

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eightieth Session
March 14, 2019**

The Committee on Growth and Infrastructure was called to order by Chair Daniele Monroe-Moreno at 1:38 p.m. on Thursday, March 14, 2019, in Room 3143 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/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblyman Steve Yeager, Vice Chair
Assemblywoman Shea Backus
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblyman John Ellison
Assemblyman Glen Leavitt
Assemblywoman Rochelle T. Nguyen
Assemblyman Tom Roberts
Assemblyman Howard Watts
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Michelle L. Van Geel, Committee Policy Analyst
Lori McCleary, Committee Secretary
Alejandra Medina, Committee Assistant



OTHERS PRESENT:

Hayley Williamson, Assistant General Counsel, Public Utilities Commission of Nevada
David Bobzien, Director, Office of Energy, Office of the Governor
Jennifer L. Taylor, Deputy Director, Intergovernmental Relations, Office of Energy, Office of the Governor
Eric Witkoski, Executive Director, Colorado River Commission of Nevada
Peggy Roefer, Environmental Program Manager, Colorado River Commission of Nevada
Ernest Figueroa, Bureau Chief, Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General
Whitney Digesti, Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General
Anne-Marie Cuneo, Director, Regulatory Operations, Public Utilities Commission of Nevada
Barry Gold, Director, Government Relations, AARP Nevada
Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada

Chair Monroe-Moreno:

[Roll was called. Committee rules and protocol were explained.] We have no hearings today, only presentations. The first presentation will be an overview of the Public Utilities Commission of Nevada (PUCN).

Hayley Williamson, Assistant General Counsel, Public Utilities Commission of Nevada:

With me today is Anne-Marie Cuneo, director of the regulatory operations staff. Unfortunately, Garrett Weir, Commission general counsel, is testifying in the Senate and is unable to join us today. I will go through an overview of the PUCN. We have actually provided you with two presentations today. One is an overview of our agency ([Exhibit C](#)) and the other is an overview of understanding how Nevada's electric utility rates are set ([Exhibit D](#)) and the integrated resource planning and rate case process that we go through—sort of a 10,000-foot view of the grid. I will not be running through that presentation today ([Exhibit D](#)) due to time constraints, but if you have questions on either of the presentations we have submitted, please feel free to contact me, Director Cuneo, or Mr. Weir.

The PUCN is a regulatory agency charged with balancing the interests of the public and investor-owned utilities. The PUCN's core duties [page 2, ([Exhibit C](#))] include providing for fair and impartial regulation of public utilities. We provide for the safe, economic, efficient, prudent, and reliable operation and service of public utilities. We balance the interest of customers and shareholders of public utilities by providing public utilities with the opportunity to earn a fair return on their investments, while providing customers with just and reasonable rates.

The PUCN regulates approximately 400 investor-owned utilities engaged in electric, natural gas, telecommunications, water, and wastewater services; gas and electric master meter services; and some propane systems [page 3]. The PUCN is also involved in monitoring gas pipeline safety, rail safety, and underground excavation near subsurface installations.

The PUCN is made up of two distinct parts [page 4]: the Commission and the Regulatory Operations Division. The Commission is a quasi-judicial, three-person panel appointed by the Governor for staggered four-year terms that presides over contested cases and makes decisions regarding the operations of public utilities. The Regulatory Operations staff, of which Director Cuneo is the head, is an independent division that investigates, audits, and looks into utility operations and participates as an independent legal party in all proceedings before the Commission.

I would like to share some figures that support the activities we have been conducting over the past few years. Over the last biennium, the PUCN has held 49 public agenda meetings, conducted numerous rate and rulemaking hearings, opened 8 rulemakings to address legislative directives from the 2017 Session, participated in and ruled on 13 electric and water resource planning dockets, issued 21 utility environmental protection permits, and 56 certificates of public convenience and commercial radio service certificates. We have also held 26 consumer sessions, fielded over 10,400 questions and complaints from Nevadans, completed 215 field day inspections for the pipeline safety program, inspected over 31,000 rail units, and have investigated 7 gas incidents and 62 rail incidents with nearly 170 compliances ordered.

I would like to dive, very briefly, into the different sectors we regulate, starting with electric [page 5, ([Exhibit C](#))]. The two main electric utilities in Nevada are Sierra Pacific Power Company and Nevada Power Company, both of which conduct business as NV Energy. In the electric sector, the PUCN's main duties include evaluating generation, transmission, and distribution plans to serve customers through the integrated resource planning process, setting rates, issuing permits, evaluating compliance with the renewable portfolio standard (RPS), and maintaining renewable incentive programs. This is a picture of a map [page 6] of NV Energy's service territory in the state.

The PUCN's electric rate-setting duties include conducting statutorily mandated rate cases every three years. The PUCN's prudent oversight has contributed to Nevada having some of the most stable electricity rates in the country over the past two decades. This chart [page 7], prepared by Texas Coalition for Affordable Power, reflects data from the U.S. Energy Information Administration and lists Nevada as the top state for the smallest percentage of increase in rates between 2002 and 2016.

This is a chart [page 8] of Nevada Power Company and Sierra Pacific Power Company residents' average monthly electric bill. One of the PUCN's main duties is to set rates. Another main duty in the electricity sector is the resource planning process.

The resource planning process is the mechanism through which the PUCN promotes many of the state's energy policy objectives. For example, the PUCN has evaluated and approved numerous renewable energy projects that are responsible for Nevada's position as the top state in the country for both solar and geothermal energy generation per capita, as highlighted in the chart you see here [page 9]. On December 21, 2018, the PUCN also approved a proposal that nearly doubled the state's solar capacity, further establishing Nevada as the nation's leader in per capita solar energy.

We have new and proposed generation plants in Nevada and new and proposed total capacity in Nevada [page 10] which, again, further highlights the increasing trend of renewable energy as a generation source in Nevada.

As I mentioned, one of the duties of the PUCN in the integrated resource planning process is looking at Nevada's RPS [page 11]. The RPS was first adopted in Nevada in 1997. The RPS establishes the percentage of electricity sold by an electric utility to retail customers that must come from renewable sources. Each year, providers of electric service must submit a report to the PUCN providing evidence of their compliance with the RPS. The PUCN then determines if the provider has met the requirements. This chart details NV Energy's compliance over the last few years with Nevada's RPS.

Next, I would like to move from electric into our natural gas regulator duties [page 12]. Natural gas is a major source of energy in Nevada for residential, commercial, and industrial use. The PUCN's jurisdiction over natural gas falls into three general categories: we rate regulate Nevada's two investor-owned gas utilities, which are Southwest Gas Corporation and Sierra Pacific Power Company; we license discretionary suppliers of natural gas, also known as alternative sellers; and finally, we issue permits.

The main duty in our natural gas division is to oversee gas pipeline safety in partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety. In 2013 and 2014 the PUCN made it an initiative to become more transparent with its pipeline safety inspections and findings. This PUCN-driven initiative has led to the PUCN's pipeline safety program going from forty-fifth in 2013 to first in the last two years.

This page [page 13] represents natural gas rates for customers in both Southwest Gas and Sierra Pacific Power Company service territories. These are average bills.

The PUCN's primary regulatory activities over investor-owned water and wastewater utilities include ensuring the delivery of clean, safe, and reliable water to customers at reasonable rates; ensuring reliable sewer service to customers at reasonable rates; and monitoring quality of service, environmental compliance, and financial performance [page 15 ([Exhibit C](#))]. The PUCN fully regulates the rates, service quality, and service territories of 27 investor-owned water and wastewater utilities serving approximately 22,300 Nevadans. The PUCN also

reviews Utility Environmental Protection Act permits for compliance with environmental requirements for new investor-owned water and wastewater facilities. Water quality, supply, and discharge issues are governed by various state and federal agencies, but the PUCN does work collaboratively with these other agencies to ensure utility compliance.

