

**MINUTES OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Seventy-third Session
February 8, 2005**

The Senate Committee on Commerce and Labor was called to order by Chair Randolph J. Townsend at 8:00 a.m. on Tuesday, February 8, 2005, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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 at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Randolph J. Townsend, Chair
Senator Warren B. Hardy II, Vice Chair
Senator Sandra Tiffany
Senator Joe Heck
Senator Michael Schneider
Senator Maggie Carlton
Senator John Lee

STAFF MEMBERS PRESENT:

Scott Young, Committee Policy Analyst
Kevin Powers, Committee Counsel
Kelly S. Gregory, Committee Policy Analyst
Makita Schichtel, Committee Manager
Emily Nichols, Assistant to Committee Manager
Jane Tetherton, Committee Secretary
Donna Winter, Committee Secretary
Shirley Parks, Committee Secretary
Lynn Hendricks, Committee Secretary
Jeanine M. Wittenberg, Committee Secretary

OTHERS PRESENT:

David Noble, Assistant Staff Counsel, Public Utilities Commission of Nevada
Mark W. Russell, Nevada Renewable Energy and Energy Conservation Task
Force

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Danny Thompson, Nevada Renewable Energy and Energy Conservation Task Force,
Rose McKinney-James, Nevada Renewable Energy and Energy Conservation Task Force
Don Soderberg, Chairman, Public Utilities Commission of Nevada
Crystal Jackson, Commission Secretary, Public Utilities Commission of Nevada
Adriana Escobar-Chanos, Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General
Marilyn Skibinski, Regulatory Manager, Bureau of Consumer Protection, Office of the Attorney General
Richard Burdette, Energy Advisor, Office of the Governor

CHAIR TOWNSEND:

I call the Committee to order and ask for a motion on Senate Committee on Commerce and Labor Committee Standing Rules – 73rd Legislative Session ([Exhibit C](#)).

SENATOR HARDY MOVED TO ADOPT THE STANDING RULES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR.

SENATOR CARLTON SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR SCHNEIDER WAS ABSENT FOR THE VOTE.)

CHAIR TOWNSEND:

I request a motion to introduce Bill Draft Request (BDR) 52-763.

BILL DRAFT REQUEST 52-763: Revises provisions regulating organizations for buying goods or services at discount. (Later introduced as [Senate Bill 44](#).)

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SENATOR HARDY MOVED TO INTRODUCE BDR 52-763.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR TOWNSEND:

The purpose of the Legislative Counsel's Digest, at the bottom of the BDR, is to provide a general overview of the bill.

SENATOR CARLTON:

Is the Legislative Counsel's Digest for information only or to be used for intent?

KEVIN POWERS (Committee Counsel):

The Legislative Counsel's Digest is for information only. However, there is no guarantee that the court will use any information that is included with a legislative bill. It is part of the legislative record.

CHAIR TOWNSEND:

I will now open the hearing on Senate Bill (S.B.) 3.

SENATE BILL 3: Revises certain provisions relating to regulation of public utilities. (BDR 58-656)

DAVID NOBLE (Assistant Staff Counsel, Public Utilities Commission of Nevada):

Senate Bill 3 proposes to amend *Nevada Revised Statutes* (NRS) 704.595 to increase the fine amounts to \$100,000 per event, and a maximum of \$1 million for any related series of events. The reason we are requesting NRS reflect those amounts is that every year our division is audited by the federal Office of Pipeline Safety. The Office of Pipeline Safety has indicated the fine amounts in NRS are not equivalent to federal fine amounts. This allows them to negatively review our office during audit, and withhold monies that are used to reimburse our safety inspection team that conducts investigations and safety inspections of natural gas pipelines under the federal Natural Gas Pipeline Safety Act of 1968.

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Senate Bill 3, section 2, repeals certain sections dealing with railroads. These sections of NRS pertain to the economic and safety regulation of railroads. The economic regulation of railroads has been preempted in totality by the federal Interstate Commerce Commission Termination Act of 1995 (ICCTA). That is the reason for the request to repeal the economic regulation. The Federal Railroad Safety Act of 1970 allows the State of Nevada to regulate the safety of railroads. States are preempted when there is a federal statute on point. The reason for the request is to repeal the safety regulations referencing windshields and locomotive headlights.

