

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-Second Session  
May 30, 2023**

The Committee on Growth and Infrastructure was called to order by Chair Howard Watts at 2:47 p.m. on Tuesday, May 30, 2023, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/82nd2023](http://www.leg.state.nv.us/App/NELIS/REL/82nd2023).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Howard Watts, Chair  
Assemblywoman Tracy Brown-May, Vice Chair  
Assemblyman Max Carter  
Assemblywoman Jill Dickman  
Assemblywoman Danielle Gallant  
Assemblyman Bert Gurr  
Assemblywoman Heidi Kasama  
Assemblywoman Elaine Marzola  
Assemblywoman Brittney Miller  
Assemblyman Cameron (C.H.) Miller  
Assemblywoman Sarah Peters  
Assemblywoman Shondra Summers-Armstrong

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Senator Rochelle T. Nguyen, Senate District No. 3

**STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst  
Jessica Dummer, Committee Counsel  
Connie Barlow, Committee Manager



Kathy Biagi, Committee Secretary  
Garrett Kingen, Committee Assistant

**OTHERS PRESENT:**

Garrett Weir, General Counsel, Public Utilities Commission of Nevada  
Scott Leedom, Director, Public Affairs, Southwest Gas Corporation  
Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League Education Fund  
Mikaela Rezaei, representing Nevada Home Builders Association; Southern Nevada Home Builders Association; and Builders Association of Northern Nevada  
Chelsea Capurro, representing National Resources Defense Council; and Environmental Defense Fund Action  
Kerrie Kramer, representing NAIOP  
Terry K. Graves, representing Nevada Trucking Association  
Jessica Ferrato, representing Advanced Energy United  
Jermareon Williams, Nevada Government Affairs Manager, Western Resource Advocates  
Jaina Moan, External Affairs Director, The Nature Conservancy  
Nick Schneider, Government Affairs Analyst, Vegas Chamber  
Kristina R. Kleist, representing Latin Chamber of Commerce, Las Vegas, Nevada  
Nick Christenson, Excom Chair, Southern Nevada Group, Toiyabe Chapter, Sierra Club  
Kelly Trombley, Policy Manager, Ceres, Inc., San Francisco, California

**Chair Watts:**

[Roll was taken. Rules and protocol were explained.] Good afternoon, everyone. Welcome to the Assembly Committee on Growth and Infrastructure. We have one bill on our agenda today, Senate Bill 281 (2nd Reprint), which revises provisions governing public utilities. I will now open the hearing. Welcome back to Assembly Growth and Infrastructure, Senator Nguyen.

**Senate Bill 281 (2nd Reprint): Revises provisions governing public utilities. (BDR 58-693)**

**Senator Rochelle T. Nguyen, Senate District No. 3:**

Thank you, Chair Watts. I am excited to be here. This is one of the first committees that I was on in 2019 and the second time I have presented. The first time, unfortunately or fortunately, was a license plate bill. I am excited to be here to present Senate Bill 281 (2nd Reprint) for your consideration.

This bill creates a fair and open planning process with the Public Utilities Commission of Nevada that natural gas utilities in this state would be required to undergo every three years—a similar process to the integrated resource planning process for other utilities, specifically electric utilities. As a part of this plan, this bill would also require natural gas

utilities to file the following: (1) present and projected changes in demand for natural gas; (2) identification and approval of any significant projects and investments in the utility plans to pursue over the next three years; (3) energy efficiency and load management programs; (4) renewable energy initiatives; and (5) low-carbon fuel initiatives.

Senate Bill 281 (2nd Reprint) would also require the Public Utilities Commission of Nevada (PUCN) to convene a public hearing on the adequacy of the plan with all the interested stakeholders and members of the public having an opportunity to also participate in that process. During the past legislative interim, the PUCN opened an investigatory docket that evaluated the future of natural gas in Nevada. As a part of that process, many different stakeholders asked for natural gas utilities to be subject to the same type of planning process that the electric utilities undertake. This bill is intended to be responsive to those requests and establish a process and a forum for discussing natural gas infrastructure and future investments that do not currently exist today. That is why you will probably see a diverse group of interests supporting this important piece of legislation.

