

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB FILE NO. R187-24I

**The following document is the initial draft regulation proposed
by the agency submitted on 07/18/2024**

**PROPOSED DRAFT REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

Docket No. 23-11008

July 18, 2024

Explanation – Matter in *italics* is new; matter in brackets ~~{omitted material}~~ is material to be omitted

AUTHORITY: NRS 703.025, Governor Lombardo’s Executive Order No. 2023-003.

A REGULATION to implement Governor Lombardo’s Executive Order No. 2023-003.

Chapters 701B and 704 of the NAC are hereby amended by amending and/or repealing the provisions set forth in Sections 1 through 15 of this regulation.

Section 1. Chapter 701B.125 of NAC is hereby amended to read as follows:

1. Pursuant to [NRS 701B.230](#), a utility shall file *a limited informational filing to report on the outstanding incentives liabilities* with the Commission on or before February 1 of each year ~~an annual plan~~ which must include the following:

- ~~— (a) A schedule describing major program milestones;~~
- ~~— (b) A budget with the following categories:
 - ~~— (1) Contractor costs;~~
 - ~~— (2) Marketing costs;~~
 - ~~— (3) Training costs; and~~
 - ~~— (4) Utility administrative costs;~~~~
- ~~— (c) A report on the activity of the Solar Program during the immediately preceding calendar year and the current calendar year which includes, without limitation, the most up-to-date versions of the following information for each calendar year:
 - ~~— (1) The number of applications filed in each Solar Program category;~~
 - ~~— (2) The number of participants enrolled in the Solar Program and the number who have dropped out of the Solar Program;~~
 - ~~— (3) The annual budget and expenditures;~~
 - ~~— (4) Any remaining financial obligations at the end of a calendar year;~~
 - ~~— (5) A list of completed installations;~~
 - ~~— (6) A summary of marketing efforts; and~~
 - ~~— (7) A description of training and educational activities;~~~~
- ~~— (d) A description of the application process, including, without limitation:
 - ~~— (1) The procedures to be followed by the utility and the applicant, including, without limitation, the procedure by which a participant may claim an incentive upon the completion of a project;~~
 - ~~— (2) The criteria for the selection of applicants for the Solar Program;~~
 - ~~— (3) Copies of proposed applications and forms, including, without limitation, a copy of the form by which a participant may claim an incentive upon the completion of a project; and~~
 - ~~— (4) The proposed fee for the application;~~~~
- ~~— (e) The average installed cost in Nevada of a solar energy system during the immediately preceding calendar year;~~
- ~~— (f) (a) The total of all incentives paid for the immediately preceding calendar year;~~

~~(g)(b)~~ The total of all incentives projected to be paid for the current calendar year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid;

~~(h)~~ A graph and table showing the cumulative committed capacity and incurred incentive liability, separated into installed capacity and active reservations, at the end of each year since the inception of the Solar Program;

~~(i)~~ A detailed advertising plan;

~~(j)~~ An education and training plan;

~~(k)~~ An inspection and verification plan for solar energy systems which verifies all applicable requirements for applicants or participants, including, without limitation, any applicable requirements described in [NAC 701B.180](#); and

~~(l)~~ A table demonstrating the effects of the Solar Program on the rates paid by customers.

2. *If there are no further incentives to be paid for the current calendar year, a utility is no longer required to file a limited informational report pursuant to section 1.* The annual plan filed by the utility on or before February 1, 2014, must contain, in addition to items listed in subsection 1, the utility's plan for implementing the Lower Income Solar Energy Pilot Program established pursuant to [NRS 704.786](#). In each subsequent annual plan filed pursuant to this section, the utility shall report on the activities undertaken by the utility and the achievements of the Lower Income Solar Energy Pilot Program during the immediately preceding calendar year, and shall additionally provide the information listed in subsection 1 that is relevant to the Lower Income Solar Energy Pilot Program.

Section 2. NAC 701B.130 is hereby repealed.

Section 3. NAC 701B.180 is hereby repealed.

Section 4. NAC 701B.185 is hereby repealed.

Section 5. NAC 701B.200 through 290 is hereby repealed.

Section 6. NAC 701B.300 through 365 are hereby repealed.

Section 7. NAC 701B.400-720 is hereby repealed.

Section 8. Section 9 of LCB File No. R022-18 is hereby amended as follows:

Sec. 9. 1. ~~[Not later than February 1, 2018, and annually thereafter, a]~~A utility shall file *a limited informational filing to report on the outstanding incentives liabilities for the Storage Program* with the Commission *on or before February 1 of each year* pursuant to ~~NAC 701B.125 an annual plan for the Storage Program~~ which must contain the following:

- (a) The total of all incentives paid for the immediately preceding program year;*
- (b) The total of all incentives projected to be paid for the current program year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid*

~~(a) A schedule describing major milestones of the Storage Program.~~

~~(b) A budget which includes information relating to:~~

~~(1) Incentives, including, without limitation, proposed incentive levels or payments;~~

- ~~(2) Contractor costs;~~
- ~~(3) Marketing costs;~~
- ~~(4) Training costs; and~~
- ~~(5) Utility administrative costs.~~

~~(c) (a) Following the first plan year, a report on the productivity of the Storage Program for the previous year and a status report on the current year, including, without limitation:~~

~~(1) The number of applications received by the utility in each category of the Storage Program;~~

~~(2) The number of participants in the Storage Program and the number of participants who have withdrawn from the Storage Program;~~

~~(3) The annual budget and expenditures of the Storage Program;~~

~~(4) A list of completed installations;~~

~~(5) A summary of marketing efforts; and~~

~~(6) A description of training for inspectors, certifiers and contractors and educational activities.~~

~~(d) A description of the application process, including, without limitation:~~

~~(1) The procedures to be followed by the applicant and the utility; and~~

~~(2) Copies of proposed applications and forms.~~

~~(e) A customer outreach and engagement plan.~~

~~(f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.~~

~~(g) An inspection and verification plan.~~

~~(h) A proposed schedule of incentives that limits the incentives received by residential, small commercial, new construction and public entity participants to not more than 50 percent of the installed cost of the energy storage system.~~

2. If there are no further incentives to be paid for the current program year, a utility is no longer required to file a limited informational report pursuant to subsection 1. Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Storage Program.

Section 9. Sections 14 and 15 of LCB File No. R022-18 are hereby repealed.

