

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

**Eighty-second Session
February 13, 2023**

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:30 p.m. on Monday, February 13, 2023, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dallas Harris, Chair
Senator Pat Spearman, Vice Chair
Senator Julie Pazina
Senator Scott Hammond
Senator Ira Hansen

STAFF MEMBERS PRESENT:

Kristin Rossiter, Policy Analyst
Jessica Dummer, Counsel
Paula Peters, Committee Secretary

OTHERS PRESENT:

Julie Butler, Director, Division of the Office of the Director, Nevada Department of Motor Vehicles
Tonya Laney, Deputy Director, Division of the Office of the Director, Nevada Department of Motor Vehicles
Sean Sever, Deputy Administrator, Division of Research and Project Management, Nevada Department of Motor Vehicles
Kevin Malone, Public Information Officer, Division of the Office of the Director, Nevada Department of Motor Vehicles
Kami Dempsey, Nevada Press Association
Kirsten Stasio, Chief Executive Director, Nevada Clean Energy Fund
Marco Rauda, Green Our Planet

CHAIR HARRIS:

The Nevada Department of Motor Vehicles (DMV) will provide a presentation for the benefit of the Committee members.

JULIE BUTLER (Director, Division of the Office of the Director, Nevada Department of Motor Vehicles):

I will provide a presentation with an overview of the DMV's operations ([Exhibit C](#)) and a sneak peek of what it will be presenting this Legislative Session. The DMV is one of the larger agencies in the Executive Branch with 1,289 authorized positions. It collects over \$1.7 billion in annual revenue from 4.6 million financial transactions. Most transactions require an appointment in the Las Vegas and Reno offices. The DMV is encouraging its customers to go online to see if their transactions could be completed before coming to an office.

The DMV has 18 offices Statewide. Its services are supplemented by 8 county assessors, 4 American Automobile Association offices and 46 kiosk locations, primarily in the Las Vegas and Reno areas. It has offices sprinkled throughout rural Nevada as well.

The DMV recently underwent a strategic planning exercise and developed six goals to guide decisions over the next five years. Its vision is to be a national leader in DMV services. Its mission is to provide efficient motor vehicle solutions for the identification, licensure and protection of all customers.

The DMV is comprised of seven divisions supported by the Director's Office. Within the office is an independent Hearings Office loosely organized that offers due process hearings to its customers contesting DMV licensing and regulatory actions. The Office sets the DMV's strategic direction, in line with the Governor's priorities, and directs and controls the operations of the seven divisions within the Department.

The Administrative Services Division provides support behind the scenes for operations. It distributes DMV revenue to the Highway Fund, counties and school districts.

The Research and Project Management Division provides support to various divisions for Legislative sessions and for implementing new regulations, policies

and procedures. It provides project oversight for the DMV's Transformation Effort and various routine IT and business projects.

The Department's Information Technology Division has 80 full-time equivalent employees to keep its systems running around the clock to support operations.

The Motor Carrier Division collects Nevada's fuel taxes from fuel suppliers. It ensures that tractor trailers traveling through Nevada for interstate commerce are appropriately registered and paying fuel taxes following international agreements.

The back-office operations are managed by the Central Services and Records Division. It staffs the call center, processes vehicle titles, assigns demerit points to driver's records for moving violations, manages the State's license plate factory and has other programs that support operations.

The Compliance Enforcement Division is the DMV's regulatory arm. The Division ensures auto dealerships, body shops, garages and salespeople are licensed. It investigates complaints of deceptive trade practices and identity theft. It enforces registration, driver's license and emissions violations on the road.

The largest division, and the one that the Committee is the most familiar with, is the Field Services Division. It provides face-to-face customer service in all 18 DMV offices Statewide.

The DMV's main source of revenue is the Highway Fund appropriations and fees generated from DMV services. It receives a small General Fund appropriation each fiscal year (FY) for costs associated with the automatic voter registration program. Per statute, the Highway Fund appropriations must stay under 22 percent of the funds collected and distributed to the Highway Fund each year, excluding fuel tax revenue. That cap has been temporarily increased to 27 percent to account for the DMV Transformation Effort (DTE).

