

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

**Seventy-Fourth Session
March 5, 2007**

The Committee on Commerce and Labor was called to order by Chair John Ocegüera at 1:38 p.m., on Monday, March 5, 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/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: 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 Morse Arberry, Jr.
Assemblywoman Barbara E. Buckley
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 Settelmeyer

GUEST LEGISLATORS PRESENT:

Assemblyman David P. Bobzien, District No. 24, Washoe County

STAFF MEMBERS PRESENT:

Brenda Erdoes, Committee Counsel
Dave Ziegler, Committee Policy Analyst

Minutes ID: 453



Earlene Miller, Committee Secretary
Gillis Colgan, Committee Assistant

OTHERS PRESENT:

Danny L. Thompson, Executive Secretary-Treasurer, Nevada State
AFL-CIO

George Sterzinger, Executive Director, Renewable Energy Policy Project,
representing Nevada Energy Independence Partners

David Jones, Business Manager, International Brotherhood of Electrical
Workers, Local 357, Nevada

Ernie Adler, representing International Brotherhood of Electrical Workers,
Local 1245, Nevada

Kyle Davis, Policy Director, Nevada Conservation League

Rebecca D. Wagner, Commissioner, Nevada Public Utilities Commission

Joe Johnson, representing, Toiyabe Chapter, Sierra Club, Reno, Nevada

Jan Gilbert, representing Nevada Progressive Leadership Alliance

Tony F. Sanchez, representing Acciona Solar Power, Henderson

Don Points, Chief Financial Officer, Acciona Solar Power, Henderson,
Nevada

Jason Geddes, representing Nevada Renewable Energy and Energy
Efficiency Task Force

Tom Warden, Vice President, Community and Government Relations, The
Howard Hughes Corporation, Las Vegas, Nevada

Charles Benjamin, Director, Nevada Office, Western Resource Advocates

Rose McKinney-James, J.D., Legislative Representative, Clark County
School District, Nevada

Judy Stokey, Director, Government Affairs, Nevada Power/ Sierra Pacific
Power

Jack McGinley, Renewable Development Director, Sierra Pacific Power
and Nevada Power

John P. Sande, representing the Nevada Bankers Association

Bill Uffelman, President and CEO, Nevada State Bankers Association

Steven Kondrup, Acting Commissioner, Division of Financial Institutions,
Nevada

Wanda Lopshire, Jury Commissioner, Second Judicial District Court,
Washoe County, Nevada

[The roll was called and a quorum was present.]

Chairman Ocegura:

We will start with Assembly Bill 186.

Assembly Bill 186: Revises various provisions relating to energy. (BDR 58-784)

Assemblyman Marcus Conklin, District 37:

I submit to you today, Assembly Bill 186, which I brought on behalf of Nevada Renewable Energy Partners. Nevada has a huge opportunity in the future. We have 310 plus days a year of sunshine, all the wind that one could desire, and probably some of the largest geothermal deposits in the world. We have an unlimited potential for renewable energy. We could become an energy exporter, which is significant. I brought A.B.186 before you in the hope that we could begin to drive Nevada to a position to take advantage of its unlimited resources in the area of renewable energy and the unlimited economic development opportunity that comes along with that, but sometimes gets lost.

Danny L. Thompson, Executive Secretary-Treasurer, Nevada State AFL-CIO:

There is a proposed amendment to this bill in Section 1, subsection 6, where it defines the new duties of the Board. I would ask you to delete "of the Nevada State AFL-CIO."

Chairman Ocegüera:

Mr. Thompson, do we have that in writing?

Danny L. Thompson:

No, you do not. I will get that to you in writing before the Committee meeting is over. The policy part of this bill addresses a situation that occurred in Las Vegas with a company that came to Nevada, promised to hire Nevada workers, built a solar facility in the El Dorado Valley, and then did not keep their promises. In exchange for the promises they made, the State of Nevada gave them \$15 million in tax breaks and the Public Utilities Commission (PUC) allowed an output charge of 16 percent kilowatt hour of the output of this plant. When we tried to send workers to the job, they were rebuffed. I gave you a statement by one of our workers ([Exhibit C](#)). We feel it is imperative that there be a mechanism to check up on people. The State needs to check on people who are given breaks. This company was given a premium on the output of the plant. This bill would make a procedure for a system of checks and balances. I support the bill going into a subcommittee. Mr. George Sterzinger will speak to the technical portions of the bill.