Section 10. Section 24 of LCB File No. R022-18 is hereby amended as follows:

1. ~~[Not later than February 1, 2018, and annually thereafter, e]~~ Each utility in this State shall include in the ~~limited informational report~~ filed with the Commission pursuant to NAC 701B.125 an annual plan for the ~~file a limited informational filing to report on the outstanding incentives liabilities for the~~ Electric Vehicle Program ~~on or before February 1 of each year~~ which must contain the following:

- ~~(a) The total of all incentives paid for the immediately preceding program year;~~
- ~~(b) The total of all incentives projected to be paid for the current program year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid.~~

~~(a) A schedule describing major milestones of the Electric Vehicle Program.~~

~~(b) A budget which includes information relating to:~~

~~(1) Incentives, including, without limitation, proposed incentive levels or payments;~~

~~(2) Contractor costs;~~

~~(3) Marketing costs;~~

~~(4) Training costs;~~

~~(5) Utility administrative costs;~~

~~(6) Capital costs; and~~

~~(7) Coordination with federal, state, local and private efforts.~~

~~(c) Following the first plan year, a report on the productivity of the Electric Vehicle Program for the previous year and a status report on the current year, including, without limitation:~~

~~(1) The number of applications received by the utility for the Electric Vehicle Program;~~

~~(2) The number of participants in the Electric Vehicle Program and the number of participants who have withdrawn from the Electric Vehicle Program;~~

~~(3) The annual budget and expenditures of the Electric Vehicle Program;~~

~~(4) A list of completed installations;~~

~~(5) A summary of marketing efforts;~~

~~(6) A description of training for inspectors, certifiers and contractors and educational activities;~~

~~(7) A list of the third party vendors and equipment providers, if applicable; and~~

~~(8) Data collected through the Electric Vehicle Program, including, without limitation, utilization of utility owned charging stations, load profiles, rates paid by customers for charging services and outage information from each charging station.~~

~~(d) A description of the application process, including, without limitation:~~

~~(1) The procedures to be followed by the applicant and the utility; and~~

~~(2) Copies of proposed applications and forms.~~

~~(e) A customer outreach and engagement plan.~~

~~(f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.~~

~~(g) An inspection and verification plan.~~

~~(h) The prioritization of:~~

~~(1) The installation and development of electric vehicle charging stations in this State at locations specifically designated by the Office of Energy within the Office of the Governor;~~

~~(2) The installation and development of electric vehicle charging stations as described in section 30 of this regulation; and~~

~~(3) The conversion of public bus fleets and heavy duty diesel vehicle fleets to electric vehicle technology.~~

~~(i) A proposed schedule of incentives or any recommendations or modifications to the existing schedule of incentives previously approved by the Commission.~~

~~2. *If there are no further incentives to be paid for the current program year, a utility is no longer required to file a limited informational report pursuant to section 1.* Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Electric Vehicle Program.~~

~~3. From the amount authorized for the payment of incentives pursuant to the programs described in subsection 2 of NRS 701B.005, the Commission will make an initial allocation of \$15,000,000 to the payment of incentives pursuant to the Electric Vehicle Program.~~

Section 11. Sections 29 and 30 of LCB File No. R022-18 are hereby repealed.

Section 12. NAC 704.68096 is hereby repealed.

Section 13. NAC 704.68933 is hereby repealed.

Section 14. NAC 704.75918 is hereby repealed.

Section 15. NAC 704.9486 is hereby repealed.

TEXT OF REPEALED SECTIONS

NAC 701B.130 Annual plan of utility: Approval by Commission. ([NRS 701B.005](#), [701B.200](#), [703.025](#))

Not later than 150 days after the annual plan is filed pursuant to [NAC 701B.125](#), the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Solar Program.

(Added to NAC by Pub. Utilities Comm'n by R175-07, eff. 4-17-2008; A by R122-13, 2-26-2014)

NAC 701B.180 Solar energy systems: Requirements for eligibility. ([NRS 701B.005](#), [701B.200](#), [701B.210](#), [701B.220](#), [701B.240](#), [703.025](#)) For all Solar Program categories:

1. A solar energy system must be located on the premises within the Nevada service territory of a participating utility.

2. A solar energy system with a capacity of not more than 25 kilowatts must have:

(a) A 2-year workmanship warranty for the installation of the solar energy system, including labor and materials;

(b) A 7-year product warranty for the inverters, limited to material; and

(c) A 20-year product or production warranty for the solar panels, limited to material.

3. A solar energy system must be installed:

(a) By an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(b) In conformance with the manufacturers' specifications and with all applicable electrical and building codes and standards.

(Added to NAC by Pub. Utilities Comm'n by R175-07, eff. 4-17-2008; A by R184-09, 4-20-2010; R122-13, 2-26-2014)

NAC 701B.185 Verification of licensing of contractors involved in installation of solar energy system; suspension of contractor's license during application process. ([NRS 701B.005](#), [701B.200](#), [701B.210](#), [701B.220](#), [701B.240](#), [703.025](#)) In reviewing an application, a utility shall verify that any contractor involved in the installation of a solar energy system has an active license with the State Contractors' Board. If the utility determines that a contractor's license was suspended during the application process:

1. Reservations associated with the contractor will not be confirmed;

2. Applications associated with the contractor will be suspended;

3. No incentive payments will be made for solar energy systems associated with the contractor, except for solar energy systems which were interconnected before the suspension of the contractor's license or unless the suspension is lifted not later than 30 days after the suspension;

4. The utility shall notify each party identified on the application of the suspension; and

5. If the solar energy system has not been installed, the host customer may hire a new contractor without losing the current reservation of an incentive.

(Added to NAC by Pub. Utilities Comm'n by R184-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.200 Definitions. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) As used in [NAC 701B.200](#) to [701B.290](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 701B.205](#) to [701B.225](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.205 “Applicant” defined. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) “Applicant” means:

1. A customer who applies to participate in the Solar Thermal Program;
2. An eligible contractor who applies on behalf of a customer to participate in the Solar Thermal Program; or
3. Any other person who applies on behalf of a customer to participate in the Solar Thermal Program if:

(a) The person is designated and authorized by the customer to apply on behalf of the customer to participate in the Solar Thermal Program; and

(b) The designation and authorization are set forth in a letter from the customer to the utility which sets forth the relationship between the customer and the person.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.210 “Customer” defined. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) “Customer” means a customer of a utility that supplies natural gas in this State.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.215 “Eligible contractor” defined. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) “Eligible contractor” means a person who has satisfied the requirements set forth in [NAC 701B.285](#) and any additional requirements to install solar thermal systems for the customers of a utility set forth in the annual plan of the utility filed pursuant to [NAC 701B.235](#).

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.220 “Program” and “Solar Thermal Program” defined. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) “Program” or “Solar Thermal Program” means the Solar Thermal Systems Demonstration Program established by [NAC 701B.230](#).

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.225 “Solar Thermal Program rate” defined. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) “Solar Thermal Program rate” means the rate established pursuant to [NRS 704.110](#) to recover the costs of the Solar Thermal Program.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.230 Establishment of Program; categories of participants. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. In accordance with the requirements of [NRS 701B.336](#), the Commission hereby establishes the Solar Thermal Systems Demonstration Program for use by public utilities that supply natural gas in this State.

2. The Solar Thermal Program consists of the following categories of participants:

- (a) School property;

- (b) Public and other property;
- (c) Private residential property; and
- (d) Small business property.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.235 Annual plan of utility: Filing and contents; approval by Commission. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. Not later than July 19, 2010, and annually thereafter, each utility that supplies natural gas in this State shall file with the Commission a plan which must include:

- (a) A schedule describing major program milestones of the Solar Thermal Program.
- (b) A budget which includes information relating to:
 - (1) Rebates;
 - (2) Contractor costs;
 - (3) Marketing costs;
 - (4) Training costs; and
 - (5) Utility administrative costs.

