

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE, AND  
MINING**

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

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Jerry D. Claborn at 1:37 p.m., on Wednesday, May 30, 2007, in Room 3161 of the Legislative Building, 401 South Carson Street, Carson City, 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 Jerry D. Claborn, Chair  
Assemblyman Joseph Hogan, Vice Chair  
Assemblyman Kelvin Atkinson  
Assemblyman David Bobzien  
Assemblyman John C. Carpenter  
Assemblyman Pete Goicoechea  
Assemblyman Tom Grady  
Assemblyman Ruben Kihuen  
Assemblyman John W. Marvel  
Assemblyman James Ohrenschall  
Assemblywoman Debbie Smith

**GUEST LEGISLATORS PRESENT:**

Senator Dina Titus, Clark County Senatorial District No. 7

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Randy Stephenson, Committee Counsel  
Christina Van Fosson, Committee Secretary

Minutes ID: 1464



**OTHERS PRESENT:**

Leo Drozdoff, Administrator, Division of Environmental Protection, Nevada  
Department of Conservation and Natural Resources  
Colleen Cripps, Deputy Administrator, Division of Environmental Protection,  
Nevada Department of Conservation and Natural Resources  
Kyle Davis, Policy Director, Nevada Conservation League  
Jim Spinello, Representative, Nevada Power  
Ellen Allman, Business Manager, Caithness Energy, LLC  
Joseph Johnson, Legislative Chair, Toiyabe Chapter, Sierra Club,

**Chair Claborn:**

[Roll called.] We will open the hearing on Senate Bill 422 (2nd Reprint), which deals with greenhouse gas emissions.

**Senate Bill 422 (2nd Reprint): Requires the creation of a registry and inventory of greenhouse gases emitted in this State. (BDR 40-678)**

**Senator Dina Titus, Clark County Senatorial District No. 7:**

It is nice to be with you today. According to a recent report issued by the Pew Center on the States, which is a nonprofit, non-partisan organization dedicated to advancing debate through credible analysis and cooperative approaches, scientists predict that if the increase in greenhouse gas emissions continues unabated, temperatures will rise by as much as 10 degrees Fahrenheit by the end of the century. This will cause dramatic and irreversible changes to our climate. The consequences, both anticipated and unforeseen, will have profound ramifications for humanity and the world as a whole. Water supplies in some critical areas will dwindle as snow and ice disappear. Sea levels will rise, threatening coastal populations. Droughts and floods will become more common. Hurricanes and other powerful storms will increase in intensity. Adding to the threat will be the impact of climate change on agricultural production and the spread of disease. Human health will be jeopardized by all these changes.

Climate change is not just a daunting challenge; it is also an enormous opportunity for innovation. While there is no “silver bullet” technological solution, many tools already exist for addressing climate change. New options on the horizon could potentially yield dramatic reductions in worldwide emission of greenhouse gases. Actions are being taken internationally, in Washington, D.C., and in states and communities across the country. At every level, businesses are willing to help government shape solutions. Nationally, a number of greenhouse gas measures are being considered. They have been sponsored

by Democrats and Republicans, alike, such as Senators John McCain and Jack Harper from Arizona; Senator Joseph Lieberman from Connecticut; Senators Jeff Bingaman and Pete Domenici from New Mexico; Senator Dianne Feinstein from California; and Senator Bernie Sanders from Vermont. These measures are a variety of what is known as "cap and trade" bills. They set mandatory caps on greenhouse gas emissions and establish an allowable trading program whereby businesses can buy and sell emission credits. These measures are being supported by the large utility companies, including Pacific Gas and Electric.

Many states and regions have moved ahead of Washington, D.C., and are taking action on their own. States are setting targets for reducing their greenhouse gases. They are adopting policies for energy efficiency. At the regional level, states are coming together to form multi-state approaches to this question. We have seen some of that in the news recently. As an example, ten northeastern states have formed the Regional Greenhouse Gas Emission Initiative, with several other states and some eastern Canadian provinces acting as interested observers. In the west, we have the Western Governors' Association, which commissioned the Clean and Diversified Energy Initiative. There is also the West Coast Governors' Global Warming Initiative. The list of multi-state approaches is extensive.

