money it can only go to public projects. We are not adding anything to statute but are simply complying with the federal act for the federal dollars only. Is that correct?

**Senator Horsford:**

That is correct, Mr. Chairman. Section 1606 of the federal American Recovery and Reinvestment Act of 2009 requires prevailing wage to be set at the local level.

**Assemblywoman Kirkpatrick:**

We heard a bill on the floor and worked with the Labor Commissioner, the local union, and nonunion construction companies on a clarification piece so we would not get tied up in regulations in order to get started sooner.

**Chairman Conklin:**

Are there any questions from the Committee? We will close the hearing on S.B. 152 (R1) and bring this back to Committee and look at this very quickly. We will open the hearing on Senate Bill 114 (1st Reprint).

**Senate Bill 114 (1st Reprint): Makes various changes relating to systems for obtaining and using solar energy and other renewable energy resources. (BDR 58-380)**

**Senator Michael (Mike) A. Schneider, Clark County Senatorial District No. 11:**

Our legislative intent on energy is replete with admonitions to use more renewable energy, such as in *Nevada Revised Statutes* (NRS) 701.010 which says the Legislature finds that "Government and private enterprise need to accelerate research and deployment of sources of renewable energy...." *Nevada Revised Statutes* 701.150 creates the Office of Energy and NRS 701.190 requires the preparation of a comprehensive state energy plan which promotes the use of renewable energy. Senator Townsend spearheaded the creation of a Renewable Portfolio Standard (RPS) with solar set-asides, one of the most aggressive standards in the nation, in NRS 704.7821. Senator Townsend was also instrumental in establishing the Temporary Renewable Energy Development Program to assist with the completion of renewable energy projects in NRS 704.7827. The Legislature established an entire Task Force for Renewable Energy and Energy Conservation and charged it with, among other things, the duty to "Create incentives for investments in and the use of renewable energy..." in NRS 701.380. We created the Solar Energy Systems Incentive Program to provide rebates to enable more customers to install solar energy systems on their homes and businesses. That is in NRS 701B.010. We grant tax abatements for renewable energy systems. That is in NRS 701A.220. To lead by example, the Legislature installed a 30 kilowatt photovoltaic (PV) system on the state printing office across the street. Finally, the Legislature specifically mandated that building codes allow for the use of renewable resources. That is in NRS 278.580.

The reason for detailing all of these incentives at such length is to emphasize the strong public policy the Legislature has established for supporting renewable energy systems. I hardly need to mention the key roll that renewable energy of all types and sizes plays in President Obama's stimulus plan submitted to Congress that was just adopted. Nor do I need to remind the Committee of the increasing concern over global effects of global warming. On February 4, 2009, Dr. Steven Chu, the new Energy Secretary, warned that global warming may end agriculture in California by the end of this century because of the changes in the Sierra snow pack that provides drinking water to a large part of Nevada.

Nevada has enacted one more important renewable energy public policy mandate. *Nevada Revised Statutes* 111.239 prohibits covenants, restrictions, or conditions contained in a deed, contract, or other legal instrument which affects real property from prohibiting or unreasonably restricting an owner of a

property from using solar energy systems. *Nevada Revised Statutes* 278.0208 contains the same prohibition directed at an ordinance, regulation, or plan of a governing body. Despite all of these public policy pronouncements, there is a need to strengthen and clarify these last two policy enactments to prevent them from being invalidated by a homeowner association (HOA). The real issue here is whether the Legislature sets energy policy for the state or whether the board of an HOA can thwart that public policy.

Senate Bill 114 (R1) clarifies that NRS 111.239 and NRS 278.0208, and all other legislative pronouncements on renewable energy, mean what we said they mean. Energy renewables are to be encouraged. They are not to be the subject of limitations that make it prohibitive to install them and contrary to the public policy of the state. This bill arose out of a situation involving a constituent of then-Senator Dina Titus. The constituent purchased a solar PV system with efficient black solar panels, but her HOA refused to allow her to install it. The HOA board insisted she use inefficient terra-cotta-colored solar panels because they blended in better with the color of her roof. The problem is that the terra-cotta-colored system was determined by the National Renewable Energy Laboratory, one of our prestigious national laboratories, to be 34 percent less efficient than the best available black panel system. These systems, even with rebates, are expensive. According to the NV Energy webpage it can take up to 30 years, the lifetime of a system, to fully amortize the cost of a one kilowatt system. That time frame probably drops with recent changes in the federal tax credits, but it is still a very long time and an expensive proposition for a customer who wants to do the right thing and carry out the energy policy which the Legislature has gone to great lengths to foster.

