

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

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

The joint meeting of the Assembly Committee on Growth and Infrastructure and the Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:36 p.m. on Tuesday, May 30, 2023, in Room 4100 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.

ASSEMBLY 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

ASSEMBLY COMMITTEE MEMBERS ABSENT:

None

SENATE COMMITTEE MEMBERS PRESENT:

Senator Dallas Harris, Chair
Senator Julie Pazina
Senator Scott Hammond
Senator Ira Hansen

Minutes ID: 1286



SENATE COMMITTEE MEMBERS ABSENT:

Senator Pat Spearman, Vice Chair (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Assembly Policy Analyst
Kristin Rossiter, Senate Policy Analyst
Jessica Dummer, Committee Counsel
Connie Barlow, Assembly Committee Manager
Kathy Biagi, Assembly Committee Secretary
Vicky Lind, Senate Committee Secretary
Garrett Kingen, Assembly Committee Assistant
Cheryl Williams, Assembly Committee Assistant

OTHERS PRESENT:

Laura K. Granier, representing Nevada Resort Association
Virginia Valentine, President, Nevada Resort Association
Lucas M. Foletta, representing Southern Nevada Gaming Group
Michael D. Hillerby, representing Google
Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League and
Education Fund
Andrew Diss, Senior Vice President and Strategy Officer, Meruelo Gaming
Sasha Sutcliffe-Stephenson, President, MGM Resorts
Jermareon Williams, Government Affairs Manager, Western Resource Advocates
Tessyn Opferman, representing I-80 Gold Corporation
Erin Midby, Vice President, Government Affairs, Boyd Gaming Corporation
Michael Alonso, representing Caesars Entertainment Inc.
Jessica Ferrato, representing Switch
Tom Clark, representing Reno + Sparks Chamber of Commerce
Richard Perkins, representing NextEra Energy Resources LLC
Nick Christenson, Volunteer Member, Legislative Committee, Toiyabe Chapter,
Sierra Club
Mary L. House, President and CEO, CHR, Inc., Las Vegas, Nevada
Barry Lieberman, representing South Point Hotel, Casino & Spa
Marlon Anderson, Clean Energy Community Organizer, Faith Organizing Alliance
Angie Dykema, representing Southwest Energy Efficiency Project
Melodee Pratt Wilcox, Nevada Legislative Committee Chair, Mormon Women for
Ethical Government

Hunter Stern, Assistant Business Manager, International Brotherhood of Electrical Workers Local 1245; and representing International Brotherhood of Electrical Workers Local 396
Ronald "Ronnie" Young, Assistant Business Manager, International Brotherhood of Electrical Workers Local 357
Paul Catha, Political Director, Culinary Workers Union Local 226
Ryan McIntosh, representing Nevada Fire Chiefs Association
Danny Thompson, representing International Union of Operating Engineers Local 12
Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO
Marc Ellis, President, Communications Workers of America Local 9413
Rob Benner, Executive Secretary Treasurer, Building & Construction Trades Council of Northern Nevada
Sarah Collins, representing National Electrical Contractors Association
Kristina R. Kleist, representing Latin Chamber of Commerce, Las Vegas, Nevada
Tony F. Sanchez III, Executive Vice President, Business Development and External Relations, NV Energy
Ana Wood, Director and Government Affairs Chair, Asian Chamber of Commerce, Las Vegas, Nevada
Robert Sumlin, representing International Association of Machinists and Aerospace Workers Local 711
Thomas Bird, President, Nevada Alliance for Retired Americans
Tony P. Simmons, Private Citizen, Las Vegas, Nevada
Matthew Dustin, Executive Director, Southern Nevada Chapter, Electrical Contractors Association
Carolyn Barbash, Vice President, Transmission Development and Policy, NV Energy
Janet Wells, Vice President, Regulatory Affairs, NV Energy
Cassie Charles, Campaign Director, Progressive Leadership Alliance of Nevada
Ernest Figueroa, Consumer Advocate, Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General
Garrett Weir, General Counsel, Public Utilities Commission of Nevada
Amber Stidham, Senior Vice President and Chief Strategy Officer, Las Vegas Global Economic Alliance
Liz Sorenson, President, Nevada State AFL-CIO

Chair Harris:

[Roll was called. Committee rules and protocol were explained.] I will open the hearing on Assembly Bill 524 and welcome Assemblyman Watts to the table.

Assembly Bill 524: Revises certain provisions governing electric utilities. (BDR 58-985)

Assemblyman Howard Watts, Assembly District No. 15:

It is my pleasure to present Assembly Bill 524 for your consideration today. How did we get here? I want to walk you through the genesis of this bill, and then I will walk you through the provisions as they stand and provide a couple of updates.

We started having conversations about energy issues in our state, starting with NV Energy then bringing in a variety of stakeholders from labor to consumer advocates, community organizations, conservation and environmental groups, and customers large and small of the utility. One of the big issues that was the starting point was concerns about reliability. These concerns are not new. There was a docket opened by the Public Utilities Commission of Nevada (PUCN) in 2020 to investigate some energy supply constraints that were experienced during that summer. California experienced rolling blackouts. Nevada did not, but we were asking customers to reduce usage, and I am sure many folks, particularly in southern Nevada, remember those calls to save energy.

In addition, in the fourth amendment to NV Energy's current integrated resource plan initiated in 2022, the Commission also opened an investigation regarding resource adequacy and planning to ensure that the electric utility supply of energy is sufficient to satisfy demands and maintain reliable, continuous service. Some of the things associated with that include the tremendous summers we have seen. Even though we are experiencing a much wetter and cooler year so far, we have seen over the past few summers extreme heat, and those heatwaves have put additional demand on our energy system.

At the same time, we have had some of those issues with increased demand, but we have also had issues with supply. Those same heat waves and droughts have impacted regional hydropower supplies. There have been weather and other constraints on existing generation, and of course there are the supply chain issues we have faced in the wake of COVID-19, international distress, and other things. All of those issues combined have posed a variety of challenges to our system.

Our current statutes require us to do energy planning with our utility to look several years out and plan for demand. Still, we have found ourselves running into some of these challenges causing us to ask what else we need to do. The latest fourth amendment to the utility's integrated resource plan, a natural gas peaker plant, was proposed and approved primarily to ensure we were able to meet some of these peak demand needs during the hottest, most intense times of the year when our collective energy use is at its maximum.

We have this process in place, and yet we do have some of these concerns. What I have also heard is there is concern that some of these things are coming forward through amendments to our integrated resource plan which is supposed to be filed every three years. Something needs to be addressed in terms of making sure we provide reliable electric service. That is one of the foundations of our electric service, particularly in this state with all the challenges that peak use period in the summer puts to our community.

The other challenge we are facing is affordability. I think everyone here has experienced the spike in all of our utility prices, which is primarily driven by a spike in the price of natural gas. That is something that has led to some folks' bills dramatically increasing. At the same time, there has also been concern about projects that have already been approved and whose costs are going to be covered, but which have not yet been incorporated into ratepayer bills.

Finally, one of the issues is, in these periods of peak demand when reliability is also a concern, energy is in short supply. When we have to procure it on the open market, we pay top dollar for that energy. That is another factor that impacts affordability when it comes to our electric rates.

With these challenges, the objective I have looked to take on was to come up with a solution to address those. The path forward in general is to support resiliency for our community. That comes through having more local clean energy generation. Having that is going to help us reduce our demand for energy on the open market during those times of peak demand. It also continues to build on previous energy policy that provides not only economic development but critically helps set us up for regional collaboration to meet these energy challenges.

The question is, What method do we go about to try to reach that solution? Through conversations with these many different groups, what we decided to focus on is our energy planning process and how we strengthen that integrated resource plan to make the smartest decisions for the state, provide transparency and a thorough review of these proposals for customers, and balance those rate impacts. What we want is to have public policy that ensures we are addressing issues of reliability, we are addressing issues of affordability, and we are continuing to develop clean energy resources. However, we also want to make sure it is vetted through our regulatory system to make sure we take a long-term horizon approach, make the best possible investments we can, given the information for the benefit of the ratepayers, and balance all of those different objectives.

The bill before you is the product of months of conversations and attempts at forging compromise among a broad range of stakeholders. It is not, as some of the policies that come forward toward the end, a large, bold policy in my opinion. It does not mean it is not important, but it is focusing on strengthening the process and taking the next steps to improve our energy process to make sure it is as efficient as possible, as effective as possible, and is balancing these core elements of developing additional energy resources in our state to improve the reliability of our local energy supply, while doing so in a way that delivers the best impact for our ratepayers.

There were a lot of different ideas put forward. One of the key areas was this idea that we have an open position—a level of exposure to the energy market—and by reducing that, we can make sure we provide a reliable electricity supply and reduce our exposure to those extremely high energy market costs. The question was, How do we do that and how do we provide a balance of direction without legislating an outcome, without having all of the information before us as legislators that could end up swinging the scale too far and have negative impacts on ratepayers? That was one of the aspects.

Another issue that came up was how we address energy supply for some of our largest consumers of energy in the state. There has been work at the PUCN related to energy supply agreements. There were proposals to work on statute to address that. That was

something there was a lot of consideration of. There are, of course, not only our large customers with the utility, but there are also customers who have exited under the provisions of *Nevada Revised Statutes* (NRS) Chapter 704B. Ultimately, that was something we decided not to move forward with and to leave that process in place with our regulatory body. I do think it is something that needs to be looked at and we need to make sure that evaluation balances all the considerations and provides benefits to everyone. There are some examples of ways that can be achieved through our regulatory process.

There were questions about how we get more information as part of the integrated resource planning process. That was something we worked on. There were proposals to change the process for how we procure our energy resources and move toward a more independent request-for-proposal process. That was something we ultimately decided not to move forward with at this time. That is something that can be looked at through a range of avenues moving forward. There were a few other issues that came up again, some of which we decided to move forward with and incorporate into the bill, some of which we decided not to. The goal was to try to come up with a balanced policy that moves our state forward and is rooted in improvement to our energy planning process and making sure we have a system set up at the PUCN, which is designated as the regulator for our public utilities, to gather the voluminous information that is at a level of depth far beyond us as a legislature, frankly, to hear from other experts in this arena, make decisions that are going to be in the best interest of our state moving forward, and make sure we have statutes that help promote moving us in that direction.

With that, I will briefly walk you through the provisions of the bill. Section 2 of the bill provides legislative declarations. I will let members read through them themselves; I am not going to read them to you, but it reinforces the importance of making sure we keep rates affordable for all our customers, making sure we keep our electric service reliable for all our customers, and utilizing a strong planning process to do that through a mix of additional generation in our state, being able to have reliable transmission to procure clean energy from across the region, taking on other measures that reduce our demand so we are not needing as much energy in those peak periods, and ultimately looking at ways we reduce our market exposure in a balanced way.

Section 3 is related to our general rate case filings. This body passed legislation related to alternative ratemaking a few sessions ago. As part of that to help encourage alternative ratemaking, it changed provisions to limit general rate cases to being filed once every three years. In conversations with the utility, this was brought forward as something that could assist by moving the language back to how it was previously and requiring them to be filed at least once every three years. There is also an additional provision in this section ensuring the workload on the PUCN is not too great by ensuring there is only one rate case under consideration at the Commission at any given time.

One thing I want to note is, I think there are concerns that by allowing more frequent rate cases, it will allow rates to go up faster. At the same time, these are for approved expenditures deemed prudent. When we look at trying to prevent dramatic changes in rates and rate shock to customers, this could actually be beneficial by phasing in some of those things over time instead of waiting and doing them all in three-year increments. That is what this provision of the bill covers.

Section 4 is the main substance of the bill. Section 4, subsection 1 allows flexibility similarly to rate cases for integrated resource plans to be filed more frequently. This is important in the context of section 4, subsection 2 as well. The integrated resource planning process is meant to be comprehensive and all encompassing. It includes modeling of the demand the utility is going to see for energy over the coming years and then provides a range of different proposed plans to address that, which is through a mix of new energy generation, reducing energy demand, et cetera. There is detailed financial modeling as well around the costs and benefits that those plans have. We want to make sure major projects are being looked at in that holistic light. That is what section 4, subsection 1 aims to do.

