

MINUTES

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

May 16, 2016

The Technical Advisory Committee (TAC) held a public meeting on May 16, 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 4406
Las Vegas, NV 89101

1. Call to order and Roll Call: Chairman Kyle Davis called the meeting to order at 9:00 am, calling roll and confirming a quorum.

Technical Advisory Members Present

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

Technical Advisory Members Absent

2. Public comments and discussion: Pam Stuckey with Renewable Envoy stated the twenty first century has already seen the start of the next great transition in energy sources away from fossil fuel toward renewable energy. This transition is motivated by many factors including concern about environmental impact, limits on fossil fuel reserves, prices and technological changes. Renewable energy is not about saving the environment anymore, it is now about stimulating the economy, creating jobs, generating new sources for growth and increasing benefits. Artist and creatives should be invited more often to take part in discussions of social, political, and ecological issues. When leaders at all levels consider solutions to the challenges that face us in the world today, they should be looking at the arts to provide a roadmap for increased public awareness. Land Art Generator Initiative, LAGI is working with cities, developers and

institutions to bring culturally relevant renewable energy infrastructures to specific sites and projects with a place making and public art approach. Renewable Envoy is working with LAGI to bring the project to Nevada in 2018.

Tom Dudas, retired citizen in Las Vegas stated that he felt it was important for the TAC to preview and enter into the record, Federal Senate Bill, S2012, which it's known as the Modernization of Energy of Policy ACT. It addressed construction in energy conservation programs and transformer reserve for security purposes. The security issue is brought up in the electrical GRID and other things that have to do with energy efficiency, prevent pollution, water and manufacturing process conservation, conserving natural resources. His reason to speak today what is an obvious point in this bill that been entered by the Senate was that net metering was left out. It's a social issue, a point of the political battle that taking place across the states to eliminate it and not have that independent fight to be able to produce for yourself in a true cabalistic country and not a monopoly.

3. Transitioning Nevada Away from Carbon: Escenthio Marigny Jr. and AJ Buhay with Progressive Leadership Alliance of Nevada used a power point presentation on using 100% renewable energy generation by 2030. Mr. Marigny explained that renewable energy generation is defined by electricity generated from wind, photovoltaic solar, geothermal and hydroelectric capacity. To achieve this goal proposed revenue from a fee or tax would be levied on per ton of emissions. Potential revenue from a carbon fee or tax could generate \$400 to \$800 million per year.

Mr. Marigny proposed that NDEP be directed to calculate an initial carbon emissions fee and that carbon prices be capable of moving Nevada to the 100% renewable generation by 2030. Also that revenue generated from the tax is allocated to a Green Development Trust.

Mr. Buhay explained the PAYS (Pay-As-You-Go) Model to the members, stating that the PAYS Model is a utility investment solution that offers customers the option to access cost effective energy upgrades. The utility invest in cost-effective energy upgrades like better building efficiency such as weatherization, lighting and HVAC. The utility pays the installer so the customer pays nothing up front. Using a tariff, the utility puts a fixed charge on the monthly bill that is significantly less than the savings generated by the upgrade. Until the investment is recovered, the tariff for the PAYS charge automatically transfers to future customers residing at the site. Mr. Buhay also proposed Virtual Net Metering, allowing customers to offset their combined energy use from a common distributed generation system.

The members had a few questions that Mr. Marigny and Mr. Buhay responded to.

4. Clean Energy & Integrated Resource Planning: Robert Johnston, Western Resource Advocates, presented concerns with existing Integrated Resource Planning (IRP) to the members. The IRP process doesn't adequately evaluate the costs/benefits of clean energy resources or provide for resource planning on the distribution grid. IRP lacks stakeholder involvement prior to the utility's plan filing, except by the PUCN staff and Bureau of Consumer protection. Separating IRP filing by Nevada power Company and Sierra Pacific Power Company makes little sense now that their systems are interconnected by ON-Line.

Proposed solutions would be to establish preference in NRS 704.746 for measures to reduce demand and increase supply that provides the greatest economic and environmental benefits and the greatest opportunity for the creation of new jobs in the state. Also for measures that diversify energy portfolios and reduce fuel-price and carbon-price risk.

Amend NRS 704.741 to require inclusion in the utility's IRP of a distribution resource plan to provide for the merging of rooftop solar, behind-the-meter energy storage, plug-in electric vehicles and other DER's into the utility's day to day grid operations and long-range distribution grid planning. Also provide for transition to a combined IRP for Nevada Power Company and Sierra Pacific Power Company.

Amend NRS 704.746 to provide for a pre-filing stakeholder process and consider extension of statutory deadlines.

Mr. Johnston suggested moving to the next agenda item before taking questions. Chairman Davis concurred.

5. Renewable Portfolio Standards: Mr. Johnston presented concerns with the existing Renewable Portfolio Standard (RPS). Currently Nevada's RPS requires an electric utility to generate or acquire renewable energy or save electricity in an amount that is not less than a specified percentage of the total amount of electricity sold by the utility to its retail customers during a calendar year. The RPS law provides for establishment of a system of portfolio energy credits (PECs) that may be used by the utility to comply with the standard, with the utility generally being entitled to one PEC for each kWh of generated energy by a renewable energy system or saved by an efficiency measure.

The amount of PECs available to a utility for compliance with its RPS in a calendar year has become so disconnected from the amount of kWh of renewable energy actually generated or saved during the year that the RPS is no longer an accurate measurement of progress in transitioning to renewable resources. RPS is no longer a driver of the transition towards renewable energy resources.

Mr. Johnston stated the proposed solution consistent with Nevada's role as a leading state in renewable energy development, increase the RPS starting in 2017 to prevent a further accumulation of banked credits and commit Nevada to a steady and sustained transition towards clean energy resources.

