

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

**Seventy-Fifth Session
May 28, 2009**

The Committee on Commerce and Labor was called to order by Chairman Marcus Conklin at 1:31 p.m. on Thursday, May 28, 2009, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. 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 Marcus Conklin, Chairman
Assemblyman Kelvin Atkinson, Vice Chairman
Assemblyman Bernie Anderson
Assemblyman Morse Arberry Jr.
Assemblywoman Barbara E. Buckley
Assemblyman Chad Christensen
Assemblywoman Heidi S. Gansert
Assemblyman Ed A. Goedhart
Assemblyman William C. Horne
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Mark A. Manendo
Assemblywoman Kathy McClain
Assemblyman John Ocegüera
Assemblyman James A. Settelmeyer

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

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

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Scott Young, Principal Research Analyst, Research Division,
Legislative Counsel Bureau
Steve Wiel, Nevada Representative, Southwest Energy Efficiency Project,
Incline Village, Nevada
Joe Johnson, representing the Toiyabe Chapter of the Sierra Club,
Reno, Nevada
Robert Tretiak, representing International Energy Conversation,
Las Vegas, Nevada
Judy Stokely, representing NV Energy, Las Vegas, Nevada
Debra Gallo, representing Southwest Gas Corporation, Las Vegas,
Nevada
Nick Vander Poel, Deputy Director of the Nevada State Office of Energy

Chairman Conklin:

[Roll Called.] We will open the hearing on Senate Bill 242 (2nd Reprint).

Senate Bill 242 (2nd Reprint): Enacts provisions relating to energy efficiency,
renewable energy and building construction. (BDR 58-378)

**Scott Young, Principal Research Analyst, Legislative Counsel Bureau, Research
Division:**

Senator Schneider has asked me to present S.B. 242 (R2) in his absence. I am not here to advocate for or against the legislation but to present the background of S.B. 242 (R2). Section 1 of the mock-up proposal provided to you ([Exhibit C](#)) was deleted on the Senate side because it triggered a fiscal note for adoption of regulations. This was a provision that allowed the Director of the Nevada State Office of Energy (NSOE) to adopt some appliance efficiency standards. The new language will allow the Director to adopt them if she has funds from the

federal stimulus package or from gifts and grants. Senator Schneider will be asking Dr. Wiel to explain the background to this section.

Section 4 of the bill requires a contractor who builds 25 or more single family residences to offer buyers a package of upgrades for various energy efficiency and renewable energy items. Senator Schneider felt that if home purchasers are aware of options they are more likely to exercise them. The Committee did not want to impose an obligation on construction companies to put the appliances in the houses, but if they were offered to the buyers, then they would have a choice as to whether or not to select them.

Section 5 addresses another aspect of the development process. If the developer finances or has an affiliate who finances the purchase of the house...

Chairman Conklin:

Mr. Young, can I stop you for one moment? Madam Secretary, it is my recollection that the previous meeting was not adjourned, so I would like the record to reflect that we have adjourned that meeting and have now opened a new meeting to hear this bill. Mr. Young, please proceed.

Scott Young:

Section 5 says that if the developer of 25 homes or more offers to finance or arrange the financing, the developer should also make the purchaser aware of the availability of energy efficient mortgages. The theory behind this is that energy efficient mortgages allow an individual to either finance energy improvements through their mortgage and save enough money on their utility bill to apply those savings to financing. In the packet I distributed, there is an article that gives an example of how an energy mortgage works and explains how the person actually ends up having more money. The mortgage will allow them to either finance the energy efficient projects or to buy a larger house. I believe there is data that notes that the energy efficient mortgages, in general, allow approximately 6.8 percent more people to qualify for mortgages because the energy efficiency features help to lower their utility cost, which makes them eligible for a larger mortgage payment.