SENATOR HARDY:

Does preempted mean that we cannot issue regulations? Is that the reason we are removing these sections from the statute?

MR. NOBLE:

Yes. The ICCTA deals with all railroad tracks that are connected to the main line. Therefore, it is a complete federal preemption with regard to the economic regulation. The federal government wants consistent regulations throughout the nation with regard to commerce.

SENATOR HARDY:

Are you stating that it makes sense to remove these regulations so there is no confusion with the State's authority in this regard?

MR. NOBLE:

Yes, occasionally railroad attorneys contact us to question the State's authority versus the ICCTA authority.

A few of the sections appear to be under the jurisdiction of the Office of the Secretary of State and the Office of the Attorney General. We have not had the opportunity to discuss those statutes with the Office of the Secretary of State or the Office of the Attorney General, but we will do that in the next few days.

CHAIR TOWNSEND:

Which specific sections would be under those jurisdictions?

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MR. NOBLE:

Nevada Revised Statutes 705.030, .040, .050, .060, and .070 appear to be under the jurisdiction of the Office of the Secretary of State. *Nevada Revised Statutes* 705.230 and .240 appear to be under the jurisdiction of the Office of the Attorney General. It is our understanding that these statutes have been on the books since 1911. The Office of the Secretary of State and the Office of the Attorney General may not be aware that the statutes even exist; we will confirm that.

SENATOR CARLTON:

Will eliminating these statutes affect the monorail in southern Nevada?

MR. NOBLE:

No, the monorail is not a public utility and has distinct separate statutes.

CHAIR TOWNSEND:

Mr. Powers, will we have problems if the Committee repeals statutes over which we do not have jurisdiction?

MR. POWERS:

If these areas are controlled by federal law, then it won't matter because there is a governing body of law. However, there is an alternative approach the committee could consider. It could add a section to chapter 705 of NRS saying that these sections do not apply to a railroad, or in any aspect of a railroad, that is governed by federal law. ... We can repeal the statutes, completely remove them from the books, or create an exclusion based on federal law, so that if federal law changes in the future, the statutes would then come back into play.

CHAIR TOWNSEND:

Mr. Noble, do you understand the implication of what Mr. Powers said?

MR. NOBLE:

Yes, that would be fine.

SENATOR LEE:

Why does the Public Utilities Commission of Nevada (PUCN) and not the Transportation Services Authority oversee the railroad?

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MR. NOBLE:

The PUCN was originally the Railroad Commission. The PUCN regulates monopolies and railroads are regulated monopolies because you have a captive ratepayer. That is most likely the reason railroads remained under the jurisdiction of the PUCN. Since that time, PUCN has assumed safety roles that oversee railroads.

SENATOR HARDY MOVED TO AMEND AND DO PASS S.B. 3 WITH THE LANGUAGE PROPOSED BY COMMITTEE COUNSEL.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MARK W. RUSSELL (Nevada Renewable Energy and Energy Conservation Task Force):

You have before you the Nevada Renewable Energy and Energy Conservation Task Force (Task Force) Annual Report, Volumes I through IV ([Exhibit D](#), original is on file in the Research Library). The State of Nevada literally imports all energy for an approximate cost of about \$3 billion annually. The State does not have any energy resources other than renewable energy. The development of these resources will benefit our environment, economy and create jobs. The Task Force was originally created in the 2001 Legislative Session to provide education, create incentives, distribute grants, and develop studies. In addition, the Task Force coordinates with our state and federal agencies to manage solar energy systems, demonstration projects, and represent solar, wind, biomass, and geothermal utilities in Nevada.

Our initial budget was \$250,000. This budget was not extended in the 2003 Legislative Session and we have operated for four years on a two-year budget. We have engaged in fund-raising efforts and have raised approximately \$98,000 to fund research studies and workshops that the Task Force has sponsored. [Exhibit D](#) provides a study of the potential impact of Nevada's renewable energy and resources. This study was supported by Task Force funds and illustrates the economic opportunities for the State.

Education efforts have been successful in Clark County and we take this responsibility seriously. We presented the Renewable Energy and Conservation Honors (REACH) award to an employee of the Clark County School District (CCSD) for saving \$3 million through energy conservation in the first fiscal year of implementation of their program. We are hopeful that in 2005, many of the same programs implemented by the CCSD will be implemented by others in southern and northern Nevada. We are currently working with the Nevada State Office of Energy for a study that is analyzing Nevada's transmission system (T-4 Wind). We hope to have the final T-4 Wind study completed by the end of March. In the 2003 Legislative Session, the only change to the Task Force mandate was the addition of one position for economic development, and through A.B. No. 431 of the 72nd Session the formalization of a solar demonstration project. We believe this project is one of the most significant successes resulting from the 2003 Legislative Session mandate.

