MINUTES OF THE
SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE

Eighty-first Session
March 29, 2021

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:32 p.m. on Monday, March 29, 2021, Online. 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 Scott Hammond
Senator Keith F. Pickard

GUEST LEGISLATORS PRESENT:

Senator Roberta Lange, Senatorial District No. 7
Senator James A. Settelmeyer, Senatorial District No. 17

STAFF MEMBERS PRESENT:

Susan Scholley, Policy Analyst
Eileen O'Grady, Counsel
Paula Peters, Committee Secretary

OTHERS PRESENT:

Piper Overstreet, Uber Technologies, Inc.
Tabatha Chow, Senior Operations Manager, Uber Technologies, Inc.
Abe Ghabra, Vice President of Global Operations, Motional
Sam Wempe, Motional
Matthew Walker, Motional
Hunter Stern, Assistant Business Manager, International Brotherhood of Electrical Workers Local 1245
Bob Johnston, Nevada Senate Democratic Caucus
Danny Thompson, International Brotherhood of Electrical Workers Local 396

James Halsey, Business Manager, International Brotherhood of Electrical Workers Local 357
Thomas Dunn, Professional Fire Fighters of Nevada
Matthew Rubin, Western Resource Advocates
Carl Keller
Jeff Morris, Schneider Electric North America
Matthew Morris, Nevada Resort Association
Ryan Bellows, NV Energy
Jessica Ferrato, Solar Energy Industries Association
Julian Boggs, U.S. Energy Storage Association
Debrea Terwilliger, Assistant General Counsel, Public Utilities Commission of Nevada
Jim Hoffman, Nevada Attorneys for Criminal Justice

CHAIR HARRIS:
We will open the hearing on Senate Bill (S.B.) 279.

SENATE BILL 279: Revises provisions relating to transportation network companies. (BDR 58-895)

SENATOR JAMES A. SETTELMEYER (Senatorial District No. 17):
I remember before our area had transportation network companies (TNC), if people were intoxicated, they would call a taxi or a friend. If their ride did not arrive within 20 minutes, they would sometimes make the poor choice of driving themselves home. With the availability of TNCs, we experienced a considerable decrease in DUI citations, and many individuals attributed that to the ability of TNCs to provide timely transportation.

Unfortunately, the legislation allowing TNCs to operate does not allow surge pricing during a Statewide emergency. We never envisioned having a Statewide emergency that could last as long as the Covid-19 pandemic. We have experienced a significant decrease in TNC drivers in our area. There has not been an economic incentive for them to work during this pandemic.

I have heard from many of my constituents the average wait time at the airport in Las Vegas is 45 minutes. Legislators have had rides cancelled and were unable to arrive at the airport in time for their flights. If you look at a TNC app in the Las Vegas area on a weekend at 2:00 a.m. or 3:00 a.m., there are often only two or three cars available to provide service.

We are working with the bill and the proposed amendment (Exhibit B) submitted by Uber Technologies, Inc. The proposed amendment will revise the bill to maintain consistency in their platform with other states.

I represent Lake Tahoe, and we have passengers being driven from Nevada to California and vice versa. If we do not have consistent laws between states, it could create a management nightmare.

PIPER OVERSTREET (Uber Technologies, Inc.):
I am appearing on behalf of Uber Technologies, Inc. Tabatha Chow from the Uber Operations team is available to answer technical questions. We understand the intent of *Nevada Revised Statutes* (NRS) 706A.170 and the corresponding regulation, which is to prevent extreme price variability during local emergency situations.

When a major local emergency occurs, our teams proactively cap surge in the affected area. For example, when the news reported the active shooter on October 1, 2017, our local team immediately capped surge and waived costs for all rides on or around The Strip and continued to offer free rides going to and from crisis-related locations. Since then, we have proactively capped surge dozens of times.

Nevada is safely relaxing Covid-19 restrictions and increasing access to the Covid-19 vaccines. We are experiencing a dramatic increase in demand for Uber service. Las Vegas has the worst Uber reliability in the Country.

Frustrated drivers ask why they are not seeing surge pricing with increased demand. There are reports of riders having to choose between unsafe options—such as driving under the influence or accepting rides from strangers who are not with any regulated transportation entity—as TNCs are not readily available.

The bill will allow TNCs to adjust supply to meet this increased demand which will provide visitors the same safe, seamless and enjoyable experience that they have become accustomed to.

We request you pass S.B. 279.

SENATOR PICKARD:
The proposed amendment will change section 1, subsection 6 and remove the authority from the Nevada Transportation Authority (NTA) to adopt regulations for maximum fares. In this case, the Authority could adopt or possibly alter or fine-tune regulations on a more frequent basis than every other year as we do in the Legislature. Why did we choose to include TNC maximum fares in this bill rather than leaving them under the jurisdiction of the Authority?

SENATOR SETTELMEYER:
The Authority has not adopted any regulations on this matter. It is imperative that we encourage TNC drivers to return to work and provide our constituents and visitors the opportunity to ride with TNCs. The bill will provide more travel options. It is especially important in our rural areas.

Visitors to our State are accustomed to having a favorable transportation network experience, and they are discovering Nevada's transportation network experience does not meet their expectations. Today we learned that Las Vegas has the worst Uber service in the Nation.

I am proposing legislation instead of waiting for the Authority to take action.

I would appreciate your comments Ms. Overstreet.

MS. OVERSTREET:
I agree with your comments. This is about consistency, and we have the opportunity to address that with this bill.

SENATOR PICKARD:
It is unusual to include this in legislation, but if the Authority has not developed the regulations, we need to take action. The bill makes sense.

SENATOR BROOKS:
This question is for Ms. Overstreet regarding consistency. Is this about having uniformity across the State? Is the pricing scenario during an emergency, the proposed language and other details, exactly the same as our neighboring states?

MS. OVERSTREET:
Similar language is used in Pennsylvania, Washington, D.C., and New York. Other states handle it differently.

I forgot to mention earlier, but the software takes into account time, distance and variability. That allows for the system to work and ensures it is in compliance. That is why the proposal was written the way it was. Does that make sense?

SENATOR BROOKS:
It does, which would lead me to expect that other states have something similar, if not exactly the same.

MS. OVERSTREET:
Yes, that is correct.

SENATOR SETTELMEYER:
If the bill as written is passed, it could not be implemented by the TNCs due to the inconsistency within the TNC platform. That would be problematic, which is why we have the proposed amendment.

TABATHA CHOW (Senior Operations Manager, Uber Technologies, Inc.):
I am on the Operations team at Uber Technologies, Inc. Everything that has been stated thus far is accurate. To delve deeper into how surge works, at the high level overview it is to balance supply and demand.