Section 4, subsection 2 is linked with this and directs the PUCN to enact regulations defining the amendment process. A lot of concerns have come up from various participants in the integrated resource planning process that amendments have been coming very frequently, that some of the projects and amendments are extremely large, and they do not have the full timeline and the full analysis of the integrated resource plan itself. We want to make sure that as much as possible we are taking a comprehensive look at these projects that are going to affect our energy supply. This would direct the PUCN to define the amendment process a little bit better because we do not really have any definition for it currently. What we want to do is make sure we have a strong integrated resource plan (IRP). Amendments definitely have to be out there, things happen that we do not expect, things change, we do not have a magic crystal ball. At the same time, what we do not want is to have things missing from that full integrated resource plan that should be there and have them come up down the line. We want to make sure we are planning to deliver reliable, affordable energy at least every three years. If additional issues are coming up, one of the things that was pointed to a lot is perhaps we need to make sure the overall IRP itself is more robust so we can avoid some of the items that come up in the amendments within those three-year time periods before another plan is filed. That probably sounds familiar to some of those on the Assembly Committee on Growth and Infrastructure, as we just heard conversations about addressing thresholds for certain planned filings and having the PUCN make those determinations.

Section 4, subsection 3 addresses the issue of market exposure. It would clearly direct NV Energy to submit a scenario as one option for consideration in future integrated resource plans to close its open position—or its market exposure during peak demand. This was included based on many conversations and was requested by both NV Energy and by labor to provide a clear legislative direction to reduce that market exposure. In my mind, this is a compromise that does that while still maintaining our regulatory process and not dictating one outcome because it may be best that we only go 90 percent of the way there, 80 percent

of the way there, or so on, in order to find the sweet spot and the balance between getting the energy resources we need and doing so in a way that delivers the greatest financial benefit for our ratepayers.

Additionally, this mentions a mix of both in-state resources—which is one of the critical things—as well as contracted resources from other states with firm transmission. Within the state, our utility has both utility-owned and operated assets as well as contracted power generation facilities that are on a power purchase agreement, where we essentially buy the energy at a set cost. This also envisions contracting with energy suppliers outside the state through similar power purchase agreements and making sure we have dedicated transmission to get it here. In periods of peak demand, we have seen issues with energy moving through other states that are also in need of it, and that leads to certain issues. We are trying to make sure that firm transmission is available.

Section 4, subsection 4 is the section of the bill that expands the information submitted in scenarios. The genesis of this started with what should be included in the backup for this proposal to close the open position. In conversations with others, it was brought up that it would be beneficial to have more information submitted about the various range of scenarios that exist in the integrated resource plan currently. In statute, we direct a low-carbon scenario to be submitted, and you can see that in section 4, subsection 3 right above the added language. However, there are other scenarios the utility submits as well. We want to make sure we are getting the most information possible to evaluate and figure out what is best. There have been concerns that sometimes there is not as robust of an analysis of a scenario that is not as favored. This lays out a range of information we would like to have submitted for each project proposed. We would like to know about every generation, storage, and other energy resource the utility is considering, including the cost and the ownership. I will actually get to that with the amendment [[Exhibit C](#)]. For the overall scenario—for each scenario provided as part of the planning process—understanding what the impact is going to be on our exposure to the market, and is that going to reduce it? Is this going to diversify our energy supply and particularly diversify our clean energy supply? There is a range of things out there, especially as we look regionally, that we can use to strengthen our overall energy portfolio.

This looks at our ability to access energy from our regional neighbors and how it puts us on track to meet our clean energy and climate goals, so we have both greenhouse gas reduction goals in statute as well as clean energy targets required through our state's renewable portfolio standard which currently sits at 50 percent by 2030. It also includes information about demand reductions; how does this scenario look at reducing the demand side of the equation so we do not have to secure as much generation? Finally, it looks at cost and makes sure those considerations are taken into play.

One of the concerns that has been brought up is that cost becomes an overriding factor. I think it is an extremely important factor for all of our utility customers. In my mind, this has to be a cost-benefit analysis. We have to look at the risks, the expenses, and the benefits we are expected to gain, and balance all of those in making a decision. That is certainly what is aimed at here.

The final section also mentions the unique federal funding opportunity. I am sure some of you have heard about this from my other bill presentations regarding efforts to make sure we are securing federal funding. There is a range of federal funds available for clean energy projects over the next several years. There is a significant opportunity to utilize those to make sure we get those benefits delivered to customers from a variety of different things, whether it is clean energy projects, energy storage, and so on. We want to make sure the impact of those federal benefits and how they are projected to reach ratepayers is included in the consideration of any plan put forward before the Commission.

Finally, section 5 of the bill requires a session to get feedback on the draft of an integrated resource plan. It is currently encouraged. There is definitely a variety of ways folks can participate. This would codify there be at least one session prior to a plan being submitted to go over it with interested parties and get feedback on the plan, hear about potential improvements. The goal is hopefully to inform and strengthen that plan before it even starts its way through the official process at the PUCN and improve the outcomes that we are getting.

Those are the provisions of the bill. Everything else is conforming language. With that, we want to make sure we are looking ahead to the future and addressing the energy challenges that we are going to face. We want to do that in a responsible way, and for me, the best way is to look toward the expert regulatory arena we have for these decisions to make sure we are pulling in more information, we are homing in on that process, and we are asking for an even broader array of ideas to be brought forward so we can ultimately make the decisions that are going to be in the best interest of our state moving forward.

That concludes my presentation of the bill. You should all have a conceptual amendment [\[Exhibit C\]](#) in front of you. There are three items in the amendment. The first one is in section 4, subsection 4, paragraph (a), subparagraph (2). It is not only "constructing or acquiring," but also "operating and maintaining" energy resources. We are making sure that language is comprehensive.

The other two items we are looking to add into the information that is provided for the individual energy resources and the scenarios overall is information about labor standards to make sure that is something that is brought forward as a consideration.

The last thing I will say is, there are still ongoing conversations. A lot of people have gotten a little bit of what they want. A broad range of people have also been told no for some of the things they wanted to get in this bill. I do not think those conversations are over yet. They

are still ongoing and you are going to hear some concerns brought forward today. I am continuing to talk with everyone to try to figure out what additional changes can be made. When it comes to the last two items, I have gotten some additional feedback from folks at the International Brotherhood of Electrical Workers. There are already some very strong labor standards in place in some of the existing processes, so we are continuing to talk about other tweaks to the language to make sure high-quality jobs continue to be protected as part of the process moving forward.

That concludes my presentation of the bill and the amendment. I am happy to answer any questions the Committee may have.

Chair Harris:

We will start the questioning with Assemblywoman Peters.

Assemblywoman Peters:

Thank you for putting in the work on this. I know this has been a labor of whatever it is at the week before the end of session. I have been relatively vocal about it in this Committee that I truly believe community-based solar is the answer to our energy problems. From my perspective—and I do not think I am alone in this—the two things we hear about in the energy world is the fear of infrastructure breakdown and the incredible increases in the cost of providing energy for our homes. With that in mind, can you talk about how you see this bill addressing the cost issue to ratepayers and the 300 percent or so increase that some of us have seen over the last year?

Assemblyman Watts:

I certainly appreciate that. It has been a tough time for everyone. The way this bill is envisioned in addressing that is trying to take a long-range, forward-thinking approach to our planning. It is going to be modified over time, but we want to try to plan ahead to reduce the risks of those things happening.

One of the things I want to make clear is we still get a significant majority of our power generation from natural gas generation. It is those prices that transferred into our electricity generation that have pushed bills up so high. We already have good energy policies and we continue to see progress in that direction. However, we have seen some additional gas generation brought online to help shore up reliability. The general direction of this bill is to build out more local clean energy resources and dedicated clean energy resources. Long term, that is what is going to help provide stability. There have been some supply chain issues related to some of those projects, but overall, the stability we see—the fuel for a solar project—is consistently free. Once that project cost is established and the operating and maintenance of it, we have stability there. Increasing the integration of those resources is going to help deliver lower and more stable rates to customers moving forward.

At the same time, if we put too many projects forward, those do have to be recovered. We want to figure out the balance so we are not overdoing it in a way that we are putting additional costs to ratepayers. That is why the overall thrust of this bill is strengthening our energy planning process moving forward. That is ultimately the option that is best for the state—to focus on having an energy planning project that is efficient. We do not want it to be overly cumbersome, but we want to have full information and allow the experts who deal in that realm making the decisions about what path is best to move forward that achieves our clean energy goals, which I believe completely lines up with our affordability goals but does it in a strategic and balanced way.

Assemblywoman Peters:

I appreciate that. The cost-benefit analysis is often so in the moment. How are we responding to this extreme in the moment? That does not create the stability you are talking about. When we talk about what affects our constituents' stability and understanding what it is that is going to come in the mail as their bill every month is important. How we get there I do not think matters so much to everyone on the ground. Those are the things we deal with in making the sausage in this building, but at the end of the day, that stability is a huge benefit to our constituents. If we can get to a place—and I think this bill brings us closer to that—where we are looking forward to how we increase that stability over time or at least take smaller steps while also securing the infrastructure that is needed to get us to the place where our renewable portfolio standards are being met and we are getting to those goals we have set for ourselves over the last couple of sessions. I think that puts us in a place where we can go back to our constituents to let them know we did the work so their families can have stability. I appreciate the work you have put in.

Assemblywoman Brown-May:

First, I want to say thank you, Assemblyman Watts, for all your hard work on this. As you know, we have worked very diligently on energy policies throughout the entire session, over 100 days in. I want to go back to the sausage and the sausage-making process. I think we may not always understand the details relative to that. Would you talk through how this specific set of reforms came about? Why is this energy planning process needed now? How did you get where you are today?

Assemblyman Watts:

I appreciate the recognition that this is not easy. There is a lot of complexity to this. There is an entire regulatory realm where it honestly gets way past my level in terms of the details and nuances. At the same time, why this came forward is we are seeing and hearing about these dual challenges, which have been struggles with the overall energy supply during times of peak demand and then the issues the folks have seen with the affordability of their bills. We have to do something to take action and chart a clear path forward for us and for our future.

As far as how this particular policy came together, there is ongoing consideration of amendments to the 2021 integrated resource plan that was filed by NV Energy. Decisions have been made on that as recently as a couple of weeks ago, maybe even more recently.

There is always activity going on over there. When we looked at addressing the amendment process, it came from hearing a lot of different comments and concerns about what is appropriate for an amendment or an add-on and how do we make sure the original plan is as robust, forward thinking, and comprehensive as it can possibly be? That is why the word "integrated" is in it. That is how that piece came in.

Looking at closing the open position, there is significant debate about that and exactly how far we go in setting an amount of resources that need to be built that we as a legislature set versus having some regulatory flexibility to figure out what that point is. That was an area of significant debate, but that was one of the key things—figuring out overall how to reduce the market exposure. That hits the two key issues that I brought up: making sure we have electric service we can depend on and electric service we can afford. This is an attempt to set some direction in statute.

We have a lot of existing policies that say those things are important, but we want to make sure there is a proposal put forward that goes further than other proposals have gone before so the costs and benefits can be evaluated along with all the others. That is why we are explicitly including this option, but not specifying a particular outcome or picking a specific option, leaving that up to our regulatory process.

As part of that conversation, what should be evaluated in deciding yes or no on doing a full build-out? In conversations, we should actually expand the amount of information that is included in this process overall, and that will give different parties more to interact with and react to and hopefully lead to better decision-making. That is how that whole set of information that needs to be included in scenarios is there. There is currently no statute that says what needs to be included in scenarios other than the points for the low-carbon scenario you see in the existing language before the open position scenario is added. There are some points in regulation, but this is a much more robust set of information we want to make sure is coming through in the process.

Transparency was a recurring theme. How do we make sure this is an open, transparent, fair process? We wanted to make sure we strengthened that stakeholder participation, so that is how that piece entered as well. It started with a lot of issues and concerns that were brought forward by the utility that were then vetted with consumer advocates with a range of different perspectives. Sometimes there were many different ideas of how to reach a particular goal. Ultimately, I felt this was another step forward.

I do want to say things have continued to be put out there. Some of them I thought were a little too big and some of them a little too late to try to incorporate. Obviously, we are hearing this bill on day 114, so we are trying to figure out how we get to the place where we want to be and make some forward progress. These conversations are going to have to continue, and there are probably additional improvements and streamlining that can be made to our energy planning process for the benefit of everyone.

At a high level, that is the process we went through to get to this point. Again, there were other ideas put out there, but these were the ones I felt have a significant degree of consensus. In addition to working on energy, I work on water, so 100 percent consensus is pretty much out of the question. I feel this is a strong step forward for us to take.

Assemblywoman Brown-May:

In your amendment, section 4, subsection 4, paragraph (a), subparagraph (2), you delineate "The cost of constructing or acquiring, operating, and maintaining the energy resource." Do you have a picture of who owns that energy resource? Assemblywoman Peters talked a little about their being on homes and residential neighborhoods. Who owns the resource that you are considering as part of this bill?

