

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

**Seventy-Ninth Session
March 1, 2017**

The Committee on Commerce and Labor Subcommittee on Energy was called to order by Chair Chris Brooks at 4:36 p.m. on Wednesday, March 1, 2017, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015.

COMMITTEE MEMBERS PRESENT:

Assemblyman Chris Brooks, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Nelson Araujo
Assemblywoman Sandra Jauregui
Assemblyman Jim Marchant

COMMITTEE MEMBERS ABSENT:

Assemblyman Paul Anderson (excused)
Assemblywoman Maggie Carlton (excused)

GUEST LEGISLATORS PRESENT:

Assemblyman William McCurdy II, Assembly District No. 6

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Committee Policy Analyst
Wil Keane, Committee Counsel
Earlene Miller, Committee Secretary
Olivia Lloyd, Committee Assistant



OTHERS PRESENT:

Tom Polikalas, Nevada Representative, Southwest Energy Efficiency Project
Anita Hart, Director, Demand Side Management, NV Energy
Fred Voltz, Private Citizen, Carson City, Nevada
Warren B. Hardy II, representing the Natural Resources Defense Council
Reverend Ralph E. Williamson, President, Faith Organizing Alliance,
North Las Vegas, Nevada
Reverend Leonard B. Jackson, Director, Faith Organizing Alliance, North Las Vegas,
Nevada
Anne Macquarie, representing Toiyabe Chapter, Sierra Club
Judy Stokey, Vice President, Government and Community Strategy, NV Energy
Charlotte Cox, Private Citizen, Reno, Nevada
Iridane Sanchez, Private Citizen, North Las Vegas, Nevada
Alejandra Romero, Private Citizen, Las Vegas, Nevada
Kevin Castellanos, Private Citizen, Las Vegas, Nevada
Ernest E. Adler, representing International Brotherhood of Electrical Workers,
Local 1245
Michael Maiello, Private Citizen, Carson City, Nevada
Tobi Tyler, Private Citizen, Stateline, Nevada
Ashamii Henderson, Private Citizen, Las Vegas, Nevada
Jenni Tift-Ochoa, Private Citizen, Las Vegas, Nevada
Tyler Tingey, Private Citizen, Las Vegas, Nevada
Donald G.T. Gallimore, Sr., Private Citizen, Reno, Nevada
Kyle J. Davis, representing Nevada Conservation League
Yale Yeandel, Private Citizen, Las Vegas, Nevada
Lena Paola, Private Citizen, Las Vegas, Nevada
Dave Zheng, Private Citizen, Las Vegas, Nevada
Richard Small, Private Citizen, Las Vegas, Nevada
David Sanchez, Private Citizen, Henderson, Nevada

Chair Brooks:

[Roll was called. Committee rules and protocol were explained.] This afternoon we will hear one bill, Assembly Bill 223, concerning energy efficiency programs. I would like to remind the Subcommittee members that we are responsible for reviewing and analyzing proposed energy legislation that has been referred to us by the Assembly Committee on Commerce and Labor. We may make recommendations on legislation, which will then be provided to the Committee on Commerce and Labor for its deliberations. Therefore, I strongly encourage the Subcommittee members to ask questions and provide input as we go forward in this process.

Today, in order to allow as many people to testify as possible, I encourage you to keep your comments brief and to the point. Please refrain from repeating arguments or points made by prior presenters. There is nothing wrong with a simple "me too," "I agree," or "ditto." If you have written testimony, please refer briefly to the testimony and provide it to the committee secretary. There is no need to read your testimony in its entirety. Additionally, if you are unable to provide your testimony today, you are welcome to submit it within the next 48 hours for inclusion in the record.

I would like to open the hearing on A.B. 223 and welcome Assemblyman McCurdy.

**Assembly Bill 223: Revises provisions relating to energy efficiency programs.
(BDR 58-660)**

Assemblyman William McCurdy II, Assembly District No. 6:

Today I am going to present Assembly Bill 223. Joining me is Tom Polikalas, a representative from Southwest Energy Efficiency Project, which is an organization dedicated to promoting greater energy efficiency in Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, a high-growth region where energy efficiency efforts are often lagging compared with other regions in this country. With the Chair's permission, I would like to walk the Subcommittee through A.B. 223, and then turn it over to Mr. Polikalas who has additional comments and will help answer any questions the Subcommittee may have.

Existing state law already requires electric utilities to submit an energy efficiency plan to the Public Utilities Commission of Nevada (PUCN) that will either increase the supply of electricity or decrease the demands made on the system. Assembly Bill 223 seeks to more accurately define how to decrease demands made on the system by revising the required energy efficiency plan to be a cost-effective plan that reduces consumption of electricity through energy efficiency and conservation programs.

Assembly Bill 223 also includes the mechanism to determine the cost-effectiveness of the energy efficiency plan to be conducted. There is an amendment that has been submitted as well (Exhibit C). Additionally, A.B. 223 will modify the existing law to require at least 5 percent of the total expenditures related to energy efficiency and conservation programs be directed toward the creation of cost-effective energy efficiency programs for low-income Nevadans.

It is an honor for me to be able to present this bill. My district is in southern Nevada, which covers a part of the historic west Las Vegas area and some of North Las Vegas. I would like to put on the record that this bill stands to benefit many of my constituents. We do have a PowerPoint presentation (Exhibit D) for the Subcommittee.

Where has this all stemmed from? We have the Governor's New Energy Industry Task Force [page 4, ([Exhibit D](#))] which made recommendations that we legislate a minimum level of utility energy efficiency program spending to go to low-income energy efficiency programs. It also sought to legislate that the PUCN evaluate the cost-effectiveness of energy efficiency programs as a package and not separately. It also sought to legislate that the PUCN use the utility cost test to evaluate the cost-effectiveness of programs and not the total resource cost test. The amendment submitted ([Exhibit C](#)) will detail how we seek to change the bill.

What is going on and why is this needed? We looked at a study and found that the lowest 20 percent of households spend roughly 9.92 percent of their household income on electricity [page 5, ([Exhibit D](#))]. The highest 20 percent of income earners spend roughly 1.38 percent on electricity. That is a great disparity in the amount of resources that many of our hard-working Nevadans are spending, and we have to do something about it.

We need to talk about energy and poverty [page 6, ([Exhibit D](#))]. We looked at a survey of households that received federal home energy assistance over a five-year period. The survey revealed that 47 percent of those households went without medical care; 25 percent failed to fully pay their rent or mortgage; and 20 percent went without food for at least one day as a result of high home energy costs. Again, I believe we can fix this.

A closer look at census data shows that low-income residents in the City of Las Vegas increased from 11.9 percent to 17.7 percent [page 7, ([Exhibit D](#))]. Henderson saw an increase from 5.6 percent to 10.2 percent in that same period. The rest of the county increased from 11.4 percent to 16 percent. We can address this.

What are we looking to do? Mr. Polikalas will walk through the bill language, but as you can see, sections 3, 4, and 5 are just definitions [page 8, ([Exhibit D](#))] where we defined what we are looking to do. Section 7, subsection 3, paragraph (a) talks about an energy efficiency program, what that plan looks like, and how we are going to implement it. It also talks about what the energy efficiency plan must include. Section 8, subsection 4 [page 9, ([Exhibit D](#))] states the Commission may accept an energy efficiency plan if the Commission determines that the plan is cost-effective as measured by the utility cost test, which has been amended.

