



GOVERNOR'S OFFICE OF ENERGY
MINUTES
Committee on Energy Choice

October 18, 2017

Technical Working Group on Consumer Protections: Protecting Against Undue
Rate Increases and Fraudulent Practices

The Committee on Energy Choice held a public meeting on October 18, 2017, beginning at
1:00 P.M. at the following location:

Legislative Counsel Bureau
401 South Carson Street, Room 3137
Carson City, NV 89701

The meeting was also available via videoconference at:
Grant Sawyer State Office Building
555 East Washington, Room 4401
Las Vegas, NV 89101

1. Call to Order and Roll Call: The meeting was called to order at 1:09PM by Chair Atkinson.
The agenda item was opened up for roll call and a quorum was confirmed for the committee.

The following Members were present:

Members Present

Senator Kelvin Atkinson – Las Vegas
Barry Gold – Las Vegas
Ernest Figueroa – Carson City
Ann Silver – Carson City
Rosalie Bordelove (AGO) – Las Vegas

2. Public Comment and Discussion:

Chair Atkinson opened up for public Agenda Item No. 2 and asked if anyone from the public
sought to make a comment on the matter in both Carson City and Las Vegas locations. No public
comment was provided.

Chair Atkinson closed agenda item No. 2 and moved to Item No. 3 on the agenda.

3. Approval of Minutes from the August 23, 2017 meeting.

Chair Atkinson opened up for public Agenda Item No. 3 asking if members of the Committee approve the minutes of the August 23, 2017 meeting. Ernest Figueroa made a motion to approve and Mr. Gold seconded the motion. The committee approved the minutes.

Chair Atkinson closed agenda item No. 3 and moved to Item No. 4 on the agenda.

4. Presentation: Bureau of Consumer Protection (BCP)-Consumer Protection: Protections From Undue Rate Increases and Fraudulent Practices:

Chair Atkinson moved onto Item No. 4, a presentation by Mr. Mark Krueger, Consumer Counsel and Ms. Judy Kareck, Senior Engineer, Bureau of Consumer Protection.

Mr. Krueger and Ms. Kareck outlined the following topics and a discussion session followed. They provided a background of BCP indicating that Ernest Figueroa was a Consumer Advocate and the executive head of the unit.

Eleven topics were presented that included ratepayer and consumer advocacy; examples of BCP involvement; electric restructuring in the United States; energy choice initiative; where we are currently and where we are going.

They presented information on licensing, market behavior, transactional rules and related enforcement regimes; routine monitoring and oversight of market participants (e.g. administering and managing any reporting requirements); customer education on the marketplace and their rights; customer complaint and dispute resolution; oversight of and rules for entity managing customer enrollments and supplier switching; oversight of an rules for managing data privacy and data exchange; transmission and distribution system rate design and recovery; market participant compliance with market behavior rules and any obligations that extend to them (e.g. energy supply requirements, emerging technologies, net metering, energy efficiency, demand response requirements). Who will enforce the rules? AG, PUCN or both and also create penalty authority for noncompliance and termination.

Additionally they presented information on low-income customer assistance; retail providers, what types of payment options and credit arrangements should be offered and the oversight of energy providers extended to territories of cooperatives, municipalities, and public utility districts where needed or desirable.

Discussion:

Ms. Silver asked if they made the assumption that the consumer would receive one bill. Mr. Krueger indicated that the presentation necessitated assumptions, with Ms. Kareck adding that they used EnergyFreedomNV.com as a source for information.

Ms. Silver asked if consumers had this presentation prior to voting, what do they think the result would be? Mr. Krueger indicated that he could not answer the question as he would have no way of knowing what consumers researched before they voted.

Mr. Gold asked if BCP studied the issues that other states were having relating to solving the effect on cost.

Mr. Krueger indicated that they studied other states issues and provided examples in the presentation. He added that Nevada is not geographically similar to other states, therefore we will not experience the same challenges. General overview provided relating to cost. Education of consumers and incentives could be offered and included in a standardized billing. We did not do a cost versus choice analysis as there are too many factors involved.

Mr. Gold-in the various states, what were the complaints and how many? Mr. Krueger will report this data to the committee at a later date.

Chair Atkinson asked for clarification of how many bills the consumers would receive, if it would come from NVEnergy and whomever the consumer chooses to buy power from. Mr. Krueger clarified that it will be one invoice to include distribution and transmission costs. He indicated that he did not have a copy of the presentation to refer to and Mr. Krueger offered to provide additional copies to the committee.

Chair Atkinson asked who will pay the franchise fee and is there a funding source set aside for education and complaint process. Mr. Krueger did not have an answer as it is something that will have to be worked out during the deregulation process.

Chair Atkinson asked what types of rates (ie variable and how high) they found in their study of the other states.

Mr. Krueger indicated that they did not delve that deeply into the rate study. He will inquire with the states and provide information to the committee.

Mr. Gold asked how the prohibition of time of use rates will effect the consumer.

Mr. Krueger indicated that an analysis has not been performed and the current laws may have to be addressed relating to a minimal mandate that the providers must charge.

Chair Atkinson asked if BCP did an analysis of how many full time employees they will need for the restructuring and, if not, will they be able to submit the date to the committee in the future.

Mr. Krueger indicated that when the petition progresses, they will be able to complete an analysis and it will be determined on the volume of complaints received. In the future, Mr. Figueroa or myself will be able to provide an analysis to the committee.

Ms. Silver asked if they could explain how much information consumers should receive before they make the decision and selection of energy choice.

Mr. Krueger replied that the focus of their presentation included assumptions after the petition passes and indicated that he and Mr. Figueroa could meet with Ms. Silver and discuss the topic.

Chair Atkinson closed agenda item No. 4 and moved to Item No. 5 on the agenda.

5. Action Items:

Chair Atkinson opened agenda item No. 5, items for possible consideration.

Mr. Gold suggested a presentation to the committee from the AARP organization. Customer education was of interest.

Ms. Silver was interested in customer education on the retail marketplace and their rights.

Ernest Figueroa was interested in the oversight of and rules for managing data privacy

Chair Atkinson and Mr. Gold were interested in the low-income customer assistance programs.

Chair Atkinson will talk to Ryan Cherry about these action items and adding them to the next agenda.

Chair Atkinson closed agenda item No. 5 and moved to Item No. 6 on the agenda.

6. Public Comment.

Chair Atkinson opened Agenda Item No. 6 and asked if anyone from the public sought to make a comment in the Carson City or Las Vegas location.

Fred Voltz regarding the BCP presentation.

Recommended the public is notified when the final report from the Committee of Energy Choice is released. The method of communication should be through the media to assist the consumer in making their decision in the November election.

Mr. Voltz had the following questions:

Will blocks of NVEnergy customers will be assigned to someone for the default provider issue?

Will there be a two-tier pricing structure or will pricing structure be determined according to the consumers' credit scores? Who will own the meter? If there is more than one entity, will the Information Technology systems talk to each other exchange data?

Mr. Voltz recommended that the committee begin with smaller communities and implement the program for one section and in stages. He indicated that consumers will have registration limitations, as approximately 20% of them will have limited internet access and skills.

No one came forward for public comment in Las Vegas. A public comment (attached) was received in the Committee of Energy Choice email on after the meeting adjourned on October 18, 2017 at 3:41pm.

Chair Settlemeyer closed agenda item No. 6 and moved to Item No. 7 on the agenda.

7. Adjournment.

Chair Atkinson made a motion to adjourn the meeting. The motion was seconded by Ernest Figueroa and the meeting was adjourned.

October 18, 2017 Energy Choice Meeting at 1pm

I agree with the concerns of Ms Silver, who feels that the public needs to be made aware of what the vote for energy choice really means.

This vote was not a true energy choice option, but an 'I Hate NVE' vote. While NVE has held the monopoly in the state for decades, choice should have been implemented a while ago. But the real problem with this, is the PUC. As they make the final determination of rates, etc., that are proposed by NVE.

All one has to do is look at the phrase: 'the PUC is to balance the interests of the ratepayers and investor owned utilities'. The major problem is that the PUC has a highly vested interest in keep rates high, as over 90% of their financial viability is predicated on customer costs. Thru the manipulation of their hidden Mill Tax, that almost every ratepayer is not aware of.

Throwing this open to x-amount of new providers, I am willing to bet, is going to mimic what is going on with the tel-coms coming into the state.

These tel-coms come in, get certified to do business here, with a lot of mom/pop businesses. Having been a fixture at the PUC since October of 2011, I have seen so many come in, last about a year or so. They get fined, but, are out of business and the fines are never paid.

People can always find another phone carrier, whereby, they can 'get away' with poor credit etc. If they are turned down by the major carriers.

Electricity is not something that a person can do without. As it was pointed out during the BCP's presentation, low income, disabled, ill, late payers are going to be impacted the most. Not to neglect the fact, that customers in rural areas are not going to be 'highly desirable' to new providers.

It's a forgone conclusion, that these new providers are looking for 'perfect' customers, high usage, as they are strictly profit driven. As such. The aforementioned demographics, will be thrown into a provider of last resort. As it is common knowledge those providers have higher charges. There is no justification, that profits should drive 'good' customers who do not use a large amount of energy should be 'punished'.

NVE has spent 100's of thousands of dollars, to keep their customers information secure/private. A ratepayer has a contractual relationship with NVE, as such, no new provider should be given access to any ratepayers relationship with either NV Power or Sierra Pacific.

Let them do what has been standard practice with NVE, either posting a deposit, getting a letter from a prior utility, or use the Equifax Score for utilities.

Regarding educating/informing the public, it has to start at least 6-9 months prior to election day.

There is a statute NRS 704.069(2), whereby at least once, a year, the PUC has to hold an annual consumer session in the 2 largest counties in NV. Very few show up and it's usually the 'regular' ones, who come to comment.

I do NOT advocate for the PUC to do any consumer sessions on this issue. Years ago, they 'attempted' to do one, to explain the various line items on the bill. That was a complete waste of everyone's time. The person, AnneMarie Cuneo, the Director of Regulatory Operations did the presentation. She did NOT have the ability to dumb it down. We are not a state of highly educated people. When doing a public information presentation, the presenter needs to talk at literally an 8th grade level. This is a standard when addressing the general public. Not to forget, we have a lot of illegal's that are struggling with basic English.

There needs to be repetitive town hall meetings in each area. If available, have them broadcasted over the state's PBS stations, as another level of exposure.

This should be done by the BCP as they are the 'voice' for the ratepayers, they understand the issue and I firmly believe they would be perceived as more 'trustworthy', than the PUC or even state senators or assembly.

There has been way too much 'cloistering' of the financial impacts of the energy bills passed last session. Now, the truth is slowly coming out, and the reductions as 'claimed', are showing up, as increases upon the ratepayer.

There should be a website designed to replicate what is transpiring at the energy choice meetings, at a dumbed down level. When you have presenters appearing and speaking to their 'peers', while wanting the general public to partake, they are 'lost' in the verbiage of the presentations.

/s/

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