MINUTES OF THE SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE

Eighty-second Session April 3, 2023

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:31 p.m. on Monday, April 3, 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

GUEST LEGISLATORS PRESENT:

Assemblyman Reuben D'Silva, Assembly District No. 28

STAFF MEMBERS PRESENT:

Kristin Rossiter, Policy Analyst Jessica Dummer, Counsel Vicky Lind, Committee Secretary

OTHERS PRESENT:

Tricia Bookhart, Zeta Phi Beta Sorority, Inc.

Keysa Rogers, Alpha Kappa Alpha Sorority, Inc.

Zephanye L. Sistrunk, Alpha Kappa Alpha Sorority, Inc.

Sean Sever, Deputy Administrator, Division of Research and Project Management, Nevada Department of Motor Vehicles

Will Adler, Aces Delta, LLC

Scott Leedom, Director of Public Affairs, Southwest Gas

Susan Proffitt, Nevada Republican Club

Angie Dykema, Southwest Energy Efficiency Project Jessica Ferrato, Ceres

Chris Bell, Sierra Club Toiyabe Chapter

Scott Gilles, Natural Resources Defense Council

Warren Hardy, Nevada Conservation League

Jermareon Williams, Western Resource Advocates

Marlon Anderson, Pastor, Faith Organizing Alliance

Gabriela Olmedo, Advanced Energy United

Mary House, Caring, Helping Restoring Lives, Inc.

Thomas Martin, Services Manager III, Nevada Department of Motor Vehicles

Sena Loyd, Web3 ID Coalition

Paul Enos, CEO, Nevada Trucking Association

Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association

Alex Speake, Copart

Peter Krueger, Registration Services Association of Nevada

Amanda Brazeau, Carvana

Chris Reilly, Tesla

Kanani Espinoza, Intellectual Technology, Inc.

CHAIR HARRIS:

We will open today's meeting with Senate Bill (S.B.) 164.

SENATE BILL 164: Revises provisions relating to special license plates. (BDR 43-8)

SENATOR SPEARMAN (Senatorial District No. 1):

<u>Senate Bill 164</u> revises provisions related to special license plates, specifically the license plate in support of the National Pan-Hellenic Council (NPHC), also known as the Divine Nine, which is the umbrella organization for nine African-American fraternities and sororities. Senate Bill No. 163 of the 81st Session passed unanimously and created the special license plate to support the Divine Nine. This bill seeks to change the way the fees collected will be distributed by the Nevada State Treasurer.

Fees will now be divided equally and benefit the nine local chapters in the State. Provisions of the bill are found in section 1 on page 3. The first 10 percent of fees collected will still be disbursed to the United Negro College Fund with the remaining 90 percent distributed equally in allocations of 10 percent to each State chapter: Alpha Kappa Alpha Sorority; Alpha Phi Alpha Fraternity;

Sigma Theta Sorority; Lota Phi Theta Fraternity; Omega Psi Phi Fraternity; Phi Beta Sigma Fraternity; Sigma Gamma Rho Sorority, and Zeta Phi Beta Sorority. The bill passed last Session, however the production of the plates has not yet started pending specifics on the distribution of the funds.

This is a first for our State, to designate proceeds to solely benefit a minority population. I was a member myself of Alpha Kappa Alpha along with Coretta Scott King. In addition, many government employees are also members of the Divine Nine. One fellow government employee is with me today, Assemblyman Reuben D'Silva, who is a hero in his own right, and he also represents Phi Beta Sigma. Assemblyman D'Silva is also a Purple Heart recipient and to my knowledge, the only one in the State Legislature.