This is a map [page 16, ([Exhibit C](#))] of water and wastewater utilities that the PUCN regulates in Nevada.

The PUCN maintains a Rail Safety Program as part of Nevada's participation with the U.S. Department of Transportation, Federal Railroad Administration (FRA) [page 17]. Together with the FRA, the Rail Safety Program provides safety surveillance through routine compliance inspections, accident and incident investigations, enforcement actions, educational outreach, complaint investigations, and safety assessments, among other initiatives. These responsibilities are carried out on the Union Pacific Railroad, which owns all of the state's mainline track, as well as historic excursion railroads. This is a map [page 18] of the PUCN jurisdictional rail lines.

The PUCN certifies competitive suppliers of telecommunications and small-scale providers of last resort [page 19]. While small-scale providers of last resort are rate regulated, the PUCN does not rate regulate competitive suppliers, which would be AT&T and CenturyLink. The PUCN issues licenses to wireless phone providers, also referred to as commercial mobile radio services, but does not regulate the service. There are approximately 322 telecommunication providers in Nevada, and this page [page 20] highlights where those telecommunication providers are and who they are.

After going over all of our divisions, I would like to talk about the PUCN internally and the workload we handle. The Consumer Complaint Resolution Division is responsible for receiving, investigating, and resolving disputes between consumers and their utility [page 21]. Our division logs rate protests, explains PUCN decisions and policies, prepares consumer-related testimony in certain dockets, assists utility customers with any questions they may have on their bill, and enforces the PUCN's Consumer's Bill of Rights. We receive complaints via telephone, letter, email, walk-in, or electronically. Each PUCN compliance investigator averages more than 830 consumer complaints and questions per year that we are able to resolve. Each calendar year, the PUCN conducts consumer sessions allowing the public to provide input about any topic concerning regulated utilities. The PUCN conducts hundreds of cases, which we call dockets, every year. The PUCN opened 877 cases in the last two years, including 8 rulemakings stemming from the 2017 Session.

I would like to close by saying the PUCN looks forward to continuing to work with the Legislature and implementing legislation that this Committee may pass this session. Director Cuneo and I are happy to answer any questions you may have.

Chair Monroe-Moreno:

Thank you for the presentation. Are there any questions from the members? [There were none.] The next presentation is an overview of the Office of Energy, Office of the Governor.

David Bobzien, Director, Office of Energy, Office of the Governor:

I have with me today Jennifer Taylor, who is the deputy director for intergovernmental relations. We have a few slides to share with you ([Exhibit E](#)).

This is the Governor's Office of Energy (GOE) mission [page 2], but the big points to cover are activities in renewable energy production, energy efficiency and conservation, the exportation of energy, and transportation electrification. In short, we implement, we manage programs, we facilitate cooperation, we advise the Governor, and we collaborate with partners.

This is our organizational structure [page 3], and it is fair to say that we are an office that is in transition during this administration transition. The darker shaded boxes are the currently filled positions, and we have a number of open positions right now. With us in the audience are a few members of our team, including Pat Malloy, our administrative assistant, Keith Glidewell, our grants and fiscal manager, and Laura Wickham, one of our energy program managers.

This page [page 4] is a quick overview of our funding. All told, you are looking at \$3.7 million in fiscal year 2019. It is important to note that we do not receive any General Fund money. The bulk of our money is actually from the Renewable Energy Account, which is fueled by tax abatements. Fifteen percent of our funds come from the federal government, predominantly in the form of the U.S. Department of Energy's State Energy Program. That is money that is awarded on a calculated basis for each state from the U.S. Department of Energy.

This page [page 5] is an overview of the different programs and the buckets in which they are contained. You can see renewable energy programs, energy efficiency programs, the Nevada Electric Highway and transportation electrification, and the various project funding partnerships we have.

It is important to note that we are still in the adopted strategic planning framework for 2016 to 2020 [page 6]. By 2020, our goal is to complete an "electric highway" system serving the entire state. We aim to significantly reduce the percentage of imported fossil fuels over the next ten years and reduce carbon emission to a level at or below accepted federal standards. You will hear more about that later in this presentation.

I would like to lay out Governor Sisolak's clean energy vision [page 7 ([Exhibit E](#))]. Governor Sisolak is committed to regaining Nevada's position as a clean energy leader to combat the indisputable effects of climate change for future generations and for the abundance of green-collar jobs Nevada can create right now.

I will turn the remainder of the presentation over to Ms. Taylor to go over the vision we have for the office going forward as well as an overview of some of the main energy topics we see emerging this legislative session.

**Jennifer L. Taylor, Deputy Director, Intergovernmental Relations, Office of Energy,
Office of the Governor:**

There is a vision for GOE as an energy innovation hub [page 8], which is already authorized by and contemplated by the statutes that govern us, specifically *Nevada Revised Statutes* (NRS) Chapters 701 and 701A. For your reference, a couple of the provisions from those statutes include NRS 701.010, subsections 1 and 2, which contemplate GOE participating with all levels of government and private enterprise in cooperative state, regional, and national programs to ensure adequate supplies of energy resources and markets for energy resources. It is the policy of the state to ensure GOE has the responsibility for managing the conservation of energy and our resources so there is no duplication in efforts or programs

Nevada Revised Statutes 701.170, subsection 3, authorizes GOE to enter into cooperative agreements with federal or state agencies or political subdivisions. *Nevada Revised Statutes* 701.170, subsection 6, permits the GOE to: "Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, negotiate and execute agreements with public or private entities which are necessary to the exercise of the powers and duties of the Director or the Office of Energy." Some of those programs called out are specifically promoting energy projects that enhance the economic development of the state, promoting the use of renewable energy in the state, promoting the use of measures which conserve or reduce the demand for energy or which result in more efficient uses of energy, and developing comprehensive programs for retrofitting public buildings in the state with energy efficiency measures.

To accomplish these goals, we are specifically authorized by statute to work with the Nevada System of Higher Education to design energy efficiency and to retrofit projects that carry out the comprehensive programs retrofitting public buildings. We are also authorized to work with the Department of Wildlife on renewable energy development. We are authorized to coordinate with the Consumer Advocate, Bureau of Consumer Protection, Office of the Attorney General, and the Public Utilities Commission of Nevada as well as any other federal, state, or local offices or agencies that promote, fund, administer, or operate activities and programs related to the use of renewable energy measures which conserve or reduce the demand for energy or which result in more efficient use of energy. Finally, GOE is tasked to carry out all other directives concerning energy that are prescribed by the Governor. On Tuesday we had an announcement regarding the Governor joining the U.S. Climate Alliance, so we will be looking forward to opportunities to assist in carrying out that directive.

While the collaborative role of the GOE is set out in statute, the creation of this intergovernmental relations role highlights the clean energy and carbon reduction goals of our Governor and the recognition that Nevada's leadership in renewable energy, the conservation of our natural resources, the development of green-collar jobs, and the workforce of the future, as well as moving our built environment, transportation sector, and energy generation toward lower carbon emissions, will take collaboration across all levels of government.

This page [page 9] shows some of the agencies and entities that we can work with or are already working with. We currently work with the Department of Transportation (NDOT) and the Division of Environmental Protection (NDEP) of the State Department of Conservation and Natural Resources. We are working with NDEP on the Volkswagen settlement [In re *Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, 895 F.3d 597 (2018)] which helps to fund some of the Electric Highway work. We are working with NDOT and other local governments to create additional opportunities for charging stations and economic opportunities across the highway. For the built environment, through our programs like energy building codes, the Direct Energy Assistance Loan program, Hero to Home Mortgage Program, and performance contracting, we work with local governments, state agencies, and school districts. For renewable energy, I mentioned that we work with the Department of Wildlife.