The bill provides for an increased fare to be paid directly to the driver. The pricing under the amendment is decoupled between riders and drivers. The way our surge works is not a one-for-one, what a rider pays does not necessarily go directly to the driver.

This is a system that has been in place for a few years and is based on driver preference and feedback. It allows drivers to have a more reliable view of surge. If they drive into an area that has been deemed busy and is surging, they are guaranteed to get that surge amount. If the market rebalances and a rider does not pay surge, the driver is still guaranteed that amount.

SENATOR BROOKS:
When we discuss conformance with the algorithm and the methodology that you use in your app for pricing, what about other TNCs? Senator Settelmeyer, what does this do to or for other TNCs?

SENATOR SETTELMEYER:
I have been in contact with Lyft throughout the years on this particular subject. Due to the pandemic economic downturn, Lyft has chosen to disband lobbying teams. They do not have representatives in any state.

They generally follow the other company in their platform, and what is generally beneficial for one is beneficial for all. Since most of the TNCs have decided to allow one particular entity to take the lead, the others will most likely follow. I am uncertain if I am being too vague or too concise.

SENATOR BROOKS:
That is the right amount of both.

CHAIR HARRIS:
Senator Settelmeyer, if this is in response to or the major issue is the COVID-19 Emergency Declaration Directive, why are we not seeking to rescind that Emergency Declaration as it pertains to TNCs as opposed to proposing this legislation?

SENATOR SETTELMEYER:
This bill appeared to be the least argumentative way to effect a change that could help my constituents since the Authority has not stepped forward with any solutions.

The bill will provide more money for TNC drivers, provide riders the opportunity to ride with TNCs if they so desire and the TNC excise taxes will generate funds for our State.

I urge you to support the bill, which will help the citizens of Nevada, visitors to our great State, and of course, the bottom line, the Nevada coffers.

CHAIR HARRIS:
We will close the hearing on S.B. 279.

VICE CHAIR BROOKS:
We will open the hearing on S.B. 288.

SENATE BILL 288: Revises provisions relating to transportation network companies. (BDR 58-935)

SENATOR DALLAS HARRIS (Senatorial District No. 11):
I am pleased to present S.B. 288. It is becoming an increasingly prominent model for autonomous vehicle (AV) services to be bifurcated. This allows the technology provider to be the supplier of the vehicle, the equipment and safety personnel while the partner in the rideshare company holds the TNC license and is responsible for compliance and customer interaction.

This model provides for optimum safety and innovation, while ensuring that all statutory regulatory obligations remain with the licensee. Autonomous vehicles are deployed in Clark County. A number of the capabilities of vehicles are licensed under NRS 706B, but the transportation service remains licensed under NRS 706A.

Senate Bill 288 and the proposed amendment (Exhibit C) submitted by Motional require monitored AV providers to staff AVs, including fully autonomous vehicles, with a safety engineer. These employees may only be paid by the technology provider.

The bill applies certain safety reporting and operational requirements of NRS 706B to be applied to autonomous vehicles that are operating under NRS 706A to build a bridge between NRS chapters during this critical period of development.

Sam Wempe and Abe Ghabra from Motional are with us today. They provided a presentation for Motional earlier this Session. Motional is the technology partner for Nevada's AV service offered by Lyft and Via.

ABE GHABRA (Vice President of Global Operations, Motional):
I am Vice President of Global Operations at Motional, and I also oversee the 250 employees at our Las Vegas technical center. Before we discuss the bill's specifics, I will provide a brief overview of Motional and the role of the safety engineer.

My colleague Sam Wempe will discuss the policy challenge and our advisor Matthew Walker will walk us through the bill, section by section.

Motional has been fortunate to achieve several key company milestones and key industry achievements in Nevada. Our history in the State began in 2018 with our Las Vegas technical center grand opening and followed later that year with a public AV pilot program in partnership with Lyft in Las Vegas. The pilot is the world's longest running public AV service.

Last year, we announced having provided over 100,000 rides on the pilot. It has led to critical insights into the consumer experience and helped build operational knowledge across fleet operations, infrastructure and utilization.

Safety is our No. 1 priority. Our safety engineers are Motional employees who undergo weeks of training on how to oversee an AV in addition to defensive driving courses, regulatory refreshers and skills assessments.

After each software release, they must understand the nuances of how the vehicle is expected to operate. As they are involved with the platform, these individuals need to be Motional employees, which includes safety engineers on our partner networks.

We are proud of what we have built here in Nevada, and when it is safe to do so, we would be honored to show you our facilities, fleet and testing operations.

SAM WEMPE (Motional):
I am representing Motional. We are extremely fortunate to have a great relationship with our government partners at all levels from the Cities of Las Vegas and Henderson to Clark County and the Regional Transportation Commission of Southern Nevada.

We have the biggest footprint of any AV company in Nevada, and we are on the cutting edge of experiencing how the Legislative and regulatory regime in Nevada applies to AVs on a day-to-day basis.

The types of challenges we are discussing, such as the payment of the safety engineer for an AV, is not one that anyone anticipated when the rules were developed. It was assumed that there would be a step change once the

technology was ready and everything would be fully autonomous. Instead, it is a gradual transition, and it may require safety engineers in certain situations for years to come.

Even as more fully AVs are deployed in certain situations, the proposal we are discussing today resolves a number of the challenges and helps Nevada continue to be a leader in the future of transportation technology.

MATTHEW WALKER (Motional):
On behalf of Motional, I will briefly walk you through S.B. 288 and my amendment, Exhibit C.

Section 2 defines a monitored AV. It differentiates AV service in which a safety engineer is present from the fully autonomous service that is subject to NRS 706B.

Section 3 defines a monitored AV provider. Motional meets the definition of a monitored AV provider as the company owns the technology of the autonomous taxi service and hires the safety engineer who provides the in-person monitoring of the vehicle.

Section 4 defines the safety engineer. It is the person behind the wheel of an autonomous taxi and the definition helps build the bridge between the definition of driver in NRS 706A and the driverless environment of NRS 706B.

Section 5 allows TNCs to enter into partnerships with an AV provider. The construct is important because it retains the existing regulatory oversight for the TNC while allowing for the best-practice model of the technology partner providing the technology and safety engineer.

Section 5, subsection 2 requires the monitored AV provider to employ the safety engineer. The safety engineer will only be able to accept compensation from the monitored AV provider. It is a change from regulatory structure and statutory construct, which only allows the TNCs to pay the safety engineer.

Section 6 ensures that the regulatory structure for a monitored AV provider providing an AV to a TNC under NRS 706A is not bypassed by the arrangement under section 5 of the bill. There should be no loophole in NRS 706A regarding vehicle safety or oversight.