ASSEMBLYMAN REUBEN D'SILVA (Assembly District No. 28):

For the members of the Divine Nine, this moment is historic. The Divine Nine organizations were founded as part of the Niagara Movement of the early 1900s. The movement prospered, not only due to the Divine Nine, but also due to the National Association for the Advancement of Colored People, founded in 1909. Other movements also sought to bring college-educated citizens and civil rights for all to the forefront. There was a proliferation of these organizations from 1906 through 1922. Alpha Phi Alpha became the first fraternity of the Divine Nine; Sigma Gamma Rho being the latest sorority of the original group. The emphasis was on minorities, African Americans, to use college education as a platform, not only to educate themselves, but to promote civil rights and active participation in society, politics and government. A few heroes of society and members of the Divine Nine include Dr. Martin Luther King, Jr., Coretta Scott King, Rosa Parks and John Lewis, also a member of Phi Beta Sigma. These people have had a profound impact on this Nation in addition to the storyline and narrative of America. Nevada can now join other states in administering a license plate program that will benefit the NPHC, also known as the Divine Nine.

SENATOR SPEARMAN:

A reason that black fraternities and sororities were created was to ensure that black students would have a place to gather, to build both camaraderie and collegiality. At the time, changes were needed in our Country. These organizations have made it a part of their mission statements to ensure empowerment and betterment of our communities. The fraternities and sororities have been around as long as our fight for equality. When you think of

the Edmund Pettus Bridge, you think of John Lewis; when you think of the Montgomery Bus Boycott, you think of Rosa Parks. Nevada's own Attorney General is a member of a Divine Nine fraternity. This is not a matter of merely recognizing fraternities and sororities, it is about Nevada recognizing the contributions of these organizations.

TRICIA BOOKHART (Zeta Phi Beta Sorority, Inc.):

I represent the Beta Omicron Chapter and stand in support of <u>S.B. 164</u>. When we draw attention to license plates, only a few organizations and occupations are given this opportunity to stand and acknowledge where they commit their service. Membership has been a commitment to lifelong service. I appreciate the opportunity for us to demonstrate to the cities and the State our pride and our commitment to these organizations for the betterment of the world, and we want the world to know it.

KEYSA ROGERS (Alpha Kappa Alpha Sorority, Inc.):

I am a member of the Theta Theta Omega Chapter in Las Vegas and we are in support of S.B. 164.

ZEPHANYE L. SISTRUNK (Alpha Kappa Alpha Sorority, Inc.):

I am the president of the Psi Upsilon Omega Chapter in Henderson, and we are here in support of S.B. 164.

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

The Nevada Department of Motor Vehicles (DMV) is neutral on <u>S.B. 164</u>, and we are happy to work with the sponsor on it. Senate Bill No. 163 of the 81st Session provided for the issuance of special license plates to support the Divine Nine and be distributed among recipients listed in the statute. The DMV, in efforts to issue these plates, depends on all the recipients of these fees to register as vendors with the Office of the State Controller. The DMV has thus far been unable to implement the issuance of these special plates because not all the organizations listed in the statute have registered with the State Controller. The DMV can assist with anything the sponsor may need.

CHAIR HARRIS:

We will close the hearing on <u>S.B. 164</u> and open the hearing on <u>S.B. 334</u>.

SENATE BILL 334: Revises provisions relating to renewable energy. (BDR 58-30)

SENATOR SPEARMAN:

I would like to copresent <u>S.B. 334</u>, which relates to renewable energy and revises the definition of renewable to include hydrogen.

WILL ADLER (Aces Delta, LLC):

I would like to step through the bill and the thought process behind why we are presenting this bill. The bill seeks to enact hydrogen into Nevada's renewable energy portfolio so that the Public Utilities Commission of Nevada and other regulatory bodies can assess hydrogen as a renewable energy resource. Nevada's goal for carbon reduction is 50 percent by the year 2030. In addition, Nevada would like to achieve full decarbonization in the future. This bill seeks to add clean hydrogen into the definition of renewable energy. Defining hydrogen as renewable energy would give our regulatory agencies an opportunity to assess it on its merits.

Refer to the chart (<u>Exhibit C</u>) for information on the production of hydrogen. There are many colours of hydrogen, each referring to how it is produced.