(c) Following the first plan year, a report on the productivity of the Solar Thermal Program for the previous year and a status report on the current year, including, without limitation:

- (1) The number of applications received by the utility in each category of the Solar Thermal Program;
 - (2) The number of participants in the Solar Thermal Program and the number of participants who have withdrawn from the Solar Thermal Program;
 - (3) The annual budget and expenditures of the Solar Thermal Program;
 - (4) A list of completed installations;
 - (5) A summary of marketing efforts; and
 - (6) A description of training for inspectors, certifiers and eligible contractors and educational activities.
- (d) A description of the application process, including, without limitation:
- (1) The procedures to be followed by the applicant and the utility; and
 - (2) Copies of current or proposed applications and forms.
- (e) A detailed advertising plan.
- (f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.
- (g) An inspection and verification plan.
- (h) Any recommendations on modifications to the existing schedule of rebates.

2. Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010; A by R083-11, 5-30-2012)

NAC 701B.240 Separate accounting for certain costs of utility; selection of accounting method; recoverable costs. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. All reasonable and prudent costs associated with carrying out and administering the Solar Thermal Program must be accounted for in the books and records of a utility separately from amounts attributable to any other activity. The utility must select a method pursuant to [NAC 701B.245](#) or [701B.250](#) to account for such costs and revenues.

2. The costs that may be recoverable include, without limitation, costs for labor, materials, rebates, contractors, training, advertising, marketing, measurement, verification, evaluation and overhead, and utility administrative costs.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.245 Method of accounting for costs and revenues of utility; filing, calculation and adjustment of Solar Thermal Program rate; recovery of Program costs. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. Except as otherwise provided in [NAC 701B.250](#), a utility shall account for costs and revenues in the following manner:

(a) Calculate, on a monthly basis, the costs incurred and revenues received in the Solar Thermal Program since the end of the test period in its last proceeding to change the Solar Thermal Program rate;

(b) Record the cost of the Solar Thermal Program in a separate subaccount of FERC Account No. 182.3 and make an appropriate offset to other subaccounts;

(c) Maintain subsidiary records of the subaccount of FERC Account No. 182.3 which must clearly delineate, without limitation, the rebates, contractor costs, marketing costs, training costs and utility administrative costs associated with the Solar Thermal Program;

(d) Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the Solar Thermal Program rate to recover the costs of the Solar Thermal Program; and

(e) Apply a carrying charge at the rate of one-twelfth of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.

2. A utility shall include with its annual rate adjustment application filed pursuant to subsection 9 of [NRS 704.110](#) a revised Solar Thermal Program rate. The revised Solar Thermal Program rate must be calculated by adding the following two components:

(a) A prospective rate determined by dividing the total costs in the Solar Thermal Program annual plan by the projected therms for the program year; and

(b) A clearing rate determined by dividing the cumulative balance in the Solar Thermal Program subaccount of FERC Account No. 182.3 at the end of the test period identified by the utility, consisting of the 12 calendar months ending on the adjustment date, consistent with [NAC 704.063](#), by the therm sales for that test period.

3. The Commission will allow recovery of all prudent Solar Thermal Program costs included in the subaccount of FERC Account No. 182.3 at the end of the identified test period, as defined in [NAC 704.063](#), and adjust the Solar Thermal Program rate accordingly.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010; A by R076-11, 5-30-2012)

NAC 701B.250 Alternative method of accounting for costs and revenues of utility. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) In lieu of accounting for costs and revenues in the manner set forth in [NAC 701B.245](#), a utility may account for costs and revenues in the following manner:

1. The utility may recover approved costs through a per-therm surcharge after application and Commission approval.

2. The utility shall account for costs and revenues on a monthly basis in the following manner:

(a) Debit the account for costs for implementing and administering the Solar Thermal Program and record monthly;

(b) Credit the account for the revenues attributable to the Solar Thermal Program rate; and

(c) Apply a carrying charge equal to one-twelfth of the authorized overall rate of return to the monthly balance.

3. The accumulated amount in the program account balance must be cleared by establishing a surcharge or credit to amortize the account balance over a 1-year period, unless otherwise specified by the Commission.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.255 Allocation of number of solar thermal systems to be installed; rebate payment levels. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. To reach the goal of at least 3,000 solar thermal installations by 2019, the allocation of the number of solar thermal systems to be installed for each utility must be based on the approximate number of customers of the utility on September 30, 2009.

2. Except as otherwise provided in subsection 3:

(a) For a utility that has more than 600,000 customers:

(1) The total number of solar thermal systems to be installed is 2,430.

(2) The number of solar thermal systems to be installed in each of the first and second rebate steps is 486.

(3) The number of solar thermal systems to be installed in the third rebate step is 1,458.

(b) For any other utility:

(1) The total number of solar thermal systems to be installed is 570.

(2) The number of solar thermal systems to be installed in each of the first and second rebate steps is 114.

(3) The number of solar thermal systems to be installed in the third rebate step is 342.

3. The utility may file with the Commission a request to adjust the number of solar thermal systems required to be installed pursuant to subsection 2 to maximize participation in the Program.

4. The utility shall calculate its progress in meeting the number of solar thermal systems to be installed that are required pursuant to this section for each rebate step by using the number of projects that have been determined eligible and have been issued notices that incentive reservations have been confirmed for those projects. An unused reservation from a previous rebate step or current rebate step that becomes available as the result of applicants withdrawing or being withdrawn from the Program must be added to the number of solar thermal systems in the current step. When the total number of solar thermal systems in any rebate step has been issued, any subsequent reservations must be issued at the next rebate step.

5. The rebate payment levels must automatically be reduced over the duration of the Solar Thermal Program in three steps, based on the volume of confirmed reservations. The duration of each step must be dependent on when the utility reaches its goal. The amount of the rebate for each step of the Solar Thermal Program is as follows:

(a) For the first rebate step:

Category	Category Incentives	Rebate Level	Maximum Rebates
School Property	27	\$19.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000
Public and Other Property	27	\$19.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000

Category	Category Incentives	Rebate Level	Maximum Rebates
Private Residential Property	420	\$14.50 times therms per year rating of the system	The lesser of 30 percent of system cost or \$3,000
Small Business Property	126	\$14.50 times therms per year rating of the system	The lesser of 30 percent of system cost or \$7,500

(b) For the second rebate step:

Category	Category Incentives	Rebate Level	Maximum Rebates
School Property	27	\$17.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000
Public and Other Property	27	\$17.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000
Private Residential Property	420	\$13.00 times therms per year rating of the system	The lesser of 30 percent of system cost or \$3,000
Small Business Property	126	\$13.00 times therms per year rating of the system	The lesser of 30 percent of system cost or \$7,500

(c) For the third rebate step:

Category	Category Incentives	Rebate Level	Maximum Rebates
School Property	81	\$14.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000
Public and Other Property	81	\$14.00 times therms per year rating of the system	The lesser of 50 percent of system cost or \$30,000
Private Residential Property	1,260	\$11.00 times therms per year rating of the system	The lesser of 30 percent of system cost or \$3,000
Small Business Property	378	\$11.00 times therms per year rating of the system	The lesser of 30 percent of system cost or \$7,500

6. For the first 120 days after a rebate step is opened to applications, a utility shall not approve an applicant for more than 25 percent of the projects available in each category within the service territory of the utility. After the expiration of the 120-day period, an applicant may receive

approval for any amount of the remaining capacity, regardless of the total number of approved applications held by the applicant.

