1. ***Recommendation:*** The Task Force recommends that the Nevada Division of Environmental Protection ("NDEP") reconvene the Clean Power Plan Technical Advisory Group to assist NDEP in the development of a state plan for compliance with the Clean Power Plan ("CPP") that is in the best interests of Nevada citizens and businesses, including exploring Nevada's voluntary participation in the Clean Energy Incentive Program ("CEIP").

   Background: This recommendation came from the CES TAC as part of a policy proposal work session. In February, NDEP convened a group of stakeholder experts to comprise, on a volunteer basis, the Nevada Clean Power Plan Technical Advisory Group ("NVCPP-TAG") to assist NDEP in developing a state plan, assist with public meetings and provide input on planning from a number of segments of the community. The NVCPP-TAG met once prior to the Supreme Court's Stay of the CPP, and started important planning work, including discussions of the CEIP, which could provide additional economic opportunities. Nevada was in a very good position to meet interim and final CPP goals prior to the stay, and the continued work of the NVCPP-TAG will not only allow the state to be proactive in its planning for CPP compliance, but continue to move the state toward the clean energy goals set out by the Governors' Accord for a New Energy Future and Nevada's Strategic Framework.

   Despite the stay of the CPP, many states continue to work on their plans because they feel it is a "prudent step for states that feel they still must plan" for final court determinations upholding the rule. The majority of Western states, for example, that had been attending planning meetings at the Center for the New Energy Economy in Colorado, specifically, ten of these thirteen original Western states, are still planning, in part, because they want to continue to work on a model for carbon trading.
   http://www.eenews.net/interactive/clean_power_plan/column_posts/1060036556.
   Nevada should continue work on its state plan under the CPP to stay in step with its Western neighbors and be proactive in its energy policy and carbon reduction goals.

2. ***Recommendation:*** Based on early technical analyses and presentations made to the Clean Energy Sources Technical Advisory Committee ("CES TAC"), the Task Force finds that Nevada utility customers could benefit from interstate cooperation and participation in regional energy and carbon markets that result in the lowest cost of compliance. Such markets could present opportunities to trade or sell allowances or other compliance instruments thereby reducing costs to Nevada customers. Therefore, the Task Force recommends that NDEP develop a state implementation plan that enables Nevada to trade compliance instruments with other states for the benefit of Nevada customers.

   Background: This recommendation came from the CES TAC as part of a policy proposal work session and a presentation by California Independent System Operator's ("CAISO") Stacey Crowley, Vice President Regional and Federal Affairs and Phillip Pettingill, Regional Integration CAISO. In February, the Nevada Division of Environmental Protection ("NDEP") convened a group of stakeholder experts to comprise, on a volunteer basis, the Nevada Clean Power Plan Technical Advisory Group ("NVCPP-TAG") to assist NDEP in developing a state plan, including discussions of trading mechanisms, assist with public meetings and provide input on planning from a number of segments of the community. The NVCPP-TAG met once prior to the Supreme Court's Stay of the Clean Power Plan ("CPP"), and started important planning work. Nevada was in a very good position to meet interim and final CPP goals prior to the stay, and in a position to work in a regional market to assist its neighbors with CPP compliance, as well as integrate additional renewable resources into Nevada's energy portfolio. This type of regional energy and carbon markets support the goals of the Governors' Accord for a New Energy Future and Nevada's Strategic Framework.

Despite the stay of the CPP, many states continue to work on their plans, including state trading plans, because they feel it is a "prudent step for states that feel they still must plan" for final rulings upholding the rule. The majority of Western states, for example, that had been attending planning meetings at the Center for the New Energy Economy in Colorado. Specifically, ten of these thirteen Western states, are still planning, in part, because they want to continue to work on a model for carbon trading.
http://www.eenews.net/interactive/clean_power_plan/column_posts/1060036556.
Nevada should continue work on its state plan under the CPP to stay in step with its Western neighbors, be proactive in its energy policy and carbon reduction goals, and to take advantage of opportunities to trade or sell allowances or other compliance instruments thereby reducing costs to Nevada customers and further developing Nevada's renewable energy resources.

3. ***Recommendation:*** The Task Force recommends that the Office of Energy continue working collaboratively with Western states on regional energy issues that maximize opportunities to advance the development of Nevada's renewable resources, reduce air pollution, and lower costs for consumers.