The bill that is before you today was originally drafted to mirror Senator Feinstein's bill in Washington, D.C., and establish a "cap and trade" system aimed at reducing our greenhouse gas emissions. After further study and extensive discussion with the experts, who are here before you today from the Nevada Department of Environmental Protection (NDEP), as well as utility representatives and environmental groups, I have concluded that Nevada is not ready for a full-blown "cap and trade" program. We cannot afford, however, to sit on our hands and do nothing. We have to begin the process so we can do our part to address global warming and also be competitive in the western credits market as soon as possible.

I bring you the bill that is before you today as a means to develop a statewide greenhouse gas inventory which will evaluate the sources, types, and amounts of greenhouse gases released in the state. Greenhouse gases, like carbon dioxide and hydrofluorocarbons, are defined in the language. In addition, by 2008, the State Environmental Commission will establish requirements for participation in a verifiable greenhouse gas registry and mandate reporting of all greenhouse gas emitted from each effective unit. We are going to begin with power generators, on an annual basis. I believe such an inventory and registry will provide information about the sources, types, and amounts of greenhouse gas emissions in Nevada. We can then use this information to set reasonable

caps and reduction timetables and to create an emission credit program so Nevada companies can buy and sell credits within the state and the West.

Since the original version of Senate Bill 422 was drafted and passed, we have continued to work on it to refine the language. We are plowing new ground here. There is a consensus amendment which is submitted to you today which will accomplish what we are trying to do. This has been drafted with the help of the witnesses sitting at the table with me. I would like them to go through the language for you, if that is agreeable.

**Assemblyman Grady:**

Senator, we have a proposed amendment to the first reprint version but have a second reprint in our bill books. Which are we going to follow?

**Senator Titus:**

We have given you a mock-up ([Exhibit C](#)) to the first reprint. We are not looking at the second reprint, which came out of Senate Finance. The witnesses will go through this version.

**Leo Drozdoff, Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources:**

Thank you, Mr. Chair, and members of the Committee. It is very nice to see you again. I have with me Dr. Colleen Cripps, my Deputy Administrator. We will very briefly work through this mock-up ([Exhibit C](#)). I do appreciate being able to work with Senator Titus on this bill and the environmental community and industry.

This bill requires the Division of Environmental Protection to inventory greenhouse gases throughout the state. Secondly, it requires the State Environmental Commission to adopt regulations that would establish a greenhouse gas registry. Reporting to the registry would be mandatory for effected units throughout the state and voluntary for other parties should they want to be part of it. The agency believes it will take one person to do the work associated with the bill. The agency agreed to pay for it out of a settlement we have reached with Nevada Power. So, there will be no additional General Fund monies going to this position. The position will be paid for by the Division of Environmental Protection with resources it just recently received.

You can see the changes in the language, such as they are, in the mock-up ([Exhibit C](#)).

**Assemblyman Marvel:**

How well is Nevada Power committed to this?

**Leo Drozdoff:**

Nevada Power paid, as part of their settlement, a number of things. One of those things was a one-time lump sum settlement of \$1.1 million, of which \$770,000 came to the State of Nevada. We are proposing to pay for a staff position through the biennium. The cost associated with that would be slightly over \$100,000 a year. We believe that after the biennium there will be enough. There is other work associated with the registry, including the Governor's Committee on Climate Change. So, our position is to fund the position for two years in order to do this work. Once the work is done, the need for that position will not be there.

**Assemblyman Marvel:**

You will not initially use General Fund money at all. Is there enough money to continue this position?

**Leo Drozdoff:**

Yes, I believe there will be. We will continue it through the biennium. After that, I believe the work associated with this bill will be completed and by that time we will be in another budget cycle.

**Assemblyman Marvel:**

We have this problem with some of our federal programs. They will fund us enough to employ people then the federal money disappears and we are stuck using General Fund money. You do not get General Fund money so that will not be an issue.