Assemblyman Watts:

That is quite a question. Ownership was another significant discussion point throughout this process. The legislation as presented before you today is neutral on ownership. It does not block any sort of ownership mix, nor does it prescribe one for any of these energy facilities. If you are looking at a contract with a third party, essentially the acquisition cost and the operation and maintenance related to that are all rolled into the price of energy through a power purchase agreement through a utility-constructed or owned- and operated-facilities. That does have the individual cost of construction as well as operating and maintaining expenses. The goal was to be neutral and not explicitly block or choose any individual option.

To your point and Assemblywoman Peters' point about smaller distributed generation with individual ownership, this bill is essentially silent on that. The open position is somewhere between 2,000 and 3,000 megawatts, so to make progress toward that, we are going to need large-scale resources. One of the things that has come up is how we plan in a way that is smart from the perspective of impacts on lands. That is something that is not explicit. There is no position taken one way or another. I do think that is an item definitely in need of additional conversation moving forward.

Assemblywoman Summers-Armstrong:

I am concerned about reliability. I think I have discussed this with many people over the last couple of years. On December 15, 2020, I remember this day specifically, in my neighborhood, which has almost all above-ground wiring, we were out of power for 15 hours. In some of the surrounding areas they were out of power for over 20 hours. This is a real issue in our community and in older neighborhoods. During the last session, we had the big omnibus bill. We were told there were going to be a lot of things happening, but I still have not seen anything definitive on how we are going to come into already developed, older neighborhoods. How is this going to help us bring reliability into underserved and basically forgotten and disinvested communities?

Assemblyman Watts:

I appreciate that question. I want to start by saying there is nothing specific in this legislation that does that. I do want to acknowledge a lot of the conversation around big-picture reliability by building additional resources to make sure we can meet our energy demands does not mean anything if you are in a neighborhood that, due to aging infrastructure, your service is not reliable.

You brought up one example we have talked a lot about, which is heat and the peak demand. There are significant issues there. For my colleagues in the north this past winter, there were people without power for days following the impacts of a severe winter storm. That has a much greater impact on individuals, perhaps depending on the scenario, than even a rolling blackout of a couple of hours.

I first want to acknowledge that is very important. As other folks come up to testify, including the PUCN, perhaps they can speak to that. By trying to have a more balanced policy and shifting the focus onto the integrated resource plan, having some of those investments to make sure we do not have deferred maintenance, that we are upgrading infrastructure across communities, that should be part of the integrated resource plan. That is my goal: to make sure we have a process that allows some of those issues to be raised a little bit more and provide some additional information about how some of those issues are being addressed. I would be glad to continue the conversation with you and others to make sure we tighten that up, because I agree: the investments we make need to benefit every single community and we need to have reliability for every single community.

By looking to add some strength to the integrated resource planning process and make sure we are not just looking at some of these other big-picture things that have been discussed to this point, we can also address those needed investments to make sure reliability is protected across communities.

Assemblywoman Summers-Armstrong:

One of the things we have heard in the Assembly Committee on Revenue is this concept that we have some solar producers in some of our communities who are getting tax abatements but are not providing any of the energy produced with those tax abatements to our community. Is there a way for us to identify what is needed and ensure whatever is generated here, that our basic need is met or some type of quotient is met before they can sell on the market wherever they choose? If we are giving tax abatements, we should at least be getting some return for our communities before it is sold outside the state.

Assemblyman Watts:

I appreciate that question, and I appreciate that conversation was brought forward this session. Unfortunately, that piece of legislation did not move forward. I would very much like to continue that conversation. This bill does not touch on that specific issue. However, to your point of focusing on the development of energy resources that benefit the state, that is what is envisioned through this process. Under this integrated resource plan, this does not

envision any resources that are being developed for the benefit of other customers outside the state. It does not mean those projects are in any way being restricted. It is essentially another set of activity that is going on, but the way this bill addresses that is by trying to encourage to the greatest extent what makes sense for the customers in our state and we are prioritizing the development of resources in our state for the benefit of the customers within our state.

Assemblyman Carter:

How do you see this bill expediting the build-out of generation assets to both reduce the necessity, like we had last year, of paying exorbitant rates on the open market—we need to expedite that and get it closed—but also to capture the Inflation Reduction Act dollars we know are not going to be around forever? That is the first part of my question.

The second part of my question is, in testimony in front of the Assembly Committee on Growth and Infrastructure earlier this session, we heard a large, unregulated electric utility describe exactly how they can push a button in their home office and provide peak power into the grid at the request of the utility. I am talking about Sunrun. I did not see anything in this bill trying to bring Sunrun under regulation. They are taking advantage right now of incentives that were meant for direct homeowners but are actually going to an unregulated electric utility that has distributed assets.

Assemblyman Watts:

I will take those questions in reverse order. To your point, I am glad to have additional conversations about that. From my perspective, those things could be helpful as demand-response technologies and distributed generation technologies. One of the tension points is the coordination mechanism. That is one of the big tensions overall with distributed generation systems—if they are commissioned and built outside the utility planning process and operated and maintained outside of that. They pop up, they might come down, there may be maintenance issues that need to be addressed. To your point about some larger and more sophisticated options, how do we have some sort of integration and collaboration? One, to make sure the benefits get to the consumers, and two, to help meet the energy resource needs of our state. Those are important conversations.

We have seen with the growth in other smart technology, like thermostats and other things, the ability to generate some of these partnerships with different technology providers where there is a collaboration to address some of those demand issues and energy supply issues. That is certainly the direction I am hoping to go with some of that stuff going forward.

As you know, there is another policy related to rooftop solar development. I would be glad to continue discussions on that. This policy primarily looks to the larger utility-scale side and the mix of generation assets, storage, demand reduction, and so on, to address our needs. This looks at it from that perspective.

Could you repeat your first question? I appreciate your trying to double them up, but that was quite a bit.

Assemblyman Carter:

Does this envision expediting the process so we can start reducing our reliance on these astronomical prices during peak times and also potentially capture the federal dollars that we know are not going to be there forever?

Assemblyman Watts:

That is certainly the goal and trying to do that in a way that also does not overextend or overcommit us. One of the issues we have also had is supply chain issues. There have been some projects that have not come together because of various supply chain issues, either unavailability of certain components or exorbitant price increases that made the original terms untenable to be able to deliver the project. Those things are out of our control. By having the utility submit a scenario to close its open position, they would be putting forward a bold plan to significantly accelerate their build-out over this kind of planning horizon in order to harness that funding and accelerate our progress toward those goals.

Again, one of the tension points in this discussion is how far do we go as a legislature in setting that direction and saying that is something we should definitely look to do, but also making sure we do not pick a landing point that might be off the mark in some way. To me, the combination of a legislative declaration reinforcing the importance of addressing reliability and affordability and the issues that come with significant exposure to the open market, then directing the utility to put forward a plan to completely close exposure to the open market. Having that in the mix for consideration and having the utility, who I think will talk about what they see as the potential financial benefits of doing so to ratepayers in the state. Hopefully, once that is brought before the Commission and that cost-benefit analysis is there, I think everyone recognizes that we need to do more. The question is, exactly where do we land? This bill proposes figuring out that exact landing point being determined by the Commission. I do feel this will help give clear guidance to everyone to move in that direction and to do so as soon as possible. The next IRP [integrated resource plan] will be filed in 2024. Everyone's shared goal is that IRP will put us in a position to help move toward these goals.

Chair Harris:

We have three more members who have questions. I am going to challenge you to answer them in 30 seconds or less. Are you game?

Assemblyman Watts:

Challenge accepted.

Senator Pazina:

This was a very interesting presentation. I appreciate how much work must have gone into this. I was curious during the discussions with stakeholders if the challenges they had in

Texas with their energy infrastructure went into any of the discussions here. Also, what you mentioned earlier regarding the loss of power for so many days in northern Nevada. What I am trying to get at is, was there a discussion specifically in regard to what tools may be used, both in the south when it comes to having that stability with the heat waves we have, and also having the stability in the north during the winter when we have freezing temperatures like we did this year?

Assemblyman Watts:

Some of those are really infrastructure challenges and hardening, reinforcing, and protecting our core infrastructure. Honestly, that was not as much in the forefront of this discussion, but it is important and I think it should be part of the planning process. A lot of the focus on addressing those issues through this is a mix of making sure we have enough access to dedicated electric resources, including energy storage, as well as looking at ways we can try to reduce demand to avoid some of those peak crunch periods where some of those issues pop up.

Senator Hansen:

One area where we would disagree is there is a 100 percent consensus on the concept that our constituents want to see lower energy costs. Energy costs have been going through the roof, as Assemblywoman Peters pointed out, for the last several years. One of the reasons for that is natural gas production has dropped substantially, which made the price go up. We quit fracking. The one issue you did not address, though, is the constitutional requirement that in the years 2022 and 2023 not less than 26 percent of the total energy the utility companies have to provide is to come from green energy sources. It has to go up to 34 percent in the next two years. I think there is a direct correlation between those requirements and the constant escalation in the cost of the energy they are providing. Do you see any correlation between those?

Assemblyman Watts:

Personally, I do not. I think it would be worth asking some of the others who are going to come up for their perspectives on that. My opinion is that our exposure to natural gas, given the various issues you just raised, and that spike in prices has been what has really hammered ratepayers. In fact, clean energy resources are the cheapest we have. That is why the pursuit of deals for dedicated clean energy resources is actually cheaper than our blended energy mix as a whole. Moving toward those goals, which we are currently on track to not just meet but exceed, is not an issue in that regard.

Senator Hansen:

I look forward to asking the utility companies those questions. It is my understanding the spike is at least partially related to this constant effort to try to go green when green production, as Assemblywoman Summers-Armstrong pointed out, is being sold currently out of this market because it is too expensive in our own markets. Solar energy costs are substantially higher than natural gas production.

All of the issues you brought up—any commonsense person—I cannot believe Warren Buffett, who is the owner of NV Energy, would not have addressed every single one of the points you are talking about. Do you really believe we as legislators are going to come up with some energy planning process that these guys have overlooked? You are the one who said in your presentation that we are not experts and the regulatory process is way over our head. I agree completely. It is not over the head of the people who have actually been producing energy for decades in Nevada. I am wondering what in this bill we are, in effect, forcing on them that they are not doing already based on normal market supply and demand.

Assemblyman Watts:

The goal of this bill is to make sure all of that stuff is done in a way that maximizes the benefit to energy customers in this state, whether it is the individual family or the largest company in the state. As you mentioned, for a large corporate monopoly utility, this is looking to strengthen the regulation on some of those decisions, so we put customers first.

Senator Hansen:

In 2016 and 2018 we had a ballot question on that very issue. We had the big consumers of energy basically trying to get away from a monopoly situation. The citizens of Nevada in 2018 reversed their 2016 vote by 2 to 1 and insisted we stay with a monopoly-type system. Is it your view that if we had broken out of that monopoly and opened up to a freer market-type energy situation, that would have made costs come down for citizens of Nevada and the bigger ratepayers?

Assemblyman Watts:

No, but it is my opinion that having a strong planning process overseen by a strong regulator is critical to making sure at the end of the day we are delivering the best service and the most benefit to the customers in this state. That is what this bill is hoping to improve.

Senator Hansen:

Thank you for the second bite. I hope we do get to ask questions of some of the utility people when they testify as well.

Chair Harris:

Everyone will.

Assemblywoman Kasama:

You can tell there has been a lot of work going into this. It is a balance. I think we hear from our neighbors, cities, communities, and our nations about energy self-reliance. It is a great concern. I think it does start in our homes and communities where we are concerned they are not getting the energy. To promote a balance of developing the green and other sources and making sure it is cost effective for everyone is that delicate balance. I think we all want that and want to work on that.

The overview question I have on the bill is in the details. What I am seeing, and please correct me, is currently when NV Energy goes for a rate application, they are just showing what their costs are right now. Is that correct? They are showing this is the cost and expenses and this is why we need to increase it. It is basically based on the historical cost to them for a rate application. I want to confirm that is correct.

Secondly, the overview of this bill would add to that with a planning process in great detail that has scenarios: one for green energy, one for the best cost-effective energy, and then adding a public forum. Is that a correct oversight?

Assemblyman Watts:

There are two existing processes. The simplest way to think about it is the resource planning process where we ask the utility to project what we need to provide, the different options to meet those needs, and what delivers it in the most cost-effective and beneficial way while also meeting some of our other goals, like movement toward our clean energy targets. Ultimately, that plan has to be approved, and that is the plan the utility works to carry out. Once that plan is approved, all those costs are deemed prudent, and then they are recovered at some point through rates. That happens through the rate case. While there are references to both in the bill, that is kind of different. They both already exist. Most of the provisions of this bill are trying to strengthen the resource planning end, which is important because anything approved through that essentially has to be recovered through rates.