The Task Force was specifically mandated by A.B. No. 431 of the 72nd Session to develop the application for the solar demonstration projects and to advertise for applicants for these projects. We worked with the utility companies who evaluated the qualifications of the contractors who would oversee the installation. We then had to review and make recommendations to the PUCN as to whether the applicants met the criteria established by the Legislature and our application process. As a volunteer board without additional funds, it will become difficult for the Task Force to accomplish our mandated task. The solar demonstration project itself was intended to demonstrate what solar energy can do for the State. In the first year, we had the opportunity to put in the ground 200 kilowatts of residential and small business installations, 100 kilowatts of school installations and 100 kilowatts of government installations. The residential and small business installations were oversubscribed, and a waiting list was created, rolling into year two. In year two, the kilowatt allowances increased to 450 for schools, 450 for government and 600 for residential and small business. January 2005 we approved the maximum amount of kilowatts for the residential and small business categories that were oversubscribed and still have another waiting list. Because of this, we are asking you to address moving the kilowatt allowances among the various categories.

We also recommend that you review the definition of public buildings and schools, to possibly include buildings that might not be owned but leased. We found the definition of public building in the statute is very precise, and possibly precluded those who wanted to install demonstration projects. If we had a

broader definition of what a school is, to include private and public, we would have been oversubscribed in the school area as well. We feel we have a tremendous success in the solar demonstration area.

The Task Force has been involved in the sponsorship of the renewable portfolio standard (RPS) workshop. The 2001 Legislature passed a very aggressive standard that grows every two years. One of our concerns is that there seems to be tremendous interest in the construction and implementation of wind, solar, geothermal and biomass power projects. The Request for Proposal (RFP) process from utilities has been slower than we had hoped. Those who are engaged in the renewable energy business have found it difficult to move forward. While there have been accepted RFPs for 277 megawatts, we still do not have a project in the ground to address our RPS. Considering statutory requirements, we can be looking at the purchase of credits or the assessment of penalties. We have recommendations to consider that broaden the manner in which projects come forward and are accepted.

Another project that the Task Force is particularly pleased with is our sponsorship of the energy-efficiency workshop. Conservation in an appropriate manner is a major benefit to the State. We have coordinated with states and federal agencies in the transmission area to get a better understanding of the State of Nevada's needs. One of the most important things that the Task Force is promoting is for the Legislature to evaluate transmission solutions and alternatives to unify the State in order to move renewable resources throughout the State. Once a healthy, renewable resource industry is completed, we could consider the State of Nevada being an exporter of that energy.

CHAIR TOWNSEND:

Please identify the most important recommendations of [Exhibit D](#) so we may proceed to bill drafting.

MR. RUSSELL:

The two recommendations with the highest priority would be: the solar demonstration project and an equalization of the universal energy charge (UEC) to provide additional funding for low-income home weatherization.

SENATOR SCHNEIDER:

Do you have a specific dollar amount that you are requesting?

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MR. RUSSELL:

We feel that \$250,000 biennially would be adequate to continue our current work and expand our role.

DANNY THOMPSON (Nevada Renewable Energy and Energy Conservation Task Force):

The Task Force represents a huge economic benefit for the State and \$250,000 to fund our projects is money well spent.

CHAIR TOWNSEND:

We will spend three days next week working on the recommendations of [Exhibit D](#). I will let leadership know that we are working on bill drafting for this, and some of the recommendations will go to other jurisdictional committees.

SENATOR HARDY:

The Senate Committee on Government Affairs would be happy to hear any items on this that come out of bill drafting.

CHAIR TOWNSEND:

Are five new high schools opening in southern Nevada next year?

ROSE MCKINNEY-JAMES (Nevada Renewable Energy and Energy Conservation Task Force):

The CCSD is expecting to open a number of new schools with a minimum of five. The CCSD and Washoe County School District have been very active in looking to expand on solar and wind energy opportunities.