Section 8 requires real estate licensees to provide information, free of charge, and which is publicly available, to assist individuals in identifying energy efficiency and conservation features. In the original version of the bill there was a requirement that this information needs to be provided by the utilities. They do a very nice job of producing a number of brochures on different aspects of energy efficiency. The purpose is to educate buyers about the options concerning energy efficient items.

In section 11, the bill requires that certain real estate licensees take a minimum amount of continuing education on energy efficiency and renewable energy issues. The theory behind that is if the agents are aware of the facts, they can pass them along to potential buyers. The third article in your packet is a study done by a company called Energy Pulse, which found that 86 percent of Americans would choose one home over another based on energy efficiency, 78 percent of Americans who just bought property say that no one spoke with them about energy efficiency, 62 percent of people want energy efficient dwellings, and 63 percent of people say that energy prices have increased enough to make them consider changing their consumption habits. Senator Schneider and the Committee felt that the statistics indicated people who were buying homes were simply not aware of the options that were available to them. One of the ways to address that is to make sure that the real estate agents, appraisers, and mortgage brokers are educated on green mortgages and the energy efficient options. This was written so the class would only be an hour or less, to avoid any impact on the Real Estate Division so they would not have to revise the programs that are already approved or charge an additional fee to add the information about energy efficient options.

On page 8 of the colored mock-up, you will see that beginning in section 15, there is additional language that is essentially Senate Bill 327, which your Committee heard, allowing the Public Utility Commission of Nevada (PUCN) to establish an incentive for the electric utility to build truck stop electrification and hybrid and electric vehicle charging stations.

The second portion of the bill created a rebate program for plug-in electric hybrids. At the time Senator Schneider presented the bill, he did not have any cost estimates but had asked the utility, NV Energy, and the PUCN to calculate some figures which you now have in the back of your packet. The estimated impact on the average residential customer's bill would be between 3 cents and 9 cents per month on the assumption that between 200 to 600 cars per year came under this program and on a further assumption that the maximum rebate was \$1,500. To ensure that we stay within these figures, Senator Schneider had this version of S.B. 327 amended. On page 10 of your colored mock-up, on line 40, there is a provision that says the rebate cannot in any event exceed \$1,500 per vehicle. The rebate would be established with regulation by the PUCN; therefore, the regulation would have to come before the Legislature for approval. If the Legislature felt the program was not acceptable, they could reject it. Senator Schneider was hoping that would give the Committee a comfort level to reconsider S.B. 327 and include it in S.B. 242 (R2).

Chairman Conklin:

Are there any questions from the Committee?

Assemblyman Anderson:

Is the referenced bill S.B. 357 or S.B. 327?

Scott Young:

It is S.B. 327, section 15 through the end.

Assemblyman Anderson:

What happened to S.B. 327? Was it processed on the Senate side and then died over here?

Chairman Conklin:

Senate Bill 327 was a bill heard in this Committee where there were questions regarding cost. Due to those cost concerns, it was determined that the bill probably would not have passed. Senator Schneider had assured me that he now has more information regarding the cost, and I agreed to have it come back to the Committee and decide on its future, based on that information.

Assemblyman Anderson:

Would the nonusers of the system be paying an increased utility rate in order to finance the charging stations?

Scott Young:

Yes, as with any of the programs, such as, wind power, solar power, and water power, the charging stations would be provided by the utility. The charging stations themselves are not a rebate program. The utility would be given some type of financial incentive through the PUCN to engage in this type of activity. There would probably be an increase of cost to rate payers in general, but once the charging stations are up, any power sold through the charging stations would be charged the same as if you were using electricity in your home. If you brought your electric car to a charging station, there would probably be a credit card system, where you would be charged for the power you used. If the utility chooses not to do this, it would never come to pass.

Assemblyman Anderson:

Will this be a stand-alone program after its initial cost of establishing the station? Could the rate payer continually have to subsidize the charging station even if they are not utilizing the charging station?

Scott Young:

In general, that is correct. If I did not use the charging station, I would probably be paying a minimal portion towards that on my monthly bill. The power coming out of the charging station would be paid by whoever uses the power.