Chair Harris:

We will open the hearing for testimony. If you are here to testify, do me a favor: take out your comments, cut it in half, bring the short version to the table. Do not forget the Committee will be accepting full written comments. We are at about one hour and ten minutes and we are just starting testimony. Please keep that in mind as you come up to the table to speak. If you are here to testify in support of Assembly Bill 524, go ahead and fill the seats.

Laura K. Granier, representing Nevada Resort Association:

I would like to thank Chair Watts for his work on A.B. 524, which was a very transparent, inclusive, and substantive process. If you want to give customers relief from the skyrocketing energy rates, he has hit the nail on the head. The way to do it is to improve the integrated resource planning process because if you do not improve that process and allow the PUCN to have a transparent, full, thorough vetting of the utility proposals, then you will only worsen the problem because you do not have the information before you to vet utility proposals. You do not have the information before you as to how much it will cost for the utility to close the open position. You will have no idea what kind of rate impact that would have if you were to accept the invitation to create some directive to the utility or to the Commission to close that open position. Please be cautious if proposals like that are made.

This bill proposes a significant improvement to the integrated resource planning process, and it will provide customers relief because, as Assemblyman Watts said, once a determination is made in that planning process that a project can move forward, customers are locked into paying for that project. We have to fix that process. What is wrong with it is the utility has sent serial amendments. The fourth amendment just recently heard was for \$1 billion. That is something I would submit should be done in a full IRP. With this bill, it would be. Notably, too, if the utility says we have to hurry up and get this proposal forward to the PUCN so we can bring down rates and close the open position, they can do that as soon as they want under this bill because it eliminates the three-year limitation to bring a full integrated resource plan. If time is of the essence, it is in their court under this bill to put all the information before the Commission so it can be fully and properly vetted.

Energy issues are increasingly complex and require a transparent dialogue with regulatory oversight to avoid unintended consequences like rate shock to customers. These issues must not be decided with legislative mandates or with short circuits of the PUCN process. The Legislature should not give a directive to the Commission to prefer any plan put forward by the utility or to accept any plan put forward by the utility. Any legislative directive that is proposed but circumvents that process or directs the Commission to prefer an alternative could have devastating rate impacts on customers. You are asking very good questions, and if you want to fix that problem, you should avoid giving any kind of mandate or directive for any kind of utility proposal or project. It should be fully vetted by the Commission. It begs the question: If a proposal like that is put forward to you, why would the utility not just put all of that evidence before the Commission for a thorough vetting where the rate impacts can be fully analyzed?

You may be told today or before you vote on this bill that there are modeling and financial predictions, that because of tax incentives this will actually drive rates down if the utility builds all of this. You do not have the data before you to evaluate that. What if the inputs are wrong? What if the assumptions are wrong? If you mandate a directive like that without any kind of data or any kind of vetting of that information, it is a huge risk to customers and you are putting tremendous risk of upward pressure on rates for customers. That belongs in front of the PUCN. This bill directs that the utility propose a scenario to look at—

Senator Harris:

Ms. Granier, you are at about four minutes.

Laura Granier:

I will wrap up quickly. I believe this bill strikes the appropriate balance, and any suggestion it does not go far enough should be looked at very carefully because you do not have the evidence before you.

One more quick point. This is a particularly important time to be talking about a thorough process because there is already \$2.5 billion of spending for the Greenlink Nevada that is going to be in process. That spending is not in rates yet, but it is coming. According to

NV Energy, that is nearly four times their average annual capital spend. That is already going to come into rates soon. Rather than create any further legislative directives for in-state generation, please consider carefully just strengthening the resource planning process as Assemblyman Watts has proposed.

Virginia Valentine, President, Nevada Resort Association:

I want to echo the statements made by Ms. Granier, and I also want to thank Assemblyman Watts for his willingness to work with a broad range of stakeholders to discuss and vet this policy proposal. This bill is the product of many meetings over several weeks with various diverse stakeholders, including the utility.

This bill will ensure a transparent process at the PUCN that will fully vet reliability and cost impacts to customers. The bill will ensure there are in-state resources to support supply and reliability for Nevada's future, and a process that is transparent and fair to customers. The bill's primary purpose is to effect a fair and balanced process: fair for the utility, fair to ratepayers, and a process that will address reliability, supply, and rate impacts. It allows regulators with the expertise, experience, and information to effectively evaluate all scenarios available to meet the future needs of Nevadans and to determine the best way to establish those needs. We support the bill because it provides a thorough, fair, and transparent process.

Lucas M. Foletta, representing Southern Nevada Gaming Group:

Southern Nevada Gaming Group is a group of gaming companies that participates in PUCN proceedings regularly. We also support the bill and are very appreciative of Assemblyman Watts's efforts here.

There has been discussion about striking a balance, and I think that is the appropriate framework and way to think about what the bill does. As Ms. Granier mentioned, this is an important time to think about this because we are clearly in an environment of rising rates. It is important to note it is an atypical environment. Electricity rates are not always rising. In a lot of cases when electricity rates rise, they are very minor and most people do not feel them. But that is not what we have been experiencing lately, as many of you have already pointed out. Because of the way electric rates are made, there is always a lag between when a utility makes capital investments and when we feel those rates.

As Ms. Granier pointed out, there is a \$2.5 billion expenditure that is going to be coming down the pike. However, there are also a number of other unusual expenses that are already being undertaken. For example, the PUCN recently approved a \$366 million peaking plant in southern Nevada to address reliability concerns that the utility brought on an expedited basis. In addition, the utility recently filed a three-year national disaster protection plan pursuant to which it proposes to spend \$475 million guarding against natural disasters. In the last year and a half, the PUCN has also approved \$170 million in electric vehicle transportation electrification upgrades. I could continue to go on. It is an expensive system to run, no doubt. However, these are unusual expenses and people will feel these.

The Bureau of Consumer Protection, Office of the Attorney General, recently estimated the average electric bill by July in Nevada will be \$470. As these expenses come down the pike, that will increase. It does not mean all of these expenses are wrong or we should not do these things, but it means we need to preserve the regulatory process as it relates to what we build, how we build, and when we build. Ms. Granier's point about a directive or any approach that takes the decision away from the PUCN to close or open positions or not, I agree would be a mistake.

I want to point out that the integrated resource plan process is not something most of us interface with. A very small number of people do. However, as you have heard from other people, one of the hallmarks of that process is it is multidisciplinary. It involves the expertise of economists, regulators, lawyers, accountants, people who do utility regulation for a living. It also involves statutory regulatory requirements that require the production of substantial amounts of data; for example, load forecasts that predict over time how many people are going to need electricity and how much. It predicts what resources will be coming online in the future, and it also estimates the rate impacts when the cases are done properly. The process is overseen by PUCN commissioners and a Commission that is built for the purpose of making those decisions. It really is the Commission that is obligated to make that decision. It is not a utility decision; it is the regulator. That is a function of a regulatory compact that says the utility does not have to deal with competition, but they do have to be regulated because there are problems.

Senator Harris:

Mr. Foletta, you are at 3 minutes and 15 seconds.

Lucas Foletta:

I will finish with this: the last problem the IRP addresses is something called capital bias. Public utilities get a return on capital investment. They are authorized for that under U.S. Supreme Court law. Everything they build comes with a cost. Part of what the integrated resource plan does is decide whether and to what extent the utility should own capital assets and invest in them because there is that added expense. It is one more reason, given the rising rates, why we should be very careful about what we do here.

Michael D. Hillerby, representing Google:

Google supports Nevada's ambitions to create a clean electricity system and supports economic development. This legislation advances the process on long-term planning for electricity by making it easier for customers and other stakeholders to weigh in on plans NV Energy brings forward and gives the PUCN the appropriate oversight over their approval.

A strong integrated resource planning process is critical to advance the state toward a cost-effective, zero-carbon electricity system with customers, both large and small, at the center. Google is happy to support this bill and would like to thank Assemblyman Watts for his work and for bringing so many parties together to work on this bill.

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

We are here in support of A.B. 524. Nevadans want clean energy and deserve a better resource planning process that protects customers. Earlier this year, NV Energy requested and the PUCN approved a new gas peaker plant in southern Nevada, despite Nevadans being hit hard with high utility bills due to volatile gas prices. This new fossil fuel infrastructure was approved largely due to a broken and outdated IRP process.

Assembly Bill 524 will increase transparency in this process, provide for more stakeholder and public participation, and close loopholes that enabled NV Energy to push through this new gas plant on a rushed timeline. Additionally, it will strengthen the IRP process to emphasize commitments to clean energy while ensuring reliability and affordability for customers. This bill is an important step forward in energy planning, and we urge the Committee's support.

Andrew Diss, Senior Vice President and Strategy Officer, Meruelo Gaming:

We operate the Sahara Las Vegas and the Grand Sierra Resort in Reno. I want to thank Assemblyman Watts for bringing this bill forward. As he said, this has been a painstaking endeavor that has involved multiple interest groups over the course of this session. I think we have come to a good place with this bill before you today.

Reliability and keeping rates under control for all our team members is of the utmost importance to us. Our two properties are a little different. At Sahara, we use an outside energy provider. We went through the NRS Chapter 704B process several years ago. At the Grand Sierra Resort, we are a large commercial customer for the utility. All of the reliability issues we have experienced as a company, we have seen related to the Grand Sierra. That is where the service is provided by NV Energy.

We are able to be greener for cheaper and enjoy more reliability with our outside provider at Sahara, but the biggest example of which was touched on earlier with the significant weather event we had in January. Over the New Year's weekend, we had 71,000 northern Nevadans who are utility customers and went without power. This was not just for a few hours, this was for several days, almost a week for several customers, including a lot of our team members. Some of those team members have family members who rely on medical equipment that requires power to their houses. They had to come up with accommodations and find different housing on a whim because their power was out for so long.

Because of those concerns, when it comes to reliability with the monopoly utility we have in this state, we are in favor of this bill and we ask for your support.

Sasha Sutcliffe-Stephenson, President, MGM Resorts:

We are in support of this bill. I have nothing new to add, so I will leave it with a thank you to the sponsor of this bill for being so inclusive during the process.

Jermareon Williams, Government Affairs Manager, Western Resource Advocates:

Western Resource Advocates fully supports A.B. 524. This bill is a great first step toward reforming the electric resource planning process in Nevada. This measure ensures stakeholders have a greater opportunity to understand the utility's plans before resource decisions are made and ratepayers are only paying for the most cost-effective and reliable resources that will advance Nevada's greenhouse gas emission reduction goals. I would like to thank Assemblyman Watts for bringing forth this bill.

Tessyn Opferman, representing I-80 Gold Corporation:

I-80 Gold Corporation is a two-year-old mining company that today is focused on acquiring retired mine sites and putting them back into production. It is rare for mining companies to get involved in this policy area, as the largest operators rely on their own power generation for their operations. However, a company the size of I-80 Gold, particularly a young one, does not have access to resources to do that. Mining and milling are incredibly energy-intensive processes and mines are the largest consumer of energy outside of Clark County, which leaves mining companies like I-80 Gold particularly sensitive to rate increases. It also leaves them vulnerable to shortages in the overall supply of energy in the state.

We understand energy policy requires a delicate balance between ratepayers' various needs and it puts the Legislature in a difficult position. We believe A.B. 524 finds a balance and gives clear direction to the PUCN without tying their hands or forcing additional costs onto consumers. For this reason, we are in full support of this bill, and thank you for the hearing today.

Erin Midby, Vice President, Government Affairs, Boyd Gaming Corporation:

I want to echo all the thanks to Assemblyman Watts for his leadership and work on this bill. It has allowed for robust and substantive policy discussions and deliberations on important energy policy, which I think is critically important in these times.

Boyd Gaming Corporation is in support of A.B. 524, as we believe it is a good compromise which affords NV Energy the ability to address issues or concerns related to reliability and the volatility of the open energy market, while at the same time ensuring the PUCN has the authority to fully vet proposed projects and the impacts on ratepayers to protect consumers. As Assemblyman Watts said, this protects and benefits all ratepayers. While Boyd Gaming might be a large ratepayer, in the end it is of the utmost importance to keep it affordable and reliable for our team members and customers alike. We urge your support on this bill.

Michael Alonso, representing Caesars Entertainment Inc.:

Caesars Entertainment Inc. is in support of A.B. 524. We want to thank Assemblyman Watts for bringing the bill and for having an open process. He took into consideration input from all the stakeholders, and we thank the stakeholders for their participation.

Caesars Entertainment believes a reliable and reasonably priced power supply is critical to the state and is incredibly critical to our industry and our employees. For all the reasons previously stated by the Nevada Resort Association representatives, we support the bill, which we believe reflects a good balance of stakeholder input and provides a pathway to reliable, cost-effective electric service that aligns with the state's integrated resource planning process. We also believe A.B. 524 will create jobs.