SENATOR SPEARMAN:

It is worthy to note Nevada has a hydrogen fuel cell plant in North Las Vegas. In addition, the Biden Administration developed a plan to provide \$8 billion to numerous states to produce, process and store hydrogen as part of the bipartisan infrastructure bill. Several states in the western portion of the U.S. have already begun work on this. There have already been requests for proposal to access some of the money designated for these projects in Nevada.

SENATOR HANSEN:

You have defined clean hydrogen; is there a dirty hydrogen? Meaning hydrogen producing more than 2 kilograms of carbon dioxide?

Mr. Adler:

I would refer you to <u>Exhibit C</u>. Hydrogen made with energy produced through coal would be black hydrogen. Gray hydrogen would be energy made with natural gas.

> There's a couple of ways you can make it, you can make it through the separation of natural gas molecules and that is usually a little bit cheaper and easier to do by, by manipulating a natural gas molecule that is they're adding pressure to it and getting hydrogen, you know, atoms off the top.

The alternative means is hydrogen produced from electrolysis: a strong electrical current is passed through a tank of water and splits the molecule. This is the greenest standard of hydrogen. Yellow hydrogen is made only with solar power, it is renewable, but it is made with an electrolysis process. We have received comments from several folks including Nevada Conservation League about their preference for green hydrogen versus clean hydrogen because the specificity of it being renewable only.

Federal definitions of green hydrogen have yet to be clarified. The European Union has been ambitious as of 2022 in setting goals and defining green hydrogen and "we are sort of trying to follow suit."

SENATOR HANSEN:

Clean/green hydrogen is complicated. There is much to learn about the subject. I recall when gas was over \$5 a gallon, the interest in the production of hydrogen grew in popularity.

Mr. Adler:

The federal grants coming in from the Infrastructure Investment and Jobs Act will create cost parity. The funding is set at \$8 billion, and our goal is for Nevada to secure some of that funding.

SENATOR PAZINA:

Have you had an opportunity to work with the Nevada Conservation League or similar groups in reference to Senator Hansen's question on including green hydrogen in the bill?

SENATOR SPEARMAN:

The sticking point is the definition of green energy, and the fact that applications have already been made for the grants. I do not want to compromise those applications. In the future, we can modify the process. I have been speaking on this since 2017 when we were talking about solar and electrification. We need to be mindful that if we focused on only one particular

entity or resource for renewable energy, we would find ourselves in the same place we are in with fossil fuels. Renewable energy needs to span the spectrum and include national security. I want to ensure Nevada is known for not only supporting our military but also for supporting renewable energy.

Mr. Adler:

The definition of clean hydrogen does include green hydrogen as inclusively today as written. The narrow definition is exclusively saying energy produced specifically by renewable resources. There have been discussions with the Conservation League; we have heard their positions. We are open to adapting the bill to include many groups.

SCOTT LEEDOM (Director of Public Affairs, Southwest Gas):

I am here in support of <u>S.B. 334</u>. Southwest Gas is doing a study with the University of Nevada, Las Vegas, on how much hydrogen we can blend into our system and not have adverse impacts on end uses. We are invested in hydrogen. Hydrogen would typically be used through our existing infrastructure and we view it in our future. We have discussed a few of our concerns with Senator Spearman and Mr. Adler but are confident we can get those addressed.

SUSAN PROFFITT (Nevadan Republican Club):

I want to compliment you all on this bill. It was so easy to read. I did not have to ask an attorney to translate; more energy is something we need.

ANGIE DYKEMA (Southwest Energy Efficiency Project):

I am the Nevada representative for the Southwest Energy Efficiency Project, and we do not support adding clean hydrogen to the definition of renewable energy for purposes of meeting the renewables portfolio standard (RPS). Using clean hydrogen for electricity generation is inefficient and not a cost-effective process. Research done by the U.S. Department of Energy has shown that with or without a production tax credit (PTC), clean hydrogen projects are not economically competitive until post 2030. Nevada already has a wealth of renewable resources, and we believe the focus should remain on developing these proven technologies rather than risking investments on hydrogen projects.