Section 7 builds a bridge between NRS 706A and NRS 706B. Under NRS 706A.200, a TNC must provide the license plate and photo of the driver to the customer. Under NRS 706B, only the plate number is required. When the TNC provides autonomous taxi service, the customer only needs to be provided with a photograph of the license plate and not the driver as well.

Section 8 ensures that a TNC providing an autonomous taxi service operating under NRS 706A continues to provide the safety report required by NRS 706A.270 or NRS 706B.260 to the NTA. While the requirement may be duplicative of existing requirements, it is important that as a service transitions between NRS chapters, no gap exists in safety reporting.

Motional is in the safety business as much as the technology business. The company is committed to regulator access to key safety information.

Section 8, subsection 3 requires the NTA to report to the Legislative Commission the data listed under the section and a finding of whether the statutory and regulatory insurance requirements are sufficient. This will provide sight lines into the safety environment in the rapidly evolving area of AVs maintaining a balance with the regulatory environment while maintaining oversight of key safety policies.

Section 9 clarifies autonomous taxi services may be restricted to certain areas to remain under certain speed limits. They may be deployed in a manner to facilitate multiple passenger pick-ups along a fixed route as long as the passenger is aware and conveyed to the intended destination.

Section 10 clarifies the bill will not limit or alter insurance coverage required by a TNC under NRS 706A and NRS 706B.

Sections 12 through 23 make corresponding changes.

Section 24 of the proposed amendment, Exhibit C, will change the effective date to upon passage and approval.

We worked with Senator Harris on a narrow change to NRS 706A. Asher Killian, Senior Principal Deputy Legislative Counsel, worked with us, and his experience with these NRS chapters resulted in our having a more robust and stronger bill.

We appreciate his time and expertise in the development of the bill and the proposed amendment.

SENATOR HARRIS:
Representatives from the NTA are here if members have any questions better suited for them.

SENATOR PICKARD:
I have a couple questions from a practical standpoint. Autonomous taxi service and taxis both provide photos of the driver and the license plate for a safety matter. Why would we ask autonomous taxi service to stop providing photos of their drivers?

MR. WALKER:
The contract under NRS 706B anticipates that only the license plate number be provided as there will be no driver. *Nevada Revised Statutes* 706B.190 and NRS 706A.200 require various AV identifiers that are clearly identifiable from the exterior of the vehicle which provide multiple ways for the drivers and passengers to correctly identify the vehicle that they are being matched. Sam Wempe might add something from an operational perspective.

MR. WEMPE:
There are a couple of reasons. One is to start getting passengers comfortable with the process. These are AVs, and we are making sure that the riders are aware that this is an AV arriving.

Abe Ghabra, who is overseeing all the operations in our technical facility, can answer any further detailed questions.

MR. GHABRA:
All of our vehicles are clearly identifiable; the Motional and Lyft brands are prominently displayed, they have Nevada AV red license plates, and we have self-driving vehicle identifiers on the vehicles themselves.

SENATOR PICKARD:
People want to know who they are getting in the car with. It has been explained to me that this is part of the consumer safety factor.

Mr. Walker, can you please clarify if the safety engineer is a driver or not?

MR. WALKER:
A bridge exists between the driver in the traditional sense of NRS 706A and what the safety engineer represents. Sam Wempe will address the functional element the safety engineer provides and why one is present in the car.

MR. WEMPE:
The safety engineer serves a number of roles in the vehicle, first and foremost safety—ensuring everyone on the roadway is experiencing the safety an AV can provide. The safety engineer will be monitoring everything the vehicle does.

Abe Ghabra mentioned earlier that the safety engineer understands, with all the software updates, the intricacies of the vehicle's performance and behavior. In any situations where the vehicle may not be able to perform, he or she will take proactive action to ensure the vehicle is always operating in a safe state.

MR. GHABRA:
Safety is our top priority, and we provide our safety engineers with top-of-the-line training. We are testing new features with every software release. The vehicles are becoming more humanlike in how they operate. We are deploying new platforms that have fully AVs operating with safety engineers in certain situations on Nevada public roads.

As we continue to advance this technology, it is more important to ensure that we have safety engineers in our AVs who are proficiently trained to anticipate the vehicle's behavior and take action to ensure everybody's safety in and around the vehicles.

SENATOR PICKARD:
The reason I ask about the driver is because of the entire body of law governing accidents and crashes. I am looking at section 8, subsection 3 where it could be the driver who is responsible for the operation of the vehicle.

I want to make sure it is clear on the record whether or not we are calling this the safety engineer. I am sure we have chosen that language deliberately instead of a "driver" because they are not expected to drive except when they have to take over and start driving the vehicle.

We need to make sure we are clear on this because when we have a crash under section 8, subsection 3 the driver's identity is not to be disclosed to

anyone other than the Authority, and this becomes a litigation problem. I assume that this would be discoverable information, but what happens when the police arrive and start recording details?

There is not discovery where someone is issuing a subpoena or an interrogatory, asking to identify who is behind the wheel. How do we resolve this? Is there an exemption to this exception?

SENATOR HARRIS:
Senator Pickard, your questions indicate you are asking for a definition of the driver and how it relates to holding someone liable for an accident. Mr. Walker and Mr. Ghabra, can you provide an explanation about who would be held liable and how that works?

MR. WALKER:
I am going to discuss the function of defining something other than a driver.

Essentially it is something other than a driver because it is safer to have a safety engineer. The safety engineer is employed by, trained by and overseen by the technology provider. That is why we define it as something other than a driver.

Unlike a driver under the NRS 706 and NRS 706A construct, the safety engineer is not receiving different compensation based on ride length nor receiving tips, and the engineer is are present for the management of technology and safety intervention if needed.

Mr. Ghabra, can you address the questions about liability, how it typically functions with your TNC service in southern Nevada and address Senator Pickard's concerns?

MR. GHABRA:
We have been operating in Nevada for a few years. Whenever we have a driving incident, we usually contact and work in close cooperation with the Nevada Highway Patrol and the Las Vegas Metropolitan Police Department.

These are Motional-owned and -operated vehicles, and we are ultimately responsible regardless of which employees are in the car at that time. This is how we approach all of our operations in Nevada today.

MR. WEMPE:
The statutes discuss the definition of a driver in a fully AV. The fundamental nature of a few of Senator Pickard's questions relate to a fully AV, but the situations we are discussing in relation to this bill all require a safety engineer being present in the AV. I doubt it is necessary to address these situations where a safety engineer is not required.

SENATOR PICKARD:
Liability will become important if the safety engineer were to take control and do something that was beyond their training or made no sense at all. The company is put into a position where an ultra vires act has occurred, and we could have a litigation nightmare.

You have answered my question that Motional is ultimately responsible and that the safety engineer is not considered the driver, no one will escape the liability and the victim of the crash will be made whole.

