

MEETING NOTICE AND AGENDA

Name of Organization: Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy (Senate Concurrent Resolution No. 19, File No. 99, *Statutes of Nevada 2009*)

Date and Time of Meeting: Tuesday, June 29, 2010
11 a.m.

Place of Meeting: Grant Sawyer State Office Building
Room 4412
555 East Washington Avenue
Las Vegas, Nevada

Note: Some members of the Committee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location: Legislative Building, Room 2135, 401 South Carson Street, Carson City, Nevada.

If you cannot attend the meeting, you can listen or view it live over the Internet. The address for the Nevada Legislature website is <http://www.leg.state.nv.us>. Click on the link "Live Meetings – Listen or View."

<p>Note: Minutes of this meeting will be produced in summary format. Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.</p>

A G E N D A

Note: Items on this agenda may be taken in a different order than listed.

*Denotes items on which the Committee may take action.

I. Welcome and Opening Remarks
Senator Michael A. Schneider, Chair

*II. Approval of "Summary Minutes and Action Report" of the Meeting Held on June 1, 2010, in Las Vegas, Nevada

III. Public Comment

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

*IV. Work Session: Discussion and Possible Action on Recommendations Relating to:

- A. Increasing Energy Efficiency of State Facilities, Including Leased Space
- B. Bonding Authority for Property Assessed Clean Energy Projects
- C. Programs to Increase Motor Vehicle Fuel Efficiency and to Reduce Emissions
- D. Incentives for Energy Efficiency and Renewable Energy Programs

The “Work Session Document” is attached below and contains proposed recommendations. The document is also available on the Committee’s webpage ([Production and Use of Energy](#)) or a written copy may be obtained by contacting Scott Young, Principal Policy and Special Projects Analyst, Research Division, Legislative Counsel Bureau, at (775) 684-6825.

V. Public Comment

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

VI. Adjournment

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Anne Vorderbruggen at (775) 684-6825 as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed and e-mailed for posting to the following Las Vegas, Nevada, locations: Clark County Government Center, 500 South Grand Central Parkway; and Capitol Police, Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature’s website at www.leg.state.nv.us.

**Legislative Commission's Committee to
Conduct an Interim Study on the Production
and Use of Energy**

Senate Concurrent Resolution No. 19
(File No. 99, *Statutes of Nevada 2009*)

**WORK SESSION
DOCUMENT**



June 29, 2010

Prepared by the Research Division
Legislative Counsel Bureau



WORK SESSION DOCUMENT

Legislative Commission's Committee to
Conduct an Interim Study on the Production and Use of Energy

Senate Concurrent Resolution No. 19
(File No. 99, *Statutes of Nevada 2009*)

June 29, 2010

The following "Work Session Document" has been prepared by the Chair and staff of the Nevada Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy (Senate Concurrent Resolution No. 19, File No. 99, *Statutes of Nevada 2009*). It is designed to assist the Committee members in developing statements and determining recommendations to be forwarded to the 2011 Session of the Nevada Legislature. Each item in this document may be the subject of further discussion, refinement, or action. Each adopted item will become part of the Committee's final report to the 76th Session of the Nevada Legislature.

The Committee may request up to five legislative measures and must submit its requests to the Legislative Counsel on or before September 1, 2010, in accordance with subsection 3(b) of *Nevada Revised Statutes* (NRS) 218D.160.

Committee members and members of the public made numerous recommendations in correspondence and at the Committee's five hearings on November 3, 2009; December 15, 2009; January 19, 2010; April 20, 2010; and June 1, 2010. The source of each recommendation appears in parentheses. However, if several persons contributed or made similar statements, only the main source is noted. Also, the Chair and the staff have combined similar items and adjusted terminology for clarity and consistency.

The document lists the recommendations under selected topics, but not in order of importance or priority. At this time, they do not necessarily have the support of the Chair or members.

Each recommendation is conceptual in nature and will be subject to further discussion. The Committee may accept, reject, modify, or take no action on each one. Additionally, although possible actions may be identified within each recommendation, the Committee may choose to recommend any of the following actions: (1) draft legislation; (2) draft a legislative resolution; (3) draft a Committee letter; (4) draft a Committee resolution; or (5) include a statement in the final report.

During the process of drafting legislation, the Legislative Counsel may consult with the Chair, the staff, or other persons to obtain clarification or additional details. If a recommendation mentions a specific NRS chapter or section, its completion may also require amendments to other related chapters or sections. Please note that specific details of approved requests for legislation or Committee statements may need to be clarified by staff prior to drafting. Supporting documents for some recommendations may be obtained by contacting Scott Young, Principal Policy and Special Projects Analyst, Research Division, Legislative Counsel Bureau, at 775/684-6825. All place names referred to in this document are in Nevada unless otherwise noted.