The Department's revenue is allocated 38 percent to counties and schools, 36 percent to the Highway Fund and the remainder distributed to other areas, including the support of the DMV's operations.

The slide on page 16, [Exhibit C](#), shows the percentage of Highway Fund fees and other funding that the DMV estimates receiving from the FY 2024-2025 Governor's Executive Budget.

The DMV is actively encouraging Nevadans to go online for their DMV services. It estimates that more than 200,000 transactions per year could be completed online by DMV customers. Yet those customers are choosing to visit a DMV office. If customers go "online," and not stand "in line," it will reduce business being conducted at DMV's physical offices.

The DTE was approved in the 2021 Session as a \$115 million project to transform its service model from in-person to online. It is more than a routine IT project. It is a complete shift in mindset with the focus on the customer's journey and ease of use.

"For the record, we are not deliberately trying to kill any legislative bills." The DMV's legacy system, with its combined manual business processes and lack of staffing, make implementing any new legislation a logistical challenge. It provided the impetus for the creation of the DTE.

The DTE will replace outdated systems with a modern technology platform that is easy to improve and maintain. It will make compliance with federal and State Legislative mandates easier. The goal is to move most, if not all, DMV services online over the next three years. This will allow services in the customers' preferred modality.

The DTE will build upon online service offerings. The focus will be on specific pain points: private party vehicle sales and new Nevada residents. These transactions require customers to conduct their business at a DMV office.

The future system will provide customers with the option to upload documents electronically, which DMV technicians will review and approve remotely.

Customers will be able to chat live with technicians in a virtual DMV field office without having to step foot inside the office unless the transaction requires an office visit.

The DMV knows its customers want this functionality as numerous customers have said they do not want to visit a DMV office if they can avoid doing so.

The DMV is seeing benefits from its new technology platform. Last month, English and Spanish chatbots went live on the DMV website. The chatbots help guide customers through most common transactions, including scheduling appointments without having to contact the DMV call center. Based on the California DMV's experience with its chatbots, the DMV has estimated that Nevada chatbots will reduce calls by 30 percent.

On February 1, 2023, the DMV initiated a pilot program for select franchise auto dealers. The dealers upload titles and supporting documents to a secure portal for DMV staff to review and approve. This eliminates them having to mail the documents to the DMV.

Closures during the 2020 pandemic created a backlog of titles, which was a function of DMV staffing and manual processes. The franchise auto dealer pilot program will resolve any issues over the next month. The program will be open to all franchise auto dealers in March 2023.

The DMV is going live at the end of March 2023 with a new case management solution for the Compliance Enforcement Division. This will improve the Division's ability to keep track of its investigative cases. It will allow DMV customers to submit any complaints of fraud or identity theft online.

Those are recent exciting changes, with more to come over the next three years.

The DMV will be presenting four bills to the Committee this Session. One of the bills will be heard today. The remainder are aimed at compliance with federal regulations for commercial driver's licensing, clarifying the process for mechanics and towing liens placed upon vehicles and aligning outdated statutes with the DTE.

SENATOR HANSEN:

What percent of electric or hybrid vehicles does the DMV register? Any idea how it compares to the percentage of gasoline and diesel vehicles? Would I follow up with DMV or the Nevada Department of Transportation (NDOT)?

MS. BUTLER:

The DMV prepares an odometer report every six months that has that information. I do not have one available with me today, but I can get you that information.

SENATOR HANSEN:

The Highway Fund is a significant portion of the DMV's funding. Electric vehicles (EV) do not contribute to the Fund. What percentage of vehicles on the road are driving without contributing to the Highway Fund?

There have been interim studies. Either the DMV or NDOT tracks this data. How much money would it take to fund the Highway Fund to where it should be?

MS. BUTLER:

The DMV did participate in an interim study committee that reviewed this issue. Only a small percentage of overall vehicle registrations are EVs. I do not have the exact percentage, but I can obtain it. One of the recommendations that the committee put forth is to charge an additional fee on EVs.

Staff has provided me with a 2022 report. Gasoline-powered vehicles are 78.8 percent of the State market share; EVs are 8.7 percent; hybrids are 6.4 percent; diesels are 4.7 percent and plug-in hybrid electrics are 1.4 percent of the State market share.

