



GOVERNOR'S OFFICE OF ENERGY

MINUTES

New Energy Industry Task Force Technical Advisory Committee on Clean Energy Source

April 15, 2016

The Technical Advisory Committee (TAC) held a public meeting on April 15, 2016
at the following locations:

Legislative Building
401 S. Carson Street, Room 2134
Carson City, NV 89701

Videoconference
Grant Sawyer State Building
555 East Washington, Suite 4412
Las Vegas, NV 89101

1. Call to order and Roll Call: Chairman Kyle Davis called the meeting to order at 12:00 pm, confirming a quorum.

Technical Advisory Members Present

Technical Advisory Members Absent

Anne-Marie Cuneo, Member
Bob Johnston, Member
David Emme, Member
Dennis Laybourn, Member
Jennifer Taylor, Member
Joe Johnson, Member
Josh Nordquist (via teleconference)
Kathryn Arbeit (via teleconference)
Kyle Davis, Chair
Lisa Briggs, Member
Starla Lacey, Member
Tom Polikalas, Member

2. Introductions: Everyone having stated their name for roll call, Chairman Davis moved to the next agenda item.

3. Public comments and discussion: Joanne Leovy, Family Physician with Health Center in Las Vegas stated she strongly supports Nevada's transition to energy efficiency and renewable locally generated clean energy. Moving to comply with and exceed the requirements of the Clean Power

Plan, CPP will benefit Nevada's population and economy in both the short term and the long term. She hopes our state will withdraw its counterproductive entry into the legal challenge to the CPP and she urges the task force to think boldly of a few more solar projects and develop goals that will truly change the trajectory of our contribution to the climate crisis. She cited an updated report released last month by the US Global Change Research Program that details numerous expected health effects of climate change which may make 50 years of public health advances and set back life expectancy. She hopes the committee will consider the health and human costs of climate change when considering the goals and priorities.

Annette Magnus, Executive Director of Battle Born Progress in southern Nevada stated that they are a statewide organization that works on progressive issues. Recently they had a Town Hall meeting to discuss the current clean energy issues facing Nevada. She said they asked survey questions and found that 96% would like to see elected leaders in Nevada adopt more renewable energy policies in Nevada. Another question showed that 96% of the folks would like to see Nevada exceed the CPP goals. Battle Born Progress and our partners will continue to conduct Town Hall meetings across the state to educate and encourage continued engagement in the Task Force process.

Fred Voltz of Carson City brought up to the committee a front page article from the Wall Street Journal, titled, "Clean Energy Darling Falls Back to Earth", the subtitle is "Financial engineering fueled SunEdison's ambitions until funds dried up" He stated there's a very detailed accounting of everything that has happened to this particular company, its missed steps and statements. It does suggest another ENRON, TYCO, Bernie Ebber's type of financial sleight of hand. He encouraged the committee to read the article.

Zoe Berkery, Manager of Federal Policy with the Business Council for Sustainable Energy, BCSE from Washington DC stated BCSE is a coalition of companies and trade associations from the energy efficiency of renewable energy and natural gas sectors. This also includes independent electric power producers and investor on utilities, equipment and product manufacturers, project developers, energy and environmental service providers. BCSE commends the creation of this New Energy Industry Task Force and its Technical Advisory Committees for giving focus of the importance of clean energy sources in the state of Nevada. BCSE urges the state to continue to consider energy policies that can expand its use of energy efficiency, renewable energy and natural gas. Further BSCE encourages Nevada to continue compliance planning under the Environmental Protection Agency's Clean Power Plan. BSCE recently submitted comments to the Governor's Energy Director, Angela Dykema and NDEP Administrator, David Emme with several preliminary recommendations on design elements of the Nevada State Compliance Plan. She understands the issues discussed in the BSCE comments may not be considered at this meeting, but the council wanted to encourage this committee to consider agenda items on the Clean Power Plan over the course of its tenure.

Full accounts of the comment were captured in the audio recording, available on the Governor's Office of Energy's website.

4. Discussion of goals for the Task Force: Chairman Davis commented that because we have a deadline coming up the end of May beginning of June for any kind of legislative proposals he believes the focus should be on the Legislative Policy. Once the committee gets beyond that, there would be an opportunity to discuss the Clean Power Plan since the state started down the path of putting together a state plan. Although we know there is legal uncertainty right now, there are decisions that we need to make as a state so that we're ready to go when these legal avenues have exhausted themselves. Chairman opened comments up to the committee for discussion.

