



**GOVERNOR'S OFFICE OF ENERGY**  
**MINUTES**  
**Committee on Energy Choice**

July 11, 2017

The Committee on Energy Choice held a public meeting on July 11, 2017, beginning at 10:00 A.M. at the following location:

Legislative Counsel Bureau  
401 S. Carson Street, Room 4100  
Carson City, NV 89701

The meeting was also available via videoconference at:  
Grant Sawyer State Building  
555 East Washington Avenue, Room 4412  
Las Vegas, NV 89101

- 1. Call to order and Roll Call:** Chair Mark Hutchison called the meeting to order at 10:03 AM. Chair Hutchison thanked all for attending the meeting and noted that the agenda will be followed as noticed. The agenda item was opened up for roll call and a quorum was confirmed.

**Committee Members Present**

Mark Hutchison  
Adam Laxalt  
Barry Gold  
Adam Kramer  
James Settlemyer  
Kelvin Atkinson  
James Oscarson (via videoconference)  
Chris Brooks  
Dave Luttrell  
Daniel Witt (via videoconference)  
Erik Hansen  
Dana Bennett  
Paul Caudill  
Jeremy Newman  
Ann Silver  
Kevin Sagara

Jeremy Susac  
Jennifer Taylor  
Steve Hill  
Angie Dykema  
Joe Reynolds  
Ernest Figueroa  
Andy Abboud

**Committee Members Absent**

Kevin Hooks  
Darren Daboda

## **2. Public Comment and Discussion:**

Chair Hutchison opened 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.

Angel Defazio, citizen, provided comment in Las Vegas. Ms. Defazio discussed her concerns with the Energy Choice initiative, she stated that she does not believe the consequences of the energy choice were thoroughly thought out by all, and does not believe the utility bills will actually be lower. Ms. Defazio provided ideas about what she felt the incoming energy companies should be required to do in order to provide services to the customers. Ms. Defazio expressed concern for the low income customers and wants protections for these ratepayers, she does not want them to be forced into a Provider of last resort if the incoming utility goes under.

Dr. Sandra Cosgrove, President of League of Women's Voters of Southern Nevada, provided comment in Las Vegas. Dr. Cosgrove, expressed her gratitude to the Governor and the committee and requested on behalf of the League of Women's Voters, that the Energy Choice Committee affirm that energy choice includes the ability to abandon power production by traditional means and adopt clean energy production.

Reverend Jackson, Director of Energy Faith Alliance, provided comment in Las Vegas. Reverend Jackson, expressed his gratitude towards the committee and asks the committee to move forward in a manner that protects the existing policies of Nevada. Reverend Jackson also stated that he would like the committee to find a way to increase the renewable portfolio standards (RPS) through this transition in order to meet the demands. Reverend Jackson also stated that he is disappointed at the failure of Community Solar to become law and urges the committee to work with advocates to craft and recommend a policy that would allow solar gardens into the communities of Nevada.

Rudy Zamora, Director of Chispa, provided comment in Las Vegas. Mr. Zamora stated that he is representing his members and is asking the committee to adopt preserve and enhance clean energy in the state.

Ryan Cherry, submitted a letter from Brian Beffort, Director, Toiyabe Chapter Sierra Club, for public comment and stated that the letter will be made part of the attachments to the minutes and also submitted on the website.

Fred Voltz, Citizen, provided comment in Carson City. Mr. Voltz asked the question, what happens if no one shows up to provide energy choice? Mr. Voltz expressed his many concerns about the energy choice initiative and provided written documentation that will be part of the attachments to the minutes for public comment.

Kyle Davis, Nevada Conservation League, provided comment in Carson City. Mr. Davis stated that over the last few years it has become apparent that Nevadans want more clean energy, and access to effective energy efficiency programs as well as strong requirements that increase the amount of energy that comes from renewable. Mr. Davis asks the committee to define the new market quickly and show how it will be defined to benefit Nevada and the homegrown resources

and increase of renewable energy. He feels that if the committee defines this quickly it will benefit the state.

