

**MINUTES OF THE  
SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-first Session  
May 30, 2021**

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 8:06 a.m. on Sunday, May 30, 2021, Online and in Room 2144 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Dallas Harris, Chair  
Senator Chris Brooks, Vice Chair  
Senator Pat Spearman  
Senator Keith F. Pickard

**COMMITTEE MEMBERS ABSENT:**

Senator Scott Hammond (Excused)

**GUEST LEGISLATORS PRESENT:**

Assemblyman Howard Watts, Assembly District No. 15

**STAFF MEMBERS PRESENT:**

Susan Scholley, Policy Analyst  
Eileen O'Grady, Counsel  
Debbie Shope, Committee Secretary

**OTHERS PRESENT:**

Brian Fadie, Appliance Standards Awareness Project  
Angela Dykema, Southwest Energy Efficiency Project  
Marie Steele, NV Energy  
Christi Cabrera, Nevada Conservation League  
David Bobzien, Director, Office of Energy, Office of the Governor  
Matt Morris, Nevada Resort Association  
Matt Walker, Southern Nevada Home Builders Association

CHAIR HARRIS:

We will open the hearing on Assembly Bill (A.B.) 383.

**ASSEMBLY BILL 383 (3rd Reprint)**: Establishes provisions governing the energy efficiency of certain appliances. (BDR 58-490)

ASSEMBLYMAN HOWARD WATTS (Assembly District No. 15):

Both the Legislature and Governor Steve Sisolak have set bold goals to address climate change and reach net-zero greenhouse gas (GHG) emissions by the year 2050. One of the key elements to achieving the goal is energy efficiency. Several measures in Nevada's State Climate Strategy focus on efficiency. Assembly Bill 383 addresses one of the 17 policies evaluated in the Strategy by adopting appliance and equipment efficiency standards.

The bill provides a range of benefit savings, energy avoiding pollution that negatively affects both the climate and public health and also water, particularly important now given the drought situation we are facing. It means spending less on utility bills, saving families and businesses money.

We have seen many initiatives come forward and work, and we are looking to build on it with A.B. 383.

Sections 2 through 30 define the various appliances and other key terms. Section 31 tasks the Governor's Office of Energy (GOE) with adopting standards for the outlined appliances which then need to be met by anyone offering items for sale or lease by July 1, 2023, and for installation by 2024. It sets the minimum levels of the standards and allows for modification in the future as technology improves while offering a grace period for the industry and retailers to prepare.

Section 32 allows the GOE to adopt standards for other items in the future as technology evolves and provides that grace period.

The rulemaking will happen in a public and transparent way through the Nevada Administrative Procedure Act. One of the latest amendments in consultation with certain stakeholders clarifies that the cost to consumers will be considered during the rulemaking process. If consumers saw a significant burden, they could request a one-year delay of the implementation of a standard.

The remainder of the bill clarifies how compliance will work. Essentially, it is certification. Many of the standards are Energy Star standards set as the minimum. Product databases are available of certified products that GOE can review to ensure the correct products are on the shelves.

Section 37 provides GOE the authority to set standards specifically related to flexible demand technologies as smart home innovations continue to move forward. A little over a decade ago, smart thermostats were rare, now they are prevalent. Other technologies are coming online for water heaters and other devices such as electric vehicle (EV) charging.

Technologies that continue to enter buildings provide additional opportunities for us to manage the electric load and promote efficiency.

Section 38 provides exemptions to the application of the standards.

SENATOR BROOKS:

The bill is straightforward with the definitions and getting into the different standards. What will be the minimum standard that GOE will create regulations around? Energy Star is in most of the bill, but then you have some other things like the California Code of Regulations and the Canadian Standards Association. Is it because Energy Star does not cover those particular types of products?

ASSEMBLYMAN WATTS:

That is correct. The listed appliances are an odd assortment. Because most are used in the home, the federal government has set standards for efficiency for most appliances. Once the federal government sets the standards, a state cannot preempt them.

The bill fills in the gaps where the federal government has not stepped in. Energy Star is a federal program but not a requirement. We are stepping in to establish that as the baseline for many of the appliances. California and Canada have led the way in setting standards where no federal-level standard existed. Nevada's standard basically turns to California and Canada's research and regulations to set the standards for appliances.

SENATOR BROOKS:

In section 37, you have addressed flexible demand technologies. Earlier in the bill you addressed EV chargers which can fit into the flexible demand

technologies category. It is obviously something that will be the wave of the future.