Tom Polikalas asked the members if this Technical Advisory Committee is looking for a consensus or more brain storming whereby a menu of ideas could be given to the Governor's Office of Energy.

Chairman Davis welcomed input by other members. He said we need to make some sort of solid recommendations to the Governor's Office of Energy. He believes that is what this committee is asked to do.

Tom Polikalas made a suggestion that they look at transportation policies, particularly policies that could accelerate the market penetration of electrical vehicles, several analyses have determined that electricity is the cleanest fuel available to Nevadans for transportation.

Jennifer Taylor stated that she agrees with Chairman Davis that the focus needs to be on Legislative policy that encourages development of clean energy sources and integrates renewable energy technologies into Nevada's energy sector. She believes the State should look to go beyond the Clean Power Plan requirements.

Bob Johnston commented that he agreed that the immediate focus has to be on coming up with policy recommendations by June so he agrees with the priorities.

5. Review of existing energy statutes: Ms. Anne-Marie Cuneo, Director of Regulatory Operations at the Public Utilities Commission of Nevada (PUCN) reviewed select statutory charges for the PUCN ([Attachment I](#)). Select citations were color coded to indicate year of adoption. She noted much of the statute hasn't changed very much since 1977. The grey area was implemented in 1983; yellow area 1995; blue area 2001; and green area 2007.

NRS 701.010 and 701B.005

Ms. Cuneo pointed to the Legislative findings in NRS 701.010 and noted changes over time. She then described the mandates in NRS 701.005. The goals of the renewable energy incentives programs are very specific, for example for solar energy the goal is 250,000 kilowatts for the period between July 1, 2010 and Dec. 31, 2021. A specific budget cap is also set to implement the solar program at \$255,270,000 and the wind energy and water programs at \$40,000,000. She suggested that the more specific the legislation is about the goal, and the dollar amount appropriate for that goal, the easier it is to implement, leaving the details of implementation to the Commission.

NRS 701B.300 Solar Thermal Systems Demonstration Program: This is one of the statutes on the books where there's no goal and no money associated with it. It's been hard to make that work in the regulatory framework.

NRS 704.7801 – Portfolio Standard: Ms. Cuneo noted that the portfolio standard includes an energy efficiency component that is being phased out.

NRS 704.7821 Establishment of the portfolio standard: Ms. Cuneo noted Nevada has been at the forefront of renewable energy and we're expecting to comply with the renewable portfolio standard from now and in the future. In fact the renewable portfolio standard is likely no longer a limiting

factor. She indicated it's not necessarily a driver anymore because Nevada is on track to do far greater than that.

NRS 704.78213 Establishment of portfolio standard providers of new electric resources: Ms. Cuneo said that companies that exit from service provided by the utility are held to an RPS standard that existed at the time of their exit. For example, Barrick departed the system and the RPS in place at the time of their departure had a maximum of 18%. So while the rest of Nevada is going to comply with 25%, Barrick is going to comply with 18%.

NRS 704.736 Resource Planning: Ms. Cuneo commented that Nevada has some of the best resource planning statutes in the nation. Many states copy Nevada with respect to resource planning.

Discussion ensued regarding NRS704.746, Subsection 4 and 5, regarding factors to consider when considering giving preference to various sources of supply and measures in a resource plan. Ms. Cuneo commented that the statute provides no ranking of factors therefore the Commission gives equal consideration.

Josh Nordquist expressed that this is an important area for consideration since the Commission doesn't have much information on the economic benefits of other qualities of different technologies.

Jennifer Taylor asked if there were any past Legislative committee hearings that provided additional information in terms of the proper weight and analysis is for each of those categories. Also would it be as simple as adding in language that prescribes order of priority.

Ms. Cuneo stated the Commission and staff often go back and review all of the legislative history. If they are equally preferred, then an equal ranking is fine, but if there's a preference for economic development over something else, then it probably should be said, either in the legislation or in floor statements. If there is a criteria ranking in the statute, then that's what the commission will implement.

Senator Spearman stated Ms. Cuneo's remarks punctuate the need for a comprehensive energy plan. What are the best practices; who else has done this; and how do we develop that comprehensive strategy? Not just policies, but a comprehensive plan that affords an opportunity to subsequently develop a template that will help us prioritize things that we may be pursuing at a particular time without diminishing the overall interest of the state's policies.