George Sterzinger, Executive Director, Renewable Energy Policy Project, representing Nevada Energy Independence Partners:

The bill is straightforward as a fix. If you look at the renewable portfolio standard and the history of implementation of the legislation, there was a clear instruction to the PUC to look at a host of benefits beyond the baseline energy economics of electric generation to determine if the costs afforded to the

project were just and reasonable. One of the qualities of these projects was the economic development benefits. Nevada has a great renewable resource, but states are looking at not only renewable energy projects, but also the renewable energy industry associated with it. The benefits are much greater and this is one of the ways to do that. The bill says that any developer who comes before the Commission with a project has to discuss its economic development benefits. They do not have to have economic development benefits and could state that. If they promised a specific benefit, that benefit has to be quantified. If they do not live up to their agreement, an aggrieved party may go to the Commission and ask for a hearing. The hearing will determine if the developer did as they promised. If they do not, the bill allows for an administrative penalty fee. In the future, if Nevada has an open door to projects coming into the State and the developers know that you can promise anything and do not have to deliver, you will find that bad projects are going to drive out the good. Good renewable companies that want to bring manufacturing to the State will be unable to compete with someone who just makes up economic benefits because there is no penalty. It is important to learn from the past. This is a loophole that needs to be closed.

Chairman Ocegüera:

Are there questions from the Committee?

Assemblyman Settlemeyer:

Mr. Thompson, you indicated that you wanted to delete, as part of your amendment, the mentioning of the AFL-CIO on page 3, line 19—is that correct? Did you also wish to amend lines 34 and 43 on page 5?

Danny L. Thompson:

Yes, and I will submit that in writing this afternoon.

Chairman Ocegüera:

Mr. Thompson, we can have the Research Division do that, but in the future come with that in advance, please.

Assemblyman Mabey:

Page six, Section 7, subsection 4, talks about bringing civil action. Can you do that already? If you have a contract, why do you need this portion in the bill?

George Sterzinger:

It is my understanding that you would not have a contract. These are usually in the form of pre-filed testimony taken before the PUC. The testimony is taken under oath and evaluated by the PUC. The PUC does not have the authority to impose a fine.

Danny L. Thompson:

That was the case I referred to. All of this was done in public testimony before the PUC and the Commission on Economic Development.

Chairman Ocegüera:

Are there further questions from the Committee?

Assemblyman Settlemeyer:

Renewable energy is very important to the State, and I completely agree with it. If they are doing a great benefit to the State, is there a reason we should be trying to civilly penalize the developers for not doing exactly what they requested?

Danny L. Thompson:

It depends how you define a "great benefit." The Nevada State AFL-CIO went to great lengths in the solar industry and has been very active in trying to attract companies to Nevada. If you are going to give companies incentives to move to the State, you should get some benefit. While renewable energy is a great thing and we are very supportive, there needs to be a system of checks and balances. There needs to be some ability to ensure the public interest is protected.

Assemblywoman Gansert:

I think economic development is so much more than personnel. In this instance that you are giving us, what was promised as far as the proceeds?

Danny L. Thompson:

I do not think it is appropriate to discuss the details now. If someone says they will hire Nevada workers, then they need to do that. There needs to be a system of checks and balances.

Chairman Ocegüera:

We will hear testimony on the other side as well as economic impact, and about some of the businesses that might be moving to Nevada. Are there questions from the Committee? Are there others wishing to testify in favor of the bill?

David Jones, Business Manager, International Brotherhood of Electrical Workers (IBEW), Local 357:

I represent over 3,000 members in this matter, and am familiar with the skills of our union members and the work being performed at these types of plants. We have qualified our members to work and be certified as photo-voltaic installers. Our union was not asked for workers in the case referred to by Mr. Thompson, and our contractors were never given opportunities to submit bid proposals. We

tried to talk to the individuals who were given these benefits with Solargenix Energy. Our members have been deprived of the work opportunities, the Local has been deprived of dues in this matter, and the State of Nevada has been deprived of tax revenue.

Chairman Ocegüera:

Mr. Jones, if you could keep your comments specific to the policy of this bill.

David Jones:

I am speaking in favor of the bill because there needs to be accountability in building these projects when it comes to incentives. We are exporting solar energy and not getting any return on our investment. When we talk about providing jobs to Nevada workers, it should be in the form of jobs such as manufacturing building panels, supporting structures, and generating power. There needs to be accountability—if a company gets incentives, they should provide good jobs to Nevada workers. The State provides incentives to encourage new manufacturing in the State. Nevada is a leader in the way of helping import new business and breakthrough solar technologies in the market place. Nevada could be a hub of solar power development and experimentation. This is a good opportunity to do that with the help of new businesses that would locate in Nevada. We support a strong solar industry, but we do not intend to support it blindly. The International Brotherhood of Electrical Workers (IBEW) has trained over 125 employees who live and pay taxes in southern Nevada. The questions have to be asked: does the project provide good jobs to Nevadans, is there accountability, and does the bulk of the equipment come from Nevada manufacturers? The company should not import out-of-state workers or advertise on the internet for sub-standard wages. We need to consider locating new facilities in state in order to receive project incentives and protect the breakthrough technology for Nevada. The incentives given by the Economic Development Commission should take into consideration these issues and make every company accountable. Our members have built many power producing projects in southern Nevada. We have the experience and have qualified, trained employees. We have over 600 registered apprentices and classes for journeymen to become photovoltaic installers. I request the Legislature to consider if locally based companies are going to be involved in future projects, how are they to be held accountable? Is the project going to insist on locally hired employees? Where will the proceeds from these projects go? Are local contracts going to be required to use personnel specifically trained in the installation of solar photovoltaic systems approved by the State of Nevada? I would like you to endorse A.B.186.