In section 37, subsection 3, paragraph (a), it appears you address the cybersecurity associated with flexible demand technologies but not just that: everything is entwined in the internet, everything in your house is beginning to communicate with the world. I am glad you are addressing it; I do not want my refrigerator spying on me.

ASSEMBLYMAN WATTS:

That is one of the reasons it was put in the bill. It is authorizing language, providing the GOE the ability to address issues as the technology evolves and make adjustments, without having to wait for the next Legislative Session. Allowing standards to be set for the flexible demand technology ensures the layout of considerations in cybersecurity is forefront as one of the matters needed with setting any standards.

The EV supply equipment is definitely one of the areas being looking at. One of the areas that other states are setting standards for are hot water heaters with communication ports. Now you can adjust water heaters that may have been heating water at different times. You can modify the schedule to manage loads and not apply energy to heat water during certain times like at night and then heat it back up to where you need it right before your morning shower, saving energy along the way.

SENATOR SPEARMAN:

Everyone here is paying attention, knows and understands exactly what is being discussed. But people not following this legislation are unaware of what is being discussed. Is there a plan for outreach and education? The information on standards is going out to the communities and that is good, but the other outreach that needs to be done is with the military. I purchase my appliances mostly at the U.S. Army base Post Exchange. It has the Energy Star rating, but then it has other ratings listed here. Is there a plan to reach out to someplace like Nellis Air Force Base or even to the area commander?

ASSEMBLYMAN WATTS:

I imagine there will be continuing outreach, education and engagement. After A.B. 383 passes, it will have to go through a regulatory process at the GOE. We engaged with many stakeholders, various industries and sectors in Nevada that

either sell, install or use the appliances. That has begun and can be built on by incorporating everyone, including military installations, from the legislative process to the regulatory process and implementation, ensuring that outreach is happening.

SENATOR SPEARMAN:

Is there a way to ensure that is direct? Another avenue of outreach we do not use much are the Greek organizations. Greek organizations usually meet once a month and do many events in terms of ensuring members are aware, and then those members ensure their communities or their circles of influence are aware. You should consider that.

ASSEMBLYMAN WATTS:

We will include those people in the outreach. The Appliance Standards Awareness Project looks at energy, water, carbon savings and utility cost savings over time. A specific table of the analysis ([Exhibit B](#)) looks at the payback period on many of the items for Nevada. For many it is zero, setting these standards and taking out the least efficient items. The lowest efficiency item and an efficient item are at cost parity. It will save people money by not using as much energy.

Others have payback periods within a year or two, and the payback periods are less than the useful life of the item. As many efficient items transition onto the shelves in retail stores over the next few years, the standards are only looking at saving people money.

SENATOR SPEARMAN:

That is why I am suggesting the outreach, because I understand everything you said. If I were to go to five people on the street in my district and ask them what the standards mean, they may not know. Most of the time we do not do outreach well, and that may be a consequence of people not realizing it is available.

I am always one to discuss military and veterans issues. The Greek organizations have a number of details that happen when they take on a project. The organizations will ensure the word gets out, ensure people understand the purpose and break the standards down for them.

ASSEMBLYMAN WATTS:

I will follow up on your recommendations. You are well aware of the Military Advisory Board's involvement on the broader issues around climate and energy. It will be an opportunity to engage with them for helping get the word out and making connections to the communities.

CHAIR HARRIS:

The GOE will set the standards. What is your plan for enforcement? How do you envision that being enforced and upon who, the retailer?

ASSEMBLYMAN WATTS:

The bill was the subject of much discussion in the Assembly. There was concern it would become a local government enforcement issue and involve building code enforcement. We want to clarify that is not the case or intent. It will be with GOE. The GOE will maintain the lists of products and have the ability to do auditing or spot-checking. Of course, we will not go to every single store and check the shelves for every item. That is essentially the enforcement ability with investigations. If an astute customer wants to flag an issue, then the State can follow up. It will primarily be at the retail level.

I want to get on the record that it is not forcing retrofitting of anything. It is not changing anything that anyone already has in the home or business. The standards apply prospectively for the sale of the item. That is where this is targeted. There were questions regarding what if someone buys something in another state and brings it back. We cannot regulate interstate commerce. It is looking at what can be done with the items sold in the State to Nevadans.

SENATOR PICKARD:

The bill references and relies upon Energy Star, which is a long-standing program. In its present form Energy Star is voluntary, and is something people are familiar with and pay attention to when they make a purchase. Why is it not good enough? Why do we have to put a thumb on people to ensure they follow this?