John Friedrich, Climate Parents, provided comment in Carson City. Mr. Friedrich spoke on behalf of the parents and grandparents across Nevada. Mr. Friedrich stated that Nevadans overwhelmingly wanted the energy choice initiative; a stronger renewable portfolio standard (RPS) and community solar programs. Mr. Friedrich stated that Nevadans saw energy choice as a means to make this happen not a barrier. He urges the committee to consider the intent of the voters and the wellbeing of Nevada's future generations.

Chair Hutchison closed agenda item No 2.

### **3. NV Energy Presentation on Wholesale Market Components and Relationship to Retail Market Structure – Lauren Rosenblatt:**

Chair Hutchison opened agenda item No 3 and welcomed Lauren Rosenblatt, Director, Energy Market Policy with NV Energy.

Ms. Rosenblatt thanked the committee and provided her background as an Attorney with the Federal Energy Regulatory Commission (FERC). Ms. Rosenblatt discussed the differences between a wholesale market and a retail market. The Federal Energy Regulatory Commission (FERC) regulates the wholesale market, it allows energy to be purchased and sold by a variety of market participants. The state in which the sale occurs regulates the retail energy market. The retail market consists of retail providers selling energy to industrial, commercial and residential users. The initiative appears to contemplate a liquid and reliable wholesale market, which ultimately feeds into a competitive retail market. Ms. Rosenblatt discussed what kind of wholesale market structure would facilitate the objectives of the Energy Choice Initiative. Ms. Rosenblatt provided information on the existing market in Nevada where NV Energy currently serves the majority of the Nevada's retail load with its own energy portfolio. Other providers serve rural cooperatives, municipal power, public utilities and retail access. Ms. Rosenblatt discussed how the imbalance market works and how NV Energy participates in the CAISO, which assists in the imbalance energy needs for Nevada. Ms. Rosenblatt discussed how forecasting of the energy needs currently works and stated that the forecasting of the potential new providers needs to be provided timely to avoid the imbalance charges. Ms. Rosenblatt discussed market operations, and the process that the system goes through to generate the least expensive electricity to the customers. Ms. Rosenblatt discussed the current market monitoring structure in Nevada's market and provided detailed information on market monitoring. Currently, wholesale energy sales, including NV Energy's sales of its excess supply are subject to FERC's oversight for market power; FERC authorizes sales at market or cost-based rates based on whether owner has concentrated ownership in the market. In this way, FERC ensures that energy prices are just and reasonable. FERC requires the centralized markets it oversees to have an independent market monitor. The market monitor watches prices and supply to determine if market operations is producing the expected outcomes. Ms. Rosenblatt discussed what her opinion of the best option for Nevada's future, first possibility is to keep the existing structure, which could have potential problems. The second option would be to join an existing Regional Transmission Organization (RTO). The last option would be to build a brand new

Regional Transmission Organization, which could be a very lengthy process. Ms. Rosenblatt provided the steps to establish the full market, as well as some of the potential issues that could come from starting a new market from scratch.

Chair Hutchison thanked Ms. Rosenblatt for her presentation and opened up the agenda item for questions.

Mr. Brooks asked what the timeline would be to set up a new RTO in Nevada?

Ms. Rosenblatt provided a recent example of another state going through the same process, and said that it could take at least a few years to get all set up, however; there is no known answer as it depends on many different pieces.

Mr. Hansen and Ms. Rosenblatt discussed the possibility of Nevada being the origin of a Western RTO. Mr. Hansen and Ms. Rosenblatt talked about how Nevada is uniquely positioned to lead the discussion in forming the western RTO but that the market would have to come together with agreements from collaborating states.

Mr. Luttrell asked how the wholesale market could be established and how the current retail-trading block would work in a retail setting.

Ms. Rosenblatt stated that only 1 megawatt is needed to use the transmission system and for scheduling transmission.

Mr. Luttrell asked how do they guarantee that sufficient generation exists in the wholesale market?

Ms. Rosenblatt said that he has asked the question that is being asked across the market today, she cannot answer the question because no one has a good answer for that. Nevada will want to make sure there is an answer in place when going into a wholesale market to ensure sufficient load for the market.

Mr. Brooks asked about the initial costs of starting this type of market, what are they, who pays and how that is handled?