To force the customer to use a system that is less efficient than the best available will make it impossible for that person to recoup the cost of the system. We have also short-circuited the renewable energy policy we have endorsed because the customer is going to get less power from the system. We are going to reduce the amount of energy savings a top flight system would have achieved, and we are going to discourage a person from even putting up a solar system in the first place. According to the Real Estate Division, the number of HOAs in Nevada as of December 2008 was 2,952. The number of residential units in those HOAs as of December 2008 was 469,406 units. This is too many Nevada homes to allow individual associations, overseen by boards of three to seven people, to potentially restrict the use of solar systems based largely on their subjective notions of aesthetics.

Let me mention another fact about solar systems that the Committee should be aware of. As most of you know, in 2003 the Legislature created the Solar Rebate Program. We have expanded the program over the years and take

great pride in its apparent success. I say "apparent" because unfortunately it has not produced quite the results we intended. They are good results but could be much better. Under the program, a certain amount of solar capacity can be installed under the rebate program each year. There are three separate categories, one for schools, one for public property, and a third for private residential and small business property. If you take the total capacity allotments for all of these categories from the inception of the program, they amount to 35 megawatts that could have been installed under the program. However, we have actually installed only two megawatts. That outcome suggests that we need to revisit the program and see how it can be made more productive. I am not suggesting that the entire shortfall is the result of HOAs, but when our program is lagging to such an extent, any obstacle to reaching full potential needs to be removed.

Instead of using the current subjective statutory standard that prohibits requirements which unreasonably restrict the use of solar systems or significantly decrease the efficiency performance of such systems, S.B. 114 (R1) establishes an objective standard and deems any restriction on efficiency of more than 10 percent to be unreasonable by law. I would like to mention a remark made by the director of the Florida Solar Energy Center, one of the nation's leading institutions on solar energy. When he was asked if a 9 percent decrease in efficiency was significant, his response was "Even something which causes a 9 percent reduction is still a significant impact on the system's value to the environment. In fact, I would argue that even a 1 percent reduction of a large residential array represents a significant amount of fossil fuel burn, carbon emissions, and other negative effects over a 30-year period, and, therefore, it is significant."

To address that concern, the bill also prohibits restrictions on the use of solar systems that use black glazing, because black glazing is the most efficient color for solar collectors. In addition, the bill adds language on page 3, lines 18 through 20, that says "...and which prohibits or unreasonably restricts or has the effect of prohibiting or unreasonably restricting the owner of the property from using a system." This language is significant because an HOA or a local government could impose restrictions that, while not prohibiting solar systems outright, make them so much more costly and so much less efficient that the restrictions would effectively act as a prohibition. The language also appears, beginning on page 3 at line 45, and continuing on page 4 at line 1, and again on page 4, lines 5 through 7.

Finally, the bill authorizes the Director of the Office of Energy to determine whether a particular restriction violates the statute if a dispute arises. We chose the Energy Office because we want an objective, expeditious decision on any

dispute. We do not want a homeowner to have to hire a lawyer and go to court and navigate the delays we have seen with the common-interest community ombudsman system. We do not want the HOA board or property manager making the determination on efficiency, because they would not necessarily have the skill or objectivity to do so. This is a scientific question amenable to a precise calculation using standard techniques. There are not that many residential solar systems on the market, so it is not difficult or time consuming for a qualified person to make a determination. A decision in one case will establish the precedent for future similar cases involving the same system. Plus, the Director can request guidance from qualified institutions such as the National Renewable Energy Laboratory in Colorado, which helped with some of the analysis behind this bill, or the Florida Solar Energy Center. Dr. Gecol or her successors could also ask Dr. Robert Beam of the University of Nevada, Las Vegas, for assistance if needed. This is not going to burden the admittedly-understaffed Energy Office, even if disputes should arise. They should be few and simple to address.