7. If the rebates specified in this section change between the time an application for reservation of an incentive is approved and the time the solar thermal system is complete, the applicant must receive the rebate which was in effect at the time that the application was approved.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.260 Incentives for private residential property and small business property: Eligibility for rebate; application for reservation; cancellation and resubmission of application; duties of utility and applicant; claim for rebate. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. To be eligible for a rebate pursuant to the Solar Thermal Program, a solar thermal system which is installed on property that is included within the category of private residential property or small business property is subject to the provisions of this section.

2. An applicant must submit an application for reservation of an incentive to the utility using forms provided by the utility and approved by the Commission. The application must be accompanied by a copy of:

(a) A contract signed by a customer of the utility;

(b) All warranties applicable to the solar thermal system and the installation of the solar thermal system;

(c) Authorization to act on behalf of the customer, if applicable; and

(d) An attestation executed by the contractor stating that the project will satisfy siting requirements as determined by the utility.

3. The application must require the applicant to estimate the annual savings of therms per year and the amount of any rebate for which the solar thermal system is eligible based on all information available at the time the application is submitted to the utility.

4. If the application is determined by the utility to be incomplete or to require clarification, the utility shall request additional information from the applicant. If the applicant fails to submit the requested information within 20 calendar days after receipt of the request, the utility shall cancel the application. If an application is cancelled by the utility, the applicant may resubmit an application for the project to the utility. All resubmitted applications must be treated as new applications and be processed in sequence with other new applications. Rebate money must not be reserved until the utility receives all required information and documentation and approves the project.

5. The utility shall, within 30 days after receipt of a complete application, review the application and determine eligibility for a rebate. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed reservation notice must specify:

(a) The dollar amount of the rebate reserved for the project;

(b) An expiration date for the reservation of the rebate, which must be 12 months after the date of issuance of the notice; and

(c) That the solar thermal system must be purchased, installed and put into operation not later than the expiration date specified in the confirmed reservation notice.

6. After the solar thermal system has been purchased, installed and put into operation, the applicant must submit to the utility a rebate claim package which includes a rebate claim form and all supporting documentation required by the utility. The rebate claim form must be signed by both the eligible contractor and the customer.

7. To receive the rebate, all requirements of the Solar Thermal Program must be met and a complete rebate claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.

8. If a rebate claim package is incomplete or requires clarification, the utility shall request the required information from the applicant. If the applicant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the rebate claim form. If a rebate claim package is not received on or before the expiration date specified in the confirmed reservation notice, or the information in the rebate claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is rejected and not eligible for a rebate. The applicant may resubmit a rebate claim package but will be subject to the eligibility requirements, rebate levels and funding available at the time of the resubmission.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.265 Incentives for school property and public and other property: Eligibility for rebate; application for reservation; duties of utility and applicant; cancellation of application; claim for rebate. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. To be eligible for a rebate pursuant to the Solar Thermal Program, a solar thermal system which is installed on property that is included within the category of school property or public and other property is subject to the provisions of this section.

2. An applicant, after issuing a request for proposals or making any other solicitation for the installation of the solar thermal system, must submit an application for reservation of an incentive to the utility using forms provided by the utility and approved by the Commission. The application must be accompanied by a copy of:

- (a) The request for proposals or other solicitation for the installation of the solar thermal system or a copy of an executed agreement for the purchase and installation of the solar thermal system;
- (b) The signature of the applicant; and
- (c) Authorization to act on behalf of the customer, if applicable.

3. The application must require the applicant to estimate the annual savings of therms per year and the amount of any rebate for which the solar thermal system is eligible based on all information available at the time the application is submitted to the utility.

4. The utility shall, within 30 days after receipt of the application, review the application and determine whether it is complete. Once the utility determines that the application is complete, the utility shall reserve money allocated for the specified size of the solar thermal system and send a notice to the applicant. The notice must specify:

- (a) The incentive amount that has been reserved for the project;
- (b) The expiration date of the notice, which must be 30 months after the date of the notice;
- (c) That the solar thermal system must be purchased, installed and put into operation not later than the expiration date specified in the confirmed reservation notice;
- (d) The date 90 days after the issuance of the notice by which the applicant must submit a checklist approved by the Commission documenting the progress of the project and demonstrating that the project is progressing and there is a sustained commitment to complete the project within 30 months after the date of the notice; and
- (e) The date 270 days after the issuance of the notice by which the applicant must submit all documentation required to confirm the reservation in the initial notice, including, without limitation:

(1) A copy of the executed agreement for the purchase and installation of the solar thermal system; and

(2) Any documentation required by the utility which substantiates ownership of the equipment.

5. The reservation of money pursuant to subsection 4 expires upon the failure of the applicant to satisfy the proof of progress requirements set forth in paragraph (d) or (e) of subsection 4 by the respective deadlines specified in those paragraphs.

6. If the proof of progress required by paragraph (d) or (e) of subsection 4 is received by the utility on or before the respective deadlines specified in those paragraphs but is determined to be incomplete or to require clarification, the utility shall request additional information. If the applicant fails to submit the additional requested information within 20 calendar days after receipt of the request, the application must be cancelled. Once the applicant has sufficiently demonstrated that the project is progressing, the utility shall issue a notice that the reservation has been confirmed.

7. If the applicant provides documentation to satisfy all the requirements described in subsections 2, 3 and 4 at the time of the initial application, the utility shall, within 30 days after receipt of the application:

(a) Review the application and determine whether it is complete; and

(b) Either issue a notice that the project has a confirmed reservation or request more information as described in subsection 4.

8. After the solar thermal system has been purchased, installed and put into operation, the applicant must submit to the utility a rebate claim package which includes a rebate claim form and all supporting documentation required by the utility. The rebate claim form must be signed by both the eligible contractor and the customer.

9. To receive the rebate, all requirements of the Solar Thermal Program must be met and a complete rebate claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.

10. If a rebate claim package is incomplete or requires clarification, the utility shall request the required information from the applicant. If the applicant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the rebate claim form. If a rebate claim package is not received on or before the expiration date specified in the confirmed reservation notice, or the information in the rebate claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is rejected and not eligible for a rebate. The applicant may resubmit a rebate claim package but will be subject to the eligibility requirements, rebate levels and funding available at the time of the resubmission.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.270 Eligibility of applicant who withdraws from Program or does not complete installation of solar thermal system. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) An applicant who withdraws from the Program or does not complete the installation of a solar thermal system:

1. For private residential property or small business property, within 12 months after the expiration date on the confirmation notice; or

2. For school property or public and other property, within 30 months after the expiration date on the confirmation notice,

↪ must reapply as a new applicant and satisfy all requirements of the Program in effect at the time of reapplication to be eligible for a rebate.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.275 Notification of customer of record regarding correspondence between utility and applicant. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) If the applicant is not the customer of record, the utility shall notify the customer of record of all correspondence between the utility and the applicant throughout the Program process.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.280 Solar thermal systems: Qualifications for Program. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) To qualify for the Solar Thermal Program, a solar thermal system must:

1. Be located on property within the Nevada service territory of a participating utility.
2. Be installed in a building which is connected to an existing distribution system of a participating utility.
3. Consist of solar thermal system components that are new and unused.
4. Have a manufacturer's warranty of not less than 10 years that covers the solar collectors of the solar thermal system against defects and undue degradation.
5. Have a manufacturer's warranty of not less than 5 years that covers each new tank of the solar thermal system, if any.
6. Have a workmanship warranty of not less than 2 years that covers the installation of the solar thermal system, including labor and materials.
7. Be installed in conformity with the manufacturer's specifications and all applicable codes and standards.
8. Be installed by an eligible contractor.
9. Have:
 - (a) An OG-300 certification which is issued by the Solar Rating and Certification Corporation or any other performance certification that is approved by the Commission; or
 - (b) An OG-100 certification which is issued by the Solar Rating and Certification Corporation or any other performance certification that is approved by the Commission, and which must include:
 - (1) Documentation that supports the sound design and expected performance of the solar thermal system; and
 - (2) The stamp or seal of a professional engineer, the signature of the engineer attesting to the sound design of the solar thermal system and the estimated annual savings of therms per year, the date of signing and the date of expiration of the license of the engineer.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010; A by R083-11, 5-30-2012)

NAC 701B.285 Eligible contractors: Requirements for qualification; duties of utility; suspension of license during application process. ([NRS 701B.336](#), [701B.342](#), [703.025](#))

1. To qualify as an eligible contractor to install solar thermal systems for the customers of a utility under the Solar Thermal Program, a contractor must:
 - (a) Submit to the utility annually:
 - (1) A contractor participation application on a form provided by the utility;
 - (2) Proof that the contractor has been issued the appropriate license by the State Contractors' Board;

(3) Proof of valid workers' compensation insurance if the contractor is required by law to carry such insurance, commercial general liability insurance and business auto insurance; and

(4) Documentation of all warranties that will apply to solar thermal systems installed by the contractor.

(b) Successfully complete a 1-day training workshop provided by the utility.

(c) Satisfy any additional requirements to install solar thermal systems for the customers of the utility set forth in the annual plan of the utility filed pursuant to [NAC 701B.235](#).

2. A utility shall maintain a list of all contractors who are eligible to install solar thermal systems for customers of the utility under the Solar Thermal Program.

3. In reviewing a contractor participation application submitted pursuant to this section, a utility shall verify that the contractor's license issued by the State Contractors' Board is currently valid and active. If the utility determines that the contractor's license was suspended during the application process:

(a) The utility shall not confirm any incentive reservation associated with the contractor;

(b) The utility shall suspend any application associated with the contractor;

(c) The utility shall not make any incentive payment for a solar thermal system associated with the contractor, unless the solar thermal system was put into operation before the suspension of the license;

(d) The utility shall notify each party identified on the application of the suspension; and

(e) If the solar thermal system has not been installed, the customer may hire a new contractor without losing the current incentive reservation.

4. Upon a determination that a contractor's license has been reinstated by the State Contractors' Board, the utility shall reinstate any application suspended pursuant to subsection 3, may confirm any incentive reservation associated with the contractor and may make any incentive payment for a solar thermal system associated with the contractor.

5. The utility shall provide on its Internet website, adjacent to its application forms, a best practices guide to selecting a contractor and other consumer resources, including, without limitation, the contact information of the State Contractors' Board.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010; A by R083-11, 5-30-2012)

NAC 701B.290 Eligible contractors: Installation of solar thermal system that uses solar energy to heat water. ([NRS 701B.336](#), [701B.342](#), [703.025](#)) When installing a solar thermal system that uses solar energy to heat water, an eligible contractor:

1. Except as otherwise provided in subsection 2, shall use a two-tank system, where a new tank is dedicated to storing water heated by solar panels and the customer's existing tank is used to heat water with natural gas.

2. In a retrofit application, may use just a customer's existing tank in combination with an external heat exchanger if:

(a) The existing tank is still under warranty or is less than 3 years old;

(b) The application includes the stamp or seal of a professional engineer, the signature of the engineer attesting to the expected performance and sound design of the solar thermal system, the date of signing and the date of expiration of the license of the engineer; and

(c) The customer is provided with a written disclosure consisting of an estimate of the efficiency of a one-tank system with an external heat exchanger compared to an estimate of the efficiency of a two-tank system, all other variables being the same or reasonably similar.

(Added to NAC by Pub. Utilities Comm'n by R210-09, eff. 4-20-2010)

NAC 701B.300 Definitions. ([NRS 701B.350, 703.025](#)) As used in [NAC 701B.300](#) to [701B.365](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 701B.305](#) to [701B.340](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.305 “Generating capacity” defined. ([NRS 701B.350, 703.025](#)) “Generating capacity” means the sum total of the nameplate capacities of the electrical generating units and associated facilities of a particular renewable energy system or combination of renewable energy systems.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.310 “Nameplate capacity” defined. ([NRS 701B.350, 703.025](#)) “Nameplate capacity” means maximum output capacity as set forth on the nameplate attached to an electrical generating unit by the manufacturer.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.315 “Renewable Energy School Pilot Program” and “Program” defined. ([NRS 701B.350, 703.025](#)) “Renewable Energy School Pilot Program” or “Program” means the program created by [NRS 701B.350](#).

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.320 “Renewable energy system” defined. ([NRS 701B.350, 703.025](#)) “Renewable energy system” has the meaning ascribed to it in [NRS 701B.350](#).

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.325 “Renewable energy system generator” defined. ([NRS 701B.350, 703.025](#)) “Renewable energy system generator” means an entity that may take advantage of any tax benefits available for the installation and operation of a renewable energy system or combination of renewable energy systems under the Renewable Energy School Pilot Program. The term does not include a school district or utility.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.330 “School district” defined. ([NRS 701B.350, 703.025](#)) “School district” has the meaning ascribed to it in [NRS 701B.350](#).

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.335 “School property” defined. ([NRS 701B.350, 703.025](#)) “School property” has the meaning ascribed to it in [NRS 701B.350](#).

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.340 “Utility” defined. ([NRS 701B.350, 703.025](#)) “Utility” has the meaning ascribed to it in [NRS 701B.350](#).

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.345 Written description of Program: Provision to school districts; contents. ([NRS 701B.350](#), [703.025](#))

1. A utility shall provide to each school district within its service area a written description of the Renewable Energy School Pilot Program on or before:

- (a) May 1, 2008; and
- (b) February 1 of each calendar year thereafter for as long as the Program is in existence.

2. The written description of the Renewable Energy School Pilot Program must include, without limitation, the following:

- (a) A summary of any applicable Nevada laws and regulations related to the Program;
- (b) A copy of any applicable Nevada laws and regulations related to the Program;
- (c) A description of any incentives available for participation in the Program; and
- (d) The contact information for a person within the utility who shall provide additional information and answer questions about the Program.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.350 Application to participate in Program. ([NRS 701B.350](#), [703.025](#)) A school district may apply to participate in the Renewable Energy School Pilot Program by delivering to a person designated by the applicable utility a letter of intent, which must include, without limitation, the following information:

1. The name and address of the school and the school property at which the proposed renewable energy system or combination of renewable energy systems will be located;

2. The name, address, telephone number and electronic mail address of the person or persons charged with implementing and managing the Program at the school district;

3. The size and type of the proposed renewable energy system or combination of renewable energy systems;

4. A project timeline for the installation of the proposed renewable energy system or combination of renewable energy systems, including, without limitation, a list of project milestones for the process of installation;

5. The name and contact information for any renewable energy system generator involved in the implementation or management of the Program; and

6. A summary of the material terms of any proposed transaction or agreement involving a renewable energy system generator.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.355 Location of renewable energy systems. ([NRS 701B.350](#), [703.025](#)) A renewable energy system or combination of renewable energy systems used for the Program must be located on the school property where the electricity generated will be consumed.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.360 Limitation on generating capacity of renewable energy systems; participation in net metering. ([NRS 701B.350](#), [703.025](#))

1. Under the Renewable Energy School Pilot Program, a school district shall not install a renewable energy system or combination of renewable energy systems that has a generating capacity that exceeds 150 percent of the peak demand of the school.