I will walk the Subcommittee through the amendment ([Exhibit C](#)). The first change deals with section 3 and requires the PUCN to account for nonenergy benefits of energy efficiency programs and plans. The second change deals with section 5 and basically removes the definition of the utility cost test, which is consistent with the third change. The third change deals with section 8, subsection 4, and clarifies that the programs for low-income customers may be approved as long as the demand-side management plan, as a whole, remains cost-effective. It also removes the requirement that the utility cost test be the only test used. It also requires the PUCN to accept an energy efficiency plan that it determines to be cost-effective.

I have provided a slide of an electric bill that we all get [page 10, ([Exhibit D](#))]. I want to show everyone what the fund is that we are looking to utilize. Currently, we are not asking for new funds. We are looking to have a certain percentage of those funds be directed toward energy efficiency programs. The Universal Energy Charge on the bill is typically used for energy assistance to help individuals pay their power bills or bring a customer current on arrears. We are looking to provide for a way so everyone has an opportunity to have access to energy efficiency that would then drive down the cost of electricity; that would then be able to maybe expand the amount of resources we are using in the Universal Energy Charge to help more Nevadans.

If we allow for more energy efficiency for all Nevadans, especially the low-income Nevadans who are suffering from high energy costs, we stand to save over \$3.4 billion over a ten-year period [page 11, ([Exhibit D](#))]. That is important.

What is this money going to be used for? I can guarantee you the low-income citizens will not utilize this money to take a trip, but it will allow for some individuals to have the opportunity to perhaps put a little more food in the refrigerator, buy shoes for the kids, or have a little family outing. I believe this is something that is definitely needed. It also provides the opportunity to cut electricity use in 2020 by 22 percent and peak demand by 21 percent. It provides an opportunity to create jobs. As you know, there are many Nevadans out of work. If we can provide opportunities for those individuals, I think it would be great.

Last, but not least, I want to highlight that we live in the desert. We always talk about conserving water. If we allow for more opportunities toward energy efficiency, we can reduce water consumption by 2.4 billion gallons per year by 2020. I believe that is worthy, coming from Las Vegas and having visited Lake Mead, which is in bad shape right now. We need to do what we can to conserve water.

That concludes my presentation. I will hand it over to Mr. Polikalas to discuss more benefits.

Chair Brooks:

Could you give me an example of some of the energy efficiency measures that have been used through this program in the past, or that you would like to see used to help save everyone who participates in the energy efficiency program, especially our hard-working, low-income Nevadans who need that help the most.

Assemblyman McCurdy:

I will touch on a few and Mr. Polikalas can go more in-depth. If we are able to help individuals save on their electricity bills by changing to light-emitting diode (LED) lights, installing low-e [low emissivity] glass windows, or looking at weatherization, this would be a great opportunity for us to keep the cold air out and keep the heat in. Many of the homes, especially in Assembly District No. 6, were built in the 1940s and 1950s. You can bet your last dollar that energy efficiency will help to benefit many of the residents in my district.

There is a huge difference in the newer homes, which are more energy efficient. The older homes do not have that benefit, just by design. There is new technology available now. I believe there are multiple programs that would be able to help. I will let Mr. Polikalas speak to a few more programs he may be aware of.

Tom Polikalas, Nevada Representative, Southwest Energy Efficiency Project:

Indeed, NV Energy has a number of excellent programs, both currently in place and those that have existed in the past. A very good example is air-conditioning ducts. When we cool air during the peak heat in the summer in Las Vegas, we do not want to see the ducts leaking that cool air into attics and then into the atmosphere. There is a program that seals the ducts to make sure the cool air is retained.

In the high-tech realm, NV Energy has Smart Thermostats that can be controlled by using Smart Phones. There would be no need to keep the air conditioning running hours before the customer gets home; it can be turned on 15 minutes before getting home using a Smart Phone.

There is a high-efficiency lighting program that was in place to buy down the cost of the LED bulbs. That was a great program and was tremendously cost-effective. That is one of the programs we would like to see brought back. In other areas, there are opportunities to help residents in multifamily housing, which we do not currently have. That would be a type of program we would like to see for those who are renting and is an area where we could see a lot of progress.

We would love to see the utility restart its program for incentivizing energy-efficient new construction. That was a program a number of years ago that was discontinued in 2008 with the inception of the Great Recession. That is also a program that may have tremendous merit as we start to grow the housing and building industry again.

There are other technologies that are incentivized by other utilities, such as Rocky Mountain Power. Heat pump water heaters is technology that would be a great application in Las Vegas. By using a compressor, heat is taken out of the air and put into a hot water tank. It is incredibly efficient and has a byproduct of cooling the home in the summer. There is a broad array of measures that can help us save energy and money. NV Energy does have a number of programs that are outstanding. We would like to see those built upon and expanded so that all cost-effective programs are incorporated for the benefit of Nevadans.

Chair Brooks:

You talked about the LED bulb program being brought back. Where did it go and what is the history behind it?

Tom Polikalas:

There was a docket that transpired in December 2015. NV Energy was actually looking and trying to expand its efficiency programs. At the time, the PUCN discontinued the high-efficiency lighting program, which had been achieving savings. Fast forwarding to today, Chairman Reynolds is taking a look at the program, or at least putting into place a docket that would reexamine high-efficiency lighting. At that same time in 2015, the PUCN discontinued the high-efficiency pool pump program. That was of concern to retailers, as they saw that those programs were being effective for their members and also helping Nevadans save energy and money. That is the crux of the issue we are at today. We want to highlight that those programs were cost-effective and should have been kept in place, and by making the provisions and the changes to the utility cost test, those are the types of programs we would like to see resurrected. There are also opportunities for new programs that are not yet in place.

Assemblywoman Jauregui:

I think this is a great bill, and I am happy to be a cosponsor. I have a quick question regarding section 8, subsection 4 and the 5 percent of total expenditures related to energy efficiency being directed to low-income customers. How will those low-income customers be identified?

Tom Polikalas:

This legislation is emulated on legislation that was examined by the Task Force and came from a city in New Mexico where they put this provision into place. There are a number of measures by demographics and neighborhoods where some proxy values are determined. Unfortunately, there are a number of areas where 5 percent is actually an understatement. We are even looking at maybe doing some older sections of various communities within the state. Without going into more detail, there are ways that a threshold can be established and that have worked in other states.

Assemblywoman Jauregui:

I am thinking 5 percent is not going to cover all of the low-income families who may be in need of this assistance. Are we taking the homes that are least energy efficient first or the homes where the incomes are most in need?

Assemblyman McCurdy:

I agree that 5 percent is not enough. That is why the language says "not less than 5 percent." If deemed necessary, more can be allocated if it is cost-effective. To look at how we are allocating the funds, the best answer would be we will have to work more closely with NV Energy. We could look at identifying by ZIP Code. We definitely want the funds to go toward the most in-need communities and those who are most in need to benefit from these programs. Even though we have the disparity and the amount of resources being spent on electricity from the lowest 20 percent of income earners, that is going to correlate to them paying more of their resources into the program. Their bills will be higher. We need to make sure that those who are most in need and suffer from high electricity bills are benefiting most from the program. I am looking forward to working with Mr. Polikalas and NV Energy to make sure we are able to identify them.