Jessica Ferrato, representing Switch:

We want to thank Assemblyman Watts for his transparency through the process and inclusiveness of stakeholders in crafting this bill. We appreciate the bill provides for evaluation through the IRP process within the PUCN. We look forward to working with the utility and the PUCN in a continued transparent process on future projects. Thank you for your consideration.

Tom Clark, representing Reno + Sparks Chamber of Commerce:

A lot has been said; we agree with all of it, so ditto.

Richard Perkins, representing NextEra Energy Resources LLC:

We are in support of A.B. 524. As Mr. Clark said, ditto.

Chair Harris:

We got better towards the end. It looks like we have someone in Las Vegas to testify in support. Please begin when you are ready.

Nick Christenson, Volunteer Member, Legislative Committee, Toiyabe Chapter, Sierra Club:

On behalf of the Sierra Club and our members and supporters statewide, I am speaking in support of A.B. 524. We appreciate Assemblyman Watts's efforts to provide a framework to modernize Nevada's regulatory regime. Consequently, we are happy to support this bill as it stands. However, we view this as just the next step on a very long list of critical changes that need to be made in order to adapt our utility regulation apparatus to meet our future needs.

This is the part where I would explain how we should do that, but in deference to Chair Harris's request, I will instead merely hope you will read the exhibit submitted [[Exhibit D](#)].

Senator Harris:

I am not seeing anyone else in Las Vegas waiting to testify in support. Is there anyone waiting on the phone wishing to testify in support of A.B. 524?

Mary L. House, President and CEO, CHR, Inc., Las Vegas, Nevada:

I am also the first lady of Mountaintop Faith Ministries. I want to say CHR, Inc., is in full support of A.B. 524. Many of the people CHR represents and advocates for are low-income or fixed-income people. They are often renters and have a higher energy burden than wealthier customers. They also live in communities and areas where power outages occur

more frequently, which Assemblywoman Summers-Armstrong was talking about. This is not due to the utility's ability to provide enough energy but is because the infrastructure is old and in desperate need of upgrades. We need reliable energy all year long. I am sure you have heard from your colleagues who represent this area that this is a problem that disproportionately impacts low-income and communities of color.

Our organization has worked to promote utility programs that help customers lower their bills. That is just not enough. The utility needs to do more to upgrade infrastructure in these communities and offer better programs to reduce energy demand through energy efficiency measures, weatherization, and more. We believe the improvements to the planning process in this bill will help make sure all communities get the investments they deserve to keep their electricity service affordable and reliable. I want to thank Assemblyman Watts for bringing this bill forward.

Barry Lieberman, representing South Point Hotel, Casino & Spa:

I want to thank Assemblyman Watts for having such a transparent process where all interested parties had input and ended up crafting a bill that was a compromise, but is a fair one to everyone. Ms. Granier, who testified on behalf of the Nevada Resort Association, set forth the issues in her testimony. What we need is transparency. We cannot allow a rush or mandatory expensive projects that benefit NV Energy by increasing their profits because they get a return of income on the amounts they spend at the expense of customers and individual ratepayers who have to deal with the large increases that have recently occurred and that, as Ms. Granier pointed out, are coming in the near future because of the Greenlink project. The PUCN is the place for a transparent and thorough process to see what expenses are appropriate, what kind of capacity is needed, and what is fair for both NV Energy and the ratepayers. We think this bill is a great bill, and we appreciate Assemblyman Watts bringing it forward.

Marlon Anderson, Clean Energy Community Organizer, Faith Organizing Alliance:

We appreciate Assemblyman Watts's leadership on A.B. 524, and we echo the comments that have come before us. Utility customers are already experiencing outrageously high energy bills, and summer is just starting. I am sure some of you have heard from your constituents about how hard it is to make ends meet because their bills are unpredictable and unaffordable. This is because of our overreliance on gas, which is volatile and has to be imported from out of state. We need the utility to do better planning to diversify Nevada's energy needs while keeping their customers top of mind. We deserve clean, affordable energy and a resource planning process that protects us. We are pleased to see that this bill strengthens the process and closes loopholes that allowed the utility to fast-track a brand-new gas peaker plant earlier this spring. We must be forward thinking and take action to reduce the risk of skyrocketing electric bills and rate shock moving forward.

Assembly Bill 524 helps to make the planning and vetting of energy pricing at the PUCN more robust and transparent. This is why we support this legislation.

Angie Dykema, representing Southwest Energy Efficiency Project:

We would like to thank Assemblyman Watts for bringing this bill forward. We believe this is an important step to provide greater transparency of our utility integrated resource planning and also to ensure affordability and reliability of our energy system. The Southwest Energy Efficiency Project especially encourages the inclusion in the plan of the evaluation on the impact of the utility's ability to advance cost-effective [unintelligible] management.

Energy efficiency is currently a too often overlooked resource which can greatly contribute to resilience and reliability and especially affordability. Energy efficiency programs have the potential to be some of the most impactful, proven mechanisms to save consumers and businesses money on their utility bills, reduce greenhouse gas emissions from homes and buildings, and improve air quality. It is important that NV Energy improves upon their currently existing programs through a robust and transparent planning process at the PUCN.

The Southwest Energy Efficiency Project also supports the requirement for the consumer session to review the plan and provide opportunities for an open process for the public to learn about the plan in adequate detail. We encourage the Committee to expeditiously pass this important legislation.

Melodee Pratt Wilcox, Nevada Legislative Committee Chair, Mormon Women for Ethical Government:

As energy consumers, engaged citizens, and women of conscience, we are concerned about the variety of environmental issues and the health and economic impacts these issues have on individuals and families in our state. For these reasons, we support Assembly Bill 184, the Clean Trucks and Buses Incentive Program, as a means to reduce air pollution. We are concerned about the air pollution created by emissions from our transportation sector, which causes significant health problems.

Nevada cities rank among some of the worst in the nation for pollutants, but all Nevada communities located along highways, busy roads, and commercial corridors are at risk. Medium- and heavy-duty vehicles are responsible for at least 25 percent of the air pollution, even though they only comprise 5 percent of the vehicles on the road. Transitioning them to electric vehicles will substantially reduce carbon pollution, improve air quality, and reduce the rates of heart and lung disease caused by air pollutants.

Many large shipping companies are already eager to electrify their fleets. Creating an incentive program here in Nevada will ensure our small-business owners, school districts, and commercial fleets in underserved areas are able to use the funding available through the Bipartisan Infrastructure Law and the Inflation Reduction Act to benefit from transitioning to electric vehicles as well.

We thank Assemblyman Watts and the bill cosponsors for their bipartisan leadership in bringing this bill forward, and we strongly urge this Committee to support and advance this bill as well. [[Exhibit E](#) was submitted in support of Assembly Bill 524.]

Chair Harris:

Seeing no other callers waiting on the phone to testify in support, we will move to Carson City for testimony in opposition to A.B. 524.

Hunter Stern, Assistant Business Manager, International Brotherhood of Electrical Workers Local 1245; and representing International Brotherhood of Electrical Workers Local 396:

Our members work for NV Energy, Sierra Pacific Power Company in the north, and Nevada Power doing business as NV Energy in the south. We have serious concerns with the bill. Our position is opposed unless amended. We want to thank Assemblyman Watts. We have been meeting with him. I agree with previous speakers that there has been a lot of engagement. I disagree with the level of ability to engage as the bill dropped as a written piece of legislation just last Friday.

We have proposed amendments, but without going into a lot of detail we will continue to talk to Assemblyman Watts about them. They have to do with clear direction to fill this open position, which is absolutely necessary to help with price as well as supply. It is the supply we are most concerned about. It also talks about utility-owned resources to ensure we get the supply we need and we get the projects that have been promised and approved by the PUCN already actually built because some of those developers are raising concerns, as Assemblyman Watts mentioned in his testimony, and may walk away from those projects. We need those megawatts, particularly clean energy megawatts, on the grid here in Nevada. That is also our work.

I do want to add, our members get hell when, for whatever reason, people are out of power. We are the guys out in the field, and our members are answering questions when customers call. We want that infrastructure to be as sound and reliable as possible. For one, it is work; for another, it is also smooth sailing for our members. This is a little bit different and outside the scope of the bill, but it is equally important to us. I do appreciate the legislators who have brought that up.

In terms of our second amendment, we have suggested increasing the renewable portfolio standard (RPS), which will actually increase the rate at which clean energy projects could be built and would help supply the state. All of these are in-state resources. I think this is the most important element. When you build and utilize the power here, you do not have to worry about constraint and congestion, as Assemblyman Watts termed "firm transmission." It is here in the balancing authority and is being delivered and customers can use it. That is the most reliable way and the most certain way to establish what we need.

The urgency around this open position and the fact there is not enough supply on our grid within Nevada and the Western grid is the fundamental problem. That is still not solved by this bill. As much as everyone talked about how much the process worked and how it is going to help, if we do not have electricity when we need it, that is going to cause a lot more

pain and suffering economically and health wise. Those are the issues we are concerned about. We want to make sure we can keep everyone in power 24 hours a day, whether it is December 15, August 15, or any other day of the year.

Ronald "Ronnie" Young, Assistant Business Manager, International Brotherhood of Electrical Workers Local 357:

Nevadans benefit from construction in in-state renewable energy projects because they perform the work and the investment directly benefits the Nevada economy. If passed as is, we believe A.B. 524 will not accelerate the increase of Nevada's renewable energy supply, which we have, and we have already seen examples of developers walking away due to these issues.

We do appreciate the sponsor, who continues to meet with us about our concerns, but unfortunately, we stand opposed as written.

Paul Catha, Political Director, Culinary Workers Union Local 226:

We oppose the bill for the reasons outlined by my colleagues with the International Brotherhood of Electrical Workers (IBEW).

Ryan McIntosh, representing Nevada Fire Chiefs Association:

In consideration of your time, I will try to keep this brief. As the state's fire chiefs' association, we have several concerns with A.B. 524. The most prevalent, while the proposed planning process looks primarily at rates, supply is an issue. The significance for potential rolling blackouts remains and creates a major public safety concern. Extreme heat already creates elevated risks of wildfires and medical exposure, and these threats will be substantially increased if accompanied by a blackout.

Electricity is vital for emergency response, communications, and for our constituents whose health is reliant on critical medical equipment and support powered by electricity. Loss of power will disrupt our essential communication functions, which enable and protect first responders during emergencies as we serve and protect the communities we all serve. It also leaves some of our most vulnerable populations without the use of electrical power to deliver oxygen and respiratory-assistive devices, among other equipment. This in turn creates additional emergency response demands upon our responders at times of elevated risk and demand.

A study recently published in the *Journal of Environmental Science and Technology*, which was also picked up by *The New York Times*, shows that nearly 800,000 residents in Phoenix, Arizona, would need emergency medical attention if the power went out during a heat wave. It is likely that Las Vegas, or even Washoe County on an adjusted scale, would be in a similar position. Relying on market power acquisition to meet peak summer demands is dangerous for all Nevadans, especially for first responders, fire emergency medical services, and the most critical we serve.

Nevada Fire Chiefs Association is in opposition to A.B. 524.

Danny Thompson, representing International Union of Operating Engineers Local 12:

Filling that open position is critical for all the reasons you have heard. We do not support the bill as written. We do support the amendment Mr. Stern spoke about for increasing the RPS. We look forward to working with the parties to resolve this issue.

Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:

We are in opposition to the bill. I would like to echo the sentiments of the previous speakers.

Marc Ellis, President, Communications Workers of America Local 9413:

First of all, I hope you caught the two obvious puns that this is an electrical bill and Assemblyman Watts brought it, and the second one is someone testified they were shocked when they looked at their bill.

I could go into a long dissertation about how my members also climb the same telephone poles or power poles as the IBEW, but instead I will leave it that I stand in opposition.

Rob Benner, Executive Secretary Treasurer, Building & Construction Trades Council of Northern Nevada:

We are concerned the passage of this bill would mean the outsourcing of energy production and energy jobs outside of Nevada to states with lower labor standards and lower environmental standards. Instead, we should focus on improving and increasing in-state energy production to make sure Nevada's dollars stay in Nevada while also improving our region's good-paying jobs and environmental outcomes.

Sarah Collins, representing National Electrical Contractors Association:

Contractors, employers, and other Nevadans benefit from construction of in-state renewable energy products because they perform the work and the investment directly benefits the Nevada economy. We are in opposition to this bill.

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

Peter Guzman, President of the Latin Chamber of Commerce, could not be here today to provide his testimony. We do appreciate the extensive work Assemblyman Watts has done and the efforts made to get A.B. 524 where it sits today. Unfortunately, the Latin Chamber of Commerce is opposed to this bill as written. We do not believe this legislation, as presented today, does enough to timely address energy supply shortages facing all Nevadans. We support a solution whereby Nevada can leverage opportunities to develop more in-state electricity generation resources. This additional capacity will protect Nevadans from the increasing cost of energy on the open market and risks of blackouts.

