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GOVERNOR'S OFFICE OF ENERGY

MINUTES
Committee on Energy Choice

June 18, 2018

The Committee on Energy Choice held a public meeting on June 18, 2018, beginning at 9:00 A.M. at the following location:

Legislative Counsel Bureau
401 S. Carson Street, Room 1214
Carson City, NV 89701

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

- 1. Call to order and Roll Call:** Chair Mark Hutchison called the meeting to order at 9:01 A.M. Chair Hutchison thanked all for attending the meeting and noted that the agenda will be followed as noticed. Chair Hutchison reminded all in attendance of proper microphone etiquette. The agenda item was opened up for roll call and a quorum was confirmed.

Committee Members Present

Mark Hutchison
James Settelmeyer
Erik Hansen
Dana Bennett
Ann Silver
Jeremy Susac (Via Teleconference)
Jennifer Taylor
Angie Dykema
Ernest Figueroa
Daniel Witt
Barry Gold
Paul Anderson
Jeremy Newman

Darren Daboda
Joe Reynolds
Dave Luttrell
Kevin Sagara
Non-member Deputy Attorney General Edward Magaw of the Gaming Division sitting in for Attorney General Adam Laxalt
Non-member Carolyn Barbash sitting in for Paul Caudill

Committee Members Absent

Kelvin Atkinson
James Oscarson

Chris Brooks
Adam Kramer
Andy Abboud

2. Public Comment and Discussion:

Chair Hutchison opened Agenda Item No. 2 and asked Vice Chair Bennet to direct the efforts in Carson City. Vice Chair Bennett asked for public comment in Carson City.

Pam Robinson, Policy Director for Governor Sandoval, provided comments on behalf of the Governor providing his deep gratitude for all of those that provided input, time and dedication to this issue. The Governor also wanted to thank the staff of the committee that worked on the technical working groups and the full committee.

Ned Ross, Retail Energy Suppliers Association (RESA), provided comment thanking the members for everything that they have done on this committee. Mr. Ross identified some of the presenters that presented throughout the meetings and restated the message of his organization, competition is proven to be the best model in every industry. Mr. Ross said that RESA filed a template for Nevada on retail competition along with a road map on how to get to the end result. Mr. Ross said that there are folks who are eager to come into the State to help get where we would need to be. Mr. Ross stated that electric service is changing around the world, because technology is changing. Mr. Ross concluded his comments by thanking everyone on the committee as there is an opportunity to create a new market and encourages everyone to embrace it as there are those that are willing to help.

Staff member Robin Isaacs, noted the submission of public comment for the record. A letter from Copper Development Association.

Chair Hutchison asked for public comment in Las Vegas.

Greg Ferrante, president of Nevada Solar Owners Association, provided comment that his group would like to see the continuation of net metering programs if ECI passes again.

Chair Hutchison closed agenda item No. 2 and moved onto agenda item No. 3

3. Approval of Minutes from May 09, 2018 meeting:

Chair Hutchison opened agenda item No. 3, and opened the floor for any comments, additions or corrections on the draft of these minutes.

Jeremy Newman made a motion to approve as is and Erik Hansen seconded that motion. The minutes were approved unanimously.

Chair Hutchison closed agenda item No. 3 and moved onto agenda item No. 4

4. Consideration and Possible Approval of TWG on Economic Impacts Report of Findings and Recommendations – Sen. James Settelmeyer, TWG Chair:

Chair Hutchison opened agenda item No. 4 and thanked the Chair of the technical working group, James Settelmeyer for his work.

James Settelmeyer, Chair of the Technical Working Group on Consumer and Investor Economic Impacts report, provided an overview of the recommendation and the process in which they went through to come to the final conclusions of this report. Mr. Settelmeyer read the recommendation that his technical working group provided for the final report.

Chair Hutchison asked if there were any questions, concerns or comments regarding the recommendation provided and asked for a motion to approve the recommendation.

Jeremy Newman made a motion to approve and Dave Luttrell seconded the motion. The motion was accepted unanimously and the recommendations were approved with no changes.

Chair Hutchison closed agenda item No. 4 and moved onto agenda item No. 5.

5. Consideration, Review, and Approval of Draft Report of the Energy Choice Committee’s Findings and Recommendations:

Chair Hutchison opened agenda item No. 5 and identified that the draft recommendation version 3 is the report that is being discussed under this agenda item. Chair identified how the process will proceed with suggested changes or edits and a summary of those changes after the sections.