Tom Polikalas:

Part of how the process works is because we are looking to gain energy resources at the lowest cost as part of the integrated resource planning process; we are looking at the cheapest ways to save energy. That is where we get into the utility cost test. To some extent, the programs are looking for the biggest bang for the buck. With those opportunities, there are programs in place elsewhere, as Assemblyman McCurdy stated. Through the process, there are ways the utility can leverage some other resources.

I am aware of a utility program that actually works with Habitat for Humanity where the utility puts forth some of the capital and some of the more modern appliances, lighting, and insulation. They are then able to leverage volunteer labor, community labor, or other resources to make certain communities that are targeted as high-priority communities are more energy efficient. It would be a partnership in some instances.

That is one of the reasons why the shift of the cost tests is very important so we are not saddling those efficiency programs with an unfair burden of cost when we are comparing the efficiency programs against generating new supply. That is really what we are trying to do; evaluate the cost of supplying all consumers in the state with energy resources. Our research shows that it is much cheaper to save energy as long as we are playing on a level playing field. That is what this bill addresses.

Assemblyman Araujo:

I know that many have shared their sentiments, but I feel this is a good piece of legislation that will help advance good access to programs for hardworking Nevadans. I do want to get to the root of the question Assemblywoman Jauregui was asking in terms of the 5 percent threshold. I am trying to better understand how you reached that "no less than 5 percent" number. I represent a hardworking district, and if I could give them more, I would.

Tom Polikalas:

That was also part of the question in the process through the Governor's New Energy Industry Task Force and the Clean Energy Technical Advisory Committee that was chaired by Mr. Kyle Davis. To some extent, it was based on a successful model that was put into place in another state. The 5 percent number was a proxy figure for a good start. Certainly, there was a robust discussion with that being a floor of expenditures. There may be an opportunity to increase it.

When you look at the utility's demand-side management or energy efficiency budget as a whole, for example \$50 million, 5 percent would be \$2.5 million that would be going to these types of programs.

Assemblyman Araujo:

I appreciate that answer. Maybe what would be helpful for us as a Subcommittee is to look at other states that currently have this in place and what their thresholds are. It could give us a glimpse of what we could strive for.

Assemblywoman Bustamante Adams:

My question has to do with slide 3 of the presentation [page 3, [\(Exhibit D\)](#)] where it says, "At least 5% of the total expenditures." What is that in dollars? Is there a range?

Assemblyman McCurdy:

We would have to add up how much that would be from all of the customers paying into the program to find 5 percent. Again, it is no less than 5 percent; it can be more. To Assemblyman Araujo's point, I would definitely strive for more and see what other states are doing. As Mr. Polikalas said, if it were \$50 million, the 5 percent would be \$2.5 million.

Assemblywoman Bustamante Adams:

Do we have any idea of what it would be for Nevada?

Tom Polikalas:

That process of determining demand-side management or energy efficiency expenditures is a dynamic process that transpires every three years through the utility integrated resource planning process. You can take a look at what NV Energy has spent in both service territories north and south over time. It is on an upswing. The absolute number is not fixed. It is based on what NV Energy would be spending on energy efficiency as compared with what they would be spending on their supply-side resources. Once each integrated resource plan proceeding takes place, then we could see what the 5 percent number would translate to. Hopefully, at least the trend has been that efficiency programs are growing in the level of expenditures and bringing forth benefits. However, that is expected to be a growing number over time, especially with this legislation passing.

Assemblywoman Bustamante Adams:

I will reserve my question for Ms. Stokey when she testifies. Ms. Stokey, if you have a range, that would help. My next question is what happens if Nevada goes through the process of deregulation and we do not have one utility?

Tom Polikalas:

That question did come up during the proceedings at the New Energy Industry Task Force. It was also brought up by a participant from the PUCN. What the Task Force came up with is to have a level playing field. In our status quo with a single provider, it would apply uniquely to NV Energy in a possible future where there are several providers that are regulated by the PUCN and they would be required to meet the same demand-side management expenditures.

There are a couple of different ways that could transpire. First, NV Energy could end up being the energy efficiency provider of choice as a default, with the other providers essentially using NV Energy's services on energy efficiency. There are a couple of other models available across the country, some in which multiple competitive providers pay a certain fixed fee into a trust fund that is administered by a third party. That is the case in Vermont and Oregon. Again, the goal is to provide a level playing field for any new entrants into the market so there is no disadvantage to our legacy utility.

Assemblywoman Bustamante Adams:

Where does it say that in the bill?

Tom Polikalas:

To the best of my knowledge, it is not in this bill based on the fact there is no competitive market at this point.

Chair Brooks:

This is all based upon a plan being put together by NV Energy, submitting that through the integrated resource plan process, and then implementing that plan. Is there someone here from NV Energy willing to speak to us about the decision-making process that goes into what measures are suggested to the PUCN through the integrated resource plan process?

Anita Hart, Director, Demand Side Management, NV Energy:

The process that works with the integrated resource plan is that as part of the triannual filing with the PUCN, we file a demand-side plan, which is referenced in the language in front of you today. The plan includes a portfolio of programs that range from programs for residential customers, commercial, and industrial. They include items such as energy assessments, an air-conditioning program, and a Smart Thermostat program. We have specific programs in a variety of measures within those programs. It has measures, such as

lighting and advanced motors and things for commercial customers. The Smart Thermostat program is one of our biggest programs. The air-conditioning program includes repair, early replacement for older units, and as Mr. Polikalas mentioned, the duct sealing and repair. We also have a direct install that we are just starting this year as part of our energy assessments programs, which has the residential lighting that goes into the homes directly so they can be put in high-usage areas. It has filters for the air-conditioning because the cleaner filters are more efficient and save energy. There are low-flow showerheads that are included. There are also caulking and weatherization measures included at that level.

What happens is we put together the full package of programs. We run each of the individual programs, and many of them are cost-effective-required. Our air-conditioning, thermostats, commercial programs, residential, lighting, pool pumps, and refrigerator recycling have cost-effectiveness tied to them.

We also have outreach and education programs as part of that package. That includes our in-home energy assessments. It will have an online energy assessment tool that will be going into place this year. We have outreach events where we go to the public. In many cases, we go to communities and talk at chamber events and work with customers to get them signed up for these programs.

The PUCN then reviews the full portfolio of programs. We have to present an aggressive case, a preferred case, and a low-plan case so the PUCN can look at bookends of what it would be. The PUCN then weighs the cost-effectiveness and what effects it would have on rates. It is a careful balance between keeping rates stable through the surcharge on the customer's bill and having a wide range of programs for the public.

Chair Brooks:

Could you give me an example of what would be a recommended energy efficiency measure for low-income buildings or multifamily buildings? What would be something that you feel would meet the cost-effectiveness test, but would benefit the targeted Nevadans we are trying to reach with this bill the most?

Anita Hart:

What we have seen is that in many cases, especially with avoided costs being lower than years past in the low-income programs that have been completed in the past, it would not be cost-effective. Therefore, by looking at the plan in total as being cost-effective, we would be more likely to put in a low-income program that would address measures like insulation, low-e windows, water heater replacement depending upon how old they are, air-conditioning repair or replacement, et cetera. Many of these measures tend to be more costly, in addition to the administrative costs of determining whether customers are low-income or not. These programs tend to have a higher cost per customer, and that is the reason why they have not been passing the cost-effectiveness test in the past.

Chair Brooks:

Would the language in this bill, including the amendment ([Exhibit C](#)), allow the PUCN to look at all the other factors and view it as a whole so we can achieve the goals of the bill in helping the low-income energy consumers?

Anita Hart:

Having the portfolio programs or the plan, as stated in the legislation, in order to have some programs that are slightly below—for instance, a low-income program might have a ratio of a 0.7 or 0.8 and typically the PUCN wants to see a cost-effectiveness of 1.0 or above—does provide some leeway to include some of the programs that have more nonenergy benefits and benefits to the community as a whole. That would be more of a balance, in my perspective.

Chair Brooks:

My next question is for anyone who can answer it. There was a very deliberative process with a technical advisory committee that came up with a host of recommendations out of the Governor's New Energy Industry Task Force, this being one of them. However, one of the recommendations was to change the utility cost test method to evaluate the cost-effectiveness in the programs, not the total resource cost test. I see that has been amended out. I am curious as to why. If you could explain the difference and why, after the process that NV Energy was part of, was it changed?

Anita Hart:

It was NV Energy's recommendation. We just went through an investigatory docket with the PUCN on the total resource cost test. The order was around February 10, 2017. We spent about six months on that workshop and that docket. The outcome was that the PUCN would evaluate and look at all five benefit cost tests to inform them on the different plans. It still has the total resource cost test as the primary test. Also, in that language it said interveners and parties could discuss and bring forward the other tests as support for the programs.

Given the fact that the PUCN looks at all five tests, and having been a witness on the stand, I have asked and responded to questions about each of them in the hearing. NV Energy believes it should not be in statute and so restrictive, but what would be more helpful is that each of those tests be reviewed by the PUCN.

Assemblyman McCurdy:

The initial intent was for us to utilize the utility cost test as described by the Governor's New Energy Industry Task Force. From my understanding of the test—and I am no energy expert, but I have become very familiar with it lately—we wanted to evaluate the effectiveness of the energy efficiency programs as a bulk as opposed to evaluating them individually under the total resource cost test, which is why that was initially utilized.

To allow for collaboration in this effort to allow for more energy efficiency programs to go toward those lower-income communities I want to see get a boost, I talked to the stakeholders involved to ensure that we had something that was more palatable in order to make this happen. We did not change the amount of resources that would be geared toward this. We are still at no less than 5 percent, but more is always good, especially when talking about energy efficiency programs for those in need. That was the intent behind our having the total resource cost test versus the utility cost test.

Chair Brooks:

This may be a question for NV Energy, but how are the recommendations implemented? You go through the integrated resource plan, you are approved for the integrated resource plan, you have the funds, and you now have these recommendations that have been approved and met the cost test—whatever that cost test may be—then what happens? Who builds it, who buys it, and when do hardworking Nevadans start benefiting from these recommendations?

Anita Hart:

NV Energy uses a variety of channels to assist customers with energy efficiency and demand response. Many of our programs go out to bid and we hire third-party implementers who implement specific types of programs. There might be implementers who are very good at implementing a residential lighting retail program, for instance. We put it out for bid so we have a scope of work that is based upon what was approved by the PUCN. We also look for low-cost implementers as well in order to balance the two.

In other cases, we have some programs where we administer them internally with program managers. The Smart Thermostat program is one such program. We have installers in-house and we have call center representatives who do the scheduling. They are implemented in different channels depending on the type of program.

Tom Polikalas:

Going back to the issue of the cost tests and why the amendment—the fundamental question that we looked at during the proceedings of the Governor's New Energy Industry Task Force and our technical advisory committee—was are we evaluating energy efficiency on a level playing field against supply side options? Energy efficiency is a resource and the goal of the integrated resource plan is to provide Nevadans with the lowest-cost energy available. As part of that, the evidence that we presented during those proceedings was that we are currently underinvesting in energy efficiency because the cost test was skewed. The total resource cost test was attributing some additional factors, but there were no corresponding benefits being put into the equation. The amendment ([Exhibit C](#)) addresses that by providing the PUCN the opportunity and the direction to evaluate environmental and economic benefits. Again, we were looking for the balance in order to meet Nevada's future demands for energy in the most cost-effective manner. This bill, whether it be the PUCN proceeding with the utility cost test or the other additional flexibility that the amendment provides, will provide the opportunity for us to have the right balance between energy efficiency programs and supply side resources.

Assemblyman Marchant:

Is there a charge that has to be added to electric bills to come up with these funds or is the money already there? I noticed in the sample electric bill [page 10, ([Exhibit D](#))], there is an energy efficiency charge. Is that where the funds are coming from? How long has that energy efficiency charge been on customer bills?

Assemblyman McCurdy:

To answer your first question, there will be no additional charges. The funds are already in existence. I cannot answer as to how long the energy efficiency charge has been on the electric bills.

Assemblyman Marchant:

What were these funds used for in the past? If the charge has been on customer bills for a while, are we just upgrading the program or using it better?

Assemblyman McCurdy:

What we are looking to do with this piece of legislation is to allocate no less than 5 percent of demand-side management spending toward low-income communities by way of energy efficiency programs. That is the intent. I will defer to the expert from NV Energy to answer your other questions.

Anita Hart:

The energy efficiency implementation rate on the bill has been in place for many years, probably ten years or more. That surcharge allows for the recovery of funds straight-through to the customers. That fund is collected and readjusted annually based upon how much is spent on the program. The types of programs provided with those funds have been things like residential lighting, pool pump rebates, and the refrigerator recycling program. We had a low-income program in the past and commercial incentive programs for a variety of measures. We had a new-home construction program in the past. The programs change every three years. Some stay and continue, depending on their cost-effectiveness and what we are seeing in the market and what we are seeing in customers' homes and businesses.

Assemblywoman Bustamante Adams:

I had asked the question earlier that based on past information if it were up to at least 5 percent of expenditures, what would that equate to in dollars?

Anita Hart:

We currently have an annual budget approved for 2017 of \$55 million, so it would be just over \$2.5 million annually at the floor level of 5 percent. Of course, if we put the plan together, we would be looking at the cost-effectiveness of the full set of program levels. It could be 5 percent or slightly higher depending on the mix that we can see and still maintain a portfolio of programs that are cost-effective.

I would also like to note that we currently look at and have been incorporating these programs in low-income areas. We have put an emphasis on trying to make sure we were able to get Wi-Fi access for Smart Thermostats in multifamily units. We have made an emphasis in our air-conditioning program to reach rental properties and multifamily units. While we do not have specifics on which customers are low-income, we do know areas that tend to have lower-income customers.