SENATOR HANSEN:

That is over 10 percent, which is substantial.

CHAIR HARRIS:

Senator Hansen, I will point you to the report prepared by the advisory working group that Ms. Butler is referring to. The information that you are looking for is in that report.

SENATOR HANSEN:

Every agency that has come before the Committee this Session has been well below recommended levels of staffing. Where is the DMV?

TONYA LANEY (Deputy Director, Division of the Office of the Director, Nevada Department of Motor Vehicles):

The DMV's Field Services Division has 171 vacancies, which is a 10 percent vacancy rate. The Central Services Division, which handles all the behind-the-scenes mail-in transactions, titles, registrations and mail-in driver's licenses has a 29 percent vacancy rate and the Information Technology Division has a 17 percent vacancy rate.

CHAIR HARRIS:

We will open the hearing on Senate Bill (S.B.) 6.

SENATE BILL 6: Revises provisions relating to the release of personal information maintained by the Department of Motor Vehicles. (BDR 43-255)

SEAN SEVER (Deputy Administrator, Division of Research and Project Management, Nevada Department of Motor Vehicles):

Senate Bill 6 is needed to protect DMV customers' personal information. The DMV is the keeper and repository of records related to Nevada drivers. Much of the information collected is personal identifying information—name, address, date of birth, driver's license number and similar data—that is required to be kept confidential.

On a regular basis, the DMV shares select information with qualified agencies, law enforcement, insurance firms and courts. The DMV is required to provide limited personal information to eligible third parties upon request, including the media.

The DMV is requesting that *Nevada Revised Statutes* (NRS) 481.063, subsection 8 be amended to ensure that the DMV can comply with record requests while safeguarding protected information from bulk records inquiries. The amendment will clarify circumstances where it may release pertinent information to qualified requesters.

The DMV is asking that requests for personal information from the news media be limited to records for specific named individuals. The intent is not to cut off the media from access to this information. It is to prevent the wholesale release of thousands, or even millions, of records that contain the confidential

information of Nevada residents. This has been an issue in the past and here are two specific examples.

The first example was the 2020 election season, a media outlet investigating potential voting by non-U.S. citizens requested the names and addresses of anyone holding a Nevada driver's license or identification (ID) card who might be a non-citizen. After much back and forth and a confidentiality agreement specific to that request, the DMV released the names and addresses of more than 27,000 residents who held limited-term driver's licenses or ID cards.

The second example was last year when a media outlet requested driver records to facilitate research into traffic citations, court cases and traffic safety in general. This outlet requested the full history of all persons who held a Nevada driver's license or ID card from the years 2010 to 2021. This request encompassed nearly every person in Nevada.

The media outlet chose not to pursue the request. If it had, the DMV would have been required to release what is essentially the DMV's entire database of licenses and IDs.

In this case, there could have been a significant risk of abuse. The DMV has no idea where this information ends up, and it is the DMV's responsibility to protect it. Releasing the entire database effectively gives the media instant access to DMV records. No one outside of the Criminal Justice System has instant access.

This bill does not affect public record laws in any way. The names, addresses and other personal information in DMV files are not public record. They are confidential according to NRS 481.063, subsection 5. This bill affects confidential personal identifying information only. This is basically anything on the face of a driver's license.

The DMV has established procedures for complying with public records requests and has a good record of working with the media. It will continue to follow the Nevada Public Records Act and is not seeking to alter it in any way. The DMV is requesting that the news media follow the same rules as attorneys, private investigators, insurance companies, tow companies and others who are required to query named individuals. The media should be treated the same.

The Nevada Legislature passed a similar measure on criminal records in the 2017 Session. Assembly Bill No. 76 of the 79th Session amended NRS 179A.100, subsection 4, paragraph (l) to allow the media to query by named individuals only.

SENATOR HANSEN:

If I were a member of the press, and I requested records for all the people with driver's licenses in Sparks, Nevada, is there any restriction on my use of that information? Am I allowed to sell it? Mailing lists are valuable commodities in the marketing world.

