

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

**Seventy-Seventh Session  
April 1, 2013**

The Committee on Commerce and Labor was called to order by Chairman David P. Bobzien at 12:46 p.m. on Monday, April 1, 2013, 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 [nelis.leg.state.nv.us/77th2013](http://nelis.leg.state.nv.us/77th2013). 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 David P. Bobzien, Chairman  
Assemblywoman Marilyn K. Kirkpatrick, Vice Chairwoman  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Maggie Carlton  
Assemblyman Skip Daly  
Assemblywoman Olivia Diaz  
Assemblyman John Ellison  
Assemblyman Jason Frierson  
Assemblyman Tom Grady  
Assemblyman Ira Hansen  
Assemblyman Crescent Hardy  
Assemblyman James W. Healey  
Assemblyman William C. Horne  
Assemblyman Pete Livermore  
Assemblyman James Ohrenschall

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Kelly Richard, Committee Policy Analyst  
Matt Mundy, Committee Counsel  
Leslie Danihel, Committee Manager  
Katie Wilson, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

Stacey Crowley, Director, Office of Energy, Office of the Governor  
Steve Hill, Executive Director, Office of Economic Development, Office of the Governor  
Judy Stokey, representing NV Energy  
Russell M. Rowe, representing the Las Vegas Global Economic Alliance  
Alfredo Alonso, representing Ormat Technologies  
Paul Thomsen, Director, Policy and Business Development, Ormat Technologies  
Jeff Fontaine, Executive Director, Nevada Association of Counties  
David Fraser, City Manager, City of Boulder City  
Brok Armantrout, Director, Community Development, City of Boulder City  
Joe Johnson, representing Toiyabe Chapter, Sierra Club  
Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO  
Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County  
Chris MacKenzie, representing TransWest Express, LLC  
Susan Fisher, representing Valley Electric Association, Inc.  
Donald Lomoljo, Utilities Hearings Officer, Public Utilities Commission of Nevada  
Anne-Marie Cuneo, Director of Regulatory Operations, Public Utilities Commission of Nevada  
Ray Bacon, representing the Nevada Manufacturers Association  
Luke Busby, Private Citizen, Reno, Nevada  
Kyle Davis, representing Nevada Conservation League  
Warren B. Hardy II, representing Hamilton Solar  
Garrett C. Weir, Assistant General Counsel, Public Utilities Commission of Nevada  
Danny L. Thompson, representing the Nevada State AFL-CIO

Jack Mallory, representing the Southern Nevada Building and Construction Trades Council  
Marnee Benson, representing Black Rock Solar  
Lydia Ball, Executive Director, Clean Energy Project  
Chad Dickason, Founder/Chief Executive Officer, Hamilton Solar  
John Hadder, Director, Great Basin Resource Watch, Reno, Nevada  
Dan Chia, Deputy Director, Government Affairs, SolarCity  
Daniel Jacobsen, Technical Staff Manager, Bureau of Consumer Protection, Office of the Attorney General

**Chairman Bobzien:**

[Roll was called.] We will open the hearing on Assembly Bill 239.

**Assembly Bill 239: Makes various changes relating to energy. (BDR 58-224)**

**Assemblywoman Marilyn K. Kirkpatrick, Clark County Assembly District No. 1:**

No good energy bill comes before this body without lots of controversy. Last session, we worked to get some transmission permits and lines completed across our state, so north and south could share electricity and we could have feeder lines going to our smaller population areas. Unfortunately, many of the energy bills passed last session were either vetoed or died in the Assembly Committee on Ways and Means.

The most important point is that ratepayers have to be considered when we talk about who pays for what, how much renewable we can do, and how many subsidies we can have. I am sensitive to that. One of my constituents, who was 67 when I took on energy issues, is now 72, and on Saturday she reminded me that she is always watching me on energy bills. As the rates go up, many of our senior citizens are affected. They give up their newspaper or a night out on the town so that they can pay their energy bill. If you are from Las Vegas, you know the cost of summer power bills. I keep my house comfortable, but it can cost anywhere between \$400 and \$800 per month. In the north, if you have a cold winter, you have to stay warm. I am always mindful of the cost to my constituents.

During the summer, I was part of a small working group. I also sat on the Office of Energy's task force. There was some great dialogue from across the state and outside the state regarding what was important, how we move forward in the renewable world, and how we do it with ratepayers in mind. Assemblywoman Bustamante Adams and I worked with a lot of people on these issues. I wanted to bring a bill that we could continue to work on to see if we could reach our goals. I do not believe this bill quite gets there. I know that there are people who are in opposition or would propose friendly amendments.

I would ask to have a workshop after this hearing to try to bring the parties together.

Overall, this bill encourages economic development and new jobs in Nevada by revising energy abatements, streamlining permitting, and creating the Economic Development Electric Rate Rider Program.

For over two years, Assemblyman Kirner and I tried to find out how we could get a lower rate for manufacturing, because manufacturing has a high use of energy. The bill addresses that, and it would go through the Office of Economic Development to encourage more manufacturers to come to the state. The manufacturing component was something I worked on with NV Energy for over five years. They wanted to include that provision in this bill. Manufacturers say they will not come to the state because our energy costs are too high. This is a five-year pilot program to see if they really will come if we lower the rates. I know that Mr. Bacon of the Nevada Manufacturers Association has an amendment because he wants to include other criteria.

I am not opposed to any amendments today. I am opposed to people who do not say what their issue is. I cannot fix what I do not know, and it is not fair to the bill sponsor or to the Committee members. Come to the table, and put it on the record so I can listen and figure out what the issue is.

Another big component of this bill is that the Office of Energy is one of our seven sectors that we use within the state, but it has also been one of our most underfunded sectors since its inception in 2005. We have always given them a few bucks to keep them afloat, and they have relied on grants for everything else. I think that we need to decide if we want an Energy Office. If we do, then we should fund it. Grants are harder to get now. Last session, Senator Horsford and I agreed to disagree when he gave the Energy Office a dollar. I said, "Why bother?" but I made a commitment to allow for some way for the Energy Office to establish fees, as we do with other state offices. They could charge for applications. We utilize the Energy Office, but we only gave it \$2 for two years.

Another part deals with local governments. In 2009 we passed Assembly Bill No. 522 of the 75th Session, which was an abatement bill. Everybody said we had to have that bill in order to bring energy developers here. We got a lot of projects and lowered the time frame so that they could be ready to go and hire Nevada workers. It has been somewhat successful. I think it still needs some changes. At that time the state was in a terrible economic position, and 55 percent of the money that came from the abatement was supposed to go into a trust account to buy down power rates across the state over the long

term. The idea was to set it up like Alaska's pipeline, so that we had a mechanism to buy down the rates. If we were giving abatements, we needed to give something back to the consumers.

However, we were in a tough situation, so the \$400,000 went to the General Fund. We never got any money in the trust fund, but we were able to keep some extra dollars. I made a commitment to local governments that I would give back the portion of the money that the state took last session. However, I was just learning the budget process and I missed the time frame to include that amendment, so I kept it at the forefront of the discussion.

Those are a few of the topics covered in this bill. I will go through it section by section, and I encourage anybody who has an issue to come before us. I am a little perplexed why local government does not agree with section 6 and will testify against it. Section 6 gives them back their money, and I would be happy to put it back into the trust fund. I would like to hear why they do not support section 6.

I will go through the bill. [Referred to written testimony ([Exhibit C](#)).] Sections 1, 2, and 7 enable the Office of Energy to receive funding for its services by allowing the Director to collect a fee from applicants to applying for partial abatements. The fee cannot exceed the actual cost of processing the applications. The Office of Energy does the Leadership in Energy and Environmental Design (LEED) abatement, which administratively is done quickly. They do all of the renewable energy, whether it be wind, solar, or hydropower. They are the one agency that does not charge an application fee, and I believe that they need to have a revenue source. This would be an unsteady revenue source, because it depends on how many applications come forward, but it is a source of revenue that they currently do not have.

Section 4 allows all of the renewable energy components to have the same incentive. When we passed Assembly Bill No. 522 of the 75th Session, it allowed local governments to approve or not approve the abatement process for geothermal. It was very contentious at the end, so there was give and take on both sides. It has gotten to a point where I am asking local governments, how do we streamline this process and when do we stop requiring all these extra things? One county required that a fire station be built and that the roads be done for the next ten years. One entity required that money be given to the community college with no direct nexus to it. Another required that all the roads in the city be maintained for five years, and one entity required that they give money to the school and buy books. I agree with having a nexus to some of this, but not to say we are going to give you an abatement and you have to give equal plus to local governments so they can maintain things. In the

planning world, it is called a development agreement, but in the legislative world, in my mind, it is called a hostage agreement.

It says you do not get anything unless you give us ten times back. I think there is a balance that can be struck. I have been trying for four years to get that balance, but I am not sure how. In Elko County, we had a project which the local governments wanted. The company wanted to do it, but there was about a \$5 million difference, so they just said, well, we are not coming, and the project went away. From working on economic development, I do not know if that is beneficial. If that is the way we want to do it, it probably should not be one of our seven sectors, and we should move on. A project in Eureka County gave money to the community college; I believe that the money should go back to research in wind power or to help people get certifications so they can do different jobs, but there has to be a nexus. We tightened the language in 2009, but not enough. Many projects have gone by the wayside.

I do not know how else to attract some of these projects without abatements. Around the nation, entities use abatements. I have never been a fan of abatements. About 46 states use what is called the Impact Analysis for Planning (IMPLAN) model. I was the biggest critic of it for many years. They input data and determine things such as that for every 300 square feet of office space, a company should employ one and one-third people. They have the same type of model for solar and wind plants. I am not sure why we do not see the economic benefit when the Nevada workers are paid 150 percent of the average wage. I agree that they are short-term jobs, but short-term jobs bring short-term impacts. If you can generate \$150,000 for two weeks, I am not sure why you have to give a \$180,000 abatement for five years. I am willing to work with local governments to figure it out.

Section 5 creates a flexible tiered abatement system based on rational criteria. Facilities with a generating capacity of 10 to 49 megawatts will be limited to not more than 55 percent of the abatements. One thing we have seen is that people were probably getting back one and a half times the money that they invested. This allows the Energy Office Director and Economic Development to have flexibility. If you build a small project, you should not get 50 percent of the abatements. Maybe you get a smaller amount, and this allows them to make that determination. In the past, the bill was written so it did not allow for any flexibility.

Section 6 is the part where local government is upset that I am giving them their money back. Sections 10 through 21 create an Economic Development Electric Rate Rider Program. That is the program to allow economic development to offer energy incentives to keep moving forward.

Sections 9 and 27 talk about land use permits and how to make them more efficient by creating a streamlined process. The Public Utilities Commission of Nevada (PUC) put a \$1 million fiscal note on it, and I understand it. However, I am frustrated with the way the process works currently. I am going to use Boulder City as an example. They have set aside an area and said here is where our renewable energy is going to go, and here is where our transmission lines are going to go. I think that it is very beneficial for the state, because you know what the plan is and what you have to do. You can typically expedite the process in 45 days. But Boulder City owns the land; they put a plan in place long before we were talking about this, and they have been very successful with their three projects and two new ones coming on.

In the rest of the state, we have spent money on two different plans to show where the best spots are to move forward. In southern Nevada, we know solar is more beneficial. In the north, we know that geothermal is more beneficial. But we do not have a plan that we have worked through regionally and consistently so people know where to start the process. We do not coordinate it with the transmission lines. What we have seen in our state is that a little over 110 projects have come and said they are interested, but it is a hodgepodge. Having the correct feeder lines and transmission that goes across our state does not help us for the long term. I have been working with the co-ops in the interim, because they can do small areas of transmission to help get those feeder lines close to a larger line, and that helps our smaller counties. Sections 9 and 27 will speed up the process.

I think that the PUC will testify today that there is not a lot of direction. I did not put a lot of direction in the bill, because we need to have a conversation on how to do that. Local governments need to be part of that discussion, because we have to either get in or get out of the energy business. Every session we see five to ten bills. We try to make progress and end up in the same place. We have to decide what we want to be.

Sections 10 through 13 set out the definitions of the Economic Development Electric Rate Rider Program. Section 11 defines the utility. It is important, because in the past there has been some discussion when we left as to whether utility means one north and one south? Does the utility mean the state as a whole? Section 12 defines the participant. Section 13 defines the program as the Economic Development Electric Rate Rider Program. Section 14 establishes the program for the purpose of attracting new commercial and industrial businesses. I put a lot of burden on the PUC because I think that they are a fair and balanced board. They seem to share the same direction of the state, but consumers are the number-one issue. I would like to work with them to remove the \$1 million fiscal note.

Section 16 sets out the procedures for the PUC to review the application and establish the rates. The utility will prepare the contract. The PUC will have the final authorization. If the contract is approved, the customer may participate in the program.

Section 17 authorizes the utility to recover the amount discounted through a deferred energy account adjustment. We want to be clear on what the rules are. Section 18 authorizes the PUC to require a participant to repay the discount if the participant falls short. This is consistent with a performance-based program, which Arizona has. New Mexico does a little of that. I won that fight, so it is not up for discussion for the most part.

Section 20 requires the PUC to consult with the Office of Economic Development to adopt regulations for the program. Section 21 requires the PUC to submit a report on the program to the 2015 Session of the Legislature so we can see if it is working. At the end of five years, the program would go away.

**Chairman Bobzien:**

Do we have any questions for Assemblywoman Kirkpatrick?

**Assemblywoman Carlton:**

I want to understand the permitting process and the land use process. When I read the bill and I saw "Commission," I thought "county commission" automatically, because that is who does land use, but then I realized you are referring to the PUC. I respect them greatly, but I am not sure I want them designating land use. I would like to understand how we came to that and what we can do, because I do not have to have to pay mill tax on land use in the middle of Sunrise Mountain.

**Chairman Bobzien:**

I understand from the presentation where I think Assemblywoman Kirkpatrick wants to go. I will let her explain, as in the Boulder City example, how we can work with local governments to achieve the land use.

**Assemblywoman Kirkpatrick:**

We do similar things. We have a process we go through. There are designated lands, and the permitting is streamlined. I was looking to do something similar. I believe the funds for the Energy Office were the best dollars spent in regard to the stimulus package as we created the Nevada Energy Assistance Corporation (NEAC) Board.

**Stacey Crowley, Director, Office of Energy, Office of the Governor:**

It is transmission routing for renewable energy export and is posted on our website.

**Assemblywoman Kirkpatrick:**

We have done two of those reports. In the first one we received \$3 million in funds to start looking for land. The PUC has already been part of that process. There is a great report from the Office of Energy. I believe they should put one plan in place for five or six years, so people can follow it. Do I not think it was meant to rezone a transmission line on the back of Sunrise Mountain? Absolutely not, because there are designated corridors. Most local governments already have a utility corridor that they use. I am sensitive to that, because that is how I got into politics. My first argument was with NV Energy wanting to put transmission lines down Lone Mountain, which is where I live.

I think the PUC can get the resource plans and studies that the Energy Office does. We should put together a regional plan. Other states are doing it. We are working to say if you come to this area, you can get permitted and get in quickly. Now we just have a big hodgepodge piece, and I believe that the PUC has the staff to help with that.

**Assemblywoman Carlton:**

Thank you. I have a better understanding of it. I was not familiar with the Boulder City project.

**Chairman Bobzien:**

It is a fascinating issue—federal lands, planning, habitats, and economic opportunities—so I look forward to seeing where this goes.

**Assemblyman Hardy:**

My question is much easier. Where will the fees be going?