Please note the language on wind systems is existing language. It appears like new language because it was separated from the language regarding solar systems, but in fact is the same as what is in the statute now regarding wind systems.

**Chairman Conklin:**

Are there any questions from the Committee?

**Assemblyman Goedhart:**

I applaud your efforts, Senator Schneider. Theoretically, can a person in a HOA erect his own wind turbine energy system?

**Senator Schneider:**

They can do that with the approval of the HOA, and it would need to be limited in size.

**Assemblyman Goedhart:**

Is the bill going to have the effect of precluding the HOA from putting unreasonable restrictions on the erection of these solar systems? The City of Pahrump has done a study on hot water heaters and has determined that 10 to 20 percent of a household's energy actually goes towards hot water. Because that is one of the quickest systems to pay back, how would that affect this bill?

**Senator Schneider:**

The HOA could not deny that. We have a bill coming over to address solar hot water heaters. We are going to have a number of bills coming over to address these items individually. You are correct, Assemblyman Goedhart, the payback on a solar hot water heater is approximately three years, which is very economical.

**Chairman Conklin:**

Are there any questions from the Committee?

**Assemblywoman McClain:**

How big is a typical solar panel system? Is it the size of a roof or has it gotten smaller?

**Senator Schneider:**

Solar systems have gotten smaller and more efficient. The number of appliances you are going to have the system power determines the size of your unit. If you want it to run your air conditioner in the summer, it would take the whole south side of your roof. There are people who have solar panels who are completely off the grid.

**Chairman Conklin:**

Are there any questions from the Committee? Is there anyone wishing to get on the record at this time in support of S.B. 114 (R1)?

**Kyle Davis, representing Nevada Conservation League, Las Vegas, Nevada:**

We think this is the right move for the public policy of the state, and we are definitely in support of this bill.

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Judy Stokey, representing NV Energy, Las Vegas, Nevada:**

We are in support of S.B. 114 (R1).

**Chairman Conklin:**

Are there any questions from the Committee? There are none.

**Robert Tretiak, representing International Energy Conservation, Las Vegas, Nevada:**

We heartily support this bill. [Distributed an informational document ([Exhibit F](#)).]

**Chairman Conklin:**

Are there any questions from the Committee? There are none. Is there anyone wishing to testify in opposition to S.B. 114 (R1)? Is there anyone in the neutral position? We will close the hearing on S.B. 114 (R1). I will turn the meeting over to the Vice Chairman at this time.

**Vice Chairman Atkinson:**

Senator Schneider, please proceed.

**Senate Bill 165 (1st Reprint): Requires certain utilities that supply electricity in this State to include in the resource plan of the utility certain provisions relating to demands made on its system by its customers. (BDR 58-381)**

**Senator Michael (Mike) A. Schneider, Clark County Senatorial District No. 11:**

Global warming and air quality issues are significant by-products of energy production. Electric utilities account for 25 percent of the CO<sub>2</sub> emissions worldwide. President Obama released an outline of his proposed budget for Fiscal Year 2010. According to the news article at the time, which I have provided for the Committee ([Exhibit G](#)), President Obama's draft outline contained a proposal for clean energy development with a ten-year investment of \$15 billion per year, funded by the sale of greenhouse gas emissions credits. The Obama administration intends to reduce United States CO<sub>2</sub> emissions to 14 percent below 2005 levels by 2020 and 83 percent below those levels by 2050.

According to another article in the packet I provided you with, Senator Reid has promised comprehensive energy legislation including cap and trade laws that he will put to a vote this August, which makes S.B. 165 (1st Reprint) very timely.