MR. SEVER:

Once the information is made available to the media outlet, the DMV has no control over where it goes after that.

SENATOR HANSEN:

This is a question for legal. If the information goes to the press, are there any restrictions on the use of it beyond that point?

JESSICA DUMMER (Counsel):

The journalist is required to submit an affidavit that the information will be used for journalistic purposes before receiving the information. A section in S.B. 6 limits the sale of information. I am not finding that section now, but I can provide it to you.

CHAIR HARRIS:

Senator Hansen, we will get that information to you.

SENATOR HANSEN:

What are the penalties? Sometimes the financial rewards of being able to sell a list of personal data is substantial, especially if it was the entire database for Nevada.

SENATOR SPEARMAN:

Mr. Sever said the database includes everything that is on the front of your driver's license. I do not have my driver's license with me. My name and photo are on it.

MR. SEVER:

Name, address, date of birth and driver's license number are included.

SENATOR SPEARMAN:

I will put my law enforcement hat on now. The DMV has my name, my date of birth and my address. Might any of that information be used compartmentally for ID theft?

MS. BUTLER:

Possibly yes, and that is the risk. This language exists elsewhere in statute; it is not anything new. The DMV appreciates that the media has a job to do. However, when they ask for its entire database, instead of specific individuals for their story, that is a bit of a stretch.

The DMV's dealing with the media has been with good actors. There is risk and concern that one bad actor might secondarily disseminate information. Names, addresses, birthdates, and even social security numbers are available as they are used by the DMV to validate people's identities. The information could be on the Internet for people to fake an identity or open a credit card.

Submitting a blanket request that includes people they are not reporting on, or requesting the DMV database for future journalistic purposes, is a concern. If those pieces of information are being transmitted to a media outlet, no matter how good their intentions are, the risk is there. To mitigate this risk, the DMV is asking the media to request information on only the specific people that they need.

CHAIR HARRIS:

For the clarity of the record, I want to confirm that the DMV is not providing social security numbers in response to these requests right now.

MS. BUTLER:

The DMV is not; I stand corrected.

SENATOR SPEARMAN:

Are other states providing this information?

KEVIN MALONE (Public Information Officer, Division of the Office of the Director, Nevada Department of Motor Vehicles):

Five states in the U.S. allow the media to have access to this personal information. Those five states are Illinois, Michigan, Nebraska, Nevada and Oregon. The other 45 states and the District of Columbia do not allow the press access to personal information.

CHAIR HARRIS:

How many requests of this nature does the DMV receive each year?

MR. MALONE:

At the present time, only two media accounts are in the records section of the DMV Division of Central Services and Records. One record account in Las Vegas queries records once every few weeks. The other account is in Reno, and makes very few requests. The total number of requests is minimal. Our concern is releasing thousands of records in a single request.

MS. BUTLER:

It is not the volume of the request, but the time it takes to fulfill these requests. It is significant and often takes weeks of going back and forth with the media to narrow the request. It is a huge time burden for the Department to comply with these requests.

If the media could be more specific with their requests and only request the record that is needed for stories, the DMV could be more responsive in providing that information to them in a timely manner.

CHAIR HARRIS:

What kind of fee does the DMV charge to respond or to prepare the information related to these types of requests?

MR. MALONE:

An individual driver's license record or a driver's license three-year history printout is \$7. A vehicle registration printout is \$5. A large bulk records request has a standard fee schedule that starts at \$2,500.

CHAIR HARRIS:

Will the large bulk records category be eliminated with this bill?

MR. MALONE:

Yes, the large bulk request category would be eliminated.

SENATOR HANSEN:

When we hire a new plumber, we have a company that does a criminal background check, which includes checking for citations. Does the company contact the DMV for this? We are talking about press bulk requests in this bill, but are there other situations where the DMV provides limited information for specific individuals? Is that how it normally works?

MS. BUTLER:

That request would go through LexisNexis or a similar company.

MR. MALONE:

That is correct. It falls under a completely different legal category. When you hire a plumber, that plumber gives you permission to query the record and LexisNexis or another company will fulfill that request.

