

An Interview with Tony Sanchez

Perspectives from the COVID-19 Pandemic: Leadership and Learning in Nevada

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Each interviewee had the opportunity to review their transcript. All measures have been taken to preserve the style and language of the interviewee. This interview features Tony Sanchez, Executive Vice President Business Development and External Relations for Government and Community Relations at Nevada Energy, and was conducted on 7/20/23 by Magdalena Martinez and Elia Del Carmen Solano-Patricio. This interview covers topics including reflections on leadership, organizational challenges, and opportunities for collaboration.

Interview with Tony Sanchez

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SPEAKERS: Magdalena Martinez, Elia Del Carmen Solano-Patricio, Tony Sanchez

Magdalena Martinez [00:02]

Okay. We're here today, July 20th, 2023, with Mr. Tony Sanchez, from NV Energy. I'm joined by Carmen as well. And we're going to have a conversation about NV Energy and Tony's role during that time, within his organization and outside his organization. So let's start off with that.

Tony, tell us a little bit about your role when the pandemic initially occurred, within your organization or externally because I know you're involved in many types of boards and organizations.

Tony Sanchez [00:37]

Yeah, sure. Starting with NV Energy, I'm the Executive Vice President of Business Development and External Relations. So in the external relations portion of my title, I oversee all of our outward-facing aspects of the company to the public – so everything from corporate communications to government relations, and our community relations – our foundation also oversees our efforts to communicate with our largest customers throughout the state. So we have a big team of major account executives.

So I think, from the first actions taken, obviously, internally, as an officer unit, all kinds of cases of first impressions – what makes NV Energy unique is just the critical role that it plays in the community, powering close to 90% of the entire state with electricity, as well as natural gas, in the Reno area. So, obviously, continuity of our job, which is keeping the lights on, but at the same time, we're a company of close to 2,500 employees at that time and had a lot of unanswered questions on how to deal with – whether you're working; whether you're out in the field; half of our employees are external to corporate headquarters in our large buildings in Reno and Las Vegas. Whether they be a line person out in the field – whether they be out at generation facilities.

So, certainly, maintaining our jobs and powering the state was paramount. But at the same time, the safety of our employees, and how we were going to wade through what was coming out so quickly. It fell on my department because it was all coming from the government, so we were the liaisons, primarily beginning with the governor's office – with Governor Sisolak's office – and everything that he was setting up. And that morphed into interactions with local governments, starting with Clark County, as well as Washoe County and various local governments around the state.

We were very, very active; Governor Sisolak appointed our CEO, Doug Cannon, to his strike force which was chaired by Jim Murren. And Doug was very active in the role he played; actually, he chaired the procurements of the committee, which was probably due to – our parent company is Berkshire Hathaway, so it spans 150 different companies around the world. So

procurements are a very large aspect of Berkshire and Doug's very experienced in that. And so, he was Head of the Procurement Subcommittee within that task force formed by the governor. And literally, at first, it was all focused on face masks, and obtaining them from overseas. Working with other companies and working with the gaming industry at the same time because just about every industry was represented on that task force.

So Doug was very, very focused on that. At the same time, making sure, with the OSHA rules that were coming out from the state, in terms of working conditions, that was quite a bit of activity on our part, making sure – for example, under the original framework and the rules that were coming out, we couldn't have two people in a bucket truck up on a high wire repairing a line – a critical line. And so there was quite a bit of work, in between government relations and our legal work in the state, OSHA, and different state and local agencies. Trying to get exceptions and making folks understand what exactly we did, and why we were an exception to two people being close together in proximity, at a time when the pandemic was starting to really come into focus.

So there was quite a bit of that. And then, at the same time, a lot of corporate communication and internal communication with our employee base. Having, obviously, you know, getting the word out as to which employees needed to be in their traditional roles; whether it be in a truck, out in a field, or in our control center, which is a very high-security area that runs all the – everything for the entire state to – who *could* work from home in those types of communications.