Senate Bill 165 (1st Reprint) was requested by Southwest Energy Efficiency Project (SWEET), whom I have invited to explain the purpose of the bill. Before they do so, I want to call your attention to an executive summary of a lengthy report also in your packet. The report is titled, *Reading the Tea Leaves: How Utilities in the West are Managing Carbon Regulatory Risk in their Resource Plans*. The report was produced by the Ernest Orlando Lawrence Berkeley National Laboratory, Berkeley, California, in March 2008. The full 80-page report is available online. The report explains in detail the reasons for requesting S.B. 165 (R1). Just yesterday, a study sponsored by the California State Teachers' Retirement System was released. The study calls for an energy revolution in the operation of electric utilities if greenhouse gas emissions are to be significantly reduced. The CEO of the company that conducted the study commented, "This sector is the most carbon intensive within the global economy," and the report shows that, although many firms understand climate



change is a business issue, we still have a very long way to go to decarbonize the sector to ensure that emissions are cut in line with scientific recommendations. This article was published after I had your information packets prepared, so I have provided copies of the article not included in the green packet ([Exhibit H](#)).

**Vice Chairman Atkinson:**

Thank you, Senator.

**Assemblywoman Kirkpatrick:**

NV Energy currently has commercials on television about carbon footprint programs. What are the standards that we are looking for in this?

**Senator Schneider:**

We are looking for you to get into your electric car, drive down the street, and not have any carbon footprint at all. We have someone from SWEEP in Las Vegas, and she would like to make a presentation at this time that may answer some of your questions.

**Assemblyman Goedhart:**

I know there are certain generation plants that are either more or less carbon-emitting in relation to kilowatt hours of energy produced. I know in some states, if they want to build a coal-fired power plant, the public utilities commission will ask the applicant, usually a utility company, what they base their carbon emissions at. If the carbon emissions' level goes over that amount, that cost has to be born by the shareholders and not the utility ratepayers. Some states are already addressing this in their future plans. I applaud your efforts to bring Nevada along with some of the other states.

**Senator Schneider:**

This morning, Jon Wellinghoff, Chairman of the Federal Energy Regulatory Commission (FERC), issued a statement saying, "With the reduction of energy through energy efficiency and with the new plants we are building, we will not need nuclear plants for the future and our carbon footprint will reduce very fast going into the future. We are doing a much better job, and legislative bodies such as this are doing a great job." It was a great compliment from Mr. Wellinghoff.

**Vice Chairman Atkinson:**

Are there any questions from the Committee for Senator Schneider? There are none.

**Monica Brett, representing Nevada Southwest Energy Efficiency Project,  
Las Vegas, Nevada:**

We are a public interest organization that advocates energy efficiency as a way to protect the public from rising costs of foreign fuel and as a cost-effective bridge to renewables in making them more competitive. I have submitted two pages of written testimony ([Exhibit I](#)) from our technical expert, Dr. Steve Wiel, regarding S.B. 165 (R1). Dr. Wiel is in Washington D.C., so my role today is to explain briefly the intent of this bill. If you have any technical questions, I request that the Committee members send them to Mr. Ziegler, and Dr. Wiel can send the answers to all the members. He is very technical, and if you do not understand his answers, you are not alone.

In a nutshell, S.B. 165 (R1) is about protecting the ratepayers from the burden of any unexpected cost related to CO<sub>2</sub> emissions. This is a very proactive measure. The Southwest Energy Efficiency Project (SWEEP) has been tracking what Washington could do in this area. As legislators, we believe you have an ability via this bill to protect the Nevada economy from large future economic disruptions. We have been working with the Senate to clarify the language. At a hearing on March 6, 2009, we heard other groups and relevant interested parties, such as the Public Utilities Commission of Nevada (PUCN), and while none oppose the concept, these parties differed in their preferred approach and wording. Since then, we have taken a very collaborative approach. We believe that we now have new language which represents the most acceptable approach to achieving the intent of S.B. 165 (R1). It specifies the legislative intent in general terms but in enough detail to accomplish the intent and allows the PUCN to specify the procedure for its implementation. If NV Energy is doing this anyway, that is great, but we want to make sure that ratepayers have some guarantees that the utility will always account for the likely future cost of carbon emissions.

**Vice Chairman Atkinson:**

Are there any questions from the Committee? There are none.

