

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

**Seventy-Fourth Session  
May 30, 2007**

The Committee on Commerce and Labor was called to order by Chair John Ocegüera at 1:49 p.m., on Wednesday, May 30, 2007, 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/74th/committees/](http://www.leg.state.nv.us/74th/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 John Ocegüera, Chair  
Assemblyman Marcus Conklin, Vice Chair  
Assemblywoman Francis Allen  
Assemblyman Bernie Anderson  
Assemblyman Chad Christensen  
Assemblywoman Heidi S. Gansert  
Assemblyman William Horne  
Assemblywoman Marilyn Kirkpatrick  
Assemblyman Garn Mabey  
Assemblyman Mark Manendo  
Assemblyman David R. Parks  
Assemblyman James Settlemeyer

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Morse Arberry Jr. (Excused)  
Assemblywoman Barbara E. Buckley (Excused)



**STAFF MEMBERS PRESENT:**

Brenda Erdoes, Committee Counsel  
Dave Ziegler, Committee Policy Analyst  
Judith Coolbaugh, Committee Secretary  
Gillis Colgan, Committee Assistant

**OTHERS PRESENT:**

Michael Yackira, President, Sierra Pacific Resources  
Jeff Shaw, Chief Executive Officer, Southwest Gas Corporation  
Don L. Soderberg, Chairman, Public Utilities Commission of Nevada  
Rebecca D. Wagner, Commissioner, Public Utilities Commission of Nevada  
Fred Schmidt, representing the Southern Nevada Water Authority and the PowerLight Corporation  
Eric Witkoski, Chief Deputy Attorney General, Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General  
Rose E. McKinney-James, representing the Clark County School District  
Ernest Adler, representing the International Brotherhood of Electrical Workers, Local #1245  
Jon L. Sasser, representing Washoe Legal Services and Nevada Legal Services  
Kyle Davis, representing the Nevada Conservation League

**Chair Ocegüera:**

[Roll called.] I am opening the hearing on Senate Bill 437 (2nd Reprint).

**Senate Bill 437 (2nd Reprint): Revises provisions concerning generation and consumption of energy. (BDR 58-232)**

Senator Townsend, the bill's sponsor, is in a floor session, but he has submitted for the record a Wind Power Program Report ([Exhibit C](#)) and a PowerPoint Presentation on Energy in Nevada ([Exhibit D](#)). While we are waiting for Senator Townsend, we will hear testimony from the working group on this bill. Would the witnesses at the table in Las Vegas identify themselves?

**Michael Yackira, President, Sierra Pacific Resources:**

Sierra Pacific Resources is the parent company of Nevada Power and Sierra Pacific Power.

**Jeff Shaw, Chief Executive Officer, Southwest Gas Corporation:**

We are here to answer questions on the bill.

**Don L. Soderberg, Chairman, Public Utilities Commission of Nevada:**

This bill covers a number of subspecialties within the area of energy, including electricity and natural gas. It also addresses conservation of energy. This bill is the product of two years of discussions and work by members of the Utility Working Group. Mrs. Kirkpatrick and Mr. Townsend were the group leaders. The other witnesses waiting to testify in Las Vegas and Carson City were members of the group. Different areas of the bill were covered by different members of the group, so I suggest they answer questions on their particular subspecialty.

**Chair Ocegüera:**

Could you start by covering your sections of the bill?

**Don Soderberg:**

In the latest reprint of the bill, there are various sections which deal with utility regulation. I will go through the Legislative Counsel's Digest and the sections that I worked on. Sections 1 through 29, and Section 112 discuss the Solar Energy Systems Demonstration Program Act; Sections 62 through 86 cover the Wind Energy Systems Demonstration Program Act; and Sections 87 through 106 deal with the Water Power Energy Systems Demonstration Program Act. The Renewable Energy School Pilot Program is covered in Section 30. It is a new initiative brought forward by the Clark County School District that will enable the School District to take larger steps in implementing various renewable energy technologies in their existing and new schools.