So that took quite a long time, and it was hit-or-miss sometimes, but it was all new to us. We all, in these critical industries, have manuals and everything in case of emergencies, and we drill to prepare. But those were typically drills for major environmental catastrophes, or an outage, for example, of impacting the entire west coast. Which, something like this, it was airborne, or not even really knowing much about it at the time, made it a case of first impression.

But the training, the discipline – and another focus, that was something that we were successful with. That eventually morphed into the – obviously, working with the federal government at the same time, and the assistance that they were providing, not only with masks but then morphing into the testing kits. And that was something that we worked extensively with Clark County. At the time, Chair Marilyn Kirkpatrick took quite a leadership role in that. I think she was probably the most out front. And it was very important to her that first responders, which is what we're considered, had access to safety and health equipment, as well as testing, to be able to do our jobs on a daily basis.

And so, there was quite a bit of interfacing with the county, and we credit the county for putting together an incredible program, to make sure that the city stayed open to the extent that it was. Obviously, we know what happened on the strip and everything, but at the same time, there was quite a bit of, still, economic activity going on in the state. So that's kind of a brief overview of everything company-specific.

Externally, other roles on the executive committee, the Public Education Foundation, and also, working with the governor's office and others, along with other utilities like Cox Communications, and others, that was the whole Public Education Foundation focus on getting

Wi-Fi, broadband, and laptops to homes, apartments, and to the schoolkids. And so, that was something that was – I wasn't as involved in that. And so, I was internal to my company. That was more than a full-time job at the time, but those were some of the other external activities that we were involved in, and as our company was too – because we have a very active foundation that gives a lot of funding around the state, for health and human services-type endeavors, as well as K-12 education and post K-12 education as well. So we were always looking for opportunities to utilize our resources and make sure that our customers knew we were trying to help, as opposed to adding to the problem.

Magdalena Martinez [09:32]

Very helpful. Thank you, Tony. Carmen, did you have a follow-up question?

Elia Del Carmen Solano-Patricio [09:38]

Yeah. I know that NV Energy made an announcement in 2020, Tony, that they would cut prices in 2021. Keeping everyone online – of course, right, NV Energy serves everyone, but were there any specific groups that you think are the most, or were the most vulnerable at that time, and groups that you think you engaged with successfully? You mentioned students here just a minute ago. [audio drops out @10:07] that there were-

Tony Sanchez [10:06]

Yeah. You bring up a good point, actually. In 2020, we were the first entity – we were the first western utility in the western United States to come out and make the announcement that we were not going to cut off your power for the inability to pay your power bill, which is not something we'd ever done before. But understanding the service-oriented nature of Las Vegas and Reno, and how many folks were laid off. I mean we're talking about hundreds of thousands of people who were laid off. All customers of ours, you know, we put out the word immediately. But all you had to do; you didn't have to go through some giant proof process. You just had to verbally tell us, one way or the other, whether through the mail or tell us on the phone, and we would put a freeze on any delinquent bill with no ramifications or anything like that.

So that was probably the biggest undertaking that we did. And subsequently, worked with Clark County, in particular, because they were the recipient of these federal funds that came in for assistance. Worked with Clark County and their leadership to access millions of dollars to be used to pay for our customers' power bills. But just as the county was doing that with the water district, Southwest Gas, and Wi-Fi providers. So that was very important, that with everything folks had going on, concerned about their health, out of work, that they weren't concerned about their power going off.

Magdalena Martinez [11:56]

Okay. Thank you for that, Tony. Now that there's been some time between the actual height of the pandemic – and you talked a little bit about how your organization responded, and how it intersected with other types of organizations, nonprofits, and government, in what ways do you think the pandemic has reshaped NV Energy and your work, in everything from how you think about your work and/or leadership?

Tony Sanchez [12:30]

Sure. I think the biggest, long-lasting impact has been the whole work-from-home concept. What does it mean? Where do you really need to work? And how can we be better prepared? And we have hundreds of call center employees that take the calls from folks that are asking about why their power's off, or "How do I make a payment?" "How do I get my power turned back on?" "How do I available myself of the energy efficiency opportunities that the company has?" All those types of things. And we weren't really equipped to arm our employees to be able to do that from home, for example, and now, they are. I mean that has been a big shift in our thinking and how we operate. That immediate interface with the public and our customers.

