

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-Eighth Session
May 27, 2015**

The Committee on Legislative Operations and Elections was called to order by Chair Lynn D. Stewart at 2:39 p.m. on Wednesday, May 27, 2015, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Lynn D. Stewart, Chair
Assemblywoman Shelly M. Shelton, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Michele Fiore
Assemblyman John Moore
Assemblyman Harvey J. Munford
Assemblyman James Ohrenschall
Assemblywoman Victoria Seaman
Assemblyman Tyrone Thompson
Assemblyman Glenn E. Trowbridge

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Patricia (Pat) Spearman, Senate District No. 1



STAFF MEMBERS PRESENT:

Carol M. Stonefield, Committee Policy Analyst
Kevin Powers, Committee Counsel
Patricia Hartman, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Judy Stokey, Vice President, Government and Community Relations,
NV Energy
Kyle J. Davis, representing the Southwest Energy Efficiency Project
Paul A. Thomsen, Director, Office of Energy, Office of the Governor
Terry K. Graves, representing Nevada Cogeneration Associates

Chair Stewart:

[Roll was taken.] We will begin by hearing Senate Bill 360 (1st Reprint).
Senator Spearman, please proceed.

**Senate Bill 360 (1st Reprint): Provides for an interim study concerning energy
efficiency programs and the financing of clean energy in this State.
(BDR S-41)**

Senator Patricia (Pat) Spearman, Senate District No. 1:

I am here to present Senate Bill 360 (1st Reprint) for your consideration. This session, I have sponsored several measures addressing energy, and as I have stated before, if the United States were to make a serious commitment to energy conservation and efficiency, it might well consume 30 to 40 percent less energy than it does now, and we could still enjoy the same or an even higher standard of living. Although some of the barriers are economic, they are in most cases institutional, political, and social. Overcoming them requires a government policy that champions conservation and energy efficiency and that gives it a chance equal in the marketplace to that enjoyed by conventional sources of energy. Senate Bill 360 (1st Reprint) is just one piece in a comprehensive approach to energy conservation and efficiency.

In summary, this bill requires the Legislative Committee on Energy, during the 2015-2016 interim, to explore the viability of establishing a green bank or a similar entity to help finance the use and harnessing of clean energy in Nevada. In addition, the interim committee must review the development,

viability, expansion, and implementation of energy efficiency programs in this state, including programs for business and industry, energy efficiency resource standards, and other energy efficiency incentive programs. Clean energy and energy efficiency have proliferated in recent years in part because of private businesses and technological gains. Clean energy solutions create new jobs and innovate new industries. At the same time, they reduce carbon pollution and provide energy choices for households and businesses. We have witnessed this in Nevada.

Reports of the Brookings-Rockefeller Project on State and Metropolitan Innovation indicate that for all of the recent success, continued progress toward a clean energy future will require the provision of unprecedented amounts of dependable, accessible, and fully scaled capital financing—the source of which is not yet apparent here in Nevada. States must find new ways to provide for the financial support needed to shift the nation's economy toward a low-carbon future. Clean energy projects continue to rely on expiring tax credits, grants, and subsidies. What is Nevada going to do when these are no longer available?

The World Resources Institute noted that homes and commercial buildings account for 74 percent of the electricity demand in the United States, making them a critical part of any plan to reduce greenhouse gases. Therefore, as another tool in the toolbox, Nevada must consider establishing green banks or similar entities. It is a win-win situation for all to bring benefits to Nevada in an increasingly competitive marketplace. Public-private partnerships are not a new concept, especially for the energy sector. Such an approach would address the need for our state to develop a new paradigm for financing strong, clean energy and energy efficiency projects. A green bank is a public or quasi-public financing institution that provides low-cost, long-term financing support to clean, low-carbon projects by leveraging public funds through the use of various financial mechanisms to attract private investments. Banks may use financial tools such as long-term and low-interest rate loans, revolving loan funds, insurance products, and low-cost public investments.