2. If a renewable energy system used in the Program meets the requirements of [NRS 704.766](#) to [704.775](#), inclusive, the school district is entitled to participate in net metering pursuant to the provisions of [NRS 704.766](#) to [704.775](#), inclusive.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.365 Transactions allowed under Program; filing of tariffs for approval by Commission. ([NRS 701B.350](#), [703.025](#))

1. The transactions allowed under the Renewable Energy School Pilot Program are limited to:

(a) If the renewable energy system or combination of renewable energy systems is owned by the school district, a transaction between the school district and the utility in which the school district sells to the utility the energy generated by the renewable energy system or combination of renewable energy systems;

(b) If the renewable energy system or combination of renewable energy systems is located on school property and is owned by a renewable energy system generator, one or more transactions in which:

(1) The renewable energy system generator sells to the utility the energy generated by the renewable energy system or combination of renewable energy systems;

(2) The school district purchases the electricity from the utility according to the appropriate tariff; and

(3) The rate for energy and capacity purchased by the utility from the renewable energy system generator and resold to the school district must be the same rate as that negotiated between the renewable energy system generator and the school district; or

(c) Such other transactions as the Commission may approve from time to time, including, without limitation, partnerships or joint ventures with renewable energy system generators, based upon the submission of the applicable tariffs for the proposed transactions.

2. A utility shall file for approval by the Commission a tariff that sets forth further requirements for transactions under the Program, as administered in the service area of the utility.

(Added to NAC by Pub. Utilities Comm'n by R204-07, eff. 4-17-2008)

NAC 701B.400 Definitions. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) As used in [NAC 701B.400](#) to [701B.545](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 701B.410](#) to [701B.475](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R185-09, 4-20-2010; R122-13, 2-26-2014)

NAC 701B.410 “Applicant” defined. ([NRS 701B.590](#), [703.025](#)) “Applicant” has the meaning ascribed to it in [NRS 701B.430](#).

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008)

NAC 701B.415 “Category” defined. ([NRS 701B.590](#), [703.025](#)) “Category” has the meaning ascribed to it in [NRS 701B.440](#).

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008)

NAC 701B.420 “Commission” defined. ([NRS 701B.590](#), [703.025](#)) “Commission” has the meaning ascribed to it in [NRS 701B.450](#).

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008)

NAC 701B.423 “Corporation for public benefit” defined. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) “Corporation for public benefit” means a corporation that is organized for a public or charitable purpose and which upon dissolution must distribute its assets to the United States, a state, or a person which is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

(Added to NAC by Pub. Utilities Comm’n by R122-13, eff. 2-26-2014)

NAC 701B.425 “Host customer” defined. ([NRS 701B.590](#), [703.025](#)) “Host customer” means either the utility customer of record at the location where a wind energy system will be located or a person who has been designated by the utility customer of record in a letter to the utility explaining the relationship between that person and the utility customer of record.

(Added to NAC by Pub. Utilities Comm’n by R185-09, eff. 4-20-2010)

NAC 701B.430 “Participant” defined. ([NRS 701B.590](#), [703.025](#)) “Participant” has the meaning ascribed to it in [NRS 701B.470](#).

(Added to NAC by Pub. Utilities Comm’n by R174-07, eff. 4-17-2008)

NAC 701B.455 “System owner” defined. ([NRS 701B.590](#), [703.025](#)) “System owner” means the owner of the generating equipment at the time an incentive is paid. If a wind energy system is owned by a third party, the third party is the system owner.

(Added to NAC by Pub. Utilities Comm’n by R185-09, eff. 4-20-2010)

NAC 701B.460 “Utility” defined. ([NRS 701B.590](#), [703.025](#)) “Utility” has the meaning ascribed to it in [NRS 701B.540](#).

(Added to NAC by Pub. Utilities Comm’n by R174-07, eff. 4-17-2008)

NAC 701B.465 “Wind Demonstration Program” and “Program” defined. ([NRS 701B.590](#), [703.025](#)) “Wind Demonstration Program” or “Program” has the meaning ascribed to it in [NRS 701B.550](#).

(Added to NAC by Pub. Utilities Comm’n by R174-07, eff. 4-17-2008)

NAC 701B.470 “Wind Demonstration Program rate” defined. ([NRS 701B.590](#), [703.025](#)) “Wind Demonstration Program rate” means the rate established pursuant to [NAC 701B.495](#).

(Added to NAC by Pub. Utilities Comm’n by R174-07, eff. 4-17-2008)

NAC 701B.475 “Wind energy system” defined. ([NRS 701B.590](#), [703.025](#)) “Wind energy system” has the meaning ascribed to it in [NRS 701B.560](#).

(Added to NAC by Pub. Utilities Comm’n by R174-07, eff. 4-17-2008)

NAC 701B.480 Annual plan of utility: Filing and contents. ([NRS 701B.005](#), [701B.590](#), [701B.610](#), [703.025](#)) Pursuant to [NRS 701B.610](#), a utility shall file with the Commission an annual plan which must include the following:

1. A schedule describing major program milestones.
2. A budget with the following categories:
 - (a) Contractor costs;
 - (b) Marketing costs;
 - (c) Training costs; and
 - (d) Utility administrative costs.

3. A report on the activity of the Program during the immediately preceding calendar year and the current calendar year which includes, without limitation, the most up-to-date versions of the following information for each calendar year:

- (a) The number of applications filed in each program category;
- (b) The number of participants enrolled in the Program and the number who have dropped out of the Program;
- (c) The annual budget and expenditures;
- (d) Any remaining financial obligations at the end of a calendar year;
- (e) A list of completed installations;
- (f) A summary of marketing efforts;
- (g) A description of training and educational activities; and
- (h) The results of participant surveys.

4. A description of the application process, including, without limitation:

- (a) The procedures to be followed by the utility and the applicant;
- (b) The criteria for the selection of applicants for the Program;
- (c) Copies of proposed applications and forms; and
- (d) The procedures for a participant to claim the incentive at completion of the project and a copy of the required claim form, which must include, at a minimum, the following data and attachments:

- (1) The name and address of the participant;
- (2) The address at which the wind energy system is located;
- (3) The technical description of the main components of the wind energy system if different from the application;
- (4) An assignment of the incentive payment, if applicable;
- (5) A building permit signed off by the applicable governing jurisdiction to ensure that the wind energy system complies with all local codes;
- (6) An invoice for the wind energy system to ensure that a properly licensed contractor performed the required work and that the wind energy system equipment is new and has not been previously installed; and
- (7) A net metering agreement if not previously provided.