CHAIR TOWNSEND:

We will now hear from the Public Utilities Commission of Nevada (PUCN).

DON SODERBERG (Chairman, Public Utilities Commission of Nevada):

The Commission is a three-member body appointed by the Governor to regulate the State's utilities. It is easier to view the PUCN as a specialized court system. Utilities regulated by the State must file various applications. The PUCN processes these applications as a court filing, they are known as dockets and are assigned just like in a district court. The dockets are then assigned to various staff within the Commission for review. Approximately two-thirds of the PUCN employees are regulatory operations staff. This becomes confusing because there is an assumption that these employees are my personal staff. In

reality, they perform an independent investigation and appear before the PUCN in a trial-like setting just as the utility that is seeking approval of their application. Along with the regulatory operations staff, the Bureau of Consumer Protection (BCP), Office of the Attorney General, appears before us as a separate party in the majority of utility cases. The hearings are similar to a trial setting with witnesses sworn and they provide evidence for their testimony. This is why you hear terms such as dockets and testimony relating to PUCN business. The other approximate one-third of the staff is administrative, such as hearing officers. These employees work under the direction of Commission Secretary, Crystal Jackson. There are also policy advisors that work personally for commissioners and advise and assist us in trial for fairness to the public.

We are funded by what is known as the mill assessment (annual assessment on public utilities NRS 704.033). The BCP is also funded by the mill assessment. Based upon the growth of the State and our sound fiscal management, we have developed surpluses beyond the normal range of reserves. We are looking to achieve the appropriate amount of reserve by December 2005.

CHAIR TOWNSEND:

The Governor is recommending raising PUCN salaries to levels more commensurate with other State agencies since the PUCN is not funded by the General Fund.

CRYSTAL JACKSON (Commission Secretary, Public Utilities Commission of Nevada):

Our budget is based on a mill assessment set at 2.6 mills. Our current statutory maximum is 3.5 mills. The budget was developed using the 2003 calendar year work program gross utility operating revenues. The Commission will have the opportunity to adjust the annual assessment accordingly for fiscal years 2006 and 2007.

CHAIR TOWNSEND:

What percentage of the mill assessment is not used for salaries, but for consultants?

Ms. JACKSON:

We are requesting \$850,000 for consultants in this budget cycle for the biennium. This amount is less than 5 percent of the total budget. We are requesting \$130,000 for training, development, incentives and recruitment for

retaining and recruiting staff. We are requesting approximately \$435,000 for new and replacement computer hardware and software. There are 11 targeted positions and two reclassifications in the unclassified salary adjustments. This would remedy internal inequities and align those salaries with comparable classified and unclassified positions and salaries within other State agencies. The fiscal impact for the biennium is approximately \$116,000. These salary levels are consistent with the Department of Personnel's proposed tier system. The tier system is designed to establish consistency with classified and unclassified positions.

CHAIR TOWNSEND:

How far down the list do the unclassified positions go?

MS. JACKSON:

The 11 targeted positions are all unclassified. However, there is an executive assistant position that we are recommending changing from classified to unclassified as recommended by the tier system.

We are requesting three additional full-time safety engineers for the Gas Pipeline Safety Program, two for fiscal year 2006 and one for fiscal year 2007. The cost of the three positions over the biennium would be approximately \$440,000. Please keep in mind that 50 percent of the program costs are reimbursable through our federal grant program that Mr. Noble spoke of earlier.

Lastly, the electronic filings and records management system would allow the PUCN to accept and manage legally defensible electronic documents and records. It would also allow the PUCN to collect associated fees electronically, both over the counter and on the Internet. This system allows for automation from nine data bases to one state-of-the-art data base.

SENATOR LEE:

Do you still have a three-member Commission?

MR. SODERBERG:

Yes.

SENATOR LEE:

How many cases came before the Commission last year?

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Ms. JACKSON:

We generally receive approximately 40 filings a month. Out of the 40, approximately 50 percent are assigned to the Commissioners. The full body of the Commission does vote on all cases before them.

SENATOR LEE:

Due to open meeting laws, two out of the three members could be speaking and constitute a quorum. Does this budget address the issue of three members versus five members to avoid a violation of the open meeting laws?

MR. SODERBERG:

No, this was discussed in the 2003 Legislative Session. From a budget standpoint, at that time, it made more sense to add a hearing officer mechanism that made recommendations to the full Commission for a vote. The hearing officer mechanism works well for us.