Assemblywoman Kirkpatrick:

How do we appraise the mortgages? And why do we need a law to give permission to offer solar energy items to a home buyer? Who provides that education?

Scott Young:

Gail Anderson, who is the Administrator of the Real Estate Division, said there were 3,000 providers of educational programs that are available for the Real Estate Division. She felt there were an adequate number of programs available for licensees to be educated on the subject of energy efficiency. The market would come forward and provide the necessary training by having people who wanted to teach the classes bring the programs to the licensees. I believe the Real Estate Division also supervises the curriculum so that there would be some ability to standardize the program and make sure it was accurate.

Assemblywoman Kirkpatrick:

The first part of my question was the appraisal process. In order to get the energy efficiency mortgage, you have to be able to prove that you have made a significant amount of energy savings over time. I understood that individuals, who were upside down with their mortgages, could not determine how to appraise that.

Scott Young:

Our committee had a presentation from Pulte Homes where they had a small development that had built-in solar and many energy efficiency features. When they got the appraisals on the homes, the appraiser did not give them any credit for it. One of the reasons for having a provision that appraisers have to take continuing education for these issues is to make sure that we have a core of appraisers who are knowledgeable. There are a number of lending institutions in Nevada, including Freddie Mac, Fannie Mae, Countrywide, and several others that do these kinds of mortgages. They have the knowledge and expertise to evaluate when someone would qualify and for how much. There is a growing number of lending institutions that have staff who are familiar with these programs and know how to evaluate and process the mortgage correctly.

Assemblywoman Kirkpatrick:

What state are you modeling this after?

Scott Young:

I am not sure there is any particular model out there. I am sure there are other states that have similar approaches, but we did not research that.

Assemblywoman Kirkpatrick:

I thought with the American Recovery and Reinvestment Act (ARRA) money we had to adopt higher energy efficiency codes?

Scott Young:

Dr. Wiel can address that more thoroughly. The original rationale was that there are certain appliances that do not receive ratings at the federal level. Some states like California and Arizona go to the trouble of doing ratings on several nonrated appliances. The idea behind section 1 is that if California issues ratings on appliances that otherwise do not have federal ratings, we in Nevada would look at mimicking or adopting something similar.

Chairman Conklin:

Are there any questions from the Committee?

Steve Wiel, Nevada Representative, Southwest Energy Efficiency Project, Incline Village, Nevada:

I would like to start by answering Assemblywoman Kirkpatrick's question. The stimulus package requires that the state show progress on building codes, not on appliance standards. Appliance standards are a whole different animal than building codes.

I am here today to support S.B. 242 (R2) in its entirety and to specifically propose an amendment ([Exhibit D](#)) to the mock-up that was provided by Senator Schneider.

Chairman Conklin:

Have you talked with Senator Schneider ahead of time?

Steve Wiel:

I certainly did. I have provided a two page document of revised comments ([Exhibit D](#)) on S.B. 242 (R2), since our original comments were for the Senate side. At the end of page 2, section X should read section 1.

I think it is important to understand the history beyond the fact that section 1 was deleted on May 19, 2009, because of the fiscal note. This section of the bill arose from a request that we made to Senator Schneider late last year to provide appliance standards. Appliance standards, based on research that I have done, are the single most cost effective energy efficiency policy a government can implement. The language we proposed was based on last year's model code that was developed by a national organization called the Appliance Standard Awareness Project (ASAP). Unfortunately, before we could get into the bill draft cycle by late January of this year, ASAP issued its revised

code for 2009, so we proposed an amendment on March 19, 2009, in front of the Senate Committee on Energy Infrastructure and Transportation which had 4 pages of detailed regulations. We were aware that the Nevada State Office of Energy (NSOE) had the resources to attend to such mandates in a timely way, and if they were in legislation, industry would know what is ahead and not be delayed by NSOE. When Southwest Energy Efficiency Project (SWEET) proposed that amendment, there was a verbal amendment in Committee to not include that level of detail but to shorten it with technical support to the NSOE. Unfortunately, the language in Amendment 485 did not accurately reflect the verbal amendment agreed to in Committee. So, the purpose of my proposed amendment today is to correct that situation.