We have some areas that we are looking forward to expanding on those collaborations. One of them in particular is economic development and being able to work with the Office of Economic Development of the Office of the Governor and the regional development authorities to promote Nevada as a leader for the development of clean energy projects and innovations. Additionally, we are looking forward to having an opportunity to expand our work with education and workforce development by continuing to work on some of our STEM [science, technology, engineering, math] programs and training for STEM in schools to see where there may be additional opportunities for workforce training with the Department of Employment, Training and Rehabilitation and the Office of Workforce Innovation of the Office of the Governor, since we know clean energy jobs can provide living wages and those are not exportable. Finally, if you have not had a presentation from NDOT, they have a new division called NV2X [Connecting Nevada's Transportation to Everything], which is a transportation innovation group. We are very much looking forward to working with them.

We have had the opportunity to meet with all of the Committee members on some of our views of policy issues for the session. Thank you for giving us the time and for chatting with us about what we foresee for the remainder of the session. We have one bill, Assembly Bill 54 [page 10, [Exhibit E](#)], that has two pieces to it. The first piece is to repeal a program for reductions of energy use in state-owned buildings. Those targets were a 20 percent reduction by 2015 and they have been met and exceeded. We view this as an opportunity to look at a new way of working with our state-owned buildings in terms of reducing energy use and by reducing those energy pieces to help with some of the carbon goals that will be part of the Governor's vision.

The second piece is a repeal of light bulb standards. These were implemented in 2007 to set minimum standards for efficiency in lumens per watt. About that same time, the federal government established its own floor efficiency in light bulbs, and there was a thought that there did not need to be rulemaking around that in the state so rulemaking was not promulgated. Now, given some of the rollbacks of efficiency programs at the federal level, there was a thought that it would be appropriate to backstop those targets that we had been relying upon into our own statutes, so we will be bringing an amendment forward that contemplates that type of backstopping and protection for those efficiency measures.

David Bobzien:

Because you are hearing A.B. 54 next week, we will be getting that amendment to you well before the deadline.

Jennifer Taylor:

One of the policy issues is transportation electrification [page 11]. As Mr. Bobzien mentioned, the Nevada Electric Highway, which is fueled by the influx of the Volkswagen settlement funds, continues to expand as charging stations are actively being installed in strategic locations across Nevada. Our office continues to promote the use of electric vehicles by providing a framework with charging stations across the five major corridors: Interstate 80, Interstate 15, US Highway 95, US Highway 93, and US Highway 50.

In Nevada, the transportation sector has now surpassed electricity generation as the primary source of greenhouse gas emissions. That is really a credit to Nevada and Nevada's leadership in helping drive down those carbon emissions from our energy generation sector. Electrification of our transportation system is the next step in Nevada's leadership in clean energy innovation, decarbonizing the grid, and creating economic opportunities. There was a long list of bill draft requests that contemplated transportation. Some of those were not related to electrification, so we will look to see what happens with the rest of the bills as they shake out on March 18 and March 25. We expect to see some of those bills have an impact on the interrelated issues of how to increase the market share of electric vehicles while providing for the equitable support of Nevada roads and infrastructure across all vehicle types and users. Smart policy on electric vehicles will support this market growth and contribute to significant carbon emission reductions.

For those who have not been following it, Nevada was actually the second state in the country to enact a renewable portfolio standard [page 12 ([Exhibit E](#))]. This has been an issue that has been part of discussions at legislatures since 2001. The development of renewable energy in Nevada has brought in over \$7.8 billion in capital investment, property and sales and use taxes, and employment benefits. Tax abatement incentives of \$861 million have been granted, which have provided over 9,075 construction and operational jobs. The GOE has assisted in bolstering the renewable energy portfolio with more than 2,000 megawatts of renewable energy made possible, in part, by our Renewable Energy Tax Abatement program. We also have the Lower Income Solar Energy Program which provides solar for facilities that cannot always afford it, such as a boys and girls club, homeless shelters, and Veterans Village in Las Vegas. Those are some of the projects where that program has been integrated.

Nevada's renewable portfolio standard (RPS) directs that a percentage of electricity sold by our utilities to retail customers must come from renewable sources. Our current RPS is set at 20 percent. For 2020 through 2024 it will be set at 22 percent and then it increases to 25 percent by 2025. That is where it stops in the statutes. There is a bill draft request in the Senate which will seek to increase the RPS. In the State of the State Address, Governor Sisolak indicated he supports legislation increasing our RPS to 50 percent by 2030 as a path to regain our leadership in clean energy development, provide opportunities for jobs and economic growth, and further reduce our carbon emissions.

Nevada Revised Statutes Chapter 704B is an issue that we expect you to be faced with this session [page 13]. As you know, NV Energy is a vertically integrated and regulated utility, which means its customers receive generation, distribution, and transmission services. Under NRS Chapter 704B there is a limited class of customers, those with an annual load of 1 megawatt or more who are able to obtain energy services from an entity other than NV Energy. In other words, they get to exit the system through a process that is set up in this chapter. Provided that the applicant's exit is not deemed to be contrary to the public interest, the process includes the calculation of an impact fee to the entity seeking to exit so that it equalizes any impact to remaining utility customers. *Nevada Revised Statutes* Chapter 704B was created in 2001 and has largely remained in its original form. The chapter was implemented to address an energy market that is substantially different than today's energy market, specifically one where generation was lacking. There was thought behind allowing these large users to obtain energy services other than from the incumbent utility. It is expected there may be some effort to modify this chapter during this session.

Our state has a robust rooftop solar industry and an increasing amount of renewable energy from utility-scale production that benefits all Nevadans [page 14, [Exhibit E](#)]. However, not every home is a fit for rooftop solar, so not every Nevadan can afford to have a house that is oriented to be able to get a direct rooftop installation. Lower income residents often find difficulty getting financing. Some apartment and condominium dwellers are not able to put rooftop on their homes. In 2017 there was a bill to enable community solar gardens with virtual net metering [[Senate Bill 392 of the 79th Session](#)], but that bill was vetoed by Governor Sandoval. Currently [Senate Bill 210](#) contemplates enabling community solar gardens.

Finally, on Tuesday Governor Sisolak announced that Nevada would join the U.S. Climate Alliance [page 15]. Nevada is the twenty-third state to join this bipartisan coalition of governors who make three pledges when they join: implement policies that advance the goals of the Paris Agreement aiming to reduce greenhouse gases by at least 26 percent to 28 percent below 2005 levels by 2025; track and report progress to the global community in appropriate settings, including when the world convenes to take stock of the Paris Agreement; and accelerate new and existing policies to reduce carbon pollution and promote clean energy deployment at the state and federal level.

This coalition was formed, in part, because of the lack of recognition or action at the federal level, so the states started taking the lead. With Nevada as its newest member, the Alliance now represents more than 51 percent of the US population and an \$11 trillion economy. The climate and energy policies of these states have created 1.6 million renewable energy and energy efficiency jobs. That is equivalent to over half of all clean energy jobs in the United States. The climate and energy policies the Alliance states have put into place cover 36 percent of U.S. greenhouse gas emissions.