Sections 32 and 38 relate to gas decoupling, which is a mechanism that has been successfully tried in other states. It will separate the natural gas companies' ability to recover its fixed costs from the effects of volumetric rates. Gas utilities do not earn a profit on the natural gas they sell to consumers; rather, they recover fixed costs through charges for delivering natural gas. Currently, natural gas is a utility service that is skewed heavily toward fixed costs and infrastructure costs. Traditional utility rates paid by consumers do not reflect this reality, so consumers are not encouraged to employ energy efficiency or conservation techniques and use less natural gas. An unusually warm winter hurts the utility's bottom line. Conversely, an unusually cold winter helps it. Gas decoupling is a way to separate the utility's incentives from usage. This way the utility can meet its fixed costs, and still aggressively and enthusiastically pursue conservation programs. This area was discussed at length by the working group. The objective is to have the Public Utilities Commission (PUC) develop a program with Nevada's gas utility companies to erase the disincentives the gas utilities experience when pursuing conservation of energy. The State has done this in previous sessions for Nevada's electric utilities. The short-term benefit of decoupling is that the company's risk is

lower, which has the resulting positive impact of decreasing consumer rates. This bill will create some efficiency programs for the gas utilities that will be on par with ones the electric utilities companies currently have.

Sections 36, 37, 39, 43, and 51 modify auditing procedures. The law will move the gas utilities from an annual deferred energy adjustment of rates to a quarterly deferred energy adjustment. This change will allow the PUC and the Consumer Advocate to complete a more frequent audit of the gas companies' natural gas purchasing activities. It is a strict mechanism designed to give the utilities the ability to adjust rates quarterly to reflect market fluctuations. When there are ups and downs in the wholesale cost of natural gas, this new mechanism for adjustment allows rate fluctuations to be smaller. Customers typically respond negatively to large variations in price, but not to smaller ones. The most important part of this mechanism is that the utilities will not be trying to play catch-up on an annual basis with deferred costs and adjustments to utility rates.

When a utility purchases natural gas or an electric utility purchases their fuel and power, the utility does not collect money to reimburse itself for those purchases. Thus, the amount becomes a deferred cost. The utility has to borrow money to finance that deferred cost, so it has a carrying charge equal to its cost of the debt. The cost of those charges is enormous, and is reflected in consumer rates. It takes a year and a half to have rate cases filed and heard. The quarterly adjustment that we are requesting will take what the Legislature has already done for the electric companies and apply it to the gas companies. This provision has been placed in the bill at the urging of the Consumer Advocate. The Advocate found the one area where money is being wasted in deferred energy cases is the amount of funds consumed by interest charges. That money is not going toward the purchase of energy, infrastructure reliability, or job creation. It is money that goes straight out of the State to the financial community.

Sections 44 through 46 and Section 49 have provisions for the expansion and refinement of the net metering laws. We wanted to come up with a method to expand net metering that would still be fair and unsubsidized. These are the areas that fall under the PUC's regulation.

**Chair Ocegüera:**

It appears that Sections 44 and 46 are identical to A.B. 178 (R3), and Section 45 is similar, but has slight variations. Can you explain the differences?

**Rebecca D. Wagner, Commissioner, Public Utilities Commission of Nevada:**

I thought they were identical, and that was our intent. If you could point out where the differences are, I can explain them.

**Chair Ocegüera:**

The difference is in Section 45, subsection 3 (c).

**Rebecca Wagner:**

This is new to me, so someone from the working group will need to answer your question.

**Fred Schmidt, representing the Southern Nevada Water Authority and the PowerLight Corporation:**

I worked on this part of the bill for the Southern Nevada Water Authority (SNWA), which was interested in the net metering components. The net metering sections in this bill started out differently than what is contained in this second reprint. When A.B. 178 (R3) was passed, we tried to incorporate all of its provisions in this bill, so they would be the same. The only thing we did not make consistent was the provision for the stand-by charge. It is only one component of what a consumer has offset by having the benefit of net metering. The bill compromised on the demonstration programs where the customer receives a rebate or an incentive, which is essentially paid for by all the other rate payers. The utility is given the credits.

One of the concerns raised on the Senate side was what happens if the consumer receives no rebate. What if the customer has a large project that is ineligible for a rebate, or he does not accept a rebate? A demonstration project might be a couple of hundred kilowatts and, without a rebate, the customer would only receive the cost of the meter. The net metering law states a utility is required to install meter and not charge for that service. If a customer chose to pay for the meter and all the costs up-front and not take any utility rebate, the utility could not claim all the energy credits. The customer would be the one who owns or controls the energy credits. This section is intended to make that arrangement clear. At the Senate hearing, the representatives for the one-megawatt prison energy project in Carson City testified they were concerned that they would be unable to market or use their credits. They had made plans to use the credits when they developed and financed the project.

Energy credits are given to the utility because customers generating those credits are the ones who receive the rebates and incentives that the other rate payers were paying for. The utility would receive the credits, and the credits should count toward the utility's portfolio energy standard. It would be an administrative nightmare to establish an energy credit trading system to deal

with one- or two-kilowatt systems. I do not oppose that, but the customer should have the choice if he takes no financial benefit from the utility. He should be able to control his energy credits. The utilities should not get the credits for free.

**Chair Oceguela:**

Ms. Wagner, do you concur?

**Rebecca Wagner:**

The language is adequate. I have not had much time to review it. I understand the legislative intent, but I thought it was covered by other language. If a consumer wants to pay for everything, he should be entitled to the portfolio energy credits.

**Assemblyman Conklin:**

The way most of the programs are currently designed, the utility subsidizes a certain cost to induce people to participate in the program. In return for that subsidy, the utility receives the portfolio energy credits. I am concerned that someone else will receive the credits and then sell those credits for far more than the subsidy was worth. The ratepayers bear the cost of the subsidy. Is that correct?

**Rebecca Wagner:**

Yes, you are correct. It is not the utility paying the incentives; it is the ratepayers. The ratepayers are the ones receiving the benefits. If someone sells his portfolio energy credits in the open market, it is not fair to have Nevada ratepayers pay for that if they have already subsidized the installation of a net metering system. If someone wants to install his own system, and sell his own energy credits, that is fair.

**Chair Oceguela:**

It is my understanding that 20 to 30 percent of a project is subsidized through the utility. Is that fairly accurate, or is the subsidy higher or lower?

**Rebecca Wagner:**

It depends. If you have a solar energy project, you receive a per-watt rebate. You could receive an incentive of \$20,000 to \$30,000, depending on the size of the system. If you also have net metering under A.B. 178 (R3) and this legislation, you would receive the full retail rate as a credit on your utility bill. It is at least 20 to 30 percent, if not higher.

**Fred Schmidt:**

There are two types of projects that can receive rebates. On a residential project, which is the way net metering was set up in the current law, the projects only generate a couple of kilowatts. In those instances, you are correct. The rebate could be as much as 20 or 30 percent of the project. In this bill and in A.B. 178 (R3), the net metering system is being expanded to apply to projects up to 1,000 kilowatts. For example, the SNWA has done four photovoltaic projects. The smallest one is 300 kilowatts; the largest is 850 kilowatts. Those projects received no rebates because they were not residential projects. The only subsidy the SNWA received was a free meter from the utility company to connect the system. The meter cost about \$2,000 but the installation of those projects cost several million dollars. In this case, the SNWA received less than a fraction of 1 percent for their subsidy, but the utility still receives the portfolio energy credits for free. We are trying to make sure this type of situation does not reoccur. The SNWA had the resources to negotiate a contract for the credits. The utility agreed to the deal and bought the credits. The prison system did the same thing for a much larger project. The rebates of 20 and 30 percent only apply to residential projects that are small in nature. I agree in these situations the utility should get the full amount of the credits since ratepayers are providing the subsidy.

**Assemblyman Conklin:**

You are missing my point. If the ratepayer currently pays a percentage per credit, this bill will permit another customer to keep the whole credit. The utility company would be paying full price for a credit it can typically purchase at one-third of the amount, and the ratepayers will bear the financial burden. I am not going to support that concept.

**Chair Oceguera:**

Section 42 also appears in another bill that we passed. Is there any conflict?

**Don Soderberg:**

That section is identical to Assembly Bill 103 (1st Reprint), which was passed, and I believe was signed by the Governor.

**Chair Oceguera:**

I do not know if it has been signed. It has been delivered to the Governor. Are there other questions?

**Eric Witkoski, Chief Deputy Attorney General, Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General:**

*Nevada Revised Statutes* (NRS) 704.110 will contain the provisions in Assembly Bill 7 (1st Reprint), which has been passed. There was a standard and prudence provision in that bill, so this bill would be applicable. The agreement in this bill was not to further debate the issue because it would be taken care of by the provisions in A.B. 7 (R1).

**Chair Ocegueda:**

Did A.B. 7 (R1) have a presumption of prudence section?

**Eric Witkoski:**

That is correct. It would apply to the quarterly adjustment of rates, the annual filing, and the presumption set out in A.B. 7 (R1). All would apply to this bill.

**Chair Ocegueda:**

As a member of the working group, do you have any comments on this bill?

**Eric Witkoski:**

I do support the quarterly adjustment of rates. It is a way to actually save ratepayers money because the current delay in setting rates allows the deferred balance to continue to grow. The ratepayers would earn a rate of return on it because it is compounded monthly. The carrying charges are enormous. If we can adjust the rates on a quarterly basis, we can reduce the deferred cost accounts' balances, which would save the ratepayers money. From April 2001 to April 2006, Nevada Power incurred \$160 million in carrying charges. We can decrease those charges by implementing this program, and it will improve the company's cash flow. In this bill, we have timed these deferred rate cases with the general rate cases, so they will both be on a quarterly basis. There would be only four rate changes annually. I do support the quarterly adjustment of rates.

**Chair Ocegueda:**

Are there any questions?

**Assemblyman Conklin:**

I am concerned about this bill because the nature of the energy and gas markets is different. The vast majority of money actually does go to the commodity because the bulk of the deferred energy cost is for the purchase of raw material, which is fuel for the energy. The utility plants' actual fixed costs are determined by general rate cases. That information from my discussions with Mr. Witkoski has alleviated a lot of my concerns. The same procedures will work well for the gas industry. It is a good provision in the bill.



**Chair Oceguera:**

Are there further comments?

**Jeff Shaw:**

Section 38 addresses decoupling. Southwest Gas Corporation (SGC) has the decoupling mechanism in place in California and it has worked extremely well there. As Mr. Soderberg mentioned, it is designed to separate the commodity from the distribution costs of service. Our present rates are determined by the volume of gas flowing through the pipes. Every therm of gas has a cost recovery portion for the cost of service, including the utility's profits, attached to it. If it is colder than normal, the profits are higher than what was established in the last general rate case. If it is warmer than normal, the profits are lower. A decoupling mechanism removes that fluctuation, so the profits would be at the level established in the prior general rate case. However, if costs go up, the company still has to manage the fluctuations in profit. There is no guarantee because costs change. Currently, we have no incentive to help the customers conserve energy. It is in our best interests to have the customers use more gas. This bill would remove that disincentive. Then, we will be able to aggressively promote conservation of energy. We should use the least amount of a natural resource as is necessary. The cost of service can fluctuate depending on the weather. However, the distribution cost of service is largely fixed, and the weather does not affect that component of cost. With this bill, everyone wins. As the utility company promotes conservation of energy, the customer will use less. The gas commodity cost portion of the rate consumers currently pay is about two-thirds to three-quarters of the flow-through cost. The gas cost is the big issue, and if customers use less of that commodity, they will benefit. The utility is neutral on that because the cost of the commodity is passed through to the customer, dollar-for-dollar. The utility makes no profit on that portion. The markets would respond favorably to this mechanism. Currently, SGC's rating from Standard & Poor's is trending upward. Its present rating is a triple D-, which is the lowest investment grade rating that a utility can have. As SGC's rating improves, the cost of borrowing decreases and, correspondingly, the cost to the customer also goes down. The SGC supports this provision in the bill.

**Chair Oceguera:**

Are there any questions?

**Assemblyman Horne:**

I have concerns about how the gas decoupling is going to ensure conservation of energy by the end-user. A few jurisdictions have decoupling, but it is not the majority of gas utilities. Why are only a few companies doing this?

**Jeff Shaw:**

Some form of decoupling, whether it be a weather normalization clause or a full decoupling, is actually used by the majority of utilities in the nation. We have had good experience with decoupling in California. Arizona did not approve our application for decoupling. We proposed aggressive provisions where we would encourage conservation of energy by providing funds to further the efforts. There are 10 states with full decoupling tariffs, and there are another 11 states where decoupling is pending. This concept has broad-based support nationwide. We asked for additional money to sponsor aggressive conservation programs in the Arizona rate case, and we agreed to a small reduction in the cost of equity, which are the profits the utility receives because of the risk reduction. It reduces some of the volatility of the cash flow and revenues of the company. The reality is that the present disincentive would be removed if the utility request for decoupling is approved.

