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## Office of the Governor

June 7, 2013

The Honorable Ross Miller  
Secretary of State  
Capitol Building  
101 South Carson Street  
Carson City, NV 89701

**RE: Assembly Bill 391 of the 77<sup>th</sup> Legislative Session**

Dear Secretary Miller:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Assembly Bill 391, which is entitled:

AN ACT relating to energy; providing that the amount of certain incentives issued by a utility for the installation of certain renewable energy systems on property owned or occupied by a public body may not be used to reduce the cost of the project so as to exempt the project from provisions governing competitive bidding for public works projects; requiring contractors who enter into contracts pursuant to the Green Jobs Initiative to make certain certifications to the Labor Commissioner concerning wages paid to employees who work on such projects; providing that certain utilities which are generally subject only to limited jurisdiction, control, and regulation of the Public Utilities Commission of Nevada become subject to the full jurisdiction, control, and regulation of the Commission under certain circumstances; and providing other matters properly relating thereto.

Assembly Bill 391 specifies that a cooperative association, nonprofit corporation or association, any other utility, or any entity controlled by such an organization, is subject to the full jurisdiction, control, and regulation of the Public Utilities Commission of Nevada ("PUCN") if it meets certain criteria. The bill also revises provisions relating to the installation of certain renewable energy systems on property owned or occupied by a public body to ensure competitive bidding requirements are followed. It further

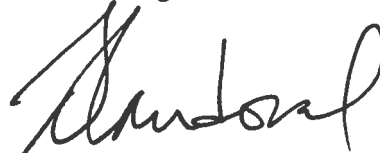
requires contractors or subcontractors who enter into a contract under the Green Jobs Initiative to pay prevailing wages.

A cooperative electric association is an entity run for and by its members. Cooperative electric associations are largely exempt from PUCN jurisdiction because it is presumed these entities will make decisions for the benefit of their members. Section 12(3) of Assembly Bill 391 would expand the scope of the PUCN's jurisdiction over cooperative electric associations. Adding additional PUCN regulation over an entity that is owned by its members and serves only its members is unnecessary.

Moreover, the provisions of the bill do not adequately define a process by which this additional PUCN regulation would be enacted, presenting the potential for costly regulation and legal battles that would jeopardize many rural economies and the viability of rural electric cooperative associations.

Because of these concerns, I veto this bill and return it to you without my signature and without my approval.

Sincere regards,

A handwritten signature in black ink, appearing to read "B. Sandoval", written over a horizontal line.

BRIAN SANDOVAL  
Governor

*Enclosure*

cc:    *The Honorable Brian Krolicki, President of the Assembly (without enclosure)*  
      *The Honorable Moises Denis, Assembly Majority Leader (without enclosure)*  
      *The Honorable Marilyn Kirkpatrick, Speaker of the Assembly (without enclosure)*  
      *David A. Byerman, Secretary of the Assembly (without enclosure)*  
      *Susan Furlong, Chief Clerk of the Assembly (without enclosure)*  
      *Brenda Erdoes, Esq., Legislative Counsel (without enclosure)*