ASSEMBLYMAN WATTS:

Many of the standards provide cost savings beginning on Day 1. In some cases, the price comparison between the least efficient items and items at the Energy Star level are no different. By making sure to take the least efficient items off the shelves, people are saving money.

You may see it as an eclectic assortment of items on the list, [Exhibit B](#). That is because a whole other range of items—including washers, dryers and residential appliances—are set standards the federal government maintains and cannot be preempted by states. Efforts are not only being made in Nevada; other states are setting standards. The bill will keep standards fairly unified; thus there will be no difference as you go from one state to another.

It is aimed at filling in the gaps where the federal government has not yet set standards. I want to make it clear, if the federal government does set standards for any of the items, Nevada's standards become moot.

SENATOR PICKARD:

You are right in that the federal standards will preempt Nevada's standards. I have not found any other state that has done what [A.B. 383](#) proposes to do. I went online to perform a 50-state survey, and the states I did find were not as strict as the bill is proposing. What was this bill modeled on, and how many other states have done it?

ASSEMBLYMAN WATTS:

We worked with an organization called the Appliance Standards Awareness Project (ASAP) to add additional context. It works with industry that produces the items to figure out what efficiency levels make sense. The payback periods are looked at by ASAP that evaluates the cost effectiveness and availability of the technologies. It makes recommendations and continues to update the items as the marketplace evolves.

You will see objects like EV chargers. One or two other states have moved forward with that. Every year, ASAP looks at the marketplace, continues to engage with the industry and similar entities to GOE and makes recommendations. You will see some items not reflected in other states; however, the particular items that we will see being proposed and the standards will be unified.

Another important point with the bill is it gives the GOE the ability to update the list while also allowing a grace period for the change to be absorbed into the market. It is aimed at ensuring consistency as the technology is being modified. We will not have to wait for the next Legislative Session to make an adjustment. It gives the GOE the flexibility to make the adjustment.

SENATOR PICKARD:

Will you tell me which states have gone this far?

ASSEMBLYMAN WATTS:

MR. Brian Fadie with ASAP will provide additional context.

BRIAN FADIE (Appliance Standards Awareness Project):

At least one other state has adopted the standards addressed in the bill. Particularly in the West, many states have adopted most of the standards. Specifically, Colorado, Washington, Oregon and California have adopted the standards for most of the products in the bill.

You see an overlap with those states that have set goals for reducing electricity usage, cleaning their electric grid and reducing air pollution to save consumers money. In the East, Vermont and Massachusetts have adopted most of the standards. There are still states with bills working through their legislatures that have most of the products in A.B. 383.

There has been interest in the policy in the last few years. It is anticipated additional states will be looking to adopt these standards in the future. Many states have been first movers on the products. Other states are looking to adopt in the future. Nevada will not be completely out in front but will still be providing leadership to help move other states forward.

ASSEMBLYMAN WATTS:

Section 37 is the flexible demand technology. It allows the State to adopt standards in this area. By comparison, the California legislature passed a law committing to establish the standards and then have the state go down that path. It is not a mandate; it is an option. Washington and Oregon have chosen a specific type of technology, communication ports on water heaters, and adopted those standards. Nevada is not explicitly adopting those standards in the bill. Instead, A.B. 383 is giving the flexibility to adopt the standards.

To further clarify the answer to one of your questions, Mr. Fadie will share the most recent additions to the standards and policies for consideration.

MR. FADIE:

Newer products added include air purifiers, EV supply equipment and gas fireplaces. Assemblyman Watts explained an evaluation process happens



annually to take a look at the changes in the appliance marketplace and in technology to evaluate whether it makes sense to set state level standards on a particular product. The company uses a set of criteria when making evaluations. You want to ensure good consumer savings, zero or a low-payback period, and that there are plenty of options or models that will be compliant, so consumers have plenty of choices. You need to have the data available to analyze and determine if there will be good electricity savings, good air pollution savings and that products included in the bill meet the criteria and are compliant.

SENATOR PICKARD:

My experience has been in development for almost 20 years. I have never encountered where you could purchase anything with a higher energy efficiency for the same price as a lower efficiency; it never happened. It always costs more. Possibly small consumer items, for instance, air purifiers, may be more competitive. It costs money to make products more efficient. The manufacturers typically will charge more because No. 1, it costs more; No. 2, it is better, and the market will sustain a higher price.