Senate Bill 281 (2nd Reprint) increases transparency around natural gas infrastructure investments and provides an appropriate venue for stakeholders to participate in and provide feedback to utility regulators on the need for future natural gas investments, ensuring that those needs are met with the lowest reasonable cost to customers. I am sure a lot of you, as I, a legislator, have received emails about rate increases, natural gas products, and people taking away your stove. Right now, there is no forum to discuss all of those issues. This would create a more open and transparent process for the natural gas utilities. In addition to increasing transparency around natural gas infrastructure investments and providing an appropriate venue for stakeholders to participate in and provide feedback, we are doing this to ensure the needs are met with the lowest reasonable cost to customers. It also creates a pathway for natural gas utilities to submit proposals for helping customers and policymakers obtain climate and greenhouse gas reduction goals through energy efficiency and load management programs, renewable energy initiatives, and low-carbon fuel initiatives.

I am really proud of the work that went into getting to where we are on this bill today as it is presented to you. I will walk you through some of the bill, section by section. To do that, I do have some people in the room whom you might be able to ask more technical questions of both from the natural gas utility as well as the PUCN. They are the subject matter experts on how this would be implemented, and I am not going to pretend to know the ins and outs of all those details.

Sections 1 through 10 of the bill are definitions that set forth terms that are to be used in the filing of the planning process. One of the definitions I want to bring to your attention is in section 10. What qualifies as significant projects or investments that would be included in the filing to the PUCN? Initially, we had talked about setting a threshold of \$10 million. It was a number based on PUCN experience and expertise. However, it was later amended out and now the PUCN would be allowed to set that cost threshold number. As you probably have seen over the past three and a half months, sometimes putting numbers into statute is not always best because \$10 million today might be obsolete in five years as it might not be

accurate. I think the intent of that amendment was to put the people who are dealing with this on a daily basis in charge of determining and controlling that process as well as the rulemaking ability to ensure that the number is appropriate. They need to ensure it is not too low, not too high, not low enough that it disrupts routine day-to-day work, or so high it does not capture any of these projects.

Other significant projects the natural gas utilities would be required to file for under the plan include natural gas expansion projects. These would be similar to projects Southwest Gas Corporation, for example, has undertaken in Mesquite in Clark County and Spring Creek in Elko County, pipeline replacement projects, the pursuit of any low-carbon fuels such as renewable natural gases, and hydrogen and upstream natural gas supply procurement needs and plans.

Section 11 of the bill outlines the process the PUCN must go through to determine the adequacy of the plan, including convening the public process that is open to all interested parties who would like to participate. The section also outlines the criteria which the PUCN would use to evaluate the plan. I am not going to go through all of them, but I will highlight a couple of them in section 11, subsection 4, paragraph (c). There is a cost-effectiveness test that is a part of the plan. Also, if you look at subsection 4, paragraph (f), that part ensures the plan includes an explanation as to how it will mitigate adverse impacts to low-income and historically underserved communities. Moving on to section 12 of S.B. 281 (R2), it establishes the time frame in which the PUCN must act on the application. That time frame is 210 days for the initial filing and 180 days for any amendments to the plan. This is consistent with the electric utilities' International Registration Plan (IRP) process currently in place. Section 13 states that natural gas utilities cannot file a general rate case application six months before or after they file a plan as a part of this process. Section 14 outlines all the components the plan must include, such as current and future demand forecasting, significant projects, and all those things that are currently outlined. Section 15 is some cleanup language in existing statute. Section 16 requires the PUCN to adopt regulations necessary to carry out those provisions. Sections 17 and 18 were deleted by amendments in earlier versions. Finally, section 19 makes the bill effective upon passage and approval.

With that, I will turn this back over to you, Chair, for any questions you might have on this bill.

**Chair Watts:**

Thank you very much for the presentation. Before I turn it over to other members, again at a high level: Essentially, we are trying to create a comprehensive, holistic planning process for the gas utilities similar to the process we have for electric utilities. It is envisioned that a wide range of different kinds of resource projects will be included in this. There will be some modeling around projections of demand, potentially some different scenarios that would be brought forward for consideration, and then they would go through a full evaluation process at the Public Utilities Commission of Nevada. Is that a fair high-level summary?

**Senator Nguyen:**

That is exactly a good high-level summary.

**Chair Watts:**

Thank you, Senator Nguyen. Certainly we have been having some conversations about numbers in statute. I certainly understand and appreciate the approach of having some of those things put into regulation, both for the process of determining them but also for maintaining some flexibility moving forward. With that, I would like to open it up to questions from members of the Committee.

**Assemblywoman Summers-Armstrong:**

Thank you, Senator Nguyen, for your presentation. You were speaking fast, and I just heard you speak about—I think it was section 12, talking about the effect on the greenhouse gases in underserved communities. Could you go back over that a little bit slower for me so that I can make sure I understood what you meant?

