



GOVERNOR'S OFFICE OF ENERGY

**MINUTES
of the workshop of the
GOVERNOR'S OFFICE OF ENERGY**

LCB file number R065-13

October 24, 2013

The Governor's Office of Energy held a public meeting on October 24, 2013, beginning at 2:30 PM. at the following locations:

The Guinn Room, 101 North Carson Street, Carson City, Nevada
and video cast to
The Grant Sawyer Building, 2501 Washington Street, Suite 401, Las Vegas, Nevada.

1. Call to order: The meeting was called to order at 2:30 PM by Director Paul Thomsen.

2. Director's comment: Director Thomsen explained the amended proposed regulation, R065-13 and the order of the workshop. Pursuant to NRS 361, the Regulation relates to energy-related tax incentives; requiring the Director of the GOE to assume the duties of the Nevada Energy Commissioner with respect to energy-related tax incentives; and provides other matters properly relating thereto.

Members of the public were asked to sign in, and the sign in sheet is attached to the original minutes as *Exhibit A*.

3. Roll call: Present was Harry Ward, Deputy Attorney General; Tim Clausen, Law Office of Lewis and Roca; Bill McKean Law Office of Lionel Sawyer and Collins, Rod Young OEL #3; Paul McKenzie, Building Trades Council; Dagny Stapleton of NACO, and Suzanne Linfante of the Nevada Governor's Office of Energy. Richard Work, IBEW 357 and Tom Woodworth of NV Energy were present in Las Vegas.

4. Public comment and discussion (1st period): Tim Clausen stated he was going to introduce new language at the end of the hearing. Bill McKean had a question about section 3. Paul McKenzie wanted to discuss sections 2 and 18. Dagny Stapleton wanted to discuss sections 12 and 15. Richard work wanted to discuss sections 9 and 13.

Director Thomsen stated he would note all sections and discuss them in numerical order. He asked if anyone had any other section to discuss in which he received no response.

Paul McKenzie was concerned with the start of construction definition in section 2. He stated that the facility should not be able to discount work that was being performed if they were receiving the full incentive. Director Thomsen explained that the intent of the definition was to define when construction started so a facility knew how to begin their reporting period, and has an exact date. Director Thomsen noted the concern and asked for additional comment in regards to this section. Bill McKean explained how improvements are valued when it comes to a tax bill. Richard Work supported the removal of section 2. All comments were noted.

Bill McKean asked for clarification of section 3 and wondered if an applicant can reapply if denied by the board of county commissioners. Director Thomsen asked for proposed language, Dagny Stapleton commented that she would assist with proposed language if needed. He stated the language was not clear. Tim Clausen related section 3 to section 15 regarding whether or not an applicant had been denied. Dagny Stapleton asked that the county board of commissioners be involved in any reapplication.

Richard Work asked for the reason that section 9 was changed. Richard Work asked where the change in 10% came from as well. Director Thomsen explained it had to do with comment when the regulations were discussed previously. Director Thomsen stated that the energy office wants to make sure an applicant meets the eligibility requirements of the abatement if there was a 10% or more change.

Dagny Stapleton wanted to add a county requirement to section 12.6. She stated that the application would need to be resubmitted to the county in the event there was a substantial change to the project. Director Thomsen and Suzanne Linfante explained that the office would not be able to determine what metrics were used in making the determination and the comment was noted.

Tom Woodworth asked what the assignment of the Application Filing Number triggered, if anything. He asked that a timeframe be set in the event an applicant needed the Application Filing Number for any reason. It was explained how the Application Filing Number was assigned and the comment was noted. Tom Woodworth also asked that "5 business days" be substituted with language that allowed the Director to set a timeframe in his notice. Director Thomsen said he would consider said comment.

Tom Woodworth wanted to discuss section 13 stating that notice should be provided prior to the release of any confidential information. The Director stated he would consider said comment.

Section 15 was discussed by Dagny Stapleton and Bill McKean. It was requested that the Director issue a final order denying an application in order to trigger section 3. Dagny Stapleton stated that this raised her concern with section 3 and did not want the Director to have the discretion to approve an application after the county denied it. It was explained by Director Thomsen and Suzanne Linfante that the Director would not be able to approve an application once denied because the law would prevail. Dagny Stapleton asked for consideration of added language and the comment was noted by the Director.

Paul McKenzie commented on section 18. He wanted "35 hours" to be returned to 40 hours and did not understand the change. Director Thomsen explained that this was to accommodate employees that may work a full-time schedule, but not full-time at the particular facility. Paul McKenzie also commented on section 18.4 and asked that the payroll reports be submitted week-by-week. Paul McKenzie also commented on section 18.5 and said he would like third-party language added regarding the health insurance. It was explained by Director Thomsen and others in the room that the third-party language was in statute. Paul McKenzie also commented on section 18.5.g regarding the employer contribution of 80% after the deductible. He wanted an explanation as to why the Director had discretion to change the percentage. Director Thomsen explained that this was added in the event a small Nevada contractor could not compete with a larger out-of-state company regarding health insurance.

Tim Clausen with Lewis and Roca requested the addition of a new section in regards to projects that were denied and the reapplication process. Director Thomsen asked if this was already discussed in Section 3. Tim Clausen commented that this would be for projects denied prior to July 1, 2013. Director Thomsen asked for proposed language to be submitted in writing after the workshop.

5. Director's closing comment: Director Thomsen stated that he would consider all public comment today.

6. Public comment and discussion (2nd period): Deputy Attorney General Harry Ward asked if there was additional public comment to which there was none.

7. Adjournment: 4:48 P.M.