



GOVERNOR'S OFFICE OF ENERGY

MINUTES of the workshop of the GOVERNOR'S OFFICE OF ENERGY on revisions to the Green Building Tax Abatement (GBTA) regulations LCB file number R128-18

December 6, 2018

The Governor's Office of Energy held a public meeting on December 6, 2018, beginning at 2:30PM. at the following locations:

The Governor's Office of Energy, 755 N. Rook Street, Carson City, Nevada
via videoconference to
The Grant Sawyer Building, 555 E. Washington Street, Suite 5100, Las Vegas, Nevada.

1. Call to order: The meeting was called to order at 2:30 PM by Director Angela Dykema. Ms. Dykema noted that the workshop will have a hard stop at 4:30 pm, and in the event the proposed regulation is not addressed in full, the workshop will be continued to the date of the hearing.

2. Introductions of those in attendance: Ms. Dykema began in Las Vegas and asked everyone to introduce themselves.

Carson City

Angela Dykema, GOE
David Noble, GOE
Robin Isaacs, GOE
Rob Morris, Caesars Entertainment
Eric Dominguez, Caesars Entertainment
Emkay Myers, Ernst & Young
Brian Mistler, Ernst & Young
Andrew Soulier, Ernst & Young
Kate Morra NRED
Suzanne Linfante, City of Reno
Tom Polikalas, SWEEP
Ashley Ahmadi, Government Affairs Consultant
Vicki Worden, Green Building Initiative/Green Globes

Las Vegas

Jennifer Turchin, Coda Group, Inc.
Ramon Reynoso, Ernst & Young
Breana Wheeler, BRE America
Todd Megrath, MGM Resorts
Nasrin Houston, Southwest Gas
Robert Butler, E:Companies
Chase Kolebuck, Ovation Development
Jennifer Tucker, Griffin Company
Brandon Holten, ASHRAE/NV5

3. Public comment and discussion: Ms. Dykema stated that each section of the proposed regulation will be addressed individually and if anyone had comments regarding a specific section to please hold off until the appropriate section.

No one in Carson City or Las Vegas wished to make a public comment.

4. Discussion of Proposed Regulation: Ms. Dykema went through each section of the proposed regulation and asked for those in attendance to stop her during any section that they would like to provide comments on.

There were no comments or suggestions on section 1 of the proposed regulation.

There were also no initial comments or suggestions on section 2 of the proposed regulation, however, later in the workshop comments were made regarding this section. (See page 4)

There were no comments or suggestions on section 3 and 4 of the proposed regulation.

On section 5 a comment was made by Eric Dominguez of MGM Resorts stating that a significant change in scope can be difficult to determine as you may not know there is a significant change until after it happens. Mr. Dominguez asked what the expectations are regarding this?

Ms. Dykema requested the submission of questions to the GOE to determine if a significant change has occurred so that the office can determine if there is an essential revision required.

Ms. Isaacs said to assume that it had happened and submit the significant change amendment. The reporting is designed to allow counties to prebudget for the expected abatements.

There were no comments or suggestions on sections 6 or 7 of the proposed regulation.

On section 8 subparagraph 2, written comments were submitted by Ramon Reynoso, Ernst & Young regarding adding in a time frame for the Director to approve a registration application.

On Section 8 under subparagraph 3(e), Vicki Worden with GBI stated that Green Globes assigns an assessor who reviews and verifies information submitted by the applicant. This is the practice of GBI and it seems redundant to have it as part of the regulation. Ms. Worden also stated that she does not think there is parallel language for LEED. Ms. Worden also expressed concern regarding the language which read '[The applicant] must submit the initial green globes assessor report' stating that for an existing building project there is no initial report, that is only provided on a new construction project.

Ms. Dykema said that there is parallel language that points to the equivalent requirement for LEED in the document. The purpose of asking for the two reports for the existing building is to obtain a baseline. Ms. Isaacs confirmed with Ms. Worden that on a new construction project there is an initial report that can be provided and then there is a final report once the construction is finished. Ms. Isaacs said that on existing buildings, the GOE is looking for a report to be submitted with the registration which shows where the baseline is or that shows where the project currently is and what would need to be implemented to obtain that final certification. Ms. Dykema, Ms. Isaacs, Ms. Worden, Mr. Soulier, and Mr. Dominguez discussed sections 8(3)(d) and (e) regarding what is required by both the LEED and Green Globes systems for reporting. It was made clear that the GOE is looking to determine a baseline for an existing building project when it is registered so that a comparison can be done at the end of the project to determine what measures were implemented to obtain the appropriate energy points. The acceptance of a historical baseline rather than an initial report was discussed as an option.