SENATOR HAMMOND:
I had a question, but it was answered. I was looking at the term "engineer" in NRS 625.520 and I do not sense that is what you had in mind when you were defining the safety engineer. Am I correct that the safety engineer we are discussing has no relation to NRS 625.520?

MR. WALKER:
Yes, this will be a new construct that is intended to remain in the confines of this chapter.

SENATOR HARRIS:
We can all see it makes sense for the person in the car, the safety engineer, to be paid by and be an employee of the AV provider as opposed to the TNC that the AV provider has paired with. We can make these changes without risking safety or any licensing concerns.

VICE CHAIR BROOKS:
We will close the hearing on S.B. 288.

CHAIR HARRIS:
I will open the hearing for S.B. 328.

SENATE BILL 328: Revises provisions relating to energy storage systems. (BDR 58-658)

SENATOR ROBERTA LANGE (Senatorial District No. 7):
Senate Bill 328 addresses targets for energy storage. The Public Utilities Commission of Nevada (PUCN) was directed by S.B. No. 204 of the 79th Session to perform a cost-benefit analysis on targets for energy storage capacity and to set biennial targets if the benefits outweighed the cost. The PUCN reviewed the analysis and set biennial targets starting with a 100-megawatt target for 2020 and increasing to 1,000 megawatts in 2030.

Since we enacted S.B. No. 204 of the 79th Session, energy storage has been increasingly recognized as a critical component of efforts to reduce greenhouse gas emissions and to facilitate the Nation's migration to renewable energy.

According to the National Conference of State Legislators, over the past two years, it has tracked over 260 bills relating to energy storage, up from 88 bills during 2017 and 2018.

Nevada and six other states have set 2030 energy storage targets or goals, generally ranging from 1,000 megawatts to 3,000 megawatts.

We have a proposed amendment (Exhibit D) which will remove the specific targets in section 3, subsection 1 and set forth a requirement that the Commission shall use the 2021 Integrated Resource Plan (IRP) to reassess the targets and establish new ones. Under the proposed amendment, the PUCN will report back to the Legislative Commission by January 1, 2022, or when new targets are established, whichever is sooner.

Section 3, subsection 3 of the bill sets forth the process of the PUCN to grant a waiver or deferral of a target based on a cost-benefit analysis which looks at the ten factors listed on the top of page 9. These factors are the same factors that were used in S.B. No. 204 of the 79th Session.

Section 1 requires the electrical utility to include a plan for energy storage procurement as part of its triennial IRP.

Hunter Stern with the International Brotherhood of Electrical Workers (IBEW) Local 1245 will discuss the contractor licensing provision in section 5. He will

address the installation of energy storage systems and how to ensure that a contractor doing such work has the necessary qualifications. It is important to have this information on record.

Sections 6 and 7 incorporate the qualifications in NRS 624, which regulates contractors through the State Contractors' Board.

The remaining section of the bill will be further amended to be consistent with the proposed amendment to section 3, subsection 1. We are working with a lot of groups on proposals, and we have received a conceptual amendment (Exhibit E) from the Board that we are reviewing.

The bill and proposed amendment are an important step to improving our State energy storage capacity and will complement our efforts to fight climate change, provide stability and provide electricity for our citizens.

HUNTER STERN (Assistant Business Manager, International Brotherhood of Electrical Workers Local 1245):
I am the Assistant Business Manager of the IBEW Local 1245. Our members work for NV Energy and are contractors performing line work and line clearance tree trimming in northern and central Nevada.

Section 5 specifies requirements for people performing this work. It requires them to be licensed electrical contractors. These C2 contractors must obtain a certificate demonstrating their successful completion of the Energy Storage and Microgrid Training and Certification (ESAMTAC) program.

This a national program that was developed by Pennsylvania State University, with input from other specific interests including firefighters, the Edison Electrical Institute and other utilities and individual energy contractors throughout the Country.

The ESAMTAC program is a relatively new national standard, and we are fortunate that the largest number of people who have completed this program did so at The Matt Firmenich International Brotherhood of Electrical Workers Local Union No. 357 Training Facility in Las Vegas. The training program is nonbranded, nonspecific, and any qualified electrician or qualified electrical contractor in any state can apply for and receive this training.

A number of reasons exist where you need to have electrical equipment properly installed and operating appropriately. Ninety percent of energy storage systems installed today rely on lithium-ion batteries.

Advantages of lithium-ion batteries include high cycle efficiency, high energy density, meaning they can receive and hold large amounts of electricity compared to other battery systems and other energy storage, and they can disburse this electricity relatively efficiently.

However, there are negative aspects to using lithium-ion batteries. They can get hot, and in the presence of any thermal runaway or combustion if the battery begins to discharge its energy, it cannot be extinguished. Firefighters have discussed their concerns with me.

To ensure that the equipment is safe, we need competent contractors properly trained to install and maintain it.

SENATOR LANGE:
Bob Johnston is a policy advisor to the Democratic Caucus on energy issues. He will discuss the PUCN, the targets and provide an overview.

BOB JOHNSTON (Nevada Senate Democratic Caucus):
I am a policy advisor to the Nevada Senate Democratic Caucus. A two-step process was provided by S.B. No. 204 of the 79th Session where the Commission has to determine whether it was in the public interest to set a biennial start for procuring targets, and if so, the Commission had to go to rule making to set those biennial targets.

That regulation became effective June 8, 2020, so there was a significant lapse of time from the passing of S.B. No. 204 of the 79th Session and the effective date of the regulation. In the interval, the cost of battery energy storage systems, in particular lithium-ion battery energy storage systems, has plummeted.

The U.S. Energy Information Administration report that came out last year reported that utility-scale battery storage costs decreased 70 percent from 2015 to 2018. I recently read a National Renewable Energy Laboratory forecast which predicted another 67 percent to 70 percent decline from where we are now through 2030.

Other events have happened since 2017 relevant to this discussion. NV Energy brought to the Commission nine different projects that are utility-scale solar projects associated with energy storage. Eight of those are power purchase agreements and one is utility-owned.

None of them are online yet, but the first three are projected to be online in commercial operation by this year. This will bring 100 megawatts of energy storage online by the NV Energy storage system. If all of these projects stay on schedule, by the end of 2023 there will be 1,020 megawatts of energy storage online.

The 2030 target of 1,000 megawatts needs to be revisited in view of circumstances and events—primarily, the plummeting cost of battery energy storage systems and the need for storage on the NV Energy system as you add more solar and wind intermittent resources to the energy mix.

Those events necessitate revisiting the storage targets as is provided in the bill and the proposed amendment.