CHAIR TOWNSEND:

Mr. Soderberg, are you satisfied that the Governor's recommendations and the Department of Personnel's tier system will help you attract and retain the best candidates?

MR. SODERBERG:

Yes I am.

SENATOR CARLTON:

[Exhibit E](#) shows a reduction of salary for the position of manager, systems operations. Is that a typographical error?

MR. SODERBERG:

No, when this was submitted to the Department of Administration and the Department of Personnel, two of the positions were reduced by \$85 a year.

SENATOR CARLTON:

What would the salary increases of your current classified employees be through the Governor's budget, compared to unclassified employees?

Ms. JACKSON:

The Governor's recommended budget includes a 2-percent cost-of-living adjustment (COLA) for each year for the classified positions.

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CHAIR TOWNSEND:

How was the \$85 reduction to the manager, systems operations and other position determined?

Ms. JACKSON:

Unfortunately, it was how these two positions fell within the Department of Personnel's tier system.

CHAIR TOWNSEND:

We will help you with that inequity if we can. I would recommend you work with the Governor's Office on these positions to more accurately reflect their duties to the general public.

We will now hear from Adriana Escobar-Chanos and Marilyn Skibinski from the BCP. Please provide the Committee with a general overview of your office and position requests ([Exhibit F](#)).

ADRIANA ESCOBAR-CHANOS (Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General):

We are involved in the regulatory process before the PUCN, the Federal Energy Regulatory Commission (FERC) and in other courts in Nevada, when necessary. We participate in cases by which we are mandated, and others we feel are important to consumers.

CHAIR TOWNSEND:

Is there a role for you with the FERC and recent issues surrounding Enron Corporation that would help Nevada consumers?

Ms. ESCOBAR-CHANOS:

Absolutely, the BCP has been actively involved with the FERC on this and other cases before the Nevada Supreme Court.

CHAIR TOWNSEND:

It is extremely important that you have proper representation and your budget is adequate to address this very serious issue.

Ms. ESCOBAR-CHANOS:

I believe the BCP may have been criticized for the experts hired for these cases. It is very difficult to appear with all of these serious parties and not have

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nationally recognized experts who understand the issues. I am pleased that you understand the needs of our budget.

CHAIR TOWNSEND:

We want to ensure that you have the opportunity to get the funding you need for representation on these serious issues.

Ms. ESCOBAR-CHANOS:

Creating the consumer counsel position would enable the consumer's advocate to better manage the utility area and enable the position to develop other areas of the BCP such as: Consumer Fraud/Deceptive Trade Practices, Securities Fraud, Organ Donor Task Force and Anatomical Gift Fund. The consumer counsel could also provide legal representation to the Consumer Affairs Division. I feel we can be more proactive with the addition of this position.

CHAIR TOWNSEND:

The Committee also believes there is an opportunity for the BCP to be more proactive.

Ms. ESCOBAR-CHANOS:

We are utilizing our attorneys and technical advisors in the same capacity as the PUCN policy advisors who were described earlier. I do not believe the salaries are commensurate with PUCN salaries, yet these persons are performing the same duties. I would like the Committee to take that into consideration.

CHAIR TOWNSEND:

Is [Exhibit F](#) a breakdown of those positions?

Ms. ESCOBAR-CHANOS:

Yes, this is a general breakdown of the positions. They do not include the 2-percent COLA that occurred July 1, 2004. There is a difference in the BCP's Chief Deputy Attorney General's salary, which I believe is \$99,500 currently.

MARILYN SKIBINSKI (Regulatory Manager, Bureau of Consumer Protection, Office of the Attorney General):

The salaries listed appear to be created from A.B. No. 555 of the 72nd session.

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CHAIR TOWNSEND:

Are the positions still equivalent as created in A.B. No. 555 of the 72nd Session?

Ms. ESCOBAR-CHANOS:

For the most part, but some positions are not exact. The BCP has fewer technical staff positions and the personnel in these positions work on a variety of cases. The information in [Exhibit F](#) was not placed in the Governor's budget due to printing deadlines.

CHAIR TOWNSEND:

Are these positions funded by mill assessment or General Fund?

Ms. ESCOBAR-CHANOS:

The positions in [Exhibit F](#) are strictly mill-assessment funded positions.