MS. BUTLER:

Those individuals have given permission to release that information. In this case, customers do not have input on whether the DMV will release its records to whatever media company requests it. The DMV provides these records to the media. The DMV has 2.6 million registered vehicles in Nevada and 2.1 million licensed drivers. Sometimes the media requests thousands or millions of records. That is a significant number of records.

KAMI DEMPSEY (Nevada Press Association):

The Nevada Press Association opposes this measure. Mr. Sever and his team have been reaching out to the Association to find an agreement, but a middle ground has yet to be reached.

The press sometimes looks at trends. If a story discusses excessive car accidents or something within a specific school district, polling certain records based on trends helps create the stories that are important to the public.

Investigative reporting requires obtaining bulk information and the proposed changes would prevent the press from doing that. The information would still be the same when all the names are submitted, but the request for it would be on a different scale.

The DMV spoke to this in NRS 239.0107, subsection 1. It already addresses the issue that anybody requesting the information will have to work with the DMV to narrow the scope of those requests.

None of our members perceive a 2.5-million public records request as reasonable, which is why there have only been a few. That is why the Nevada Press Association opposes this bill.

CHAIR HARRIS:

Would journalists be able to find trends if they could receive the aggregate data as opposed to having to find the individual records and then running a spreadsheet?

The DMV is willing to provide information, such as how many accidents were in a particular area on any given date. The DMV does not have an issue with aggregating the data and providing that information. The issue is with providing the underlying confidential records. Could a compromise be reached where the data without the personal details is available, and the media members crunch the data for trends?

MS. DEMPSEY:

That is reasonable. I am not an investigative reporter, but I will discuss this with the members.

MR. SEVER:

The DMV will work with the opposition to reach a compromise.

CHAIR HARRIS:

We will close the hearing on S.B. 6.

KIRSTEN STASIO (Chief Executive Director, Nevada Clean Energy Fund):

The Nevada Clean Energy Fund (NCEF) is working to enable Nevada to take advantage of the current and unprecedented federal clean energy funding opportunity.

The NCEF was established in 2017 by S.B. No. 407 of the 79th Session. It is a nonprofit organization to accelerate investments in clean energy projects in the State in a way that reduces energy costs, creates jobs, improves the standard of living of Nevadans and addresses climate change.

The gap that the NCEF is designed to fill is access to capital. It is often a barrier for clean energy projects. Access to capital could be a challenge for many reasons including, but not limited to, the following: creditworthiness standards are not being met, check amounts are too small to attract traditional lenders, and additional technical assistance and market building are required.

The NCEF's Board of Directors on page 2 of the presentation ([Exhibit D](#)), hired me last January. I am the Chief Executive Director and CEO of NCEF. I work with the Board to launch NCEF programs. I have over a decade of experience in the energy sector, including working to deploy hundreds of millions of dollars into wind, solar and energy-storage projects across the U.S., including Nevada.

The NCEF was established as a green bank, [Exhibit D](#), page 3. Green banks are institutions that have been operating for over a decade in several other states to deploy billions of dollars into the clean energy economy by providing technical assistance and access to capital.

Many of the first green banks in Connecticut, New York and Michigan were initially launched a decade ago to implement American Recovery and Reinvestment Act dollars. The NCEF is a relatively new organization and is working to bring proven and successful program models into the State. It collaborates regularly with its green bank counterparts in other states.

The federal Inflation Reduction Act of 2022 (IRA) provides \$27 billion to the U.S. Environmental Protection Agency (EPA) to administer the Greenhouse Gas Reduction Fund (GGRF) as competitive grants. See handout ([Exhibit E](#)) on the GGRF. It is NCEF's priority to ensure that Nevada obtains its fair share of these funds.

This funding will allow the NCEF the opportunity to launch new programs including, but not limited to, the following: a financing program to enable residents of single-family homes to invest in cleaner energy; a clean energy lending program for multi-family housing developers; programs to help schools, local businesses, nonprofits and governments retrofit buildings and transition to clean vehicle fleets; and programs to build community-scale solar and storage, particularly in rural areas that are facing dwindling hydroelectric resources in the region.

The \$27 billion GGRF is broken into three different buckets, [Exhibit D](#), page 6. The buckets are distinguished by who can apply and whether these funds must benefit or be accessible to low-income and disadvantaged communities.