SENATOR PICKARD:
With respect to the targets set forth in section 3, are there other states that have set hard targets? Regulations were recently implemented with targets, and now we are moving them into statute from regulation which means we change them every two years, assuming we have a majority to vote to do so. How many states have put these types of targets in their statutes instead of regulation?

SENATOR LANGE:
Mr. Johnston, can you address that?

MR. JOHNSTON:
Unfortunately I cannot, but I can provide that information to the Committee at a later date.

My understanding of the proposed amendment is that we removed specific targets from this bill which will be reassessed by the Commission. The revised targets will be reported to the Legislature and prepared to be put in statute.

SENATOR PICKARD:
I appreciate that. I might have missed that provision of the proposed amendment.

SENATOR LANGE:
Senator Pickard, the reason for the proposed amendment is we do not want to be prescriptive. We learned NV Energy will be reaching its goals. The company has new projects and a new IRP. We realize it is important to look at the IRP to create the goals.

SENATOR PICKARD:
I agree with that line of thinking.

Section 5 states a person shall not install an energy storage system in this State unless he or she holds a valid license and certificate of training. This will preclude the do-it-yourselfer. I am not saying that it is necessarily a bad thing, but does this require the licensed residential electrical wiring contractors, the C2F contractors, to obtain additional licensure or training? How does this provision work?

SENATOR LANGE:
When we crafted this bill, what was most important was that it provides a certain degree of safety, both for the public and for fire fighters. This is why we have that language. Mr. Stern will discuss licensing and the specific training required.

MR. STERN:
The additional certification or training is the ESAMTAC program. A C2 contractor with a certification of completion of the ESAMTAC program will be fully qualified to install and maintain those energy storage systems.

SENATOR PICKARD:
What does that training cost the contractor?

MR. STERN:
I am unsure of the training cost, but it is likely that there is an IBEW member or contractor on the line who might be able to answer that question. The training is held twice a week for four weeks.

SENATOR PICKARD:
I appreciate that and I do not want to belabor the point, but I am sensitive having been a residential contractor almost as long as I was a commercial contractor. They are very different business models, and what works for union contractors might not work for nonunion residential contractors.

It might be a burden for the residential contractor but having said that, we want everyone to be trained to do the job safely. I am trying to understand where the boundaries are.

SENATOR BROOKS:
I have a question along the lines of what Senator Pickard was asking. It appears that the goal stated was for utility-scale procurement by the utilities for energy storage. However, the provisions in section 5 modify NRS 624 so that if you are installing energy storage, you will have to be appropriately licensed and obtain the required certification, regardless of what type of storage and where that storage application will be. Am I interpreting that correctly?

MR. STERN:
You are interpreting it as it is drafted. With the technology it is difficult to determine whether the installer is adequately versed in the equipment to design and install the lithium-ion battery systems. The safe approach is to ensure everyone is qualified to do what is necessary whether it is in a home or a smaller commercial building rather than utility-scale.

The smaller residential contractors have customers who will have this equipment either in their homes, garages or near their meters. This poses a greater threat to their property than what is installed in distant large solar array or utility-scale installations.

SENATOR BROOKS:
I appreciate that. I have a giant battery sitting in my garage, and I am glad I hired a properly licensed and trained contractor to install it.

When we look at the NRS definition of energy storage, a number of these large utility-scale projects will require multiple disciplines and might need a general engineering license or something similar.

I appreciate ESAMTAC. I have toured The Matt Firmenich International Brotherhood of Electrical Workers Local Union No. 357 Training Facility and reviewed the ESAMTAC curriculum. I have spoken with many of the instructors, and I am proud that we are training trainers from all over the Country here in Nevada. I appreciate this additional safety measure for energy storage systems.

In a conversation with the Contractors' Board, members mentioned that a valid license in the specialty of electrical contracting with any subclassification might be too narrow and a valid license issued pursuant to this chapter might be appropriate.

I will submit that to you for your consideration for possible addition to your amendment. I apologize for not bringing this to your attention sooner as it better matches up with the definition of energy storage.

SENATOR LANGE:
Senator Brooks, do not apologize as we have the Contractors' Board conceptual amendment, Exhibit E. We are reviewing it, but we were unable to finish before the meeting today.

SENATOR BROOKS:
I appreciate that. I want it on the record.

SENATOR HAMMOND:
During this meeting, there was discussion about your utility storage goals, and most of it was centered on commercial and not residential.

If the goal is to store a certain amount of energy, will residential be included in the calculation? Can we use residential storage capacity to achieve that goal, or is there a reason why you would not want to include it?

SENATOR LANGE:
Mr. Johnston, can you respond to that?

MR. JOHNSTON:
Distributed storage of residential storage was included in S.B. No. 204 of the 79th Session, and I am not aware of anything in this bill that would exclude it.

It is of a much smaller scale today though nationally it is increasing rapidly because costs are declining. Recent energy shortage events in Texas and California have increased interest in adding battery storage to rooftop solar systems for what has been termed "critical needs" to provide electricity during a prolonged outage.

I am not aware of anything in the bill that will exclude storage on the customer side of the meter by either residential or commercial customers. NV Energy has incentive programs to provide for this type of storage. During 2020, the company provided incentives for 7,000 kilowatts of behind-the-meter customer storage. I am unaware if that is indicative of the total amount in Nevada.

SENATOR HAMMOND:
It sounds as if you are saying residential can be included to achieve the goal set forth but to do that, this bill will require more than a licensed contractor. Is additional licensing or other requirements required for contractors to safely install and maintain energy storage systems?

MR. STERN:
The additional training beyond the C2 contractor license would be the ESAMTAC training that we were discussing previously.

SENATOR HAMMOND:
Do you know the program cost?

MR. STERN:
I am checking with my colleagues.

SENATOR LANGE:
Senator Hammond, we will provide the program cost to the Committee at a later date.

DANNY THOMPSON (International Brotherhood of Electrical Workers Local 396):
I am representing IBEW Local 396, and we want to go on record in support of this bill. Having properly trained individuals doing this type work cannot be understated.

JAMES HALSEY (Business Manager, International Brotherhood of Electrical Workers Local 357):
I am the Business Manager of IBEW Local 357 speaking on behalf of our 4,000 members about this bill, specifically section 5 regarding ESAMTAC.

The ESAMTAC program and credential prepares electrical contractors and workers for the safe and effective assembly, testing, commissioning, maintenance, repair, retrofitting and decommissioning of energy storage and microgrid systems.

The ESAMTAC initiative led by Pennsylvania State University is a nonprofit, brand-neutral, national training and certification program based on standards and codes developed and/or approved by the National Fire Protection Association (NFPA), the National Electrical Installation Standards, the National Electrical Code and the American National Standards Institute.