Finally, the eventual implementation of a recommendation may have a fiscal impact. The staff will work, as necessary, with the appropriate parties to include fiscal estimates in the Committee's final report.

RECOMMENDATIONS FOR LEGISLATIVE MEASURES

1. **Request the drafting of a bill** to provide that the Chief of the Buildings and Grounds Division of the Department of Administration shall consider the energy efficiency characteristics and energy costs of prospective leased office rooms outside of State buildings for the use of State officers and employees before entering into or renewing a lease. To the extent practicable, the Chief shall only enter into leases for space that meets or exceeds the minimum standards for the conservation of energy and energy efficiency in buildings established by the Nevada Energy Commissioner as provided in NRS 701.220. This proposal would amend NRS 331.110.

(Recommended by Senator Townsend, November 3, 2009)

2. **Request the drafting of a bill** requiring the Chief of the Buildings and Grounds Division of the Department of Administration, in consultation with the State Public Works Board, to consider the feasibility, practicability and fiscal impact of constructing office space for State officers and employees instead of leasing such space, prior to entering into or renewing a lease.

(Recommended by Senator Schneider, November 3, 2009)

3. **Request the drafting of a bill** to amend Chapters 244A (“Counties: Financing of Public Improvements”) and 266 (“General Law for Incorporation of Cities and Towns”) of NRS to allow Property Assessed Clean Energy (PACE) programs to be funded through local government bonds. During the 2009 Session, Section 18.9 of Senate Bill 358 (Chapter 321, *Statutes of Nevada*) amended NRS 271.265 to include an energy efficiency improvement project, a public safety project, and a renewable energy project among the kinds of projects the governing body of a county, city, or town can acquire, improve, equip, operate, and maintain. However, the corresponding sections in Chapters 244A and 266 of NRS, which would allow bond funding for these additional kinds of projects, were not amended. In order to give effect to S.B. 358, the appropriate corresponding amendments must also be made in Chapters 244A and 266 of NRS.

*(Recommended by the City of Henderson, December 15, 2009;
Vote Solar, June 1, 2010)*

4. **Request the drafting of a bill** to authorize the Division of Environmental Protection, State Department of Conservation and Natural Resources, to adopt regulations implementing a program to require engine repair, oil change, and brake service companies to perform tire pressure checks as part of any service they perform.

(Recommended by Senator Schneider, December 15, 2009)

5. **Request the drafting of a bill** to authorize State and local government fleets to delay purchase of new fuel efficient vehicles for up to two years, until all-electric vehicles are available.

(Recommended by Bob Tregilus, December 15, 2009)

6. **Request the drafting of a bill** to authorize the Public Utilities Commission of Nevada (PUCN) to provide incentives for investments in advanced travel center electrification systems and systems for recharging plug-in electric or plug-in electric hybrid vehicles. Also, establishing the Electric Vehicle Demonstration Program; requiring electric utilities in this State to administer the Demonstration Program in their service areas; and providing other matters properly relating thereto. The proposal will be for three categories of allotments: (a) public schools and other public entities; (b) private persons; and (c) businesses. Each category will be allotted 500 vehicles, and the Demonstration Program will last until 2012 or when the allotments are sooner exhausted. Rebates will be limited to \$1,500 per vehicle. In other major respects, the proposal will follow the provisions of Senate Bill 327, First Reprint, from 2009, except the provisions will be administered by the PUCN and the utility instead of the now-defunct Task Force.

(Recommended by Senator Schneider, December 15, 2009)

7. **Request the drafting of a bill** requiring certain contractors to offer upgrades for renewable energy and energy efficiency; requiring certain contractors assisting buyers in obtaining financing to offer, or work with lenders that offer, energy efficient mortgages; requiring licensees of the Real Estate Division of the Department of Business and Industry to make certain information about energy efficiency in residential property available to each party to a real estate transaction; revising continuing education requirements relating to energy efficiency for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers, and certified or licensed real estate appraisers; and providing other matters properly relating thereto. This proposal is the same as Senate Bill 242, Second Reprint, from 2009.