Chairman Ocegüera:

Are there any questions for Mr. Jones? [There were none.] Are there others speaking in favor of the bill?

Ernie Adler, representing IBEW, Local 1245:

We also endorse this bill. One of the problems with the current system is seen in California—they will not buy power generated by coal plants. Therefore, they will have to buy power from renewable resource plants. It is also difficult to "site" any kind of electrical generating plant, including renewable energy plants in the State of California. The benefits of these plants will flow towards California because there is such high demand. It is incumbent upon the Nevada Legislature to make certain there are benefits that flow to the State of Nevada and we do not "site" the plants here and let out-of-state or out-of-country companies reap the economic benefits.

Chairman Ocegüera:

Are there any questions for Mr. Adler? [There were none.] Mr. Davis, would you like to speak in favor of the bill?

Kyle Davis, Policy Director, Nevada Conservation League:

Our organization believes that spurring the development of renewable resources is important. We think that it is important to make sure renewable projects make good economic sense for the State, the utility companies, and for the working men and women in Nevada. We think this bill is a step in the right direction to make sure renewable energy projects make good economic sense, so we can continue the development in the future.

Chairman Ocegüera:

Are there any questions for Mr. Davis? [There were none.]

Rebecca D. Wagner, Commissioner, Public Utilities Commission of Nevada (PUC):

I am neutral on this bill. My concern is twofold: expanding the jurisdiction of the PUC to include regulating renewable energy developers is not something we have done in the past, and we do not regulate contract terms between the utility and renewable energy developers. We evaluate the contracts to make sure they are just and reasonable, as well as the economic development impact which helps balance out potentially more expensive contracts. I would like to work with the bill drafter or subcommittee to try to address that issue. In regard to the 20 megawatts for solar on schools, it has an approximately \$300 million impact on rates over a period of three years. I would like to see that modified.

Assemblywoman Buckley:

With regard to the economic benefits, do you have any suggestions if you think the PUC is not in a position of being able to regulate it? It concerns me that while we are trying to encourage renewable energy development, people are making promises to the Commission which they do not keep. We need to have some sort of redress. It may be in the form of a subsequent application that says this needs to be in a contract or have some other mechanism. This is especially important when it is combined with any sort of economic development incentives.

Rebecca D. Wagner:

When these contracts come before the PUC, it is a contract between the utility and renewable energy developer. We do not get involved with the contract terms. When the utility makes its application under resource planning regulations, they list how many employees will be hired, and if it will have an economic benefit to the State. I think this should go to the Commission on Economic Development because they have the expertise which we do not have. If we do this internally, there is a different type of application where we could consider specific terms in addition to the contract.

Assemblywoman Buckley:

Maybe it is as simple as requiring the contractors to write what they are claiming in the contract. You do not enforce it and allow an aggrieved party to take proper action. If they tell you they have a great project for Nevada and are going to create jobs for Nevadans and provide energy, put it in writing. Of course there would have to be substantial compliance and people have to have flexibility to complete a project. When it is a large departure, someone then has the opportunity to make a case.

Rebecca D. Wagner:

We do not regulate independent power producers or renewable energy developers. When a utility makes a filing at the PUC, it is their filing and the developer intervenes to be a party to the case. There is no mechanism to reconcile the terms of the contract. We do not have staff capable of doing this. We would have to hire an outside consultant and financial analyst to monitor the contracts and increase our staff.

Assemblywoman Kirkpatrick:

Contractors are required to get a one year license. At the time of their license renewal, would we not want them show accountability? It would be simple to add a line to require accountability at the time of license renewal.

Rebecca D. Wagner:

If you are talking about the installer having to be licensed, I am not sure that addresses the terms of promises made and unfulfilled.

Assemblywoman Kirkpatrick:

We do have some accountability for the installer being licensed. We need to consider if they are accountable when they come back to renew their license. We would know where they were on a project and if they had complied. When the license is renewed, it would be a simple addendum to the application process.

Rebecca D. Wagner:

The contracts that come before the Commission are different from small installations on your home. Those are the people who are required to be licensed. We could look at a pre-qualification for renewable energy developers.

Chairman Ocegüera:

Are there further questions from the Committee? [There were none.] Are there further questions from Las Vegas? [There were none.] Is there anyone to speak from a neutral position?

Joe Johnson, Toiyabe Chapter of the Sierra Club:

We are, generally, in support of the goals of this bill, and have the same concerns that if promises are made, they need to be delivered. The issue of the tax break is really not under the PUC, but the Commission of Economic Development which the bill does not address. We are concerned that you are putting an additional burden on renewable energy projects that participate in economic development grants. If you are going to put additional burdens on renewable energy developers, other entities that come before the Commission of Economic Development for tax breaks ought to have the same responsibility to document their benefits and be accountable. For example, we would not wish to see renewable energy developers treated differently than fossil fuel generators. We would like to work with the subcommittee on this bill.