Chair Brooks:

I want to thank you for the presentation and Assemblyman McCurdy for bringing the bill. I am going to go out of order and ask those who wish to testify in opposition first. Since we have roughly 50 people signed in who support the bill and several who would like to speak, I am going to ask that you limit your comments to three minutes. Is there anyone wishing to testify in opposition to the bill?

Fred Voltz, Private Citizen, Carson City, Nevada:

I am very concerned about this legislation because as mentioned on another piece of energy legislation, we do not have a complete picture of what the state is trying to accomplish, which is 100 percent renewable energy in terms of the cost. It would really be helpful for us to know that and intelligently evaluate any piece of legislation regarding our energy supply. As I suggested before, the Governor's Office on Energy should be tasked with that calculation function, as they would seem to have the information.

Speaking specifically about A.B. 223, section 3 indicates the benefit-cost ratio and that it is an acceptable rate if it is just at 1.0. That means all that is happening is whoever is investing the money, whether it is the ratepayers or someone else, is only receiving their money back at some undefined period of time in the future. Anyone who is in the investment world would say that is not a very wise way to be investing money just to get the principal back with no return. If this bill were to go forward, it seems as though the ratio should be 1.5 or perhaps greater to allow for slippage that would be happening.

There is no indication over what period of time this program would expect to receive those benefits back. That seems to be a problem. There is no factor being used for the net present value. That means that \$1 in hand today is worth more than \$1 a year from now or five years from now. One of the suggestions of how that could be dealt with is to specify the 10-year Treasury bond rate of 2.46 percent, the 30-year Treasury bond rate of 2.97 percent, or even the prime rate to accurately represent the time value of money.

Another concern is how will the PUCN calculate this internally when they were not able twice to perform the net metering study and needed to farm that out the first time, per legislative instruction, to an external consulting firm. That firm did not calculate any of the environmental costs or the social externalities that are virtually impossible to monetize to come up with an actual accurate number.

Within the utility cost test benefits—if that was the only area that this was being limited to, which the amendment does not allow for and says "non-energy benefits" in section 3, which are very nebulous, as I just indicated—it is not necessarily going to generate the deferral of building a power plant, or the transmission or distribution costs. It may be a very small fraction of that. How that fits into the calculation of whatever benefits are determined to have come from this, is another problem.

In section 8, subsection 4, the bill proposes 5 percent of total expenditures for low-income customers. Using the \$2.5 million that was mentioned a few minutes ago, how will these customers with limited income already be able to participate if they cannot cover 100 percent of the cost? Typically, in all of the energy efficiency projects that people have undertaken since its inception, the ratepayer has to come up with money. It is not 100 percent covered by the grant or award from the renewable energy fund.

Chair Brooks:

Mr. Voltz, you are beyond three minutes. I appreciate seeing you again and your participating in this Subcommittee.

Fred Voltz:

I will continue at the end of the support testimony.

Chair Brooks:

Is there anyone else wishing to testify in opposition to the bill? [There was no one.] Is there anyone wishing to testify in the neutral position? [There was no one.] Is there anyone wishing to testify in support of the bill with the amendment ([Exhibit C](#))?

Warren B. Hardy II, representing the Natural Resources Defense Council:

The Natural Resources Defense Council (NRDC) is a national organization that uses science and data to support and protect the environment. I do appreciate the opportunity to be here in support of this legislation. The top priorities for NRDC this session are the increase in the renewable portfolio standard (RPS) as well as better policy regarding energy efficiency. Of course, energy efficiency is the absolute cheapest form of power and energy.

I got involved in this when I first started hanging out here. One of my mentors, when I had the privilege of serving in the Senate, was Senator Randolph Townsend who, in many ways was the father of the RPS and many of the programs we have. I received a good background from him on the importance of these things. Back then, I supported these types of things because they were the right thing to do. As you know, Chair Brooks, you and I have worked together on these issues for several sessions now, and I have transitioned into someone who still believes that, but I also recognize now that these types of things are becoming an economic necessity for our state. We have moved down the road of becoming the center of the universe for electric vehicles and other clean energy policy issues, yet our policies currently do not match that aspiration. I think it is important this session, and I am thrilled to see all the things coming forward to put us in that direction.

Assembly Bill 223 is particularly important. Other states have this type of issue. At one point in Nevada, as I recall, the state and NV Energy were the leaders in this country in these kinds of energy efficiency programs. Those sort of slipped by the wayside during the recession.

We are in full support of this legislation as written with the amendment. We are thrilled to see that A.B. 223 might put us back on that trajectory to leading the country in this type of effort.

Reverend Ralph E. Williamson, President, Faith Organizing Alliance, North Las Vegas, Nevada:

As pastor of the First African Methodist Episcopal Church and a community leader here in southern Nevada, I represent some 50 churches in our community. I am here in total support of A.B. 223. Energy efficiency is extremely important to the African American community, who Assemblyman McCurdy and I both represent.

Statistics continually demonstrate that this community is the most impacted by high energy costs. We hear from our congregations each Sunday—and many times during the week when we are trying to assist them with energy costs and needs—about the utility bills that consistently cost hundreds of dollars a month. Understanding the continuation and expansion of energy efficiency programs is needed for those in our state who are living on fixed incomes. Most important, we have to understand that they are already struggling on a fixed income and trying to make ends meet. Having A.B. 223 continue is one that is very necessary in the marginalized and disenfranchised low-income communities. We are in total support of having this bill continue.

Reverend Leonard B. Jackson, Director, Faith Organizing Alliance, North Las Vegas, Nevada:

I want to thank Assemblyman McCurdy for bringing forth this bill, which is critical for the community. Many of the congregations in our partnership are rooted in African American and low-income communities. I am also associated with the First African Methodist Episcopal Church, which is located in the heart of Assembly District No. 6.

According to recent studies you may be aware of, pollution sources such as power plants and highways tend to be located in close proximity to communities where the majority of residents are people of color. In North Las Vegas, 74 percent of people who live around the fossil fuel-burning Las Vegas generation stations are people of color. Energy efficiency will allow us to burn less fossil fuel, putting less pollution into our community.

African Americans, regardless of income, tend to spend more on energy use than others. Targeted energy efficiency programs can reduce that disparity. African Americans make up 12.7 percent of the overall population, but are estimated to receive 23 to 25 percent of assistance funds to pay their electricity bills. Efficiency programs reduce the need for assistance and improve the comfort of homes.

The goal and focus of the Faith Organizing Alliance and our community partners is to ensure that people of color are no longer exposed to such a low quality of life and such tragic health risks. We must focus on creating jobs within our communities that will lower the crime rate and provide a promising future. We need to educate our communities on how to save energy, thus enabling young and old alike the opportunity to share an improved quality of life. I would like to thank you in advance for investing wisely in the future of our community.

Anne Macquarie, representing Toiyabe Chapter, Sierra Club:

The Sierra Club Toiyabe Chapter represents nearly 5,000 members in Nevada. We support A.B. 223. Energy conservation is a top priority for the Sierra Club. We feel that since Americans collectively use more energy than any other nation, we have the greatest opportunity and responsibility to conserve it. We are committed to a broad array of conservation and efficiency strategies that will reduce energy consumption, including the kinds of retail energy efficiency programs that this bill would facilitate and enhance in Nevada.