On Tuesday you also heard the introduction of [Senate Bill 254](#), sponsored by Senator Brooks, which has similar carbon reduction goals to the U.S. Climate Alliance, but it goes a few steps further, including annual reporting of greenhouse gas emissions by NDEP, targeted emission reduction from 2005 levels by 28 percent by 2025, and then reductions of 45 percent from those 2005 levels by 2030. Accompanying that inventory from NDEP will be a statement of policies and regulations that could achieve those targeted reductions. The bill also requires a qualitative

assessment of whether these policies can support long-term reductions of greenhouse gas emissions to zero or near zero by 2050. The GOE's part in this bill comes from the requirement for consultation between the State Department of Conservation and Natural Resources and NDEP in preparing its report which is consonant again with the Governor's view for GOE in serving as a collaborative hub for energy policies and energy programs.

Chair Monroe-Moreno:

I know we have a few questions, and some of them may have to involve the PUCN. I want to thank you both, and a number of you in the audience, who have taken the time to meet with members of the Committee individually to answer a number of questions, especially in the last two weeks, and the late nights I have asked you to be here for stakeholder meetings.

My first question deals with the RPS. There are a few companies who have exited the grid using NRS Chapter 704B. Will those who have already exited be required to meet what the new standards will be in 2030? If not, how or what impact will that have on those who remain? I am not sure if that is a question for GOE or PUCN.

David Bobzien:

That is a big question for the Legislature to dive into. I certainly think the PUCN can give you some perspective on the question.

Jennifer Taylor:

Currently under the existing RPS statutes, if a company exits the system, the RPS is capped at the level it was when the company exited. Anyone exiting right now is capped at 20 percent. I think that was part of your question. I would ask the PUCN to answer the question about the impact.

David Bobzien:

The question to the PUCN is whether or not that arrangement persists in future legislative views of the RPS.

Hayley Williamson:

I would like to echo the GOE, as they are correct that the way the current law stands, companies who have exited under NRS Chapter 704B are capped at the RPS in the year in which their exit was approved by the PUCN. Any new RPS going forward would require a law change with a caveat that, when companies are currently exiting under NRS Chapter 704B, they are doing so under orders from the PUCN that are either through a contested case process or through a stipulation. Those sometimes contain very specific RPS requirements for that company. In the future, if the Legislature wants to change what the exited customers' RPS standards were, it would require both a law change and potentially an examination of the order at the PUCN.

Assemblyman Yeager:

I am excited that the Governor signed on to the U.S. Climate Alliance. I think that is a long time coming for the state. Through you, I would like to express my appreciation to Governor Sisolak for doing that.

The question I have relates to the NRS Chapter 704B process. I am trying to get a sense of the impact fee. Could you explain how that impact fee is determined under current law or regulation? What kind of factors are involved? I do not want to get too much into the weeds, but from a high-level perspective of how the PUCN looks at that and how it is calculated.

Hayley Williamson:

The exit fee currently in statute is the PUCN has to find the exit not contrary to the public interest. Every case is looked at on an individual basis as to what that means. Things that can be considered are how big the load is, where the company is located, if the company is an established customer of NV Energy, or if the company is a new customer to the state. Every case is very fact-specific and every customer has a unique set of circumstances. In evaluating what that impact fee would be, the job of the PUCN is to make sure that no remaining ratepayers are held harmless when that specific customer exits.

Assemblyman Yeager:

You answered the first part of the question, which was whether companies can exit or not. However, for those companies that do exit the system, is there some kind of exit fee that is assessed? What kind of factors are looked at for what that fee would be?

Hayley Williamson:

I apologize if I was not clear. Those factors that I mentioned are factors that go into the exit fee. There is a threshold question the PUCN asks, which is how big the company's load is. If it is over 1 megawatt of load, there are other factors we have to evaluate to determine if the company is even eligible to exit. If the company is eligible to exit, then we look at the factors of how long the company has been a customer, how big the load is, and what the actual customer needs are, because once a company exits the system, NV Energy is no longer planning for or serving that load from its generation capacity. We look at holding the other ratepayers harmless for that departure and any other factors that might be unique to that company in determining the amount.

Chair Monroe-Moreno:

For any customers who are currently on the grid, to get to 50 percent by 2030 and to make sure that any customers that would like to leave and take advantage of NRS Chapter 704B, we as a Legislature would have to make some changes to directions that we give to PUCN, if we want to make sure that everyone gets to that 50 percent together. For those that want to leave—if they leave this year or in five years—the Legislature would have to make language changes that would require those companies to make those adjustments to get to the 50 percent with us. Is that correct? The way the statutes are written now there is no obligation for those companies to do that. As a legislative body, moving forward, we could make those changes and directions to the PUCN. Is that correct?

Hayley Williamson:

That is correct.

Chair Monroe-Moreno:

On pages 4 and 5 ([Exhibit E](#)) regarding the programs that address the funding for the GOE, one of those is the Renewable Energy Tax Abatement program. Is that a shrinking fund? Is it something that would go away and, if so, would your office at any point be coming to the Legislature to ask for funding?

David Bobzien:

Thank you for that very important question which is the long-term puzzle for our office. It is important to note that the Renewable Energy Tax Abatement program had a window in time in which there was a sharing of the resources generated from that into the fund. That fund has a finite amount of money in it, and without the major infusion to refresh it, you are correct, there is a window of time for us to draw that fund down. It will be a few sessions out before it becomes an issue that has to be revisited. For the long-term picture for this office, we are going to have to figure out what we are doing. You are correct in noting that that major source of revenue is not necessarily going to be around forever.

Chair Monroe-Moreno:

As you are looking at other options for funding, I ask that you keep us involved in the conversation. I would rather address those issues sooner than at the last minute. Could you give us a little more information about how the Lower Income Solar Energy Program (LISEP) works?

David Bobzien:

I would like to respond to your earlier comment. We will absolutely keep you involved in the question over funding. For this first legislative session, we have major issues around climate policy and the legislative session to get through. In the future it will be a partnership with our office, the Governor, and the Legislature in trying to figure out the best way forward to move our state with the appropriate policy apparatus to do it.

The Lower Income Solar Energy Program has a long history with the Legislature. In 2013 Assembly Bill 428 of the 77th Session was the legislation that started this program as a pilot. The thinking at the time was we have the incentive package for solar energy, we had had some experience with wind and other forms, but there was a concern those technologies and innovations were not getting down to a broader base of Nevadans, particularly those at the lower income scale. With the LISEP program, the idea was to open a pool of resources that can go toward benefitting community organizations that serve low-income populations. This has persisted for a number of years. We are out of the pilot phase and, at this point, it is a partnership with the money we put on the table on a per-watt basis, as well as incentives that come from NV Energy, to join these programs. We have gone through a number of phases with this program and we are looking at the next phase.

I do not have it with me today, but I would be happy to give you more information about the specific projects that have been funded over the past many years, and we can engage in a conversation about what we are thinking for future projects as well.

Chair Monroe-Moreno:

Are there any further questions from the Committee? [There were none.] Thank you for your presentation. Next is an overview of the Colorado River Commission of Nevada (CRC).

Eric Witkoski, Executive Director, Colorado River Commission of Nevada:

With me today is Gail Bates, the assistant director of energy services, who has been with the CRC for a long time and has a lot of experience. In Las Vegas, Peggy Roefer will join us in case there are any questions in the areas she may be able to answer.

I will give you an overview of the organization and a little history [page 2, ([Exhibit F](#))]. We have various areas, including hydropower, environmental mitigation programs, power delivery, energy services, and I will touch on the Colorado River and the drought planning we are involved in with the settlement with seven states that is getting very close.

The CRC was created in 1935 in response to the building of Hoover Dam [page 3]. Basically, the purpose was to protect, receive, safeguard, and hold in trust the water and hydropower resources for Nevada.