Assemblyman Anderson:

Are you of the opinion that the fossil fuel companies are making these kinds of deals, but not being held responsible for the promises and getting tax breaks?

Joe Johnson:

I am not at all certain that fossil fuels are asking for tax breaks, but when they talk to county commissions, they discuss economic development issues. If you have a standard, it should not be restricted to renewable energy projects. It is simply a matter of equity.

Chairman Ocegüera:

Are there further questions from the Committee? [There were none.]

Jan Gilbert, representing Progressive Leadership Alliance in Nevada:

I am in support of the bill. We worked with the Committee on Economic Development because we were concerned that if businesses got breaks, they should be providing good jobs. I would think they have a mechanism to test whether corporations who get tax breaks do as they say. They have a good record of holding groups to their promises. I would suggest this could go through them because they limit who they give tax breaks and they will follow through with withholding the businesses accountable.

Chairman Ocegüera:

Are there any questions for Ms. Gilbert? [There were none.] Is there any opposition to the bill?

Tony F. Sanchez, representing Acciona Solar Power:

We want to correct the record regarding several allegations that promises have been made and nothing was produced. Nothing could be further from the truth. Mr. Don Points, the Chief Financial Officer of Acciona Solar Power, is here to inform you about a 64 megawatt solar thermal project in which his company has invested \$250 million in Boulder City called Nevada Solar One. The project started in production about three years ago and is expected to go on-line late this spring. There has been much discussion about what was promised when Mr. Points and his company came to Nevada. That was in the context of the Commission on Economic Development, which I agree is a missing component to this legislation. In June of 2005, when the application was made to the Commission, Nevada law required a company to get an abatement to meet two of three requirements in the State ([Exhibit D.](#)) They have to meet a minimum investment threshold in the State of Nevada on their project of \$2 million, they have to pay above the Nevada hourly wage, and/or they have to commit to having 50 full time jobs on a project four quarters after it goes into production. Nevada Solar One (Acciona, Solargenix) showed at the time that they were anticipating an investment of \$125 million, which has since expanded to over \$250 million. That provision was clearly met. They also indicate they will pay roughly \$3.50 per hour above the Nevada average wage. With those, they met the requirement of the Commission on Economic Development and were eligible for the \$15 million tax abatement.

Chairman Ocegüera:

Mr. Sanchez, please talk to the merits of the bill.

Tony F. Sanchez:

I would also like to reflect on the PUC approval process which was indicated. They look at the contract from an overall standpoint of meeting the renewable portfolio standard for the incumbent utility and whether it is in the best interest of the rate payers. One of the questions asked of Acciona Solar Energy was how many construction jobs they would create? To date, we have had up to 675 jobs at the site at any given time. They were also asked how many permanent jobs they would create, and they indicated in the application that they would have 28 fulltime jobs when the plant went online. That is now up to 33, and they anticipate it will be higher. It has not been proven that any type of promise made has not been kept. In Sections 6 and 7 of the bill, we are more neutral. We would like to work with the sponsor of the bill with respect to the potential chilling effect that this could have on attracting financing for these projects, which is the number one issue when you are building a renewable project. There are some issues relative to some of the un-quantified penalties and assessments that could be the private right of action that is indicated in terms of being able to sue. We have some concerns, but believe we can work with the sponsor of the bill.

Assemblywoman Buckley:

Mr. Sanchez, do you disagree with the notion that if someone promises certain economic benefits to both the PUC and Economic Development Commission, there should be a mechanism to ensure they keep their word—for which they were granted economic development benefits or permission to build a project?

Tony F. Sanchez:

We agree 100 percent with that assessment, and feel the Economic Development Commission is the role. In 2001, the Legislature decided to require only two of the three requirements to be met. There was a requirement that you have 50 fulltime jobs on the project; that was changed in 2001, but that is the mechanism. There is a penalty if Acciona does not fulfill its requirement to meet the two-thirds obligation.

Assemblywoman Buckley:

Our responsibility is to look at the way the law should be and what mechanisms should be used to ensure that promises made are kept in this field where Nevada is a leader, and we are talking about spending our money to give incentives. From a public policy point of view, what is the best way to ensure that is done? When someone feels they are aggrieved because they did not get the contract and felt that the promises said that they should, what mechanism do they have besides a private right of action? The Economic Development Commission has jurisdiction over the amount of break they gave, but what

about the PUC approval, which might not have been granted in the first place, or the lost opportunities?

Tony F. Sanchez:

We agree it would require an expansion of PUC authority to get into the terms and conditions of the contract. Regarding this project, if it is determined they have not met the investment amount or are not paying the wage promised, they will lose the benefits that have been afforded them by the State of Nevada. We agree with your comments.

