MINUTES OF THE
SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY

Seventy-Seventh Session
April 12, 2013

The Senate Committee on Commerce, Labor and Energy was called to order by Chair Kelvin Atkinson at 1:27 p.m. on Friday, April 12, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Kelvin Atkinson, Chair
Senator Moises (Mo) Denis, Vice Chair
Senator Justin C. Jones
Senator Joyce Woodhouse
Senator Joseph P. Hardy
Senator James A. Settelmeyer
Senator Mark Hutchison

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Policy Analyst
Dan Yu, Counsel
Wynona Majied-Martinez, Committee Secretary

OTHERS PRESENT:

Doreen Rigsby, Services Manager, Division of Central Services and Records, Department of Motor Vehicles
Pete Ernaut, NV Energy
Shawn Elicegui, Associate General Counsel, NV Energy
Stacey Crowley, Director, Office of Energy, Office of the Governor
Don Lomoljo, Utilities Hearings Officer, Public Utilities Commission of Nevada
Lea Tauchen, Retail Association of Nevada
Lydia Ball, Clean Energy Project
Paul McKenzie, Executive Secretary-Treasurer, Building & Construction Trades Council of Northern Nevada, AFL-CIO

Josh Griffin, Barrick Gold of North America
Judy Stokey, NV Energy
Jon Hager, Executive Director, Silver State Health Insurance Exchange
James Wadhams, Asurion Insurance Services

Chair Atkinson:
I will open the work session on Senate Bill (S.B.) 422.

SENATE BILL 422: Establishes a civil cause of action against certain employers who condition employment on a noncompete clause. (BDR 3-1110)

Marji Paslov Thomas (Policy Analyst):
I will read the summary of the bill and the proposed amendment from Senator Segerblom from the work session document (Exhibit C).

Chair Atkinson:
There is no further discussion. I will close the work session on S.B. 422.

SENATOR HUTCHISON MOVED TO AMEND AND DO PASS AS AMENDED S.B. 422 WITH SENATOR SEGERBLOM'S PROPOSED AMENDMENT.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Settelmeyer:
I appreciate the amendment to ensure it only applies in the future. Broadcast companies have a fair amount of investment in their employees. I cannot support this.

THE MOTION PASSED. (SENATORS HARDY AND SETTELMEYER VOTED NO. SENATOR DENIS WAS ABSENT FOR THE VOTE.)

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Chair Atkinson:
I will open the work session on S.B. 88.

SENATE BILL 88: Increases notice required before insurer cancels policy of motor vehicle insurance. (BDR 57-109)

Ms. Paslov Thomas:
I will read the summary of the bill and proposed amendments from the work session document (Exhibit D). The proposed amendments are included in the work session document.

Senator Hardy:
I endorse the proposed amendment.

Senator Settelmeyer:
Does the Department of Motor Vehicles (DMV) have the ability to waive fees for technical errors?

Doreen Rigsby (Services Manager, Division of Central Services and Records, Department of Motor Vehicles):
Yes. We usually correct those automatically. Usually, if it is a first notice, the DMV has not received the insurance information yet.

> SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 88 WITH BOTH PROPOSED AMENDMENTS IN THE WORK SESSION DOCUMENT, EXHIBIT D.
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> SENATOR JONES SECONDED THE MOTION.
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> THE MOTION PASSED. (SENATOR DENIS WAS ABSENT FOR THE VOTE.)

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Chair Atkinson:
I will open the work session on S.B. 123.

SENATE BILL 123: Revises provisions relating to energy. (BDR 58-106)

Ms. Paslov Thomas:
There is a summary of the bill in the work session document (Exhibit E). There are two proposed amendments submitted after the hearing.

Pete Ernaut (NV Energy):
On April 3, we presented to the Committee a plan, internally named NVision. This plan would retire coal assets and replace them with a combination of natural gas and renewable energy. Additionally, the plan mandated 600 megawatts of renewable energy development. We have worked with the energy community, developers, large customers, environmental groups, regulators and Governor Brian Sandoval's Office of Energy. The product of those discussions is the body of the amendment presented on pages 4 through 19 of the work session document, Exhibit E. We are retiring coal assets and accelerating the retirement of the Reid Gardner Power Plan and the Navajo Generating Station. The first significant change in this amendment is the entire process will be done within the integrated resource plan (IRP) process through the Public Utilities Commission of Nevada (PUCN). We have also made changes to the IRP process. The second significant change is the addition of two rate-mitigation proposals. The plan has been significantly scaled down. When we presented the NVision plan on April 3, we had 2,000 megawatts of natural gas and 650 megawatts of renewable energy replacing 800 megawatts of retiring coal and accounting for growth and retiring contracts. This plan is a one-to-one replacement plan. We are replacing the 800 megawatts of retiring coal with 750 megawatts of natural gas and 150 megawatts of company-owned renewable energy. The capacity of the renewable energy plant will be approximately 50 megawatts even though it is called a 150-megawatt plant.

Shawn Elicegui (Associate General Counsel, NV Energy):
We have prepared an amendment, Exhibit E, pages 2 through 19, to the original Proposed Amendment 7871 (Exhibit F was Exhibit C in the April 3, 2013, meeting of the Senate Committee on Commerce, Labor and Energy). The amendment presented today has language from the original amendment written in green, language deleted from the original amendment in brown double strikethrough, new proposed language is in pink and existing *Nevada Revised Statutes* (NRS) language added to the bill is in orange.

The first major change in section 29 proposes to eliminate the deadline for filing the NVision plan. Section 29 also allows an emission reduction plan to be filed in one or more filings pursuant to NRS 704.741. The next significant proposed change is an addition to section 29, subsection 2, paragraph (b), subparagraph (6) directing the electric utility to review the results of requests for proposal (RFPs) in a specific way. The utility will also negotiate in good faith to

construct, acquire or contract with renewable energy facilities developed through the RFP process. Specifically, the utility must consider the economic benefits to the State, the greatest job benefits to the State and the best value to the customers. The best value to the customers is an important concept. It focuses on the type of product bid to the utility. A contract of $80 per megawatt-hour may have a better value than a contract of $75 per megawatt-hour under certain circumstances. The new language in section 29, subsection 2, paragraph (b), subparagraph (7) would ensure the RFP process is tied to the nameplate capacity of a facility. Section 29, subsection 2, paragraph (c), deletes the gas buildout and reflects two elements of new mandated gas buildout. First, a new facility between 500 megawatts and 550 megawatts will be constructed or acquired by December 31, 2017. Second, a facility between 200 megawatts and 250 megawatts will be constructed or acquired no later than July 1, 2021. The additional new language on page 6 of Exhibit E ensures consistency throughout the amendment.

The optional elements of the emission reduction plan are deleted in section 30. These elements are no longer necessary since the process will be done within the IRP process. The utility will make emission reduction proposals in an IRP. We also deleted specific review sections in section 30 in the original amendment. Subsections 1 and 2 of section 30 add specific references to IRP statutes. Subsection 3 of section 30 adds associated carrying charges to the costs associated with the retirement or elimination of a coal plant. It was overlooked in the original amendment. Any cost of retiring coal would have carrying charges associated with it.

Section 31 of the proposed amendment, Exhibit E, pages 2 through 19, is similar to the original amendment. We added subsection 2 to section 31 to ensure if the PUCN were to grant critical facility status for any facility in this plan, that facility would not be eligible for project-specific rates provided for in the plan. We do not want a double incentive. Subsection 4 of section 31 adds a mandate to reduce operation and maintenance expenses when the company retires coal facilities. When the company retires coal facilities, it will file a rider reflecting the reduced costs to provide a credit to customers.

Changes in section 33 were necessary to conform to the IRP process being the procedural vehicle for the review of a plan from the utility. Also included in section 33 are rate-mitigation measures. The rate-mitigation measure in

section 33, subsection 1, requires the company to propose a rate-mitigation measure in a general rate case filed before June 2018 if the revenue requirement exceeds 5 percent of total revenues. The PUCN is not required to accept the rate-mitigation proposal. Subsection 2 of section 33 refers to rate-mitigation measures for project-specific rates authorized in the bill. If any project-specific filing would have a revenue requirement of more than 5 percent, the company would automatically set the maximum rate impact to 5 percent and defer the excess until the next general rate case.

Section 34 of the proposed amendment provides a process for the PUCN to review any contract resulting from the RFP process. The PUCN will be able to review and assess contracts negotiated in good faith by the utility.

Section 35 of the proposed amendment, Exhibit E, pages 2 through 19, adds existing NRS language to the original amendment, Exhibit F, to require the plan to follow the IRP process. Section 35, subsection 6, paragraph (c), requires the PUCN to approve an emission reduction plan provided the PUCN finds there will not be an adverse effect on the utility's ability to provide reliable service and there will be an appropriate mix of natural gas built or acquired by the company.

Section 36 adds two elements to existing IRP regulations. Section 36, subsection 2, paragraph (b), would allow a review period of 180 days for the PUCN to review any plan or amendment containing an emission reduction plan. This will give an additional 45 days to review an emission reduction plan. Section 36, subsection 6 would allow the PUCN to direct any activity outside the traditional 3-year action plan period specifically required to implement the emission reduction plan.

The remaining modifications to existing NRS are minor changes to ensure the specific rate-making procedures are consistent with existing statutes NRS 704.100 and NRS 704.110.

Chair Atkinson:
I am concerned about the rate impact to customers and the oversight ability of the PUCN. Could you please discuss those issues?

Mr. Elicegui:
The rate impact of the proposed amendment is similar to the original amendment with two exceptions. Under current conditions, the price of our

product will increase 1.5 percent each year for the next 20 years. The original amendment would change the increase to 1.65 percent per year for the next 20 years. That is a marginal difference. The proposed amendment eliminated 1,250 megawatts of gas buildout, reducing the cost by approximately $1.5 billion. It leaves the decision of gas buildout to the PUCN. The rate impact also addresses the PUCN oversight issue. By limiting the scope of gas buildout, the significant decisions about future build out will be made within the constraints of the IRP process. By placing the plan within the constraints of the IRP process, the utility is subject to a body of regulations defining how the utility must react to changes in the environment. Those regulations require the utility to file an amendment if there is a significant change in the load forecast.

Senator Hardy:
What was the rate impact under the original proposed amendment?

Mr. Elicegui:
The rate impact of this proposed amendment is similar to the rate impact of the original amendment because our modeling assumed the buildout will happen. The primary change of the rate impact effect comes from no longer mandating 1,250 megawatts of gas buildout. The PUCN will have a significant role in determining when and how the gas buildout happens. We project our prices will grow at 1.5 percent per year for 20 years if we do not implement this plan. If we implement the proposed amendment and build the additional 1,250 megawatts of gas buildout, we project our price will grow by 1.65 percent per year for 20 years.

Senator Hardy:
Is it the same rate increase over the next 20 years under both amendments?

Mr. Elicegui:
It is largely the same rate increase. The rate impact could be reduced because the PUCN has control over rate increases and the timing of renewable contracts.

Senator Hardy:
The proposed amendment starts on section 23. The original bill starts on section 1. If we accept the amendment, are the geothermal and distributive generation portions of S.B. 123 amended out?

Mr. Ernaut:
NV Energy's proposed amendment starts on section 23. Other portions of the bill are not part of our presentation.

It was reported there would be a 3.84 percent rate increase per year. I want to clarify that it would be 3.84 percent over 20 years, total. We start with the base rate from an IRP approved in December. If we do not implement this proposal, there will be a rate increase over time. We are discussing the rate increase comparing doing nothing and implementing the plan proposed today. That difference is 3.84 percent.

Senator Hardy:
Is the 1.65 percent an increase on a base?

Mr. Ernaut:
Yes. If your power bill is $100 today, in 20 years it would be approximately $132 following the IRP process. Under this plan, it would be about $137.

Senator Hutchison:
This is going to be a marginal rate increase at 1.65 percent per year for 20 years. The marginal increase would be the $32 in your example and not the ordinary increase plus another 3 percent or 4 percent above that. If your power bill is $100 today, what will it be in 20 years under this amendment?

Mr. Elicegui:
We anticipate your power bill will be $132 in 20 years. If the amendment passes and we were to build that 1,250 megawatts of natural gas that is not in the amendment, we anticipate a power bill would be about $136 in 20 years. The difference of $4 is the approximate 3.84 percent referenced earlier.

Senator Hutchison:
Is there anything different under this amendment compared to what the PUCN is doing today?

Mr. Elicegui:
Yes. The gas buildout would be analyzed through the IRP process under a least-cost test today. Under the amendment, the gas buildout would be accepted by the PUCN provided it would be company-owned gas buildout and it could be constructed or acquired. Additionally, the PUCN would accept the

renewable portfolio IRP process provided it does not adversely affect reliability. Under the standard IRP process, the PUCN would assess if there is a need for the renewable facilities to meet the company's load forecast.

Senator Hutchison:
There have been extensive negotiations on this issue. Are there any issues still being worked out? Is anything unresolved?

Mr. Ernaut:
I am not aware of any outstanding issues. Many of the major energy stakeholders want more time to review the proposal. I am not aware of any interested party that does not support retiring coal and mandating a renewable energy and natural gas replacement plan.

Senator Jones:
Why do we need to codify this? Could the State have a policy whereby we believe coal should be phased out and replaced with native generation, and leave it to the PUCN to decide how to implement the policy?

Mr. Ernaut:
From a public policy view, it is difficult to make a policy of retiring coal assets and not mandate the replacement in statute. From a business view, we are advocating retiring 800 megawatts of company-owned, rate-based assets. There are two problems doing that through the current process. First, there is no guarantee those assets would be replaced by company-owned, rate-based assets. If they were replaced by another method, it would be a poor business transaction for the utility. Second, the least-cost evaluation in the IRP process is a barrier to converting coal to any other energy source. Coal is the cheapest energy source, for now. The price of coal will increase. That is the impetus for the plan. The legislative and regulatory pressures on coal will increase and place an undue risk on customers. Major maintenance cost and retrofitting issues will also be coming in the next few years without this plan. This will become a lower cost alternative to coal.

Senator Jones:
The PUCN has the ability to act immediately on new rate plans. The Legislature would have to wait 2 years for the next Legislative Session. I have reservations putting the burden on the Legislature to make business decisions for a publically

traded company. What has happened to the distributive generation portion of the bill?

Chair Atkinson:
I felt it best to not deal with both topics in this bill. We have promised there will be a different vehicle for distributive generation.

Senator Jones:
I am not comfortable with the schedules and requirements laid out in section 29. This restricts the PUCN to specific megawatts and time periods. What if it makes more sense for the utility and ratepayers to build a 125-megawatt solar project instead of a 100-megawatt project? Why are we restricting this?

Mr. Elicegui:
This bill provides a specific development signal to the development community. This does not restrict the PUCN. When the utility issues a RFP, we will receive bids for a number of different projects at different capacity values. We negotiate with a bidder to develop a transaction and present that to the PUCN. This lays out the scope of the RFP. If a developer bid a 120-megawatt project and presented a value proposition that was the best value for the customers, the legislation does not preclude the company from negotiating a deal with that developer and presenting it to the PUCN. The proposed amendment establishes a standard of commercially reasonable efforts to develop 600 megawatts of capacity and lays out a path to start that development. This allows the PUCN to review contracts from RFPs and assess the need for a contract by reference to the statutory goal of 600 megawatts. The amendment does not mandate approval of 100 megawatts per year, but allows assessment of value propositions based on the RFP process.

Senator Jones:
I am concerned that if this is in statute the PUCN will be restricted.

Senator Denis:
I was concerned with the lack of PUCN oversight. I am glad it has been fixed in the proposed amendment today. Will the PUCN have the same oversight it has today?

Mr. Elicegui:
The IRP process for emissions reduction plans will not work exactly the same way it does today. There will be constraints within that process for the review of an emissions reduction plan. The PUCN will use a test of whether the action adversely affects the utility's ability to provide reliable service. If the answer is no, the PUCN would be bound to approve the IRP. The PUCN will assess the proposed building of a 500-megawatt facility by 2017 by looking at an appropriate mix of gas facilities and if the facility can be acquired cheaper than building a new plant.

Senator Denis:
Are we replacing the 800 megawatts of coal power retired in this plan?

Mr. Elicegui:
Yes. We are replacing it with 750 megawatts of natural gas-fired capacity and 50 megawatts of renewable capacity with the nameplate capacity of 150 megawatts.

Senator Settelmeyer:
The political and regulatory environment today will cause coal to be phased out eventually. Is it hard to retrofit a coal plant and convert it to a natural gas plant?

Mr. Elicegui:
Yes, they are too old.

Senator Settelmeyer:
This will create construction jobs. How many jobs will continue after the construction of the plants? How many employees does the Reid Gardner Power Plant have? How many jobs will a natural gas plant have?

Mr. Elicegui:
I do not know the employment numbers of the Reid Gardner Power Plant. A combined cycle facility of about 500 megawatts employs approximately 15 people on a long-term basis. A peaking facility would not employ more than that. The 200-250 megawatt facility required in the amendment will most likely be a peaking facility.

Stacey Crowley (Director, Office of Energy, Office of the Governor):
Governor Sandoval supports the most recent amendment and the development of a plan for the transition away from coal generation. There are increased environmental regulations that require us to evaluate options from environmental and ratepayer perspectives. Governor Sandoval is a strong supporter of the clean energy industry, and this will bring high quality jobs to the State. Importantly, the amendment includes a rate-mitigation component. This is a complex issue, and we look forward to continuing to work with the utility and Legislature on the bill.

Senator Hutchison:
What is your opinion on the PUCN oversight in the proposed amendment?

Ms. Crowley:
The changes proposed do offer more input from the PUCN. We are still looking at the details.

Senator Hutchison:
Are you comfortable with the PUCN oversight provided for in the amendment?

Ms. Crowley:
Yes.

Senator Denis:
I would like to hear the PUCN's opinion on the proposed amendment.

Don Lomoljo (Utilities Hearings Officer, Public Utilities Commission of Nevada):
I want to clarify some statements. The PUCN was invited to meetings on the amendment. We did not provide input on the amendment. The PUCN personnel asked questions but did not provide input. The PUCN has not had a chance to discuss NVision nor the current amendment in an open meeting.

Senator Denis:
Based on what you have heard today, what is your opinion? Can you comment on how this will impact the IRP process?

Mr. Lomoljo:
The key provision is in section 35, subsection 6, paragraph (c), which changes the standard by which an emissions reduction plan is assessed within an IRP. It

is moved into the IRP process, but these are new standards. The first standard is self-fulfilling by requiring the filing be consistent with requirements in statute. The second standard requires the PUCN to assess the plan based on the utility being able to provide reasonably adequate service to customers. This is a minimal standard. It is a service standard of reliability, not a cost standard. The standard for assessing natural gas is whether there is an appropriate mix of natural gas-fired electric generating units. Timing and capacity of gas generating units and company ownership are all prescribed in the amendment. These are normally issues the PUCN would consider in the IRP process. Under the IRP process, the PUCN would look at a company's load forecast and determine what capacity is needed to replace the retired coal assets. It may not be a one-for-one capacity replacement. This is not a normal IRP process standard.

Senator Hutchison:
Do you have concerns about the PUCN's ability to regulate the utility properly in light of the changes in the amendment?

Mr. Lomoljo:
The PUCN has not had a chance to discuss the amendment. I cannot speak for the PUCN. They will discuss it at the April 19 meeting.

Senator Hutchison:
We may get input from the PUCN, but not in time for this vote.

Mr. Lomoljo:
At the hearing on April 3, it was asked if we had seen the original amendment. We were not sure because the original amendment came up shortly before the meeting. We were given a conceptual document about a week before the hearing. We were asked to let the conceptual documents on NVision be publically introduced prior to the PUCN discussing it. We saw the proposed amendment, Exhibit E, pages 2 through 19, for the first time last night and were walked through it this morning.

Senator Jones:
At the end of the proposed amendment, Exhibit E, pages 2 through 19, it says, "Pick up with section 35 of the existing amendment." Does that revert to the provisions that were in the original amendment, Exhibit F?

Mr. Elicegui:
I was drafting the document to focus exclusively on NVision, and there are sections that I did not have time to add. This amendment replaces sections 29 through 34 of the original amendment. The intention is to include section 35 on page 11 of the original amendment, Exhibit F.

Chair Atkinson:
There is a conceptual proposed amendment included in the work session document on page 20 of Exhibit E.

Ms. Paslov Thomas:
The conceptual proposed amendment on page 20 of Exhibit E would appropriate $150,000 from the State General Fund to the Legislative Fund for contracting with a consultant to conduct a study of the impact of energy-related tax incentives on renewable energy development in the State.

Senator Denis:
This amendment could give us the ability to look at these issues during the interim. I support this idea.

Chair Atkinson:
By adopting the conceptual proposed amendment on page 20 of Exhibit E, we would have to send the bill to the Senate Committee on Finance.

Senator Denis:
Doing that would give additional time to work on the bill. Energy issues are important to our State, especially renewable energy.

Senator Hutchison:
Does the language give enough flexibility to study all the issues that may surface during the interim? Do we need to add "or any other related issue" language?

Chair Atkinson:
Yes, there is flexibility in the existing language. We will have time to continue working on this in the Assembly. Senator Denis is right. If we adopt the conceptual proposed amendment on page 20 of Exhibit E, we would have more time in the Senate Committee on Finance to work on the bill. Energy is the most difficult topic to discuss in this Committee. I outlined several aspects for the

sponsors of the bill to work on to try to appease the Committee. They accomplished most of them. There are still questions about the proposal. I am not yet comfortable with the level of involvement of the PUCN.

We will suspend the work session on S.B. 123 and return later today. I will open the work session on S.B. 127.

SENATE BILL 127: Prohibits employers from conditioning employment on a consumer credit report or other credit information. (BDR 53-453)

Ms. Paslov Thomas:
I will read the summary of the bill and the proposed amendment from the work session document (Exhibit G).

Senator Hutchison:
There may be times when it is necessary to pull a credit report or check the credit of an employee if there is a valid business need. Was the intent of the amendment to allow for that?

Lea Tauchen (Retail Association of Nevada):
Yes, that is the intent of the amendment. We want to make sure that an employer who needs to run a credit report has the ability to do so under these exemptions.

Senator Hutchison:
Does the Retail Association of Nevada support the bill with the amendment?

Ms. Tauchen:
Yes.

Chair Atkinson:
I will close the work session on S.B. 127.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 127 WITH THE AMENDMENT PROPOSED BY LEA TAUCHEN.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 208.

SENATE BILL 208: Revises the definition of "police officer" primarily for purposes of certain provisions relating to occupational diseases. (BDR 53-875)

Ms. Paslov Thomas:
I will read the summary of the bill and proposed amendment from Senator Settelmeyer from the work session document (Exhibit H).

Chair Atkinson:
I will close the work session on S.B. 208.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 208 WITH SENATOR SETTELMEYER'S PROPOSED AMENDMENT.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I will open the work session on S.B. 220.

SENATE BILL 220: Makes various changes relating to certain professional licensing boards. (BDR 54-502)

Ms. Paslov Thomas:
There is a summary of the bill in the work session document (Exhibit I). Several proposed amendments are included in the mock-up of Proposed Amendment 8059 to S.B. 220, which is included in the work session document. I will read the summary of the mock-up amendment from the work session document, Exhibit I. There is an additional amendment (Exhibit J) from Senators Jones and Hardy.

Senator Hardy:
Senator Jones and I worked with the interested parties and found a few other changes after the mock-up amendment was drafted. In section 2, lines 9 and 10, we are replacing "or without assistance" with "cooperation." The boards do not want to get involved in situations without the cooperation of law enforcement. We would add this after every board throughout the bill.

Senator Jones:
This is about protecting patients. This bill will ensure there are appropriate mechanisms to handle medical professionals operating without a license.

Senator Settelmeyer:
Which section covers illegally administering Botox?

Senator Hardy:
Botox is in section 3.5, subsection 2, and is covered by the State Board of Pharmacy. The Board of Medical Examiners suggested removing the Board of Medical Examiners because the State Board of Pharmacy already handles that. Both staff and I are comfortable with what we are doing.

Chair Atkinson:
I am closing the work session on S.B. 220.

> SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 220 WITH PROPOSED AMENDMENT 8059 AND VARIOUS PORTIONS OF SENATORS JONES' AND HARDY'S PROPOSED AMENDMENT.
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> SENATOR JONES SECONDED THE MOTION.
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> THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 267.

SENATE BILL 267: Establishes provisions governing tanning establishments. (BDR 52-958)

Ms. Paslov Thomas:
I will read the summary of the bill from the work session document (Exhibit K). There are two amendments proposed by Senator Woodhouse. They are included in the mock-up Proposed Amendment 8230 included in the work session document.

Senator Hutchison:
I have reviewed the bill and proposed amendments. This is a good change. The bill attacks a problem that those under the age of 18 cannot appreciate. The brain does not finish developing until the age of 25. It is good to put these protections in place.

Chair Atkinson:
This is an important bill. We have tried similar efforts in the past, and I am glad we are moving forward with this.

Senator Woodhouse:
After the hearing on the bill, we took into consideration the questions and concerns that were raised. The amended version of the bill is what we always wanted, philosophically. This will protect children from skin cancer.

Senator Settelmeyer:
Who would bring a lawsuit forward? Would it be the government or the parents of the child? The civil penalties would be awarded to the State.

Senator Woodhouse:
If a tanning salon allowed a young person to use the tanning salon, the parent or guardian would bring the lawsuit.

Senator Settelmeyer:
Is there strict liability included in the bill? If the individual gave the tanning salon fraudulent identification, would the tanning salon be liable?

Senator Woodhouse:
We need to trust business owners to look for valid identification. We are trying to take a step in the right direction.

Senator Settelmeyer:
I am concerned about the reasonable attorneys' fees portion. Would you be willing to strike that portion?

Senator Woodhouse:
After our discussion, I consider striking the attorneys' fees. Instead, I added the word "reasonable." I think it needs to stay.

Senator Settelmeyer:
I have never seen a reasonable attorney's fee. I will have to oppose the bill based on that.

Senator Hutchison:
The words "strict liability" are not used in the bill. This would be a requirement, but all the usual defenses would still be available. The courts would recognize the defenses used if an individual were to provide fraudulent identification.

Chair Atkinson:
I will close the work session on S.B. 267.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 267 WITH PROPOSED AMENDMENT 8230.

SENATOR HUTCHISON SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SETTELMEYER VOTED NO.)

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Chair Atkinson:
I will open the work session on S.B. 319.

SENATE BILL 319: Revises provisions governing certain professions. (BDR 54-713)

Ms. Paslov Thomas:
I will read the bill summary from the work session document (Exhibit L). I will also read the summary of the proposed amendments included in the work session document. Senator Hardy has also included an additional amendment (Exhibit M) to delete sections 4, 5 and 6 of the bill authorizing clinical professional counselors to provide services to alcohol and drug abusers.

Senator Hardy:
Representatives from the clinical professional counselors had concerns about sections 4 through 6. They are concerned that if all the different groups in the bill were eligible to diagnose and treat drug and alcohol abuse, they would call themselves specialists. Actual specialists complete a significantly greater amount of training. I have accepted all of Helen Foley's amendments listed on page 3 of Exhibit L except No. 4. Amendment No. 4 is not necessary and would result in a new fee. A fee structure is already in place. The fee for endorsement will be equivalent to the fee for examination—$200. This will not be a new fee or an increase in fees.

Chair Atkinson:
Helen Foley is indicating she is in agreement with Senator Hardy. I am closing the work session on S.B. 319.

> SENATOR JONES MOVED TO AMEND AND DO PASS AS AMENDED S.B. 319 WITH ALL PROPOSED AMENDMENTS EXCEPT AMENDMENT NUMBER 4 ON PAGE 3 OF EXHIBIT L.
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> SENATOR SETTELMEYER SECONDED THE MOTION.
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> THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I will open the work session on S.B. 329.

SENATE BILL 329: Creates the Account for Clean Energy Loans. (BDR 58-861)

Ms. Paslov Thomas:
There is a summary of the bill in the work session document (Exhibit N). The amendments from Senator Kihuen were prepared in a mock-up as Proposed Amendment 7890 included in the work session document. I will read the summary of all of the amendments from the work session document.

Senator Hutchison:
What is the reason for amendment number 5 replacing "local government" with "qualified third party?"

Lydia Ball (Clean Energy Project):
It will allow nonprofits and financial institutions to implement the program.

Senator Jones:
I have expressed concern previously with applying the Open Meeting Law to private organizations and companies. Is there any precedent for applying open meeting laws to nonprofit organizations?

Ms. Ball:
I am not sure. The intent is to allow the public a way to monitor these funds since they are public funds.

Senator Hutchison:
I think Senator Jones raises a good point. I am not sure what we can do about it now. Applying the Open Meeting Law to private organizations is procedural.

Senator Hardy:
I have concerns similar to those of Senators Jones and Hutchison. Financial institutions are not usually considered nonprofit organizations. Would we be requiring open meeting laws apply to financial institutions in addition to nonprofit organizations?

Ms. Ball:
No. We could further amend the bill to include financial institutions. The amendment ensures the public has an opportunity to monitor these funds.

Senator Hardy:
Is there a way to monitor funds without requiring the Open Meeting Law? Is there a report that could be written? Open meeting laws have some strange aspects to them that could be problematic for nonprofit organizations and financial institutions. I think we should discuss this further and not include it at this time.

Paul McKenzie (Executive Secretary-Treasurer, Building & Construction Trades Council of Northern Nevada, AFL-CIO):
We were concerned about the utilization of funds surrounding the weatherization program. Several nonprofit organizations follow open meeting laws. For example, Reno Affordable Housing is a nonprofit organization that administers housing around the City of Reno. A majority of their funds are public funds, so they have open meetings and financial tracking that you would find with a public body.

Dan Yu (Counsel):

> As I was saying before, doing a quick search through NRS there are other provisions where other nonprofits or other associations, such as HOAs [Homeowner Associations] for example, they do

have to act in accordance with certain provisions of the Open Meeting Law. So there is, quote unquote, precedent in NRS. I mean, in addition to that, I don't see any legal concerns or objections with mandating by law other entities, for example a nonprofit, under the provisions of this act to act in accordance with Open Meeting Law provisions. So, I have no legal objections.

Senator Jones:
I am opposed to that provision, but I will accept it today and raise the issue in the Assembly.

Senator Hutchison:
I will as well.

Chair Atkinson:
I am closing the work session on S.B. 329.

SENATOR HUTCHISON MOVED TO AMEND AND DO PASS AS AMENDED S.B. 329 WITH ALL AMENDMENTS INCLUDED IN THE WORK SESSION DOCUMENT, EXHIBIT N.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 252.

SENATE BILL 252: Revises provisions relating to the portfolio standard for providers of electric service. (BDR 58-775)

Ms. Paslov Thomas:
I will read the summary of the bill and proposed amendments from the work session document (Exhibit O). There is a mock-up Proposed Amendment 8208 included in the work session document which incorporates proposed amendments 1 through 9.

Chair Atkinson:
This is a significant change. The bill now encompasses aspects of S.B. 339 and S.B. 326. We compromised and used a Committee bill to move everything forward.

SENATE BILL 339: Revises provisions relating to electric utilities. (BDR 58-835)

SENATE BILL 326: Revises provisions relating to the renewable energy portfolio standard. (BDR 58-766)

Ms. Ball:
The majority of the changes come from discussions of how to phase out energy efficiency from the Renewable Portfolio Standard (RPS). What is in Proposed Amendment 8208 is not ideal, but we compromised. I worked with NV Energy to find the best way to protect the existing contracts within the energy efficiency component. In 2013 and 2014, energy efficiency will be able to be used to meet 25 percent of the RPS. From 2015 until 2019, it can be used to meet 20 percent. From 2020 until 2024, it can be used for 10 percent. From 2025 forward, energy efficiency cannot be used to meet RPS goals. We also compromised and included concepts from S.B. 326 and S.B. 339. We included the requirement in S.B. 326 for the Public Utilities Commission of Nevada to study the benefits of participating in a regional market for the sale of portfolio energy credits.

Senator Settelmeyer:
What would be the effect of amendment number 2 on page 1 of Exhibit O? It seems strange to create a law affecting something that occurred in the past. Are the parties that manage the RPS in agreement with this change?

Ms. Ball:
I have not heard any concerns expressed about that portion. The intent is to allow existing contracts meeting the RPS to continue to meet the RPS. We did not want to allow very old projects from other states to meet the RPS.

Senator Settelmeyer:
I appreciate that. I think there is something wrong in amendment number 10 on page 2 of Exhibit O. Is Barrick Gold of North America a NRS 701B customer, not NRS 704B?

Josh Griffin (Barrick Gold of North America):
Barrick Gold of North America is a NRS 704B customer.

Senator Settelmeyer:
Are we trying to cover existing customers with this, not future customers? Could we clarify the language to say "existing customers?" I would also like clarification from Counsel that Barrick Gold of North America is governed by NRS 704B, not NRS 701B. I think we need to clarify that this only applies to existing customers and the rules will be different for new customers.

Mr. Yu:

> Thank you, and thank you for that clarification Senator [Settelmeyer]. That is correct. The witness' testimony is correct. It is chapter 704 that properly regulates the Barrick Gold Mine, so that would be the appropriate chapter to place these new provisions into. With respect to your latter question, your second question, I would have no legal objection or concern with drafting it in such a manner that it would exempt any other entity aside from the existing entity Barrick Gold Mine, if that is the intent of the Committee members.

Senator Settelmeyer:
I appreciate the concept of clarifying language to say "existing."

Senator Jones:
I agree with Senator Settelmeyer. I understand Barrick Gold's position as an existing customer, but the rules will be different for new customers.

Senator Hutchison:
NV Energy was in opposition before the amendments. What is their view now?

Judy Stokey (NV Energy):
We worked hard with Ms. Ball and the Chair. We agree with the amendments.

Chair Atkinson:
I will close the work session on S.B. 252.

SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 252 WITH ALL PROPOSED AMENDMENTS LISTED IN THE WORK SESSION DOCUMENT, EXHIBIT O, AND THE VERBAL AMENDMENT CLARIFYING AMENDMENT NUMBER 10 ON PAGE 2 OF EXHIBIT O TO ONLY APPLY TO EXISTING CUSTOMERS.

SENATOR JONES SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I will reopen the work session on S.B. 123. We will not have any more testimony on the bill.

Senator Denis:
We have had a lot of discussion and new items were presented. We need more time for this bill. The study is a good thing that will provide for some interim work. We should amend the bill to include both amendments in the work session document and rerefer it to the Senate Committee on Finance.

Chair Atkinson:
This will allow the conversation to continue and gives a vote of confidence from this Committee.

Senator Jones:
I support the concept of this bill. Phasing out coal and increasing native generation of power is the right thing to do for our State. I have serious reservations about the concept of the bill right now. I hope that we can continue to work on it. I reserve my right to change my vote on the Senate Floor.

Senator Hardy:
If I understand the motion correctly, the proposed amendment, Exhibit E, pages 2 through 19, is where the bill would start. The amended version would not include the sections in the original bill as introduced dealing with geothermal energy and distributive generation. Correct?

Senator Denis:
Yes.

Chair Atkinson:
The amendments replace the bill with this language.

Senator Hutchison:
I agree with Senator Jones. We all recognize coal will be phased out. I like the concept of getting the bill out of our Committee and having more time to work on it in the Senate Committee on Finance. I also support the idea of spending time to study this. Is the conceptual proposed amendment broad enough that an interim study will be able to study energy-related matters?

Chair Atkinson:
Yes.

Senator Hutchison:
I am happy to support the bill now and reserve my right to change my vote on the Senate Floor.

Senator Jones:
On page 19 of Exhibit E, it says "Pick up with section 35 of the existing amendment."

Chair Atkinson:
It clarifies the distributive generation portion would not be included.

I will close the work session on S.B. 123.

SENATOR DENIS MOVED TO AMEND AND REREFER S.B. 123 WITH BOTH AMENDMENTS INCLUDED IN THE WORK SESSION DOCUMENT, EXHIBIT E, TO THE SENATE COMMITTEE ON FINANCE.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 352.

SENATE BILL 352: Revises provisions relating to the Silver State Health Insurance Exchange. (BDR 57-1057)

Ms. Paslov Thomas:
I will read the summary of the bill and the two proposed amendments from the work session document (Exhibit P).

Senator Hutchison:
I support the proposed amendments. The amendments delete what we tried to do initially to add two members to the Silver State Health Insurance Exchange with specific experience. Now, if the appointing parties choose, an individual with an insurance background can be appointed. It would no longer be prohibited.

Chair Atkinson:
I will close the work session on S.B. 352.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 352 WITH PROPOSED AMENDMENTS LISTED IN THE WORK SESSION DOCUMENT, EXHIBIT P.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 357.

SENATE BILL 357: Provides for tax credits for certain business entities. (BDR 57-478)

Ms. Paslov Thomas:
I will read the summary of the bill from the work session document (Exhibit Q). There are no proposed amendments to the bill.

Chair Atkinson:
This bill will create opportunities in communities like mine for joint ventures. I hope the sponsors are serious about doing business in our State and helping our communities. I especially like the 7-year language. If an organization receives money, this will force the organization to stay in Nevada and live out the agreement for 7 years.

There is no further discussion. I will close the work session on S.B. 357. There is a fiscal note associated with this bill.

> SENATOR HARDY MOVED TO DO PASS AND REREFER S.B. 357 TO THE SENATE COMMITTEE ON FINANCE.
>
> SENATOR HUTCHISON SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 359.

SENATE BILL 359: Revises the duties of the Silver State Health Insurance Exchange. (BDR 57-906)

Ms. Paslov Thomas:
I will read the summary of the bill and proposed amendment from the work session document (Exhibit R).

Senator Hutchison:
Does the proposed amendment give flexibility? It looks like identical language except we are not mandating it now.

Jon Hager (Executive Director, Silver State Health Insurance Exchange):
Yes. Our intent is to target underinsured and uninsured individuals. The original language focused on marketing to employers who do not provide insurance. Our focus is individuals. We agree with the sponsor's recommendation to not focus on employers who provide insurance. We added the "extent feasible" language

because businesses on the Exchange can only claim the small business tax credit if they have 25 or fewer employees.

Chair Atkinson:
I will close the work session on S.B. 359.

> SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 359 WITH THE AMENDMENT PROPOSED BY JON HAGER.
>
> SENATOR WOODHOUSE SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
I am opening the work session on S.B. 496.

SENATE BILL 496: Revises certain provisions governing portable electronics insurance. (BDR 57-1095)

Ms. Paslov Thomas:
I will read the summary of the bill and proposed amendments from the work session document (Exhibit S).

Senator Jones:
What is the intent of the second proposed amendment adding a new section governing billing and collection of charges by vendors?

James Wadhams (Asurion Insurance Services):
We wanted to ensure adequate consumer protections. We also want to ensure there will not be separation between the basic cell phone service and the payments for insurance.

Mr. Yu:

> I appreciate this opportunity just to seek some additional clarification. I see in the proposed amendment here, one of the suggested changes is the very first one on page 3, strike lines

14 through 18, and insert the following. The language that is proposed here on the submitted amendment is actually what is already existing in the current version of the bill. I just wanted to make sure I am not overlooking someone's intent before this Committee votes on this.

Mr. Wadhams:
We were trying to delete that one section.

Mr. Yu:
"I see, so you are—the proposal is actually to strike that entire subsection."

Mr. Wadhams:
Yes.

Chair Atkinson:
I will close the work session on S.B. 496.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 496 WITH THE PROPOSED AMENDMENTS LISTED IN THE WORK SESSION DOCUMENT, EXHIBIT S.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Atkinson:
The meeting is adjourned at 3:28 p.m.

RESPECTFULLY SUBMITTED:

_____
Caitlin Brady,
Committee Secretary

APPROVED BY:

_____
Senator Kelvin Atkinson, Chair

DATE: _____

EXHIBITS				
Bill	**Exhibit**		**Witness / Agency**	**Description**
	A	2		Agenda
	B	4		Attendance Roster
S.B. 422	C	1	Marji Paslov Thomas	Work Session Document
S.B. 88	D	4	Marji Paslov Thomas	Work Session Document
S.B. 123	E	20	Marji Paslov Thomas	Work Session Document
S.B. 123	F	25	Shawn Elicegui	Exhibit C in the April 3, 2013, meeting of the Senate Committee on Commerce, Labor and Energy
S.B. 127	G	3	Marji Paslov Thomas	Work Session Document
S.B. 208	H	1	Marji Paslov Thomas	Work Session Document
S.B. 220	I	27	Marji Paslov Thomas	Work Session Document
S.B. 220	J	1	Senators Joseph P. Hardy and Justin C. Jones	Proposed Amendment
S.B. 267	K	5	Marji Paslov Thomas	Work Session Document
S.B. 319	L	4	Marji Paslov Thomas	Work Session Document
S.B. 319	M	1	Senator Joseph P. Hardy	Proposed Amendment
S.B. 329	N	6	Marji Paslov Thomas	Work Session Document
S.B. 252	O	16	Marji Paslov Thomas	Work Session Document
S.B. 352	P	2	Marji Paslov Thomas	Work Session Document
S.B. 357	Q	1	Marji Paslov Thomas	Work Session Document
S.B. 359	R	2	Marji Paslov Thomas	Work Session Document
S.B. 496	S	2	Marji Paslov Thomas	Work Session Document