Chair Hutchison asked for any comments, revisions or edits to the Cover, Members of the Governor’s Committee on Energy Choice, Support Staff and Table of contents pages. Hearing no corrections Chair Hutchison moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Executive Summary pages 1-4.

Chair Hutchison suggested using the acronym of “TWG” when it is clear which working group is being referenced instead of spelling it out for clarity and consistency purposes. Jennifer Taylor requested that in the third paragraph where it lists out who the 25 members represent to include “conservation organizations”. Barry Gold requested that the paragraph discussing the fifteen policy recommendations from the TWG on Consumer Protections include a reference pertaining to the Nevada Consumer Bill of Rights and prohibiting predatory marketing practices. Dave Luttrell clarified that the TWG on Generation, Transmission and Delivery recommendation on resource adequacy and the IRP process presumes the existence of an

organized wholesale market that is functioning prior to opening a competitive retail market, and that the current IRP process will need to be replaced with a new process that ensures retail providers secure adequate resources. This clarification is needed on page 3 and 32.

Matt Morris provided a summary of the previous changes. Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Policy Recommendations pages 5-8.

Matt Morris identified that under the Open Energy Markets Design section, the third item needs to be updated to reflect that the markets design recommendation on retail market structure was amended during the May 9, 2018 meeting to require that the recommendations be done by a July 31, 2020 deadline for BDR submission purposes instead of ‘start of the 2021 Legislative Session’. Matt Morris also pointed out that under the Generation, Transmission and Delivery section, the third item needs to spell out “Southwest Power Pool” before the abbreviation SPP as it has not been reference in the prior material.

Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Historical Background pages 9-15.

Joe Reynolds said that on page 13, the last sentence says that “24” states have continued to operate under competitive regimes. From his understanding, this is an inaccurate figure as RESA has provided one number and NV Energy had provided a different number so he requested that the figure be revised. Daniel Witt said that he would be willing to be a little more general about the appropriate figure and instead of stating a number leave it generic. Pam Robinson introduced a document that included a chart of the current status of states with competitive markets. Chair Hutchison stated that the committee will go with a more generic description. James Settelmeyer said that he agrees to leave the verbiage generic in the report and just to make sure that all of the information is included in the appendices.

Matt Morris provided a summary of the previous changes. Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Open Energy Market Design Summary of Findings pages 16-19.

Jennifer Taylor suggested correcting footnote 45, there should be the word ‘in’ between the words ‘study and Nevada’ and also to include a period at the end to conform with the rest of the formatting. Matt Morris suggested correcting footnote 42, to simply read “Id.” and also pointed out some technical, grammar and punctuation changes that needed to be made.

Matt Morris provided a summary of the previous changes. Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Investor and Ratepayer Economic Impacts Summary of Findings pages 20-23.

Matt Morris identified a change to first sentence to correct “raises questions regarding”. Mr. Morris also suggested correcting the last sentence of the second paragraph on page 22 which reads “because that” to remove the word that and on page 23 to fix some of the numbers on the assumptions, they may have been mixed up and staff needs to double check those numbers. Dave Luttrell identified an extra period in the same paragraph under sub item 3 which needs to be deleted.

Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Innovation, Technology and Renewable Energy Summary of Findings 24-31.

Jennifer Taylor provided suggested changes via email to Matt Morris prior to the meeting for incorporation into the final draft, the request was received and the changes were read by Ms. Taylor for the committee. There was no objection from the members to incorporate the changes as they had been read. Ms. Taylor also asked for a correction to the sentence in the last paragraph on page 28 which currently says “And, because Nevada has decoupled electricity sales” to reflect the current laws and regulations and read “And, because Nevada could decouple electricity sales and utility revenues”. Ms. Taylor also suggested a change to the second paragraph on page 24 to read “consumer should be able to select an electricity supply product”. Ms. Taylor also had various suggestions regarding footnote format consistency, punctuation, and grammar throughout the report. Mr. Morris suggested a correction to page 24 and the heading of Renewable Portfolio Standard and changing the word “originate” to “originates”.

Matt Morris provided a summary of the previous changes. Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Generation Transmission and Delivery Summary of Findings pages 32-38.