5. The total of all incentives paid for the immediately preceding calendar year.

6. The total of all incentives projected to be paid for the calendar year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid.

7. A detailed advertising plan.

8. An education and training plan.

9. Standards and requirements for applicants to provide proof of wind speeds at tower sites for participating wind energy systems.

10. Proposed wind turbine certification lists for the next subsequent calendar year which outline the wind turbine models eligible for participation in the Program. After notifying the Commission, the utility may modify the wind turbine certification lists to address changes in the certification programs or suspend turbines from participation in the Program which have a demonstrated pattern of failure or unreliability.

11. An inspection and verification plan for wind energy systems which verifies that an applicant or participant meets all applicable requirements.

12. The average installed cost in Nevada of a wind energy system during the immediately preceding calendar year.

13. A graph and table showing the cumulative committed capacity and incurred incentive liability, separated into installed capacity and active reservations, at the end of each year since the inception of the Program.

14. A table demonstrating the effects of the Program on the rates paid by customers.

15. A survey for participants which includes, without limitation, questions on:

(a) **The operational effectiveness of the participant's wind energy system, including**, without limitation, the total kilowatt-hours of electricity generated per calendar year;

(b) Environmental issues, including, without limitation, the number of birds killed in relation to the wind energy system, the noise produced by the system and any other aesthetic issues related to the system; and

(c) Any other information regarding the effectiveness of the Program.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R185-09, 4-20-2010; R025-12, 9-14-2012; R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.485 Annual plan of utility: Approval by Commission. ([NRS 701B.590](#), [703.025](#))

Not later than 150 days after the annual plan is filed pursuant to [NAC 701B.480](#), the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008)

NAC 701B.490 Accounting for costs and revenues of utility; recovery of utility's labor costs and overhead costs. ([NRS 701B.590](#), [703.025](#))

1. All reasonable and prudent costs associated with carrying out and administering the Wind Demonstration Program must be accounted for in the books and records of a utility separately from amounts attributable to any other activity. The utility must account for the costs and revenues in the following manner:

(a) Calculate, on a monthly basis, the costs incurred and revenues received in the Wind Demonstration Program since the end of the test period in its last proceeding to change the Wind Demonstration Program rate;

(b) Record the cost of the Wind Demonstration Program in a separate subaccount of FERC Account No. 182.3 and record an offset in the appropriate subaccount of other FERC accounts;

(c) Maintain subsidiary records of the subaccount of FERC Account No. 182.3 which must clearly delineate, without limitation, the incentives, contractor costs, marketing costs, training costs and utility administrative costs associated with the Wind Demonstration Program;

(d) Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the rate established pursuant to [NAC 701B.495](#) to recover the Wind Demonstration Program cost; and

(e) Apply a carrying charge at the rate of 1/12 of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.

2. The utility's labor costs and overhead costs related to the Wind Demonstration Program must be recovered in a general rate case filing.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R051-09, 1-28-2010)

NAC 701B.495 Filing, calculation and adjustment of Wind Demonstration Program rate; recovery of Program costs. ([NRS 701B.005](#), [701B.590](#), [703.025](#))

1. A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 11 of [NRS 704.110](#) a revised Wind Demonstration Program rate. The rate must be calculated by adding the following two components:

(a) A prospective rate determined by dividing not more than the total costs in the Wind Demonstration Program annual plan by the projected kilowatt-hours for the calendar year; and

(b) A clearing rate determined by dividing the cumulative balance in the Wind Demonstration Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in [NAC 704.063](#) by the test period kilowatt-hour sales.

2. The Commission will allow recovery of all prudent Wind Demonstration Program costs included in the subaccount of FERC Account No. 182.3 at the end of the test period as defined in [NAC 704.063](#) and adjust the Wind Demonstration Program rate accordingly.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R185-09, 4-20-2010; R076-11, 5-30-2012; R122-13, 2-26-2014)

NAC 701B.500 Receipt of incentives established when application approved. ([NRS 701B.005](#), [701B.590](#), [701B.615](#), [703.025](#)) A participant must receive the incentives established at the time that his or her application was approved if:

1. The incentives for a participant change between the time the application is approved and the time the wind energy system is completed; and

2. The participant completes installation of the wind energy system and submits a form to claim the incentive pursuant to subsection 6 of [NAC 701B.510](#) not later than the expiration date listed on the notice issued pursuant to subsection 4 of [NAC 701B.510](#).

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R185-09, 4-20-2010; R083-11, 5-30-2012; R025-12, 9-14-2012; R122-13, 2-26-2014)

NAC 701B.505 Application for incentives; categories of host customers; establishment by Commission of rate of incentive payment; payment of incentives; proposal of incentive levels; assignment of portfolio energy credits. ([NRS 701B.005](#), [701B.590](#), [703.025](#))

1. The utility shall offer to a host customer an incentive that is paid over a period of 5 years. The incentive must be based upon the metered production of electricity by the wind energy system. The total amount of the incentive paid to a host customer must not exceed 50 percent of the installed cost of the wind energy system of the host customer. A host customer or, pursuant to subsection 1 of [NAC 701B.535](#), a system owner may apply for the incentive. The project site must be located in the service territory of the utility.

2. A host customer must, based upon the nature of the host customer, be designated as one of the following categories:

(a) Public entity;

(b) Low-income and nonprofit;

(c) Residential and small commercial; or

(d) Large commercial and industrial.

3. The rate of the incentive payment offered pursuant to subsection 1 must be established by the Commission in the proceeding to review the annual plan of a utility. The utility shall include in its first annual plan filed after February 26, 2014, proposed incentive levels for each category and a detailed procedure and schedule for the payment of incentives. The Commission may approve the proposed incentive levels, in whole or in part, or prescribe incentive levels other than those proposed by the utility. The utility may, in a subsequent annual plan, propose to modify any incentive level approved by the Commission pursuant to this subsection. The Commission may

approve the proposed modification, in whole or in part, or prescribe an incentive level other than the incentive level proposed by the utility. In approving any incentive level or modification pursuant to this subsection, the Commission will ensure that the incentive level or modification is consistent with paragraph (b) of subsection 1 of [NRS 701B.590](#).

4. A contract to receive an incentive payment offered pursuant to subsection 1 must not be executed on or after January 1, 2021. The contract must not provide for the payment of the incentive, or any portion thereof, after December 31, 2025. The incentive must be paid on a quarterly basis and must be paid directly to the host customer or third-party assignee of the host customer.

5. A wind energy system with a capacity of more than 500 kilowatts is not eligible to receive an incentive.

6. The utility shall not issue a reservation notice to a host customer if the incentive that would be paid under the notice would cause the incentive expenditure cap established pursuant to subsection 2 of [NRS 701B.005](#) to be exceeded.

7. If a host customer installs a wind energy system that has greater kilowatt capacity than the number of kilowatts in its confirmed reservation, the host customer must receive the incentive level in its confirmed reservation for only the kilowatt capacity described in the confirmed reservation.

8. Portfolio energy credits generated by a host customer participating in the Program must be assigned to the utility pursuant to [NRS 701B.640](#) and [704.775](#).