**Assemblyman Horne:**

The gas decoupling provision would be beneficial to the gas company and would give it incentive to encourage the consumer to conserve energy. The utility's profit may increase with the decoupling, which is passed on to consumers in the form of lower rates. Is that correct?

**Jeff Shaw:**

Decoupling does not increase the utility's profit; it is symmetrical. Today, the customer pays more if it is colder than normal since the last rate was set in the prior general rate case. If it is warmer than normal, the customer pays less. With a full decoupling mechanism in place, the rate is normalized. The customer pays neither more nor less, and the company's profits are stable. However, if the utility's costs increase between rate case hearings, the utility must absorb those costs until the next rate hearing, and then justify an increase in consumer rates. There is no automatic adjustment. The full decoupling mechanism makes the rate adjustments, up or down, to move the utility toward its intended profit margin. There is also an adjustment for any additional costs since the last rate case hearing. With full decoupling, the utility has every incentive to push harder to encourage consumers to use less of the commodity. The profit margin and cost recovery are more assured. It makes the situation a win-win for all parties.

**Assemblywoman Kirkpatrick:**

By using its decoupling mechanism, Arizona was able to project its utility infrastructure costs over a longer period of time. The utility was able to stabilize consumer rates. It is beneficial to the Arizona consumer because the utility bill is less, and more consistent, throughout the year. Arizona pushes conservation of energy. If Nevada has the decoupling mechanism, we could put

educational programs in place to make people more aware of the need to conserve energy.

**Michael Yackira:**

We are pleased with the provisions in this bill for a variety of reasons. The company is engaged in extensive conservation programs; it is investing in renewable energy programs; and it is investing in traditional power plants. The company was in a difficult financial condition for several years. From a credit perspective, we are getting closer and closer to having a better investment grade rating. A better rating would be positive for our customers in the long run because our cost of capital would decrease, which in turn would lower consumer prices.

I commend Mr. Witkoski for raising the issue of incorporating the natural gas company's change to the base tariff energy rate for electric companies. He is correct. This change would have two positive benefits. One benefit is that it will keep the price more current with the market price. Any change up or down would be smaller than what we now see on a yearly basis. As the price of electricity and natural gas comes down, we can more quickly adjust rates. Then our customers will receive the price benefits faster. Also, by the company not having to borrow to cover its incremental costs when wholesale energy prices are higher than anticipated, the company lowers its cost of debt. That reduction is passed on to the customers in the form of lower prices.

**Chair Ocegüera:**

Are there any questions? Does anyone else wish to testify?

**Rose E. McKinney-James, representing the Clark County School District:**

Mr. Soderberg indicated our interest in the bill. We are in support of the bill and, in particular, Section 30. The Clark County School District strongly supports energy efficiency, conservation, and related educational programs. The provisions in Section 30 are a compromise that will allow the District to go forward with a pilot program. The rules to determine the implementation of the pilot program will be established by the PUC. We will work closely with them to achieve a meaningful pilot project. It will allow us to test our ability to actually engage in entrepreneurial activities.

**Chair Ocegüera:**

Are there any questions? We will hear the amendment next.

**Rebecca Wagner:**

The PUC has proposed a minor amendment ([Exhibit E](#)) to the bill. I will be the one implementing the program, so I want to clarify some of the language.

The amendment's main objective is to establish how the process will work for operation of the incentive program. It is set up for the PUC to approve the utility's plan for implementing the permanent solar program. After the PUC evaluates the program, the utility will implement it. Once the utility has selected participants for the program, the PUC will review the participant list to ensure that all parties have complied with the law. The PUC will verify that the solar energy system installer has been issued a C-2 license. This will avoid another time-consuming, back-end approval of the plan and expedite the process.

In Section 21, I deleted the language "in consultation with the Task Force," because the language was redundant. The regulations adoption procedure is open to everyone. In Section 22, I was asked by your staff to insert the word "customer" before the word "incentives." That will make clear that the utility cannot recover any enhanced return on equity or other incentives.

In Section 29, I added a new paragraph to clarify that portfolio energy credits generated by a solar energy system are paid for with the incentives accrued from other ratepayers. The portfolio energy credits are assigned to the utility.