**Leo Drozdoff:**

We looked at this issue long and hard before we made the commitment. In looking at what the bill will require us to do, we are confident the work associated with this bill will be completed in two years.

Going through the mock-up, Section 2 makes it clear the focus of the registry is on fossil fuel power plants or generators. Renewable energy power plants are excluded as a requirement to be part of this work. That is largely based on not wanting to hinder renewable energy plants, especially as they become increasingly more productive. There is language that mentions voluntary participation and by no means would renewable facilities be prohibited from taking part in this registry.

Section 4 clarifies what greenhouse gases we are talking about. It gives their proper naming conventions and the like and makes it clear we are talking about them alone or in combination. Section 5 defines what constitutes a greenhouse gas registry. This is for clarity. It also amends *Nevada Revised Statutes*

Chapter 445B to require that the State Environmental Commission adopt regulations for a statewide greenhouse gas registry. This is the section that states the registry is mandatory for effected units. The registry would be available to any party or company which would like to participate on a voluntary basis. Section 6, subsection 5 spells out the timeframe we need to have this information in place, which is December, 2008. Originally, there was some confusion with regard to county participation. This is a state effort. Sections 11 and 13, where there was previously a discussion about county involvement, those have been deleted. These sections basically deal with Clark and Washoe Counties. The proposed amendments make it clear that the counties are in no way responsible for having to implement these new provisions. Section 21 notes the bill becomes effective on July 1, 2007.

**Assemblyman Goicoechea:**

How many affected units do we have in the State? Do you have that number available?

**Colleen Cripps, Deputy Administrator, Division of Environmental Protection,  
State Department of Conservation and Natural Resources:**

We do not have the exact number. It is approximately 12 units across Nevada. It basically includes all the power generation units which are operated by Nevada Power and Sierra Pacific.

**Assemblyman Goicoechea:**

My colleague asked about fee jumps. I think the amendment would exclude cow fields and the methane they generate. They could voluntarily submit to the registry.

**Randy Stephenson, Committee Counsel:**

I want to clarify Mr. Drozdoff's last statement about the amendment language, including the effective date which was changed. The second reprint, which Mr. Grady alluded to, changed the effective date to July 1, 2007. Assuming the amendment language before the Committee is adopted, we would remove that from the bill.

**Chair Claborn:**

All these greenhouse gases, like carbon dioxide and hydroflouorocarbons, methane—would they be present where geothermal power was being generated? We are mainly talking about fossil fuels, correct?

**Leo Drozdoff:**

That is correct. I will point out that Section 2 of the mock-up makes it clear we are not talking about renewable energy, which geothermal is considered to be.

My understanding is that geothermal and other renewable energy options, such as biomass, have some or just one of these gases, but the point in Section 2 was to state we are dealing from a mandatory basis with fossil fuel facilities.

**Chair Claborn:**

I have heard several different things on this issue and I anticipate this is about some of the plants they will be building in places like Ely and others. I think it is focused on the future. I know there will be a geothermal plant involved and a coal plant. Those have the worst emissions we could ever find, really.

**Assemblyman Carpenter:**

On page three of the mock-up it mentions being subject to the provisions, then inserts Sections 2 through 6.5 inclusive of the act to prevent, abate, and control air pollution. That seems to be going beyond just reporting.

**Leo Drozdoff:**

These are existing statutes. Sections 2 through 6.5 of the mock-up make it clear that these new sections are part of the existing air statutes. This bill requires a mandatory registry and creates an inventory. The rest clarifies how it is to be incorporated into the existing statutes.

**Assemblyman Carpenter:**

If you wanted to do that, why make them inclusive of this other language which establishes standards for air quality? I do not understand why that language is there if we are just trying to handle the amount of emissions.

**Leo Drozdoff:**

We did work with Mr. Stephenson, so maybe he has a better explanation than I would have.