JESSICA FERRATO (Ceres):

Ceres is a nonprofit sustainability advocacy organization with 200 members within their investor network and 80 plus members in its business innovative climate and energy policy network. Our member companies supported

increasing the State's RPS through S.B. No. 358 of the 81st Session on the grounds of accelerating the development of local clean energy that generates cost savings, jobs, improves public health and reduces greenhouse gas emissions.

Today, hydrogen is almost entirely supplied by natural gas and coal. We know that serious challenges remain to source green hydrogen. The hydrogen industry is developing, but it does not belong in the State's RPS. We are concerned about hydrogen that is not from a renewable source. Nevada has clean energy resources such as solar and wind at its disposal, and a RPS that puts Nevada at a leadership level. It makes economic sense to accelerate zero emissions and energy efficiency resources now so that Nevada is poised to lead with green hydrogen technology making sense in hard-to-abate sectors. We would like to keep working with the Senator to look at the role hydrogen can play in the State, studying it further as we move forward.

CHRIS BELL (Sierra Club Toiyabe Chapter):

I have submitted written testimony (<u>Exhibit D</u>) for testimony in opposition to S.B. 334.

SCOTT GILLES (Natural Resources Defense Council):

The Natural Resources Defense Council opposes this bill as currently written for many of the reasons already expressed here today. Ultimately, we do not believe the bill contemplates the necessary guardrails that should be in place and does not appropriately account for hydrogen's unique characteristics in a way that should be included in the RPS. We are happy to work with the sponsor going forward as we believe this is a topic that could benefit from a longer study.

WARREN HARDY (Nevada Conservation League):

My interest in conservation issues is due to my interest in the RPS. A political mentor, Senator Randolph Townsend, could be considered the father of the RPS in Nevada. The bipartisan passage of S.B. No. 358 of the 81st Session was due in part to the bill being focused on proven sources of clean energy. The science is not well developed. We share the same concerns as others. We prefer to see the RPS continue to focus on proven energy sources until such time as we get more science and more expertise in the area. We do believe there is a role for clean hydrogen, but defining it in the RPS at this time is a little ahead of its time.

JERMAREON WILLIAMS (Western Resource Advocates):

I am here in opposition to this bill. It is not appropriate to include hydrogen or pumped storage in the RPS because both are storage technologies, not clean sources of electricity generation. Moreover, the definition of hydrogen in this bill would allow hydrogen to be created using other fuel sources, not just clean solar and wind to qualify. Hydrogen should not be classified as a renewable energy source if it has carbon emissions associated with it, or if not produced by dedicated renewable resources. For those reasons, we are in opposition to this bill.

MARLON ANDERSON (Pastor, Faith Organizing Alliance):

I am the clean energy organizer for Faith Organizing Alliance. Our mission is to increase civic participation through civic organizations within Las Vegas to advance a community and government that is more caring, just and equitable. We are very proud to have been part of the bipartisan effort to raise the RPS to what it is today, and we have concerns about including clean hydrogen in the RPS. There is still a lot to learn about hydrogen, including how clean it can be made, where it is safe and how affordable it is to use. Right now, most of it is not clean. While we do appreciate the bill, we do not think it is appropriate to include it now.

GABRIELA OLMEDO (Advanced Energy United):

We represent over 100 companies in the diverse advanced energy industry, such as large solar renewables, geothermal, energy storage, energy efficiency and electric vehicles. I am calling in opposition to <u>S.B. 334</u> as introduced. While Advanced Energy United supports the use of hydrogen as part of a 100 percent clean energy economy, especially for hard-to-decarbonize sectors such as certain industrial processes. We have some concerns with adding hydrogen to the State RPS as described in this bill.

Our mission is to power our economy with 100 percent clean energy and support the production and use of hydrogen consistent with that mission. However, the definition in this bill allows for hydrogen production that is not fully zero emission. Additionally, the definition is higher than the lowest level of emissions required to qualify for the full value of the federal hydrogen PTC, which is less than 0.45 kg of carbon dioxide per kilogram of hydrogen.