**Assemblyman Conklin:**

Can you give me an example of how you visualize the operation of Section 29?

**Rebecca Wagner:**

It is basically what we currently do with the solar energy generation program. If a consumer is approved and receives an incentive through the utility, the consumer gives his portfolio energy credits to the utility in exchange for the incentive.

**Chair Oceguela:**

Does anyone else wish to testify on S.B. 437 (R2)?

**Ernest Adler, representing the International Brotherhood of Electrical Workers, Local #1245:**

I would like clarification that this bill does not prevent the power company from directly participating in any of these programs if it wishes to do so. If it wants to do a solar energy project, it does not have to do it through an independent contractor.

**Chair Oceguela:**

Does anyone else wish to testify in favor or against the bill?

**Assemblyman Horne:**

I would like clarification on Section 33, subsection 1, where the language reads, "50 percent of the money in the Fund." Does that mean any of the funds that remain unspent revert to the Housing Division for a program of improvements in energy conservation and efficiency for residential properties?

**Don Soderberg:**

The PUC was not directly involved in those discussions, but I will attempt to answer the question. A small amount of unspent fund dollars goes to the Housing Division to improve energy efficiency and conservation for low-income residents. The proponents of that section wanted more of those surplus funds to increase efforts to help low-income residents with those measures. If someone's dwelling can be made more energy efficient, he will benefit because his utility bills will be lower throughout the year and for years to come. The money was just sitting there with no specified purpose. This provision will direct more of those funds to the Housing Division.

**Assemblywoman Kirkpatrick:**

I did not completely support this provision. In southern Nevada, people living in old block homes can never have their homes be truly energy efficient. Redirecting these funds will not make those homes more energy efficient. A pilot program might be feasible. I believe 50 percent is too high a figure.

**Assemblyman Horne:**

How did the working group arrive at the 50 percent figure? Do the unspent funds fluctuate from year to year?

**Assemblyman Conklin:**

I have the same concerns that Mr. Horne and Mrs. Kirkpatrick have with this section. How was the figure determined?

**Assemblywoman Kirkpatrick:**

Section 55 covered an energy audit to help people install energy-efficient items necessary for re-sale of residential property. That section was deleted from the bill.

**Jon L. Sasser, representing Washoe Legal Services and Nevada Legal Services:**

This was not our language. The 50-percent figure was in the original bill. We choose not to oppose this language because we do not believe this provision will generate any surplus funds. The fund accumulated a large reserve because of the slow start-up of the program. It is currently being spent down. By the time the bill goes into effect in 2009, it is our contention that all the surplus funds will be spent. There will be pending applications that have not

been acted on which will further encumber these funds. If the program is working well, there should not be a surplus of funds.

**Ernest Adler:**

I worked on this bill several sessions ago. There was a lower amount of funds designated for weatherization and the Local Education Agency (LEA). That provision did not work because it was out of balance. More funds were required for weatherization and less were necessary for the LEA. At the end of the program year, we ended up with a surplus in the energy assistance fund. The Housing Division has developed a new program to use the funds for weatherization where it is really needed. This amendment would shift excess funds from energy assistance to weatherization. If you have an elderly couple who has their energy bill subsidized, one-third of their bill can be cut by installing a new air conditioning unit or a new heating unit. This provision allows the agency to do that, and it is an appropriate amendment to the bill.

**Kyle Davis, representing the Nevada Conservation League:**

We are in support of this bill. It is a good bill, and it will encourage energy conservation and efficiency.

**Chair Ocegura:**

Does anyone else wish to testify? Are there any questions? Seeing none, I am closing the hearing on S.B. 437 (R2).

[The meeting was adjourned at 2:47 p.m.]

RESPECTFULLY SUBMITTED:

---

Judith Coolbaugh  
Committee Secretary

APPROVED BY:

---

Assemblyman John Ocegura, Chair

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

**EXHIBITS**

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

**Date:** May 30, 2007

**Time of Meeting:** 1:30 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
SB 437 (R2)	C	Senator Randolph J. Townsend, Washoe County Senatorial District No. 4	Wind Power Program Report
SB 437 (R2)	D	Senator Randolph J. Townsend, Washoe County Senatorial District No. 4	PowerPoint Presentation
SB 437 (R2)	E	Rebecca Wagner, Public Utilities Commission of Nevada	Proposed Amendment