On the enforcement portion, Energy Star does exist. You touched on the most difficult part, and it is a transient society in Nevada. People move in and out all the time. Where you have added civil penalties for failure to meet standards, how is a consumer to know, "This is not giving me that three cents per day that I am supposed to be receiving in efficiency?" From a practical point, who is it that enforces the standards? Is it strictly through litigation because it is a civil penalty? Who will be testing to verify the items have met the standards for home or for business as opposed to the manufacturer's certifications? Every unit is a little different than the next coming off the line. How is it done?

CHAIR HARRIS:

I want to point you to two things. First, Assemblyman Watts mentioned the chart, [Exhibit B](#), shows the expected payback period where you can look at the different appliances and how long it takes to recoup the cost of the appliance. Second, I want to note the bill does not touch on the consumer protection issues. I imagine that anyone today who wrongly claims something is Energy Star rated, will be in the same amount of trouble and have to deal with the same people you will have to deal with after the bill passes. It does not touch on that particular process.

SENATOR PICKARD:

If someone has mislabeled a product, that is easier to prove. I am talking about the incremental differences from today versus tomorrow.

ASSEMBLYMAN WATTS:

The State via the GOE is the entity tasked with enforcement. It will not fall on local governments for code enforcement, and the point of compliance is with the retailers selling products to Nevadans. We cannot regulate interstate commerce, so clarifying language at the end of the bill ensures if people have a product in Nevada and move that product out of state, the standards do not apply. It is product sold to Nevadans in State.

You mentioned people move around and bring their items with them. To be clear, enforcement will not go into someone's home or place of business. Whatever items you own is fine. When something breaks or you need something new and go to the store to buy it, ensuring efficient options is the goal.

SENATOR PICKARD:

It sounds like we are talking consumer goods. As you pointed out, most consumer goods under the federal paradigm preclude Nevada's intrusion. Can you remind me which of the items in A.B. 383 are not covered by the federal rules and are unique to Nevada?

ASSEMBLYMAN WATTS:

The items in the bill do not have set federal standards. As federal standards are set for the items, the standards we set become moot. Organizations such as ASAP remove them from their policy recommendations because there is no longer any point for a state to set a standard.

Many states have set levels of standards for many of the items covered under A.B. 383. A brief rundown includes a range of commercial items, dishwashers, fryers, ovens, steam cookers and hot food holding cabinets. It also covers air purifiers, certain specific types of florescent lights covered by the lighting standards we adopted last Session, computers and monitors, watercoolers, residential ventilating fans, gas fireplaces and EV supply equipment.

SENATOR SPEARMAN:

Air Liquide, which is based primarily in France, has invested \$200 million in a new facility in North Las Vegas. Hydrogen fuel cells are beginning to emerge in terms of other applications for appliances, heating and vehicles. Is there a way in the rulemaking process to include the phrase often overlooked "without limitation"? As other renewable energy sources come on line, we do not want to come back to address it again. Air Liquide is considering doing many different processes.

ASSEMBLYMAN WATTS:

Yes, section 32 of the bill enables GOE to set standards for other items as that technology matures. Most of the items listed are powered by electricity and a few by gas. It lists gas fireplaces. As other energy sources become available, section 32 of A.B. 383 will allow GOE, in consultation with the public industry stakeholders and consumer groups, to consider either modifying the standards for the items or creating new standards for items with new energy sources.

It is built upon a bill I had last Session and was passed setting efficiency standards for fixtures. That bill was tied to WaterSense, a U.S. Environmental Protection Agency program which encourages water efficiency. One of the goals of the policies is for us to not have to address this in statute every other year when we are in session. It creates flexibility, as stated, to let the standards adjust as the technology and the market change.

ANGELA DYKEMA (Southwest Energy Efficiency Project):

Assembly Bill 383 is an important piece of legislation the Southwest Energy Efficiency Project supports. It is the most impactful and commonsense steps that a state can take to reduce energy waste, safeguard consumers and small businesses, reduce energy bills and meaningfully act on climate change. It was one of the recommendations of the State Climate Strategy.

Southwest Energy Efficiency Project has submitted many letters ([Exhibit C](#)) from a variety of businesses and health organizations supporting A.B. 383.

MARIE STEELE (NV Energy):

NV Energy supports A.B. 383. NV Energy shares Assemblyman Watts's enthusiasm in reducing the carbon footprint in keeping customers' energy bills low. NV Energy is excited to hear about the flexible load technology because it is equally important for the State's carbon goals. NV Energy looks forward to

continuing the work on energy, climate and equity policy on the built environment in the Interim with the Assemblyman and with your Committee.