Ms. Rosenblatt said that the estimates of the cost are unknown, she said that there was a mention from the head of the CAISO, that in building its new market, they spent \$200 million, when ERCOT built its market they spent \$600 million on the same exercise. FERC issued a white paper several years ago that set up some estimates and all were over \$100 million. The price spreads over the load, those costs get billed to the customers who are receiving the energy as part of the administrative costs.

Chair Hutchison asked about the independent system operator as NV Energy and experience to her knowledge have they kept the prior NV Energy player as a system operator or did they go to a different player.

Ms. Blatt said that Nevada is in a unique position; the other markets uniformly involved several transmission units, because of that, there was no one candidate or utility to convert to a system operator. The difference is that NV Energy becomes the source of the system that are already operating that system. If we were to expand and they would be back in the same position.

Mr. Caudill added an alternative comment, that there is the potential of contracting out market operations to an entity that already has the IT infrastructure and modeling done. This has been discussed internally as a potential option and there are potential providers for that kind of service.

Ms. Blatt added that it is possible that those services could be licensed or contracted, as opposed to joining the market.

Mr. Laxalt asked about service operators, assuming that the CA ISO is too big of a hurdle to figure out how to join, if we went independent, what other western states are legally situated to join in? Do they all have to have some sort of initiative or legislative approval? Which ones have done so already?

Ms. Blatt answered and said that as far as she is aware, Nevada is the only state looking at energy in a full open retail market; California has a hybrid retail market and is looking at turning that into a full open retail market. Ms. Blatt also said as far as she is aware there is no other full retail market but that does not stop it from coming together at the wholesale market, some examples are Illinois and Michigan who have open retail choice.

Mr. Settlemyer asked Ms. Rosenblatt to discuss the concept that traditionally power is dealt in 1-25 megawatts. Mr. Settlemyer is concerned with rural communities that do not have the minimum of 1 megawatt and is very concerned with how this could affect the rural communities and the new providers not reaching out to those areas to provide service.

Ms. Blatt said 'I can't presume to answer whether the retail provider coming into the state will make the effort to reach out and find the load in these areas to add it to the aggregate load, one would hope that if we open the state to retail providers they would reach out'. Ms. Rosenblatt stated that in other states, the state has reached out to those areas and has found a way to setup default options. If Nevada goes to an open market, one of the issues is to figure out how to put in place a resolution if we have the problem that he just described.

Ms. Taylor said, we have had a lot of discussion from Texas and how that market is set up, if she wanted to look at how other states were structured with underlying regulations and statutes to look at and do comparisons with different states structures, is there a resource that is out there?

Ms. Blatt said that she could not point to one solution, because the solutions for each state fit that particular state and that states resources. She thinks you have to look at all of them and understand the differences in order to figure out what works in our state.

Ms. Taylor again asked if there is a Resource to look at to see each states regulations and statutes.

Ms. Blatt again stated that there is no one source that brings together all of the different states difficulties over the years.

Ms. Taylor asked about the wholesale market structure and if any changes we might make, would that affect public power and retail customers in the same way that it will affect retail customers inside the service territory.

Ms. Blatt said, yes, public power is affected by the wholesale market structure and how Nevada designs it. We are talking about changing the rules around the transmission of energy and how the energy is delivered to the end customer.

Mr. Kramer talked about the rural areas and making sure we can deliver low cost energy to those parts of the state. Mr. Kramer said sometimes in other states there are up to a dozen different options and asked Ms. Rosenblatt to provide a macro scale of this in other open market states and how that could be realized here in Nevada.

Ms. Blatt again, pointed to the resources that have been issued by those states and look to those individual resources and how they have experienced this opening of markets. There are many ways to do this and Nevada can look at other states for options and also can chose to design its own. Very important to have customer education and coverage in all areas.

Mr. Kramer asked about the opportunities to join an ISO or RTO, and asked if it would be prudent to have the committee partner with the PUC to put together a delegation to talk to these different groups as to what the integration would look like to fully present options.

Ms. Rosenblatt said that it is very important that this committee get educated in any way that it sees reasonable and fit to do so, and she deferred to the committee to make that decision and encourages conversation to figure out who can provide that information.

Mr. Figueroa asked about slide 11, specific to the section about joining an existing RTO, the third bullet point says, 'Requires negotiation of existing transmission rate and allocation of administration/operator fees (stakeholder process can be lengthy)' can she expand on that process and what that means.