The proposed amendment today shows that by adopting four products before 2011, in ten years Nevada consumers will be saving \$20 million on their utility bills. This is an extremely cost effective provision for the Nevada Legislature to pass. That \$20 million savings can be achieved with a relatively modest cost by consumers for increased efficiency features within their appliances. The benefit-cost ratio historically has been approximately 3 to 1. The cost to the state will truly be insignificant for a number of reasons.

The Appliance Standard Awareness Project and SWEET provide technical assistance and have committed technical assistance to NSOE. Both ASAP and SWEET believe that if ARRA does not allow money to be spent on promulgating these regulations, we can find grants to the state that we believe would only need to be a few thousand dollars. The money is there to adopt the standards. There is testing required, but the regulations we had originally proposed would allow for the manufacturers to rely on testing required by other states. There are no new test procedures that would have to be adopted. It would simply be Nevada accepting the testing results from other places. Compliance is a self-policing process.

If you turn to the bottom of page 2 of the SWEET comments and compare it to section 1, line 5, of the mock-up, where it says for appliances that have not received an "energy star" label, it is important to remove "energy star," since there is no relationship between the energy star label and the appliance standards. Then it would simply read on the third line of the SWEET comments: "standards for efficiency for portable light fixtures, portable electric spas, the controls and motor of a pump for a residential pool, televisions, and other products deemed by the Director to be cost-effective for consumers in Nevada." In my opinion this satisfies the intent of what should have been in Amendment 485.

Chairman Conklin:

Are there any questions from the Committee?

Assemblyman Goedhart:

Some of the newer televisions such as plasma televisions use more electricity. There are consumers who also want large televisions. How do all these affect consumer choice?

Steve Wiel:

The language in the statutes and the regulations would be technology neutral. We would not distinguish between one technology and another. It is true that plasma televisions tend to be slightly more expensive than Liquid Crystal Display (LCD) televisions. The gap is narrowing, and there are LCDs that would meet the standards that we had proposed originally and I am sure will meet the standards that are proposed by the Director of Energy. In terms of size, there would be different standards for different size classes so that a 52-inch television would not be competing with a 13-inch television.

Chairman Conklin:

Are there any questions from the Committee? If you would like to testify in support of this bill, please come forward.

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

I would like to be on record in support of this bill and the amendments.

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

In regard to Mr. Young's testimony and exhibits about the unawareness by purchasers of new homes of energy efficiency, I would like to point out that the same general lack of awareness of energy efficiency technology also applies to residential and commercial retrofits. People are not aware of what is available to them. I remember nine years ago seeing a headline that said if people knew how much energy they were wasting it would shock them. That was a play on words but it was very true. It is still as true today as it was nine years ago. The section 1 standards will now at least provide a mandate for moving this energy efficiency ball forward and the SWEEP amendment—given the fact in section 36, the adoption of those standards are supposed to be done by NSOE by December 31, 2009—will give much clearer direction and a road map for adoption. Recently, Mr. Goedhart had asked a question about portfolio credits being used by the utility but retained by the owner for use in sale as carbon credits, in such venues as the Chicago Climate Exchange. International Energy Conservation considers that to be double accounting, and the

Chicago Climate Exchange will not accept for sale anything that has been used for a portfolio credit by a utility.

Chairman Conklin:

Are there any questions from the Committee?

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

We are here today to support the energy efficiency programs, concepts, and anything else we can to get our customers to be more responsible for their energy usage. We supported the bill on the Senate side, and we have distributed some brochures that explain what you can do to control your energy usage, which we support. We also have a very user-friendly website that customers can use, where you can obtain an overview of your previous year's energy usage. You can also change what appliances or other energy efficiency methods you want to change in your home and it will give you an estimate on how much that will save on your energy bill.