**Assemblywoman Kirkpatrick:**

The fees would go back to the Energy Office.

**Assemblyman Hardy:**

In section 3, why did we remove the geothermal resources and renewable energy?

**Assemblywoman Kirkpatrick:**

That was the part where we are saying all renewables are equal. In the past, geothermal had to go to specific local jurisdictions to try to get approval, and if they did not get approved, they did not go any further.

**Assemblyman Hardy:**

So that part puts these all on an equal basis?

**Assemblywoman Kirkpatrick:**

Yes.

**Assemblyman Daly:**

I have issues with sections 9 and 27. I think there are potential problems. I would not want to have to go in front of the PUC Commissioners, who are appointed by the Governor. I would want to go to my elected officials on the land use planning rather than the PUC. That is my concern. In section 15, subsection 3, paragraph (e), what is the timing on that? If you apply for the abatements under *Nevada Revised Statutes* (NRS) 360.750, that statute describes all the requirements, such as how much you have to invest in employees and the construction part. If you just have to show that you applied, but it has not been granted, will all of those things have to be met before they start the job? Or is there going to be a dead zone where a person could say, well, I applied for it but did not get it, but since I am finished with the project, I do not have to comply.

**Assemblywoman Kirkpatrick:**

We absolutely could redefine it, but I wanted to give the Office of Economic Development the ability to put some regulations in place. In regard to the application process, with the LEED in 2005 and then 2007, and other abatements that we have done, if you do not give them a time frame and what they need to do, it tends to bring mischief. Then we tend to have projects that probably should not have received the abatements, because we do not have hard deadlines. This addresses that issue going forward. I know people would like to expand it to existing customers. I am not opposed to that, but we have to have to expand it. It has to be beneficial to us, because ratepayers are going to bear the cost. The time frames in the application process have to exist. It has worked very well on LEED. We weed out a lot of the people, and especially when there is a rate case, some of that has to be out there. Somebody has to plan for it.

**Assemblyman Daly:**

I think you understand where the dead part comes in. A person says, I was approved for this but I have not received the approval on the part where I have to do certain things. Then he says, now I am halfway done with the project, so I do not have to go back to the beginning to pay the wages or make other determinations. That is where I want to ensure we are avoiding a dead zone.

**Assemblywoman Kirkpatrick:**

I am happy to invite you to my working group to get this fixed in the next week.

**Assemblyman Livermore:**

Can you address section 27 for me, regarding "Notwithstanding any other provision of law, the Public Utilities Commission of Nevada has exclusive authority pursuant to section 9 of this act to issue a land use permit for the construction of a utility project." In some municipalities like Carson City, we have planning commissions that are authorized to issue a special use permit for power substations and utility distribution centers. Is this going to trump that?

**Assemblywoman Kirkpatrick:**

I do not believe so, because this is specific to transmission as we go forward. With transmission lines, you typically need a lot of space. I think our last transmission line was a little over 300 miles long, so it is not something that would necessarily be in your neighborhoods. I do not support home rule, because local governments do not work with people to get things done. I have been trying for four years to come up with a way to streamline the process, without making folks hostages in the process, or having a direct nexus, but there has to be a better way to move forward on these projects.

In North Las Vegas, they have the Ice Age Park, which I supported with Assemblyman Aizley. We spent five years getting egos out of the way on both sides, whether it was the utilities or the elected officials in North Las Vegas, just to get something done. In the process we held up the Ice Age Park and we held up the transmission lines.

There has to be a master plan. Every local government has a utility right-of-way that they put in place. Every local government has the ability every five years to update their master plan to include a utility corridor. However, not too many local governments work with each other to make sure those corridors are in line. In Henderson, we went for a very long time with just a small stretch, and we could not connect anything else because the corridor did not match up with Las Vegas or North Las Vegas. When it comes to transmission, we are doing ourselves a disservice by not having a master plan or a regional plan. We must have that discussion because now the Federal Energy Regulatory Commission (FERC) and the federal government are saying that we have to work together regionally. Whether it is Wyoming bringing a transmission line through Idaho to Nevada, or whether it goes the other way, here in Nevada you cannot get two miles into the state without somebody being upset. I am open to working with them one more session.

**Assemblyman Livermore:**

A special use permit includes all the requirements of a planning commission, including setbacks, landscaping, height of structures, and those kinds of things. I would not want this to allow the PUC to let the utility do as it pleases under local zoning ordinances. I am a little concerned about that. I would like to work with you to try to tighten and clean it up if I could, because we have had some examples in Carson City with this.

**Assemblywoman Kirkpatrick:**

I am happy to work with you.

**Assemblywoman Bustamante Adams:**

Can you elaborate a little more on section 14, the Electric Rate Rider Program, and what your vision is for that?

**Assemblywoman Kirkpatrick:**

Section 14 relates to an issue I personally was trying to address. During my first session, Ray Bacon of the Nevada Manufacturers Association came to me and said, we just cannot get any manufacturers here because our utility rates are high. Since that session, I have been trying to work on this issue, because I believe that manufacturing is a huge component to having a balanced economy in our state. I think that we have a lot of great people who want to help. In 2007, we learned that consumption of energy is more the issue than the rate. In Nevada you tend to use a lot more energy to do manufacturing, whether it is the Starbucks roasting plant or others. The rate is comparable on the West Coast, but you have to use more energy to get the same factor than you would in California. It makes us look as if we are not competitive.

In 2011, I continued to work with NV Energy, and we agreed to disagree. In that year's session, Assemblyman Kirner and I put in a bill on LEED to try to bring more manufacturing here, while seeing if there was another way to get to the energy consumption problem. We allowed firms to retrofit their buildings so that they could be more energy efficient. After last session, the Chief Executive Officer of NV Energy and I met. He agreed to do a five-year pilot program. They stepped up to the plate to see if that was the issue. The vision is to help the Office of Economic Development attract more manufacturers and to offset their energy consumption through an incentive. Most manufacturing plants pay anywhere \$17 and \$19 per hour, and we can offset the rate by just a little bit. They typically have three shifts, and that is an economic value. If it does not work in five years, we can say to the manufacturers that was not the problem. It is a way to start resolving some of the issues people say they have. I think you have to be open to those discussions.

**Assemblyman Grady:**

Assemblywoman Kirkpatrick, you know that in the past legislation I have fought for the local governments. On the abatement side, we are taking their money and they have no approval. Now I see that we are going to take all the taxes on the sales and use side, except the 2.25 percent that goes to the state. In your hard work, during the last two years, have they agreed to that? Will they give up any say in what taxes will be removed, but yet will go along with paying the state's 2.25 percent?

**Assemblywoman Kirkpatrick:**

I have not had that conversation with them, but local government had an issue. We were going in, taking their dollars, and it was unfair. The State did have to step up. The one thing that I have taken a very strong policy stance on is the local school support tax (LSST). I do not think that we can compromise education ever, so I have always said anything but that. On the sales tax, I will tell you, it is across the state. Everybody gives up a piece. We learned with the consolidated tax distribution (CTX), so I felt that the state had to put in some funds. I am happy to work with local governments to see if there is a better mechanism, but you know better than I, as a representative of the Nevada League of Cities for many years, there are a lot of personalities involved. So on the CTX, I resolved that by making everybody go back and get a resolution so they could not change their minds. I am not sure how I can do that. I have agreed to work with Jeff Fontaine, Executive Director of the Nevada Association of Counties, and Wes Henderson, Executive Director of the Nevada League of Cities and Municipalities, to see if we can kind of bring some of that together.

I am happy to work with them, and I want them to have a say, but at the same time I want them to move some of these projects along or not.

**Assemblyman Grady:**

I want to know they are involved in the process. I know you are very fair with them, so I appreciate that.

**Assemblywoman Kirkpatrick:**

I welcome anyone's input and appreciate the questions.

**Chairman Bobzien:**

We will move now to those in support of the measure.

**Steve Hill, Executive Director, Office of Economic Development, Office of the Governor:**

We are in support of this bill, in particular sections 10 through 21. As Assemblywoman Kirkpatrick pointed out, we have heard often that manufacturers have some difficulty to overcome with respect to some of the rates for electricity in the state. This would allow a period of time—as our electric rates become more competitive, which they are—for us to bridge that time frame, from now until they are on more parity, particularly with Utah and Idaho.

There is an unprecedented interest in manufacturing moving primarily out of California, at this point, into other Western and Southwestern states. This would be an additional tool to make Nevada an attractive place for them to relocate as they consider their alternatives. We would like to support Assemblywoman Kirkpatrick's bill.

**Chairman Bobzien:**

Are there any questions for Mr. Hill?

**Assemblywoman Bustamante Adams:**

Mr. Hill, I believe I heard you say in another hearing that the Office of Energy does not report the abatements they give to the Office of Economic Development. Is that correct?

**Steve Hill:**

No, that is not correct. They do report to our office the abatements that they provide. The abatements that we provide and the energy abatements are mutually exclusive, so we have a need to know when the Office of Energy provides those abatements.

**Assemblywoman Bustamante Adams:**

Would you have the Office of Energy's abatements as part of your records?

**Steve Hill:**

Yes.

**Chairman Bobzien:**

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

**Judy Stokey, representing NV Energy:**

We support Assembly Bill 239. I want to thank Assemblywoman Kirkpatrick for working with us and others to put this bill together. We are excited to give Mr. Hill and his office another tool that they can use to bring businesses to the

state. I look forward to working with Assemblywoman Kirkpatrick and others in the working group and having the opportunity to make any small changes.

**Chairman Bobzien:**

Could you talk about the Electric Rate Rider Program and how you see that working with your company?

**Judy Stokey:**

This idea came about a couple of years ago when we were trying to think of a way to bring businesses into the state. We were trying to help with people's perception that our rates were extremely high. It is more of a usage than the rate. We are finally getting the message out. We wanted to have a pilot program to see if this really is one of the issues that people keep talking about. There might be some changes when the working group gets together, but the way it is structured, it is a five-year program, giving up to a 30 percent reduction in part of the rate for the first year, and then a 20 percent reduction for years two and three. Then there is a 10 percent reduction in year four. There will be some extensive regulations that need to be put together on how that would work between the Office of Economic Development, the Office of Energy, and the PUC, who will be putting that rate together. Again, it is a pilot program to see how it would work. A set amount of megawatts would be allocated for the program.

**Chairman Bobzien:**

I am taking it then that your support is contingent upon those aspects? It is a limited program, and there is a set amount of power. Are you comfortable with those parameters?

**Judy Stokey:**

Yes.

**Assemblywoman Carlton:**

Years ago we had many discussions about rate subsidization and trying to make it fair and equitable. Some industries on the Strip were paying a certain rate and then paying reliability charges on top of it. Commercial was at one rate and residential another. We tried to make it equitable and think that it has worked pretty well over the last few years. It seems to have stabilized. I understand what you are trying to do for manufacturing, but I do not want to see us get in that same position and have those issues come up again.

**Judy Stokey:**

I remember those discussions. We still have some programs where there is a subsidy. I am sure you are familiar with some of those programs that we have

talked about in other committees. This would be another one. There would be a subsidy. Somebody else would be paying for it, but that is why we have the parameters put in the program. Right now it says 50 megawatts per utility, north and south. One of the changes that we would like to see is to have it 50 megawatts statewide. That would also give Mr. Hill the flexibility to determine how much he would like to use in the north and the south, depending on which company comes to him and says that they want to move to the north or the south. We want to have some parameters on there, so that the subsidy does not get too large.

**Chairman Bobzien:**

Are there additional questions for Ms. Stokey? [There were none.]

**Russell M. Rowe, representing Las Vegas Global Economic Alliance:**

We echo Steve Hill's comments. We stand in support of this legislation. With respect to what is important to companies moving to Nevada, obviously education is always at the forefront, as is skilled labor, but electricity rates are also a concern. I think having this as an option for the development would be invaluable. We are sensitive to the land use issues that have been discussed, being a regional body. We are confident the local governments and Assemblywoman Kirkpatrick can work through the local, regional, and state issues to strike the right balance.

**Chairman Bobzien:**

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

**Alfredo Alonso, representing Ormat Technologies:**

Paul Thomsen, the Director of Policy and Business Development at Ormat and President of the Geothermal Energy Association, is here to speak. We want to thank Assemblywoman Kirkpatrick for her hard work. We strongly support her efforts and thank her for including us in many of the discussions over the past year, as we hope to be again over the remainder of the session.

Many of the issues before you today are similar to ones that you have heard before. Those include how permitting works and how you do that with the situation with the counties, where you allow them to have the say that they need but also include a situation where it is easier for companies that may not get financing as easily today to be able to do so with certainty, and continuity, throughout the state. That is an important piece to use.

**Paul Thomsen, Director, Policy and Business Development, Ormat Technologies:**

I want to give you some background on Ormat. We are a geothermal energy company that is globally headquartered in Reno, Nevada. We operate

11 geothermal facilities in five counties in Nevada, so we are very familiar with many aspects of this bill.

It is important to point out that geothermal development is unique to Nevada. We have a unique resource that has very low temperatures, so when Ormat came to Nevada in 1986, we brought with us binary technology, which allowed for the development of low-temperature geothermal. It is important that the financial conditions for geothermal development vary massively between Iceland, Northern California, East Africa, and Nevada. When we talk about many of these incentives, they are absolutely necessary to bring on line these marginal-temperature geothermal resources that have a huge impact on the state and the counties in which they operate.

The Geothermal Energy Association (GEA) also has recognized that this state has incredible geothermal potential. The GEA's state of the industry report recognizes there could be between 1,000 to 2,000 megawatts of geothermal that have been undeveloped in this state. While that number sounds great, and many people cite it as an example of why we do not need any support in this state, the reality is that in 2012 only three new geothermal projects came on line in Nevada. Two of those were Ormat's. In 2011, only one project came on line in the state of Nevada. While there is plenty of resource, we need to realize that the conditions to bring that resource to an operating geothermal facility are very difficult.

With respect to section 1, we absolutely support the Office of Energy charging a fee to process the abatements. In sections 3 through 5, we have long advocated tax equity among all renewable resource providers. Geothermal has been trying to compete on an uneven playing field for too long. For those of you who do not know, we might be the most taxed entity in the state of Nevada. We pay property tax, sales tax, and net proceeds and mines tax. We also pay a federal royalty on all of those lands, unlike other industries in the state. With that, we greatly support not being in the untenable position we have been in before, between the state and the county trying to decide if we should get these abatements. We have experienced going before three county commissions where the county arbitrarily denied the abatements for geothermal because we could not offer them all the things they wanted due to statute. Being denied at those times and getting tough questions about why the Legislature tried to promote this was difficult. We really like the cleaning up here so we do not have to do that anymore.

Certainty is also crucial. Ormat is in a unique position. We have a great equity position, but many geothermal developers are looking to get financing. Not knowing what the tax regime is going to be for the next 20 years can be a big

hurdle when trying to get financing to develop these 1,000 to 2,000 megawatts of potential geothermal projects in this state.

We have a question in section 5, on page 13, about the amount and size. We look forward to working with Assemblywoman Kirkpatrick to clarify what she is looking for in projects that are less than 50 megawatts and how much of an abatement they would receive. If developers have a 48 megawatt project, they need to know what tax regime they are going to be facing.

We are very supportive of sections 10 through 21, the economic development component. As a member of the Economic Development Authority of Western Nevada, I think it is very exciting. As a geothermal developer, my request in that section would be to consider having renewable generation be a component of that 50-megawatt set-aside. We are approached by many developers, big computer developers, and other firms looking for renewable generation at a lucrative price. All of the geothermal facilities that Ormat operates in this state have a weighted average price of about 7 cents. If we could offer that to potential manufacturers or developers in this state, I think Nevada could offer an incentive with which no other state could compete.

There was a 2011 blue ribbon panel report put forward by the U.S. Department of Energy in which we talked about economic impact. The geothermal industry is very economically fruitful, because for every dollar spent on geothermal development, it reaps about 2.5 dollars for direct and indirect economic impact in the communities where it operates. Despite the fact that we do not have a lot of full-time jobs, the economic impact of our facilities is significant. I think you will hear from the counties today about that significance.

Sections 23 and 24 address the special use permits. We greatly thank Assemblywoman Kirkpatrick for trying to streamline the process. In our experience, every county is different, and we have seen huge changes in the cost for special use permits. In one county in particular, the cost for a special use permit went from \$500 to \$50,000. In another county, on top of the special use permit, they have created a renewable energy fund, which charges us per megawatt above and beyond any other fees and taxes we pay. Trying to find a solution is imperative, and we look forward to working on that with Assemblywoman Kirkpatrick.

We look forward to developing many more geothermal projects in Nevada.

**Chairman Bobzien:**

Are there any questions for Mr. Thomsen?

**Assemblyman Hansen:**

One issue that has come up is the concern over the counties versus the PUC making the land use decisions. You mentioned that you have had three denials from three different counties. That is a problem for some of us here. While I am sympathetic, I am also sympathetic to the local government, local control, and not eliminating the authority of the seven counties I represent. Is there some middle ground in all of this, or is it going to be one or the other?

**Paul Thomsen:**

Just to be crystal clear, we have combined some things there. The abatement process today for geothermal development requires us to get approval from the county to receive a property tax abatement. The legislation says if you meet certain criteria regarding the cost of the project, how many jobs are in Nevada, whether you pay health benefits, and so on, you are eligible for the abatement. For geothermal, we have to take it another step and get explicit approval from the county. We met all those criteria but were denied by the county because they did not like the distribution of funds through the existing abatement process. That is independent of us having to get special use permits. Most of our projects are located entirely on federal lands, but the county still has control and requires us to get special use permits for the construction of facilities. So despite the fact that we go through the National Environmental Protection Act of 1969 (NEPA) review process or environmental assessment, we still get a special use permit. That occurs in counties which exert their influence by saying you need to do these certain things in order to get the special use permit. There are very independent processes. Having to get the special use permit has not prohibited us from developing a project, but I appreciate the attempt to try to streamline that process, so that developers do not have to learn a different system in every county. The counties are looking at increasing the funds significantly in order to retain some value on these projects.

**Assemblyman Hansen:**

I hope we can find a middle ground there, because obviously we want to keep some county control.

You mentioned that a lack of consistency in tax policies causes difficulty in getting financing. Can you elaborate on that?

**Paul Thomsen:**

Ormat is in a unique position, because we actually self-fund our projects through the exploration phase. From an industry perspective, not knowing if you are going to get an abatement until county approval, which can be months preceding the state of construction, is difficult for developers. They have complained that not having tax certainty has limited their ability to get the

maximum amount of financing possible for a project. If you are going to New York to seek funding, they want to know what taxes you will have to pay. Unfortunately, in Nevada you have to assume that you are not going to get the abatement. The current precedent is that you would not. Of the three projects, the two most recent have been denied. There is not a process. We met the criteria, but we were not given the abatement because of an arbitrary decision from the county commission. That is why it impacts the ability to finance certain projects.

Other renewables are guaranteed tax incentives without getting county approval, which allows them to assume those abatements when they bid to the utility for the price of their projects. We are put at a disadvantage because we are going to be paying a high tax. Today we are not currently treated equally. We already pay the net proceeds and mine tax, which is above and beyond what other renewables pay, and then we are paying more on property tax, because we do not get the abatement. For us to compete when we are trying to offer the lowest prices to ratepayers in the state of Nevada, this becomes very difficult.

**Assemblyman Livermore:**

When I was a county official, we had communications with the utility on many different subjects. In most cases, you would have a utility corridor system; you would have site locations with the service mechanism that the utility needed. You almost operate as an investor. You want to find a source of geothermal, drill it, and sell it. I am not sure how you separate that from a planning commission prospect. When commercial projects come up, planning commissioners typically do what it takes in order to get the projects funded. I do not know how you would measure the two of them. I do not understand your logic about being treated equally. Even at that, the utility itself is typically the highest taxpayer in the county, particularly in Carson City. NV Energy is the largest taxpayer in the city.

**Paul Thomsen:**

Our tax burden is a percentage of our operation, so a 16-megawatt project in Elko County is not going to be the largest taxpayer, but on a percentage basis it could be, because we pay property tax, sales tax, modified business tax, and net proceeds and mines tax. We also pay a federal royalty on the land if it is developed for federal projects. We pay the full property tax and an abated sales tax, which sets us apart from other projects that do not have to meet all those criteria. The aspect of the level playing field is that we want to continue to develop these projects and provide ratepayers with a very cost-effective renewable energy source. It is becoming harder and harder to do that with more taxes being levied against us.

**Assemblyman Livermore:**

You talked about local fees and charges, like planning commission charges. Those are assessed to any commercial project that comes into town. The utility, when it does something, pays a fee. I am not sure where you want to fit in the scheme of things.

**Paul Thomsen:**

We are very comfortable paying special use permits. In the case I reference, we are just shocked to see them go from \$500 to \$50,000 strictly for renewable development. So in this particular case, the county has a special use permit for renewable development which seems high. I have not compared it to if I was to build a coffee shop in that county, but I would image that it is a higher percentage. My point in bringing that up was simply to show the change in behavior in counties, and I think that is what Assemblywoman Kirkpatrick was trying to address. Maybe giving it to the PUC is not the best way to do it, but it would be beneficial to streamline this process, so that a special use permit does not cost \$50,000 in one county and \$100 in another. You can see the discrepancy is really going to start to affect developers' behavior in going from one county to another. We operate in five different counties. There is only one that charges us a \$50,000 special use permit. We are there because there was a geothermal resource there, but now that the industry has slowed, NV Energy does not need that many more renewables. The question is, would we go to that county or another one? I see trying to find parity so one county is not leveraged against another county.

I do not want to get into why Douglas County or Storey County might have a separate fee, but there are costs to cover and they probably need to acquire expertise. I would not want a county to subject property-tax payers to offset your development costs. I look at you as a developer or as a person who is going to utilize something and make a profit. You are going to sell it to a third party.

**Chairman Bobzien:**

This is definitely an emerging theme this session in terms of what local governments should be reasonably recouping regarding activities on federal lands in their jurisdictions.

**Assemblyman Daly:**

Regardless of whether it is renewable energy or not, every developer in the state gets held hostage on something. With respect to my concerns with the combination of sections 9 and 27 going to the PUC, can the Office of Energy develop guidelines for counties? Do you have ideas about that? The bill sponsor talked about transmission corridors and various things to be

coordinated. Does that go to the PUC or the Office of Energy? Someone needs to decide. What are your thoughts on that?

**Paul Thomsen:**

I think we would be very supportive of that. We engage in the local community very early in the process, years before we get permits to do exploration drilling. The typical timeline for a geothermal development is approximately five to six years from greenfield, so when we walk out and start to look at getting our very first drilling permit it takes about five to six years before we get to the point of having an operating geothermal facility. In that time frame, we engage the local community and the local interest groups. We would be more than happy to work with the Office of Energy, the PUC, and any other group to see what permits are required. Recognizing that, most of our projects are on federal lands and that process is regulated by NEPA, so we double a lot of that by going to the county in that regard. If it is on federal lands, one way to streamline it would be to remove that component. If it is on county or state lands, we could go through the Office of Energy or another streamlined processing. We are very open to working with you and the Committee to find the best way to do that.

**Assemblyman Daly:**

When I say go through the PUC or the Office of Energy, it is to give some guidelines to the county commission. I still think the local government agency should have some say. If I am a citizen in that area, I want to go to my elected official, not to some appointed person. I think guidelines could be established with maximums and minimums based on the situation, including nexus, criteria, and requirements, as stated by Assemblywoman Kirkpatrick.

**Chairman Bobzien:**

Do we have anyone else wishing to ask questions during the geothermal section of this bill presentation? [There was no one.] Is there anyone else wishing to come to the table in support of A.B. 239? [There was no one.] Is there anyone in Las Vegas in support of A.B. 239? [There was no one.] We will move now to opposition of A.B. 239.

**Jeff Fontaine, Executive Director, Nevada Association of Counties:**

On behalf of the Nevada Association of Counties (NACO), I want to thank Assemblywoman Kirkpatrick for including us in the discussions on this issue and for bringing this bill forward. Assembly Bill 239 addresses several issues that we have had with the development of renewable energy transmission and is, in our view, a refinement to the state renewable energy policy. We also appreciate very much the analysis of the bill and the explanation of why these changes are being proposed.

We like section 6, which returns the property taxes from local governments that currently go to the renewable energy fund when those projects are granted partial tax abatements. This means that the counties will receive 45 percent of their property tax revenues for 20 years, instead of the 24.75 percent that they currently receive. This will be a great help in helping counties to continue to provide the services on which their constituents rely.

We support sections 1, 2, and 7, which authorize the Office of Energy to charge a fee to applicants who are seeking those tax abatements. We support section 5, which sets the maximum amount of property taxes that can be abated for the smaller projects at 55 percent. We believe this provides an opportunity to tailor abatements to a unique set of circumstances, which include the expected benefits for those projects. We support section 3, which removes transmission lines as eligible to receive tax abatements for the reasons stated by Assemblywoman Kirkpatrick.

In section 4 we would like to retain the county authority for granting those tax abatements for geothermal projects. As you have heard from the previous speaker, this has been a longstanding issue. According to the GEA, we know geothermal is a unique energy source. We know it is not ubiquitous like solar and wind, and the number of states that we have to compete with for this resource is limited. According to that report, 96 percent of all geothermal installed capacity exists in two states today. California has 81 percent and Nevada has nearly 15 percent. Also according to the GEA, Nevada leads the nation in the number of geothermal projects in capacity and development. We believe the process is working.

Counties have approved tax abatements for geothermal projects. Section 5 would give the counties flexibility to approve tax abatements not to exceed 55 percent and allow counties to make the decision to approve small abatements if the conditions do not warrant abating the maximum amount of property taxes at 55 percent. We agree with Assemblywoman Kirkpatrick and testifiers in support of this bill that there absolutely needs to be a nexus between whatever conditions or mitigations counties require as part of the approval of these projects to the actual project. We are happy to work with others to try to refine the process.

We have questions and concerns regarding the elimination of county authority for land use decisions for large transmission projects. We certainly understand and support the need to streamline these projects, and would like to work with Assemblywoman Kirkpatrick and others on this issue.

We believe A.B. 239 is an important step in refining our renewable energy policy and look forward in participating in further discussions.

**Chairman Bobzien:**

Are there any questions for Mr. Fontaine?

**Assemblywoman Bustamante Adams:**

I am starting to understand why Assemblywoman Kirkpatrick says she has been working on a bill for four or five sessions. The goal for this bill is to streamline the process, so we can get these projects going. You said that the process is working, and then we heard that the process is not working. How are you proposing to solve the issue? It is not sitting well for me for local governments to uphold the process. I am a supporter of local government, but I do not hear solutions. I hear they are willing to work, but even in the interim I did not hear solutions. What do you have in mind?

**Jeff Fontaine:**

The issue of having to get county approval for geothermal tax abatements at the county level while you are in that state process for seeking tax abatements could probably change. If the geothermal developers are interested in getting more certainty in the amount of tax abatements they might be granted, we could move that process up to allow an earlier application process at the county level. Then, they could know ahead of time what the county is willing to approve in terms of tax abatements. We believe that the flexibility in granting tax abatements, up to 55 percent, will make a big difference. We are aware of at least one project and probably others where the county commissioners wanted to provide a tax abatement for property taxes to a project, but could not justify the 55 percent. If they have the flexibility to authorize a property tax abatement at less than 55 percent, we think that will help.

**Assemblywoman Carlton:**

Most of these projects are on federal land. If there was not something there, the counties would be getting zero. That is the debate that we have had for a very long time. If they get the rebate of 55 percent, then they are still paying 45 percent on a piece of ground that they would have paid zero on previously. I am having difficulty understanding why they are having a hard time with the 55 percent when they are still getting 45 percent more.

**Jeff Fontaine:**

It is true that most of these projects are on federal lands, and in most cases that land would probably not be developed. That is not always the case. I agree that in most cases that probably is the situation.

In the geothermal industry, we have a resource that most other states do not. It is our opinion that we ought to be able to maximize the amount of tax revenue to the counties hosting these projects that we can derive from the resource.

**Assemblywoman Bustamante Adams:**

Could we not say the same thing about sun? I am not defending geothermal. If geothermal is the only renewable energy group that has to go through extra hoops, why could we not say the same about solar energy in our state?

**Jeff Fontaine:**

I think the issue here is, how much is enough? What is it that we should be granting, in terms of tax abatements, to make sure that we are competitive with other states, are being fair, and are encouraging the development of these resources? I have not seen the data that shows that our tax incentives for renewable energy are out of line or any worse than our neighboring states or the states with which we compete. We believe having that flexibility in place to provide tax abatements at 55 percent is pretty generous, but also that they are not abatements where we are giving something away that perhaps we should not.

**Chairman Bobzien:**

Mr. Fontaine, I want to shift a bit and put you in the unenviable position of having to represent a recent decision of one of your entities. I think the frustration on the local land use piece stems out from the desire to bring the Public Utilities Commission into the mix. We know this is not perfect, and Assemblywoman Kirkpatrick said we are going to work on it. Being sensitive to the balance we need to strike with local concern, in a Lyon County planning decision of last week, there was a 7 to 0 vote denying a solar application.

As policy makers, we are trying to find a way to streamline this process and be sensitive to local concerns. A *Reno Gazette-Journal* article talks about neighbors in Lyon County expressing extensive opposition to the proposal, citing negative impacts to property values, restriction of natural views, glare from the planned solar panels, and concerns with revegetation, dust, and more. I guess what we are trying to come up with, as a Legislature, is a way to communicate certainty on this land use for the residents of the state as well as for the developers. Yes, there are the abatements, and I am sensitive to the geothermal concerns expressed. When we are talking about what these companies have to deal with, whether they are on federal lands or private property—and in this case it was on private property—how can we work together? How can the counties and the state be able to tell the industry that

we are open for business here in Nevada, and we want to work and get these projects on the ground?

**Jeff Fontaine:**

I was not aware of that decision, so I cannot tell you why the commission denied that special use permit. Given the fact that 83 or 85 percent of our land is federally managed, I would point to the programmatic environmental impact study (EIS) that the Bureau of Land Management spent many years working on with local governments, to delineate those solar zones. That is an example of the local government, the state government, and federal government working together to develop areas we think are suitable for rapid deployment and development of those renewable energy projects.

We understand the concerns raised by Assemblywoman Kirkpatrick and others, as well as renewable energy developers. We do not want to be an impediment to development of renewable energy. The counties have every reason to want these projects to succeed and develop. They are the government closest to the people when these projects come into a neighborhood. Everybody thinks that renewable energy does not impact, but it does. This is an industrial facility. They have to look out for the public health, safety, and well-being of their constituents. We are happy to continue the discussions and to try to find solutions.

**Chairman Bobzien:**

I am very familiar with the programmatic EIS for solar and was engaged as an advocate for the habitat concerns and other values with which we were trying to reconcile. I am glad that you brought that up. It would help if we could engage in a streamlining process with the local governments on these issues so there is a structure in place, and we understand, the industry understands, and the citizens understand that the projects will have impact, but we know what the impacts are. I think by having that structure in place, we can avoid this kind of situation where the news article makes it appear the neighbors did not like the project, so it got shut down. I think it is incumbent upon us to express our vision to local residents. We need to say we know these projects are coming, they are going to have issues, and here is the way we can mitigate those issues. At the end of the day, we are going to move forward with these projects. I look forward to these discussions.

**Assemblyman Grady:**

I am a little bit familiar with the Lyon County project. It happens to be not too far from home. There were a number of residents who opposed it. It would have had a definite effect on their property, and I felt that the commissioners

made the right decision. That particular entity did not belong on the property that was being proposed.

**Assemblyman Hansen:**

This discussion has gotten one-sided, as though all these counties have issued irrational decisions. I think if they were here, or we could understand their reasoning, it was not greed to try to get more money by squeezing the renewable industry. In the newspaper article, it sounded as if there was some less than desirable reasoning. I suspect when you have a 7 to 0 vote, in the poorest county in the state of Nevada, with the greatest unemployment level, there is probably some very rational reasoning behind it. While I am supportive of trying to get the process streamlined and these industries going forward, I do not want to step on the right of local government and counties to be a major contributor in this process. I do not want to get into a position where the PUC basically gets to override the local elected officials in the state of Nevada.

**Chairman Bobzien:**

Mr. Fontaine, since you are the representative of the counties, do you have any response since the implication was that you were not in the room?

**Jeff Fontaine:**

It is my understanding of the bill that local government or county participation in special use permits would only apply to large transmission projects. If the discussion is broadened to include any type of renewable energy project, then obviously we want to have some serious discussion about that. As it stands, this only relates to large transmission projects.

**Chairman Bobzien:**

Is there anyone else wishing to testify in opposition to A.B. 239?

**David Fraser, City Manager, City of Boulder City:**

Most of my concerns have already been voiced. We are not here in opposition to section 6. Our concern is with sections 9 and 27. I mentioned that to the sponsor and she is taking it to a working group. We want to be part of that working group.

In Boulder City, we have been proactive in welcoming energy projects, but let me give you a few of real-life examples. Near Boulder City, the Eldorado Valley has four substations that connect to power in California. We are a very popular spot for transmission projects. Presently, we are actively dealing with two lines that want to come through our area. In one case, we met and said that is great that you want to come through, and they proposed a route. We suggested two

other routes that would be more palatable and leave more room for further projects. They said that they would be happy to choose one of those.

We have another project that we are going to be meeting with shortly; it is proposing to come right down the middle of the Dutchman Pass. It is our intention to say fine, but we would really like them to be over on the side of Dutchman Pass, where infrastructure already exists. We do not anticipate that they will have an issue with that.

The issue is that presently they need to come talk to us. That gives us an opportunity to encourage them to go to areas. I think if you talk to those who have worked with us, they would say by and large that we are easy to work with in that regard. We are not trying to hold up the show. We believe in accommodating these projects, but we do not want that opportunity taken away from us.

With this project, the worst-case scenario would be they propose to come down the middle of Dutchman Pass, but the PUC does not see the issue and approves it when, through our process, we could have encouraged it to be over on the side where it would accommodate future projects. By the same token, it could be a double-edge sword, because we have solar projects in our city limits. We grant rights-of-way to connect transmissions into those substations. If the PUC decided that they did not want a project in our city to connect under the bill, we would be powerless to say what we want.

We are supportive of most of what the bill intends to accomplish. We are fine with finding a funding mechanism for the Governor's Office of Energy. We are fine with streamlining the process. I think we might have some helpful suggestions in that regard.

Our opposition is limited to sections 9 and 27. We look forward to working with Assemblywoman Kirkpatrick and her working group and hope that we can resolve those few issues.

**Assemblywoman Bustamante Adams:**

Do you get evaluated as an entity by the developers that want to do business with you? Do you get evaluated on timeliness, customer service, and the organization so the paperwork is easy?

**David Fraser:**

Mr. Brok Armantrout, our community development director, is in southern Nevada. I would like to invite him to the table.

**Brok Armantrout, Director, Community Development, City of Boulder City**

We do not have such a process, although we have been told anecdotally by all the developers and transmission companies that we are by far the easiest jurisdiction to deal with and they look forward to doing business with us. This includes Sempra Energy, Southern California Edison, and TransWest Express, which is one of the large transmission companies. They have enjoyed working with us and found us to be very cooperative and very fast in getting them the response that they needed.

**Chairman Bobzien:**

Are there additional questions? [There were none.]

**Joe Johnson, representing Toiyabe Chapter, Sierra Club:**

We are in opposition to the bill based on a couple of areas in which we had concerns. For the most part, we are in agreement and supportive of the bill as proposed. One issue we have is the delegation of authority to the PUC for approval of utility projects. I simply wanted to make the information known that this is for transmission lines and pipelines and not for solar installations or geothermal explorations. *Nevada Revised Statutes* (NRS) 278.0195 is specific to that, and that is a reference to the definition in the bill.

Regarding the issue of equality amongst ratepayers, section 5 deals with the 10 through 49 megawatts size as being a different process than those projects over 49 megawatts. For the smaller projects, it might be more important to have certainty than for the larger projects. I have not analyzed this particular issue and would like to participate in the process going forward. In sections 10 through 21, we are not opposed to the program per se. It is inequitable that a system in the north would be allocated 50 megawatts against the ratepayers when it is only one-third or one-quarter the size of the other utility in the state. Equity would perhaps be that you allocate 100 megawatts to be distributed, or some other rationale, besides simply 50 megawatts to each of the two utilities, anticipating that in the future there would be one utility with the consolidation of the two operating units of NV Energy. The last issue is the delegation of authority. We would like to participate in that.

**Chairman Bobzien:**

Is there any other opposition testimony to A.B. 239? [There was none.]  
Is there anyone to testify from a neutral position?

**Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO:**

We have concerns about abatements in their entirety. The majority of these abatements are creating a short-term influx of work for the construction portion

of the project. We have few employees that will be there for the long term. We sympathize with the counties and their concerns that the majority of these projects are being constructed by transient workers from out of the state, and the counties have to deal with those transient workers and the problems that they bring with them. They spend their money in the bars instead of putting it into the local economy. What money they have left, they take home.

While we do not oppose the abatement process in its entirety, and we do not have an issue with the way Assemblywoman Kirkpatrick has tried to modify the abatement process, we think there is a problem with the state not getting the benefit that it should from these abatements.

In the last two sessions we have tried to address the abatement process and get local workers on these projects. In 2009, there was a bill passed that had a minimum requirement for local workers. Some of my affiliates have been trying to get tracking sheets for that process from the Office of Energy. The tracking process was not completed or is not available for review. While we do not oppose the legislation, we think that we need to figure out a way to make sure that the state gets a benefit from giving an abatement and that we do not export those taxes into another state.

**Chairman Bobzien:**

I am having a hard time classifying that as neutral testimony given our rules. Thank you for your willingness to work with Assemblywoman Kirkpatrick.

**Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County:**

I want to state for the record that we are definitely not opposed to section 6, whereby funds are returned or given back to the local governments. Speaking for Clark County, there are a couple of things that occur with abatements in Clark County. We are the largest governmental entity in the south that gets impacted by the abatements. When these abatements are given, we are significantly impacted in terms of the property tax revenues to the county.

I am in agreement with the changes that are being proposed, because there is a process to review these abatements at the end of five years, when we can determine if there still is an economic impact or development that is occurring. Right now there is no process to determine that.

In terms of abatements, generally it is a two-tiered process. You have some sort of economic development for the short term during the construction, but after the construction ends, the abatements go on for years. There may not be economic development occurring after the construction has ended. It should be

evaluated to determine if there is economic development after construction has ended and through the years to see if the local government is still seeing development within that area.

We would like to have a voice in the land use review process to at least express our concerns with the PUC, since that is the organization that will be coordinating and approving the land use agreements.

**Chairman Bobzien:**

Are there any questions for Clark County? [There were none.]

**Stacey Crowley, Director, Office of Energy, Office of the Governor:**

I am neutral today, primarily because there is a fee being proposed for our office and I would like to remain neutral on that.

I provided Assemblywoman Kirkpatrick and her staff some information about what that fee might look like for both the green building tax abatement programs under section 1 and 2 and the renewable energy tax abatement structure under section 7. I would be happy to describe that in more detail. I wanted to thank Assemblywoman Kirkpatrick for her efforts over the past couple of years to understand the value of the Office of Energy.

In section 5, the Office of Energy would be responsible for developing the criteria that would describe what the "not more than 55 percent" of the tax abatement is. We would try to provide some certainty in the level of abatements described there.

In section 6, referencing sections 52 and 53, it is our understanding that the bill proposes to remove the property tax revenues being moved into the Renewable Energy Fund for projects being approved after this bill becomes effective. For those projects that have gone through our tax abatement program and have received an abatement, our understanding is that they would continue to put money into that fund. If that is not the case, we would need to talk about our funding for the office. I had my deputy attorney general look at that, and he agreed that that was how he understood it, but that references sections 52 and 53.

I wanted to clarify that the name of the report that Assemblywoman Kirkpatrick mentioned is the Transmission Initiative Routing Study, and that is on our website at <<http://energy.state.nv.us>>.

**Chairman Bobzien:**

Do we have any questions for the Office of Energy? [There were none.]

**Chris MacKenzie, representing TransWest Express, LLC:**

We are presently going through the EIS process, almost to an end, on the regional multistate wind development project. I am here to say, remember us. We are involved. We are curious as to the land use planning issue and who we will be dealing with. For that reason, we would hope to be involved in the discussions to make sure the rules are not changing in the midst of this whole thing. We have no preference either way; we just want to make sure we are involved.

**Susan Fisher, representing Valley Electric Association, Inc.:**

I am testifying today in the neutral position. I would like to thank Assemblywoman Kirkpatrick for her continued work, specifically with regard to section 4, which treats geothermal as a renewable resource. It will help support our efforts to facilitate accessing geothermal. We have a lot of geothermal resources in the northern regions of our service territory, in Assemblyman Hansen's district, and look forward to having those markets get more robust and developed.

**Chairman Bobzien:**

Are there any questions for Ms. Fisher? [There were none.]

**Donald Lomoljo, Utilities Hearings Officer, Public Utilities Commission of Nevada:**

We wanted to briefly speak on sections 9 and 27, the land use permitting sections. I think it would be helpful to give some explanation on our Utility Environmental Protection Act (UEPA) process, versus the land use permitting that is proposed in this bill.

The UEPA process that we undertake at the Public Utilities Commission for the most part is a clearinghouse process. We look at and receive the permits from different utility projects. We make sure the project has all the required permits before the Commission actually issues a UEPA permit to construct, which is the final permit in that process.

Land use permitting is not something we do currently, and that is where our fiscal note came from. We do not have the personnel or expertise in house to accomplish the land use permitting that is provided for in the bill. As we understand it, the concerns that Assemblywoman Kirkpatrick and others have laid out regarding land use permitting are the varying or known timelines in the process, differing mitigation requirements, and other requirements that vary from jurisdiction to jurisdiction.

If the Commission were given land use permitting authority, we would request further delineation of what exactly a land use permit would be, what are the elements that would have to be satisfied, and any timelines that the Legislature would like to be met, et cetera. Perhaps an alternative would be to designate the Commission as an arbiter of disputes over land use permitting, and maybe set timelines for the different local jurisdictions to issue their land use permits. If the land use permit were not acted on within a certain time frame, or if there were a dispute, the Commission could be an arbiter. That is perhaps a middle ground and would lessen the fiscal impact on the Commission.

**Chairman Bobzien:**

I would have to characterize that as the PUC being very willing to work with the sponsor. Are there any questions from the members of the Committee?

**Assemblyman Hansen:**

In regard to all the utility lines going through Nevada now, there is a big gas line that runs along the Humboldt River, and there are all sorts of power lines. Does each individual county currently have a veto power over that?

When they put in the Ruby Pipeline, could one of the counties actually have blocked that pipeline? I understand that you are trying to get power from point A to point B, and you cross different county lines. Can any one of those counties, under Nevada law, block that?

**Donald Lomoljo:**

I think it varies project by project, but when projects cross county lines, yes, those jurisdictions have different requirements, and they could require different things that could be a project killer in the view of the developer, I believe.

**Assemblyman Hansen:**

So if that is the case currently, how have all these projects been able to be successfully implemented? Have all the counties cooperated in these projects, or has the PUC already been the arbiter in some of these situations?

**Donald Lomoljo:**

We have not formally been the arbiter. We come in at the back end. We check the box that the permits have been fulfilled. We are not really involved in the local process and are not a party there.

**Assemblyman Hansen:**

Who would I talk to about that and who is, potentially, the bad guy in these scenarios?

**Anne-Marie Cuneo, Director, Regulatory Operations, Public Utilities Commission of Nevada:**

I am not sure there is a bad guy. There is just a different of opinion. The practical response is that any local government that wants to impact a project can. The question is to what extent they want to impact the project, whether via fees or mitigation measures. If you are going to build a project, I expect you to rehabilitate the land and plant wildflowers. That is called a mitigation mechanism. Depending on what mitigation mechanisms are requested, that is what the project or the company trying to implement the project would need to do. The demands are what they are. Most of them are reasonable and can be dealt with during the course of the project. I guess the question really comes down to what happens when this mitigation mechanism becomes a project killer. I do not know of any examples where that has happened, but I would not be the one who knows that.

**Assemblyman Hansen:**

Take the Ruby Pipeline, for example. I understand there was all sorts of mitigation and now there is a lawsuit by some environmental groups that felt the mitigation was inadequate. Were any of those mitigations actually required by the county, or was that all done through the Bureau of Land Management (BLM) or whoever else regulated that?

**Anne-Marie Cuneo:**

I do not have a list of the mitigation mechanisms. They could be required by the county and/or BLM. I think, for the Ruby Pipeline, most of that was BLM. I would expect most of the mitigation mechanisms were BLM requirements.

**Chairman Bobzien:**

I get a little frustrated when I hear UEPA being characterized as a clearinghouse. As I read the statute, you have to determine the nature of the probable effect on the environment. You have to look at a whole list of different things. Granted, you are deferring to the EIS. This usually happens if it is on federal lands. There should be some sort of a state process. If you look at NRS 704.890, subsection 1, paragraph (e): "the location of the facility as proposed conforms to applicable state and local laws and regulations." There is my little bone I am throwing to the local governments today. There is a whole process here, and I think this is what we have to look at as we are trying to figure out the streamlining and making sure that we have some certainty; maybe it is time to look again at UEPA.

**Assemblyman Livermore:**

I would like to clarify that local governments are not the adversary, although because a project starts at one part of the county line and maybe exits at

another, they like to discuss the corridor they choose or where these utility lines or pipelines are located. They are probably not down the middle of a residential neighborhood, but closer to the freeway corridor. In Carson City, near the Interstate 580 freeway, there was a political decision made about the location of the power lines. That is what local governments do and I wanted to defend that process.

**Chairman Bobzien:**

Are there any further questions for the PUC? [There were none.] I am sure Assemblywoman Kirkpatrick looks forward to working with you on this issue.

**Ray Bacon, representing Nevada Manufacturers Association:**

This bill was generated from a conversation Assemblywoman Kirkpatrick and I had about five years ago. Manufacturing is a large consumer of energy. Consumption varies substantially by manufacturing sector. Some printing, metals, glass, plastics, stone, masonry, some wood, paper, and chemicals are all large chemical users. Those also happen to be the higher-paid manufacturing sectors. If you take a look at logistics, it includes electronics generally and assembly-type operations. In this state, textiles fall in that category, and aerospace can be up or down. There is a dramatic change as to whether power is a major issue.

If you take a look at what is going on in California, which was one of the driving forces for this, people have been looking to escape California. In 2006, California's Assembly Bill 32 established a very substantial penalty in the state for large energy users. Some of the large energy users are looking at leaving California. In the month of February, California lost 2,900 manufacturing jobs. That is substantial, considering that we only have about 38,000 in total. Some of those jobs will likely come here. Some will likely not come here, and others probably will go overseas.

A decade ago, California had seven steel-rolling operations. At this stage of the game they are down to three, and one of those has announced it will close in the state.

Those are the types of operations that take energy. The fundamentals of what Assemblywoman Kirkpatrick has put together are wonderful from my standpoint. We would like to see the existing companies that are doing an expansion, or have the opportunity to do something with energy efficiency in their own operation, not automatically precluded. When we are looking at renewable energy projects or energy-related projects, we think four criteria ought to be considered in detail. The first is how close this project is to the load, because the closer you are to the load, the less loss you have. The

second is the proximity to the power line, or transmission lines, so you can get that power wherever it is being generated to where it is needed. If somebody wants to locate a project in the middle of Esmeralda County at Silver Peak, it is probably going to be a tough sell.

The third consideration is what kind of power is being generated. If it is generated 24/7, that has considerably more value to the utility, and therefore considerably more value to the state. It is another base-load-type power operation that comes up, which has value. If it is based on the time of the sun, or weather-related or season-related, it probably has less value. It does not mean we should not do the project. It means that we need to look at it and consider whether this project makes sense.

The fourth criteria would be that any renewable projects can be located contiguously with a manufacturing plant of some sort. It could be absorbing our waste heat or in some way generating power out of what is left over from the process. Many things need to be looked at. The amount of power consumed on the site can reduce the overall energy load, or it may be only operational for the hours of operation of the plant. In some cases, the vast majority of that power may go to the grid to be used by everybody. Each one of those factors has different values. We think somehow in this process of streamlining, cleaning it up, and developing a known set of rules that those criteria ought to be at least considered so we get better long-term decisions. That is what we are really looking at, more than anything else.

**Chairman Bobzien:**

Are there any questions for Mr. Bacon? [There were none.] I will close the hearing on A.B. 239.

[Vice Chairwoman Kirkpatrick assumed the Chair.]

**Vice Chairwoman Kirkpatrick:**

I will open the hearing on Assembly Bill 388.

**Assembly Bill 388:** Revises provisions relating to renewable energy systems.  
(BDR 58-517)

**Assemblyman David P. Bobzien, Washoe County Assembly District No. 24:**

With me at the table is Luke Busby, whom I have had some collaboration with in creating this bill. Assembly Bill 388 is about attracting business in specific industry sectors and recognizing the importance of that effort to Nevada's economic development strategy. This came out of what I feel is an economic development opportunity that we are starting to see in Nevada, and that is the

emergence of data centers. We are talking about any large operation with a big power demand, and how we can incentivize such efforts as they relate to energy.

The energy needed to power facilities is a large part of the cost of doing business in certain sectors. Data centers are a good example of that. Production of power on site and stabilization of the cost of energy can attract businesses looking to relocate or expand in Nevada. This bill is intended to provide tax abatements to create an incentive for large commercial power users to generate power on site.

In the bill, sections 3 through 8 essentially mirror similar provisions in existing statute. Where we start getting to the meat of things is in section 9. The procedure outline for obtaining the tax abatement begins here. The business would be required to apply to the Office of Energy for partial abatements of certain property taxes and local sales and use taxes imposed on certain renewable energy systems installed at the location of the new business, for the purpose of powering the operations of that business. A public hearing must be held prior to granting that abatement, and the Director of the Office of Energy must consult with the Governor's Office of Economic Development (GOED) throughout the application process.

Section 10 is where we lay out the minimum qualifications for obtaining the abatement. The key points here include that a business must agree to continue operating within the state for a period specified by the Director, which must be no less than ten years. In common theme for how we do abatements, we want to make sure that there is some certainty for the time. It binds any successors in interest in the business for the period specified. The business must also obtain appropriate state and local licenses, be privately funded, generate more economic benefit to the state than is received by the tax abatement—which is always a key point—and be in an industry sector consistent with the State Plan for Economic Development. It is good that we have that. It is nice to be able to tie back to that effort as much as possible.

Section 11 provides for the partial abatement. If the Director of the Office of Energy approves the application for abatement, property taxes for the business will be partially abated for 20 fiscal years, at an amount not to exceed 55 percent of the taxes on real and personal property attributable to the renewable energy system and payable by the business each year.

Additionally, local sales and use taxes exceeding 0.25 percent will be partially abated for three years. No abatements of any kind are to be granted if the business is receiving another abatement or exemption from property or local

sales and use taxes. We have learned over time that you have to be careful about the layering effect.

Section 12 provides for the publication of fiscal notes in order to estimate the impact of a potential abatement on the state and affected local governments. This is a good layer of transparency.

Section 13 contains clawback provisions that allow the Director to terminate any tax abatements if it is determined the business has ceased to meet any of the eligibility requirements outlined in the bill. The section also requires the repayment of the abated taxes and interest for each month the business is not in compliance with the requirements.

Section 14 holds the local school support tax harmless from the abated tax collection. Again, this is something else that we have learned is important over the last few sessions.

Section 16 requires the Director of the State Office of Energy to adopt regulations to carry out the provisions of the bill.

Sections 15 and 17 relate to net metering. Renewable energy systems installed pursuant to this bill are considered net metering systems regardless of the generating capacity of the system and are allowed to participate in that metering pursuant to existing statute. Section 17 references some of the existing caps that are there. Excess electricity generated by a net metering system and fed back to the utility must be credited to the business, based on the value of the electricity under the rate that would otherwise be charged by the utility. You will note on the Nevada Electronic Legislative Information System (NELIS) we have a friendly amendment ([Exhibit D](#)) that clarifies the language just a little bit, so that is something that I am in agreement with.

That concludes my presentation. I can take a couple minutes of questions and then turn it over to Mr. Busby.

**Vice Chairwoman Kirkpatrick:**

Does anyone have any questions for Assemblyman Bobzien?

**Assemblyman Frierson:**

In a practical sense, how would some of this work? We had a previous bill here or in the Assembly Committee on Taxation dealing with new businesses and attempting to attract them. In section 9, why are we focusing on a person who intends to locate a new business in Nevada as opposed to existing businesses that may want to make some adjustments to qualify for the abatement?

**Assemblyman Bobzien:**

It came out of the scenarios we were contemplating, and there are no purposeful exclusions of those sorts of scenarios. The scenario that we are really thinking of was locating new data centers here. I cannot contemplate an existing business that that would apply to. It would really be a completely new start-up that is looking to move here and launch operations now. More power to them if this is a Nevada company doing this, but it really contemplates a big data center or some other big operation with huge power needs.

**Assemblyman Frierson:**

In section 10, subsection 1, paragraph (d), it requires that the financial benefits that will result to the state be shown. I am curious how you contemplate that to be shown. I think ideally most new businesses would like to think that they are going to make money, but in this one, how do you contemplate it actually being able to be shown?

**Assemblyman Bobzien:**

I would like to hear from GOED how that would work in a practical way. In my mind, there are some standard methodologies for being able to project what the economic impact would be. Some documentation would have to be laid out. In your application, you would have to make the case basically. The hope, and I think this is the importance of the clawback and everything else, you had better make that case; it had better be legitimate, believable, and frankly measureable. It would be monitored over time to make sure you are still in compliance with the case you are making.

**Vice Chairwoman Kirkpatrick:**

There is formula in place. The Department of Taxation goes back after a couple of years to make sure that they continue to meet their criteria for the employers. I think what Assemblyman Bobzien is saying is what we have all said about abatements: there has to be some kind of cost-benefit analysis to ensure that you are generating the revenue we have given away through abatements.

**Assemblyman Bobzien:**

Yes.

**Assemblyman Hardy:**

In section 10, on page 3, lines 38 through 43, it says the business must operate for at least ten years. Is that done in other states, and if so, which ones?

**Luke Busby, Private Citizen, Reno, Nevada:**

Typically, economic development tools have a limitation. I am not sure if ten years is an industry standard, but it seems reasonable under the circumstances, given the amount of the abatement being requested and the life of the system, which is typically 20 years for a solar system that would fit under this statute.

**Assemblyman Hardy:**

If one business creates more kilowatt-hours than another, would it receive a different size abatement?

**Luke Busby:**

The size of the abatement would be contingent on the amount spent on the system from the sales and use tax and the size of the system. That would be relative to what would need to be built for the particular facility. For example, a data center has a constant load all the time. It needs a system that produces power continuously and would probably be built sufficient to cover all of the load. In section 9 there is a limitation on the size of the system. It can be installed on the property of a new business for the purpose of supplying all or part of the electricity requirements. The amount of the incentive, or abatement, would be relative to the size of the system.

**Assemblyman Daly:**

We require with all the other abatements that there are employee requirements, such as the amount that employees of the business make, the number of construction employees, and the investment that must be made. All of those requirements to get abatements that we ask of everyone else—is there any reason those were left out of the bill?

**Luke Busby:**

Those requirements exist in the other abatement scheme that can be found in *Nevada Revised Statutes* (NRS) Chapter 701A. I think the difference is that the general requirement that the benefits of the project outweigh the cost of the abatement is put there instead. I think it is that way because this system would typically fill a gap in the abatement system that we currently have. The scheme that I am referring to only applies to facilities that have loads over 10 megawatts. This applies to systems that have loads of 1 megawatt or more. It is different in scope and scale, and I think the determination was that it was more appropriate to have the standard that there be a general benefit, as determined by the Director, rather than the specific benefits delineated in the statute under that other scheme.

**Assemblyman Daly:**

I think I understood that. I believe the provisions of NRS 701A.365, subsection 1(d)(4) and (e)(4), which talk about the wages for the employees of the business and wages paid to the people who would build it, would need to be put in at least. My second question is on the feed-in tariffs. At what point do the feed-in tariffs stop working? If you are going to make a person sell back the power at the same deal with none of the infrastructure, maintenance, transmission, or other costs that go into it, at what point do you think the system tips over to when you have too many people generating power and competing with the energy company, and there is no way to make it work?

**Luke Busby:**

This is not a feed-in tariff. It is a version of net metering. Under no circumstances would the utility ever be obligated to pay a customer money for electricity they generated and put back into the system. If the system is oversized under a net metering scheme, and that electricity is being put into the grid and used by other customers, then essentially that generator is providing a subsidy to the other customers. It is very unlike a feed-in tariff scheme, where you can hook up a solar plant to the grid and get a paycheck from the utility every month. Net metering, under Nevada law only allows you to zero out your bill and carry those credits forward. There really is no incentive for someone to build a system that would be so oversized that it would cause the kind of issue you are contemplating.

Turning to the limitation issue, which I think is relevant, Arizona, New Jersey, Ohio, and Colorado all allow net metering systems that are sized to the load without an arbitrary limitation, which is essentially what we have here with a 1 megawatt cap, which could be waived by the Director under the bill.

**Assemblyman Hardy:**

The term "carry forward" concerns me. If you use the system for five months and you have extra credits, can you shut your system down for a month and utilize their system?

**Luke Busby:**

Yes, the credits carry forward at the rate that you would have paid for that electricity had it been flowing the other way until it is extinguished. Once again, the system size is limited under section 9 of the bill. It is limited for the purpose of supplying all or part of the electricity requirements of the new business. It is extremely unlikely that anyone would overbuild a system such that they would be adding a lot of extra electricity into the system. Also, I cannot imagine that they would shut off the system if they paid all the money

to build it. Even if that were the case, the excess energy that is being put into the grid is essentially free energy for other customers.

**Assemblyman Hardy:**

I understand that it is not intended to overbuild, but down the road if it was, it would have an impact on a system from someone else during peak metering times.

**Assemblyman Hansen:**

On the abatements, there is a provision that schools get their share back, is that correct?

**Vice Chairwoman Kirkpatrick:**

I believe that is a local school support tax.

**Assemblyman Hansen:**

I am concerned because I know local governments are frustrated with these kinds of things. While it is nice to protect the schools, there are many other people relying on that tax money also. We always seem to give abatement to certain things and exclude other people who are just as in need. With all of these abatements, is there anyone who has actually had a net loss in tax revenue for giving all of these abatements year after year? And, when is the potential for all of these renewable energy projects to actually be self-sufficient and finance their own way without being subsidized by the other ratepayers?

**Luke Busby:**

I think if anyone has done the analysis you are referring to, it would be the Office of Energy, being that they are the one who grants the tax abatements. In terms of estimating the economic benefits, there are lots of studies that show both. I can provide you with information that shows there is a cumulative benefit to utility ratepayers when net metering systems are utilized to a large extent. The other side of the story that we often hear is that it is a subsidy, that other ratepayers are paying these costs and the people who build the systems are getting a free ride. I think the fact that the excess energy being fed into the grid is essentially being given away free to other customers is not really taken into account. Another aspect that I think is important to remember is that every time a customer builds a net metering system, the utility essentially loses a customer. Utilities make money by building things. They receive a return on equity for the amount of systems that they build. There is an inherent conflict between the interests of people who want to build systems to provide for their own power and the interests of utilities that want to build everything for themselves. I am not criticizing NV Energy; they do a great job at what they do, even with the incentives they have. They understand that you

cannot have it both ways. If you are going to allow people to build systems like these and essentially take their energy generation into their own hands, somebody is going to be hurt, and in this case it is the utility. I think this bill provides a great tool for allowing new businesses to come to the state, build the kinds of systems they want to build, and control their own destiny.

**Assemblyman Hansen:**

It seems as if this abatement thing never ends.

**Vice Chairwoman Kirkpatrick:**

I agree with you. Are there any other questions? In section 3, regarding the definition of biomass, this is the first time I have seen aquatic plants involved. Where did that come from? In section 10, subsection 1, on page 3, line 41 it says, "period specified by the Director, which must be at least 10 years." That means it is wide-open. That is problematic, because it is contrary to what Mr. Hardy asked. In section 11, on page 5, line 12, that number needs to be corrected because 2.25 percent was the rate last time. Going back to section 10, on page 3, line 44, I need to understand "Binds the successors in interest in the business for the specified period." I am not sure how you do that, because in the past we have given away abatements and the business has not succeeded. Are we saying we can put a lien on them?

**Luke Busby:**

I am not sure what the aquatic plants have to do with the biomass definition in the bill. I assume it is because you can use algae to produce energy or biofuels under certain circumstances, but I am not sure. Turning to section 10, and the ten-year requirement, I think that provision was included to give the Director the flexibility to require a commitment on the part of the person receiving the abatement for a period of longer than ten years. For example, if the Director determined that the benefits of the system would not outweigh the costs unless the term of the binding agreement would be 15 years, they could impose that requirement on the person applying and receiving tax abatements.

In section 11, where the "2.25 percent" is used, that is, of course, subject to correction. I am not an expert on taxation, but that is the number that was inserted into the bill.

Section 10 would require anyone who would receive this abatement and sell the facility to include in any transaction documents a provision which would bind that business for the specified period. If they did not comply with that provision, they could be subject to the clawback provisions in the bill, which would allow the Department of Taxation to go after the people and recollect on the taxes that were abated under the law.

**Vice Chairwoman Kirkpatrick:**

That language does not work for me. I do not think it is fair to local governments. There do not seem to be any specifics in the regulations of how this would work. That does not say clawback. That has to be clarified for me.

**Luke Busby:**

I believe the provisions about clawbacks are in section 13. It is the same topic that is mixed into two different sections. It was in the first part because it related to the requirements for approval. Section 13 relates to a situation where someone gets abatements and then breaks the rules.

Regarding the issue about local governments, I would like to bring to your attention an interesting point. Nevada has a statute, NRS 701A.200, that provides an exemption from certain property taxes for qualified energy systems. That exemption is indefinite if the system meets the other requirements in the statute.

**Vice Chairwoman Kirkpatrick:**

We are trying to work with local governments. I am not supporting this bill unless local governments have some ability.

**Luke Busby:**

That statute provides a permanent exemption for property taxes. If the developer were to opt for this scheme, then it would only be a partial abatement. The county would be better off.

**Vice Chairwoman Kirkpatrick:**

I do not care what the statute said; you have to give local governments some ability. Are there any other questions on A.B. 388? [There were none.] Are there other proponents for the bill?

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

We are in support of the bill, and we think it is a tool that can be used to provide for more renewable energy in our state. We are willing to work with the bill sponsor and Assemblywoman Kirkpatrick to make adjustments to make it square up with other areas in the statute. We think it is an opportunity worth looking at.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.]

**Warren B. Hardy II, representing Hamilton Solar:**

We had a proposed amendment that we discussed with the bill sponsor. He considers it a friendly amendment ([Exhibit D](#)). The amendment is technical.

**Vice Chairwoman Kirkpatrick:**

Does anyone have any questions about the amendment? [There was no response.] Is there anyone else to testify in support of A.B. 388? [There was no one.] Is there any opposition?

**Judy Stokey, representing NV Energy:**

I spoke with the bill sponsor, and he recommended that we get together as a working group. He knows that there would be some significant amendments that I would propose, but I would rather not do that when I know there will be a working group. We have some of the same issues that were brought up in regard to the costs to our other customers. There is a subsidy that would be paid by the other customers. The size of the subsidy is arguable. We have other bills going through the legislative process at this time which address how much the subsidy is and what the net metering customers are truly putting on the grid for the other customers to use. I would like to work with the sponsor, and I do not have any amendments at this time.

**Assemblyman Livermore:**

I appreciate that because I do not think someone should receive a subsidy at the cost of another.

**Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County:**

We are in opposition to this bill, specifically relating to section 11 and the 20-year duration of the partial abatement. There definitely should be some cost-benefit analysis in terms of how long it should apply and if there is some benefit to the Clark County area should these partial abatements be approved.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] Is there anyone to testify from a neutral position?

**Garrett C. Weir, Assistant General Counsel, Public Utilities Commission of Nevada:**

We are neutral on this bill but look forward to participating in the working group.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] Are there any specific issues that we should note?

**Garrett Weir:**

Based on the discussion, this appears to be a work in progress. At this point we will be involved in the working group and provide input at a later time.

**Stacey Crowley, Director, Office of Energy, Office of the Governor:**

We are neutral on this bill. I wanted to provide some clarifications. Section 7 does not include geothermal. There are advancements in geothermal heat pump technology, and I wondered if it was excluded intentionally as an option.

There is a statement in section 11 regarding a tax rate listed at 2.25 percent. Because we have similar language in the renewable energy tax abatement, I would like to talk to the bill sponsor about alternative language. It does not reference the local school support tax specifically. In our contracts, we reference NRS Chapter 374, which is the local school support tax chapter. Because that has changed and the sunsets have come and gone, we have to make sure in our contracts that it is very clear. Language that supports the ability for the Legislature to change that would be helpful.

There was a question earlier about tracking the abatements and the investment. We track the capital investment, the investment made in the payroll, the taxes received, and the amount abated on the applications we received. We have that information and can provide it.

**Vice Chairwoman Kirkpatrick:**

It is important to have some flexible language. Perhaps we could get a copy of that for the Committee. Are there any questions? [There were none.] I will close the hearing on A.B. 388 and open the hearing on Assembly Bill 391.

**Assembly Bill 391: Revises provisions relating to energy. (BDR 58-1025)**

**Assemblyman Skip Daly, Washoe County Assembly District No. 31:**

This bill has three components. I was asked by various people to see if we could fix a couple of issues. My amendment has been submitted to the Nevada Electronic Legislative Information System (NELIS) ([Exhibit E](#)). The amendment addresses a problem that arises when you are giving energy abatements. There are requirements under *Nevada Revised Statutes* (NRS) 701A.365 that say the workers after the facility opens have to be paid 110 percent of the state average wage, and the construction workers, while working on the project, have to be paid 150 percent of the state average wage. There was a provision

that said, by regulation, they would determine what wages meant, and there were issues in the language on the benefits. When that was done, the wages were linked to a definition in NRS Chapter 612, which covers unemployment. That meant that 150 percent of the state average wage is currently \$29.75 per hour. All of that had to be paid in wages. If it was paid in wages and benefits, it would not meet the criteria.

We are attempting to correct that because, in the construction industry, payrolls are set up in the prevailing wage model where you can meet your obligation to pay the required wage in the form of wages and benefits to meet the total number. As an example, if a project in Washoe County employed laborers and had to pay the \$29.75 per hour plus insurance, which is also required, and union contributions, it would be higher than prevailing wage, and I do not think that was the intent.

The bill as written by the Legislative Counsel Bureau had language taken from NRS 338.010(22), and several sections referred to that under section 1. The amendment would delete all of those sections because I do not think the reference is needed.

In NRS 701A.365(1)(d)(4) and (1)(e)(4), you would keep the language about the cost of the benefits and add that for the purpose of subsection 1(d)(4) wages shall have the meaning ascribed to it in NRS 338.010(22), which is the prevailing wage. I think this is the better way to do it is because if you have the definition of wages at the beginning, it would apply to all of the definitions. I was just talking about the wages in the construction part of this to have it be in line with prevailing wages. That is why we do not need the other sections. We would just have the provisions in section 4 as amended.

In sections 9 and 10 there is a provision which says when you are doing these types of projects, they are subject to NRS Chapter 338. That chapter has the prevailing wage provisions, but it also has all the bidding provisions and other things. The problem is, when a company wants to get an abatement for a project, they apply to the power company. The power company takes that application to the Public Utilities Commission of Nevada (PUC), but nobody is checking that the company has followed all of the provisions that are in the law. So the construction company says that they do not have to bid for it. They go to the power company without complying with the requirements to bid under NRS Chapter 338. We are trying to clarify that all of the provisions of NRS Chapter 338 apply. You are not supposed to subdivide a project to the point that you go below a threshold that you have to bid. There is a threshold of \$100,000 before the prevailing wage applies, but there is also a threshold of \$100,000 when you have to bid and advertise. We want competitive bidding.

**Danny L. Thompson, representing Nevada State AFL-CIO:**

The intent of our amendment ([Exhibit F](#)) in section 12 is that under the law there are very few regulated utilities that provide power. There is another provision under the law that allows for co-ops, which are not-for-profit utilities that provide power and services within a specified boundary that is spelled out in the law. These co-ops are operated by a board of directors who are elected in districts. They are not experts in energy consumption or generation. They are elected individuals from the community. They are not subject to different provisions in the law, including the portfolio standard. The portfolio standard was adopted to force the incumbent regulated utility to get into the renewable business. In the beginning and in many cases today, renewables were not profitable, so things were done to make them more attractive. Those rebates and the monies are paid by the ratepayers of the incumbent regulated utility. Co-ops are not subject to the portfolio standard. Therefore, they do not have to meet that standard. The law at the time said they operate within a certain boundary; they do not go beyond the boundary, are not for profit, and provide only for their customers. I remember issues long ago with different co-ops in Nevada where the Legislature had to pull them back into line.

This amendment says that if a co-op goes outside of its service boundary, it loses its exemption from regulation by the PUC. A case in point is Valley Electric Association, a co-op in Nevada that went to the Nevada Test Site, applied for, bid, and received the contract to provide services to the Test Site. They then went to Creech Air Force Base and are currently providing transmission and distribution there. They are now out of their service area and in the area of the incumbent utility, whose ratepayers are at risk. I represent 200,000 of them. We have lost jobs as a result of that co-op operating outside its boundaries. The amendment says if the co-op wants to become a utility by going outside its boundary, then it becomes regulated like a utility.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] Is there anyone to testify in support of A.B. 391?

**Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO:**

We are in support of this bill as amended by the sponsor and Mr. Thompson. We have worked under the provisions of the existing law and we found the conflicts that occur there. We think the proposed changes to the law will go a long way to repair some of those issues.

I still have a question about the rebate program. I believe that the language clarifies NRS Chapter 338 to award those projects. We still do not have an

authority that actually enforces that. That is a major problem with all provisions under that chapter, when it comes to the bid procedure, because that is incumbent on the district attorney of the county to enforce it on a public works project. I guess that is where this will fall as well. In this case, it is the ratepayers' money that is spent while there is a violation of the provisions. As for the provisions of section 12, we believe all public utilities should work under the same set of rules so one does not have an advantage over another when they are trying to provide service.

**Vice Chairwoman Kirkpatrick:**

Are there any questions?

**Assemblywoman Bustamante Adams:**

How many co-ops are we talking about here?

**Paul McKenzie:**

I am not sure, but there is only one that is operating outside its service area.

**Vice Chairwoman Kirkpatrick:**

We can get that information for you because it depends on the size.

**Danny Thompson:**

I do not know the exact number, but there is more than one. There is only one regulated power producer in the state and that is NV Energy. All of the other service areas are within a boundary that is prescribed by law. When they stay in their boundaries, the regulations of the PUC do not apply, nor do the portfolio standards. The portfolio standards cost NV Energy ratepayers money. When there is unfair competition, I cannot compete against someone who does not have to go to the PUC to ask permission for everything they do.

**Assemblyman Grady:**

Mr. McKenzie said there was a disadvantage for the bidders. How many people bid on the job?

**Danny Thompson:**

I do not know, but that is not the point I am trying to make. If a co-op, which is an unregulated industry, moves out of their service area and into the area that is regulated by the PUC, that industry cannot go into an area that has an incumbent provider. An example is the phone service at Nellis Air Force Base. The incumbent phone company was asked if they could offer bundled charges to the base, which is a federal enclave. Their response was no, we have to go to the PUC and ask permission. The unregulated cable company does not have that requirement and could make a deal.

**Assemblyman Grady:**

Mr. McKenzie said they were at an unfair advantage when they bid the job, so I wonder how many bidders they beat.

**Paul McKenzie:**

We do not know how many bidders there were. Our understanding was that the regulated utility could not bid on the contract because they would have had to go to the PUC for permission to do that.

**Jack Mallory, representing the Southern Nevada Building and Construction Trades Council:**

We are in support of A.B. 391. To answer Assemblyman Grady's question, the incumbent contractor that had the contract for the project had additional financial burdens that they had to meet to continue with the project that were not passed on to the new company who effectively took over that contract.

**Vice Chairwoman Kirkpatrick:**

In the past, many of the municipal co-ops have been part of the discussion, and most of them agreed that they did not want those regulations.

**Assemblyman Hansen:**

Is a renewable energy facility considered a public works? Typically public works falls under the prevailing wage statutes, but the bill addresses a renewable energy facility.

**Matt Mundy, Committee Counsel:**

I will research the question.

**Paul McKenzie:**

The provisions in this section of the bill apply to the rebate program that NV Energy manages where we rebate for renewable energy projects. This addresses when a public body does a renewable energy project so it is a public works. The provisions were modified in 2009 to clarify that. The original language said that work had to be done under NRS 338.020 to NRS 338.090 and the prevailing wage had to be paid on a project. It did not say it had to be bid. In 2009, that language was modified to say that all provisions of NRS Chapter 338 would apply. One of the issues that was arising was the public bodies get a higher rebate than a private individual. Some of those projects were actually being financed almost totally by the rebate. That the provision concerning no matter what the cost of the project is to the public body—because the rebate was funding the majority of the projects—was still subject to NRS Chapter 338 was added in 2009. It was to clarify that those were public works, they needed to be bid, and they needed to pay prevailing

wages on those projects. That is specific to the rebate that we are talking about in this bill.

**Vice Chairwoman Kirkpatrick:**

Is there anyone to testify in support of A.B. 391? [There was no response.] Is there anyone in opposition?

**Susan Fisher, representing Valley Electric Association, Inc.:**

We are in opposition to A.B. 391, specifically to section 12, where it makes reference to operating outside of our service territory. Regarding Creech Air Force Base, this is part of privatization under the Department of Defense. If it can only be somebody in their service territory, then they cannot really privatize it and change from the provider they had. We feel that the amendment to section 12 is overly broad and we would like to see some clarification to it. We are willing to meet with the sponsors on this. We report to the PUC with regard to the service territory. There is a filing with the PUC at this time.

**Vice Chairwoman Kirkpatrick:**

Are there any questions for Ms. Fisher? Seeing none, is there any neutral testimony?

**Garrett C. Weir, Assistant General Counsel, Public Utilities Commission of Nevada:**

We are neutral on this bill. There is a pending docket before the Commission, so I cannot speak to that. We look forward to providing input for this process. I can answer questions about implementation of the proposed language.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] Is there anyone else wishing to testify on A.B. 391? [There was no response.] Legal will get the information for Assemblymen Hansen and Daly.

**Assemblyman Daly:**

I will work with all parties on section 12. Regarding Assemblyman Hansen's question, NRS Chapter 701B says the installation of a solar energy system on property owned or occupied by a public body pursuant to NRS 701B.010 to NRS 701B.290 shall be deemed a public work for the purpose of NRS Chapter 338. It is in NRS 701B.265 and NRS 701B.625, which are sections 9 and 10 of the bill.

**Vice Chairwoman Kirkpatrick:**

I support this amendment because it was an issue during the interim. I worked with the Deputy Attorney General and the Office of Energy because it needed

better clarity from the original bill on what wage meant. I am glad it is being fixed via an amendment.

Is there anyone else to testify on A.B. 391? [There was no one.] I will close the hearing on A.B. 391 and open the hearing on Assembly Bill 428.

**Assembly Bill 428: Revises provisions relating to energy. (BDR 58-797)**

**Marnee Benson, representing Black Rock Solar:**

Black Rock Solar is a nonprofit 501(c)(3) working in design and installation of solar photovoltaic systems as well as energy efficiency and education.

Assembly Bill 428 makes changes to the solar, wind, and water incentive programs. This bill is the product of a working group of dozens of renewable energy stakeholders across the state, including industry experts and Nevada solar installers. My expertise is in solar. I will review the wind and water provisions as I understand them, and then I will defer to others who have greater experience than I in those fields. Renewable Generations is the incentive program in the state that includes solar, wind, and hydro. It currently provides up-front incentives for systems installed on schools, public buildings, homes, and small businesses. Through December of 2012, there have been 35 megawatts of solar installed for a total of about 1,462 individual projects. Those are distributed generation, which are customer-sited renewable energy systems. The participants in the program also necessarily participate in net metering.

There were two mistakes in the drafting of the bill.

**Vice Chairwoman Kirkpatrick:**

When was the working group working on this bill? I did not hear about it during the interim.

**Marnee Benson:**

We started meeting informally after the last session and more formally in the last few months.

**Vice Chairwoman Kirkpatrick:**

Who was in your working group?

**Marnee Benson:**

There were a number of nonprofits, installers, and industry efficacy groups.

**Vice Chairwoman Kirkpatrick:**

Give me some names.

**Marnee Benson:**

The Clean Energy Project, the Nevada Conservation League, Hamilton Solar, a number of smaller installers including the Independent Power Corporation, SolarCity, Volk Solar, the Solar Energy Industries Association, and the Sierra Club.

**Vice Chairwoman Kirkpatrick:**

Thank you. You could walk through the bill first and point out the amendments along the way.

**Marnee Benson:**

The goals of this bill are to further develop and promote sustainability in Nevada's solar photovoltaic industry; to provide certainty and predictability in the program and the industry; to deliver increased benefits per unit cost to participants in the program, including lower-income households and ratepayers not in the program; to improve the program by providing clear direction to the Public Utilities Commission of Nevada (PUC) and utilities, while also giving the PUC and other stakeholders more opportunities to shape the type and level of incentives; and to make the statute less prescriptive, to give the program greater flexibility to react to and anticipate changes in market and industry forces.

In 2010, the rebate application process was not executed successfully, and rebates could not be fairly awarded to applicants without causing serious and legitimate objections. Consequently, the PUC ruled in Docket No. 10-05023 that the program budget should be applied separately to Nevada Power and Sierra Pacific Power, which resolved the application predicament, but also allocating \$78,260,000 and potentially doubling the original \$255 million budget. This bill seeks to increase the original budget by a total of \$78,260,000 and to establish a budget for the entire state rather than each utility.

Regarding the authority of the PUC to establish the type and level of incentives, it is provided in *Nevada Revised Statutes* (NRS) 701B.200, but clarity has been lacking. Further direction to the PUC is provided in this bill.

The program year is currently defined as the fiscal year from July 1 through June 30. It has been problematic in practice. This bill eliminates program years in the statute and directs the PUC to establish a step system based on capacity.

The current interpretation on NRS 701B.260 is unclear regarding establishing a clear capacity minimum. This bill will enable stakeholders to stretch budget dollars and improve ratepayer value by installing greater capacity. The proposed floor of 76,478 kilowatts for the remaining program years is based on the original program capacity of 58,533 kilowatts for the same years and then is increased to account for the additional \$78 million that we are requesting here.

The current categories established in the statute are school property, public and other property, private residential property, and small businesses. We feel greater latitude is needed to establish and maintain these categories along with the terms for performance-based incentives.

With respect to the caps, currently the authority for establishing system caps resides with the utility in its annual plan. We feel that greater latitude is needed to establish and maintain the requirements for system caps, particularly in light of a partial migration to performance-based incentives. Schools are a special case because existing law allows for a program participant in the schools category to petition the PUC for greater capacity by showing the larger system to be more practical. In every case of which I am aware, the petitions have been granted since larger systems are always more cost-effective and because the schools have shown commensurate demand for electricity. The current schools cap is 50 kilowatts, as compared to the current cap for public buildings, which is 100 kilowatts. The provision in A.B. 428 would delegate authority to the PUC to establish caps and delete the school petition option. It is important to note that the intent of the original statute is left in place to promote installation of solar energy systems on as many schools as possible.

Performance-based incentives may promote more efficient systems, stimulate investment, and minimize short-term impacts on program budgets. Up-front incentives may be more appropriate for small- and medium-size systems and system owners with limited access to financing, such as tribes and nonprofit organizations. The administration of the performance-based incentives may continue past the current program deadline of December 13, 2021. This should not be confused with the allocation of rebates, which would conclude by June 30, 2021. The payout period would depend on the duration of the performance-based incentives, which we have included in here to not exceed seven years.

Current restrictions prevent the construction of a single solar array for multiple units on the same property. For example, a low-income housing complex of 24 apartments in the same building requires 24 individual arrays on the roof or ground connected to 24 individual meters. This method of design and construction is cost-prohibitive. Revisions to current definitions and

requirements would create a framework for aggregate and net metering under specific conditions, thereby promoting renewable energy in low-income housing and extending benefits to those who both pay into the program and would benefit most from the resulting savings.

The original intent of the provision with respect to public display has been carried out successfully but has become unclear and burdensome. That has been requested to be eliminated.

Section 12 directs the PUC to establish categories for the wind program. Section 13 removes the categories explicitly from statute and removes the public displays requirement. Section 14 directs the PUC to determine capacity goals for the wind program and provides criteria guidelines for establishing incentive levels. It also directs the PUC to establish a performance-based incentive. It improves utility reporting requirements, including ratepayer impact, and allows for an application period to occur if wind systems are not energized within the allotted time dictated by statute.

Section 16 improves language concerning participants who do not complete their wind energy systems within the time allocated. Section 17 improves language requiring wind program participants to meet net metering requirements. Section 18, under the waterpower provisions, removes the 5 megawatt floor by the year 2016 and directs the PUC to establish a system capacity limit of 500 kilowatts. It removes the categories from statute and allows the PUC to establish regulations that allow for an application period to occur if a waterpower system is not energized within the time allocated.

Section 19 establishes a program year and allows the PUC to review the annual plan and make modifications if necessary. Section 20 improves language concerning participants who do not complete their waterpower installation under the time allotted.

In sections 22, 23, 24, and 25 of this bill are changes that are needed to create the framework for aggregated net metering, so that renewable energy systems can be installed on one property and provide benefits to multiple subscribers on that property. Section 23 enables low-income housing complexes to take advantage of renewable energy and extends program benefits to lower-income households. Section 24 requires the PUC to establish regulations for participation in a solar program as a low-income tenant. It establishes how electric consumption and generation are to be measured and how allocations of costs for tenants relating to the installation of net metering equipment should be handled.

**Vice Chairwoman Kirkpatrick:**

Are there any questions at this point?

**Assemblyman Hansen:**

Are you subjected to minimum wage laws when you do these kinds of programs and this incentive package?

**Marnee Benson:**

Yes, if the rebate program is done for a property that is subjected to those requirements.

**Assemblyman Hansen:**

But in general you do not have to. What I am getting at is, if you want the government incentives, one of the things they do in public works is require people to have that kind of pay scale as a give-and-take on public works versus private works. I am thinking if you want the handouts forever on this stuff too, then this should be a requirement for all of your projects. It would make the playing field level. I was curious if that is currently the case. If you were doing a school, and you are bidding it, you are required to follow the public wage requirements, but if you are doing a residential one you are not, correct?

**Marnee Benson:**

It is my understanding that, especially in the case of residential or small business, it would not be subject to those provisions. Those lie outside and are not under prevailing wage or bidding. Projects that require bidding or prevailing wage are subject to that and are built that way.

**Vice Chairwoman Kirkpatrick:**

Are there any other questions?

**Assemblywoman Carlton:**

We have had discussions about net metering for years. If I understand this correctly, if there is one meter for a whole subdivision or housing complex, those are fighting words in the hallway in this building on energy. I am not sure if you were aware of that or not, but I would really like to understand how you came to that particular proposal. In essence, you are becoming a utility on a very small scale. It could be interpreted that way. I want to make sure I understand that you understand what road you are going down on net metering.

**Marnee Benson:**

The driving force behind creating that provision is to try to extend the benefits of this program to lower-income households. Many of those households reside

in multiple-unit complexes. Understanding the economics behind building those types of systems, this is a step in the direction that would make those systems viable.

**Assemblywoman Carlton:**

That was the whole thought process.

**Marnee Benson:**

That was the impetus for trying to make this work.

**Vice Chairwoman Kirkpatrick:**

Are there any other questions? I have a few questions. Based on your working group, I only know that a couple of them are based out of Nevada. The rest are based out of another state, correct?

**Marnee Benson:**

I believe there are three members of our working group who are not based here, but there a couple of dozen who are. I did not list all of them.

**Vice Chairwoman Kirkpatrick:**

I would like that list, please.

**Marnee Benson:**

Can I provide that to you after the meeting so I am accurate?

**Vice Chairwoman Kirkpatrick:**

Yes. My reasoning is because we get a lot of people from out of state who want to tell us how to do our business in southern Nevada. They want to come in and make a dollar, but they do not want to stay and invest in it. If I remember correctly, this is Assembly Bill No. 416 of the 76th Session, from last session, correct? That bill was vetoed by the Governor.

**Marnee Benson:**

This bill is actually very different from A.B. No. 416 of the 76th Session. That bill mandated performance-based incentives. After that session, as I mentioned, we got together as a group and took a close look at what would work for us here in the state. The general feeling was to have the opportunity to employ a performance-based incentive but not to mandate it, so we could find the best formula for the installers and participants in the program here in the state. This bill is less prescriptive in that sense and gives more latitude to the PUC and stakeholders to establish the type and level of those incentives.

**Vice Chairwoman Kirkpatrick:**

I take a little offense because I worked on A.B. No. 416 of the 76th Session and all of the other energy bills. I talked to quite a few of the people you talked about, and nobody ever mentioned this bill they were working on. I am a little surprised that the working group went on for a long time. I would rather be direct than try to sugarcoat it. I am a little irritated.

I want to understand the low-income part of this. We give universal energy charge (UEC) funds in order to help low-income people offset their power bills. Where would those dollars keep coming from? We keep trying to subsidize the low-income people. I believe they should fix their issue, or they are going to have to do something. I am not sure we can do both. Who subsidizes that for the low-income people? It seems we should crawl before we run, and this seems that we are running before we are crawling. I am worried about the consumers as a whole. Do you understand my question?

**Marnee Benson:**

I think you are asking where the money is coming from for this category, correct?

**Vice Chairwoman Kirkpatrick:**

Correct.

**Marnee Benson:**

It is under the same program.

**Vice Chairwoman Kirkpatrick:**

It is ratepayer expense. How do you justify the two? We are already providing UEC money to help the lower-income people, and now you want the ratepayers to subsidize another piece to try to get them on solar. What happens to everybody else? Was that part of the discussion? I am trying to understand the discussion on the whole thing.

**Marnee Benson:**

The motivating factor was to try to get benefits of renewable energy to those who can most benefit and who are paying into the program. I am sorry I cannot speak more to the credit you are speaking of.

**Assemblyman Ellison:**

Could your company survive without the government incentives you receive? Can you be a stand-alone company without those?

**Marnee Benson:**

We want the program to work as originally intended in the 2009 Legislature, which is to create a sustainable renewable energy industry that will exist without incentives. The answer is yes. That is what our goal is.

**Vice Chairwoman Kirkpatrick:**

Are there any other questions?

**Assemblyman Daly:**

On page 5, section 7, subsection 1, paragraph (c), it seems to set a time limit of seven years when this could go into place. On page 6, section 7, subsection 3, it seems that it gives the PUC the ability to adopt regulations to extend the program without restriction. That is the way I read it. On page 3, section 3, subsection 2, line 17, says we cannot go over the \$333 million in incentives. If I did my math right, over the eight years, that is \$3.4 million per month. The \$60 million is \$625,000 per month. That is a lot of subsidies, if you ask me.

**Marnee Benson:**

Regarding section 7, the seven-year period is the limit on the payout period for performance-based incentives. It is not changing the program duration.

**Vice Chairwoman Kirkpatrick:**

Are there any other questions? [There were none.] Do you have anything else to say before I call up others to testify?

**Marnee Benson:**

No, thank you.

**Vice Chairwoman Kirkpatrick:**

We will bring those up who would like to testify in support of A.B. 428.

**Marnee Benson:**

I understand there may be people in Las Vegas who were looking to speak on the bill. I know we lost our feed, so I wanted to mention that.

**Vice Chairwoman Kirkpatrick:**

Unfortunately, we did lose our feed. Anybody who was in Clark County can submit testimony for the next 24 hours. We will make sure that gets included in the record and put on the Nevada Electronic Legislative Information System (NELIS).

**Lydia Ball, Executive Director, Clean Energy Project:**

I want to express my support of the bill, specifically on distributive generation. This is an industry that has grown significantly in the last decade since the Legislature directed the utility and PUC to regulate this program. I want to speak to some of the questions you had, Vice Chairwoman Kirkpatrick, on the working group. About six months ago, Clean Energy Project decided to start a regular conversation. We referred to it as the "energy table." The intent of the conversation was to facilitate communication among members of the industry as well as the advocates here in the state. There are out-of-state people who are on the call. However, a lot of the work that has been done on multiple bills, but this one specifically, has been led by key people in the state. Ms. Benson led the distributive generation conversation here in the state.

I wanted to make one other point on this bill. For full disclosure, my husband works for Bombard Electric and runs the residential programs there. I consistently hear from people who want to go into the program or put renewables on their home, but there is only a potential they may get a rebate. As one of the goals of fixing this problem, what we are proposing is to levelize the rebate and make it more consistent and longer lasting. We consistently try to change things because we have issues that come up with this program every couple of years. I commend the Committee and Legislature for doing this; however, when an issue comes up, sometimes the language has been too prescriptive and has not allowed the PUC to actually be able to fix it. We end up coming back and changing the programs. What you have is a two-year cycle for a business plan as opposed to a five-year or ten-year cycle.

**Vice Chairwoman Kirkpatrick:**

Are there any questions for Ms. Ball? I have a couple questions with respect to this bill. Assembly Bill No. 416 of the 76th Session was a huge disappointment to everybody last session, and the Governor vetoed it. I do not think many people disagreed with having a little distributive generation in the process. What is different in this bill than what we did last time? The reason I am asking is because I know the PUC put something on the docket to try to address some of that. Did that not go far enough? I want to understand, and I want to know the legislators who were involved in the conversation. It is a complicated issue for a lot of people to know. I want to know about the discussion around the low-income part. I thought we did not have to go any further because the PUC did it. I do not take this personally, but for the long term of this body, if we cannot start having real discussions about energy, it is a bad time for the state. People need to be direct and say what they mean and mean what they say.

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

I will try to answer your first question in terms of the differences between A.B. No. 416 of the 76th Session and the bill in front of you today. The difference outlined by Ms. Benson was A.B. No. 416 of the 76th Session allowed for moving to a performance-based incentive. The difference with this bill is it does allow for some kind of hybrid between an up-front and a performance-based incentive.

**Vice Chairwoman Kirkpatrick:**

It was unclear what section that is.

**Kyle Davis:**

It is section 7. I think we have covered the low-income housing piece, so that is a different point. There is also the budget issue. Other than that, in general, it is the idea of moving some of these things less in statute and more to the authority of the PUC, which we did a lot in the bill last session. I think there are a few cases where it may be a little less prescriptive, but that was the idea. I understand what you are saying, and I guess the best answer I can give you is the discussion we had that resulted in the bill you see today was a discussion about the best things we could do in order to make it work for the stakeholders who were part of these calls. I will tell you, it was not something that involved members of this body or members of the Senate. It was the idea of figuring out what would work best and bring that to the Legislature. Of course, we recognize we need to work with this body, the Senate, and others who are involved in order to craft something that will work for Nevada. These are ultimately your decisions to make. We were hopeful we could provide this information and something we could work on.

**Vice Chairwoman Kirkpatrick:**

Are there any other questions? [There were none.]

**Chad Dickason, Founder/Chief Executive Officer, Hamilton Solar:**

We are in support of this bill, and we definitely participated in the development of this. We began having conversations six months ago. Truthfully, it did not come to the point for us that we would actually put in a bill, or participate in that piece of it, until we had some very substantial discussions around the new year.

The goal, whether it is this or another bill on the Senate side, is to move the industry to a point where we no longer need the incentive program. We have done a tremendous amount of analysis. We want to have a freestanding, market-based program that does not require incentives of any kind. The issue the industry has right now is, if you can think of it from our perspective, we

have a rebate program that is available once every 6 to 12 months. The last rebate application process had ten times the number of applications than rebates were available. From one perspective, that is very good because it means there is a significant amount of demand. From a business owner's standpoint, the negatives are that if I have a salesperson out on the street trying to sell projects, and the customers have this idea of a huge amount of money, the customers will sign up with the hope they get a rebate, and then the salesperson gets one commission for every ten projects they submit. We cannot hire salespeople to work within the rebate program. As it is currently constructed, it is stifling our ability to grow a business in this state.

The rebate program has been tremendous for my company, as many of you know. Since we began our company in 2009, we have actually installed over 30 percent of the rebated systems in the state of Nevada. We would like to continue to grow and move to a point where we no longer need incentives and where it is no longer something that the market requires. Unfortunately, the incentive program has conditioned the marketplace to the point where many people will expect some form of incentive.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? I do not believe anybody disagrees. That was the whole point of A.B. No. 416 of the 76th Session, to go to a more performance-based program, like Arizona, New Mexico, and other states. You are saying that section 7 of this bill is different from A.B. No. 416 of the 76th Session, correct? I worry that is where the problem is. In two years we will be back with the same issue, and a bill will appear the first week of session that nobody knows about, and we start all over again. I want to have full disclosure and open conversations on what specifically it means. The PUC needs direction as to what that looks like. I need direction because I do not know what that looks like. It does not tell me anything. We are going to have that discussion now.

**Chad Dickason:**

When we discussed this model group, we knew there are some entities that work very comfortably with an up-front incentive. There are others that prefer to work with a performance-based incentive. All of us have been starting to participate with the PUC with a little more frequency. Under some dockets, there are models that were recently presented to the PUC on a migration to a performance-based incentive. One of the historical challenges of creating or identifying incentive structures for this industry is that no matter what, when you first do something, you are probably going to get it wrong. We have had ongoing discussions on this. As a group, I think we are open to more prescriptive measures in the bill. That was part of the discussion we had. To be blunt, since there were differences of opinion, we did not want to have a

battle over whether we would have an up-front incentive or performance-based incentive. Also, on whether it will be set up at this level or that level. At the Legislature, we would prefer to have that discussed at the PUC. That was the justification for that.

**Vice Chairwoman Kirkpatrick:**

I want to be clear. Mr. Hansen sits on the regulation committee that needs to know what we are supposed to be looking for. We must have a little direction. Are there any other questions? [There were none.]

**John Hadder, Director, Great Basin Resource Watch, Reno, Nevada:**

I was part of the working group. I wanted to speak more philosophically in terms of distributive generation. This bill, A.B. 428, is a step forward. It states philosophically to expand and accelerate the development of solar distributed generation systems in this state and develop self-sufficiency as a solar renewable energy industry. I think we need to make this a step forward and make a clear statement. I think that is part of what this bill does. Obviously, a lot of nuts and bolts still need to be worked through.

My organization has supported distributive generation for a number of years for two central reasons. The first is that it makes use of brownfields, which are areas that have already been disturbed in development, often already connected to an electrical system, and there are lower transmission losses. Also, it is an effective engine for spurring renewable-based economies. There has been significant attention in the western United States about the creation of large-scale solar and wind-generating power stations, but not enough toward looking at our urban centers as a generation for electricity.

We are increasingly concerned about the impact of large-scale projects on our precious open spaces here in the Great Basin, which are a unique source of recreation and an economy in and of itself. According to an online tool that is supplied by the National Renewable Energy Laboratory, if only 10 percent of the area inside the McCarran loop in Reno and Sparks was covered with solar panels, we would have a generation power of about 1,600 megawatts, which is roughly the peak load for northern Nevada. This is a fairly crude tool, but it gives us some sense of the potential that is out there.

In closing, I would like to say that in addition to generating close to the source, small-scale renewable energy systems will mobilize our workforce promptly and generously. There is a lot of evidence that shows this. In fact, if the Committee wishes, I can send reports that show the economic development with this type of energy system. I am sure other people have similar types of references. In our view, we think Nevada needs an aggressive distributive

generation program to provide a stable market for renewable energy, supply sustainable jobs for Nevada, preserve our natural heritage and open space, and move our state toward a clean energy self-sufficiency.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] I would recommend that you all stop and talk to every Committee member because I do not know that anybody has done that.

**Chad Dickason:**

I want to address the budget we put in here of \$333 million with the intent to start as of July 1, 2013 in reference to A.B. No. 416 of the 76th Session. This goes to Assemblyman Daly's question. Based on the information provided by the utility at hearings at the PUC, we have spent potentially up to \$180 million of the original \$255 million. That would have left around \$75 million in the program. The intent of the \$333 million was to bring it back to what the original intent of the program was, based on the \$255 million, and it would actually end up being less than that.

**Vice Chairwoman Kirkpatrick:**

I will take the last two who want to testify in support. If there are others, please fill up the chairs. Those who are in opposition and neutral, please be ready.

**Dan Chia, Deputy Director, Government Affairs, SolarCity:**

SolarCity is pleased to appear before you in support of this bill. SolarCity is the nation's leading full-service solar energy provider for homeowners and businesses. We are the only vertically integrated clean energy service provider in the United States providing engineering, design, financing, installation, monitoring, and support. [Read from written testimony ([Exhibit G](#)).]

Some of you may have heard that SolarCity recently announced an expansion of our headquarters to Las Vegas. We hope to employ, over the next few years, hundreds of employees exclusively on the administrative back office side of our business sales, customer care, accounting, and the like. We hope to greatly expand that job creation, potentially into the thousands, as Mr. Dickason mentioned, if we can reform the solar generation program to ensure predictability, transparency, and certainty for businesses to scale their production and grow more jobs here in Nevada.

We have a few minor concerns and look forward to working with the author on improving the predictability and transparency of the legislation. We believe the

Legislature should give a little bit more direction to the PUC on certain design elements and look forward to working with you all as the bill moves ahead.

**Vice Chairwoman Kirkpatrick:**

Does anybody have any questions? [There were none.]

**Joe Johnson, representing Toiyabe Chapter, Sierra Club:**

We worked extensively on these issues for a long time. The product of this bill is not meant to be any revolutionary change from what was presented as the distributive generation portion of A.B. No. 416 of the 76th Session. It is well within the concepts that were put forward on that bill. We did make some minor modifications, hopefully addressing the issues that the installers brought to us. This was a broad-base working group that did not necessarily take an existing program. I trust the programs that were identified as being important. It is our goal to go to a zero-incentive program, at least with the state program. I must add that we are drastically increasing the number of installations per dollar spent. This is within sight, and having been here for 15 years on net metering programs, I can say that many times in the past we have exaggerated what was achievable, but we are really seeing a significant reduction in prices and a change in this process. It is something I heartily endorse. It is still a work in process, and I believe there are some areas of concern that need to be worked out.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] Is there anybody else wishing to testify in support of A.B. 428? [There was no one.] If you are in opposition, please come forward.

**Judy Stokey, representing NV Energy:**

My testimony is going to be more global-leaning. I would like to work with the sponsor of the bill. We have a couple other bills that are discussing the same topic that we would like to meld together with this one. However, I would like to make a couple of comments. I agree with Mr. Dickason about moving away from the rebates. I think it is about time to do that. We have been doing this for quite some time. Our customers have been paying for this for a long time, and costs of the solar systems have come down. Our customers have spent \$180 million for these rebates. I think \$255 million is a lot of money, and that is the cap we believe was put into legislation two sessions ago, as did Assemblyman Conklin when he introduced that bill. We think that is plenty of our customers' money to spend on these rebates. If it is the intent of this Legislature to add to that, of course, that is your prerogative. We believe the cost of systems are coming down, as has been stated, and as long as the

rebates come down at the same rate, we think those will last for quite some time.

As I stated in previous testimony on another bill, there are additional costs that these customers who have solar systems on their homes do not pay. The other customers are subsidizing that. Ironically, one of those costs is the actual rebate incentive payment that all of us pay on our bills who do not have a solar system on our home. The people who actually get that rebate do not pay for that on their bill. Another cost is the UEC, and I know that the low-income housing program is also not paid by people who have solar systems on their home. We would like to fix some of those costs. They need to be paid by these people to make it more fair. I think we will not have as much of a problem.

Assemblywoman Kirkpatrick was asking what is different about this bill versus A.B. No. 416 of the 76th Session when it comes to this specific piece and rebate amount. As I said before, it is that rebate cap. We truly believe \$255 million was the cap that was intended two sessions ago. This will almost double that. Close to half a billion dollars is a lot of money for our customers to have to pay right now.

**Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO:**

We are opposed to this legislation for two major reasons. First, we have a number of systems out that have currently been paid rebates for full production but have never produced their full nameplate value of energy. We think if we are going to continue this rebate program, much as we think if we are going to continue the incentive programs, those should be based upon the actual performance of these projects and not on their nameplate. Many of these are producing below 30 percent of their nameplate value, and the customers are paying full value in rebate for that low output of energy.

Second, we believe the ratepayers have been burdened with subsidizing these projects for quite a while. We do not believe it should continue.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.]

**Jack Mallory, representing the Southern Nevada Building and Construction Trades Council:**

Like my counterpart from the north, we do have some concerns with the concept of moving toward a performance-based system when there are many systems out there that do not perform. Other concerns we have with the

legislation is in the solar, wind, and water generation sections. A person who is effectively forfeited from the program, because he or she does not finish the installation within 12 months, would be barred from receiving the incentive in case something happens. An example is that I was not able to finish my landscaping last year because my wife broke her ankle and missed seven weeks' worth of work. It does not mean I did not intend to. It means I simply could not afford to because I had a problem. By deleting those sections from the existing language in statute, I think there is potential to harm people who are well-intentioned.

Another concern is if you take somebody who has a ranch in the middle of Humboldt County and wants to take advantage of an incentive. How practicable is it that he or she be in net metering? There is nobody close to him or her. Is there legitimately going to be any type of incentive for him or her to be on net metering? The only reason he or she would be on net metering is because he or she has to in order to receive the incentive.

**Vice Chairwoman Kirkpatrick:**

I want to point out one thing, that on performance-based you are actually paying for the energy produced rather than giving too much for too little energy production. I do think there are some other issues with this.

**Danny L. Thompson, representing Nevada State AFL-CIO:**

Without prolonging the issue, I would like to go on the record in opposition of this bill as it is written. If the bill were to move forward, we have several concerns.

**Vice Chairwoman Kirkpatrick:**

Are there any questions? [There were none.] We will move to neutral testimony.

**Daniel Jacobsen, Technical Staff Manager, Bureau of Consumer Protection,  
Office of the Attorney General:**

I am neutral here, but my comments will probably sound negative. You are in a difficult position. You are going to have to balance the potential benefits associated with this with what will certainly be a rate increase. If this funding is raised to the proposed levels, there will be a rate increase. As you balance that, I am sure you are probably aware there are a number of other bills on the Senate side that would raise the renewable portfolio standard significantly, which would be a rate increase. It would eliminate the ability to carry forward portfolio credits, which would result in a rate increase that would pull energy efficiency out of the renewable portfolio. There are other changes coming that

would significantly increase the amount of renewables that ratepayers are asked to fund.

What I would like you to consider is as you think about this bill, do not think about it in isolation. Think about it in concert with the other subsidies ratepayers would be asked to pay.

We also agree that we came out of the last session thinking it was very clear that the funding level was clarified at \$255 million, and we think that is a good level. That is quite a bit of money. The program can continue on and should probably continue on at that level.

We are skeptical of having virtual net metering. That is the phrase we see in the literature that refers to when a bunch of solar panels are put in some kind of farm somewhere, and people who do not want to have solar, or cannot have solar panels at their residence, somehow get the benefit of that, even though they will not have a long-term investment in the solar panels themselves because they do not belong to them.

An earlier comment was made that some of the projects that have been installed to date were achieving 30 percent. We saw a chart at a PUC proceeding last year on the wind that has been installed, and nothing exceeded 10 percent. Most of them were down around the 1 to 2 percent ratio. I think as policy makers, you also have to be very concerned about how cost-effective these are. Performance-based incentives are a step in the right direction, but 1 or 2 percent is very far away from being able to turn the corner just with performance-based incentives.

**Assemblyman Bobzien:**

I appreciate the comments that policy makers need to look at this in an overall context. I hear time and time again that anything we are going to do with renewable energy is going to constitute a rate impact. Are we in a natural gas bubble right now?

**Daniel Jacobsen:**

We were certainly in a phase where the prices of natural gas were depressed. At one point they dipped below \$2. Nobody believed that was sustainable. We understand that, in Pennsylvania for example, there are a number of rigs that are waiting until the price goes up a little bit. By bubble, I think you probably meant our prices are artificially low. They are probably lower than they are going to be. They are nudging up around \$4 now, but the projections we have seen that natural gas prices will remain relatively low for quite a long time

because they just keep finding more and more of it. When there is large supply, it tends to mean prices will not go above \$5 or \$6 for quite a long time.

**Assemblyman Bobzien:**

Here is my concern, because I do not think all economists would share that view. If this state is caught unaware because we have not fully developed our renewable energy potential, what about the rate increase there? What about the rate increase that will happen eight or ten years from now when all of our natural gas generation chickens come home to roost? That is my concern, and I would appreciate a little more vigor and rigor from your office on looking at that broader public interest of getting out ahead of these potential spikes that could happen. My concern is that we are so overleveraged on natural gas, and we are not doing enough when it comes to renewable energy, that we are looking to get caught. Then we will really have rate impacts.

**Garrett C. Weir, Assistant General Counsel, Public Utilities Commission of Nevada:**

Appearing with me is Anne-Marie Cuneo, who is Director of Regulatory Operations of the PUC. We are neutral on this bill, but we can provide any information or answer any questions you may have regarding the possible rate impacts, any impact of implementation of the proposed language, or how exactly this might work within the regulatory framework.

**Vice Chairwoman Kirkpatrick:**

After we digest this, we might reach out to you. Are there any questions? [There were none.] Ms. Benson, do you have any final comments?

**Marnee Benson:**

I just wanted to say thank you, and I look forward to working with the Committee on this bill.

[Letters of support were submitted by Chad Dickason ([Exhibit H](#)).]

**Vice Chairwoman Kirkpatrick:**

I would suggest you reach out to the Committee members. We like to be lobbied. Is there any more testimony on A.B. 428? [There was none.] We will take comments for the next 24 hours for the people who could not testify in Clark County. We will close the hearing on A.B. 428. Is there anybody wishing to provide public comment? [There was no one.]

The meeting is adjourned [at 4:55 p.m.].

RESPECTFULLY SUBMITTED:

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Katie Wilson  
Committee Secretary

RESPECTFULLY SUBMITTED:

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Julie Kellen  
Transcribing Secretary

APPROVED BY:

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Assemblyman David P. Bobzien, Chairman

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

**EXHIBITS**

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

**Date:** April 1, 2013

**Time of Meeting:** 12:46 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 239	C	Assemblywoman Marilyn Kirkpatrick	Prepared Testimony
A.B. 388	D	Assemblyman David Bobzien	Proposed Amendment by Warren Hardy
A.B. 391	E	Assemblyman Skip Daly	Proposed Amendment
A.B. 391	F	Danny Thompson	Proposed Amendment
A.B. 428	G	Dan Chia	Written Testimony
A.B. 428	H	Chad Dickason	Letters in Support