States, local governments and tribes are eligible to apply for the \$7 billion bucket. The NCEF is working closely with these eligible recipients on applying for this funding.

The NCEF and other nonprofit entities are eligible to apply for all three buckets, a total of \$27 billion. The federal legislation defines the types of nonprofit organizations that are eligible to apply to the three buckets. These are nonprofit organizations designed to provide capital and other forms of financial assistance and to leverage private capital for the rapid deployment of low-emission and zero-emission technologies. The entities cannot accept deposits.

The entities who receive this funding must submit a competitive application. The NCEF has been working to increase Nevada's competitiveness by building partnerships with a variety of different stakeholders over the past year. These include State and local governments, schools, local lenders, the Nevada State Infrastructure Bank and the housing community. These partnerships increase NCEF's competitiveness and its ability to effectively implement the funds.

The NCEF is a member of the Nevada Housing Coalition and is engaged with housing developers and utilities in the State, including NV Energy and Nevada's rural electric utilities. It developed a clean energy educational program for the 2022 Nevada Housing Conference.

The NCEF collaborated with the Southern Nevada Clean Cities Coalition initiative, NV Energy and the cities of Reno and Boulder City to develop programming around clean energy vehicle fleets for local businesses and other fleet owners in Nevada.

The NCEF is working with the Nevada Grant Lab on building its competitive application for the \$27 billion GGRF.

It is a tremendous opportunity to bring this ecosystem of diverse stakeholders in Nevada together and to use this federal funding opportunity to advance Nevada's clean energy economy.

The NCEF's major challenge is funding for organizational expenses. It has a federal subgrant that is administered by the Governor's Office of Energy. The deadline on that subgrant ends June 30, 2023.

The GGRF funding is a new program for the EPA. The EPA has until September 2024 to distribute the funds. The NCEF does not anticipate receiving funding from the EPA until the end of 2023 or 2024.

The NCEF anticipates that the EPA will consider NCEF's organizational capacity when determining Nevada's award amount. The NCEF is requesting one-shot legislative funding for the biennium to support its organizational expenses. It is requesting \$980,000 for two years to support lean operations for staff and other organizational expenses.

This funding would enable NCEF to capture this unprecedented federal clean energy funding opportunity and potentially bring hundreds of millions of federal funds into the State to support the clean energy economy.

Every \$10 million of federal grants awarded to Nevada could result in \$50 million or more in additional dollars over the course of a decade that would be deployed into clean energy in the State. These funds could have a multiplier effect in two ways. First, it could catalyze other private capital into this space, and second, it could bring in more competitive federal funds.

The statute that created the \$27 billion GGRF requires that the funds be used to leverage private sector capital. This involves originating and aggregating investments in partnership with other financial institutions and local lenders. The capital is the catalytic puzzle piece of funding that enables projects to happen by leveraging additional federal funds.

The Committee heard presentations last week on federal funds that are coming into Nevada from the federal Infrastructure Investment and Jobs Act (IIJA) and the IRA. The NCEF is working on two grant applications for IIJA funds with other Nevada partners, including a competitive application with NV Energy. The \$27 billion GGRF is only one part of the clean energy funding in the IRA. The chart in [Exhibit D](#) on page 10 reflects the increase in federal clean energy spending.

One of the significant things about this funding is that 70 percent of it is in the form of Internal Revenue Service tax credits shown on page 11. The NCEF needs to build the solar, wind, hydrogen and energy storage projects that are eligible for these tax credits.

The NCEF needs to help Nevadans transition their vehicles to run on clean fuels and reduce their energy costs. It needs to ensure that residents and local businesses have access to capital and trusted technical resources to accomplish this. The NCEF has a priority to bring in Nevada's fair share of the \$27 billion GGRF and to work with its ecosystem of partners.

SENATOR PAZINA:

How many of those IRA tax incentives can go to families or individuals as opposed to organizations?