Ms. Rosenblatt said that finding partners who have the same objectives and policies as the state of Nevada, there is a political process involved as well; it is also very time consuming.

Mr. Figueroa asked if one of the issues with negotiating these charges is so that we are not subsidizing other ratepayers in another jurisdiction.

Ms. Rosenblatt said transmission systems come with different costs within a unified system. If you pay a unified transmission rate then you do not have multiple transmission rates, if you bring it all together and tally up the costs and then spread them over the entire load, what you find is that some customers are paying higher rates for the systems that are closer to them.

Mr. Figueroa said he was trying to reconcile the information about NV Energy's current generation plants and other power purchases that are supplying load to the customers. Mr. Figueroa said that in a previous presentation to the Committee on Commerce and Labor, there was a slide referencing that NV Energy currently owns 3.2 billion in owned generation assets, 4.2 billion in energy contract applications until 2046 and asked if those numbers were still within the ballpark or had they changed?

Mr. Caudill answered on behalf of NV Energy stating that those numbers are accurate if Mr. Figueroa was referring to the presentation made to the assembly in Senate of February of this year. There are 75 separate generating stations and the 2017 book value of 3.2 billion and the payment streams on the PPA's are around 4.2 billion.

Ms. Taylor asked if one of the things we need to look at is sufficient connections to an existing market, and would we have that same issue when looking at partners when building up our own market?

Ms. Rosenblatt said yes, in order to come together with different systems we need the connectivity to make the transfers. As we look at Utah, Arizona, Idaho, etc., we do have connections with them and if we were to come together as a unified system, there might be a call for increasing those connections but this is definitely something that needs to be discussed during a study period.

Mr. Kramer asked if NV Energy has a preference on what the wholesale market would look like in a retail market?

Ms. Rosenblatt said that NV Energy always wants what is best for our customers; we would want to see a wholesale market structure that keeps the prices as low as they are today.

Mr. Gold said that he knows we are talking about the wholesale market and the grander scheme but wants to know what the impact this has on the final customer, residential ratepayer protections' and satisfactions' and in your opinion what state has resulted in the best ratepayer protections and satisfactions?

Ms. Rosenblatt said she doesn't want to outreach again but the cost of setting up the retail market and the transition costs that the retail customers will bear before the benefits come to them. Retail structure facilities that the retail provide gets a savings which can pass onto the customer. As far as the states that have done it right, that is more of a state regulatory question and her research tells her that the states put in licensing requirements and required certain thresholds of financial stability but many states found that 5-7 years later they had to add in market behavior rules and stricter licensing rules. The states that do it better, or been in the news lately, New York which keep a close eye in its retail providers. Illinois who set up the state agency to do the procurement for the retail customer to keep those safe.

Mr. Gold said, I think I was also asking what impact if any does the structure of the wholesale market have on that? Is there a difference?

Ms. Rosenblatt said that the wholesale market has behavior rules which prevent suppliers to manipulate the way the market works. Retail market rules prevent the retail market providers. The two have to work together to make sure everyone is behaving competitively.

Mr. Sagara asked about the size of the wholesale market and how it relates to the retail market, in your experience in looking around the country and states that do have retail choice and in looking at the wholesale market that they participate in, can you give us an idea of the size of those markets? Should we think about the idea of Nevada to go on its own, would it be a big enough market to do it on our own?

Ms. Rosenblatt wisdom around full market operations and the diversity in terms of pricing, fuel type and being able to balance each other out, intermittent resources and that creates the energy savings that brings the price down and allows for a load profile that is easier to serve because it comes flatter as pockets of load balancing it out. Because of the larger demand and better options to go outside, not just be all in Nevada, based on experience with the larger markets that seem successful based on the size in providing access for retail choice territories and this is something that Nevada needs to think about due to its relatively small load size.