Our Commission is made up of seven members: four appointed by the Governor and three by the Southern Nevada Water Authority (SNWA). Recently one of our members got a new job. He is now Governor of Nevada [page 4]. He was on our Commission from July 2016 to when he took office in January 2019. He is familiar with our operations. Our current members of the CRC are Puoy Premsrirut, Chairwoman; Kara Kelley, Vice-Chairwoman; Jim Gibson; Marilyn Kirkpatrick; John Marz; Cody Winterton; and Dan Stewart [page 5].

Funding for the CRC comes from administrative fees associated with water and hydropower [page 6]. We do not receive any General Fund dollars. The organization has a staff of 35.

In 1928 the Boulder Canyon Project Act authorized the construction of Hoover Dam and gave the U.S. Secretary of the Interior the ability to contract for the generation and delivery of hydropower energy [page 7]. In the 1970s the U.S. Department of Energy was created which has an entity called Western Area Power Administration (WAPA). We contract with WAPA for the power from Hoover Dam and the various dams we contract power for. Our first customer for Hoover power was Lincoln County Power District No. 1, which operates in the rural areas of Nevada.

These pictures [page 8, ([Exhibit F](#))] are of the hydropower resources we do have contracts for, which are Hoover Dam; Davis Dam in Laughlin; Parker Dam in Lake Havasu City, Arizona; and Glen Canyon Dam in Page, Arizona.

The federal government operates and delivers the power [page 9]. Sometimes people get confused and think the CRC owns the dams, but we do not. We just take the allocation we get from the federal government, then we turn around and contract with various entities, such as Lincoln County Power; Overton Power District No. 5; Valley Electric Association, Inc.;

and Nevada Power Company, as examples. Later you will see a list of our customers. Boulder City has some allocations directly from the federal government.

Hoover Dam is the largest in megawatts at 403 [page 10]. The Parker-Davis Project is at 57 megawatts. The Salt Lake City Area Integrated Projects include Glen Canyon Dam and some other dams in the northern basin, or what we call the upper basin. The total allocated to the CRC is 487 megawatts.

This page [page 11] lays out the hydropower customers, including SNWA, Nevada Power, City of Boulder City, Lincoln Power, et cetera. In 2013 some of the government agencies reallocated and took a 5 percent slice. Some state departments get a slice of Hoover power, including the Department of Corrections, Department of Administration, and the Department of Transportation, as well as the University of Nevada, Las Vegas, Clark County School District, and the College of Southern Nevada.

I wanted to touch on some of the environmental programs that are set up to work on any environmental impacts from the dams, such as the Lower Colorado River Multi-Species Conservation Program [page 12]. In the upper basin we have the Glen Canyon Dam Adaptive Management Program. These programs look at the populations of the native fish and try to help facilitate growth of those native fish. We also have agreements with Mexico through the 1944 U.S.-Mexico Water Treaty under Minute 306, Minute 319, and Minute 323.

The next page [page 13] gives a little more detail regarding the lower basin program, which is a 50-year program that includes 26 covered species, 5 evaluation species, and impacts over 1,000 square miles. Basically, the plan includes conservation measures to raise and stock over 1.2 million native fish in the lower Colorado River and manage the 81,000 acres of riparian, marsh, and backwater habitats. The total cost of the program is about \$626 million. To date, over 6,000 acres of habitat have been established along the Colorado River for 13 conservation areas.

In the upper basin [page 14] is the Glen Canyon Dam Adaptive Management Program with about \$10 million spent each year to research and mitigate the impacts of the dam. There is also a program we call the Long Term Experimental and Management Plan that looks at the specific operations of the dams and tries to minimize any impacts on the environment. There is also a program on the upper Colorado River to work on the native fish recovery. There are some protected and endangered fish species, the humpback chub, bonytail chub, Colorado pikeminnow, and the razorback sucker. There is also a similar program in the San Juan River called the San Juan River Basin Fish Recovery Implementation Program.

This page [page 15, ([Exhibit F](#))] goes over the treaties we have in the minute orders. There is a treaty that goes back to 1944 with Mexico and these minutes are the agreements to work on under the treaty. For Minute 306, both countries started looking at the environmental impacts. For Minute 319, they did some more work on the lower Colorado River. More recently, Minute 323 was to do more work with Mexico.

The CRC has a power delivery section [page 16]. We have folks who actually maintain or build substations that are used to deliver power to SNWA or the Black Mountain Industrial Complex in Henderson. We have 17 high-voltage substations, 32 miles of overhead 230-kilovolt transmission lines, 4 miles of overhead 69-kilovolt transmission lines, and 11 miles of underground line. Basically, we operate and maintain these for SNWA and Clark County Water Reclamation District.

We have an Energy Services Group that buys powers for the various entities listed [page 17]. The Energy Services Group is a member of the Silver State Energy Association, which includes the City of Boulder City, Lincoln County Power District, Overton Power District, SNWA, and the industrial customers in Henderson.

In 1922 the Colorado River was divided between the upper basin and the lower basin [page 18], giving each basin 7.5 million acre-feet. That was put into the 1928 Boulder Canyon Project Act. The allocations from the lower basin include 4.4 million acre-feet for California, 2.8 million acre-feet for Arizona, and 300,000 acre-feet for Nevada. In 1928 there was not much in southern Nevada. These allocations were affirmed by the U.S. Supreme Court in 1964. We call this "The Law of the River."

I will not go through each of the contracts [page 19], but this shows who owns Section 5 Contracts in southern Nevada.

I would like to touch on the interim guidelines from which the drought contingency plan was built [page 20]. In 2007 they came up with a framework to help define when there were shortages in Lake Mead and Lake Powell and to work on maintaining some of the lake levels. It also allowed for the creation of what we call "Intentionally Created Surplus," which is banking of water. It is water we may not need but it can be banked in the lakes.

The next page [page 21] touches on the Drought Contingency Plan. Again, this is not final, but the seven states have been working on this for about four years and it is very close. The CRC signed off on it in November, as did SNWA. We are very close to getting a final document with the parties, hopefully later this month, but we will see where it goes.

I will close with a little good news. Being in Carson City, you have seen a lot of the snow that moves across the Sierra mountains and across the basin. The red line on the graph [page 22] was last year's precipitation. The blue line is the average. At this point in time, the green line shows we are projected to exceed the average. We are having a good year. It is nice because we have been in a 20-year drought. Hopefully this will continue, but as you know, conservation, especially in southern Nevada, is key to maintaining the water.

Chair Monroe-Moreno:

We do have a few questions.

Assemblywoman Bilbray-Axelrod:

My question is in regard to your board makeup [page 5, ([Exhibit F](#))]. I recognize a few of the names. Could you tell us where they come from, the length of the terms, and who they report to?

Eric Witkoski:

Three members come from SNWA. I am not sure of the term lengths. I want to say four years staggered, but I am not sure. As people from SNWA leave, others from SNWA come over. Governor Sisolak's term was not up for another few years. When he left, SNWA decided who to send over and they sent Mr. Gibson.

Assemblywoman Bilbray-Axelrod:

There are two county commissioners on the CRC. I assume Governor Sisolak was filling the county commission seat. Are you saying SNWA is the one that appoints, or are you saying these are folks who work for SNWA? I am still not clear.

Eric Witkoski:

Four members are appointed by the Governor. The current members were appointed by Governor Sandoval. Currently Governor Sisolak has not yet had to appoint anyone. Three members are appointed by SNWA. Some of those members are from Clark County or the various participants in the Las Vegas Valley water districts and they come to SNWA to participate. The three from the SNWA are assigned to the CRC. They are board members of SNWA.

Assemblywoman Bilbray-Axelrod:

Is it fair to say that with the new Governor, this could change?