Assemblyman Horne:

Mr. Sanchez, you said that you had some concerns in Sections 6 and 7, and I believe you stated that investment may diminish if this is not quantifiable. I believe you said fines and penalties. Do you believe fines and penalties can be quantified, or are they not quantifiable? If they are quantifiable, would that make it better if we put those in there?

Tony F. Sanchez:

Yes. In current PUC practice with respect to meeting portfolio standards, if, for example, this particular project was not able to go online in time and the parent utility was to be fined for not meeting its requirement, that is a pass-through cost that Acciona would have to pay. When you have legislation that says it can be an open-ended fine, that is when the financiers say they are not willing to invest their money because they do not know exactly what they are getting into. We have been discussing alternatives to the open ended nature of the language.

Assemblyman Conklin:

There are two separate and distinct issues. The Commission on Economic Development package was \$15 million for this particular plant, which I believe was in land tax abatements. The component which is exclusive to the PUC is the allowance of contract of renewable energy purchase by the utility company. Maybe those two parties should figure out how they can have some accountability in this practice, but encourage further development for renewable energy for the future of Nevada. Having a contract with a utility company at a higher rate is an economic advantage for the company who is building a renewable energy facility.

Tony F. Sanchez:

We are also in favor of developing an industry to create the products that would be used to design these renewable projects. We would like to work with the Committee to develop an incentive program to have those products made here.

Chairman Ocegüera:

Are there further questions? [There were none.] Mr. Points, please try to keep it brief regarding your specific project.

Don Points, Chief Financial Officer, Acciona Solar Power:

I would like to give you an update on our project. On February 11, 2006, we broke ground and plan to be online and producing power by April 2007. The project is a 64 megawatt solar thermal power plant which produces heat and generates steam to run a steam turbine. The project is getting worldwide attention, and I hope you will all attend the ribbon cutting.

Chairman Ocegüera:

Are there questions for Mr. Points? [There were none.] Are there others wishing to testify against the bill? [There were none.] The Chair will put this in a subcommittee chaired by Mrs. Kirkpatrick with Mr. Conklin and Ms. Allen as members. The subcommittee will have a report on Friday, March 16, 2007. We will close the hearing on A.B. 186 and assign that bill to subcommittee chaired by Mrs. Kirkpatrick. We will open the hearing on Assembly Bill 178.

Assembly Bill 178: Revises provisions relating to net metering and energy. (BDR 58-1054)

Assemblyman David P. Bobzien, District No. 24:

Assembly Bill 178 deals with net metering and wind power. [Provided informational packet ([Exhibit E](#)).] Renewable energy and its development has become an issue for voters. During my campaign, many people named it as an issue that concerned them. Nevada has a lot of potential for renewable energy development, and room to be a leader in the field. I am pleased to have several speakers who will address this legislation from different points of view. We are working productively on some concerns that some of the presenters have. The packet includes information about net metering and wind energy, as well as wind projects which would have incentives.

Net metering currently has a cap of 30 kilowatts. That is a measurement of the size of the project. I have proposed to raise it to five megawatts. My proposal goes beyond what is proposed by the Renewable Energy Task Force. We need to make sure there is a high enough level of incentives, and that we not impact rate payers. I want to make sure more renewable energy projects, particularly on a larger scale, come on-line and are given the ability to generate excess power which will be credited against power bills. This legislation would set up an incentive program that would allow for rebates to be given to consumers who seek wind power projects for their properties.

Chairman Ocegüera:

Are there any questions for Mr. Bobzien? [There were none.]

Jason Geddes, representing Nevada Renewable Energy and Energy Efficiency Task Force and private citizen:

I am not in anyway representing the Economic Development Authority of Western Nevada. The Nevada Renewable Energy and Energy Task Force formed a subcommittee to look at the issues facing the group. We had all of the renewable energy industry at three public meetings, solicited comments from them, and compiled them into the document which was unanimously approved as the recommendation of the Task Force. In item 2 of the recommendations, we suggested putting forward a wind generation program. Ms. Wagner at the PUC made a very good proposal that is in the bill, but we have not taken action on it as a task force. In item 11, there is language consistent with language in A.B. 178 dealing with net metering. Discussions are still ongoing to find compromise language.

I have been a net metering customer since April of 2005 and hope you can approve a cap of one megawatt.

Chairman Ocegüera:

Are there any questions for Mr. Geddes? [There were none.]

Tom Warden, Vice President, Community and Government Relations, The Howard Hughes Corporation, Las Vegas, Nevada:

We are the developers of Summerlin, a master planned community with 94,000 residents. We plan to build a 400 acre town center which will have a regional retail center with 1.5 million square feet of retail and mixed use facilities. We will invest about a \$1 billion in development. We believe, as a corporation, that we need to strive for some level of environmental building standards. One of the components of that will certainly be photo-voltaic generation of power. Incentives for businesses like ours help us to get where we need to be. We know there are challenges with this program, and it is gratifying that there is an effort to get to a common ground. The time seems right when conservation of resources and energy is a big issue for Nevada and energy independence is an issue for all Americans. On a global scale, climate change is an issue. It seems that Nevada can be a leader in all of this.