Matt Morris identified the change of adding a footnote in the first sentence to reference the specific section of the Executive Order that calls for the committee to address generation and transmission issues. Mr. Morris suggested correcting the reference to the “Energy Choice” effective date on page 33 to refer to the “ECI effective date” for consistency purposes. Mr. Morris also pointed out that “busbar costs” is one word and is a technical term that needs a footnote reference to explain what these are. Mr. Morris also identified other technical corrections within the section that will be corrected. Carolyn Barbash reiterated the earlier point made by Dave Luttrell that the reference to IRP as the system for ensuring resource adequacy

presumes the existence of an organized wholesale market and the IRP as currently established would need to be revised under a competitive system. Erik Hansen also requested that “trading hubs” on page 34 be defined with a footnote reference as this is also a technical term.

Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Consumer Protection Summary of Findings pages 39-45.

Jennifer Taylor pointed out various punctuation errors with the footnotes and references listed in this section.

Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Selected References pages 46-49.

Jennifer Taylor pointed out various technical, clerical and punctuation errors with the footnotes and references in this section. Dana Bennett noted that the table of contents should include the page numbers for these sections.

Chair Hutchison asked for any further discussion or input and hearing none moved onto the next section.

Chair Hutchison asked for any comments, revisions or edits to the Appendices pages 50-54.

Matt Morris identified that the heading for the TWG on Innovation, Technology, and Renewable Energy would be moved to the next page for ease of reading. Jennifer Taylor identified that the Public Comment submitted at today’s meeting should also be included. Mr. Morris confirmed that anything submitted today will be included in the final revision. James Settlemeyer requested that the committee include in the record a direction that staff be permitted to make technical, grammatical, punctuation, and other minor, non-substantive edits to the final version of the report without formal approval by the committee. The request was noted by Chair Hutchison and there was no objection to this directive.

Matt Morris stated that the staff has a handle on all of the revisions and did not provide a final summary.

Chair Hutchison asked if there were any other concerns or comments regarding the recommendations provided and asked for a motion to approve the recommendations with the noted changes and corrections along with a general approval for staff to make any technical, grammatical and clerical corrections needed without further approval from the committee members.

Erik Hansen made a motion to approve as corrected and Jennifer Taylor seconded the motion. The motion was accepted unanimously and the recommendations were approved with the corrections as noted throughout the document.

Joe Reynolds noted that pursuant to the Governor's Executive Order, he is a non-voting member for the motion.

Chair Hutchison closed agenda item No. 5 and moved on to agenda item No. 6.

6. Chairman's Report:

Chair Hutchison opened agenda item No. 6.

Chair Hutchison thanked everyone for the successful passage of the motion under agenda item no 5. Chair Hutchison thanked the Governor for the appointment to the committee and the other members for their hard work on this issue. Chair Hutchison thanked the staff, especially Matt Morris for his hard work and his staff for the work they did. He then asked Matt Morris to identify those members that assisted him.

Matt Morris stated that within the report it has been identified who helped on these efforts. Mr. Morris especially thanked Kirsten Van Ry for her amazing efforts on the committee and keeping everything running smoothly both in the south and the north. Mr. Morris also thanked Kyle Connors who is with the Governor's Office for the summer, Rosalie Bordelove and Caroline Bateman DAG for the committee, Pam Robinson, Robin Isaacs, Pat Malloy and Laura Wickham, for the assistance with all aspects of the meetings and the final report.

Dana Bennett, Jennifer Taylor, Erik Hansen, Barry Gold and Darren Daboda all provided thanks to the Governor, the Chair, the other committee members, the staff and the public for the experience that everyone went through and the hard work that was put into this effort.

Chair Hutchison also thanked former staff Ryan Cherry for his earlier efforts and work on the committee.

Chair Hutchison closed agenda item No. 6 and moved onto agenda item No. 7

7. Public Comments and discussion:

Chair Hutchison opened agenda item No. 7 and asked if anyone from the public sought to make a comment on the matter in both Carson City and Las Vegas locations.

Vinny Spotleson, Program Director for the Nevada Conservation League, wanted to thank the committee on the strong renewable recommendations that went into the final draft of the report.

Chair Hutchison closed agenda item No. 7 and moved onto agenda item No. 8

8. Adjournment

Chair Hutchison opened agenda item No. 8 and asked if there was a motion to adjourn. Barry Gold submitted the motion to adjourn and Jeremy Newman seconded that motion. The motion carried unanimously.

Chair Hutchison thanked all for their participation and attendance and adjourned the meeting at 10:23 AM.