There was an extensive discussion on RPS, action plans, resource planning and programs for low income families. The Committee discussed the importance of preferences being given to what would provide the greatest economic and environmental benefits and giving the PUC clear direction on prioritization. It was suggested that NRS 704.746 verbiage that states "the Commission may give preference to the measures and sources of supply set forth" be changed to "the Commission should give preference". And even include language that's consistent with reliable rates. Chairman Davis stated that the discussion would be helpful to the next agenda item and made the decision to move to item 6.

6. Review of Committee Feedback: Chairman Davis stated the meeting of the New Energy Industry Task Force is next week, we need to have recommendations on potential Legislative Policy's for that

committee to consider. Committee members had submitted recommendations to each other prior to this meeting. The members then had a lengthy discussion based on the proposed clean energy questions and the proposals members had submitted.

After moving through several topics, Chairman Davis suggested that he would bring up specific topics that had been discussed to get to a place where recommendations could be put together.

7. Nomination of Legislative Policy Ideas: Chairman Davis starting with the Renewable Portfolio Standard (RPS) and where we should we go on this.

Ms. Briggs stated from the standpoint of Nevada serving as a leader, we are currently surrounded by states that have surpassed Nevada. Ms. Briggs suggested the discussion start with Oregon's current RPS plan. Several members supported starting with Oregon RPS 50% by 2040. Ms. Cuneo's concern was that anyone leaving the utility system under NRS 704B would only be subject to the RPS at the time they left the system. This could cause a large number to exit the utility system.

Chairman Davis moved the discussion on to Integrated Resource Planning (IRP) reform. The members had an extensive discussion based on Mr. Johnston presentation regarding the IRP and the proper verbiage for the change. Mr. Emme suggested that the commission make general recommendation to the Task Force and not focus on exact language.

Chairman Davis asked Mr. Johnston based on what he presented, to put it in form of a motion.

Mr. Johnston moved to make a recommendation to the Task Force that Nevada's integrated resource planning statutes be amended to establish a preference for measures to reduce demand and increase supply that provide the greatest economic and environmental benefits and the greatest opportunity for the creation of new jobs in the state. Also they be amended to establish a preference for measures that diversify energy portfolios and reduce fuel price and carbon price risk. Vice Chair Taylor seconded the motion. After further discussion the motion passed unanimously.

Mr. Polikalas made a motion to provide clear legislative intent that the PUCN have legal authority to consider implementing decoupling, should the PUCN find it in the public interest.

Ms. Cuneo clarified that often times when legislation comes up that has passed they says, "PUC can consider this", someone would hold that up and say, "we wouldn't have passed it if we didn't want you to do it." She wanted to be really clear that we're just giving the PUC the authority to look at decoupling and not to require it. After discussion, Ms. Cuneo seconded the motion. After extensive discussion the motion passed with Ms. Lacy abstaining.

Mr. Polikalas moved to have this committee indicate its support of the State Energy Office both studying and at an expedited timetable, the Green Bank. Vice Chair Taylor seconded the motion. Chairman Davis asked for discussion. Motion passed unanimously.

Mr. Polikalis moved to have the legislation that's been previously proposed as described by Tim Farkas in the presentation on PACE to be a recommendation that this committee supports that legislation be passed in the next session of the Legislature or as advanced by the Governor. Vice Chair Taylor seconded the motion. Motion passed unanimously.

Mr. Emme moved to recommend to the Task Force that the RPS be amended to set a higher goal, for example 50% by 2040, and to apply the standard consistently to 704 B customers to avoid an incentive to opt out. Further, that the crediting system be revised to be consistent with regional practice by eliminating the multipliers, station use credit and changing the units for the credits. Ms. Lacy seconded the motion. After extensive discussion the motion was approved with 2 nays, Ms. Lacy and Ms. Cuneo.

Mr. Johnston moved that the committee recommend to the Task Force adoption of recommendations 1, 6 and 7 included in Ms. Cuneo's written response to Committee questions, and listed under question 3 of her response. Recommendation 1 being to eliminate obsolete language in the statute in NRS 704.701 through 704.731 related to coal conversion. Recommendation 6 is to delete NRS 704.7823, relating to systems that draws or creates electricity from tires. Recommendation 7 is to consider increasing the amount in NRS 702.1460 or 702.270 to allow for greater spending on weatherization of low income households. Mr. Nordquist seconded the motion. Motion was approved unanimously.

Vice Chair Taylor moved to recommend broadening the IRP pre-filing process to allow all stakeholders to be part the Twenty Day meeting. Just something that allows for a broader participation at those early phases, but without specifically delineating how it happens. Mr. Johnston seconded the motion. Chairman Davis asked for discussion. Motion passed with Ms. Lacy abstaining.

8. Public comments and discussion: Bradley Cladianos, student from Arizona State stated he is a resident of both Arizona and Nevada and he has noticed that Arizona has more programs involved in efficiency and energy on the utility scale. For example, Arizona Public Service, APC one of the main utilities in Arizona has a program for energy builders that has a \$1500 rebate for homebuilders who build their homes to energy star standards. In Nevada, we don't have this type of program. There is no program that actually incentivizes energy efficiency in new home buildings. Also from APC is the multi-family housing program which is a program that promotes efficiency in multi-family units and this would be important in Nevada since there are a lot of Nevadan's that live in apartments. By promoting this type of program as the committee talked about earlier, there are lower income families that spend of larger portion income on energy. He encourages the committee to continue to look at programs in other states and also implement programs in Nevada.

9. Adjournment: Meeting was adjourned at 12:38 PM.

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