Chairman Ocegüera:

Are there any questions for Mr. Warden? [There were none.]

Kyle Davis, Policy Director, Nevada Conservation League:

Renewable energy is one of our priority areas for this Legislative Session. We feel encouraging production of renewable energy is incredibly important for our State and our environment. We are in support of this bill because it promotes the use of renewable energy in a number of ways. It is good because renewable, clean energy is going to reduce our emissions of carbon dioxide and other harmful pollutants like sulphur and mercury.

Chairman Ocegüera:

Are there any questions for Mr. Davis? [There were none.]

Charles Benjamin, Director of the Nevada Office of Western Resource Advocates:

You have my written testimony ([Exhibit F](#)). We are here to support this bill. I have just moved here from Kansas, which has one of the best wind resources in the world and yet, has no net metering. I have seen the results of a policy that does not give incentives for things like net metering. There are no individual farms or schools with wind turbines because it is not cost effective. Nevada is far in advance of many states in the area of net metering. Net metering allows a farm or a school to put up a wind turbine or solar generation facility, and any electricity they do not use can be sold back into the grid and make the system more cost effective. I suggest you think about how far you can go with encouraging individuals to put up their own systems, which then puts less demand on the grid as a whole in a state growing as fast as Nevada. I do not think it will alleviate all of the concerns for the amount of energy and load, but it would certainly help.

Chairman Ocegüera:

Are there any questions? [There were none.]

Rose McKinney-James, J.D., representing Clark County School District, Nevada:

I am a member of the Renewable Energy Task Force, but am here today in another capacity. The School District is supportive of this measure. It extends and furthers the goals that led the district to propose similar legislation which is in Senate Bill 27. Assembly Bill 178 opens the same door as our bill draft, but it opens it much further. How far the door should be opened is a matter of public policy dialogue which should address any concerns of the PUC and the State's largest utility providers. The five megawatt limit will certainly allow the consideration of larger projects. The Clark County School District believes that any net metering limit in the range contemplated under this bill will be extremely encouraging to the creation of renewable energy resources in the State. Even with a five megawatt limit, there is little reason to be concerned that the grid will be overwhelmed with renewable power in the foreseeable future. The

provisions for a streamlined and responsive approval process with reasonable certainty on approval timelines is considered very helpful, especially considering that many new firms can be killed simply through delay. Assembly Bill 178 encourages development of wind power projects through a secondary demonstration program as provided in Section 25. It should be helpful in the pursuit of renewable resources. We have vast expanses of open mountainous terrain, and it is logical that this is an area that the State would pursue. The Clark County School District is very supportive of this measure.

Assemblyman Anderson:

What was the number of the bill you said dealt with a similar area?

Rose McKinney-James, J.D.:

The School District's bill is S.B. 27. It is another bill which deals with net metering. The limits are slightly different, and it does not specify the wind demonstration project. It opens the door for school districts to be actively engaged in pursuing renewable projects on school district property.

Assemblyman Anderson:

Because of the nature of the wind projects, they may not be suitable for educational facilities as compared to solar projects. Would this be consistent with trying to get this larger standard in terms of solar if not wind power?

Rose McKinney-James, J.D.:

The School District has been in discussions with wind developers who have the capacity to use much smaller equipment, which is suitable for a school property. I am supportive of all renewable resources.

Chairman Ocegura:

Are there further questions from the Committee? [There were none.]

Rebecca D. Wagner, Commissioner of PUC:

I am here in support of A.B. 178. We have concerns about the size limitations and how we balance the incentives to the impact to rate payers. We are willing to work to find that balance to increase this program. I am strongly in support of the language about the wind demonstration program. In my previous capacity as energy advisor, I worked to come up with this kind of concept. I am happy to answer any of those questions.

Chairman Ocegura:

Are there any questions for Ms. Wagner? [There were none.] Are there others to testify in favor of the bill?

Ernie Adler, IBEW, Local 1245:

The International Brotherhood of Electrical Workers (IBEW), Local 1245 has been involved in renewable energy projects in northern California. They believe that this type of bill is good for the State of Nevada. We support the increase in the cap because bigger projects require more technical assistance. Because our members are trained in this area, it is more likely they will be able to work on these projects.

Chairman Ocegüera:

Are there any questions for Mr. Adler? [There were none.]

Joe Johnson:

We support this bill. In the ten years that we have had net metering, we have gone from very small projects to the statute passed last session. We encourage you to increase the limits again. It will encourage additional distributive generation of multiple technologies.

Chairman Ocegüera:

Are there any questions? [There were none.]