**Randy Stephenson:**

I will try to answer the question of why we included the new language in the provisions about adopting new regulations. The chapter is organized into a series of subheadings which are to indicate and make clear that if the new provisions are adopted, that is where the provisions are going to be placed in the NRS. As to why NDEP would need regulations, if you have express provisions on point, there is no question as to whether they have to the authority to adopt regulations regarding the registry for greenhouse gases. That is the only reason I can think of for putting express provisions in the language so people cannot say, "maybe they can, maybe they cannot." This is the same with all the other sections in the bill where there are references to NRS 445B.100 to 445B.640, inclusive. We have added the reference to our

new sections. That is simply to make it clear that this is where the new provisions will be included in Chapter 445B of NRS.

**Chair Claborn:**

Mr. Carpenter, does that satisfy your concerns?

**Assemblyman Carpenter:**

I do not think so. My concern is about the new power plants which are going to start construction. We have the new one built by Newmont Gold Company in Elko. It looks to me like the language is moving away from the point. I do not want something like this to allow someone to come in and shut those plants down.

**Colleen Cripps:**

I do not think that is an option. I do not think these regulations, or the statute and regulations which would be developed as a result of them, would have that impact. The regulations would require that those facilities participate in the registry. We have discussed that with those companies and they are supportive of that approach.

**Assemblyman Carpenter:**

If I could get something real specific on the record that says this is only for reporting, it would make feel a lot better. I do not understand why they are including all these things if we are not going to use them later.

**Leo Drozdoff:**

I can say definitively that this bill does only two things. It requires NDEP to inventory greenhouse gases throughout the state. They will just inventory them. It also requires the State Environmental Commission to adopt regulations that adopt a greenhouse gas registry and only a registry. The registry is for fossil fuel generator plants.

**Assemblyman Ohrenschall:**

Will the registry be made available to a website? How will people find out?

**Colleen Cripps:**

I think the registry will be publicly available. There are a number of different options at this point. The registry that will be used is going to be something which will be evaluated over the next six to eight months. All that information will be publicly available.



**Assemblyman Ohrenschall:**

Do any other states have a registry of greenhouse gas emissions? Do they make them available to the public?

**Colleen Cripps:**

Currently, there are 35 states which have joined a single registry. Part of that is for conservation of effort. It also allows for consistency of reporting between the various facilities to make sure the verification of the information provided is done in a consistent manner. So, that is an option. There are many states which are participating or have registries available to them. That is public information.

**Assemblyman Hogan:**

The bill provides for an update of the survey at least every four years. Could you let us know what the plan is? Are you going to put out a request for an update to the establishment that is involved in the emissions? Would you have to resurvey or have someone do another round of visits? Do you have a schedule more specific than "not less than every four years?"

**Colleen Cripps:**

We do not have a plan established at this point. However, the inventory itself is very broad. We are assuming that those facilities which will be required to report into the registry will do so; their information is verifiable and has to be submitted on an annual basis. The information will be available to us. The industry sector which will be required to be part of the registry, based on our initial review of the information, is a big part of all the greenhouse gas emissions in Nevada. The second largest sector is mobile sources. We would be working with the Department of Motor Vehicles (DMV) to get numbers of vehicles and the kinds of vehicles and other relevant information to help us update those numbers. I am not sure how we would deal with some of the other residential and commercial business operations. Right now, there are many states which are working on inventories. They are using defaults in some cases, depending on the kinds of businesses which are in their state. Some of that is available through the Environmental Protection Agency (EPA). The emissions will vary on the specific sector we are looking at and as the information evolves over time, nationally.

**Assemblyman Goicoechea:**

I just want to clarify what my colleague from Elko brought up. It sounds to me that the registry will be designed to affect the targeted units. It does seem like the inventory, however, will be expanding away from the affected units to almost all other sources of emissions. Technically, we are going to continue to move ahead in trying to inventory mobile sources and even livestock, at some

point. Would that inventory, at some point, be rolled into the registry? Or would it just be an inventory?

**Leo Drozdoff:**

Yes, that is correct. The registry is what is mandatory. The inventory will delve into power plants, mobile sources, et cetera, but that is where it stops.

**Assemblyman Marvel:**

Will there be any kind of upper limit on what can be admitted?