But at the same time, also dealing with – just as a management unit – how do we deal with employees that want to work from home? And whether it be one day a week, or how do you – it was a crash course in human nature and psychology and trying to accommodate employees. But at the same time, making sure that we were keeping the lights on, and doing the functions that we needed to do. But at the same time, accommodate folks who – you know, schools are closed, so you don't have, necessarily, anywhere to put your kids, daycare issues, you name it, when we have 2,500 employees throughout the state. I mean, they're at every strata, every phase of their careers that you can imagine. And so we had every issue at hand that we dealt with.

But the whole work from home – and that's still a vestige – that's still something we're dealing with almost two years later, and we'll continue to try to refine those policies. Because it really changed the thinking of the American workforce. And it's had a profound impact on major cities, even a lot more – I wouldn't say that it's impacted Nevada, Reno, and Las Vegas as much as it has in some of the larger cities like Los Angeles, San Francisco, New York, and Chicago, where you have incredibly high vacancy rates because folks are working from home. And you watch some of these companies where they have tens of thousands of employees – the Googles, the Alphabets, and the Facebooks of the world, and how they've been dealing with that situation.

But it also, you know, it is the advent of employees recognizing, at the same time, there were a lot of jobs out there, and they could move around quickly to companies that were offering more flexibility and taking into account their needs as much. I mean that's been a big shift, I think, across the country, not just in our industry. We're somewhat of a specialized industry. We probably employ the most engineers of any company in the state, for example. But we also have just as many accountants, chemists, lawyers, and you-name-it. But how that changed the workforce – and folks stopped thinking about working – it really impacted folks to stop thinking about working at one company for their entire career.

I mean, in my 16 years now with NV Energy, I can tell you, I've had a couple of dozen employees hit the 40-year mark, and those employees are phasing out now. There's not too many left. But we'll never see that again; not because NV Energy's not a great place to have a career. It's just people think differently now and there's more mobility since – as tough as it has been to fill a lot of jobs, and a lot of the stay-at-home – a lot of what do they call it? "The Great Resignation," and folks just decided to do something else with their lives. Life is too short, and they didn't want to work 60-70 hours a week, and not have health and happiness as a result. So I think it reprioritized a lot of America's workforce, and that had an impact on our workforce as

well. So, as a management team, we're still doing that and will be, for the rest of my career, at least.

Magdalena Martinez [17:07]

I think that's a nice way to segue into how that has also shaped or influenced leadership, in terms of, for instance, how you respond, how others in your organization respond, and/or how NV Energy is thinking about pipelines to leadership.

Tony Sanchez [17:27]

I think a lot of what we have heard from our employees is about transparency. So there's been quite a bit more outward communication to our employees, whether they be all-hands meetings, to the extent that you can have them in a room, but at the same time, broadcast it to different locations throughout the state. Because we searched so many different towns and small cities throughout the entire state.

So a lot of transparency, but just the volume of communication increased exponentially. But at the same time, you know, it also dovetailed, as employees started coming back and priorities changing. And I do think the recent focus by employers on diversity/equity/inclusion issues has – our company has been in a very, very aggressive – our parent company, which is Berkshire Hathaway Energy, based out of Des Moines, Iowa – we have operations in 17 different states: a number of large utilities, mostly in the West Coast, but also in Iowa. But employee resource groups have been formed, whether it was specific to the African-American community, the Asian Pacific Islander community, the Latino community, and the gay & lesbian community. We formed all of those, and those have been big, and have grown very quickly and very powerfully, as methods to communicate with employees across a lot of our different platforms, that wouldn't be where it is today if we hadn't had the experience of the pandemic, I think, at the same time. But not to mention it also, it's something that our employees wanted. They wanted more of that human interaction and hearing from fellow employees. And it dovetailed nicely, with such a focus, and the upheaval around the country – whether it was related to "Black Lives Matter" or just different flashpoints that have occurred around the country.

The pandemic added a layer of complexity to that, but at the same time, gave – it helped marshal resources to provide to employees, and employees expect more now. I don't know that they were just in a position where they didn't expect anything. I certainly don't think it was that. I just think, you know, a lot of folks have gone through a reprioritization of what's important to them, and work-life balance is a lot more important, I think today than it probably was for a lot of people three years ago.

Magdalena Martinez [20:27]

We can say it, Tony, for our generation.

Tony Sanchez [20:28]

(laughs)

Magdalena Martinez [20:33]

Carmen, follow-up questions?

Elia Del Carmen Solano-Patricio [20:37]

Yes. Tony, okay, I'm an environmentalist. I would be remiss – and I'm a Las Vegas, you know – I would be remiss to have you here and not ask you about solar power. So I know that NV Energy was initially against [audio drops out @20:53] policies for very nuanced reasons, but also, very active in increasing solar capacity, in the state, in various ways.

Tony Sanchez [21:02]

Mm-hmm.

Elia Del Carmen Solano-Patricio [21:03]

So my question is very much about the future, right? We're facing circumstances of population growth, but also, issues of water scarcity. And I know that research shows – I mean solar capacity and solar power is not a silver bullet to address those issues, but it can be a significant factor.

So, really, the question is, does NV Energy have any plans to make it so that solar power can address these issues, right? And I'm thinking really big and optimistically here. But about desalination, or pumping water from aquifers in the ground. What do I have to look forward to?

Tony Sanchez [21:45]

So it's evident that you have a couple of days to spend with me here. Because it will take that long to cover all of those issues that you just asked about. But, no, those are all very timely, and these are the issues that we deal with on a daily basis.

Yesterday, we announced that we're filing an application with our state regulator next week to close our last coal plant. That puts us ahead of most states in the entire country. We have completely gotten rid of all of our coal plants in a matter of ten years. So we're a Top Ten Utility in the nation for the amount of carbon that we've taken out of our environment, by changing the look of our generation equipment. Like you said, they're now solar. And it's not just solar – it's also geothermal.

Up until the big advent of solar in the last several years, we mostly had geothermal. Mostly, up in the North, where there's a lot of volcanic activity and geothermal is very prevalent. Outside Ely we have a very large wind farm, and in some parts of the state, you know, we're looking at other types of technology. But, by and large, solar is now the largest.

And so, in conjunction with announcing closing our last coal plant yesterday, we also announced that we're going to be seeking approval for a 400-megawatt solar farm, in the central part of the state, along with, next to it, 400 megawatts of lithium batteries storage capacity. So if you have solar, you need somewhere to store it, when it's not being used, so you can utilize it at night when the sun's not shining. And that was – of the 28 headlines that I looked at this morning, from around the state and all the small community papers that the TV channels and the radio stations, the only one that – *The Review Journal* picked up and said, "Well, this is going to cost 1.5 billion dollars to do that kind of a mass scale to replace your coal plant."

But everything we do is in bulk. We have to supply 90% of the state, which is several million folks now. You referenced "net metering," you know, which is associated with rooftop solar; in order to do that much equivalent rooftop solar, we're talking about seven billion dollars, in costs, to do that same amount for rooftops.

And so, by state law – and our regulators are mandated to oversee us. And we have to propose how to serve the state in a reliable way, but the most economical and safe way, so the economy still had to play a role. So for somebody to say – not you – but other people say, "Oh, we don't like rooftop solar." We don't have anything against rooftop solar, it's just six times as expensive as a large project. And we have to supply people in bulk, so we have to go big, right? And so we're going to continue that. We have a state portfolio of standards that requires us – this year, to have 30% of our energy has to come from renewable energy, and that tops out at 50% by 2030, seven short years from now – six and a half short years from now.

We're proud that we're currently at 38%, so we're eight percent ahead of the game, and we're going to exceed 50%. Because we've also committed to trying to get 100% decarbonized by 2050, so, we have to move fast. During this last legislative session, I proposed, on behalf of my company, that we increase the portfolio standard to 65-75% by 2035, by 2040. You need those state mandates to force the building of these projects, right, because they're not always the cheapest. I can run a coal plant a heck of a lot cheaper than I can run – than build an equivalent solar farm – at least for the first 20 years, right? But after 20 years, that coal plant's still going to be burning coal, and I'm going to stop the pay for the coal. But after 20 years, you know, I've recouped the cost of that solar plant because I'm not buying any fuel for the solar plant because it's fueled by the sun. But it takes 20 years to pay it off, right? So that next tranche of 20 years, those are the good times, right, because then it's effectively free, with the exception of the manpower and wind power costs to run it, and that kind of thing.

So my message is, real energy is the wave of the future. We are Top Five in the nation. We're very proud of that. We're number two in the country for geothermal. We're number five in the country for solar. We're going to work to get to be number one. But at the same time, we have to do it, in an affordable way, for our customers. And we're very proud of a statistic; that it's on the Nevada Public Commission Utility website. They got it from the Federal Energy Information Administration; that over the last 20 years, NV Energy and Nevada have had the fewest rate increases of any utility in any state in the entire nation over the last 20 years. And that is probably going to be inscribed on my headstone one day, right? We're that proud of it.

But you have to think, we did that while closing all of our coal plants and keeping up with being one of the two fastest-growing states in the nation over the last 20 years, and we've done it successfully. The coal companies fought us when we wanted to close the coal plants. They said that it going to cost them ten billion dollars to replace that capacity. We ended up replacing the capacity for those coal plants for 500 million dollars because we did it in an orderly way, we did it with the state, and we did it under the supervision of our regulators. We are very proud of our record.

And that metering? That's a whole different issue. And that metering costs our customers today, the people that don't have a 750 FICA score, which is what you need to be able to get a lease for

a rooftop system on your house. It costs those customers, that can't afford it, \$100,000,000 a year, to our customer base, to subsidize the rich people at the Ridges, who have eight air conditioners, and very massive solar systems on their roofs, and those are paid for through net metering. That is what our problem with net metering is. We don't need net metering anymore. It takes from those that don't have anything, and it gives to the people who have 750 FICA scores.

California, which is ten times as liberal as Nevada is, has started to ramp back on net metering subsidies because it's being paid for by the poorest people that don't have access to solar. Now, we don't – I think, as we move in the future, there are a lot of homes and apartments that don't have a roof that can sustain a solar project up there for 20 years. They might need a new roof – and so, that's why we're investing a lot of dollars in community solar. Building projects at high schools, and parking garages, and literally, taking the savings from those projects and sharing it with the communities immediately abutting those projects. That's something that we're working on right now that we worked with Assemblywoman Daniele Munroe-Moreno, who's currently still a state assemblywoman. She passed that four years ago. So we're going to continue to try to find ways to make sure everybody benefits from the solar – renewable energy revolution.

But at the top, we always have to remember that 38% today – 38% of all the energy that we generate in this state already is renewable, but we've got to get to 100. And so, we're going to get there; so it's not something that I – have I sounded defensive sometimes? That's because we get attacked a lot by people. (laughs)

Magdalena Martinez [30:32]

Tony, in what ways do you think – this train left the station a while ago? In what ways, if at all, did the pandemic accelerate, derail, or hold back these efforts to become more of a renewable energy state?

Tony Sanchez [30:54]

I almost – I could make an argument that it's helped to fast-track it. A lot of people spend a heck of a lot more time at their places of residence. People are starting to understand that the concept of electrification is working – need to go – whether it be vehicles, whether it be all of the appliances in your home, whether it would just be energy-efficient homes and buildings. I think a lot of folks are focused on that. But we still need thousands of employees and union contractors to build these large solar farms which are being built around the state. It's interesting to watch. I mean, solar panels are a global commodity now. What happens in Asia impacts the price of solar panels here. And during the Trump Administration, he put high tariffs on solar panels, which led to a shortage of solar panels here, over the last five years. And so we had to deal with that.