Tony F. Sanchez III, Executive Vice President, Business Development and External Relations, NV Energy:

I am joined today by two of my colleagues at NV Energy. Janet Wells is our vice president of regulatory relations and oversees the putting together of the integrated resource planning process you have heard so much about here today. Carolyn Barbash is our vice president of transmission development and policy for NV Energy and is an acknowledged expert on Western market conditions. Each of them will present short presentations, and we would be happy to answer any questions from the Committee.

Chair Harris:

Before we do that, is there anyone else here in Carson City who wants to testify in opposition? [There was no one.] We are going to opposition in Las Vegas and over the phone and then we will come back to you, Mr. Sanchez.

Ana Wood, Director and Government Affairs Chair, Asian Chamber of Commerce, Las Vegas, Nevada:

I am here in opposition to A.B. 524. Assembly Bill 524 does not address the critical need of advancing energy reliability in Nevada, which could negatively impact economic development. The entire Western United States is facing a major energy reliability crisis. Assembly Bill 524 ignores the urgency of this crisis and does not go far enough to insulate Nevadans from extremely high energy costs on the open market.

The North American Electric Reliability Corporation (NERC), the regulating authority that monitors the electrical grid, has issued a warning for summer reliability during periods of extreme heat. Nevada and the rest of the Southwest are at an elevated risk of rolling blackouts due to lack of available energy resources. We need to act now. The Nevada Legislature cannot ignore the problem the lack of energy supply poses to Nevada.

Assembly Bill 524 does not take this issue seriously and lacks the necessary action to protect millions of Nevadans from the risk of blackouts. Blackouts disrupt our work schedules and projects. It can send our employees and workers home from work and they can lose pay and are exposed to health risks from lack of protection from the hot weather. It is for these reasons that I oppose A.B. 524. I urge the Committee to oppose the bill as well.

Chair Harris:

Is there anyone else in Las Vegas who would like to testify in opposition? [There was no one.] Is there anyone on the phone who would like to testify in opposition?

Robert Sumlin, representing International Association of Machinists and Aerospace Workers Local 711:

I am here in opposition to A.B. 524 and urge the Committee to oppose it as well.

Thomas Bird, President, Nevada Alliance for Retired Americans:

The Nevada Alliance for Retired Americans has 19,000 members across Nevada and eastern California. I am here in opposition to A.B. 524 for members all over Nevada and eastern California, for those in southern Nevada needing air-conditioning in the summer, to those in northern Nevada and northeastern California needing air-conditioning in the summer and heat in the winter months. As a senior myself, I know extreme heat in the summer or extreme cold in the winter are at times—especially in power outages—potentially life threatening to seniors.

For the reasons above, I am opposed to A.B. 524, which presents an unnecessary added danger to the seniors and other elements of the population. I cannot say it enough: follow the science. Relying on market power to meet seasonal demands is dangerous for all Nevadans. This bill does not go far enough to protect customers.

Tony P. Simmons, Private Citizen, Las Vegas, Nevada:

I oppose the current version of the bill because it does not adequately address the core issue, which is the fact that the PUCN and the regulatory process does not have the personnel to do the proper engineering analysis of NV Energy's proposal.

I would also like to comment that this joint meeting today is quite interesting. It was ten years ago that an Assembly bill was modified to warn Berkshire Hathaway that NV Energy's IRP process was broken. This is not news to Berkshire Hathaway.

Matthew Dustin, Executive Director, Southern Nevada Chapter, Electrical Contractors Association:

I am here in opposition to A.B. 524. Nevada has the opportunity to become the clean energy leader in this country, but as drafted, A.B. 524 will place us at a disadvantage by creating roadblocks. If passed as is, A.B. 524 will slow, not accelerate, the increase of Nevada's renewable energy supply. This bill will put Nevada further behind in reaching its target reduction goals. For those reasons I oppose A.B. 524, and I urge the Committee to oppose the bill as well.

Chair Harris:

Seeing no one else waiting on the phones to testify in opposition, we will come back to Carson City and allow Mr. Sanchez and his team to continue. I am hoping we do not have a full presentation. We will have Committee members asking questions, so you will be able to work in thoughts and points through that as well.

Carolyn Barbash, Vice President, Transmission Development and Policy, NV Energy:

I am here in opposition to A.B. 524. Nevada, like the rest of the West, has already experienced difficulties obtaining adequate resources to serve its peak electricity demand. This risk is increasing rapidly and has been since 2020. During the summer months, electricity demands in Nevada spike, and nearly triple the average electricity use in our state. This spike in demand leaves us nearly 3,000 megawatts short of what we have to fill in the

open market. It has become more and more difficult to find energy on the open market due to retiring thermal generation, increased variable resources without accompanying storage facilities, extreme heat events, and damage from wildfires.

The Western Electricity Coordinating Council, which exists to ensure reliable operation of the Western electric grid, has issued a series of warnings over the last year forecasting the West will experience insufficient resources during peak electricity demand over the next ten years. Compounding this problem are actions taken by the California electric market operator that blocks delivery of energy purchased for Nevadans and places a higher priority on delivering resources to meet California's large shortfall. To put that in perspective, the California market represents about 80 percent of the load west of the Rockies.

NV Energy experienced multiple emergencies in 2020 and 2021, including level 3 energy emergencies. A level 3 is the highest-level energy emergency before rolling blackouts are implemented. Rolling blackouts were experienced across the United States in 2020, 2021, and 2022 due to lack of adequate electricity supply. During such a time of volatility in the open market and with the increasing lack of available energy to purchase, it would be irresponsible and dangerous for Nevada to continue relying on market purchases or even entities not regulated under the jurisdiction of the PUCN to meet peak summer demand.

Assembly Bill 524 does not insulate Nevadans from the risk and price increases that are resulting from reliance on the energy market and nonjurisdictional suppliers. For these reasons and many more, we are opposed to this bill and we ask the Committee to support opposition to A.B. 524.

Janet Wells, Vice President, Regulatory Affairs, NV Energy:

I am here today in opposition to A.B. 524. Our heavy reliance on the open market to provide power to Nevada is both risky and costly. The average price for market purchases of energy has increased significantly over the past few years. While NV Energy can generate a megawatt of energy for about \$50, purchasing that same amount of energy in the open market costs more than three times as much in 2021, at an average of over \$150 per megawatt hour for the summer months, and more than four times as much in 2022, at an average of over \$230 per megawatt-hour. This resulted in NV Energy spending over \$1 billion on energy from the open market in those two years alone. At the peak, NV Energy was paying over \$1,800 for a single megawatt of power on the open market. If NV Energy had generation resources that displaced the need for the market purchases, it would have saved Nevada customers over \$700 million in energy costs over those same two years.

There is a solution. Nevada can mitigate our reliance on those expensive and risky purchases and reduce the likelihood of rolling blackouts if we invest in our energy future by closing this open market position and by increasing electric generation in the state of Nevada or utilizing transmission to bring dedicated electric generation resources into Nevada.

Why is this important now? The Inflation Reduction Act has presented Nevada with an opportunity to leverage millions of dollars of federal tax benefits that will offset the investments made on renewable energy projects. If we do not take advantage now, we lose that opportunity. The Inflation Reduction Act provides up to 50 percent investment tax credit for renewable energy and storage projects. For projects that are built by NV Energy, the PUCN has oversight and ensures they are built and operated in a reliable manner with the tax benefits flowing directly to our customers.

As we add solar generation and battery storage with the benefits of the Inflation Reduction Act, we estimate that every 100 megawatts we build and add to our grid, we will save customers an average of \$10 million a year, so we can make a significant investment in these clean energy assets under the Inflation Reduction Act and bring down the volatile fuel costs we have now as we rely on the open market.

Nevada needs a bold policy directive that increases our in-state generation resources, ramps up renewal energy projects with federal funding, and ensures we meet our renewable energy and carbon reduction goals. Please join us in advocating for Nevada's energy reliability and clean energy future and oppose A.B. 524, as it simply does not provide any clear direction to solve these real problems that are faced by Nevada.

Tony Sanchez:

We do want to express our appreciation to Assemblyman Watts for the extensive opportunity to discuss these very pressing issues with him. We concur in all of the comments that were made about what a transparent and inclusive process it was, and we look forward to working with this Committee as well as Assemblyman Watts's committee in the off session as these issues continue to press forward. We concur that we are scratching the surface on a lot of the issues that need to be dealt with.

Overall, there were two main points that were summed up by numerous supporters of the legislation. Our position is, we feel the legislation just does not go far enough. The great majority of what is in A.B. 524 can already be done by the utility in the context of the integrated resource planning process. Much has been made about the PUCN's oversight role and responsibility under a process like this, and that is one we concur with. This is more about the state indicating there should be a very strong policy statement and a policy pronouncement by the Legislature, which is the Legislature's role, indicating the open position we currently have—which is 30 percent of our energy in the summertime when we need to buy in the open market—needs to be closed and closed quickly because the West is in a dire state of energy emergency. Whether it is the North American Electric Reliability Corporation or the Western Electricity Coordinating Council, they have all come out in the last month indicating there is a severe shortage of energy throughout the country, particularly in the West, and it is Nevada that is oftentimes the victim of mistakes made in surrounding states. We have seen that the last three summers in a row. I personally, along with my colleagues, made numerous phone calls to customers during some of the hottest times of the year, typically in September because the heat has been sticking around even longer, and

asking customers to curtail. Fortunately, we have avoided those rolling blackouts, but there is a need to have a strong pronouncement from the state that we need to close that open position under the full guidance and under the full IRP process of the PUCN. We are not advocating an abdication of that process. We are just saying the state needs to make it a priority to close that open market.

That goes to the second issue, which is affordability and rates. It is because of our purchases on the open market that we spent that \$1 billion over 2021 and 2022 to buy energy on the open market, of which \$724 million would have been unnecessary had we had more in-state resources.

One could ask, Why have we not brought forth a plan already to close this open resource? The bottom line is the Inflation Reduction Act passed by the federal government is a game changer for us and gives up to a 50 percent discount in terms of federal tax credits for investment tax credits, and that is something we need to take advantage of. There have already been proposals to curtail those investment tax credits that have already passed. This is an opportunity at substantial savings for our customers not only to close our open position but to do so for the benefit of Nevada energy independence. With that, we are ready to answer any and all questions.

Chair Harris:

We will start with Assemblyman Carter.

Assemblyman Carter:

We have heard a lot of talk about the volatility in the fossil fuel markets and also about air quality in districts like mine on the east side of Las Vegas. Would NV Energy support an increase in the renewable portfolio standard?

Tony Sanchez:

We stand before you very proud of the record that NV Energy has in meeting the ever-changing renewable portfolio standard that goes back to 1997, which started with about 50 rooftops, I believe, and a very small mandate at the time, that has now grown into 50 percent of our energy by 2030. Under the current state of the law, we were supposed to report we met a standard of 29 percent by March 20, 2022. We are very proud that we exceeded that and actually reported statewide about 37 percent. In our opinion, we have done a fantastic job. Also, at the same time, without having a general rate case in the south—

Chair Harris:

Mr. Sanchez, I think that was a yes- or no-question.

Tony Sanchez:

We support it 100 percent. We supported the increase of 50 percent by 2030 in 2019, and we would support an additional increase today. With that inclusion in this bill, it is something we would wholeheartedly support.

Assemblywoman Summers-Armstrong:

Thank you, Mr. Sanchez and your team, for coming forward to answer questions. I am going to make a quick statement. The first speaker on your team made a remark about California protecting their interests in making sure they had power that is generated within their state to serve their state. I do not think we should be mad about that. I think we should take an example from that. Nevada is our home. I have said it before, Nevada is a fabulous, beautiful state and she should be partnering with people who are looking out for her best interests. Anyone who is generating energy in our state, in my opinion, some of that energy should be set aside for our folks.

None of you are new to this game. Have you been working with any of our smaller generators over the last several years? We have plenty of folks who have arrays around the state that are generating energy that is not impactful to our environment. Are you developing relationships with them to get power from them to go on the grid so we do not have this gap?

Carolyn Barbash:

I feel I need to clarify something first. When I stated the California energy market organizer prioritizes delivery to California, those are from outside California as well. To give a specific example, when the Northwest hydro is very economical, NV Energy buys some of that economical power to supplement its needs to optimize the prices for Nevadans. California, when they have a shortage, blocks delivery of those that go through their transmission system, for which we also pay for service to be delivered, and prioritizes those deliveries to California first. It is not energy produced in California that we are being blocked from.

I will say we have been working extensively for many years on regional markets in order to get resources from other locations. Really that is because Nevada cannot take full advantage of the vast solar resources we have without complementary resources from other states, where Nevada is not so rich in wind, hydro, and things like that.

With that, I will let my colleagues speak to how we worked with other suppliers to invest in solar.

Tony Sanchez:

We have currently signed \$20 billion worth of contracts with developers around the state of Nevada for power purchase agreements. The vast majority of those are providing energy and we continue to have requests for proposals seeking new generation forms. We have an increasing portfolio standard as it is. Again, we have to meet a 50 percent standard by 2030, so we are going to continue down that road. At the same time, we are also endeavoring to

build projects owned by our company as well. We had several projects approved in our last IRP process in 2021 that were approved by the PUCN, signed power purchase agreements, and we have been notified that those projects, which were supposed to come online this December—and I am referencing well over 1,000 megawatts of battery storage and solar—will not be produced for various reasons. There is an immense demand for energy.

Today we have an economic development team at NV Energy that is constantly getting requests whether we can serve capacity of new data centers, heavy industrial, or various types of projects throughout the state. We have literally thousands of megawatts of demand coming out of the system in the near future. Right now, because of prices and natural gas prices and what it is doing to our customers' rates that we are experiencing today, we need to wean ourselves off the open market and build more in-state resources, just like Governor Kenny Guinn did 20 years ago with his Repower Nevada plant.

There is a misnomer that the Legislature does not give direction to the PUCN in the energy sphere. There is a long history of giving direction and mandates to the Commission—

Chair Harris:

Mr. Sanchez, I do not think her question had anything to do with whether the Legislature gives the PUCN direction or not. She has a follow-up question.

Assemblywoman Summers-Armstrong:

I can hear in your voice you are frustrated that some of the projects you have online are being set aside or have been paused and that is interfering with the demand you are expected to supply. Can any of our needs be mitigated by working on reliability projects so we are not losing energy to infrastructure that is not necessarily up to speed, especially in the areas where I live and others? I am not a scientist and I do not do this for a living, but I have a kid who is kind of a nerd. One of the things we have talked about many times is delivery of energy. If the infrastructure is not up to snuff, if we are using above-ground wiring, we are losing the effectiveness of the transmission. I know many of the folks who are in the trades are concerned about what this means if we are not building new stuff. I am wondering, can we keep folks really busy improving the old stuff—replacing the old stuff that needs to be replaced because it is no longer effective?

Tony Sanchez:

We share your concern over the hardening of our system within the city limits of Las Vegas and southern Nevada. From a human resources standpoint, we have been hiring dozens of engineers. Our lineman classes and apprenticeship classes have broken records in terms of the folks we are hiring. Our commitment and the investment we are making in existing infrastructure is second to none in the state. We have committed to the PUCN and we are committing to the Legislature that will continue. There are certain areas that have been underinvested in. The electric vehicle program that was passed by the Legislature in 2021 mandated that 40 percent of the \$100 million we spend in electric vehicle infrastructure be spent in underinvested areas. We are very proud that the plan we did file with the PUCN,

which was approved, provides for spending 51 percent of those funds in underinvested areas, including the areas you are referencing. We are going to continue that, and it is at the top of mind for us. It is not about just building high-voltage transmission lines to access renewable energy projects around the state. It is also serving our existing customer base, making sure if we have another heavy, wet, Sierra cement snowstorm like we had this past New Year's Eve in northern Nevada, our equipment is up to speed. We have spent tens of millions of dollars on our NDPP [Natural Disaster Protection Plan] program in Lake Tahoe, Mt. Charleston, and those areas, redoing and inspecting lines, power poles, getting rid of the old wooden power poles and replacing those with steel, undergrounding when and where we can, and we will always continue to do that when cost is taken into account. We are firmly committed to reinvigorating our existing system at the same time dealing with the explosive growth we have and that we are experiencing today.

Chair Harris:

We are going to go back to the 30-second challenge for answering questions. We have three more questions, and we still have neutral testimony.

Assemblywoman Brown-May:

Thank you for your time and dedicated efforts. I have to say I appreciate that the lights are on, especially as we have this conversation. I want to talk about the PUCN and gas as we build out the diversification of the resources we have. I do not believe the new gas plant that was approved by the PUCN is included in the integrated resource plan done in 2021. Can you talk about that? Would that help in ensuring the diversification of our energy supply as we continue to grow?

Janet Wells:

That plant was part of an amendment process and approved through an amendment process. An IRP amendment is fully vetted with participation from the staff, from the Bureau of Consumer Protection—

Chair Harris:

Would it help with the energy mix?

Janet Wells:

Yes, it does. In fact, it supports the addition of more renewables because it can ramp up quickly as renewables are dropping off, and it can also ramp down quickly as renewables are ramping up. It very much helps with the diversification.

Senator Hansen:

Question 3 in 2016 passed 2 to 1 and the idea at that time was we would be going to go to the open market you are posing now. In 2018 we had the same exact question and it was a complete reversal on the vote. The biggest issue, as I recall, was that NV Energy was

actually using casinos and the bigger consumers to subsidize the little guys. There was a concern if they left the marketplace—the energy grid NV Energy was using—prices would go up for the little guys everyone is talking about here. Is that still accurate?

Tony Sanchez:

Question 3 obviously involved a number of different considerations. You are right, in 2018 the electorate voted it down to regulate the system by a 70- to 30-margin. As you recall during the debate, the majority of proponents came from two states in particular, Texas and California, both of which I would hold up as not the ideal markets for a well-integrated system that provides reliable and decarbonized electricity for their constituents.

Senator Hansen:

Remember, the Chair is going to jump in here any second. Bottom line, if we go to open market, will the price for the smaller consumer go up or down?

Tony Sanchez:

I think the Texas market has shown with a deregulated market, the catastrophes experienced there over the last couple of winters are something we have avoided in Nevada. In addition, in California, prices are 55 percent higher than they are here. We can compare our record, both from a decarbonization standpoint and a pricing standpoint, to any utility in the country.

Senator Hansen:

I would love to go on with you for a while, but I know we have limited time. You just touched on another huge issue, which was the 80 percent number. They do not come anywhere near meeting their 80 percent consumption in California by producing in California. They are taking it from everyone else, while at the same time—anyway.

Regarding the Greenlink project, someone mentioned there is a \$2.5 billion price tag to that. I guess that is part of the program to help integrate all the green energy stuff that is now required to meet your 2026 30 percent portfolios. The complaint was that NV Energy was going to use that \$2.5 billion and pass it on to consumers, which I think is completely reasonable, but I am wondering if that number is correct. Is NV Energy putting \$2.5 billion into a Greenlink project, which is then going to go through PUCN and ultimately be passed on to the cost the consumers pay?

Carolyn Barbash:

Yes, we have been approved to invest \$2.5 billion in the Greenlink projects. Those are part of our renewable portfolio and carbon reduction plans, as well as bringing in more ability to import power into northern Nevada especially, more so to optimize our energy prices rather than to fill the shortfall. Remember, to participate in an open market, you have to be resource sufficient to begin with.

Senator Hansen:

Bottom line, that \$2.5 billion is going to be passed on in cost to the consumers, which includes all the little people who are currently seeing their rates go through the roofs.

Last question, when NV Energy builds a green energy project—wind, solar—it still has to have a 100 percent backup of some form of natural gas or some other fossil fuel. When the sun does not shine, the solar projects do not work, and when the wind does not blow, the turbines do not turn. Is that still the case? Are you required to prevent blackout concerns by having 100 percent natural gas or other fossil fuels for every megawatt of solar or wind production you are putting in?

Carolyn Barbash:

I cannot speak to whether it is required, but yes. The sun is not always shining and the wind is not always blowing. There has to be something to serve during those times.

Senator Hansen:

Very good. With 100 percent green, you still have to have 100 percent fossil fuel to back it up.

Tony Sanchez:

I would like to clarify for the record, it is not 100 percent fossil fuel. It could be battery storage, pumped hydro, or any number of lithium batteries or various battery storage. By no means does it have to be carbon-based.

Senator Hansen:

But still you have to have almost a complete backup in place because those are unreliable sources. We are talking about blackouts and making sure at peak demand we meet all those needs. Obviously, NV Energy has to do almost double energy production, at least facilities wise, to meet the whole green portfolio.

Chair Harris:

Senator Hansen, I do not think that is quite what they are saying, but I am sure that is what you heard.

Senator Hansen:

If you want me to clarify—I was trying to be brief. Believe me, there is a lot more to this than a five-minute interview between the biggest energy producers in Nevada and what the actual impacts are going to be for the consumers of the state.

Chair Harris:

I think the Committee will pass on that, thank you.

Assemblywoman Dickman:

I think Mr. Sanchez may have answered my question when he went beyond the yes or no for Assemblyman Carter. Can you tell me the current ratio of conventional resources to renewable?

Tony Sanchez:

We certified in 2022 that 37 percent of our energy is produced by a combination of geothermal, some small hydro, the majority solar, and a 150-megawatt wind project near Ely. We have combined cycle plants as well. Pursuant to a mandate in 2013—this is the ten-year anniversary—the Legislature ordered the PUCN to systematically close our coal plants around the state. We are pleased to report, pursuant to the full oversight of the PUCN, which would be no different than a closing of the open position today, our last coal plant, Valmy power plant, is slated to close at the end of 2025.

Chair Harris:

I have one last question. Is there anything in this bill that you feel is harmful? I heard you say everything in this bill is something you could do today, which would suggest there is no reason to oppose it. Is there anything in the bill you think is going to harm Nevadans even if you do not think it is the solution to any of a number of problems you may be facing?

Tony Sanchez:

The harm we feel is going to be coming is a result of a bill that does not go far enough in a time of extreme Western energy emergencies. The time to act is today. We would prefer a very strong pronouncement and mandate that the state and the PUCN work with all parties through the full supervision through the integrated planning process at the PUCN and work to close that open position as quickly as possible and wean ourselves off of a lot of problems that have been caused by our neighbor to the west. As I indicated in response to another question, if there were a mandate like increasing the renewable portfolio standard, if that were added to this bill, that would be the component that would require us to close that open position. That would be palatable to us and we think it would go a long way to protecting Nevadans, both from a price standpoint and from a reliability standpoint, and help us as we continue to decarbonize our system.

In the last 15 years, we have decarbonized our system 55 percent. Again, we will hold that standard up to any utility in the country. Over the last 20 years, we have had fewer price increases as a utility than any state in the nation. Those charts are currently on the PUCN website. Our reliability statistics—while there are certainly instances where we need to improve and we are rapidly doing that—are the envy of many states around the country as well.

Chair Harris:

I will close opposition testimony and open neutral testimony. Is there anyone in Carson City wishing to provide neutral testimony?

Cassie Charles, Campaign Director, Progressive Leadership Alliance of Nevada:

We are here in neutral on A.B. 524. I promise to be brief. Utility bills are way too high right now for working families across Nevada. Working families across Nevada are struggling. The status quo has allowed large utilities to fast-track expensive gas plants, lessen consumer-friendly public processes, and push costs back on ratepayers. We appreciate this bill includes increased transparency and community input in the process, but believe we need to focus our efforts on holding our utilities accountable. We need to work toward a fossil-free Nevada and think of our most vulnerable communities as we pass energy policy. Please consider the long-term cost of business as usual on our family budgets as well as the cost on greater health, air, water, and community.

Ernest Figueroa, Consumer Advocate, Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General:

I am here to testify in neutral on A.B. 524. First, like all my other colleagues, I would like to extend my deepest gratitude to Assemblyman Watts for his thoughtful deliberation on this very important piece of energy legislation. Assemblyman Watts held stakeholder meetings and took valuable input, not just from me but from all interested stakeholders in shaping this piece of legislation.

Second, while this legislation does allow an electric utility to file more general rate cases besides every three years with some limitations, this provision could have an impact to the Bureau of Consumer Protection and its resources. I intend to file, if it has not been done already, an unsolicited fiscal note in the event additional future resources are necessary due to this legislation.

Finally, I believe it is important to note that A.B. 524 as drafted allows full vetting by the PUCN and allows them to make findings concerning what is in the public interest when setting just and reasonable rates. This is a very important component of this legislation that some want undone and do not like.

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

I would like to echo many others in expressing our appreciation and praise for Assemblyman Watts's work in overseeing a stakeholder process that allowed for thoughtful deliberation of energy policy proposals related to resource planning. Ultimately, that process has yielded a bill that provides legislative directives but also preserves crucial processes that protect customers and promote reliability through prudent planning. Given the PUCN will be tasked with implementing this bill, I would be happy to answer any questions regarding its effects, and I can speak to the existing IRP process and also address anything you have heard here today from others. I will ask the Chair for guidance on whether I should address some of what I have heard and hope to provide clarification there, or maybe streamline the process and just respond to questions I am asked.