Mr. Hill, Ms. Rosenblatt, Mr. Hansen and Mr. Luttrell discussed the proponents of Nevada moving forward in creating our own market. They discussed if this is a serious option for Nevada. Mr. Hansen said that one of the things to point out here is that we currently have an active wholesale market throughout the west, we are talking about a more efficient market. A Nevada only market would still be part of a western market, the wholesale and retail market are separate, the same participants are still there, we are just discussing the most efficient way of optimizing the functions of having a single market. Mr. Luttrell asked about the location of

physical assets and how the differences between the robust trading hub in Southern Nevada and Northern Nevada would make a difference in the market? Mr. Caudill asked Mark Schackmuth, Manager of Energy Market Policy to come forward and join the discussion. Mr. Schackmuth said that he doesn't know the exact capacity but we do have significant capacity in the south which allows us the capability to transfer with California and Arizona. In the current wholesale market, Nevada obtains the majority of its power from outside of the state.

There is significant capacity in the south but in the north there is limited capability to flow into California, around the range of 100 Megawatts. There is another Silver Peak, which is about 13 megawatts.

Chair Hutchison closed agenda item No 3

#### **4. Constellation Presentation on Retail Market Potential – John Orr & Casey Kelley:**

Chair Hutchison opened agenda item No 4

Mr. Orr, Director, Exelon provided his background and stated that he has worked on the PJM implementation and has been to every RTO except for CA. Mr. Orr stated that he feels Nevada can get where it wants to go from where we are now. He said it is a daunting task but it is doable and we have the benefits of learning from everyone before us. Mr. Orr provided background on Exelon and Constellation, Exelon is a fortune 100 integrated utility company who own the wire companies in Chicago, Baltimore, Philly, WA DC Area and have been through restructuring. Mr. Orr said that Exelon and Constellation are interested in coming into Nevada to provide service to all of Nevada and has a large portfolio of sources. Currently, Exelon provides service to some of the 704B customers in Nevada. Mr. Orr discussed the 704B concepts and the possibility of how to transition, how to bridge the gap, and how to avoid building our own Nevada ISO. Mr. Orr presented his thoughts on how the open market could work in Nevada, how the committee can utilize some of the resources out there from other states who have already gone through restructuring and what he feels are the most important rules when going through this process. Mr. Orr provided links to training resources for the committee.

Mr. Kramer and Mr. Orr discussed providing services to the rural communities, and how that could work in Nevada as well as how it currently works in other states. Mr. Kramer and Mr. Orr discussed the desire for renewables by the customer and what the retail customers want in choosing a portfolio makeup.

Mr. Settlemyer and Mr. Orr discussed Mr. Settlemyer's concerns about keeping the market completely open. Mr. Settlemyer is concerned that a completely open market could cause issues with the current laws around Nevada's current renewable portfolio standard. Mr. Orr stated that he feels that pricing it right is important, he is saying that when we make a choice, realize the cost of it and make it transparent to the customer as to not cause or create issues.

Mr. Laxalt and Mr. Orr discussed how service to the rural areas could work and how it works in other states. They discussed how the pricing is structured, how the incoming companies could hook up to the current wires and provide the same service that the rural areas as there is today.



Ms. Taylor and Mr. Orr discussed the design of the market in Nevada, what generation assets Exelon/Constellation currently owns, and the reality of Exelon providing services to the entire state. How his company would be able to meet Nevada's renewable portfolio standards. How retailers would be able to help support the needs of Nevada based on the intentions of the initiative. Ms. Taylor asked about the considerations of ancillary services, and whether or not that would be a separate entity, Mr. Orr said that in other areas, the ancillary services are separate and that is something that the committee needs to review and decide on.

Mr. Brooks asked what his current portfolio is, and what portfolio is being sold into Nevada. He also noted that Exelon is one of the largest nuclear energy providers in the country and asked if that would be part of the portfolio or if it currently is, and would it be available to Nevada in the future?

Mr. Orr stated that he does not generally talk about what portfolio they have to serve people as that is a financial type of disclosure and most companies would not discuss that openly. He also said the nuclear assets are all in the east not in the west. Mr. Orr said that the conclusion is they have a mix of resources to provide to the customers, the resources essentially can change on a daily basis. If there is a requirement to meet a certain resource requirement by a state or customer, the company meets it and does it as necessary.

Mr. Brooks and Mr. Orr discussed the process of verifying the policy decision in that particular state and reconciling to what is being offered to the client.