I don't know if it was necessarily a direct result of the pandemic, but folks have had a lot more time – not to mention, just the severe climate impacts that we've seen the last – how about this? There's been incredibly heightened climate impacts and occurrences that happened to dovetail at the same time the pandemic was going on. It seemed like they really ramped up, and everybody thinks they're coming out of the blue. No – I mean we've had 117-degree weather here in Las Vegas before. We've had 130-degree weather in Death Valley before. But you know, the polar ice caps melting, and the severity of the hurricanes, the flooding, and the impacts that had been happening – have been exacerbated recently. And so I think it's happened all at the same time

that we dealt with the pandemic, and you can view the pandemic just like you can a hurricane. I mean, destruction across the world – economic, health, psychological. Just like a hurricane or a massive storm. That kind of thing. So I think there's some that would argue that the pandemic was exacerbated because of the amount of carbon and how we polluted the world, so I think they're all intertwined now.

Magdalena Martinez [33:45]

Yeah. That's a good point. And thinking about moving forward, I mean, you just highlighted that the pandemic was kind of one crisis in a series of many crises that had been building up – globally, nationally, and locally. From your perspective, what are some lessons that we can take from this most recent pandemic, as we look to the climate change crisis and any other crises? I mean, Nevada – Las Vegas in particular, has had to really think about emergency preparedness in a different way because of the amount of tourism, and the amount of people and events that we pulled here. So when you look at the continuum of crisis management, it really spans quite a bit here in this region in particular.

So in thinking about that, what are some lessons learned, from your perspective, whether from the pandemic or other crises that we've been a part of in the past?

Tony Sanchez [34:49]

Sure. There's one area in particular, and I don't know if it's a lesson learned. I think it's a lesson that we're still experiencing, both from the pandemic side as well as the climate change side, and that is, how it has divided the country into two camps. With the pandemic, there's whether you should get a COVID vaccine or not. You're either RFK or you're – the famous doctor with the National Institute of Health – which his name's escaping me at the moment – who became an instant celebrity and reviled to the other half of the country. And just the impact that has had creating this division in the country; whether it's red/blue or geographic. But it's the exact, same debate we're seeing with climate change. You're either a vaxxer or an anti-vaxxer. You either believe in climate change or you don't think any of how we've treated the environment has led to the mass storms and degradation of the environment. So they're very, very similar, and it points to a division of the country that we're going to have to deal with.

Quite a while – the Brookings Institution, the Lincy Institute, and UNLV will be studying this latter phenomenon for decades. And so it's interesting to me – so that, to me, again, I don't know if it's a lesson learned. It's something – it's a lesson that needs a resolution. But it's amazing how it's impacted those two big issues at the same time.

Magdalena Martinez [36:41]

So, Tony, you have been involved in this community on a number of levels, and people still look to you behind the scenes, so to speak, particularly as it comes to thinking about issues of policy and politics. What do you think it's going to take to help us move closer to some level of – I don't know if "moderation" is the right word – or just some level of collective identity or collective resolution of what we want to look like as a country. What is it going to take to minimize that divide?

Tony Sanchez [37:23]

Yeah. The only thing I can think of, at this point – and it's not a solution, but it's – you all are coming at this from the academic side; so you know history is circular, and our country has gone through this before, and so it's going to take time. And history is the greatest educational tool. As I tell my kids, "Don't respect your elders because they're older. Respect them because they've been through it, and you're not seeing anything new that we haven't dealt with in our lives."

And so there's no substitute for experience. So whether it was the pandemics that Europe and this country had to deal with 100 years ago, we survived them. And you go through these ebbs and flows – we've gone through utter decay of cities like Detroit and what happened to them over a 40-year period, that we're now seeing in San Francisco, for example. But Detroit has come back now, just as San Francisco will come back. So that's – I guess that's what I've – that's how I'm able to sleep at night.

Magdalena Martinez [38:50]

Well, both in history in terms of how societies can come back together.

Tony Sanchez [38:54]

Yeah, and maybe giving Donald Trump a stiff prison sentence. That might help, too. [over talking 38:59]

Magdalena Martinez [39:01]

Yes.

Tony Sanchez [39:02]

That's going to cause more divisiveness, you know?

Magdalena Martinez [39:06]

Well, I think what I didn't say is that our generation too, we were seeing the dismantling of our democracy right before our eyes.

Tony Sanchez [39:17]

Yep.