**Senator Nguyen:**

It is actually in section 11 of the bill. This gives an outline of the process the PUCN must go through in determining this. Currently, natural gas companies do not have to complete any kind of planning process. Consumers do not have the ability to talk about the effects of projects the natural gas companies do. Under section 11, they must talk about the plan. The PUCN will set up criteria that talks about the adequacy of any plan. If the plan is to expand natural gas or the plan is to replace lines, they have to talk about the adequacy of the plan. They must have a public meeting and a public process that is open to everyone who wants to participate. They also have to look at criteria in that same section to see what the PUCN has directed and must look at when evaluating the plan. What I had highlighted in there is subsection 4, paragraph (c) under section 11. If you go there, you can see in subsection 4, paragraph (c) there are cost-effectiveness tests that are a part of the plan the PUCN has to evaluate when they are looking at a natural gas utility that wants an expansion project.

We also added subsection 4, paragraph (f) in that same section 11. It requires an explanation about how—whatever the plan is—it will mitigate any adverse impacts on low-income or historically underserved communities. For example, we want to make sure those groups we have never directed the PUCN to consider will now be a part of the planning process. I hope that answers your question.

**Assemblywoman Peters:**

I appreciate the bill and the presentation. Can you tell us a little bit more about the intervener process in here and how that plays into the PUCN decision-making and the timelines on that?

**Senator Nguyen:**

I am going to phone a friend. I do want to point out the PUCN is in neutral on this bill, but I think they probably are in the best position to talk about how the provisions of the bill would

potentially be implemented. Again, they are in a neutral position on this, but obviously this puts some requirements on them. Assemblywoman Peters, if you would not mind restating that.

**Assemblywoman Peters:**

The intervener process—can you tell us how that would work with this new kind of practice, the timelines and the implications there? And tell us a little bit about what it would look like in functionality.

**Garrett Weir, General Counsel, Public Utilities Commission of Nevada:**

This bill proposes in section 11, subsection 2 a standard for intervention that is analogous to the intervention standard for electric resource planning cases, where rather than having to demonstrate a direct and substantial interest in a proceeding, a party to the case would merely have to demonstrate that they can contribute relevant information. That is a lower bar for being able to participate. Generally, we see more robust participation in these types of proceedings than we may see in proceedings such as rate cases where there is a more restrictive intervention standard.

**Assemblywoman Peters:**

Timelinewise, do you expect that to be an impediment at all?

**Garrett Weir:**

We would see this as being aligned with how intervention would work for the timing with any existing process we have. This would not extend the timeline compared to any sort of existing process that we have.

**Chair Watts:**

Members, any additional questions? Seeing none, thank you for the presentation. We will now move to testimony in support of Senate Bill 281 (2nd Reprint). Anyone wishing to provide testimony in support, please come forward. Mr. Leedom, we will start with you.

**Scott Leedom, Director, Public Affairs, Southwest Gas Corporation:**

We are in support of this bill for many reasons. We think this is good policy that establishes a process that currently does not exist today whereby the PUCN can consider and scrutinize the proposed investments prior to our making them rather than the current process where they review them after they are made during a general rate case proceeding.

Senator Nguyen mentioned this already; the PUCN opened an investigatory docket that evaluated the future of natural gas in the state of Nevada shortly after last session. It was a process that many stakeholders on both sides of the issue participated in over several months. While there has still been no official conclusion to that process, we believe that establishing this planning bill and this planning process continues this discussion in front of the regulatory body we feel is best suited to make those determinations, and that is the PUCN. We have

worked with many different parties on this bill and think it is in a place where, hopefully, everyone can support it, and we also want to thank Senator Nguyen for all her hard work in bringing all the parties together on this bill. I hope you can support it. Thank you.

**Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League Education Fund:**

We are here in support of S.B. 281 (R2). Providing an IRP for gas utilities will help provide for long-term planning and transparency and also make sure that the best interest of Nevadans is taken into consideration. We would like to thank Senator Nguyen for bringing this bill forward and working with stakeholders. We know it has been a long process, and we are proud to support the bill you have in front of you today. Thank you.

**Mikaela Rezaei, representing Nevada Home Builders Association; Southern Nevada Home Builders Association; and Builders Association of Northern Nevada:**

Senate Bill 281 (2nd Reprint) ensures gas utilities can plan for growing demand and provide an avenue for all community stakeholders to participate without impeding economic development or housing growth. Thank you.