Ms. Cuneo stated the PUCN like any corporation has a mission statement, vision statement and strategies to accomplish all of that. She said it seemed the task was to form a policy that gives us a goal to go forward, but is nimble enough to change with the time, prices and economic considerations as well.

Senator Spearman said she believes this is something we could put on a category of stretch goals. She doesn't see this as a task for the PUC alone and that requires some collaboration on the part of all the energy industries in Nevada to identify a nimble template so that any given time, we may be able to rank them, in terms of what our focus is for a particular given time.

Dave Emme asked whether the factors subsection 5 could be clarified in regulation more easily than changing the statute.

Ms. Cuneo stated yes they do have regulations but the regulations are infrequently changed and it is a lengthy process to revise regulations.

Josh Nordquist asked if the Office of Energy had done studies on the general benefits of various renewable energy sources.

Angie Dykema commented the Governor's Office of Energy has not conducted any economic benefit studies. If that is something that the committee would like to consider, then it may be a good idea, if funded.

Ms. Cuneo stated to be clear, the Commission does consider information provided, for example, if it is presented with a resource Option A which is a geothermal plant located in this county with an expected construction of 250 people and tax revenue of X and Y, versus a solar plant located in this county with Z construction and X many employees. They do look at that if it's provided, but all else being equal, the Commission generally go with which one is cheaper, or which was going to get built faster, or fit our resource needs better.

Joe Johnson stated at the distributed generation committee workshop there was a discussion citing a pre-filed request from the Chairman of PUC, and that he would like Ms. Cuneo to respond to the criteria requested in that document. He believed it well fits on what is being asked for here.

Ms. Cuneo stated the criteria that was requested by Chairman Thomsen was for the IRP, and it was specifically to assist the Commission with the determination of a more holistic value for distributed generation solar. That was the purpose of that procedural order. It was specifically for distributed generation solar, but it could be more broadly applied in any resource planning docket. There may be a slight difference, but it doesn't mean you couldn't do it for something else.

Josh Nordquist stated that docket didn't account for economic benefits which weren't part of that list.

Chairman Davis asked if staff have the ability under the law to ask NV Energy for that same information when you're evaluating their IRP?

Ms. Cuneo stated they often do and they issue data requests and the utility has a certain amount of time to respond to them. We have often asked the utility to do a PROMOD run with different assumptions and they'll do that for us on our behalf.

Bob Johnston stated with respect to section 5 he believes that it may be a good idea for the NGOE to do the studies, since he's seen in the resource planning process the company will come in and make a case with respect to economic and environmental benefits for a certain project, that is subject to attack by others in the IRP context. There might be some value to having an independent entity do that analysis that is incorporated by reference in the resource planning process.

Senator Spearman suggested we consult with and collaborate with experts in the University system.

Chairman Davis stated that's a good option to look at in future committee meetings.

He then mentioned that we do have a lot of things in our RPS that are a little different from other states. He asked whether since we're phasing out energy efficiency right now, at that point does our RPS look substantially similar to other states, or are there still a number of things in Nevada's that are unique?

Ms. Cuneo stated that it looks substantially similar, but the statute calling for an end to the 2.4 multiplier is for new installations, so old installations keep that 2.4 multiplier in perpetuity. Nevada's RPS will look a little different, simply because we have those multipliers. She noted many western states don't have an RPS.

6. Review of efforts to date relating to Clean Power Plan: Mr. David Emme, Administrator, Nevada Division of Environmental Protection, gave a power point presentation regarding clean energy policy and carbon emissions (*Attachment II*). He discussed the status of the Clean Power Plan, a regulation from EPA to limit carbon emissions from existing power plants. The Supreme Court has issued a Stay on implementation of the rule pending resolution of legal challenges to the rule. He indicated Nevada was well positioned to comply with the rule if it were upheld. However, noted that given the uncertain future, rather than discuss compliance pathways, we should focus more broadly on Clean Energy policies since that is what put us in a good position to comply. He referred to the charter for the Task Force and Committees in the Governor's Executive Order that provide this direction.

7. Review of carbon output of Nevada's existing and planned energy generation: Mr. Robert Johnston with Western Resources Advocates (WRA) discussed a base projection of carbon emission from the electric generation sector in the state of Nevada. Mr. Johnson stated that the resource planning process projects pollinates by unit, by year for the term of the time being studied. Relying on that analysis and through a data request from NV Energy, WRA prepared an analysis of how Nevada is positioned for compliance with the Clean Power Plan. Because Nevada only has one industrial utility company this was easy to compile, using the CO2 emission that were projected from NV Energy in its modeling and then made reasonable assumption with respect to future CO2 emissions. WRA's conclusions are consistent with the analysis that Mr. Emme just presented. Nevada is well positioned for compliance with the Clean Power Plan. Mr. Johnson felt there would be value in a consensus on the current projection of CO2 emissions based on NV Energy's integrative resource planning. This would be a good starting point for future energy trading if the Clean Power Plan goes forward. WRC would like to see this as part of the committee's work.