**Leo Drozdoff:**

Not as part of this bill.

**Assemblyman Marvel:**

What is the use of monitoring it, then?

**Leo Drozdoff:**

The point of this bill is that it provides the Legislature, the Energy Office, and the Governor's Advisory Committee on Climate Change with information to take appropriate steps in the future. It allows everyone to have the same information so that if next steps are contemplated, there is a basis for doing so.

**Assemblyman Marvel:**

That is what I am worried about. Is there going to be any kind of compliance that entities would have to adhere to, like we do with air? Would it be similar to what happens in Clark County with non-compliance?

**Leo Drozdoff:**

That is very far down the road. There was a Supreme Court decision just a few weeks ago that provided some guidance. There are no federal or state programs. This is an effort to collect information, and to have it ready should those programs take place. If there are established federal or state programs, some kind of action would be taken.

**Assemblyman Marvel:**

I am just worried about compliance. We have enough problems with that already, like the Grand Canyon and things like that.

**Leo Drozdoff:**

I would just like to point out to the issue of whether there will be any compliance procedures. Section 17 of this mock-up and of the bill does authorize the imposition of an administrative fine of not more than \$10,000 per day for violations of Commission regulations. If there is a mandatory reporting

requirement in the regulations, there has to be compliance. If you are concerned about that, you need to have it excluded somehow in the amendment language if that is not what the intent is.

**Assemblyman Marvel:**

That is the point I was trying to make. At some point in time, is someone going to be violating these standards? If they do, then we have a compliance problem again.

**Colleen Cripps:**

This is a little different than most of the air quality regulations which are currently in place where there are federal standards which have to be met, in any area of Nevada, whether it is the Las Vegas Valley or Washoe County. In this case, the enforcement that Committee Counsel spoke about is directly related to whether or not the individual facility with effected units, which are required to participate in this program, actually do so and follow the regulations. So, it is very different and it is very focused on the specific requirements for those individual fossil fuel-fired power plants which are required to participate in the registry and report annually.

**Assemblyman Marvel:**

That is what I am worried about. Why the fine? If they have to pay an administrative fine, when will it be invoked?

**Colleen Cripps:**

It would only be invoked should they not file with the registry on an annual basis, as they will be required to do per these statutes.

**Assemblyman Marvel:**

What will they have to file? What will be in it?

**Colleen Cripps:**

The content will be developed by the State Environmental Commission.

**Assemblyman Marvel:**

So, we do not really know yet.

**Colleen Cripps:**

The actual specifics we do not have. It is spelled out, in general, in the language of the mock-up. We have to develop regulations that describe how the information will be verified. We will have to decide what kinds of information they will have to submit about the greenhouse gas emissions they have.

**Assemblyman Marvel:**

When will the regulations be put in place?

**Colleen Cripps:**

We would be working on those regulations this fall.

**Assemblyman Marvel:**

I think we are putting the cart before the horse but that is just my opinion.

**Colleen Cripps:**

Typically, we have to have statutory authority before we can adopt the regulations.

**Kyle Davis, Policy Director, Nevada Conservation League:**

We are in support of Senate Bill 422 (2nd Reprint). It is a good step in getting a handle on what our greenhouse gas emissions are in Nevada. Senator Titus outlined very well that greenhouse gas emissions are becoming a bigger and bigger problem in Nevada and in our country. There will be huge impacts on our environment from the effects of global warming if we do not get a handle on it right now.

I am a member of the Governor's Climate Change Advisory Committee and we just met a few weeks ago. We found that we do need a verifiable inventory of what greenhouse gases are being produced in Nevada, as well as a registry of where they are coming from. An inventory and registry is what we need to get started in solving the problems here in Nevada. I think this bill will give us the data we need, so that we can determine what makes sense for Nevada in terms of reducing our greenhouse gas emissions and reducing our contribution to global warming. There are a variety of ways we can go about that. This bill, essentially, produces data for us to know what our state is doing. It is a very important piece of legislation for the Committee to pass.