In addition, the Sierra Club is committed to moving as quickly as possible to a carbon-free utility sector. Energy efficiency is a critical part of this goal since it is one of the lowest-cost sources of energy. I am sure you have all heard the saying that "negawatts" are the cheapest megawatts. Energy efficiency helps us wring more work from the electricity we already have, reducing the carbon, water, and air pollution from more fossil fuel electrical generation.

Finally, we strongly support the requirement that at least 5 percent of total utility energy efficiency expenditures go to assisting low-income households to save energy. As we move to a clean energy economy, it is only fair that low-income families are able to take part in the benefits of this move. [Written testimony was also submitted ([Exhibit E](#)).]

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

I would first like to thank the sponsor of this bill and Tom Polikalas from the Southwest Energy Efficiency Project for working with us on the amendment. NV Energy understands the importance of energy efficiency programs for our customers, and we want to continue offering them. I want to say I appreciate the fact that Assemblyman McCurdy wants to specifically direct some of those funds to low-income customers, and we definitely support that effort.

Charlotte Cox, Private Citizen, Reno, Nevada:

I am a member of Climate Parents, I am an aunt with nephews and nieces, and I am interested in 100 percent clean energy and how it affects our quality of life and our future generations. About eight years ago, I had an experience when I rented a house in Reno in the old southwest area. It was a beautiful home built in 1948. However, in the winter, I spent

about \$300 a month to heat the house. It was only about 1,200 square feet, but I was still cold. I could stand by the windows and feel the breeze coming in. I vowed at that point that I had to do something. The owners of the home were not interested in making any energy-efficient upgrades. I was looking for a home, but I vowed that I was going to make all the upgrades that I could. Luckily, I was able to hire an energy auditor who came out and showed me where the air was escaping. I was losing a lot through the roof. I was able to fix the issues. Now, I only spend \$100 a month to heat my home and I am more comfortable. That \$200-a-month worth of savings to a low-income homeowner, renter, or senior is quite a lot of money. I think all families deserve access to energy efficiency for lower costs and to be comfortable. I appreciate A.B. 223 for the efforts it is making. I think it is the right thing to do.

Iridane Sanchez, Private Citizen, North Las Vegas, Nevada:

I am here today in support of A.B. 223. As a Latina from a family who has always worked hard to get by, it is very important to me that people have access to the same energy efficiency options, regardless of where they live or what their income is. Urban and low-income communities are in desperate need of affordable clean energy. I grew up in east Las Vegas and now my family lives in North Las Vegas. Thinking about the apartment that we used to share with three to five other people, there was no way energy efficiency was something we or our neighbors thought about, and probably still do not. We bought a home but lost it in the economic crash in 2009. We have been renting for about five years. The rental properties we lived in, while meeting our basic needs, were not energy efficient. My dad paid anywhere from \$130 to \$150 a month, during a good month, for our electric bill. In the summer, the bill was even higher; anywhere from \$300 or more a month.

While we always took care of our rentals, it is difficult to want to invest in something that does not belong to you. Of course, the landlord does not want to make the investment because the renters are the ones paying the bills. The five years we spent renting and throwing away money on needlessly high electric bills could have instead gone to support my college tuition or school needs for my younger brothers, among other things. We were recently able to purchase our second home over a year ago. We are excited to see with this bill what energy efficiency options exist for our family to save money, while also helping the environment and reducing fossil fuel pollution.

Alejandra Romero, Private Citizen, Las Vegas, Nevada

I am a University of Nevada, Las Vegas student. I study communications and I am the first in my family to go to college. I am here to urge you to move forward on A.B. 223 because there is a huge need in my community for it.

I live on the east side of Las Vegas. It is definitely not something we talk about around the dinner table, and that is unfortunate because every time I come home from school, it is heartbreaking to see my single-household mother struggling, trying to figure out which bill we are going to pay next. As much as I want to continue my education, sometimes it is very hard to pay the tuition. To save money on these bills, you are helping families. Yes, I have seen the struggles in families in my community. High energy rates in the summer are crucial.

It is unfortunate that I have to joke around with friends that we cannot turn on the air-conditioning in the summer. It is nothing to be proud of, and we laugh about it in our Latino community as well because it is disproportionately impacting a huge demographic that is not represented when it comes to shaping policy like this. I do think having access to energy efficiency will allow my family and other families like mine to save money, which will allow us to invest and boost our economic well-being for our future and future generations so I can one day graduate and continue to help our economy.

Lastly, I would like to take a moment to thank Assemblyman McCurdy for presenting this bill, which will boost our economy.

Kevin Castellanos, Private Citizen, Las Vegas, Nevada:

I am a junior at Canyon Springs High School. I am here today to urge you to move forward with A.B. 223. As a Latino Millennial, it is very important to me that people have access to energy efficiency regardless of their socioeconomic status. Latino families are oftentimes the most disproportionately affected by this because they do not have access to energy efficiency options, and they are often the ones paying \$200 to \$300 a month in the summer. I think this bill would completely change that and help alleviate the cost associated with energy. That would free up family budgets for food, health care, and education. These energy efficiency measures will even have a positive effect on our workforce by translating into more jobs for the production and installation of energy.

The state needs to do a better job ensuring that all Nevadans, including low-income residents and communities of color, have easy access to energy-saving opportunities that will reduce their electric bills and boost our economy.

Ernest E. Adler, representing International Brotherhood of Electrical Workers, Local 1245:

We also support the bill. I do have one technical question. It does not appear to me that "low-income" is defined in the bill. I was wondering if you are using the standard definition in *Nevada Revised Statutes* 279.397, ". . . total gross income is less than 80 percent of the median gross income for households of the same size within the same geographic region." Is that the definition being used?

Chair Brooks:

Would the sponsor of the bill please answer that question?

Ernie Adler:

I think it is important to define low-income.

Assemblyman McCurdy:

That was the definition being used, but if we can do a better job of defining what low-income means, we can go back to the drawing board and flesh that out a little more.

Ernie Adler:

I think it is important because many of the low-income definitions have to do with a certain area. Are we using the median income for the whole state of Nevada to determine what low-income is, or are we having one definition for Clark County and another one for Elko. I am just trying to clarify things. I will work with Assemblyman McCurdy to see if we can come up with a definition.

Chair Brooks:

If there is an amendment that needs to be brought back to this Subcommittee after that conversation, we are more than willing to hear it.

Michael Maiello, Private Citizen, Carson City, Nevada:

I am a parent and I teach elementary school here in Carson City. I am hoping this Committee will move forward on A.B. 223. I think it is an excellent bill, and if they define "low-income," it is a great way for families to save money. Besides all of that, it is just a good way to help our environment. I know Nevada was leading in renewable resources a couple of years ago. As an educator, I love to see Nevada lead something in this country.

I also want to mention that the Carson City School District converted to solar energy in almost all the schools. I know they have saved money across the board on power bills, but it was also a great thing for the students to see the solar panels and watch it all go together. The school district is leading the way in renewable resources in that way.

Tobi Tyler, Private Citizen, Stateline, Nevada:

I am here to strongly support this bill. Climate change is undeniable, as I think we can all agree. Incentivizing energy efficiency is the low-hanging fruit. My husband and I put in solar panels several years ago that cover our electricity during the year. It is connected to the grid, but not everyone can afford to do that. There are a lot of people who cannot even afford to buy LED lights. I am here to support this bill because I think it is the right thing to do.

