



GOVERNOR'S OFFICE OF ENERGY

**MINUTES
of the Hearing of the
GOVERNOR'S OFFICE OF ENERGY**

LCB file number R065-13

December 16, 2013

The Governor's Office of Energy held a public meeting on December 16, 2013, beginning at 10:30AM, at the following locations:

The Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada
and video cast to
The Grant Sawyer Building, 555 East Washington Street, Suite 5400, Las Vegas, Nevada.

1. Call to order: The meeting was called to order at 10:30 AM by Director Paul Thomsen.

2. Director's comment: Director Thomsen explained the amended proposed regulation, R065-13 and the order of the hearing. Pursuant to NRS 361, the Regulation relates to energy-related tax incentives; requiring the Director of the GOE to assume the duties of the Nevada Energy Commissioner with respect to energy-related tax incentives; and provides other matters properly relating thereto.

Members of the public were asked to sign in, and the sign in sheet is attached to the original minutes as *Exhibit A*.

3. Roll call: Present was Harry Ward, Deputy Attorney General; Tim Clausen, Law Office of Lewis and Roca; Paul McKenzie, Building Trades Council; Dagny Stapleton of NACO; Jacob Haas of IBEW Local 401; Bob Sullivan of Ormat; Josh Hicks, representing First Solar; and Suzanne Linfante of the Nevada Governor's Office of Energy. Richard Work, IBEW Local 357 was present in Las Vegas.

4. Public comment and discussion (1st period): The Director sought public comment to which there was none.

5. Testimony of those present at the hearing:

Paul McKenzie referred to his letter of written comment provided to the Office of Energy and asked that section 2 of the proposed regulation be removed. He requested that the 40 hour work week be returned to the regulation. He requested that wages be reported on a weekly basis in section 18 (5). He also requested that there be a change regarding a third party certification as it relates to health care requirements. His suggestion was to strike "a provider of health care". He also asked that he requirement of 80% employer coverage to employees be returned and 50% be removed. He stated that he was ok with the director having the discretion to accept coverage less than 80%.

Richard Work went on record as saying that he agreed with Paul McKenzie's proposed changes.

Tim Clausen asked for clarification if section 2 was deleted. He asked when construction would commence with said deletion.

Josh Hicks commented that with the deletion, the regulation would remain as is and the current method for determining construction would be used.

Dagny Stapleton referenced her letter of public comment dated December 2, 2013. She stated that adding section 2(3) would be a change to current policy and would go against the intent of the statute and that projects could not be retroactive. She stated she would be happy to assist with a policy change at a later date. She asked that the section in reference be removed at the request of NACO.

Josh Hicks asked for clarification on NACO's standpoint regarding retroactivity to which Dagny clarified her statement.

Tim Clausen stated that the section was added for two projects that were previously denied. He does not feel that the statute is clear and it does not allow or prohibit projects that are operating to apply. He stated that there is not retroactive grab and that the facility would receive an abatement going forward if approved. He feels that the projects that were denied had met the intent of the statute. Harry Ward stated that he was neutral on the subject of intent. Director Thomsen asked if there was anything in statute or regulation that disallowed a project from reapplying. Dagny Stapleton and Director Thomsen discussed the matter and referred to statute NRS 701a.360.

Tim Clausen brought up the current statute and regulation and stated that he would like to see the commercial operation date language removed.

Paul McKenzie for clarification on whether or not the applications would go back to the county for another review to which Director Thomsen stated they would.

Bob Sullivan stated that the statute is not limited because projects are continuing to develop, drilling new wells, etc., and that the intent was to spur economic development. For financing, a project needs the abatement. The abatement helps Ormat to build and expand projects and invest in the state.

Tim Clausen's opinion was that the projects were arbitrarily denied by the county previously. He stated that other abatement programs are meant to keep businesses in the state and the renewable energy tax abatement program isn't any different.

Josh Kicks asked for clarification regarding reapplications. Director Thomsen questioned how the Office of Energy is to proceed when the statute is silent. Dagny Stapleton and Josh Hicks discussed the intent and Dagny Stapleton and Director Thomsen discussed the intent, restating what was said in previous comment.

6. Recess: Director Thomsen called a recess to discuss the proposed changes with Deputy Harry Ward.

7. Review of the Proposed Amended Regulation: Director Thomsen stated he would make the following amendments:

Strike all of section 2 regarding construction, start of construction, and the ability for previously denied facilities to reapply.

Strike "an average of 35" and return section 24.2 to "40" hours.

Strike the last sentence of 24.4 after the first use of the word "period".

Strike "including without limitation, a provider of health care or" from section 24.5.

Strike the definition of a "provider of healthcare".

Amend section 24.5.g to "80 percent" and add in the ability for the Director to use discretion regarding health insurance coverage.

6. Public comment and discussion (2nd period): The Director sought public comment to which there was none.

7. Adoption of Proposed Amended Regulation: Director Thomsen stated that the Proposed Regulation with the Amendments as stated was adopted.

7. Adjournment: 11:46 A.M.