Judy Stokey, Director, Government Affairs, Nevada Power and Sierra Pacific Power:

We are very supportive of the concepts in this bill although there are some numbers we need to work on with the bill sponsor. Jack McGinley is our Renewable Developer Director and will be able to answer any specific questions you have. This bill increases the size of the net metering from 150 kilowatts to 5,000 kilowatts. This increase is not supported by any study, but we believe some increase could be supported. We are in the western states, one of the leaders in our net metering program. We have approximately 200 customers under this program. That is a good thing. We will look at increasing some of those numbers and want to work with the sponsor, but we have to make sure that we are not impacting the remaining customers. The deletion of subsection 3 in the *Nevada Revised Statutes* (NRS) 704.773 discusses the charges associated with the net metering with the smaller units to the larger units. That is something we would like to discuss with the sponsor of the bill. The timing in the applications and when they have to be approved, is something we have to be sure is administratively feasible to get some of the larger units installed. We are very much in support of the wind demonstration program. There is a difference between the solar and wind demonstration programs. The wind demonstration program is modeled after a very successful solar demonstration program in which we have been completely subscribed every year.

Assemblywoman Gansert:

Does any of the power produced by this net metering go towards your renewable portfolio numbers?

Jack McGinley, Renewable Development Director, Sierra Pacific Power and Nevada Power:

Yes, it does. If the company pays for the incentive, then the company is awarded with renewable energy credits that are associated with those installations. If they do not and the customers do it on their own, then the customers own those renewable energy credits. The company just recently has offered to buy those credits to meet its portfolio shortfall.

Assemblywoman Gansert:

Does this help you if you can buy those credits?

Jack McGinley:

It does.

Assemblyman Horne:

Are you familiar with the other limits on net metering?

Jack McGinley:

I am vaguely familiar with it.

Assemblyman Horne:

In the states that have no limit, do you know what their average peak is?

Jack McGinley:

I do not, but I can get more information and more specifics on that individual program if you would like.

Assemblyman Horne:

How high do they actually get in states that have no limits? Ms. Stokey, you made a comment about it affecting remaining customers. Could you elaborate?

Judy Stokey:

Customers who are between 0-30 kilowatts do not pay certain charges. For anything over 30, the charges are paid by the customer who has the net metering system. There is a small amount of money that the remaining customers pay for the benefit of the net metered customers.

Assemblyman Settlemeyer:

How many people would this change affect? How many people would it allow to take advantage of renewable energy, and how would that affect your rates to other individuals?

Judy Stokey:

We currently have 200 net metered customers. If we were to raise the cap to five megawatts, that would encompass over 99 percent of our customer base, or over a million customers would be eligible. I am not sure what the dollar amount would be.

Chairman Ocegura:

Are there further questions? [There were none.] Are there others wishing to testify in favor of the bill? [There was none.] Is there anyone wishing to testify from a neutral position or against the bill? [There was none.] Mr. Bobzien knows the issues, will work on this bill, and report back to me when he comes to a consensus. We will close the hearing on A.B. 178, and open the hearing on Assembly Bill 215.

Assembly Bill 215: Limits interstate banking by certain entities that open branch offices in this State pursuant to certain statutory provisions. (BDR 55-1125)

John P. Sande, representing the Nevada Banker's Association:

This is a clarification bill, but I will give you some background information. Prior to the early 1980s, unless you were grandfathered in, you could not cross state lines and offer banking services. We had one bank in Nevada that could do business in Nevada, California, and a few other states. Otherwise, you could not cross state lines; you had to do business only in the state you were in. Congress authorized that states to consider whether they would allow banks to cross state line. In 1984, Governor Bryan held a special session of the Legislature to exempt CitiBank to open their credit card center in southern Nevada. In 1985, it was determined in three and a half years you could do interstate banking. The reason for this bill was the Reigle-Neal Interstate Banking and Branching Efficiency Act of 1994, which clarified the law and said that states had to set forth in their statutes exactly how out of state depository institutions could come into the state. Senate Bill No. 561 of the 68th Session, said you could come into the State by establishing your own charter in the State of Nevada, by acquiring an existing bank that was at least five years old, or by establishing a branch of an out-of-state bank in a county with less than 100,000 people.

There is a concern that some out-of-state banks might set up a branch in a small county, then consider themselves a Nevada bank and not an out-of-state depository. They then might branch into larger counties and violate the intent of the legislation. If you look on page 2 under III-B in my exhibit ([Exhibit G](#)), it states that this legislation continues to permit an out of state depository institution or holding company without a Nevada bank branch to establish branches in counties of less than 100,000 population; however, the legislation prohibits such entities from establishing de novo—that is new bank branches in counties with greater than 100,000 population. Even though the legislative intent is clear, it would be appropriate to clarify that. If an out-of-state depository institution sets up a branch in a county of less than 100,000 population, that does not give them the right to be deemed a depository institution with a branch in Nevada so they can ignore the rest of the law. On page 2 of the bill, it says an out-of-state depository institution that establishes or acquires a branch office pursuant to this subsection continues to be considered an out-of-state depository institution without a branch in Nevada for the purposes of all other provisions of this chapter.

Assemblywoman Gansert:

I have a disclosure: my family has some interest in a bank in the State of Nevada. I do not believe this legislation will affect us anymore than anyone else, so I will participate in this discussion and vote.