Eric Witkoski:

There are terms and I believe the first terms are up in 2020. As those terms are up, it will be up to Governor Sisolak whether he wants to reappoint that particular person or wants to appoint someone new.

Assemblywoman Bilbray-Axelrod:

On other boards, if a new person comes in, they have the ability to change the board members based on the new office.

Eric Witkoski:

I think what normally happens is, once the term is up, the Governor can replace them. I believe the Governor can choose the chairman of the CRC.

Assemblyman Ellison:

How much water goes from the reservoir to Mexico?

Eric Witkoski:

I want to say 1.5 million acre-feet. I would like to defer to Ms. Roefer in Las Vegas.

Peggy Roefer, Environmental Program Manager, Colorado River Commission of Nevada:

You are correct, Mr. Witkoski. It is 1.5 million acre-feet.

Assemblyman Ellison:

Are there talks about trying to make a deal to keep that water in the reservoir versus trying to make a plant in Mexico? Can you tell us if that is still in the works and where we are? I think that is the best way to handle some of the water issues. If we could keep the water in the reservoir in Nevada and make a deal for desalinating water from the ocean, that would be a win-win for everyone.

Eric Witkoski:

There are studies and money being invested exploring that issue. There is a working group studying desalinization. If we could share in the cost of a desalinization plant in Mexico, they could forego their water in the lake.

Assemblyman Ellison:

If that deal was made with that much water, how many years would that give southern Nevada?

Eric Witkoski:

The current forecasts indicate we are in pretty good shape until about 2050. However, those are the plans you have to make for the future because they take time.

Chair Monroe-Moreno:

On pages 18 and 19 ([Exhibit F](#)) regarding the Section 5 Contracts, could you explain what a Section 5 Contract is?

Eric Witkoski:

Under the Boulder Canyon Project Act there is a section 5 that allows for the secretary to contract with the various states for allocation of the water. That is what came out of that in 1928 and how California ended up with 4.4 million acre-feet, Arizona 2.8 million acre-feet, and Nevada with 300,000 acre-feet. Over time, Arizona wanted to dispute that allocation and went to the U.S. Supreme Court. In the case *Arizona v. California*, 373 U.S. 546 (1963), they affirmed the section 5 and this allocation method. They have also retained jurisdiction, so if anyone does want to sue on this, they have to go to the U.S. Supreme Court.

Chair Monroe-Moreno:

Are there any further questions from the Committee? [There were none.] Thank you for the presentation. Next is an overview of the Bureau of Consumer Protection, Office of the Attorney General.

**Ernest Figueroa, Bureau Chief, Consumer's Advocate, Bureau of Consumer Protection,
Office of the Attorney General:**

I am the sixth Consumer's Advocate in the State of Nevada. With me today is Whitney Digesti, Deputy Attorney General, who will be assisting me in our presentation. By way of background, I have been with the Office of the Attorney General since 2001. I have worked for many attorneys' general from Frankie Sue Del Papa to our current Attorney General, Aaron Ford. One of the proudest moments working at the Office of the Attorney General was working alongside Catherine Cortez Masto during the foreclosure crisis and helping her secure \$1.9 billion for the benefit of Nevadans.

During the energy crisis of 1970 there were gas lines, odd and even, and all that good stuff taking place throughout the nation [page 2, ([Exhibit G](#))]. There was a lot of activity going on in the energy space, mainly the sudden introduction of rates with nuclear power plants and coal plants that were causing large rate increases to be incurred across the nation. One of the big concerns the policymakers were hearing was the ratepayer did not have a collective voice to challenge these large rate increases. All across the United States in 1981, and in Nevada, the Consumer's Advocate office for public utility ratepayers was established. I have big shoes to fill because there have only been six of us in Nevada so far.

One of the interesting things about this particular office is, it is actually located in the Office of the Attorney General. It is done many different ways in other states and there are other ways to get this done, but we are like the 11 states that report to the Attorney General. Our statutory authority is under *Nevada Revised Statutes* Chapter 228.

In 1997 Nevada was looking to do its first foray into energy choice, for lack of a better explanation [page 3, ([Exhibit G](#))]. During that time, consumer's advocate No. 2, Fred Schmidt, realized there was going to be numerous consumer protection issues that would come forth. He made a suggestion and put forth legislation to empower the consumer's advocate to also enforce deceptive trade practice statutes and antitrust statutes in anticipation of the retail energy choice transition, which never happened because of the Enron Corporation crisis. The big highlight here is in 1997 the role was expanded.

This page [page 4] outlines certain statutory requirements that come with the position. It is an appointed position by the Attorney General for a term of four years. I am proud to say that since 2005, I have been involved in rate cases under the tutelage of many private consumer's advocates.

I am not a one-man show. I actually have a team of dedicated professionals and technical experts [page 5]. The reason for this is because when the large utilities—NV Energy and Southwest Gas Corporation—file for rate cases and try to seek large rate increases, they bring with them a team of experienced, dedicated professionals and have a powerful arsenal to advocate for their rate increases. Therefore, the statute provides me with accounting experts and engineering experts in order to analyze rate increases. It requires a tremendous amount of different disciplines to figure out what is going on. I have an office in Carson City and Las Vegas. Depending on how and when I can find someone to fill some of my

positions when they open, I have the flexibility to put them in Carson City or Las Vegas. In addition to the positions I have, it is important to note that the consumer's advocate aspect of the Bureau of Consumer Protection is wholly funded by a small assessment built into the Nevada consumer's utility bills.

This page [page 6] details my jurisdictions of what and who I can advocate for before the Public Utilities Commission of Nevada (PUCN). As you heard in their presentation, they have a list of things they do. Fortunately, I do not have to be involved in cases involving railroads or utility cooperatives. This page [page 7] is a statutory reiteration stating what kinds of cases the consumer advocate must intervene in, mainly, whenever NV Energy files their mandatory rate cases, when there is some deferred energy accounting proceeding, or several other instances. There are also other cases that I can intervene in. As a way of reference, since 2017 there were four mandatory issues that I needed to intervene in, but the office actually intervened in 68 issues during that time frame.

When the role of the office was expanded in 1997, it actually provided us additional duties. The mission [page 8] is to represent the ratepayers before the PUCN, to enforce the Nevada deceptive trade law and our antitrust statute, and perform consumer outreach and education.

Ms. Digesti will explain what our involvement is as far as deceptive trade practice is concerned.

Whitney Digesti, Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General:

A large part of what we do in the Bureau of Consumer Protection is work on multistate cases. In these cases, many states join together to investigate interstate businesses that we believe have engaged in deceptive trade practices. Often we reach settlements with these companies. An example of a recent settlement in a multistate case is the \$1.8 million settlement with Fiat Chrysler Automobiles NV and Robert Bosch regarding emissions fraud [page 9, [Exhibit G](#)]. Another example of the Bureau of Consumer Protection involvement involves managing settled matters. In the past, we have settled with various mortgage companies, and we still manage the National Mortgage Settlement and its various programs.

Another important component of the Bureau of Consumer Protection is education and outreach. Our goal is to make consumers aware of scams and deceptive trade practices so they can take steps to prevent becoming victims, as well as teach consumers what they can do if they think they have become a victim of a deceptive trade act. A couple of examples of recent outreach with the Bureau of Consumer Protection includes coordinating Consumer Protection Week, which was just a couple of weeks ago, managing cybersecurity for seniors during Cybersecurity Month, which is in October, and putting on tele-town halls on various consumer protections topics, the most recent of which was romance scams.

Ernest Figueroa:

As Ms. Digesti mentioned, the office is involved in various multistate matters on the deceptive trade practice front, but I would like to point out that we are also a member of a national organization called the National Organization for State Utility Consumer Advocates (NASUCA) [page 10]. It is basically a resource I have to exchange ideas with our sister states for the protection of ratepayers.