**Chair Claborn:**

In your opinion, we need this legislation and we need it now?

**Kyle Davis:**

That is absolutely correct.

**Assemblyman Carpenter:**

I think that we all know what we could do. If we took every car off the road and shut down every power plant, we would not have any greenhouse gases. I do not think there are enough horses to move us around, though. Of course, we need electricity but the "enviros" will not let us build any nuclear power plants.

There may or may not be a problem. I do not think anyone really knows except the Lord and he is not talking. It is well and fine to have the registry and be tracking the inventory, but we all know that if greenhouse gases are a real problem, what we need to do is to shut the world down. I do not know how you shut China down.

You can have all the inventory data in the world that you want, but then you have to do something with it. If you do try to do something with it, then you are in a big time fight with everyone. I do not understand it. I try to read about all this stuff and it is just very confusing to me that we know we have a problem, if in fact, that is the problem. To do something about it, however, would bring this nation and the world to a halt.

**Kyle Davis:**

I think you bring up a couple of good points. Of course, I think we could dramatically cut down on our greenhouse gases if we took all the cars off the road and shut down all the power plants. However, that is not a workable solution. It would be very hard to live life as we know it and we would not want to do that.

There are some things we can do to cut emissions, however. For example, some of the solutions we can use are in your district, like geothermal resources. There are solar resources, particularly in southern Nevada. The renewable energy resources that this State has can go a long way in helping us with the greenhouse gas emission problem. Also, we can enact standards which will make our cars run more efficiently, emission standards like they have in other countries and like they have in other states.

I think there is an amount of greenhouse gas which can be emitted and we can still safely live on our planet and not have the type of impacts which we are being warned about right now. There is an amount that can be safely emitted. We have passed that point fairly recently and the key is how we can reduce what we are emitting right now. If we can work with technology, work with our renewable resources and the technology for our automobiles and planes and such—then there is a very real possibility of turning this thing around and still being able to have a vibrant economy, especially here in Nevada with all the resources we do have.

**Assemblyman Carpenter:**

I hope you are right.

**Assemblyman Marvel:**

How much is too much, as far as emissions? There has to be a limit of some kind. That means we have to crack down on someone. In order to mitigate compliance, will it be the power plants that get penalized?

**Kyle Davis:**

Scientists are telling us that we are going to get into trouble when we start seeing carbon dioxide levels at 400 parts per million in our atmosphere. Right now we are at about 370 parts per million. So, we are getting close to the danger level. Even though we continue to grow and need more power, we can start to take steps now to use renewable resources and resources that will not generate greenhouse gases.

**Assemblyman Marvel:**

The data you just gave, is that worldwide?

**Kyle Davis:**

Yes, that would be worldwide.

**Assemblyman Marvel:**

What are other countries doing?

**Kyle Davis:**

Many countries in Europe, using the European Union Emission Trading Scheme, have actually set carbon dioxide emission caps with a trading system. There are some problems with it, but for the most part, it has actually worked. They are trading carbon dioxide emission allowances and they are reducing their carbon dioxide output. Some Asian countries are on board this program but there are some that are not. That is one thing we have to work on, as far as our country working with others, so that everyone can be on board as far as reducing greenhouse gases. There are definitely some larger countries we need to work with for improvement.

**Assemblyman Marvel:**

Are there any chances for success?

**Kyle Davis:**

I would hope so. Our livelihood definitely depends on it, especially here in Nevada where there are going to be some dramatic impacts when it comes to water and heat, in general.

**Assemblyman Marvel:**

The point I am trying to make is that the hammer is going to fall on someone.

**Kyle Davis:**

Yes, some steps will need to be taken. What those steps look like, I think we are exploring right now. It will give us the data to understand where we are at as a state.

**Assemblyman Ohrenschall:**

Dr. Cripps mentioned earlier that 35 other states have been reporting on their greenhouse gas emissions. Do you know if that has been a burden on the effective units, just coming up with how much emission is out there? Have they been able to implement it without too much trouble?