Magdalena Martinez [39:20]

And so I think that we're not taught to think about those periods in our history where that was occurring too, and how to respond. Because our structures have been strong and have been able to sustain these types of shocks, whether it's the judiciary system, or throughout the different levels of the legislative system. The concern, of course, is by scholars and observers alike, that these have been chipping away for not just the last ten years, but rather, maybe, the last couple of decades, right? Maybe three decades.

Tony Sanchez [39:59]

Yeah. But at the same time, they're talking about, right now – the Democrats are talking about increasing the size of the Supreme Court, to deal with this Conservative group that's there now, and how they're dismantling some of the most deeply-held norms and traditions of our country.

But that's exactly what we were doing, in 1932, when Franklin Delano Roosevelt proposed packing the court and increasing/doubling its size. And again, nothing that we're seeing today hasn't happened in the past. But there is some stuff in the past that I hope we don't have to deal with again, whether it be slavery, the internment of Japanese-Americans during World War II, or just the incredible discrimination seen by the Latino community. That probably is at the forefront of what's happening at the border today, and we're living with that problem today.

But people always say, "Oh, it's worse than it used to be," and how nice it used to be. And 40 years ago, as a kid, and not having all these problems, and I don't know. I think we had problems then, too. [over talking 41:29]

Magdalena Martinez [41:30]

But we were kids.

Elia Del Carmen Solano-Patricio [41:31]

I really appreciate you explaining those bits earlier about solar power and where NV Energy stood a while ago. And also, the advice to take a lesson from history. But as a young person, I'm really excited about NV Energy's role in stepping into the future. In Israel, solar power desalination plants are helping to provide clean water to extremely fast population growth. In California, right next door, solar-powered pumps are being used to irrigate crops in the Central Valley, which is something that we need here in Nevada as well. Crops are an issue. In India, solar-powered water purification systems are being used to provide clean water to rural communities – also relevant to Nevada.

So, not really a question. But I'm just – I wanted to know that is true. And that's something I've been studying at UNLV that comes up a lot, which is, to take lessons from history, but also, step into the future, right?

Tony Sanchez [42:32]

It is. And it's – you could spend your entire career in this study. But with everything being electrified, and cars going to become electric. I've seen, in the last eight years, because of the coal plants and everything we've done to our fleet, we're no longer the largest emitter of carbon in the state. Tailpipes are. And so now, the trend is to go to electric vehicles, and it's been incredible watching it happen so fast over the last couple of years.

But now, you've got an issue of "Oh, but we need more lithium." And where are we going to get that lithium? We can't get it from China because they're a rogue, bad state, with human rights abuses and everything else, even though we're getting it there. But then you come to find out, oh, guess what? Nevada has the largest deposits of lithium – probably, one of the top three in the world like we have gold. If Nevada were a country, we'd be third in gold output behind Russia and Australia. And look how big those are, right?

It's the same thing for lithium now, but now, you have certain environmentalists that say, "Oh, no. Don't mine that lithium because you're going to hurt Buckwheat – Team – however you pronounce it, or the Moapa base, or it impacts sage grouse by doing this lithium mining. Well, you can't have electric vehicles unless you get lithium. And most people want to get it from

China, where we have massive human rights abuses and labor camps of slave labor. I'm not drawing a conclusion or choosing sides on it. I'm just saying there's no perfect solution. And the minute you identify a solution, problems come up, right? Now it's lithium. Water, obviously, is a humongous issue that we have here. Nevada is way ahead of Arizona and California when it comes to water conservation and recycling our water back into the lake and into the Colorado River and being able to take more. But it's going to impact our growth. It's going to impact our economies. It's going to be something that we have to deal with.

But people don't know this when – if I ask you – I'll ask you right now: Who's the biggest user of electricity in the State of Nevada? Do you know?

Elia Del Carmen Solano-Patricio [45:04]

I have no idea.

Tony Sanchez [45:07]

If I did a poll, people would say it's the Las Vegas Strip, right? No. It's the Las Vegas Valley Water District because they're pumping the water up here from Lake Mead. They use more electricity than anybody. And they're getting into the renewable energy game in a big way. They're building really big renewable solar projects as well. People don't think about that, how water pumping – if you're going uphill, which we are uphill from Lake Mead, you've got to pump it. And hopefully, it'll all be done with solar one day.