Particularly for the RPS, the strictest definition of zero emission hydrogen should be used. While we understand that some low-emission hydrogen might be used

in the near term to prove out applications in hard-to-decarbonize sectors, it is not appropriate to include hydrogen not produced by zero-emission energy in the RPS. The RPS applies to electricity generation and the use of hydrogen for electricity generation is speculative. It is neither efficient nor cost effective.

The fuel chain efficiency of hydrogen is 41 percent. From production to the electrolysis to transport it to storage and then electricity generation is only 41 percent, less than half the efficiency of battery storage which is 83 percent. Today hydrogen is used mainly as an industrial feedstock, not a fuel. The cost reflects that hydrogen is expensive. However, it remains to be seen, how much gas plant conversion will cost, how much hydrogen supply will cost and how much additional clean energy will be necessary to produce hydrogen for electricity generation. We need to determine if hydrogen will exacerbate resource adequacy issues in the West, or if there will be enough hydrogen for generation purposes. For these reasons, it is premature to add hydrogen to the RPS.

Hydrogen will have a vital role to play in the energy systems of the future. While we do not support this bill at this time, we look forward to a clean energy future in which we put hydrogen solutions to their best and most valuable use.

MARY HOUSE (Caring, Helping Restoring Lives, Inc.):

In 2019, Caring, Helping Restoring Lives, Inc. worked hard to raise and strengthen the State's RPS and we are proud of that work. I am here today to oppose <u>S.B. 334</u>. The RPS is critical not just for combating climate change and making our communities healthier, but also because it generates cleaner and more affordable energy. I do appreciate Senator Spearman; she looks to put Nevada at the forefront of new energy technology. My concern is about the unknowns in this field. The current process to produce hydrogen is expensive. It usually is made from methane which is not clean nor renewable. Green hydrogen requires large amounts of energy and water. I ask that more time be spent studying the production of hydrogen before changing the Nevada RPS.

CHAIR HARRIS:

We will close the hearing on S.B. 334 and open the hearing on S.B. 346.

SENATE BILL 346: Revises provisions relating to motor vehicles. (BDR 43-458)

SENATOR SPEARMAN:

I will turn the explanation of this bill over to Mr. Sean Sever of Nevada DMV.

Mr. Sever:

This bill is needed to assist the Nevada DMV transition to a new modernized computer application for the delivery of services to our customers online. The DMV is engaged in the DMV Transformation Effort (DTE), which will transfer most of our services to online and eliminate the requirement for customers to visit our offices in person.

These services, and many of the statutes they are based on, require physical paper and documentation submission, which are in a variety of chapters within the *Nevada Revised Statutes* (NRS). Refer to our proposed amendment (Exhibit E). The DMV would like to establish a blanket section in NRS 481, which already authorizes the establishment of a DMV electronic branch office. This office would allow the DMV to accept and issue electronic credentials as necessary to put the DTE in place and fully transition to online services. For example, statutes need to be adjusted for the implementation of Electronic Lien and Titles. What needs to be on the front and back of a title is defined in NRS 482.245. Electronic documents do not have a front and back; section 2 addresses this.

The reference to electronic submission and storage of documents only being allowed for financial institutions and owners of fleets with greater than ten vehicles is found in NRS 482.293 through NRS 482.294. Sections 3 and 4 of <u>S.B. 346</u> address this change to include anyone who will be submitting electronic documents. Section 5 will allow the DMV to accept electronic signatures.

We would like to add a new section in NRS 482 to define autocycle. There is industry confusion on these new types of three-wheel vehicles that look like a motorcycle but only require a class C driver's license instead of a class M for a motorcycle.

The amendment would also update language that prohibits the DMV from legally issuing a special plate for full-sized trucks. It revises fees for special plates that duplicate fees already prescribed in NRS 482.480 and NRS 482.482 and removes the \$1 technology fee that the DMV no longer collects.

The intent of this bill is to ensure the DMV Director can make decisions that drive implementation of our digital platform and put regulations in place.