The Matt Firmenich International Brotherhood of Electrical Workers Local Union No. 357 Training Facility has held two train-the-trainer classes with a total of 50 individuals trained, and we have future ESAMTAC training classes scheduled. I have heard questions about the cost. The fee is approximately $250 for the 16-module course which is taught twice a week for four weeks.

The ESAMTAC training is fundamental to safety of our customers and the installers of energy storage systems. This bill will make Nevada a leader in energy storage. International Brotherhood Electrical Workers Local 357 supports S.B. 328.

THOMAS DUNN (Professional Fire Fighters of Nevada):
I am representing the Professional Fire Fighters of Nevada (PFFN). We support S.B. 328. I will specifically address our comments to section 5.

During April 2019, four firefighters were seriously hurt in a commercial energy storage system explosion in Arizona. Injuries included burns, traumatic brain injury, internal bleeding and broken bones.

The PFFN wants to ensure that energy storage systems are constructed, maintained and operated under the best possible standards, such as the standards and codes published by the NFPA.

The contributing factors to this explosion specific to Arizona were that the fire and smoke detection systems did not include, and were not required to include, sensors that provided information about the presence of flammable gases.

There were no means for the hazmat team to monitor toxic gas concentrations below explosive level limit or the conditions inside the energy storage system from a physically secure location. The energy storage system communications system failed before the hazmat team arrived at the incident. Personnel who maintained the energy storage system and the fire department were unable to use this system to understand the conditions inside the installation.

We want to ensure that when we arrive on these scenes, we have the best possible information, and the systems are constructed to the best possible standards. This requires licensed contractors with the ESAMTAC certification.

SENATOR PICKARD:
Was the Arizona fire at a utility-size storage facility or a small one for a business? I am trying to figure out where the boundaries are for the large utility-scale facilities and the fire risk versus the small residential ones.

MR. DUNN:
It was a small complex of shipping containers that appear to have been retrofitted to include an energy storage system. Legally, this type of issue applies to large megawatt facilities and smaller commercial facilities that would potentially power a block or a specific building type.

I am not aware today of any of these types of explosions occurring on a residential or commercial facility in Nevada.

MATTHEW RUBIN (Western Resource Advocates):
I am an energy policy analyst with Western Resource Advocates (WRA), which is a nonprofit organization dedicated to protecting the West's land, air and water. Western Resource Advocates supports the efforts of S.B. 328 to continue to expand the buildout of battery and energy storage in Nevada.

Battery storage is an integral component in meeting Nevada's policy goal of zero or near-zero greenhouse gas emissions by the year 2050 and interim goals of reducing greenhouse gas emissions by 28 percent by the year 2025 and 45 percent by year 2030, both as compared to 2005 levels.

This requires a shift in generation primarily to variable renewable technologies such as solar, which is abundant in Nevada. To meet daily peak demands of a decarbonized grid, Nevada will need significant battery capacity that can store energy when it is cheapest and most bountiful and discharge the load when energy is more expensive and in higher demand.

In Nevada, that means charging batteries midday when there are periods of excess solar energy production and discharging from 9:00 a.m. to 5:00 p.m., when demand is greatest. Batteries further displace the use of emission-intensive gas peakers that would otherwise be called upon to meet peak demand.

Lazard's most recent levelized cost of storage analysis shows that batteries collocated with solar are less expensive than new gas peakers on a dollar per megawatt-hour basis. For these reasons, WRA supports the passage of S.B. 328.

CARL KELLER:
I am a northern Nevada resident. I have been in the electrical trade 54 years, and I was an electrical contractor for 36 of those years. I am still active with the industry. I am a trainer at the Northern Nevada Electrical Training Center in Reno and one of the subjects I am teaching is the ESAMTAC course. Our next ESAMTAC training is scheduled for April 5, and we have 15 members scheduled to attend, the maximum allowed in our classroom under Covid-19 restrictions.

I support this bill because battery storage of energy is necessary to stabilize the utility grid due to solar unreliability—for example, on a cloudy day when the solar energy starts to drop and the utility grid has to fill in that gap with stored energy.

Presently, electrical contractors are required to carry a certificate if they want to do fire alarm work. They are required to carry another certificate if they work with electric car charging. I cannot, as an electrical contractor, install Tesla batteries in residential homes unless I complete Tesla's training program.

Over the years, the electrical trade has not been trained in properly handling battery energy. Battery energy can release its energy in a flash, and due to thermal runaway or arc flashing, the battery will release molten metal and flammable and caustic electric gases.

I am an experienced electrician, but prior to my ESAMTAC training, I did not have adequate training to properly install battery storage systems.

JEFF MORRIS (Schneider Electric North America):
I represent Schneider Electric North America (SE), which is a Global 500 company in the automation energy management space. We have approximately 50 employees in Nevada mainly working in the building automation area with a number of the largest buildings in Las Vegas.

We are ranked the No. 1 sustainability corporation in the world. We are the largest builders of microgrids in North America, and you will find our products in 50 percent of homes and buildings in the U.S.

Schneider Electric North America is neutral on this bill and will welcome the opportunity to work with Senator Harris on the ideas as they are presented.

We do not have any proprietary high-voltage battery devices that are SE products in the U.S. market, but it is an area of concern on the bill as presented.

Underlying storage policies are in need of technology modernization updates. We recommend an outcome-based, technology-neutral policy that focuses on balancing circuits, "the top-tiered hours it takes to capacity for demand, peak capacity for hosting ancillary services from the bottom up instead of the top down."

The most economical, efficient and decarbonized transaction is when supply and demand can meet at the closest proximity possible. If you are in the T-Mobile Arena in Las Vegas, we have a great kiosk display about automated buildings and how our digitized platforms with the shield warning can optimize each customer's values.

"Air, water and sometimes batteries are used to store and use energy." If we have a two-way communication platform, we could extend that authorization to work with the local distribution utility for the benefit of all ratepayers.

Please keep the door open for customer and privately owned storage to optimize customer investment before utility-built storage. Our customers could value resilience, see decarbonization as a primary value that often builds storage into

their value chain and not use that capital to recognize the benefits of the dynamic load that technology provides today.

The definition of storage in today's law is a strange juxtaposition. It could mean anything from a desktop uninterrupted power supply (UPS) on our full power device to data servers, as well as UPS whole thermal loads in buildings in our battery energy management systems for our customers behind utility meter connections.

The scope of the bill should be refined and mitigate unintended consequences. If it is targeted at high voltage lithium batteries, it should state that and not use the underlying definition of storage, which includes everything I mentioned earlier.

When the modern-day microgrid-built energy management systems are deployed today, they are built for safety by design. They are the most advanced digitized part of an analog electrical distribution system on the day they are connected. Modern building codes and consumer protection laws keep engineering and other things safe.