In fact, there are many possible models for green banks. However, according to the Coalition for Green Capital, all green banks exhibit several common characteristics:

1. Stimulate demand by covering 100 percent of the up-front costs with a mixture of public and private financing.
2. Leverage public funds by attracting much greater private investment to clean energy and markets.

3. Recycle public capital to expand green investment and leave taxpayers unharmed.
4. Reduce market inefficiencies.
5. Scale out clean energy solutions as fast as possible, maximizing clean electricity and efficiency gains per state dollar.

The challenge is complex, and transitioning to a cleaner economy is going to take hundreds of thousands of small- and large-scale clean energy projects throughout the country in the coming decades.

As S.B. 360 (R1) notes, developing sustainable and reliable energy efficiency programs is critical to the future of Nevada's economy and our state's competitiveness. Our energy production and energy efficiency programs must be diverse, stable, affordable, technologically advanced, and environmentally sound. All of these aspects of energy efficiency deserve to be analyzed and studied to ensure that we are using implementation techniques and employing the best practices in energy delivery. Moreover, attracting investors and participants in energy efficiency programs from private businesses and industries is paramount to establishing an energy policy in Nevada that is consistent with our energy goals for the 21st century.

I would like to tell you what S.B. 360 (R1) does. First, the bill provides a legislative declaration highlighting the importance of developing sustainable and reliable energy efficiency programs and the need for such programs to be diverse, stable, and affordable. The declaration also notes that the efficient use of energy frees public and private money for use in other areas, such as education, infrastructure, public health, and public safety.

Second, the bill directs the Legislative Committee on Energy to study the viability of establishing green banks and similar entities to help finance the use and harnessing of clean energy projects in Nevada for both commercial and residential properties. In addition, the Legislative Committee on Energy must study the development, viability, and implementation of energy efficiency programs in this state, including programs for businesses and industries. The interim committee will also be charged with studying:

1. The energy efficiency incentive program in Nevada and existing clean energy programs and financial activities within Nevada.
2. Other states' laws, regulations, and policies relating to energy efficiency incentive programs, and energy efficiency resource standards.

3. The methods of capitalization, structure, organization, and financing of green banks in and outside of the United States.
4. The sources, types, and amounts of private capital leveraged or invested in connection with green banks.
5. The current and potential size of existing and potential markets for clean energy in Nevada.
6. The need to provide reasonably priced financing or establish market structures to increase clean energy market penetration and fill any existing market gaps.
7. The potential financial instruments or services to be used by green banks for helping to finance and harness projects in Nevada.
8. The need for a green bank to finance clean energy in this state.
9. The impact and advisability of implementing legislation regarding energy efficiency resource standards and any other energy efficient incentive programs considered by the Committee.

If the Legislative Committee on Energy determines that a green bank or similar entity is needed in this state, it must provide recommendations regarding the legal steps required to create such an entity; the capital resources that can be used to pay for the entity; the structure and organization of the entity; the markets that such an entity should serve; and the types of financing activities the entity should undertake.

The Committee must, on or before January 1, 2017, submit a report of its findings, including any recommendations for legislation, to the 79th Session of the Nevada Legislature, the Public Utilities Commission of Nevada, and the Director of the Office of Energy.

There are links to copies of articles from the U.S. Department of Defense, the U.S. Army, and the U.S. Navy ([Exhibit C](#)) on the Nevada Electronic Legislative Information System (NELIS). I bring that to your attention because our military is leading the way in terms of providing different sources of energy and looking at different ways that we can become energy independent. One of the things that was noted during the Iraq War was that six out of every ten deaths occurred as a result of improvised explosive device (IED) attacks on convoys

that were carrying fuel. The military has decided that not only is energy independence important for the environment, but first and foremost, it is strategic and it is important for protecting the lives of our troops. In S.B. 360 (R1), we are proposing to look at ways that Nevada can also be innovative and look at other areas of not just renewables, but also energy efficiency.

The second thing I might note is that it has been 21 years since we have taken a comprehensive look at our energy policies. The last time we did, it was led by former Senator Dina Titus and between that time and now, we have only done two or three different things, but they have been patchwork. I am interested in looking at the successes we have gained from the policies that exist, but I do not think we should rest on our laurels. Once we take a comprehensive look at where we have been, where we are, and the policies that have worked and those that have not, I believe we can develop a comprehensive, strategic energy plan for Nevada. It will be agile and have the flexibility to meet the growing demands of energy in our state.