The language regarding the electrification program is a little different. We do not want the mandate, so if the PUCN has the opportunity to review it would be great. Our dollar calculations were different than what Senator Schneider had come up with when we testified on the Senate side, but our assumptions were a lot different.

Chairman Conklin:

Are there any questions from the Committee?

Assemblywoman Buckley:

Would the electric car rebate program allow \$1,500 per electric car?

Judy Stokey:

My understanding is that would be left up to the PUCN to come up with a rebate amount and that it can be changed at any time. The \$1,500 was a maximum that Mr. Young had spoken about.

Assemblywoman Buckley:

On page 10, line 40, it says the incentive, the level and the amount, must not exceed \$1,500 per vehicle. In section 31, it says that a utility may recover its reasonable and prudent costs, including customer incentives. I am worried about our rates, since they are too high. I would like them lower. I am also worried that we are giving out incentives when everyone else is paying for them in higher rates.

Judy Stokey:

Electric cars are going to be the wave of the future, although I am not sure how quickly that will happen. Any incentive programs that we currently have and any future incentive programs will cost a little bit of money. They do add up, but you are correct in that the incentives are collected through rates from all of our customers.

Assemblywoman Buckley:

The Senator put a cap on the amount of incentive which is prudent. Did you calculate what the cost would be in section 32 of the bill? Is that where the 9 cents came from or is that in regard to another portion of the bill?

Judy Stokey:

We have not calculated this amendment. The one that we had calculated on the Senate side was a lot higher because we did not have a cap on it. I would have to calculate that and get back to you.

Chairman Conklin:

Madam Speaker, if you are referring to page 2 of 2 of the sheet we have, I believe that was calculated by the PUCN. Is that correct Mr. Young?

Scott Young:

The figures were run through the PUCN based upon original data from NV Energy. My understanding is if you had 200 cars per year under this and you had a maximum rebate of \$1,500 per car, then the cost to the average residential customer would be 3 cents. If you had 600 cars, which I believe is the maximum number per year, under the proposed language, and a maximum of \$1,500 rebate per car, then you would be looking at an additional cost of 9 cents per customer. Obviously, if the PUCN decided to make it a \$500 rebate, these figures would be lower. These represent the highest figures based on the \$1,500 per vehicle maximum.

Assemblywoman Buckley:

Is that 9 cents per customer or is it related to kilowatts or to the average customer?

Scott Young:

It is related to the kilowatt hours used, but it is for the average residential customer usage. If you looked at the high end identified on this sheet, the average residential customer usage in the Sierra Pacific territory is 682 kilowatt-hours per month. For NV Energy, it appears to be 1,037, because kilowatt usage reflects regional differences. The average for the State of Nevada is 860 kilowatt-hours per month.

Assemblywoman Buckley:

Could this be financed from stimulus funds instead of from ratepayers during a pilot period? Is it fair to our constituents to pay for someone else to get a rebate on an electric car? The purpose of encouraging experimentation and alternative methods of transportation is truly laudable, but I wonder if the funding source is the best one in the fairness of that.

Scott Young:

I do not know whether or not the ARRA funds can be used for this. In both Assemblyman Conklin's Assembly Bill 510 and Senate Bill 358, there is a provision that allows the PUCN to create a special rate for low income customers. I assume that the language is broad enough, in case the PUCN decided these kinds of programs should not impact the low income rates.

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

In June and July we are going to have inversions again where we are going to be in a nonattainment air quality status and we will have to issue alerts. Part of moving forward with electric cars is to do something to help clean up our air. The other thing is the cost for charging the battery on your electric car will be 50 cents to \$1. Gasoline prices will go up to \$3.50 per gallon, so when you drive a gas-fueled car for 40 miles, you will be spending \$7 to \$10 in gas. To charge an electric car to run 40 miles will cost approximately 50 cents. This program will help clean the air and reduce our consumption of foreign oil. It will also establish a program to incentivize the power company to exploit the new market and utilize the different battery-charging cycles. These programs are currently being done in San Diego, California, Connecticut and Rhode Island. We are trying to do something that is cheaper and get off oil dependency.