CHRISTI CABRERA (Nevada Conservation League):

The Nevada Conservation League supports A.B. 383. It creates energy efficiency and is good for people's health, the environment and will save Nevadans money. Energy efficiency is also a key climate priority in the 2020 State Climate Strategy. The establishment of appliance standards is estimated to eliminate more than 1 million tons of CO<sub>2</sub> from the atmosphere and save Nevadans \$28 million per year by 2035. The bill gives Nevada the opportunity to take another big step in combating the climate crisis.

DAVID BOBZIEN (Director, Office of Energy, Office of the Governor):

The GOE supports A.B. 383. The GOE was neutral in the Assembly hearing because of concerns for the original version of the bill. There were practical concerns with the implementation for GOE. We appreciate the work Assemblyman Watts has done working with us and the stakeholders to get it implemented.

The references to other standards assist GOE in providing technical signals which saves GOE from doing the work from scratch. The GOE is excited to engage with cutting-edge standards for products not covered by the Energy Policy and Conservation Act. It is a direct connection to the State Climate Strategy.

Concerning impacts from consumers, say, for instance you have hot pocket warmers and there are only two manufacturers; with the language now, GOE will have the flexibility to acknowledge potential consumer impacts before going forward with the standards. I recently purchased a refrigerator for my home. For the model and brand I was looking at, the model I selected was \$200 cheaper than the comparable model. The \$200 cheaper model was the Energy Star-certified model as opposed to the other one.

SENATOR PICKARD:

Assemblyman Watts stated your office will do the enforcement. Can you tell me how it will be done?

MR. BOBZIEN:

That was part of the conversation with the bill's evolution, ensuring it provides GOE with the flexibility to investigate if issues are brought to its attention. The bill is more rigorous and structured than the enforcement responsibilities under the light bulb legislation passed last Session. The GOE envisions once the regulations are put into place and someone brings an issue to GOE's attention of a product being sold that is not part of the database query of acceptable products, the Office of the Attorney General will be contacted to pursue the matter. The GOE errs on the side of education prior to bringing any type of enforcement hammer down.

What is structured in the legislation makes clear how GOE will perform enforcement. Outreach related to the light bulb standards was done in the past. It went quite well, and there has been a distinct shift in the marketplace. The bill is more expansive in scope, but GOE is prepared to undertake an outreach effort to prepare people.

MATT MORRIS (Nevada Resort Association):

Nevada Resort Association is neutral on A.B. 383. Nevada Resort Association members support energy efficiency, conservation and sustainability goals. As amended, A.B. 383 includes provisions which align with its commitment to energy efficiency and sustainability. Nevada Resort Association acknowledges the work of the bill's sponsor Assemblyman Watts and GOE to engage with stakeholders and include consumer protection measures to address any unintended consequences in the event compliant products are not reasonably available. The additions concur with appliance efficiency statutes adopted in other jurisdictions.

MATT WALKER (Southern Nevada Home Builders Association):

The Southern Nevada Home Builders Association (SNHBA) has committed to the Governor and other key regulators as part of the common plan to be at the table of helping the State reach its climate goals. As the proposal has developed with a small state, the individual product mandates and the availability of product is always a concern. A dozen stakeholder meetings were held with local building officials; the Hearth, Patio and Barbeque Association; and other national associations; and the resulting bill is much stronger and implementable.

I want to point out a couple of key elements that SNHBA has been assured can be worked out in regulation. It is a fact that the pilot light automatically

extinguishing need not be simultaneous or with the same button as the control that shuts off the main burner on stoves. The seven-day pilot light shutoff is from the last instance the main burner was used, not necessarily a calendar day shutoff point.

The SNHBA thanks ASAP and Assemblyman Watts for their work to ensure the regulatory process will happen in a transparent and open manner.

CHAIR HARRIS:

We will close the hearing on A.B. 383.

SENATOR BROOKS MOVED TO DO PASS A.B. 383.

SENATOR SPEARMAN SECONDED THE MOTION.

SENATOR PICKARD:

I will be a yes today, but I want to do more research on the topic and reserve my right to change my vote on the Floor.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HARRIS:

Seeing no further business before the Committee, the meeting is adjourned at 9:00 a.m.

RESPECTFULLY SUBMITTED:

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Debbie Shope,  
Committee Secretary

APPROVED BY:

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Senator Dallas Harris, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
A.B. 383	B	2	Assemblyman Howard Watts	Western Resource Advocates Appliance Standards Awareness Project
A.B. 383	C	1	Angela Dykema / Southwest Energy Efficiency Project	Letters of Support