Section 8(3)(b) was discussed by Ms. Isaacs, Mr. Mistler, Mr. Morris, Mr. Soulier, and Ms. Dykema. It was identified that disallowing a building that could currently qualify from registering for the program could be problematic as almost every building could currently qualify and that there is also a way to 'game' the system and show that a building does not qualify just to get the abatement. It was discussed that looking at a historical baseline would be a better option.

Ms. Worden identified that Section 8(3)(b) and Section 8(4)(b) both have the same problematic language.

Mr. Dominguez and Mr. Morris asked to clarify the language in section 8(6) regarding the granting of an abatement on more than one parcel. Ms. Isaacs and Ms. Dykema both confirmed that if a current project is on a parcel and already receiving an abatement a new project would have to be on its own parcel to qualify.

Under section 9 a recommendation was made by Ernst & Young to remove the registration application fee and if a fee remains, they recommended allowing the use of a credit card to submit payment. Ms. Dykema stated that the fee is authorized per NRS and it has been noted that there is a recommendation to allow credit card payments.

Under section 10(3) Ms. Worden, Mr. Soulier and Mr. Dominguez expressed concern about only allowing one abatement per parcel and questioned whether you can pursue the abatement for multiple structures under either a LEED or Green Globes campus submission. Mr. Soulier provided comments regarding what is accepted under the Energy Star system. Ms. Isaacs clarified that the intent is not to disallow campus projects, rather make it very clear that one abatement will be granted per project and if that project contains multiple buildings, all of them will be included in that one project rather than obtaining individual abatements for each part of the project. Ms. Dykema also stated that the intent is to use one energy model per abatement.

Under section 11, Mr. Soulier and Ms. Isaacs discussed the cost and need of a retro commissioning report compared to only an energy audit. An ASHRAE Level II audit was also discussed as an option for reporting on year two rather than a retro commissioning and energy audit report. Mr. Dominguez questioned the exception for reporting and the 85 Energy Star rating. Ms. Isaacs and Mr. Soulier discussed alternate language that allows for an exception on reporting if the project could demonstrate either that the project sustained the original rating or improved at the time of reporting.

There were no comments or suggestions on section 12 of the proposed regulation.

Ms. Dykema had Ms. Isaacs read comments received from Southern Nevada Home Builders for the record regarding the tax abatement, property tax cap.

There was a question from Mr. Morris regarding the time frame of adoption of the 2018 IECC which has already been adopted by the State and is now in the process of adoption at the local levels.

Mr. Soulier added a comment regarding section 2 where it states that the parking will not be included in the amount of the abatement. Ms. Dykema stated that by statute we are held to LEED standards and parking garages are not recognized under the LEED standard currently. The GOE is honoring the LEEDs standard and because LEED does not include the parking structures we are operating under that realm. However, if the parking facility is not the main function of the project, then it can also be included in the abatement. Ms. Dykema, Ms. Isaacs, Ms. Worden, Mr. Morris, Mr. Dominguez and Mr. Mistler discussed the allowance of the parking facility to be included in certain credit categories of the LEED system. LEED will use the parking facility for other credits within the system if it serves the primary facility. It was concluded that if a parking facility is stand alone and does not serve the project, it would not be included, however, if it does serve the project it can be included in the abatement.

Ms. Dykema concluded the review of the regulation.

5. Public comment and discussion:

Ms. Worden discussed a potential to partner with the Department of Energy regarding benchmarking data collection for hospitality casinos.

There was no other public comment in either Carson City or Las Vegas.

Ms. Dykema stated that the GOE will be considering the proposed modifications to the sections that were discussed. Ms. Dykema asked that any proposed language changes by submitted by close of

business on December 17, 2018. The regulation hearing will be held next week and then it goes to LCB for final review and approval from the Legislative Commission.

6. Adjournment: The workshop was adjourned at 4:00 pm.