Chair Harris:

We will take questions first, and if there is anything you feel is important that you did not get out, we will let you clean up. We will start with Assemblywoman Peters.

Assemblywoman Peters:

How much of our electricity comes from natural gas, and is any of that imported into the state?

Garrett Weir:

I would have to get exact numbers for you. I think the last I saw was something like 70-plus percent is gas generation, but I could be wrong. I will follow up with more exact numbers. As to the source of the natural gas, it would all be imported from out of state with the exception of maybe some renewable natural gas. I do not know the extent to which that is used. The vast majority of natural gas is going to be imported from out of state, as we do not have much production in-state.

Assemblywoman Peters:

My second question is related to NV Energy proposing to build more clean energy resources. Can they do that above the renewable portfolio standard (RPS) requirements, or are there restrictions against them pursuing projects that put them above the RPS requirements?

Garrett Weir:

Those are two different things. The resource planning process allows for the utility to propose whatever it thinks is appropriate to address the demand for energy on the system. With regard to renewable energy resources, the RPS is simply a floor; it is not a ceiling. We can certainly entertain proposals for more renewable energy resources to address the open position. Those proposals, though, would simply be subject to comparison to other scenarios. Everything would be vetted for the relative cost effectiveness because, as we have heard from others, the process is intended to result in not just reliable service but also affordable service to the extent possible. In looking at supply options, that is what the resource planning process does.

Importantly, I think this bill, as I read it and as it would be implemented by the PUCN, would not in any way—and I want to be clear about this—prioritize market purchases or reliance on the market over in-state build or other supply options. It would simply allow for all options to be vetted and the pros and cons and relative benefits to be evaluated by the PUCN, and it provides a forum for all affected stakeholders to weigh in and vet the proposal. We are talking about billions of dollars of costs that will ultimately be paid for by the captive customers of the utility.

Assemblywoman Brown-May:

Can you quickly talk about reliability, and are there projects that are currently pending to specifically address reliability for the energy infrastructure?

Garrett Weir:

This does allow me to address some of the statements made previously. We have heard the situation characterized as an extreme emergency for reliability. There was reference to the report from the North American Electric Reliability Corporation suggesting we are in a uniquely bad position. My takeaway from reading that report is we are relatively well positioned compared to the rest of the country. There are risks, as there always are in the summer, and if a lot of things go wrong, maybe we could be in trouble, but that is the case for everyone. We are relatively well positioned, especially compared to prior summers.

You asked whether there have been measures taken by the PUCN and the utility. Absolutely. The integrated resource planning process allows that. There was a recent request for the gas project, the Silverhawk Combustion Turbine Facility [Silverhawk Generation Station], which received approval in less than three months. That is extraordinary that it occurred so quickly. That was for the purpose of ensuring reliability.

To be clear, the PUCN has not heard about this extreme emergency, the concern to this extent, from the utility in the proceedings before the PUCN. There has been no evidence presented to the PUCN that we should be worried about the sufficiency of the plan we have approved, the plan the utility largely proposed, the open position the utility proposed and stipulated to. We are hopeful if there is an emergency that needs to be addressed and if the existing approved plan is inadequate, the utility would come forward with a proposal that would allow us to address those concerns.

Assemblywoman Brown-May:

I appreciate that. We heard Mr. Sanchez say he did not feel the bill went far enough. Excuse me for paraphrasing, because I did not write that down fast enough, but looking for more direct response to the beliefs in the legislative body, that we need to build the infrastructure and have the support. He was looking for more intent. Is there a way, in your opinion, to do that while maintaining the flexibility required by the PUCN to be able to vet those projects in this bill going forward?

Garrett Weir:

My reading of the bill is that it does provide direction that emphasizes the need for the plan to demonstrate reduced reliance on market purchases. Everything the PUCN would need between this direction from the legislation, which again prescribes the contents of a plan that are not currently required. We have regulations that have certain requirements of a plan, but there is additional information that this bill directs to be included. That would assist the PUCN in prioritizing that information and making sure to consider it without predetermining the outcome. Again, there could be many ways to get to reliable, affordable service. It may not just be the plan the utility puts forward.

Senator Hammond:

I do believe the two questions I had were just asked. Mr. Weir, I know you are very concerned with keeping the lights on. There were several questions about the blackouts that

may occur, especially in certain communities. You addressed some of the tools you have to try to mitigate that. Are there any additional tools you may want to talk about now that allow you to make sure we can be reliably sure we are going to have the lights on during the summer?

Garrett Weir:

There are various types of supply options that can assure reliability or assist in meeting resource sufficiency showing requirements for regional entities. In addition to company-owned generation or power purchase agreements, you can also arrange for priority transmission through California or other destinations. We heard concerns about curtailment through California because of certain rules in periods of high demand. The reality is last summer we only saw 349 megawatts of curtailment, and no curtailment of priority imports from out of state. That requires a 45-day advanced scheduling. We saw zero curtailment. The risk is very low that we could not rely on those resources. For the purposes of meeting those resource sufficiency showings, those are adequate. We would compare those sorts of alternatives, where we would pay for it for three months in the summer versus investing and building something that we may not need for the majority of the year. We do not know how that pencils out, but those are the types of comparisons we would see put before us.

Regarding the 349 megawatts, to put it into context, we have approved to come online in the next year, and the utility is developing or contracting for, over 1,000 megawatts of new capacity. There is new capacity in the pipeline. Obviously, reliability is a high priority. As we see any sort of evidence that we need to invest further in capacity, we will certainly evaluate that.

Senator Hammond:

I think that is very helpful. You have a lot of tools right now.

Senator Hansen:

You just kind of undermined the purpose of the bill. You just said you are basically doing all this stuff that is going on in the bill and you have all these energy projects in the pipeline. All the things we have thrown at you guys that we did not think you were doing, you are already doing. I am wondering what in the bill is there that you do not currently do?

Garrett Weir:

One of the requirements in the bill directs the utility to come in with a plan that does the things the utility is saying it wants done. As I said earlier, we have not seen that plan. That proposal has not come before us. This bill directs the utility to actually come forward with that proposal. Secondly, as we heard from a lot of the stakeholders, there has been frustration with some of the resource planning processes, the extent to which amendments are used, the frequency of amendments, the size of amendments. It would certainly provide direction to the PUCN to do something we have not done yet, which is address or place restrictions on the use of amendments versus a more robust IRP filing. Finally, the last thing is the utility would be able to more frequently come in for rate cases.

Senator Hansen:

There are some good points to the bill. My next question is regarding cost per kilowatt, or however you measure it. There were some questions. I know when Mineral County was in my district, we built a beautiful solar power plant there and found out 100 percent of that power was being sold on the California market. When I asked why, they said the cost to produce it is so great it is not viable on the Nevada market. What is the difference in the cost between a natural gas kilowatt versus a solar kilowatt versus a wind-generated kilowatt, or whatever it may be? My idea of what the Consumer Advocate should be about is keeping costs as reasonably low as possible while keeping the supply steady, yet we are seeing an escalation in costs in all these things. Which of the various forms of energy that we can use to generate electricity is the most cost efficient? The ones that are being put into the pipeline, the green ones, what is the cost per kilowatt or whatever the measurement is?

Garrett Weir:

That cost vetting occurs in the resource planning process. I do not have the latest specific numbers for you, but as you mentioned, there is a lot that goes into it. In a prior exchange you mentioned back-up. There are different types of resources. Some are intermittent and some are not. With that said, solar generation, if you are wanting a comparison on the actual production, is by far our cheapest resource. We are talking .02 or .03 cents per kilowatt-hour that we have been able to procure in the past. As we reach the point of needing more of the production later in the day, there is associated storage that goes with that. We also have requirements for RPS compliance, so that is part of it. We look at all of these factors in comparing resources and determining the appropriate solution. It is a complicated, sophisticated process.

Senator Hansen:

I am actually complimenting you. I think the PUCN does an amazing job. Do you have a requirement for back-up? If we went 100 percent solar tomorrow, what is the back-up requirement now, if any, for fully reliable production?

Garrett Weir:

I do not think we have a direct back-up requirement. It is just that the generation can be stored at times if we do not need it when there is the production, then we can dispatch it later. Storage acts as its own resource when we are able to store renewable energy in those systems. I do not know what the percentage would be, but it is basically just a resource that is available to us to meet the system demand when the sun is not shining.

Senator Hansen:

I will talk with Mr. Sanchez later about the storage aspect. I am curious as to how much they actually have available to store versus how much they need to produce in that blackout window, which is the peak window we are all worried about. Mr. Figueroa, I cut in when you were going to answer the question regarding the best deal for the consumer.

Ernest Figueroa:

That is one of our biggest considerations as we vet these projects during the integrated resource process. I could actually provide you with that information as soon as tomorrow. I will provide it to the entire Committee.

Assemblywoman Kasama:

I am curious about how the whole process works. Has the Legislature in the past given specific direction to the PUCN regarding how to handle things? If so, could you give me an example?

Garrett Weir:

Last session there was a bill, Senate Bill 448 of the 81st Session, and that proposal was more prescriptive in that it addressed something that is relatively unique or distinct from energy supply options. It is transmission, where a lot of the arguments for that project were speculative. We needed to build it to be able to show the benefits. There were a lot of *Field of Dreams* analogies that if we build it, they will come. That sort of speculative analysis does not often result in the approval of a plan at the PUCN. There was interest in taking that leap and making that investment. That was legislatively prescribed and is an example. I think it is distinguishable from supply planning and generation assets, which is more the bread and butter of what the PUCN does as far as comparing options. That is one example, certainly.

Ernest Figueroa:

If I had to describe the process of the Legislature amending something, I would describe it like this: it is akin to putting the thumbs on one scale, the scales of justice, tying the hands of the PUCN, and tying my hands preventing me from making arguments to protect the ratepayers at the PUCN.

Chair Harris:

Those are all the questions we have for now. Members, if additional questions come up, please feel free to reach out to Mr. Figueroa, Mr. Weir, or anyone else on their teams. I am sure they would be happy to field those questions.

We will continue with neutral testimony in Las Vegas. [There was none.] Is there anyone waiting on the phone wanting to provide neutral testimony on A.B. 524?

Amber Stidham, Senior Vice President and Chief Strategy Officer, Las Vegas Global Economic Alliance:

We also appreciate all of Assemblyman Watts's work and support many aspects of this proposal. We are testifying in neutral, which has been discussed already. The Las Vegas Global Economic Alliance would like to see there be an emphasis that looks into opportunities for in-state generation to create energy supply and reduce the need to purchase

energy from the open market. This is the focus we believe could also support Nevadans, including businesses and industries we have worked to recruit to our region, to have access to reliable energy sources, which we believe results in reliable costs.

Liz Sorenson, President, Nevada State AFL-CIO:

I know you are taking neutral testimony, but I am actually calling to get on the record in opposition. I called earlier and was overlooked so broadcasting asked me to call in now. With your permission, I would like to go on the record.

Chair Harris:

Yes, that is fine.

Liz Sorenson:

I am here in opposition to A.B. 524. I urge the Committee to oppose it as well. Thank you for the opportunity. I felt compelled, since I represent workers all day long, to have their voices be heard, so I needed to have mine heard. I appreciate your allowing me to do so.

Chair Harris:

Seeing no one else waiting on the phone, I will close neutral testimony. Assemblyman Watts, as much as I would like to invite you up for closing comments, I am not going to. I am going to close the hearing on A.B. 524 and jump right into public comment. Is there anyone in Carson City, Las Vegas, or on the phone for public comment? [There was no one.]

This joint meeting is adjourned [at 6:36 p.m.].

RESPECTFULLY SUBMITTED:

Kathy Biagi
Recording Secretary

Lori McCleary
Transcribing Secretary

APPROVED BY:

Assemblyman Howard Watts, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed conceptual amendment to Assembly Bill 524, submitted by Assemblyman Howard Watts, Assembly District No. 15.

[Exhibit D](#) is written testimony dated May 29, 2023, submitted by Nick Christenson, Volunteer Member, Legislative Committee, Toiyabe Chapter, Sierra Club, in support of Assembly Bill 524.

[Exhibit E](#) is written testimony dated May 30, 2023, submitted by Paulette Stauffer Henriod, Sustainability Specialist, Mormon Women for Ethical Government; Sara Robinson Nix, Nevada Chapter Coordinator, Mormon Women for Ethical Government; and Melodee Pratt Wilcox, Nevada Legislative Committee Chair, Mormon Women for Ethical Government, in support of Assembly Bill 524.