Mr. Brooks asked Mr. Orr how many employees he has in the state and what taxes he pays to the state as well as what does the future look like for his company since they currently offer service to Wynn in Las Vegas who is a 704B customer.

Mr. Orr said that he does not believe there are any employees currently in the state and does not know the answer to the tax question. He also said that it is hard to answer that question because he does not know what the future would look like.

Mr. Hansen, Wynn, discussed what his company has to do to procure his recs, his requirements of filing statements with the PUC, and also stated that the company continues to pay the same taxes as when they were an NV Energy customer. Mr. Caudill also commented about the franchise fees, the renewable credits that are retired and where they come from. Mr. Hansen stated that he as the customer has to follow the same rules as everyone else in Nevada as far as meeting those recs and requirements of the state. Mr. Brooks questioned that payment of the taxes to the entities that are out of state providing services to the state and whether or not there would be a loss of tax revenue. Chair Hutchison asked if Mr. Caudill could respond to Mr. Brooks, Mr. Caudill stated that the committee needs to discuss the potential impact to the state based on the changes in the market design and how that would impact the state taxes, franchise fees and payroll taxes to the state.

Ms. Taylor asked Mr. Orr if he knew of any training resources out there that the committee could use as a resource to see what the other states do.

Mr. Orr stated that there is a state of the market report on the Texas PUC website, which discusses wholesale, and resale trends. He does think other states may do something similar and suggests going to the states PUC websites.

Ms. Taylor and Mr. Orr also discussed the Nevada Renewable Portfolio Standards and other bills that passed in the legislative session, like the demand side management programs and whether or not any of the possible supply from Constellation, that would be provided to Nevada would be able to comply with those laws or standards. Mr. Orr also discussed what other retailers are doing in other areas as far as keeping with different types of energy efficiency programs.

Mr. Kramer and Mr. Orr discussed franchise fees, other types of fees and how the change in the market would still work, ensuring all of the regulation fees that pay for the PUC and any other agencies that the taxes are currently paying

Mr. Abboud asked if the company has operations in other states and whether or not they would become a physical presence in the state if Nevada?

Mr. Orr stated that Constellation operates in Texas, Illinois, Pennsylvania, and Maryland. They have physical plants along with staff throughout the country, particularly in the eastern part of the country.

Chair Hutchison closed agenda Item No 4

## **5. Committee Assignments:**

Chair Hutchison opened agenda item No 5

Chair Hutchison discussed the document provided for agenda item no 5, the committee assignments is a working document and was prepared by the staff working directly with chairs of all of the technical working groups and main committee. Chair Hutchison asked if any of the committee members have a comment at this point about the assignments set forth. Mr. Atkinson asked if the committee would be able to know who is assigned to each of the technical working groups and if someone can send the list to all of the members of the committee. Chair Hutchison asked Mr. Cherry to come forward to provide Mr. Atkinson some more information about the committees. Mr. Cherry stated that the list is available on the Office of Energy's website and he will send it out again to the committee by the end of the day as a refresher. Some of the committees have already met but some have not. Mr. Atkinson also asked if he or any other members have questions who they should go to and Chair Hutchison advised him to go directly to Mr. Cherry. Mr. Brooks asked if the results of the prior days technical working group meeting would be available in some format and Mr. Cherry advised that it would be available in the form of a video link on the Office of Energy's website by the end of the day. Mr. Gold asked if a discussion on deposits could be added under the consumer protections section. Mr. Brooks asked what subcommittees the recently added vetoed items, Community Solar and RPS, would be under based on the recent legislation that did not pass. Mr. Cherry advised that it was added to the technical working group on Innovation, Technology and Renewable Industry Development. Mr Brooks offered his expertise and assistance on the AB206 even though it doesn't fall under his assigned committee as he did put a number of hours into the bill during the session. Chair Hutchison thanked Mr. Brooks for his offer. Ms. Taylor brought up the fact that a few of the agenda items under the technical working group she is chair of are not

mentioned on this document but since it is a working document, she will work with Mr. Cherry to address. Mr. Cherry stated that it was an oversight but will get fixed.

Chair Hutchison thanked them for their time and closed item no 5.