Ms. Lacy wondered if it might be easier if NV Energy put together this information and agreed that it would be valuable to have a consensus.

Mr. Johnson would like for NV Energy to do that, that they have the best resources to compile that data.

8. Review of Nevada's Renewable Portfolio Standard and history of compliance: Ms. Starla Lacy, Environmental Director at NV Energy, used a power point presentation to update the members on Renewable Portfolio Standards (RPS) and NV Energy's compliance. (Attachment III). Nevada legislation first enacted RPS in 1997 and several revisions have been made since. The RPS was originally set at 6 percent, now at 20 percent, it grows to 25 percent in 2025. Ms. Lacy stated that in 2015, at the required 20 percent, NV Energy South was at 21.2 percent and NV Energy North was at 31.3 percent. NV Energy has exceeded RPS requirements since 2010. Ms. Lacy also discussed how diverse the renewable portfolio is consisting of geothermal, solar, hydro, biomass, waste heat recovery and wind.

9. Discussion and call for policy ideas: Chairman Davis stated if people have ideas from the general public and committee members for potential polices that could help us maximize our clean energy opportunities in the state to please send them to him and he'll get them placed on the agenda.

Joe Johnson asked how many of bill drafts they anticipated from either the working group or the committee at the end of this process.

Angie Dykema stated the committee is not limited to however many proposals you would like to bring back to the Task Force on May 26th. She expects at least three from the Task Force, but that's not to say there couldn't be additional policy recommendations that don't require legislation going forward beyond the June 1st deadline.

10. Set time and date for next meeting: Chairman Davis proposed meetings on May 2, 2016 from 1:00 to 4:00 PM and May 16, 2016 from 9:00 AM to 12:00 PM. There was discussion regarding where to hold the meetings. Location would be determined later.

Ms. Jennifer Taylor moved to approve the meeting dates and times, Ms. Lisa Briggs seconded. The motion passed unanimously.

11. Public comments and discussion: Mike Baughman, Executive Director of the Lincoln County Regional Development Authority stated that this falls more in the category of your suggestion of soliciting policy ideas, but he would like the Task Force to consider looking at new energy industry. He attended the International Biomass conference in Charlotte, North Carolina and that we have a very small biomass sector here in Nevada, but interesting enough there's a lot of biomass. We have several million acres of biomass in our state in the way of pinion juniper woodlands that are required to be thinned to cast off wildfire hazard, provide for watershed and wildlife enhancement, including provision for sage grouse habit. We have spent hundreds of millions of dollars landscape restoration initiatives to provide for the sage grouse in our state. In Lincoln County we recently did an analysis by a group out of Portland, Oregon that identified approximately a million acres of accessible pinion juniper in Lincoln County to be thinned that results in about 4.8 million dried tons of biomass. Literally we have a tremendous resource here in Nevada and we're a very small biomass industry and we're exporting approximately 4 million tons a year of biomass, primarily Europe where they're using wood pellets for a drop- in substitute for coal in power plants to achieve

significant emissions reductions. That's from as small as 10% make up to a 100% conversion. We have that opportunity to do this in our own state as a fuel substitute and the opportunity to provide fuel to other states as a substitute. This is a new opportunity for a new energy industry that will help us solve some significant environmental problems in our state, or help finance those. If we can come up with an industrial demand or industrial users for this biomass material we can help solve this problem in our state and include some economic activity. He read about this and thought this would be the opportunity to brief the committee.

Chairman Davis stated that he's interested in exploring this and Mr. Baughman could send him an email. We've worked on biomass ideas before, but there is the opportunity to both provide renewable energy resources along with dealing with some landscape issues that are ongoing as well. Mr. Baughman could send him an email.

Chairman Davis stated that he's interested in exploring this and that Mr. Baughman could send him an email. There's an opportunity to provide renewable energy resources along with dealing with landscape issues.

12. Adjournment: Meeting was adjourned at 2:25 PM.

A full account of the meeting was captured in an audio recording, available on the Governor's Office of Energy's website.