Schneider Electric North America is supportive of the well-trained paid workforce, although it is not common to see a state legislature delegate legislative authority to unelected out-of-state groups.

The outcomes outlined in the ESAMTAC program are desirable. We will support a reference by a designated date for a State agency to develop Nevada rules. It is not clear because of the strange juxtaposition if the training is aimed at both outdoor and indoor electricians. The definition of storage would cover plug-in low-voltage UPS to high-voltage megawatt installations to the air and water loads I mentioned before.

Legal considerations should be given for reporting existing warranty agreements among manufacturers for devices already deployed or in the process of being deployed.

We recommend the Committee consider asking the Public Utilities Commission of Nevada (PUCN) to conduct a technology review of how storage is organized behind a microgrid for energy mass. The PUCN could review platforms to create tariff and rate schedules in those top-tiered hours of peaking and hosting

capacity of ancillary services on substation circuits, and adopt two-way communication systems for utilities distribution and protect technologies that meet State policy goals, regardless of type.

This advance policy will recognize that the distribution utilities need to invest more rate-based investments to digitize their analog distribution systems.

MATTHEW MORRIS (Nevada Resort Association):
I am here on behalf of the Nevada Resort Association. We are neutral on S.B. 328 at this time and have reached out to Senator Lange with questions about the bill and its proposed amendment. We look forward to working with Senator Lange to address our concerns.

RYAN BELLOWS (NV Energy):
I represent NV Energy, and we are neutral on S.B. 328. We are reviewing the proposed amendment, and we look forward to working with the bill's sponsor on this bill as we support the expansion of energy storage in our State.

NV Energy has emerged as a leader in energy storage. We have several large-scale battery storage projects that are being constructed, and we will have 1,000 megawatts of battery capacity by 2024. One of these projects is Gemini Solar, which is a 690-megawatts solar project in southern Nevada. It will bring in an additional 380 megawatts of storage online, and it is one of the Country's largest storage projects under development.

We continue to study the benefits and the impact of energy storage on our system. We understand that as more of our renewable projects come online, energy storage will be a critical piece of the puzzle to ensure we can meet customer demand when these renewable projects are not producing energy.

We understand energy storage can be an important tool during periods of peak demand. NV Energy is committed to bringing on energy storage that makes sense for the reliability of our grid and our customers. We support the safe construction of energy storage systems. We recognize that contractors with ESAMTAC certifications are uniquely qualified to build these projects safely.

We have seen that when a mandate, a target or a goal is in place that requires us to procure a certain quantity of energy, it can lead to inflated pricing from

developers which can lead to higher prices for our customers. We look forward to working with the sponsor and the other stakeholders on this bill.

JESSICA FERRATO (Solar Energy Industries Association):
I am representing Solar Energy Industries Association (SEIA) which is the national trade association for the U.S. solar industry. We have 1,000 member companies; SEIA is leading the transformation to clean energy, creating the framework for solar to achieve 20 percent of U.S. electricity generation by 2030.

An important component of reaching these goals is energy storage, which goes hand-in-hand with solar technology. We share Senator Lange's passion to expand solar and storage to meet Nevada's clean energy goals with safety being the No. 1 priority.

The member companies complete a number of trainings and certification programs. They are not as familiar with the training certification as outlined in the bill but look forward to learning more. We want to ensure trainings are available to meet demand and employees can be trained safely, specifically to individual systems that companies provide.

Solar Energy Industries Association members are reviewing the proposed amendment and feedback from the Contractors' Board, and we will continue to work with Senator Lange and the stakeholders. Solar Energy Industries Association has a neutral position on this bill.

JULIAN BOGGS (U.S. Energy Storage Association):
I am the State Policy Director with the U.S. Energy Storage Association (ESA). The ESA is the national trade association dedicated to energy storage and working toward a more resilient, efficient, sustainable and affordable electricity grid as is uniquely able by energy storage.

We represent a diverse group of companies involved in deploying energy storage systems, and our members work with all types of energy storage technologies, including lithium-ion batteries. We are testifying neutral on this bill.

We commend Senator Lange for her interest in energy storage and we support target setting for energy storage. Our energy storage working group recently developed a program model for energy storage target design. It is published on

our website, and we are happy to share it with the sponsor and stakeholders. We generally align ourselves with the testimony from SEIA and share their general concerns about certification projects.

I will briefly speak about safety and ESA's commitment to safety. Safety incidents related to grid connected energy storage systems remain rare in the U.S. The systems require routine and diligent effort to manage risks effectively and maintain a safe environment.

Energy storage standards are continually evolving to incorporate a rapidly expanding body of industry operational experience. Several books have mentioned the NFPA 855 standard and Underwriters Laboratories 9540A as critical safety standards for battery storage. Both of these standards have been updated over the past three years.

Ensuring safety is a constant, ongoing process. The industry is continuing to improve and refine safety standards and practices and incorporating lessons learned from events, such as the Arizona fire, and adopting updated safety code standards.

Safety is a top priority for the energy storage industry, and we are eager to continue to work with Senator Lange and the stakeholders to ensure that Nevada achieves energy storage goals while ensuring the safety, quality and performance of energy storage systems.

SENATOR LANGE:
I will remind the Committee that we do not want to be prescriptive, which is why we have decided to wait until we have the IRP. We want our decision to be based on the Nevada study.

CHAIR HARRIS:
We will close the hearing on S.B. 328.

VICE CHAIR SENATOR BROOKS:
I will open the hearing on S.B. 387.

SENATE BILL 387: Provides for the regulation of certain suppliers that provide an inmate calling service. (BDR 58-1015)

SENATOR DALLAS HARRIS (Senatorial District No. 11):
Senate Bill 387 provides for the regulation of intrastate calling services for inmates. I will briefly explain why it is important for us to pass this bill and discuss the specifics.

For many years, inmate calling services, both interstate and intrastate, were unregulated, and in many instances the lack of oversight resulted in inmate phone rates that were unconscionably high.

The Nevada Legislature deregulated inmate calling services in 2007 and removed so-called competitive suppliers from the scope of the PUCN's regulation. Since then, the price of inmate calls has become a national issue, and in 2014, the Federal Communications Commission (FCC) stepped in to cap the cost of interstate calls. However, the FCC lacked jurisdiction to regulate intrastate calls which make up 80 percent of the calls from prisons or jails.

Due to mergers, fewer companies offer inmate calling services, and this lack of competition has exacerbated the problem. For example, in 2018, the average cost for a 15-minute phone call from a local jail was $5.74 as compared to the average cost of a 15-minute long distance landline call of $1.50 or less.

Ancillary charges for services such as opening an account and receiving or paying bills can add 40 percent to the cost of a call from prison or jail.