Chairman Conklin:

Are there any questions from the Committee?

Assemblyman Goedhart:

Page 8, line 38, says, "providing for more than one portfolio energy credit for each kilowatt-hour of electricity generated." So, are we to infer from that, that there will be a multiplier effect in terms of attainment of your portfolio energy credits?

Scott Young:

That is correct. If you use wind or solar power at one of these truck stop electrification stations, for that unit only, you would get a multiplier for the wind. There is currently not a multiplier for the wind. There is, however, a 2.4 multiplier for solar. The idea was to give an additional incentive to not only do the truck stop electrification infrastructure, but if it was coupled with a

renewable energy source multiplier, it would give an additional incentive to the utility to do that.

Assemblyman Goedhart:

Does it say what the multiplier would be for the wind? How is that going to be established by the PUCN?

Scott Young:

The way it is written, it would be up to the PUCN. There was not enough data for the staff when they put this together to determine what an appropriate multiplier would be. It was felt that through the docket proceedings at the PUCN, all of the interested parties could come in and offer evidence of what an appropriate multiplier would be.

Assemblyman Goedhart:

Is the reason you established that at least 50 percent of the energy generated on an annual basis must be used by the electrification project so they would not oversize it and get the multiplier effect and only divert that power towards the electrification project?

Scott Young:

That is correct.

Chairman Conklin:

Are there any questions from the Committee?

Assemblywoman Gansert:

What does an electric car cost? Sometimes we create these programs to try incentivizing people, and I wonder if it is necessary to incentivize them, if they are considering that type of vehicle anyway. A lot of people make the decision to purchase a hybrid to have a fuel efficient car and save money over the long run, while protecting the environment.

Senator Schneider:

Electric cars are not inexpensive, because the production volume is low. They cost approximately 10 to 20 percent more than an internal combustion car.

Assemblywoman Gansert:

I think a hybrid costs about \$5,000 more. Are they completely different cars than what we currently see on the market?

Senator Schneider:

There is a car made that will be going into production called a Tesla.

Assemblywoman Buckley:

The base price for a Tesla is \$110,000, which is almost 4 times the cost of the average cost of a new car.

Senator Schneider:

The Tesla is a sports model that competes with the Ferrari. It is not the average day car.

Chairman Conklin:

Is the rebate for hybrids or full electrics?

Scott Young:

It is designed to be for both. The PUCN can determine if you might get a higher rebate for a hybrid than a full electric car. I know that Toyota is coming out with a new version of the Prius, which I believe will be approximately \$23,000 to \$27,000. They are also going to maintain their existing version which will be several thousand dollars less. That is because Honda is also upgrading their hybrid model. To be price competitive they are going to maintain their standard size Prius and build a bigger size Prius. I do not think there are any pure all electric cars in production now. The Chevrolet Volt is due out next year, and I have heard the price range could be \$40,000, although I understand that GM is trying to lower the price to make it more available.

Assemblywoman Gansert:

When I read this bill originally, I thought it was strictly for electric vehicles. Are you saying that both electric and hybrids would be included?

Scott Young:

Yes.

Senator Schneider:

Some electric cars can go 40 miles on a charge and then your gasoline engine kicks in. The average person can go to and from work on one charge. The charging stations are for people who work farther away who can plug their car in for 50 cents and get to work and back home without burning any gasoline. It would be very efficient.

Assemblyman Goedhart:

There are quite a few neighborhood electric vehicles already available with prices starting at \$6,700, costing less than 2 cents a mile to operate. There are four door cars priced between \$13,000 and \$16,000.

Senator Schneider:

We passed a bill earlier this session that allowed for a special lane for these types of neighborhood electric vehicles in Coyote Springs, Nevada.