**Chelsea Capurro, representing National Resources Defense Council; and Environmental Defense Fund Action:**

We want to thank Senator Nguyen for her work on this. It is not always easy to get this group of folks together, and she listened, took recommendations, and that is why we are all here in support today. Starting with that, the climate crisis is here harming people in the environment globally and in Nevada. We need to be able to carefully plan for our energy future, and S.B. 281 (R2) is a meaningful step in the right direction. We urge this Committee to support it. Thank you.

**Kerrie Kramer, representing NAIOP:**

We would like to echo the sentiments of our colleagues and thank the Senator for all her work on this bill. We urge your support.

**Terry K. Graves, representing Nevada Trucking Association:**

I am here with Nevada Trucking Association, a Nevada manufacturing association. To the extent that natural gas is used in trucking and light-duty trucks using compressed gas for fuel and manufacturing, using natural gas for both space heating and process heating as well as in some cases, feedstock and power generation, we are in support of the bill.

**Jessica Ferrato, representing Advanced Energy United:**

We are here in support of S.B. 281 (R2), including the most recently adopted amendment in the Senate. We believe that long-term utility infrastructure and resource planning are key to creating the most affordable, reliable, and sustainable energy system possible. This is why we have supported electric utility integrated resource planning, distributed resource planning,

and transportation electrification planning in the past. The gas industry is entering a period of rapid change marked by new customer choices, technologies, and resource options on both the supply and demand side that will affect the kind of infrastructure we build and whom we build it for.

Because that infrastructure has significant costs and because ratepayers pay those costs over decades, a sound and transparent planning process that compares investment options is the only way to ensure that we spend ratepayers' dollars wisely. The legislation before you is a product of many conversations and compromise between Nevada's industries, the utility, and stakeholders in this room today. I want to thank Senator Nguyen for all her work. This has been quite the negotiation and we are very grateful for the time she took with all the parties. We believe this is an important improvement over the net status quo for gas utilities throughout the state and ask for your support.

**Jermareon Williams, Nevada Government Affairs Manager, Western Resource Advocates:**

Western Resource Advocates appreciates Senator Nguyen for sponsoring the resource planning bill for gas utilities in Nevada. Utility resource planning is an important part of ensuring that customers pay for the most cost-effective and reliable resource portfolio. Only after a transparent and comprehensive review of all available resources considered under various scenarios can the utility regulators, stakeholders, and customers be confident that the long-term investments are in the public's best interest. Senate Bill 281 (2nd Reprint) provides a foundation for this process that we look forward to building on with stakeholders and the PUCN moving forward. Thank you.

**Jaina Moan, External Affairs Director, The Nature Conservancy:**

We support Senate Bill 281 (2nd Reprint) because we support actions that will help our communities mitigate and adapt to climate change. Natural gas supply planning is an important component of achieving our climate goals. For the past several years, The Nature Conservancy has been mapping pathways for how Nevada can achieve net zero emissions by 2050. The findings from our research revealed that technologies for removing carbon dioxide from a point source or by direct air capture is necessary to achieve net zero emissions. To this end, we appreciate that Senate Bill 281 (2nd Reprint) includes a definition for carbon capture use and storage.

As the state plans for and builds carbon capture and storage, we think it is important to have complete and accurate definitions for these technologies in statute. As such, we have suggested a few revisions to the definition for carbon capture and storage in section 3, and we just want to state them here for the record. First, we suggest adding the words "point source capture" to the definition so that it includes carbon emissions from natural gas facilities that are captured at the source. Second, section 3 only defines carbon capture. It does not define carbon use or storage. We recommend deleting the words "use" and "storage" from the definition. Alternatively, the definition could be expanded to include carbon storage, which we suggest as follows: "Carbon storage means the permanent storage of carbon dioxide after it has been captured either at a point source or by direct air



capture." Overall The Nature Conservancy is supportive of Senate Bill 281 (2nd Reprint). We appreciate the opportunity to express that support along with our suggestions for carbon capture and storage definition. Thank you to Senator Nguyen for bringing this bill forward and thank you to the Committee for hearing our testimony.

[[Exhibit C](#) was submitted and is included as an exhibit for the hearing.]

**Nick Schneider, Government Affairs Analyst, Vegas Chamber:**

We are in support of Senate Bill 281 (2nd Reprint). We appreciate the efforts for additional transparency and parity in the resource planning process for natural gas. I will just go ahead and echo most of the comments of my colleagues. We look forward to many years to come of reliable energy access, especially with natural gas in that portfolio. Thank you.