Ms. STASIO:

Based on the chart compiled with data from the U.S. Congressional Budget Office, 9 percent of the entire IRA is available for the Individual Clean Energy Incentives. The remainder are probably local businesses and utility scale projects. I need to analyze the numbers. The percent is probably higher as the clean energy electricity tax credits likely include rooftop solar. These could be accessible to individuals.

SENATOR PAZINA:

Are there any plans to spread the word to Nevada families about the advantages they can take from that fund?

Ms. STASIO:

Yes, if the NCEF launches and capitalizes programs, that will be its priority. However, with limited funding and no programmatic funding, NCEF has only been able to get the word out about the federal government's significant incentives coming down the pipeline.

The NCEF website was designed to be a resource and to field calls from residents. The NCEF will build out bigger architecture in partnership with local contractors who will be a valuable resource for residents around these other incentives.

SENATOR SPEARMAN:

This will be an economic multiplier. There will be big corporations and small businesses associated with the independent contracting. Do you have anything in place that would assure supply diversity? Supply diversity with respect to ethnicity with gender, veterans and those sorts of things. Right now, we do not know who is applying for what and who is being selected. Do you have a program in place for supply diversity?

Ms. STASIO:

Can you clarify what you mean by “supply diversity”?

SENATOR SPEARMAN:

When the contracts are awarded, when partnerships are built, Black, Indigenous and People of Color (BIPOC) communities and other marginalized groups are often bypassed. I am concerned that with the money that is coming in and many of them barely hanging on during COVID-19, this could be a lifeline for them.

Ms. STASIO:

In terms of the requirements on the \$27 billion GGRF, over 50 percent of it must benefit or be accessible to low-income and disadvantaged communities, which includes BIPOC and tribal communities.

Based on my engagement with the EPA, it is considering putting in place guidance around BIPOC-owned businesses. At a minimum, there will be requirements or guidance associated with these federal funds.

The NCEF is here to fill gaps in clean energy markets where traditional investors will not venture, sometimes because of access to capital. Often historically, those underserved communities need that access to capital.

This access is NCEF’s priority, and its programs are designed with accountability structures. These structures ensure that NCEF implement the programs and engage with those communities to provide input into program design.

SENATOR SPEARMAN:

It is estimated that the economic impact globally of the energy industry is somewhere north of \$6 trillion. You discussed the multiplier effect with the dollars coming in. Have you done preliminary assessments for Nevada?

When I chaired the energy subcommittee, we had someone say for every one job that you create in the energy industry, you create ten additional jobs. Have you done anything to look at what the economic multiplier is and how it looks in terms of job tracking? Nevada will need a workforce that understands this and can do something with this money on a sustainable basis.

Ms. STASIO:

The NCEF has not completed a rigorous analysis that can be shared in this meeting. The NCEF will have this information for the federal EPA application.

To be in line with the legislative mandate, NCEF will be tracking metrics such as job creation, quality job creation, long-term job creation and other metrics. Based on the NCEF's market assessment over the past year in the clean energy space, building that ecosystem will be critical in implementing and deploying these funds successfully.

The NCEF Board of Directors has strong representation from the Nevada workforce.

SENATOR SPEARMAN:

Nellis Air Force Base entered into a contract with NV Energy 16 years ago to build a solar array. That array now powers the entire hospital.

The defense industry is busy and probably light years ahead of where we are in the civilian sector. Are there any plans to partner with the industry? We have a strong, well-funded military community in Nevada. If we were to partner with them, we could learn from them as well as it being financially beneficial.

Ms. STASIO:

The U.S. Department of Defense has always been an early leader in the clean energy space. The NCEF will pursue the option to work with them.

SENATOR HANSEN:

Does the NCEF have metrics? If NCEF does all the clean energy work it has planned, how much greenhouse gas reduction would you accomplish with the \$27 billion funding in Nevada?

Ms. STASIO:

The NCEF needs those metrics and will be developing them.

SENATOR HANSEN:

You mentioned low-income and underserved communities. I have several in my district, especially the tribes. Almost every home has a gas stove, which we are discussing eliminating. They typically have gas, water heaters and gas forced-air heaters.

Does NCEF, as the bank, go down to that level? Are there plans in the future to replace all those gas appliances with electric ones?

Ms. STASIO:

The NCEF will operate at that level, generally as the contact with residential financing programs that green banks administer.