Assemblywoman Buckley:

I have concerns about starting an incentive program for hybrids and electric cars. Why would senior citizens support someone else's choice of a sports car? What if we tried it out with schools or public entities to see how it works?

Senator Schneider:

I think you will see a lot of seniors purchasing electric cars, especially with the incentive. My research shows that seniors will buy electric vehicles for under \$15,000 and be able to plug it in so that they will never be buying gas. Not only are electric vehicles cleaner, there is no maintenance because there are very few moving parts. The motor and transmission in your gas-powered car have so many moving parts to fail, constant maintenance is required. In an electric vehicle you do not have those moving parts. That is why there has been resistance in the past from the big three auto manufacturers to not change to electric vehicles.

Chairman Conklin:

Are there any questions from the Committee?

Debra Gallo, representing Southwest Gas Corporation, Las Vegas, Nevada:

We too support the efficient use of energy, specifically for natural gas. I have provided examples of some of the brochures ([Exhibit E](#)) we make available for our customers. One of the brochures is one that we purchase from the United States Department of Energy at a bulk rate that is available online for any group to purchase. We currently work with builders and PUCN on an Energy Star Home Building program that offers a small incentive to help defray the cost of having homes rated so that they are energy efficient. We are also working on an incentive program for solar thermal water heating systems.

Chairman Conklin:

Are there any questions from the Committee? Is there anyone else who would like to be on record in support of S.B. 242 (R2) at this time? Is there anyone in opposition? Is there anyone in the neutral position?

Nick Vander Poel, Deputy Director of the Nevada State Office of Energy:

We are neutral on the bill in its current state. The language in S.B. 395 is going to encourage the chief of the Purchasing Division to adopt energy efficient appliances for the State, which also addresses longevity. We were part of the fiscal note of the adoption of certain appliances and regulations that went along

with that bill. The amendment noted that we should use ARRA funds which have already been spoken for.

Assemblywoman Buckley:

There is a discretionary fund for batteries. Are you applying for that?

Nick Vander Poel:

We have not looked at that.

Assemblywoman Buckley:

You should look at that.

Nick Vander Poel:

Are you referring to appliances?

Assemblywoman Buckley:

You should look at what is available across the board on energy. There is one on batteries, economic development, and other discretionary applications.

Nick Vander Poel:

We understand that and some of it is available on a competitive basis. Some states have higher standards than the State of Nevada, so we definitely want to watch out for our constituents so we are not selecting certain appliances that in the end may cost more for those on a fixed income. I understand there are other funding mechanisms.

Assemblywoman Buckley:

If you do not apply for any of these grants, I can guarantee that you will not get them.

Nick Vander Poel:

We have an individual in our office who does research for grants and we are also working with the Nevada System of Higher Education who has provided assistance which we will take advantage of.

Assemblywoman Buckley:

Are you going to apply for some of them?

Nick Vander Poel:

Yes.

Assemblywoman Buckley:

Senator Reid has a great summary on his website too.

Nick Vander Poel:

We work with our Congressional Delegation for those support letters.

Assemblywoman Buckley:

Great.

Chairman Conklin:

Are there any questions from the Committee? There are none. We will close the hearing on S.B. 242 (R2). I am going to recess this Committee and get feedback, then bring it back to this Committee. I am personally in support of this bill but want people to have an opportunity to read through it.

[Recessed at 2:37 p.m. to the call of the Chair.]

[Meeting adjourned at 4:15 p.m. on May 30, 2009.]

RESPECTFULLY SUBMITTED:

Karen Fox
Committee Secretary

Cheryl Williams
Editing Secretary

APPROVED BY:

Assemblyman Marcus Conklin, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: May 28, 2009

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
SB 242 (R2)	C	Scott Young	Proposed Amendment
SB 242 (R2)	D	Stephen Wiel	Revised Comments
SB 242 (R2)	E	Debra Gallo	Four Brochures