The FCC has called on the states to address the issue of intrastate inmate phone charges and in response the National Association of Regulatory Utility Commissioners released a statement in July 2020 calling on its members to address the problem of exorbitant inmate phone charges and to seek authority to review the rates in their states.

You may wonder why we care how much an inmate is charged for a phone call. Innumerable studies report the benefits and importance of maintaining family contact while incarcerated. Chief among those benefits is evidence of significantly reduced rates of recidivism, and equally compelling are the mental health benefits of the inmate and the positive impact on children of inmates for maintaining a parent-child bond.

Allowing inmates to stay in touch with their families helps them upon release to find jobs and housing and to maintain sobriety. Despite the benefits of fostering

family contact, one survey found that 70 percent of inmates reported phone call cost as a key obstacle for keeping in touch and one third went into debt to place phone calls.

State prisons generally do a better job of negotiating contracts and keeping costs down than local jails. Local jails do not have the same staffing resources and may be more tempted to enter into contracts with high commissions as a means of generating revenue.

The studies confirm the often extraordinary high cost of calls from local jails. A 2018 chart by the Prison Policy Initiative shows the highest cost of a 15-minute call from a local jail in Nevada is $14.25, nearly a dollar a minute. Nevada is not the only state grappling with this issue. It is obvious that without oversight regulation, the situation will not resolve itself.

I will now walk you through the bill's provisions.

Section 2 defines correctional facility to include both the Nevada Department of Corrections Facilities, be they public or private prisons, and city or county jails.

Section 3 defines inmate calling service as limited to intrastate phone calls from a correctional facility.

Section 4 states a competitive supplier of an inmate calling service must file an application with the PUCN for approval of its rates.

The crux of this bill is section 5 in which the Commission is directed to adopt regulations addressing inmate calling services, including procedures for setting rate caps, defining and limiting other ancillary charges, limiting taxes and fees that may be charged, and procedures for approving rates outside of established tax.

Section 5 makes it clear that limits on rates, charges, taxes and fees will not exceed the federal rate cap or limitations set by the FCC for interstate inmate calls. Section 5 also requires an annual review of the rate caps and revisions as warranted.

Section 6 through 10 are conforming provisions.

We have a proposed amendment (Exhibit F) from the Commission which changes language in section 4 that will allow the Commission to ensure that these providers are in line with the rate cap and any other provisions that they may put in place pursuant to the rule making in section 5. Debrea Terwilliger from the Commission has been instrumental in working on this bill with me.

DEBREA TERWILLIGER (Assistant General Counsel, Public Utilities Commission of Nevada):
Approximately 80 percent of inmate calls are intrastate in nature, and we want to align ourselves with the FCC to ensure that its rate caps and other limitations are in place to provide for just and reasonable inmate calling services for the inmates and their families.

SENATOR PICKARD:
My initial response when I first read this bill was why, but Senator Harris's introduction answered that question.

The inmates are calling on a different phone system than that used by the correctional facility. This separate system probably does not have the same usage as a regular service where the provider can allocate costs over time.

Have there been uncertain fixed installation and maintenance costs? Does any rationale exist for the fees that they charge, or is this arbitrary and their approach is to charge what is in their favor? Can you explain why they charge what they charge?

SENATOR HARRIS:
It is not related to the cost of delivering the service. I will suggest that this is the classic example of rent-seeking by a few monopolies.

Most of our Nevada Department of Corrections facilities are already under the cap of the FCC rate. However, there are a few providers who are charging what they cannot related to their costs.

This bill will allow any phone service provider to address the PUCN and explain: this is how much our infrastructure costs and how much it costs for us to deliver the service, and here is the rate we are proposing. The PUCN will then determine if the rates are reasonable.

SENATOR PICKARD:
I assume you have not reached out to any phone service providers about this hearing and asked them to justify their billing practices at this hearing.

If this is an existential problem, you would expect them to step up. I doubt the providers will be in support of this bill. Perhaps we will hear from them in opposition. I anticipate being able to explore their justification for their billing and determine if it is arbitrary and unrelated to the cost of delivering service. It would be important to have that on the record.

SENATOR HARRIS:
For the record, the bill will allow a competitive supplier to file an application with the PUCN and justify those rates. The Commission is well versed at reviewing the costs of infrastructure, delivering a service, and allowing for just and reasonable rates. This would not preclude their opportunity to provide that justification and would require them to do so.

JIM HOFFMAN (Nevada Attorneys for Criminal Justice):
Nevada Attorneys for Criminal Justice supports S.B. 387. I will add three pieces of context.

First, jails and prisons have severely restricted in-person visitation because of Covid-19, and these phone calls are the only way that a parent can stay in contact with his or her children and spouses. This is vital communication.

Second, prisoners are, by and large, poor. If they are lucky enough to have jobs, they are making 50 cents an hour. If the phone call costs 25 cents a minute, that means they work for one hour to afford two minutes of precious phone time with their family. That is not reasonable. This is a captive market. They have no choice but to pay this.

Third, this is a gesture to people who are accused of crimes. The Henderson Municipal Jail and other places have undocumented people who use these same phone calling programs. This is not solely a problem for people who commit crimes but also for undocumented people.

This is overall a very unjust situation. No reason exists for phone service to be this expensive. Senate Bill 387 will address this problem. We urge your support.

SENATOR HARRIS:
I want all the Committee members to remember years ago when minutes were the driver of your cell phone bill. You were capped at 3,000 minutes and then you could add your 5 favorite friends to your plan, which enabled you to save precious minutes.

We have unlimited minute use today because the cost of delivering a minute of voice-only calls is so low that it no longer makes sense to tie the business model to that. The business model is based on data usage.

An inmate intrastate phone call in 2021 can cost more than a long distance phone call. This is something we need to rectify as many inmates are not earning much while incarcerated. It is important to provide affordable phone service for those who need to stay in contact with their family for benefits to themselves and to society.

VICE CHAIR BROOKS:
We will close the hearing on S.B. 387.

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CHAIR HARRIS:
With there being no further business, the meeting is adjourned at 5:39 p.m.

RESPECTFULLY SUBMITTED:

_____
Paula Peters,
Committee Secretary

APPROVED BY:

_____
Senator Dallas Harris, Chair

DATE: _____

Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 279	B	1	Senator James A. Settelmeyer	Piper Overstreet / Uber Technologies, Inc. Proposed Amendment
S.B. 288	C	1	Senator Dallas Harris	Matthew Walker / Motional Proposed Amendment
S.B. 328	D	1	Senator Roberta Lange	Proposed Amendment
S.B. 328	E		Senator Roberta Lange	State Contractors Board Conceptual Amendment
S.B. 387	F	1	Senator Dallas Harris	Public Utilities Commission of Nevada Proposed Amendment