Chairman Ocegüera:

Thank you, Ms. Gansert for the disclosure. Are there any other questions? [There were none.]

Bill Uffelman, President and CEO, Nevada State Bankers Association:

I presented a short amendment which would add a section to the bill ([Exhibit H](#)) that says, "This Act takes effect upon final passage and approval." We wanted to make sure that if there was any doubt, it would be very short lived. When this bill is law, it will be perfectly clear. This bill has no impact on any bank that is currently in the State of Nevada.

Chairman Ocegüera:

Are there any questions? [There were none.] Are there any who want to participate in the discussion in favor of the bill?

Steven Kondrup, Acting Commissioner, State of Nevada Financial Institutions Division:

I am in favor of the bill. It would clarify some of the issues that we have had to discuss with out-of-state institutions who desire to come into the State of Nevada. I fully support the amendment.

Chairman Ocegüera:

Are there any questions? [There were none.] Is there anyone wishing to be neutral on the bill? [There was none.] Is there anyone wishing to oppose the bill? [There was none.] We will close the hearing on A.B. 215. We will move to the work session.

David Ziegler, Legislative Counsel Bureau:

The bill for the work session is A.B. 43 ([Exhibit I](#)). This bill requires public utilities in larger counties to provide a list of customers for use in selection of jurors. It was heard on February 14, 2007. The proponent was the Nevada Supreme Court and there were a couple of witnesses who testified. It would add Clark County to the counties in which a public utility other than a phone company must provide a list of customers to a district judge or jury commissioner for use in the selection of jurors. No amendments were offered on February 14, 2007. Subsequent to the hearing, on February 21, 2007, the Committee received a memorandum with proposed amendments from the American Civil Liberties Union. They expressed support, but desire some changes having to do with privacy.

Assemblyman Conklin:

I believe we had a jury commissioner from Washoe County here that day. I was not under the impression that this information was ever public. He wants it transferred in a private matter from the utility in all of the counties except for one. That is still private information and would not be exposed publicly. I understand the potential amendment, but it is unnecessary and bogs down the bill. It is a simple bill and there does not seem to be a need to add additional language for something that is not a practice.

Assemblyman Horne:

Is it correct that the utilities did not have an objection to this because they were not absorbing the cost?

Chairman Ocegüera:

That is what I recall. The cost was minimal and the court paid for them.

Assemblyman Anderson:

Did Mr. Ziegler state that the Supreme Court had spoken in opposition to this?

David Ziegler:

The bill was requested by the Nevada Supreme Court and the testimony was from a district judge from southern Nevada and the Jury Commissioner from the Second Judicial District.

Assemblyman Settlemeyer:

Who would be charged with the misdemeanor if these lists were sold? I agree with the concept of the amendment, but who would be charged with the misdemeanor?

Chairman Ocegüera:

I understand the intent of the amendment, but I agree with Mr. Conklin that this is not the practice.

Assemblyman Conklin:

I would like to ask the Jury Commissioner what the standard practice is?

Wanda Lopshire, Jury Commissioner, Second Judicial District Court:

We do not disseminate that information for economic reasons. We disseminate it for voir dire purposes only.

Assemblyman Settlemeyer:

Is it law that they cannot do that, or is that just the general practice?

Wanda Lopshire:

It is general practice. The statute states that any information we have on record is public information; however, that does not mean that we disseminate it. There is also another public record law that states we have immunity if we refuse in good faith to give out that information. We have never given out that information without an order from the court. Juror information is never given out and we would never consider selling it.

Chairman Ocegüera:

ASSEMBLYMAN HORNE MOVED TO DO PASS ASSEMBLY BILL 43.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN ARBERRY AND BUCKLEY WERE ABSENT FOR THE VOTE.)

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Victor L. Buron submitted a statement regarding net metering in A.B. 178 and A.B. 186 for the Committee's consideration ([Exhibit J](#)).

Joseph Turco, Public Advocate, ACLU of Nevada submitted written testimony on A.B. 43 ([Exhibit K](#)).

The meeting is adjourned [at 3:23 p.m.].

RESPECTFULLY SUBMITTED:

Earlene Miller
Committee Secretary

APPROVED BY:

Assemblyman John Ocegüera, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: March 5, 2007

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B.186	C	Danny L. Thompson, Nevada State AFL-CIO	Statement from Donny Grayman
A.B.186	D	Tony F. Sanchez, representing Acciona Power	Application and supporting documentation
A.B.178	E	Assemblyman David P. Bobzien, District No. 24, Washoe County	Information packet
A.B.178	F	Charles Benjamin, Western Resource Advocates	Testimony
A.B.215	G	John P. Sande III, Nevada Bankers Association	Memorandum
A.B.215	H	Bill Uffelman, Nevada Bankers Association	Proposed amendment
A.B.43	I	David Ziegler, Legislative Counsel Bureau	Work Session Document
A.B.178 A.B. 186	J	Victor L. Buron, Solar Seeker	Proposal
A.B.43	K	Joseph Turco, ACLU	Testimony