**Kyle Davis:**

I have not heard of that being a problem at all. During testimony in the Senate on this bill, we had representation from Sierra Pacific and Nevada Power, and they said they would support this bill and that they should be able to take care of the reporting requirements without a problem. I have not heard of it being a problem in other states.

**Jim Spinello, Representative, Nevada Power:**

Nevada Power supports the bill. We do not believe it will be an administrative burden to provide the emission information.

**Assemblyman Hogan:**

Mr. Marvel has raised some very important questions on the potential impact on our economy, as has Mr. Carpenter. I have read that in the process of measuring emissions and then looking at ways to improve our situation, there can be some terrific opportunities to develop new products and to become suppliers to the rest of the world of some of the technical equipment that may help us solve the problem. It seems to me that we should talk to economic development people about seeing if we cannot move to the forefront of things like solar panels and the technologies that will be developed in the future. I am thinking that is an optimistic way of finding very good things in the future for Nevada. If we do have to modify some of our old methods, the net result may be a very large positive if we play it smart. I was just wondering if you had any specifics in that area.

**Kyle Davis:**

I think this is a very key point. In recent history, we have had cases in this country and in Nevada where we have come together to solve environmental problems; we have been able to do it while maintaining a vibrant economy through the use of new technology. An example of your point, as far as Nevada being a leader in this area, is that some estimate the renewable resources in this state are enough to power half the country right now. That is huge in terms of

not only taking care of our greenhouse gas emissions and our contribution to global warming within our borders, but actually being able to help other states and really have a significant impact on the reduction of greenhouse gases in our country. I think that in doing this, if we are able to develop our renewable resources and power half the country, it would be a huge economic incentive for Nevada. It will provide jobs and be a boon to our tax base and make Nevada a great economy in terms of those technologies. I think there are incredible opportunities to do something about this problem—to protect our environment while at the same time protecting our economy.

**Jim Spinello:**

I know it is late in the day and late in session but I would just say we do support the bill. We believe it is a good first step. Will it lead to something else? It will once we establish what the baseline is with these amounts. There will be some provision for the future. We will look to a market-based system of being able to “cap and trade.” As a producer, we would be interested in that. In terms of the rest of the debate about global warming, it is really not our issue. We do think the spirit and intent of this bill is something we can certainly live with and are willing to do.

**Ellen Allman, Business Manager, Caithness Energy, LLC:**

We have two geothermal and a natural gas plant in Las Vegas. I just wanted to say we appreciate Senator Titus’ willingness to consider the amendment language and to take a phased approach to this so we can go slowly and try to understand what kinds of emissions Nevada does have. We also appreciate NDEP being willing to work with the renewable energy industry, to see that they would be excluded from the “must register” concept of effective units. In that sense, we support the amendment.

**Assemblyman Hogan:**

Would you anticipate, with respect to your operations or other renewable operators that you may have contact with, that they will have an interest in voluntarily participating? Is it generally the case that you are, in fact, not generating much of anything on the list of greenhouse gases?

**Ellen Allman:**

Generally, it is a very minimal amount. Again, I do not see why we would not be interested in participating in the inventory. We would like to stay away from the effective units, though, which is part of the compliance side of the registry. We do support the concept of the inventory for informational purposes.

**Assemblyman Goicoechea:**

You do have a gas-fired facility, correct? That would have to comply?



**Ellen Allman:**

Yes, that is correct.

**Assemblyman Marvel:**

Geothermal is going to be exempt, for right now. Do you feel that some time in the future that those facilities might be included, to where they have to comply, also? That they will have to report? The camel nose is under the tent.

**Ellen Allman:**

They are excluded in the amendment language. It is difficult to say about the future. Right now the statute would have exclusions, as amended.

**Joseph Johnson, Legislative Chair, Toiyabe Chapter, Sierra Club:**

We are here in support of the amended version of Senate Bill 422 (2nd Reprint) which is before you.

I have some comments about the general nature of registries and inventories. Generally speaking, environmental organizations are interested in baseline inventories. The industrial sector, however, is interested in having a registry. In the future, when they reduce their contributions to greenhouse gas emissions, they can earn credits if, indeed, there is a national adoption of "cap and trade" programs. The registry will give them a base to go from and they will receive their due credits so they can market them. There is incentive to reduce emissions.