Ashamii Henderson, Private Citizen, Las Vegas, Nevada:

I am a senior at Canyon Springs High School. Having been a part of a family who has used energy assistance, I understand the significance of the benefits of this bill. As stated many times before, the cost in the summer is very detrimental. Living in a household with a mother who works for the Clark County School District, there is no money flowing in during the summer months. That is three months that may cost as much as \$300 to live in our home comfortably. That shows in areas like our refrigerator and even school-based costs. I hope we can push for the passage of this bill.

I would like to give a shout-out to Assemblyman McCurdy for supporting this bill and fighting for the low-income families.

Chair Brooks:

We were just commenting on how wonderful it is to see so many young people coming out to support this process.

Jenni Tift-Ochoa, Private Citizen, Las Vegas, Nevada:

I am a college student at the University of Nevada, Las Vegas (UNLV). My husband is a disabled combat veteran and was unable to speak today because of a health condition. However, I am here to voice support for A.B. 223 for both us, and we hope it will be passed.

As I am sure you are well aware, there are many veterans in Nevada who also fall into the low-income category that this bill would benefit. In addition, we also need as many good-paying jobs as possible in Nevada. We are both very hopeful this bill will provide jobs for college students and veterans alike, as well as others in our community.

Tyler Tingey, Private Citizen, Las Vegas, Nevada:

I am a member of the rock group Brumby that is based here in Las Vegas and composed of native Nevadans. I speak on behalf of the group by adding our support to A.B. 223. As has been mentioned, the bill provides a clear path for affordable utilities for low-income households, and the bill creates jobs that can help us move toward energy efficiency, and limiting the building of new power plants as well.

As an Eagle Scout, the scouting program in the Las Vegas Valley has taught me the importance of solving problems and finding ways to preserve the natural beauty of the state we live in. Being a part of legislation that can help this move forward, especially when it so profoundly benefits the low-income households in our state, is a worthy thing to fight for and be a part of. I have been excited and encouraged by many of the strides that Nevada has taken recently to become a cleaner and more energy-efficient state. I trust the judgment of the committees that have overseen this progression to help Nevada continue to move forward.

Donald G.T. Gallimore, Sr., Private Citizen, Reno, Nevada:

I am the second vice president of the National Association for the Advancement of Colored People (NAACP) Reno-Sparks Branch No. 1112. My wife, Pat Gallimore, is president. We back the passage of A.B. 223. As so often is the case, minority communities pay a higher percentage of their hourly incomes on energy consumption. We want to make sure that becomes more equitable.

We just got back from the energy equity and justice forum in Las Vegas that was cosponsored by the NAACP. We were able to hear a lot of information. Net metering is more or less at risk, if you will. What we are looking for is a little more opportunity for equitable charges. The opportunities to equal the playing field in energy efficiency and equitable charges to all electricity users, are what we are seeking. The mandate for PUCN regulations is lowest cost. We have that 9.92 percent to 1.38 percent disparity in the low-income and higher-income communities. That is not equitable.

Nevada has sun and it is free. Since the principal mandate for the PUCN is providing the cheapest cost, why can we not use the sun and start with something that is free. The community solar model is one we are seeking, and it seems to be a great overall concept. Personally, I cannot fathom why our state officials let up to 2,300 jobs be lost because of the profits of a highly regulated quasi-governmental agency.

My wife and I support A.B. 223 for various reasons. It is a start. As Mr. Voltz pointed out, we need to have the PUCN and NV Energy understand the numbers they are producing. They have to part it out to a third party. They are obviously not doing their jobs, or not doing it correctly. We want to have this bill so we can begin the process of normalization in our energy policies.

Kyle J. Davis, representing Nevada Conservation League:

We are in support of this bill. We do think it is an effective bill in terms of moving our policy forward as it relates to energy efficiency. I have a couple of points I want to make after listening to the discussion and, hopefully, this is somewhat clarifying.

The situation we have right now in our state is that we have energy efficiency programs and have had them for a long time. When NV Energy is deciding how it is going to meet energy demand, there are options of whether to increase supply or reduce demand. When these things are decided at a process at the PUCN, the decision is made by a number of different factors; first of all, looking at what is going to be the most cost-effective way of doing this.

This bill does two main things. It looks at the existing energy efficiency program where there is a requirement to take a look at these programs and potentially use energy efficiency in order to meet our energy needs; and it allows for all of these programs, as they are proposed, to be evaluated as a whole. It ensures some of that—at least 5 percent—go to low-income ratepayers. As you heard earlier in this presentation, everyone pays into this program. It is a portion of the bill, just like there is a portion of the bill that goes to the supply side to finance natural gas plants. This bill ensures that when we have these types of programs in place that people can select into, there are programs available for all sectors of the economy.

For those reasons, I think this is a great step forward in terms of making sure that we are maximizing our energy efficiency opportunities and that we are ensuring everyone has a chance at participating in these programs as well. We urge your support.

Chair Brooks:

That was helpful. It did clarify some questions we had.

Yale Yeandel, Private Citizen, Las Vegas, Nevada:

I am a resident in Assembly District No. 13, and I am here to testify in support of A.B. 223. As a longtime Republican and self-identified traditional conservative, I think it is imperative to point out the importance of making energy efficiency and energy conservation measures a key tenet of NV Energy's ongoing operation. I also think it is important not only to make energy efficiency more accessible for those less fortunate in our communities, but to all in our communities, most notably small businesses.

There is a fundamental truth in the statement that the cleanest energy is the energy we do not use. I, like two-thirds of Nevadans, support further developing our abundant clean energy resources. However, it is equally, if not more, important to first reduce our overall energy consumption and truly understand our existing and future energy needs before we invest in new power plants, even solar power plants.

I liken this to my personal approach at life. I am a technician in a prominent show on the Las Vegas Strip. Before I buy an item, I see if I can make do with what I already have, to repurpose and reuse materials in an innovative way. I do not like to waste, and to create new energy systems without first investing in energy efficiency would be wasteful.

I would also like to focus on how helping our state's residents and businesses update their existing and future buildings is a tremendous economic opportunity in both helping to reduce costs and also creating jobs in the clean energy chain. In fact, I believe there is more long-term economic opportunity in energy efficiency implementation such as weatherization, appliance replacement, or retrofitting. This implementation is ultimately driven and served by small businesses which are the backbone of Nevada's nonhospitality economy.

In closing, I trust that this Subcommittee and this Legislature are up to the challenge to carry the mantle of past bipartisan efforts to keep Nevada ahead of the national curve. I think strongly supporting A.B. 223 will endorse that effort. I would like to thank Assemblyman McCurdy for introducing this bill, and thank Chair Brooks for the opportunity to be a part of today's meeting.

Lena Paola, Private Citizen, Las Vegas, Nevada:

I support A.B. 223 because it is important for the residents of Nevada that they are afforded the opportunity to have energy-efficient homes. I know the cost savings I experienced living in a home built in 2003 versus the many Nevada residents who reside in properties built over 30 years ago. When I relocated to Las Vegas, I resided with my grandparents who owned a home built in 1983. The structure of their home was greatly different than my current home.