**Kristina R. Kleist, representing Latin Chamber of Commerce, Las Vegas, Nevada:**

I am here today representing the Latin Chamber. The Latin Chamber supports S.B. 281 (R2), particularly the increase in transparency related to natural gas infrastructure investments and fostering an appropriate venue for participation by stakeholders to provide feedback to utility regulators. We urge your support so future infrastructure investments can be made while ensuring those needs are met with the lowest reasonable cost to consumers. Thank you.

**Nick Christenson, Excom Chair, Southern Nevada Group, Toiyabe Chapter, Sierra Club:**

[Read from [Exhibit D](#)]. I am a volunteer member of the Sierra Club's Nevada Legislative Committee. On behalf of the club and our members, I am speaking in support of S.B. 281 (R2). We believe that it is in the best interest of the people in Nevada for our utilities to publicly plan our future through an integrated resource plan process. We are pleased to see that under this bill, Nevada's methane utilities would participate in this process. It also appears to us that these requirements directly parallel those provisions for electric utilities, which we also feel are entirely appropriate. Consequently, we support this bill. Thank you for your time.

**Kelly Trombley, Policy Manager, Ceres, Inc., San Francisco, California:**

Ceres runs the BICEP Network, which is a coalition of over 80 major employers, large electricity customers, leading consumer brands, and Fortune 500s, many with operations here in Nevada. Our members, like many leading businesses in Nevada and nationwide, have set goals to cut emissions, produce energy waste, and invest in clean energy. Ceres is in support of Senate Bill 281 (2nd Reprint). Public utility planning, including gas investment in infrastructure planning, helps the companies we represent ensure that their energy needs are met while meeting their sustainability goals. Such cleaning helps utilities ensure that they make decisions to serve the complex needs of Nevada's growing technology and energy-intensive industries. Given the imperative to take action to address Nevada's energy future, high and unpredictable gas costs, and address emissions that threaten public health, we also

believe that strengthened commitment to planning would benefit Nevada's people and its economy. We respectfully ask that you vote in support of this bill, and we look forward to working with you on policies that establish transparency, planning, competition, and reliability in both access and cost. Thank you very much.

[[Exhibit E](#) was submitted but not discussed and is included as an exhibit for the hearing.]

**Chair Watts:**

Is there anyone else wishing to testify in support? [There was no one.] We will now move to testimony in opposition. Is there anyone wishing to testify in opposition? [There was no one.] We will move to neutral. Is there anyone wishing to testify in neutral? [There was no one.]

Senator Nguyen, do you have any closing comments? [There were none.] With that, I will close the hearing on S.B. 281 (R2).

Members, as you have probably started to hear recently, pursuant to our Assembly Standing Rules, I have received authorization from the Speaker to waive our traditional 24-hour requirement between hearing a bill and taking final action on it. With that, I am going to open the work session on Senate Bill 281 (2nd Reprint).

Members, are there any questions on this bill? Seeing none, I would accept a motion to do pass Senate Bill 281 (2nd Reprint).

ASSEMBLYWOMAN PETERS MADE A MOTION TO DO PASS  
SENATE BILL 281 (2ND REPRINT).

ASSEMBLYMAN CAMERON (C.H.) MILLER SECONDED THE  
MOTION.

Is there any discussion on this motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Peters.

Members, that concludes our agenda for today. The last item that we have is public comment. If there is anyone who would like to provide public comment in person, please come forward. [There was no one.]

Thank you, members. That concludes our business in the Assembly Committee on Growth and Infrastructure. We will be convening with the Senate for a Joint Committee on Growth and Infrastructure hearing in Room 4100. It will take us a few minutes to get everything set up, but please do take a quick break and make your way up to 4100 for our joint hearing. Thank you. We are adjourned [at 3:15 p.m.].

RESPECTFULLY SUBMITTED:

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Kathy Biagi  
Committee Secretary

APPROVED BY:

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Assemblyman Howard Watts, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a letter dated May 30, 2023, submitted by Mauricia M.M. Baca, State Director, The Nature Conservancy in Nevada, in support of Senate Bill 281 (2nd Reprint).

[Exhibit D](#) is a letter dated May 30, 2023, submitted by Nick Christenson, Excom Chair, Southern Nevada Group, Toiyabe Chapter, Sierra Club, in support of Senate Bill 281 (2nd Reprint).

[Exhibit E](#) is a letter dated May 30, 2023, written and submitted by Aviva Gordon, Chair, Legislative Committee, and Emily Osterberg, Director, Government Affairs, Henderson Chamber of Commerce, in support of Senate Bill 281 (2nd Reprint).