We are in favor, from an environmental standpoint, of an inventory to identify the sources of greenhouse gases. Other issues can possibly be addressed in future regulatory environments. I have served on the State Environmental Commission for a number of years and have testified before you numerous times over the years. I served on the Natural Resources Committee during the 1991 Legislative Session as a legislator. I assure you the statutory changes that are proposed here are, in no way, the basis in themselves of any future punitive requirements as far as standards. I would anticipate that at some time, in the very near future, that you will see national legislation dealing with some proposed programs of controlling greenhouse gas. In spite of some concerns of catastrophic effects, there are many technologies we can adopt and efficiencies we can gain without diminishing our standard of living and still be able to reduce our contribution of greenhouse gases.

**Assemblyman Carpenter:**

Joe, we have been talking for years and years about renewable energy sources. It seems to me that we are not making very much progress, however. I really do not know what the problem is. Is it the cost? When you start putting things up

to generate power, like windmills, most people do not like them. On one of the committees I serve on, people testified that they did not want people putting up solar panels. I do not know what the answer is. What is wrong with nuclear power?

**Joseph Johnson:**

Sierra Club's position on nuclear power is that until the issue of waste disposal is settled, they are in opposition to nuclear power. My personal opinion, not representing my client, is that I have a very personal opposition to Yucca Mountain as a storage facility. I think that it is a very poor choice for geologic disposal. Some environmental organizations are not as opposed as others.

**Assemblyman Carpenter:**

In France, they generate 80 to 90 percent of their power from nuclear power plants. They are taking care of the waste problem. Why cannot we do that here?

**Joseph Johnson:**

Nationally, we produce about 20 percent of our electricity from nuclear power.

**Assemblyman Goicoechea:**

Joe, I like the bill and I am going to support it. I think information is good. Unfortunately, we have all been in the scenario that good information is great, but it just depends on making sure it is scientifically based and how it is garnered. That is the thing which concerns me. It is easy to slant things one way or the other. I think that is where my colleagues are coming from. It will be critical that we do invest some time and effort as the regulations are developed and make sure that there are protections in place to ensure it is quality data. When we build this registry, it will be fairly simple, especially if we are just talking about 12 units that have to comply.

As we look at moving forward and doing an inventory, especially on those mobile sources discussed, as well as methane production from livestock and other sources, the issues are going to be extremely difficult. We have to ensure that whatever we develop in the regulatory process will fit and it will work and that we do not end up getting blindsided.

**Joseph Johnson:**

I certainly agree with you and I have confidence in NDEP that they will have adequate preparation. The part of the bill I am particularly in support of is that there will be dedicated staff time so we can work through the kinds of issues mentioned, by way of the regulatory process, before the Environmental

Commission. Those are well vetted, work-shopped public hearings. I feel sure that the affected entities will be represented ably before the Commission.

**Chair Claborn:**

I do not have anyone listed against the bill. There is no one listed as neutral, either. Is there anyone here who would like to give further testimony in support of Senate Bill 422 (2nd Reprint)? Is there anyone against it or neutral? Seeing none, I will close the hearing Senate Bill 422 (2nd Reprint). Are there any questions?

**Assemblyman Goicoechea:**

I want to clarify that I earlier I was not speaking about the Environmental Commission regarding the development of regulations but about the Legislative Commission. I know Mr. Carpenter will ensure the regulations do fit.

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS  
SENATE BILL NO. 422 (2nd Reprint).

ASSEMBLYMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chair Claborn:**

If there is no further business, we will adjourn [2:37 p.m.].

RESPECTFULLY SUBMITTED:

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Christina Van Fosson  
Committee Secretary

APPROVED BY:

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Assemblyman Jerry D. Claborn, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Natural Resources, Agriculture,  
and Mining

**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 422(2 <sup>nd</sup> )	C	Senator Dina Titus	Mock-up Amendment