Background: This recommendation came from the Clean Energy Sources Technical Advisory Committee ("CES TAC") following both a policy proposal work session and a presentation by California Independent System Operator's ("CAISO") Stacey Crowley, Vice President Regional and Federal Affairs and Phillip Pettingill, Regional Integration CAISO. This recommendation mirrors the broad energy goals set out by the Governors' Accord for a New Energy Future and Nevada's Strategic Framework to become the nation's leading producer of clean and renewable energy. As Nevada's neighbors increase their demand and need for clean and renewable energy as a result of state and federal policies and regulations, Nevada needs to continue to be part of an increasingly regional market to which Nevada can sell its clean and renewable energy resources. Nevada has the opportunity to do this through avenues like CAISO and market trading under the Clean Power Plan.

4. ***Recommendation:*** The Task Force recommends legislation comparable to that passed in New Mexico in 2013, and as presented at the 8/15/16 Clean Energy Sources Technical Advisory Committee ("CES TAC") meeting. These recommendations should apply to any entities providing power to Nevadans, both those existing and those that may provide such services in the future:

   a. Provide for no less than 5% of utility DSM spending, over a three-year horizon, be directed to help low-income Nevadans become more energy efficient;

   b. Direct the PUCN to utilize the Utility Cost Test in lieu of the Total Resource Cost Test, their current practice.

   c. Evaluate the utility's DSM programs' cost-effectiveness as a whole, so that the entire portfolio passes the Utility Cost Test without individual programs having to meet that standard

   d. Recover the costs of these programs in a non-bypassable charge that must be assessed by all utility providers.

   Background: This recommendation came from the CES TAC following a presentation by Steve Bean of Public Service of New Mexico ("PNM"), the largest investor-owned electric utility in New Mexico.

   There is currently a program in Nevada that helps a limited number of low-income Nevadans pay their energy bills when they are unable to do so on their own; however, there are very few resources made available to helping low-income customers become more energy efficient in order to lower their energy bills outright. Thus, low income customers pay a much higher percentage of their available income on energy bills, limiting their ability to buy other goods and services.

   The current test used by the Public Utility Commission of Nevada ("PUCN") to evaluate efficiency programs has not appeared conducive to implementing utility energy efficiency programs targeted toward lower-income Nevadans for the following two reasons:

   1) The PUCN currently uses the "Total Resource Cost Test" (TRC) to evaluate the cost effectiveness of energy efficiency programs. This test is deemed by some utility analysts to not fairly compare a utility's cost of supplying energy with the cost of its saving energy. By not providing a "level playing field" to compare the costs of supply-side resources to the cost of Demand-Side Management (DSM) programs, the

PUCN's current policy encourages more energy production than would likely be the case under a different, and more levelized, method of analysis.

This recommendation directs the PUCN to use the Utility Cost Test (UTC), a policy already in place in Utah, New Mexico, and other states, that compares only the utility's cost of saving energy against its cost of supplying energy. This comparison of supply-side versus DSM expenditures offsets more costly supply-side resources and future power plant construction, benefiting all ratepayers.

2) Under Nevada's policy currently, each individual energy efficiency program must meet the TRC cost test. In the example of New Mexico's legislation, utility energy efficiency programs can be aggregated together to analyze their costs and benefits, so that an entire portfolio of energy efficiency programs are being evaluated for their cost-effectiveness. This opportunity to aggregate program costs and benefits together for evaluation as a portfolio enables more programs for low income utility customers.

The CES TAC noted, in recommending to dedicate no less than 5% of a utility's total energy efficiency program expenditures to low-income customer programs (evaluated on a 3-year basis), that low-income customers have been paying the surcharge on utility bills for energy efficiency programs without having energy efficiency programs available to them.

By enabling low-income Nevadans to access energy efficiency programs, and save on their utility bills, advocates expect additional positive economic effects from this policy as these low-income customers will have additional income to spend outside of their utility bills. One utility study (Entergy 2008) found that each dollar spent on a low-income energy efficiency program generated $3.90 in positive economic impacts in the local economy.

To facilitate a level playing field in the contingency of retail competition being implemented in Nevada, the recovery of the costs of these energy efficiency programs would be accomplished through a non-bypassable surcharge that must be assessed by all utility providers, both those currently in the Nevada energy market and those which may under under this possible scenario.