9. As used in this section:

(a) “Low-income and nonprofit” means a category of host customer that is:

(1) An entity that owns publicly subsidized housing;

(2) A nonprofit corporation or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3);

(3) An entity eligible for low-income housing credits pursuant to 26 U.S.C. § 42;

(4) A person whose income does not exceed 80 percent of the median family income for the county in which the person resides, subject to an adjustment for any area with unusually high or low median incomes or housing costs; or

(5) A Title I school.

(b) “Public entity” means a category of host customer that is:

(1) A department or agency of a state or local government;

(2) A public school district;

(3) An institute of higher education that is part of the Nevada System of Higher Education;

(4) An Indian tribe or tribal organization; or

(5) A corporation for public benefit.

(c) “Title I school” has the meaning ascribed to it in [NRS 385A.040](#).

(Added to NAC by Pub. Utilities Comm’n by R185-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.507 Provisions of application to Commission. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) A utility shall provide to the Commission each application, including related materials, submitted by a host customer designated pursuant to [NAC 701B.505](#) as a public entity, other than a corporation for public benefit or an Indian tribe or tribal organization. The application must be submitted to the Commission not later than 30 days after the application is approved and the issuance of a reservation notice. Confidential information,

including, without limitation, personal identifying information, must be provided to the Commission pursuant to [NAC 703.527](#) to [703.5282](#), inclusive.

(Added to NAC by Pub. Utilities Comm'n by R122-13, eff. 2-26-2014)

NAC 701B.510 Application for reservation; cancellation and resubmission of application; duties of utility and applicant; submission and contents of claim. ([NRS 701B.005](#), [701B.590](#), [701B.615](#), [703.025](#))

1. An application for the reservation of an incentive must be made using a form approved by the Commission and must include, without limitation:

(a) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner; and

(b) Any documentation required by the utility which substantiates ownership of the equipment.

2. The utility shall provide on its Internet website, adjacent to the application forms, a best practices guide to selecting a contractor and other consumer resources, including, but not limited to, the current contact information for the State Contractors' Board.

3. If an application is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the application will be cancelled and the applicant may resubmit an application to the utility. The utility shall treat all resubmitted applications as new applications and process them in sequence with other new applications. Money for an incentive is not reserved until the utility receives all information and documentation required for the application and the project is approved.

4. The utility shall, within 30 days after receipt of an application, review the application for completeness and determine eligibility. Once the utility approves the application, the utility shall issue a notice confirming that a specific incentive amount is reserved for the project. The wind energy system must be installed and capable of producing electricity on or before the expiration date listed on the notice. The notice must list:

(a) The maximum incentive amount that has been reserved for the project;

(b) The approved kilowatt capacity of the project; and

(c) An expiration date for the reservation, which must be 12 months after the date of the issuance of the notice.

5. To receive the full incentive available for the reservation, the applicant must complete the installation of the participating wind energy system and submit the form to claim the incentive required by subsection 6 not later than the expiration date listed on the notice issued pursuant to subsection 4.

6. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the wind energy system is installed and capable of producing electricity. The form must include, without limitation:

(a) Original or electronic signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) Any supporting documentation deemed necessary by the Commission; and

(c) Any documentation substantiating ownership of the equipment required by the utility.

7. To be eligible for an incentive, the tower site of the wind energy system must have an average annual wind speed at hub height of 10 miles per hour or greater.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R025-12, 9-14-2012; R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.513 Docket to include applications in public records of Commission. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) The Commission will, for each calendar year, open a docket in which to file applications received by a utility under the Program for the purpose of including such applications in the public records of the Commission.

(Added to NAC by Pub. Utilities Comm'n by R122-13, eff. 2-26-2014)

NAC 701B.520 Prerequisites to payment of incentive; action on claim; rejection of project; reapplication for reservation of incentive. ([NRS 701B.005](#), [701B.590](#), [701B.615](#), [703.025](#))

1. Once a project is completed, the applicant may request payment of the incentive amount listed on the confirmed reservation. A project is considered completed when it is completely installed, interconnected, permitted and capable of producing electricity in the manner and in the amounts for which it was designed.

2. To receive the incentive:

(a) All requirements of the Program must be met;

(b) A complete claim form must be submitted, in hard copy or electronically, by the expiration date listed for the project on its confirmed reservation, including, without limitation, any documentation verifying the installed cost of the project pursuant to subsection 5 of [NRS 701B.615](#);

(c) The host customer must enter into a net metering agreement with the utility; and

(d) If the host customer is designated pursuant to [NAC 701B.505](#) as a public entity, other than a corporation for public benefit or an Indian tribe or tribal organization, the application for reservation of the incentive must include an attestation that the host customer has complied with all applicable provisions of [chapters 338](#) and [701B](#) of NRS.

3. If a claim form is incomplete or is found to require clarification, the utility shall request the information necessary to process that application further. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the request for payment may be denied. If a claim form is not received by the expiration date for the project, or if the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is ineligible and that the project is rejected. If a project is rejected, the applicant or host customer may reapply for the reservation of an incentive but will be subject to the eligibility requirements, incentive levels and funding available at the time of reapplication.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.525 Withdrawal of host customer or system owner. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) The host customer or system owner may withdraw from the Program for any reason by providing written notice of withdrawal to the utility.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.530 Eligibility of participant who withdraws or forfeits incentive for wind energy system. ([NRS 701B.590](#), [701B.615](#), [703.025](#)) A participant who withdraws or forfeits an incentive must reapply as a new applicant to be eligible for an incentive. The applicant must meet all requirements of the Program that are in effect at the time of reapplication.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R025-12, 9-14-2012)

NAC 701B.535 Rights of host customer; required party to agreement or contract with utility. ([NRS 701B.005](#), [701B.590](#), [703.025](#))

1. The host customer may act as the applicant or system owner, may designate the applicant or system owner to act on his or her behalf and may change these designations at any time with prior written notice to the utility.

2. The host customer is the holder of the reservation of an incentive, must be a party to any agreement or contract with the utility and retains sole rights to the reservation.

3. If the host customer is not the system owner, the system owner must be a party to any agreement or contract with the utility.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.540 Location of wind energy system. ([NRS 701B.590](#), [703.025](#)) For all program categories:

1. A wind energy system must be located on property within the Nevada service territory of a participating utility; and

2. An applicant must prove that his or her wind energy system has never been previously installed at another location.

(Added to NAC by Pub. Utilities Comm'n by R174-07, eff. 4-17-2008; A by R185-09, 4-20-2010)

NAC 701B.545 Verification of licensing of contractors involved in installation of wind energy system; suspension of contractor's license during application process. ([NRS 701B.005](#), [701B.590](#), [703.025](#)) In reviewing an application, a utility shall verify that any contractor involved in the installation of a wind energy system has an active license with the State Contractors' Board. If the utility determines that a contractor's license was suspended during the application process:

1. Reservations associated with the contractor will not be confirmed;

2. Applications associated with the contractor will be suspended;

3. No incentive payments will be made for wind energy systems associated with the contractor, except for wind energy systems which were interconnected before the suspension of the contractor's license or unless the suspension is lifted not later than 30 days after the suspension;

4. The utility shall notify each party identified on the application of the suspension; and

5. If the wind energy system has not been installed, the host customer may hire a new contractor without losing the current reservation of an incentive.

(Added to NAC by Pub. