

IBEW Local Union 1245
30 Orange Tree Circle
Vacaville, CA 95687
Telephone: (707) 452-2700
Fax: (707) 452-2701
www.ibew1245.com



IBEW1245
THE POWER IS IN OUR HANDS

BOB DEAN, BUSINESS MANAGER
CECELIA DE LA TORRE, PRESIDENT

May 4, 2023

The Honorable Rochelle Nguyen, Chair
Senate Committee on Growth and Infrastructure
State Capitol, Room 2144
Carson City, Nevada 89701

RE: Assembly Bill 458 (Watts) – Support if Amended

Dear Chair Nguyen:

On behalf of the over 7,000 members of International Brotherhood of Electrical Workers, Local Union (IBEW) working in Nevada, I write to urge you to amend AB 458 further to ensure this bill benefits low income electricity customers, our members and all Nevadans.

The State of Nevada has established itself as a national leader in clean energy. The IBEW wants to thank the bill Sponsor, Assemblymember Howard Watts, for working with us and including important provisions to assure skilled workers can continue to safe and reliable electrical service. IBEW workers are key to electrical customers throughout Nevada, as we provide each customer with the same high quality service and respect, whether they are residential, commercial or industrial customers. Consequently, we know that there are aspects of rooftop solar energy generation and ratemaking that may benefit certain categories of customers at the expense of others.

The IBEW very much supports this idea of using the federal funds to benefit tenants at low income housing units throughout Nevada. This is a group that is chronically underserved and has missed the opportunity to utilize solar power in any form, other than solar portion of the energy mix provided by NV Energy. We recognize that this is the purpose, and requirement, of the "Solar For All" funds and want to use this funding as expeditiously as possible. We also urgently request that these solar installations are regularly inspected and/or serviced by IBEW members to ensure the targeted customers will continue to receive the low cost energy they are being promised into the future.

However, there are several barriers obstructing the ability for Nevada to provide rooftop solar energy to low income customers who are to benefit from the good intentions of AB 458. The first barrier is outside the purview of the legislature; the Nevada Clean Energy Fund determined that these federal funds are to be made available in the form of loans instead of direct payments to low income households. As a result, there is a need to generate income from somewhere in order to pay off these loans, otherwise the funds cannot be issued to help some Nevada's low income residents. These residents cannot pay for the loans, as low cost power that the federal funding intended would not happen. This unfortunate outcome means this bill is needed to establish a revenue stream in order to repay this rooftop solar investment.

The current draft of AB 458 will create two additional barriers which will prevent these funds helping low income customers without disadvantaging other customers in Nevada. First, the use of the NEM tariff to pay off the loans issued to build rooftop solar on the buildings where these low income customers live

helps increase the shifting of costs from NEM customers onto non-NEM customers. This cost shift occurs because under the NEM tariff structure, non-NEM customers are forced to buy rooftop solar power at higher than the wholesale solar rate, unnecessarily raising costs for those customers. The second barrier in the bill is the establishment of a third party ownership structure for the actual rooftop solar equipment installation. These installations will result in a significant amount of electrical equipment installed on the roof and property of the buildings where low income tenants live. Legally, this will put an ownership interest on that property, potentially adversely impacting the property rights of the low income building owners. Those property owners may choose not to participate in this program, if they lose control or partial control over their own building, thwarting the good intentions of AB 458.

There are a few potential solutions that would remove these barriers. We note that since funds to build rooftop solar installations are coming from the federal government, ownership of these installations is a benefit created by those funds. The property owners should be given the option to own the rooftop solar equipment being installed on their property. The other is to seek a different payment structure that would not require extending the NEM tariffs to these low income customers.

The point is that when crafting any energy legislation, care is needed to ensure that no one group of customers benefit more than the others. This is particularly if those customers are an ancillary part, or even not part, of the intended scope of the bill. IBEW wants a bill that will work for all Nevadans and deliver the benefits to the targeted electrical customers for which the federal funding is intended.

The members of IBEW working in Nevada respectfully urge you to consider making these changes. If such changes can be made, we would be VERY supportive of AB 458.

Sincerely,

s/ *Hunter Stern*

Assistant Business Manager

cc: Assembly Member Howard Watts
Members, Senate Committee on Growth and Infrastructure
Committee Manager, Senate Committee on Growth and Infrastructure