5. ***Recommendation:*** The Task Force recommends that the Public Utilities Commission of Nevada ("PUCN") work with the regulated utilities and the Office of Energy to develop a state plan and programs to accelerate the adoption of electric vehicles ("EV's"), including recommending any legislative changes needed.

Background: This recommendation came from the Clean Energy Sources Technical Advisory Committee ("CES TAC") as part of a policy proposal work session, and additional materials presented regarding the electrification of vehicles. This would establish transportation electrification as a state goal and encourage greater utility involvement in expanding the deployment of electric vehicles. This recommendation recognizes that there is a public interest in expanded use of EV's, and that it supports the goals of the Governors' Accord for a New Energy Future and Nevada's Strategic Framework. Additionally, discussions in the CES TAC recognized that tailpipe exhaust from Internal Combustion Engines now comprises a significant portion of Nevada's carbon emissions, which can be reduced by using electricity as a fuel. The CES TAC heard studies specifically addressing pollution from vehicles in Clark and Washoe counties that indicated electric vehicles substantially reduce emissions of carcinogenic Volatile Organic Compounds and Nitrous Oxide, both of which are ozone precursors, a topic of increasing importance to both counties. The CES TAC also heard economic analysis that indicated that by reducing the importation of gasoline into Nevada, EVs offer an avenue to create jobs and boost Nevada's economic output. As such, this recommendation directs the PUCN and the Office of Energy to work with the regulated utilities to develop plans and programs that will accelerate the adoption of electric vehicles in Nevada by the end of 2017.

An electric vehicle plan may include investments in or customer rebates for charging infrastructure, in a manner that stimulates competition and customer choice in charging infrastructure; appropriate tariffs for both consumer electric vehicles and heavy duty electric vehicles; consumer or midstream vehicle incentives; and a plan to market the benefits of electric vehicles. The PUCN would review any submitted plan to determine if it is reasonable and will benefit all of its customers and review how costs of the implementation of the plan shall be recovered. Similar legislation passed earlier in 2016 in Utah and Oregon. Increasing the adoption of electric vehicles falls squarely within the Governors' Accord for a New Energy Future and Strategic Framework, and in particular work in synergy with the completion of an "electric highway" system to serve the entire state. More specifically, the Accord calls for Nevada to encourage clean transportation options by supporting automakers' market expansion for these new vehicles to expand consumer choice, lessen dependence on petroleum and reduce pollution. By supporting needed infrastructure development, incentives and policies when appropriate, Nevada will encourage expanded use of these new technologies. Additionally, the Strategic Framework, goals, specifically, 7.2.3 which seeks to reduce carbon emissions to a level at or below accepted federal standards, and, currently, one of Nevada's most significant sources of carbon emissions is tailpipe emissions.

6. ***Recommendation:*** The Task Force recommends that the Office of Energy work with the Nevada Department of Transportation ("NDOT") to propose financial incentives to stimulate the purchase of electric vehicles ("EV's").

   Background: This recommendation came from the Clean Energy Sources Technical Advisory Committee ("CES TAC") as part of a policy proposal work session, and earlier materials presented regarding the electrification of vehicles. This recommendation creates consumer financial incentives for EV"s. Experience from other states shows that a modest financial incentive, either as a tax credit or point of sale rebate, has a significant impact on increasing EV sales. Nevada could create a state sales tax rebate, with a cap, for example at a maximum of $2,500 per vehicle. Based on 2015 Nevada EV sales, and assuming this would increase sales an additional 50% on average, the cost to the state could be be approximately $2.25 million per year. In order to limit this ongoing cost impact, the tax credit or point of sale rebate program could have a sunset provision, for example be in effect for four years between 2017-2020, and/or be capped at a certain number of EV's entering the market. Increasing the adoption of EV's falls squarely within the Governors' Accord for a New Energy Future and Strategic Framework, and in particular works in synergy with the completion of an "electric highway" system to serve the entire state. It aligns with the goals of the Accord's call to encourage clean transportation options by supporting automakers' and fueling companies' market expansion for these new vehicles to lessen dependence on petroleum and reduce pollution. By supporting needed incentives Nevada will encourage expanded use of these new technologies. It also supports the Strategic Framework goals, specifically, 7.2.3 which seeks to reduce carbon emissions to a level at or below accepted federal standards, and, currently, one of Nevada's most significant sources of carbon emissions is tailpipe emissions.