CHAIR HARRIS:

I have a question on the definition of autocycle. Can you tell me why we do not require a helmet to be worn by drivers of autocycles. Is there a frame/roll bar that might protect you as in a Jeep?

THOMAS MARTIN (Services Manager III, Nevada Department of Motor Vehicles): The national standard across the Country is that an autocycle does not require helmets as it has a roll bar above the seat height. It is about the height at the top of the passengers' heads. That is what the national standard has become, but it is up to the individual states to define requirements. It is our best practice to work with the American Association of Motor Vehicle Administrators.

CHAIR HARRIS:

To confirm, do they have roll bars that are designed to protect you if the autocycle were to flip?

Mr. Martin:

The vehicles that have sparked this conversation do have roll bars. So yes, we are unaware of any that do not have that safety feature.

SENA LOYD (Web3 ID Coalition):

I am here to represent the Web3 ID Coalition. Our coalition unites technology industry and government leaders in the pursuit of digital identity ownership for all. The coalition is in support of $\underline{S.B.\ 346}$ revising provisions related to electronic signatures.

PAUL ENOS (CEO, Nevada Trucking Association):

I am here today to support <u>S.B. 346</u>. We are in support of streamlining operations. We all learned a lot from the pandemic over the last few years. We believe that this is a bill that gets us to where we all want to be, which is not at the DMV.

ANDY MACKAY (Executive Director, Nevada Franchised Auto Dealers Association):

We fully support <u>S.B. 346</u>. To echo what Mr. Enos said, I do not think anybody loves to go to the DMV. For the DMV to achieve its online services goals, they

need these amendments. Our business practices will streamline, and it will ease the DMV's workload. It is going to make tasks easier for the public. You have our endorsement of this bill, and we encourage your support.

ALEX SPEAKE (Copart):

I am here to provide my support on behalf of Copart for S.B. 346.

PETER KRUEGER (Registration Services Association of Nevada): I have submitted my testimony (Exhibit F) in support of S.B. 346.

AMANDA BRAZEAU (Carvana):

I have submitted testimony on behalf of Carvana (Exhibit G) in support of S.B. 346.

CHRIS REILLY (Tesla):

I am here on behalf of Tesla in support of <u>S.B. 346</u>. Tesla is supportive of any legislation that will help modernize services for business and customers. With the rollout of programs like electronic data transmission and electronic signatures, companies like ours can streamline our services, enhancing the customer experience. We have an internal team at Tesla that has been partnering with the DMV in discussions about these modernizations in Nevada, and we are grateful to be participating in the signature pilot program. We look forward to continuing to work with the DMV on this bill.

KANANI ESPINOZA (Intellectual Technologies, Inc.):

Intellectual Technology, Inc. operates on-demand solutions used to efficiently process motor vehicle transactions such as vehicle registration and driver's license renewals. We support <u>S.B. 346</u> as originally written as we have not had the opportunity to review the amendment. We support electronic modernization efforts to streamline services for DMV customers.

CHAIR HARRIS: Having nothing further to come before the Sena Infrastructure, we are adjourned at 4:30 p.m.	te Committee on Growth and
	RESPECTFULLY SUBMITTED:
	Vicky Lind,
	Committee Secretary
APPROVED BY:	
Senator Dallas Harris, Chair	_
DATE:	_

Senate Committee on Growth and Infrastructure

April 3, 2023 Page 14

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduc ed on Minute Report Page No.	Witness / Entity	Description
	Α	1		Agenda
	В	1		Attendance Roster
S.B. 334	С	5	Will Adler/Aces Delta,LLC	Chart
S.B. 334	D	8	Chris Bell/ Sierra Club Toiyabe Chapter	Statement in opposition
S.B. 346	E	11	Sean Sever/ Nevada Department of Motor Vehicles	Proposed Amendment
S.B. 346	F	13	Peter Krueger/ Registration Services Association of Nevada	Statement in support
S.B. 346	G	13	Amanda Brazeau/Carvana	Statement in support