But there's no silver bullet. That's why a lot of people advocate that you can't have just one type of energy as a solution. You have to have many different types of eggs in the basket. To some people, that means nuclear, you know? Nuclear is carbon-free. People forget that because of the waste, and how the waste issue has been demagogued in the state for the past 40 years. I've done it in my career; I worked for a Nevada governor and a Nevada senator on Capitol Hill, who used to get elected, every four years, for running against Yucca Mountain. And I wrote a lot of speeches against Yucca Mountain. But I don't see us getting nuclear in Nevada. We've phased out coal now. We're phasing out coal by 2025. Another year. We've got lots of solar. We need a lot more. We have too many mountains, so we're not a good wind state. We're going to continue geothermal. We've got to look for different options, but you have to use a little bit of everything. And until battery technology becomes cheaper, we're still going to need to use natural gas until we get to that point where we don't need it anymore. Because right now, batteries are the most expensive of everything I've just discussed. Batteries are extremely expensive.

Elia Del Carmen Solano-Patricio [47:08]

Yeah, they are. There's actually a colleague of ours here, at Brookings Mountain West and the Lincy Institute, Mary Blankenship, working on solar capacity in making that process more efficient and cost-effective.

Tony Sanchez [47:22]

Mm-hmm, yep.

Elia Del Carmen Solano-Patricio [47:23]

She's written about solar capacity in Nevada quite a lot. So that's why I come to you with these questions, and I- [over talking 47:27]

Tony Sanchez [47:29]

Yeah. No, these are very, very important.

Elia Del Carmen Solano-Patricio [47:30]

Yeah.

Tony Sanchez [47:31]

And solar panels have become – they've decreased in price by a multitude of seven, and they've gone from very expensive to very inexpensive due to these solar panels in the last seven to eight years. That's amazing.

So we're going to have more of that going forward. We're going to find something else besides just lithium to power these batteries. There's another company here called "One," O-n-e – it stands for "our next energy." And they're looking to have operations here, and they're building a plant in Michigan and other places. But they're using nickel cobalt instead of lithium, so that's a variation. And the minute they start coming out, and that gets a lot of press, then there's going to be a run on the nickel cobalt world, and we're going to have problems just like we're having with lithium today. It's kind of funny watching all of that. But that's why I'm the incoming Chair of the UNLV Foundation. Because my company wants me to be involved in where these ideas are coming out of.

That's why we started ten years ago; we started the Renewable Energy Studies Program at UNLV with a couple of million dollars from our foundation. I did that with Niels M-[48:52] and the administration at that time. We continued with his successors after that because – that's why we employed more UNLV engineers than any other company in the state, and chemists and everything else at the same time because UNLV is our future labor resource, you know? That's why we have so many UNLV grads, and that's why I'm a UNLV grad, and my wife's a UNLV grad. I'm very proud of that. And a lot of amazing – it was just a couple of years ago that UNLV made that breakthrough in cold fusion and the potential that's going to have. Talk about a game-changer – that's on a different level – but that's why our company invests so much in UNLV, and in the new gas engineering building that's coming out now. But it's the best investment that we're making today.

Elia Del Carmen Solano-Patricio [49:53]

I was going to ask you if you're hopeful, but it sounds like you are.

Tony Sanchez [49:56]

Oh, yeah.

Elia Del Carmen Solano-Patricio [49:58]

And you've just expressed what makes you hopeful. So I really appreciate how much you have your ear to the ground, Tony, for being in such a powerful company in the state.

Tony Sanchez [50:05]

Well, it's fun. I was born and raised here. And I think I'm very lucky to have a job that wants me to be out there, you know, and listening to what our customers need, and trying to improve the reputation of our company by just telling our story. I mean because hey, we make mistakes, but we also don't get credit for a lot of the things that we do at the same time.

Magdalena Martinez [50:29]

Thanks so much, Tony. I'm going to pause – I'm going to turn off the recording.

Tony Sanchez [50:31]

Yes.

End of audio: 50:34