I also believe that it helps educate the public that we, as consumers, and not just businesses, have a responsibility for our energy programs. I urge you to support S.B. 360 (R1).

You may see that there is a fiscal note on the bill, which is not correct. Once we placed it in the interim Legislative Committee on Energy, it wiped away the fiscal note [per a memorandum from Rick Combs, Director, Legislative Counsel Bureau ([Exhibit D](#))]. The only thing this will do is charge the interim committee with looking at the comprehensive evaluation of our existing policies and the viability of establishing the green bank in Nevada.

Assemblyman Trowbridge:

I fully support the study. I have a question about a potential overreach and that is when you talked about studying the methods of capitalization, structure, organization, and financing of green banks and other similarities that assist financing the production and harnessing of clean energy in the United States and outside the United States. Tell me how that would work. We are just "little ole Nevada" because if you are looking too broadly, you have lost your focus on what we need to do.

Senator Spearman:

That is important because when talking about capitalization, we have multinational corporations that participate in other states such as New York and Connecticut with their green banks. Looking in Nevada and outside of the state

includes looking at all of the entities that would be interested in supporting a green bank. We are talking about private companies investing in green energy in our state.

Chair Stewart:

Is anyone in support of this bill?

Judy Stokey, Vice President, Government and Community Relations, NV Energy:

I have not had the privilege of testifying before this Committee before. I am in support of S.B. 360 (R1). I agree that energy efficiency is a very important piece of our whole energy mix and I think that Senator Spearman, with her passion for energy policy, is bringing forward the study instead of a mandate, which it started out as. I believe that a study is the right way to go.

Kyle J. Davis, representing the Southwest Energy Efficiency Project:

We are in support of S.B. 360 (R1) as it is presented today. Energy efficiency is a rapidly moving market and there are always new technologies coming on line; it is good to stay ahead of the curve. A lot of the technologies that are already in place we either have already taken advantage of in this state, or are already in a position to, and are well aware of them. I think it is good for us to continue to look at what kind of energy efficiency policies we want in the future. I know that in this session we had a discussion about an energy efficiency resource goal, so we can examine that over the interim in the Legislative Committee on Energy, and hopefully we will be in a better position next session.

Chair Stewart:

Is anyone opposed to this bill? [There was no one.] Is anyone neutral on the bill?

Paul A. Thomsen, Director, Office of Energy, Office of the Governor:

We are neutral on S.B. 360 (R1), but the focus of the Governor's Office of Energy is threefold. It is to promote renewable energy, energy conservation, and the transmission and transportation of energy. This study would look at the financing of energy efficiency, conservation, and most importantly, the green bank. It would look at leveraging private markets to help fund efficiency and reduce potential ratepayer costs not only from what is put through the Public Utilities Commission of Nevada, but because we have seen the impact of energy efficiency projects put money back into ratepayers' pockets.

Terry K. Graves, representing Nevada Cogeneration Associates:

We are hoping with this study that there is a discussion about grid stability as associated with renewables going on the grid and then the market impact of renewables on ratepayers.

Chair Stewart:

Is anyone else neutral on this bill? [There was no one.] Senator, would you like to wrap it up?

Senator Spearman:

We hope to get information and talk to all the stakeholders with respect to energy, energy efficiency transmission—everything. We have not looked at our policies for 21 years and some of them have probably outlived their usefulness, yet they are still on the books. Some of the people who will be talking with us will be energy companies, consumers, and builders. We are inviting comments and participation from people who are affected by energy policy. I hope that at the end of this study we will create a more focused and comprehensive energy strategy for our state.

We also need policies that will educate our consumers. Many people have gravitated to renewable energy, getting off the grid, and finding other energy sources. What many consumers do not understand is that unless there is an energy-efficient envelope around their house, going to renewables is not feasible.