As I start going forward with the next couple of pages in the presentation, I would like to highlight how important energy matters are [page 11]. In 1978 the U.S. Supreme Court found that utility service is a necessity of modern life. Since 1978 there have been tremendous technology advances, and we have become more and more reliant on the use of energy now than we have ever been. We cook with it, we warm our house with it, we cool our house with it, and we entertain ourselves with devices that require energy, so it is a very important part for our ratepayers.

As you start hearing energy policy through these committees, you will hear from a number of different experts that come from all across the nation. I want to have you keep in mind a couple of things. Nevada is unique and special when it comes to energy. Las Vegas is a 24-hour town. We do not have a traditional workforce that works from 8 a.m. to 5 p.m., comes home, and then goes to sleep. We have people who access energy at all times of the day. Sometimes they do not have the ability to not use electricity during a certain time frame. That is just a fact of life. Another factor Nevadans face is a direct correlation with one's energy bill and weather conditions [page 12]. As we know—and I am going to harp on this for a couple of more slides—in southern Nevada, utility bills substantially increase during the warm months, and in northern Nevada, utility bills substantially increase during the cold months. These are special considerations that are unique to Nevada.

I will go through some statistics I have come across over the last couple of weeks [page 13], but I also want to point out that on page 19 ([Exhibit G](#)) there are the citations and sources for these statistics if you want to follow up. On page 13, one of the things I want to point out is there are approximately 1.1 million electric residential ratepayers in Nevada. The breakdown is approximately 800,000 in the south and 300,000 in the north. In 2015 we were involved in a docket where Nevada Power Company basically provided us a slide showing that in the month of July, the average residential bill peaked at \$242. If you think about that, it is probably the third- or fourth-highest bill to our residents right after rent or mortgage and a car payment. If you get a three-digit utility bill, it is pretty significant. That is something to keep in mind.

Another thing to keep in mind is, we are not just warm, we are very hot in southern Nevada. In fact, one of the sad things I found was Nevada heat fatalities are on the rise [page 14]. I have seen different statistics and I chose one that showed 81 fatalities, but I came across a southern Nevada statistic that showed 123 heat-related deaths in 2017. According to an article I read by an epidemiologist to reduce heat-related deaths is to use air conditioning. Perhaps we are putting our residents in a position where they are not turning on the air conditioner to cool themselves and afflicting themselves with possible heat-related issues.

These statistics are shocking to me [page 15]. Roughly 19.2 percent of households in the Las Vegas area have an income of less than \$25,000. That is pretty incredible. As we start thinking about that, we have people who make a lot more than that and people who make a lot less than that. We need to keep in mind that we have a very significant vulnerable population that basically are not as well off as others.

The statistic I want to point out here [page 16] is the second one. Low-income households are inclined to have more household members, children or disabled members, and older housing stock. Why the older housing stock is important is because if someone is living in an older house, there are not the same energy efficiency measures or the same controls to help them contain their energy costs. It is an unfortunate circumstance, but that is the way the statistics are panning out.

Another interesting statistic I recently found is low-income households below 50 percent of the federal poverty level in Washoe County spend 17.9 percent of their income on energy [page 17]. That is almost 20 percent of their budget.

When the vulnerable energy customer, such as the elderly and low income, receives an unaffordable electrical bill, they have to make an important life decision [page 18]. They have to decide whether they are going to pay for food, medicine, their mortgage, or their electric bill. I came across an AARP study that said sometimes that can even cause someone to go into a foreclosure situation.

I think these statistics stress the importance of the consumer's advocate to help advocate for rates that are just and reasonable. We are trying to seek justice for our ratepayers to avoid excessive utility costs. Thank you for the time to present this information to you.

Chair Monroe-Moreno:

The last two weeks we have been having stakeholder meetings talking about community solar and electrification of our highways, electric vehicles, taxes, et cetera. As the Legislature is looking to draft these policies, what are some of the best practices you feel we should be putting into place in that legislation to protect the consumers we represent?

Ernest Figueroa:

There are a couple of things to keep in mind when you are crafting policy. Believe it or not, the consumer's advocate is not a policymaking position. I am here to provide you with information to make informed policy decisions. I was heartened by listening to the Governor's State of the State Address when he said he wanted to accomplish these goals without raising utility rates. I think that can be done. I have been hearing a lot of conversations behind the scenes. As long as there is a gradual approach to things and a long, thought-out process so things do not have a significant impact on rates, that can be helpful. That would probably be the main point to keep in mind.

The second issue you may want to keep in mind is rate stability. I think people can budget if they know what the rates are going to be. However, if rates jump quickly, it causes a lot of stress to our residential ratepayers. Anything that encourages rate stability or a decrease in rates is helpful.

Those are the two big issues. I may come up with some more during our stakeholder meetings.

Assemblywoman Bilbray-Axelrod:

Looking at the heat-related fatalities [page 14], that number is staggering. You would think information would be getting out there even more to recognize the signs. What are some practices to get that number to go down?

Ernest Figueroa:

When I was looking at statistics and which ones to use, I did come across a 2017 or 2018 article in the *Las Vegas Review-Journal* that had a higher statistic at 123 deaths reported by the Southern Nevada Health District. In that article there were tips to stay cool and the epidemiologist said air conditioning is the first way to avoid this. They do not understand why this happening, but air conditioning is the first line of defense. The article mentioned, just like in the north when there is an extreme cold event and shelters are created, they are starting to create shelters in the south for people to utilize in the event of an extreme heat emergency.

There is also a fund low-income people could utilize to help pay their energy bill. I do not have the specifics, but I am pretty sure it is managed by the Department of Health and Human Services. There is also a Consumer's Bill of Rights which prevents disconnections during extreme weather events that the AARP helped work on. Joining me now is Anne-Marie Cuneo who can probably shed some more light on this subject.

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

On every electric bill there is a charge called the Universal Energy Charge (UEC). The Public Utilities Commission of Nevada administers that charge on behalf of the Division of Housing, Department of Business and Industry, and the Division of Welfare and Supportive Services, Department of Health and Human Services. The funds help pay for electric and gas bills for low-income people who are having a hard time paying their bills. It also goes toward weatherization of housing stock for those same people. The last time I checked, the UEC amounted to about \$12 million a year that is split between those two agencies. I believe those agencies spend every penny.

Assemblywoman Bilbray-Axelrod:

That is great that we are doing these things, but because we are doing these things, you would think the number would be going down and not up. What else can we do? These are people's lives. It is wonderful that we are doing things, but we need to be doing more.

Ernest Figueroa:

I agree. I found this statistic to be depressing. As a follow-up, I will be contacting the Southern Nevada Health District to speak to the people who were quoted in the article to see what is being done. I will also contact my counterparts in NASUCA, at least to the states that have heat issues. The problem is, I believe Nevada is No. 1 in heat-related deaths. Perhaps a think tank or a blue-ribbon committee might be necessary to help prevent this from happening in the future.

Assemblyman Watts:

Could you provide a summary or an overview of deceptive trade practices related to rooftop solar? Perhaps anything you have seen arising out of some of the legislation we passed in the last session.

Ernest Figueroa:

I do not have the exact numbers, but after legislation was passed, there was a significant number of people contacting the office regarding entities posting potentially deceptive advertisements across southern Nevada, either falsely stating they are affiliated with the PUCN, the Governor's Office, Clark County, or other agencies to entice people. The problem with these notices is, there is often a lack of identifiable information. Our office has some investigations going on with some of these things, so I am limited as to what I can share with you. What I can share is we have found there are some issues with regard to quickly identifying who is putting these notices out there.