## **6. Considerations for a Study on Policy and Economic Analysis:**

Chair Hutchison opened Agenda Item No 6

Chair Hutchison asked Mr. Cherry to come to the table and speak about agenda item No. 6, he asked Mr. Cherry to set forth a foundation on how the committee could handle this study going forward.

Mr. Cherry said over the past several weeks they had been looking, from a study stand point, at the policy recommendations needing to come from the committee, as well as some of the economic analysis that would result from those decisions. With the limited staff on the committee, they started looking at outside ideas for getting the best base level product to the committee. Mr. Cherry discussed how he came to the idea to ask the PUC to open an investigatory docket. He said that in his investigations he found that out of the 17 states that have gone through this competitive energy market discussion, 14 of them have done that process through the PUC. Mr. Cherry wants the committee to vote on whether or not to ask the PUC to develop the investigatory docket. He believes this would be the one study that is a truly open and transparent process and would like the Chairman of the PUC to outline the process, as he believes this would allow all of the stakeholders the opportunity to be heard, rather than in this setting where they may not get the chance to present. Mr. Cherry said that he believes if this was to go forward, then staff would provide a summary of issues that would like to be heard, for instance, wholesale market policy, retail market policy, detail and provider of last resort policy as well as the policy around the divestiture of assets. Then the committee would ask the PUC to start this as the committee continues their business and go forward in a parallel process independently working on the items from the executive order or thoughts from hearings etc. Chair Hutchison reiterated that this would be an ask of the committee and wants all of the committee to provide input, he also asked that the Chairman of the PUC, Joe Reynolds, speak to how he thinks this would work or if it would work at all.

Mr. Reynolds, as Chairman of the PUC, thanked the Chair and Mr. Cherry for the vote of confidence to assist in this process. He stated that as the chair of the PUCN his first priority is to uphold the integrity of the PUC. Mr. Reynolds stated that a third of the committee is appearing before them in regards to this very issue, the 704B exit decisions, and is very concerned about the appearance of conflict. Mr. Reynolds discussed his concerns with the political nature of these questions under the initiative and wants to be very transparent, would want the request in writing and questions narrowly submitted and unanimity with the procedures from the committee and the PUC is in the process of opening several different dockets based on the request of the legislature. Mr. Reynolds discussed the process of an investigatory docket and the reason for them. Mr. Reynolds also expressed his concerns for the workload already on the PUC as the legislative session was very heavily loaded with policies that are involving the PUC. Chair Hutchison asked Mr. Reynolds to speak more about his concern with the appearance of conflicts and issues with staffing or if he is able to actually do this and just may need some assistance from others or if this is truly something that they just cannot do. Mr. Reynolds stated

that his concern for conflict is more of a concern of an appearance of conflict to outside parties, members of this committee and public and even though it is just an appearance it is very real for them. As far as the staffing issues, the PUC's plate is full and the legislature approved funding specifically for staff to handle the issues that came out of the session. It would be Mr. Reynolds preference to look at an outside party to assist with this investigation but as a public servant if the committee puts a request in writing then the PUC will comply.

Mr. Brooks asked if it would be more appropriate if we had very specific questions for the PUC rather than just asking them to provide recommendations to the committee.

Mr. Reynolds stated that asking specific questions would be better and if the committee asks the PUC to do the investigatory docket.

Mr. Atkinson and Chair Hutchison discussed how the funding for a third party would work as a viable alternative.

Mr. Abboud asked if it was possible to get private funding to assist with the study and Chair Hutchison asked if Mr. Reynolds or the DAG could provide any input.

Mr. Reynolds stated that as far as he thinks if the committee requests third party participation in providing documentation and research that would be at the discretion of the committee however; any private money requested by the committee should be independent of the PUC and does not want private money to fund any work done by the PUC.

Ms. Taylor expressed her support of the idea of Mr. Cherry to have the PUC do an investigatory docket and that she thinks this would be a good solution as it would be transparent and allow more stakeholders the opportunity to weigh in on the decision.

Ms. Dykema offered some of the Governor's Office of Energy federal funding to assist with any investigations needed.

Mr. Gold agreed with previous suggestions to utilize the PUC as they are in a unique position to look at something like this, and feels that any private money used could be a conflict.

Chair Hutchison asked Mr. Gold how he would feel if there was a third party providing the report but the funding provided was government funding, not private money.