I not only experienced this in my personal life living with my grandparents, I also experienced these factors in business as well. As a real estate agent, the cost of utilities can be a factor for some in the selection of a home. The cost of a power bill can greatly affect a family who is already struggling to pay for the basic amenities many take for granted. The average families who cannot afford the higher utility bills unfortunately tend to be the ones subject to paying them. Passing this bill would afford lower-income families the ability to make some of the much-needed adjustments to their homes. Thank you for allowing me the time to testify tonight in support of A.B. 223.

Dave Zheng, Private Citizen, Las Vegas, Nevada:

I am a business owner in Las Vegas. I am here to support A.B. 223. I would like to comment because we are talking about energy efficiency. We only have the utility company NV Energy. Actually, the utilities include electrical and gas companies. There is a program in Nevada, which is also in *Nevada Revised Statutes* 701B.336, which is the Solar Thermal Systems Demonstration Program. I believe there is some person who asked for this legislation to stop the only program for solar thermal in Nevada. We have been in Nevada for more than eight years focusing on solar energy, which is solar thermal technology. We have a detailed plan to do manufacturing in the United States, maybe in Nevada, but we need support for this kind of a program. This program is an energy efficiency program. I would like to see if we can add the gas efficiency program because every house has a gas water heater. Some may have electric water heaters, but most have gas water heaters. In fact, every family in every building has a water heater. Our company owns a U.S. patent to retrofit all gas and electric water heaters into solar water heaters. We would like to implement this technology in the United States, and we would like to manufacture the solar parts here in Nevada. In order for us to do that, we need legislative support and the government's support.

I am not going to go into detail, but energy efficiency is not only electricity. Maybe in today's meeting we have gas companies and we can also discuss how we do efficient propane with the gas company. The thing is, we use the solar energy and reduce the usage for gas or electricity, and that is not paid by ratepayers. It comes from the sun's natural energy. It saves energy and reduces the cost for every building owner or homeowner.

Richard Small, Private Citizen, Las Vegas, Nevada:

I was struck by the diversity of people who are in favor of this bill; people of all different ages and sex, people of color, and people of different religions. The energy picture in this state is changing drastically, obviously. Since last year, the PUCN basically hamstrung the solar industry. We are expecting something to change and those jobs to come back. However, that is something else that is for another day.

Energy efficiency is, by far, the best way to deal with energy and improve energy usage. I think everyone should have the option to use energy as efficiently as possible. I think net present value, while it is a wonderful financial tool, comes nowhere close to covering all the externalities which need to be considered. If anyone wants to take a stab at that, they could probably take a look at what Maine tried to do when they started looking at the cost of sulphur dioxide and all the other externalities that were covered. I speak strongly in favor of A.B. 223. Thank you very much for all your work.

David Sanchez, Private Citizen, Henderson, Nevada:

I am in favor of A.B. 223. I think I have a different perspective, and I would like to say a few words on that. I moved here six months ago from Long Island, New York, where the local power company supported a program called the Solar Pioneer Program, of which I was able to be a part of. The power company provided a list of installers and drove the program from beginning to end, and they did the final inspection. The reason for this story is because it was 14 years ago. We were able to pay off the system in nine years. The system now has completely changed from what it was 14 years ago, but the point is, it was a long time ago. Why is Nevada so far behind?

Another story I have is my two brothers owned a small business in Pennsylvania. Back in the 1980s, they were blowing insulation and changing out windows in Section 8 Housing. I am a new resident here, and I see that Nevada has a long way to go and is pretty far behind the ball. The good news is, I hope we are all going to get on board and pass A.B. 223, and start going in the right direction. There is plenty of room for improvement.

Chair Brooks:

Is there anyone else wishing to testify in support of A.B. 223? [There was no one.] Mr. Voltz, I promised you could come back up after all of the testimony in support.

Fred Voltz:

I will be brief. I only have three points I would like to make based on all of the good people who have testified and have high hopes that this will help them out, especially if they are in a low-income household.

First, I think I can help on the definition of low-income. There is something called the Energy Assistance Program administered by the Division of Welfare and Supportive Services within the Department of Health and Human Services in conjunction with PUCN. That would probably be a good definition of people who would be most in need of some sort of additional help beyond what they are currently receiving.

Secondly, I would like to make a point that not everyone has a chance to participate in this, even if they are low-income. If we take the \$2.5 million and divide it by \$500 a household, that means only 5,000 households would get any help. That does not begin to cover the number of low-income households in this state. It would be many years before you could cover all of them.

Finally, I would like to point out, even though this was a point made off topic of the legislation, one of the commenters was suggesting that community solar would be a great thing to do. The capital investment in that is way beyond the scope of this amount of money that may go to low-income families. It would take many decades to recoup the investment. Someone, in the meantime, would have to pay through higher, not lower, rates to cover that.

[Submitted but not discussed are ([Exhibit F](#)), ([Exhibit G](#)), ([Exhibit H](#)), ([Exhibit I](#)), and ([Exhibit J](#)).]

Chair Brooks:

Thank you, Mr. Voltz, for staying around to finish your comments. Seeing no one else who wishes to testify, I will close the hearing on A.B. 223. Is there anyone here for public comment? [There was no one.] This meeting is adjourned [at 6:16 p.m.].

RESPECTFULLY SUBMITTED:

Earlene Miller
Recording Secretary

Lori McCleary
Transcribing Secretary

APPROVED BY:

Assemblyman Chris Brooks, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed amendment to [Assembly Bill 223](#), dated March 1, 2017, presented by Assemblyman William McCurdy II, Assembly District No. 6.

[Exhibit D](#) is a copy of a PowerPoint presentation titled "AB223-Energy Efficiency," presented by Assemblyman William McCurdy II, Assembly District No. 6.

[Exhibit E](#) is written testimony in support of [Assembly Bill 223](#), dated February 28, 2017, submitted by Anne Macquarie, representing Toiyabe Chapter, Sierra Club.

[Exhibit F](#) is a letter dated February 28, 2017, in support of [Assembly Bill 223](#) to Assemblyman Chris Brooks, authored by Ronald J. Hunter, Patagonia Environmental Programs, Reno, Nevada.

[Exhibit G](#) is a letter dated February 28, 2017, in support of [Assembly Bill 223](#) to Chairman Brooks and members of the Assembly Subcommittee on Energy, submitted by National Electrical Manufacturers Association, Patagonia, Dow, Honeywell, Cree, Schneider Electric, Electrathem, National Association of Energy Service Companies, and Whirlpool Corporation.

[Exhibit H](#) is a letter dated February 28, 2017, in support of [Assembly Bill 223](#) to The Honorable Chris Brooks, Chair, authored by Tim Shestek, Senior Director, State Affairs, American Chemistry Council.

[Exhibit I](#) is a document titled "Energy Efficiency," dated August 2016, submitted by Tim Shestek, Senior Director, State Affairs, American Chemistry Council.

[Exhibit J](#) is written testimony in support of [Assembly Bill 223](#), dated March 1, 2017, submitted by Ned Dodds, Private Citizen, Henderson, Nevada.