We have conducted undercover stings, secured a house to see who would show up, and asked questions. Once they show up, we figure out who they are working for and issue subpoenas. We have contacted a number of companies to tell them these notices are in violation of our deceptive trade practice laws. There is an unregulated cottage industry of solar lead generators that seems to be the cause of these problems. There is a financial incentive for these lead generators to continue doing these things to try to trick our residents into falling prey to a potential Nevada residential rooftop solar scam.

Assemblyman Yeager:

I want to thank you for the work you do in your office. Frankly, it sounds very exciting when you said you get to serve subpoenas and do undercover stings. I think that is exactly what we need, particularly with some of the solar practices that are going on. I know it is happening in my community. There are stickers on my garage every day that make it look like it is from Clark County when it is not. I want to encourage you to keep doing those things and protecting consumers.

One of your pages was about some of the programs you do [page 9, ([Exhibit G](#))], such as the Consumer Protection Week events, cybersecurity events, and tele-town halls. Do you have an email distribution list? If I could get notice of those events, I would like to push that information out to my constituents so they can participate. I can certainly direct them to your website, but if you have a distribution list I would like to be added.

Ernest Figueroa:

One of Attorney General Ford's promises and visions is to focus on consumer protection. We are currently in the process of working with all the stakeholders in the Office of the Attorney General to increase outreach efforts exponentially. I am going to let him and his press information officer know that you would like to be informed of these consumer protection efforts as they roll out and take place.

Chair Monroe-Moreno:

Would you please let him know to send that information to our committee manager and then we can get it to all the Committee members.

Assemblyman Leavitt:

I would like to go back to the heat-related fatalities page [page 14, ([Exhibit G](#))]. This may be a question for the health districts and you may not be able to answer. When you are calculating what a heat-related fatality is, is it the same definition throughout the years? Sometimes you hear about someone being out in the summertime and having way too much to drink and becoming dehydrated, causing a fatality. I do not know if they classify that as a heat-related fatality because they were outside at the time or if it is alcohol-related. I agree with my colleague that the statistic shows a massive jump. Has the definition of a heat-related fatality changed throughout the years, or are they grouped into different types of fatalities if there is a heat-related aspect?

Ernest Figueroa:

As I was doing my due diligence trying to substantiate some of these statistics, I discussed it with our economist, who is an expert at asking these important questions, to see if there are consistencies in what is going on. Frankly, I do not know, but that is an interesting question. I can relay that I read in the *Las Vegas Review-Journal* article in 2017 that there has been an increase and they do not know why, which I find to be very interesting. Once they find the root cause, it would help to establish some sort of solution to fix the problem. As soon as I get back to my office, I will ask the economist that question to see if there has been a change in the definition and criteria in the way these statistics were generated and then provide some sort of explanation to the committee manager for the Committee.

Assemblyman Leavitt:

The reason I ask is because it is reminiscent of tourism in our state in how it was low and now it has recently boosted up. I wonder if it is just because more people are visiting in the summertime months and do not know how to handle our extreme weather, especially when they are doing outdoor activities.

Chair Monroe-Moreno:

Are there any further questions from the Committee? [There were none.] Thank you for the presentation.

That brings us to public comment. Is there anyone in Carson City or Las Vegas wishing to make public comment? Please be aware you have two minutes for public comment.

Barry Gold, Director, Government Relations, AARP Nevada:

AARP works very hard in collaboration with the Bureau of Consumer Protection and the Public Utilities Commission of Nevada, not only on behalf of our 348,000 members across the state, but all residential ratepayers. It is important that I say residential ratepayers because those are the people, like you and me, who pay an electric bill every month. What we do is work with them to make sure the cost, the access, and the reliability are there.

AARP, at this point in time, has no public policy on renewables. We are what is called "fuel neutral," so you will not see us here talking about the renewable portfolio standard or things like that. Perhaps in the future our public policy will change, but we do work very closely with the agencies you have seen here today to make sure residential ratepayers can do what they want. The Universal Energy Charge is a wonderful way to help people pay their bills.

I would like to respond to Assemblywoman Bilbray-Axelrod. The Consumer's Bill of Rights says the cutoff threshold in the south is 105 degrees. NV Energy cannot cut off electricity if the temperature is 105 degrees or over. They tried to raise that threshold several years ago to 110 degrees. That was awful because there are not a lot of 110-degree days, but there are a lot of 105-degree days. We were very successful in fighting that off and keeping the threshold at 105 degrees.

We work with the PUCN on rate cases, rulemakings, and the Consumer's Bill of Rights. The heat deaths are amazing, and we need to find a way to stop the temperature threshold cutoff. It is very important. In the north NV Energy wanted to change the threshold which would have made it more problematic for people. I just want to say we work very closely with the agencies.

Chair Monroe-Moreno:

Seeing no one else in Carson City for public comment, is there anyone in Las Vegas?

Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada:

I looked at the entire Legislature and I find that there are hardly any bills addressing the issue of income and equality. This country has the largest gap between the rich and the poor among any industrialized country, and it has been exploding since the 1970s. There is a bill, however, about how to raise the minimum wage to \$12, I believe. However, I have no opinion on that because it does not solve the heart of the problem. The main problem is the cost of living with housing, health care, and tuition rising. Hardly anything has been addressed about that. The real issue is that chief executive officers' (CEOs') pay has been exploding for the last 40 years. There is more and more gain to the top executives, but the bottom 50 percent is not getting much.

By the way, inflation is largely caused by corporate greed. If you look at MGM Resorts International, he started a paid parking initiative. Guess what? He used that profit in revenue to actually increase his pay. I just wonder if any of you have taken campaign contributions from James Murren of MGM Resorts International.

I believe the best way to solve income inequality is to implement a wage ratio system so Mr. Murren cannot make more than 50 times the pay of the bottom employee. By the way, both parties are to blame for this income inequality issue. This idea has been heavily opposed by people on the right, believe it or not. This is an ongoing problem thanks to destruction of private sector unions, small businesses, family unit, tax havens for the rich, and third-world immigration. We are entering a gilded age, and more importantly, our disastrous trade policies. I believe what we need to do is implement a wage ratio system so we make sure a CEO gets a 5 percent raise and the bottom employee gets a 5 percent raise.

Chair Monroe-Moreno:

I appreciate your comments, Mr. Hojjaty. You have given us a lot to think about.

This meeting is adjourned [at 3:23 p.m.].

RESPECTFULLY SUBMITTED:

Lori McCleary
Committee Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation, dated March 14, 2019, titled "PUCN 101," presented by Hayley Williamson, Assistant General Counsel, Public Utilities Commission of Nevada.

[Exhibit D](#) is a copy of a PowerPoint presentation, dated March 14, 2019, titled "Understanding Nevada's Electric Utility Rates," introduced by Hayley Williamson, Assistant General Counsel, Public Utilities Commission of Nevada.

[Exhibit E](#) is a copy of a PowerPoint presentation, dated March 14, 2019, titled "State of Nevada Governor's Office of Energy: Agency Overview," presented by David Bobzien, Director, Office of Energy, Office of the Governor; and Jennifer L. Taylor, Deputy Director, Intergovernmental Relations, Office of Energy, Office of the Governor.

[Exhibit F](#) is a copy of a PowerPoint presentation, dated March 14, 2019, titled "Colorado River Commission of Nevada (CRCNV)," presented by Eric Witkoski, Executive Director, Colorado River Commission of Nevada.

[Exhibit G](#) is a copy of a PowerPoint presentation titled "State of Nevada Bureau of Consumer Protection," presented by Ernest Figueroa, Bureau Chief, Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General.