In my district, we were hit the hardest in the recent home foreclosures and short sales. People who live in my district are those who are either rebuilding their credit or do not have the capital to finance retrofitting their homes. The green bank is for those citizens who will be able to benefit the most. As we move toward incorporating not just renewables and not just incumbent energy resources, but also energy efficiency, I believe that we will have a more stable policy: one that reflects the strategic intent of our military and one that will go with us far into the 21st century. I urge your support.

Chair Stewart:

We will now recess [at 3 p.m.] before we begin our work session [the meeting reconvened at 3:07 p.m.]. We will now begin the work session on Senate Bill 421 (2nd Reprint).

Senate Bill 421 (2nd Reprint): Makes various changes relating to statewide primary elections. (BDR 24-1148)

Kevin Powers, Committee Counsel:

Senate Bill 421 (2nd Reprint) moves the date of the statewide primary election from the second Tuesday in June to the last Tuesday in February in each even-numbered year. The measure also provides for a presidential preference primary to be held in conjunction with the statewide primary election in each presidential election year, unless the chair of the national committee of a major political party notifies the Secretary of State in writing that it does not wish to participate. The Secretary of State must receive this notification no later than October 25 of the year prior to the presidential election. [Mr. Powers continued to review the work session document ([Exhibit E](#)).]

The mock-up amendment ([Exhibit F](#)) is the same mock-up that the Committee had before them yesterday, on May 26, 2015. Sections 1 through 6 of the mock-up are provisions that deal with the organization and operation of major political parties. They are identical to the provisions that this Committee approved in sections 1 through 6 of Assembly Bill 302, which currently is in the Assembly Committee on Ways and Means. The mock-up removes all of the provisions that would have changed the date of the primary election for state and local offices, so the bill would not change that, and the primary election would remain in June for state and local offices.

That brings us to the heart of the bill, which is the presidential preference primary election in section 31.1 through section 38. It provides that there would be a presidential preference primary election on the last Tuesday in February of each presidential election year, unless the major political party opted out. If it did not opt out and there were two qualified candidates who filed declarations of candidacy, a presidential preference primary election would be held on the last Tuesday in February.

In conducting the election, there would be no early voting sample ballots distributed. There would be voting by absentee ballot and military-overseas ballots, and there would be voting on the day of the election from 7 a.m. to 7 p.m. A registered voter who was entitled to cast a ballot at the election in the county could cast the ballot at any polling place in the county. Finally, the cost of the presidential preference primary election would be charged against the state and payable from the Reserve for Statutory Contingency Account. That is an overview of the mock-up.

Chair Stewart:

Do I hear a motion to amend and do pass S.B. 421 (R2)?

ASSEMBLYWOMAN SEAMAN MOVED TO AMEND AND DO PASS
SENATE BILL 421 (2ND REPRINT).

ASSEMBLYWOMAN FIORE SECONDED THE MOTION.

Chair Stewart:

Is there any discussion? [There was none.]

THE MOTION FAILED. (ASSEMBLYMEN ELLIOT T. ANDERSON,
MOORE, MUNFORD, OHRENSCHALL, SHELTON, AND THOMPSON
VOTED NO.)

Chair Stewart:

Is there any public comment? Seeing none, we are adjourned [at 3:10 p.m.].

RESPECTFULLY SUBMITTED:

Patricia Hartman
Committee Secretary

APPROVED BY:

Assemblyman Lynn D. Stewart, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Legislative Operations and Elections

Date: May 27, 2015

Time of Meeting: 2:39 p.m.

| Bill | Exhibit | Witness / Agency | Description |
|------------------|---------|---------------------------------|--|
| | A | | Agenda |
| | B | | Attendance Roster |
| S.B. 360 (R1) | C | Senator Patricia Spearman | Links to articles on energy policy |
| S.B. 360 (R1) | D | Senator Patricia Spearman | Memorandum from Rick Combs, Director, Legislative Counsel Bureau |
| S.B. 421 (R2) | E | Kevin Powers, Committee Counsel | Work session document |
| S.B. 421 (R2) | F | Kevin Powers, Committee Counsel | Mock-up amendment |