**Robert Tretiak, representing International Energy Conservation, Las Vegas,  
Nevada:**

I would like the Committee to take note of the fact that Senator Schneider quoted a report from Ernest Orlando Lawrence Berkeley National Laboratory. For those of you who do not know Dr. Weil—the Nevada representative for SWEEP along with Monica Brett—he is a former employee and consultant with the Ernest Orlando Lawrence Berkeley National Laboratory. Steve Chu, the new Secretary of Energy, was the former CEO of Ernest Orlando Lawrence Berkeley National Laboratory. They are much respected when it comes to energy.

Jon Wellinghoff, who is now the Chairman of FERC and has sat in this chair many times in the past, was featured in an article in the *Las Vegas Sun*, where he showed that a modicum of energy efficient measures has cut the energy usage in his office at FERC by 50 percent.

This bill is about protecting ratepayers from the unexpected. A few years ago, the Reid Gardner plant, which is not far from Las Vegas, had to come up with an \$85 million settlement to meet new Leadership in Energy and Environmental Design (LEED) standards. Eighty million dollars of that was deemed prudent and is being paid for by the ratepayers. The important thing, when any energy source is considered, is that we have full disclosure of all the costs that ratepayers will be assessed. On a United States Department of Energy (DOE) website, energy efficiency has been referred to as an invisible power plant. A lot of times the cost of energy efficiency has to be considered versus the alternatives. I am pleased to say that the CEO of NV Energy, Michael Yakira, has recently moved to have a diverse type of resource: not just having fossil fuel but also green energy, renewable energy, and energy efficiency. This is very important because this means we can reduce our fossil fuel consumption.

**Vice Chairman Atkinson:**

Are there any questions from the Committee? There are none.

**Judy Stokey, representing NV Energy, Las Vegas, Nevada:**

We are in support of this bill since it was amended on the Senate side. By law, every three years we have to file a resource plan with the PUCN that shows our loads and how we are going to meet those loads. NV Energy South will be filing July 1 of this year and NV Energy North will be filing next year. In those plans we show a high, low, and medium case. We currently put in a case that has some carbon emissions in it, which is something we were asked to do by the PUCN. This bill codifies that we must do this.

**Vice Chairman Atkinson:**

Thank you, Ms. Stokey.

**Assemblyman Settlemeyer:**

Do you expect this will raise the rates to the ratepayers in any way?

**Judy Stokey:**

I do not believe this will change the rates either way right now.

**Vice Chairman Atkinson:**

Are there any questions from the Committee? There are none.

**Kyle Davis, representing Nevada Conservation League, Las Vegas, Nevada:**

We are in support of S.B. 165 (R1). This bill has been one of the four priorities of the Conservation Priorities for a Sustainable Nevada, which is a coalition of 18 different environmental and conservation groups throughout the state that range from groups that are concerned about land and water conversation to groups that focus on energy policy. I think it is appropriate that today is Earth Day, and Congress is currently debating legislation that would institute a cap and trade system and do something about carbon emissions in our country. We are considering a bill that will protect Nevada's ratepayers and accurately take into account the cost of controlling carbon as we go into the future. Luckily, here in Nevada we have vast renewable energy resources. We are in a position where not only can we mitigate that risk for our ratepayers but we can help people from across the country. I urge your support of this bill.

**Vice Chairman Atkinson:**

Are there any questions from the Committee? There are none. Is there anyone who wishes to testify in favor of S.B. 165 (R1)? Is there anyone wishing to testify in opposition? Is there anyone neutral wishing to testify? We will close the hearing on S.B. 165 (R1).

[The meeting adjourned at 3:27 p.m.]

RESPECTFULLY SUBMITTED:

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Karen Fox  
Committee Secretary

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Cheryl Williams  
Editing Secretary

APPROVED BY:

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Assemblyman Marcus Conklin, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Commerce and Labor

**Date:** April 22, 2009

**Time of Meeting:** 1:43 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
SB 152 (R1)	C	Senator Steven Horsford	PowerPoint
SB 152 (R1)	D	Senator Steven Horsford	Mock-up of Proposed Amendment
SB 152 (R1)	E	Robert Tretiak	Informational Document
SB 114 (R1)	F	Robert Tretiak	Informational Document
SB 165 (R1)	G	Senator Michael Schneider	Packet of Articles
SB 165 (R1)	H	Senator Michael Schneider	Article
SB 165 (R1)	I	Monica Brett	Summary