Mr. Susac provided his thoughts on this matter.

Mr. Hansen discussed his support of the third party and not the PUC, he said the PUC is task saturated and narrowly focused on Nevada issues, phone, water and all sorts of other issues however; a third party who is involved in other areas of the country and has more expertise than where the PUC is operating today.

Mr. Figueroa echoed his concerns about what is currently going on at the PUC and is also concerned about the workload being too much with the stakeholders and the commission staff.

Mr. Figueroa also expressed his concern about the title of the conversation and thinks that we haven't really thought about the economic impacts and with some of the technical working groups, he feels that there is a way where this committee can make some determinations and provide a scope at a later time and date or a third party so we can get some of these questions answered regarding all of these important decisions.

Mr. Kramer wanted to echo the consumer advocates comments and would recommend that we bifurcate the issue, and first focus on policy issues, and then discuss the financial aspects and impacts of this discussion.

Mr. Settlemyer expressed his concerns about stranded assets, do we go to a third party for those studies? However; in the same respect, if it's not the PUC it would be third party that would not have all of the information and they would have to go to the PUC for some of these questions and answers anyways. Mr. Settlemyer asked, do we find other sources of income to

come to a third party analysis just to get to the right questions and answers? The PUC has their idea, NV Energy has theirs but would a third party even be able to provide those answers? He feels that if we are to meet the time frame under the committee then they need to start going in that direction now and thinking about how to move forward.

Ms. Silver echoed some of the comments of her other colleagues, feels overwhelmed by a great deal of information, data etc. She does feel that they can overcome an appearance of conflict and agrees that with the time involved in this, and in the interest of completing the tasks, that the committee move forward on policy decisions. She said that she feels the committee should set aside the questions that Mr. Cherry asked today, and feels that in time maybe the PUC will be the best to provide that information but is very concerned that hours have been spent and everyone is still digesting the information, and would like to know that we are going to get to the task at hand on the policy level and then go to the PUC to ask for information.

Chair Hutchison thanked everyone for their comments and said that this agenda item will be continued as the members have brought up some very good concerns and items to further research so that the committee can further discuss with some more facts.

Chair Hutchison closed agenda item No. 6

## **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.

Tom Polikalos, representative of SWEEP, referenced a white paper produced back in 2013 funded by the DOE, referenced economic modeling and the authors recommended to facilitate economic modeling. He spoke about this paper and how to model, and provided this information as a possible source to provide ideas of economic modeling. Mr. Polikalos also spoke about the energy efficiency programs in the state and feels that over the next few years it is critical to maintain those programs.

Fred Voltz, citizen, spoke about agenda item no 6, he said cost is an essential element in any policy considerations by the committee. He said that the PUC should partner with the Governor's Office of Energy to provide analytical firepower. Mr. Voltz said that the state spent over \$200K to do a net metering study twice and in those studies, he feels that they did not understand the state. If the Governor's Office of Energy GOE and PUC are unable to do the work, and outsiders are hired he would suggest that the PUC reserves be used as a funding source.

Karen Wayland, Exec Director of Clean Energy Project, recently at DOE in Washington, established the state and local policy office, as part of that work established a state and local technical assistance program for this very topic and can assure the committee that the questions that are being dealt with are exactly what that working group worked on. Ms. Wayland offered her assistance to help identify the appropriate contacts and staff expertise from the national labs and DOE, to help in finding ways for Nevada to go forward.

Blake Guinn, citizen, thanked the committee for their work but also asked them to provide more education and outreach on what the committee is doing to the public. Mr. Guinn also started, Consumers for Energy Choices grassroots foundation.

Ash Mason, Christian Coalition of America, wants to encourage the committee and thank the committee for their work. His organization is involved because this is a family issue, the price affects the decisions that every family makes and the decisions that are made will impact everyone and they will help to advocate the policy recommendations made by the committee.

Tom Dudas, citizen, thanked all of the legislators in the committee for the work they did in the legislative session. Mr. Dudas provided a document for reference and attachment with the minutes.

Chair Hutchison closed agenda item No. 7

## **8. Adjournment**

Chair Hutchison thanked all for their participation and attendance and adjourned the meeting at 2:01PM.