CHAIR TOWNSEND:

We will be discussing this matter further on a different date and there will be an opportunity to testify further.

RICHARD BURDETTE (Energy Advisor, Office of the Governor):

This document ([Exhibit G](#)) describes key Legislative issues for this year. This is important because the State will spend more than \$3 billion on energy imports in calendar year 2005. This amount does not include local employment. The \$3 billion cost has risen 18 percent in the last year and represents a relatively permanent intrusion in our economy that takes money away from developing our own economic vitality. It is critical that we deal with the energy policy issues.

I have identified six areas to be addressed: regional and national coordination, our RPS, energy efficiency and energy conservation, transportation fuels, renewable energy and a Temporary Renewable Energy Development Program.

The regional and national coordination is focused largely on the Western Governors' Association (WGA) and particularly three activities in which the WGA and the Western Interstate Energy Board (WIEB) are involved.

One is an electricity and natural gas adequacy assessment. Perhaps the most significant technical frailty that occurred in the western energy crisis was that

we did not understand the capacity situation. We did not understand where the energy was and how it had to be available. The WGA has directed the WIEB to develop a comprehensive study on electricity and natural gas adequacy. The reason this is important is because capacity is measured differently in different areas of the Western Region. We are sorting those differences using a common theme and will come up with results for what we have, what we need and where we fall short.

The WGA has endorsed 30,000 megawatts of clean and diversified energy. This is good for Nevada because we do not have any natural gas or coal. We have precious little petroleum and it is not used for vehicles, but for roads. We do have good renewable resources so the 30,000 megawatts for the west is of benefit for Nevada because, within a decade, Nevada will be an exporter of renewable energy.

There are lots of projects going on in the energy transmission area. Working internally and with the WGA, making sure the State benefits from the transmission projects, is very important to get away from being a transit-path state. In response to the U.S. Department of Homeland Security, the U.S. Department of Energy and the National Association of State Energy Officials have issued new guidelines on energy-assurance planning. We are upgrading our energy-assurance plan to meet the new guideline this year.

There are many reasons why we have not met our portfolio standard. One of those reasons is that we do not have a credit-worthy utility. Damage done to the balance sheet of the utility in the 2000-2001 crisis has cost Nevada consumers dearly. The manner in which the utility has to borrow money is different because they do not have adequate capital to invest, and are unable to get renewable projects financed. In order to get financing, a developer needs to have a purchase power agreement (PPA) with the utility. If that is a credit-worthy utility, you can take that to the bank; if not, it means considerably less. Because of the credit status of the utility, we have not been able to secure financing for at least two, possibly three, of the projects.

The Temporary Renewable Energy Development Trust is a program that is divided. The utility revenue stream is segregated for fossil and renewable fuels. The renewable money goes into a trust that pays the renewable fuel developers. Remaining funds would go to the ratepayers and finance the utilities' operations. The only associated expense is the trust, because it has no

management responsibilities, causing little impact, except that the renewable lender has a greater guarantee of getting their money back. This is one of the attempts we have made to help the portfolio. We have two projects that will come up for financing this spring and we hope that it clears the way for that development.

Energy efficiency and energy conservation are "gifts that keep on giving." Once a person or company locks in the high efficiency-furnace, house or building with energy-efficient characteristics, it is locked in as an investment through the years with cost savings. Most of the energy efficiency and energy conservation projects within the State require local employees, which increase jobs within Nevada. The 2003 Legislature provided an opportunity for performance contracting on which we need to move quickly. Performance contracting allows for the combination of operating expenses and capital expenses so there is a lease-cost option, not the lease-capital-cost option. The energy-efficiency strategy was completed and submitted in December 2004. It will be an appendix that will be received at a later date. It makes a number of fine recommendations, not all of which we agree with, and not all with which you will agree. It is unique and invaluable because, in every recommendation, it considers Nevada situations.

Other key recommendations include energy-saving standards, upgrades to the demand-site management programs, enhancement of building codes, natural gas demand-site programs and moving money from weatherization programs to the Welfare Division.

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CHAIR TOWNSEND:

Having no other business before the Committee this morning, the meeting is now adjourned at 10:26 a.m.

RESPECTFULLY SUBMITTED:

Jeanine M. Wittenberg,
Committee Secretary

APPROVED BY:

Senator Randolph J. Townsend, Chair

DATE: _____