(Recommended by Senator Schneider, April 20, 2010)

8. **Request the drafting of a bill** authorizing the PUCN to adopt regulations establishing a feed-in tariff program for renewable energy sources of all types listed in NRS 704.7811. The program must not conflict with existing statutory programs such as net metering and the renewable portfolio standard. The program should focus on providing incentives for projects and participants that do not presently qualify for existing statutory renewable energy programs and, in particular, for projects in the 100 kilowatt to 3 megawatt range. The program should adopt best practices from existing feed-in tariff programs in other jurisdictions, including foreign programs, and should be constructed in a manner to balance potential impacts on ratepayers with advancement of the legislative findings on State energy policy enunciated in NRS 701.010. The program should also be consistent with existing federal requirements. The PUCN should be given the authority to design the pricing mechanism and to administratively set rates.

(Recommended in varying forms by numerous interested parties; proposal as outlined is based on PUCN report recommendations submitted June 1, 2010.)

9. **Request the drafting of a bill** requiring that all diesel fuel sold or offered in the State of Nevada must contain at least 5 percent biodiesel by volume, one year after in-state production volume of 30 million gallons of biodiesel has been reached and sustained for three months on an annualized basis. All diesel fuel sold or offered in the State of Nevada must contain at least 10 percent biodiesel by volume, one year after in-state production volume of 60 million gallons of biodiesel has been reached and sustained for three months on an annualized basis, provided vehicle manufacturers recognize engine warranties associated with the use of biodiesel blends of 10 percent or more.

(Recommended by Josh Griffin, June 1, 2010)

10. **Request the drafting of a bill** amending NRS 366.022 to more accurately comply with national standards by specifying that biodiesel is defined as mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats which conform to ASTM D6751 specifications for use in diesel engines. Biodiesel refers to the pure fuel before blending with diesel fuel. Biodiesel blends are denoted as, "BXX" with "XX" representing the percentage of biodiesel contained in the blend (i.e., B20 is 20 percent

biodiesel, 80 percent petroleum diesel). Additionally, amend NRS 366.190 to include a distinct taxation definition for biodiesel. Currently, biodiesel is taxed the same as petroleum diesel.

(Recommended by Josh Griffin, June 1, 2010)

- 11. Request the drafting of a bill** amending NRS 701B.100 of the Solar Energy Systems Incentive Program to replace the current program year segment to allow for a market-based step-down program. Also, amending NRS 701B.240 to eliminate the current three categories of participation and instead substitute two categories, denominated residential and nonresidential. Additionally, clarifying that the amounts specified in NRS 701B.260(4) [\$78,260,000 for the period beginning July 1, 2010, and ending June 30, 2013, inclusive, and \$255,270,000 for the period beginning July 1, 2010, and ending June 30, 2021] represent budget amounts and not ceilings.

(Recommended by Vote Solar and the Solar Alliance, June 1, 2010)

- 12. Request the drafting of a bill** amending NRS 704.773 to increase the maximum cumulative net metering capacity from 1 percent of peak capacity to 2 percent and removing the maximum capacity of a net metering system in NRS 704.771, which currently stands at 1 megawatt.

(Recommended by Vote Solar and the Solar Alliance, June 1, 2010)

RECOMMENDATIONS FOR ADDITIONAL STUDY

- 13. Request the Public Utilities Commission of Nevada to open an investigatory docket to examine the feasibility of** authorizing State and/or local governments to enter into purchase power agreements or other suitable arrangements pursuant to which the governmental entities, separately or jointly, could contract with electric power producers for a portion of the governmental entities' electric load to be supplied from renewable energy sources constructed within Nevada. The governmental entities, in turn, would be authorized to allow qualifying businesses to access portions of the power produced under such arrangements at a fixed rate for a specified number of years as an economic development tool to attract new enterprises to locate in Nevada or to incentivize existing businesses in Nevada to expand their operations and as a specific program to implement the legislative declaration of State energy policy embodied in NRS 701.010. The PUCN would report its findings, conclusions, and recommendations to the 76th Session of the Nevada Legislature no later than February 11, 2011, if possible.

(Recommended by Senator Townsend, January 19, 2010)

POSSIBLE COMMITTEE LETTERS, RESOLUTIONS, AND STATEMENTS

- 14. Request a letter** to the Database of State Incentives for Renewables and Efficiency website requesting that it update its information on Nevada renewable energy incentives to include accurate information on portfolio energy credits.

(Recommended by Suzanne Johnson, June 1, 2010)

NOTE:

- **The Chair may choose to raise other issues for discussion or Committee action during the work session.**
- **Committee staff may need to seek additional details or clarification on approved recommendations from Committee members and others prior to drafting bill draft requests or Committee letters/statements.**