The NCEF will partner with local lenders, including community development financial institutions, to provide them with an incentive to lend into the clean energy space, particularly to the lower end of their credit score spectrum. The NCEF provides incentives with its financing. It could be a detriment to its adoption if NCEF is too prescriptive with what those incentives can be used for.

In parallel, the NCEF will develop a robust contractor network to install more efficient clean energy measures.

The NCEF funds could be used for building electrification measures, including the transition from gas stoves to heat pumps. Other measures would be part of that financing as well. Given the significant federal rebates that are becoming available for efficient electrification measures, the NCEF will be promoting those incentives along with its financing.

We provide incentives with our financing, and if we are too prescriptive about what those incentives can be used for, then it damages adoption.

SENATOR HANSEN:

I have a final question on the incentive side. If I borrow money from an agency, I am required to provide my own collateral or something I can use for repayment. You mentioned with low-income communities that those abilities are not there. If the NCEF assists with a private sector bank loan and provides collateral, is it responsible in the event of a default?

Ms. STASIO:

Yes, the NCEF would make up a portion of its residential lending.

SENATOR SPEARMAN:

One of the largest industries that contributes to greenhouse gas is transportation. Both the Regional Transportation Commission (RTC) of Southern Nevada and the Carson City RTC have two or three hydrogen fuel cell buses with plans to get more.

Can we leverage the funding you are talking about to build out our hydrogen as part of our renewable energy mix? It must be clean, but every major manufacturer in the world has a fuel cell vehicle prototype. We have a hydrogen fuel cell producer in Clark County.

Ms. STASIO:

Hydrogen is an important component of the energy transition, particularly in those hard-to-abate sectors: heavy industry, long-haul trucking, vehicle usage and places where EV grid upgrades are prohibitive. It is a part of the solution that the NCEF is focused on, particularly given that the tax credit for EV chargers can be used for hydrogen refueling infrastructure.

CHAIR HARRIS:

Have you met the new director of the Governor's Office of Energy? An opportunity exists for that Office and the NCEF to work together. I would also encourage NCEF coordinating with the Nevada Infrastructure Bank. Whatever multiplier the NCEF can bring, the Infrastructure Bank can bring a little multiplier and then we will multiply the multipliers.

MARCO RAUDA (Green Our Planet):

Investing in the Nevada Clean Energy Fund (NCEF) is a smart and forward-thinking move for Nevada's future. Renewable energy is growing

rapidly. The State is positioning itself as a leader in the field by supporting the development of clean energy sources such as solar, wind and geothermal.

According to a recent report, the renewable energy sector is expected to create more than 11 million jobs globally by 2050. Nevada has the potential to capture a significant share of those jobs.

The NCEF provides an economic benefit and supports the State's effort to reduce its carbon footprint and promote sustainability. Nevada relies heavily on fossil fuels for its energy needs. The State's investment in clean energy can significantly reduce its greenhouse gas emissions, helping mitigate the impacts of climate change.

The benefits of clean energy are already being felt in Nevada. In recent years, the State's solar industry has grown rapidly. In 2020, Nevada ranked sixth in the Country for installed solar capacity. This growth has created thousands of new jobs. It has attracted businesses to the State, contributing to economic growth and stability.

An investment in the NCEF is a win-win for Nevada. It supports the development of clean energy, promotes sustainability and stimulates economic growth. It is creating a bright and prosperous future for Nevada.

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Growth and Infrastructure
February 13, 2023
Page 23

CHAIR HARRIS:

Having no further business to come before the Senate Growth and Infrastructure Committee, we are adjourned at 4:36 p.m.

RESPECTFULLY SUBMITTED:

Paula Peters,
Committee Secretary

APPROVED BY:

Senator Dallas Harris, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
S.B. 6	C	2	Julia Butler / Nevada Department of Motor Vehicles	Presentation / Department Overview
S.B. 6	D	14	Kirsten Stasio / Nevada Clean Energy Fund	Presentation / For Nevada Senate
S.B. 6	E	14	Kirsten Stasio / Nevada Clean Energy Fund	Building Nevada's Competitiveness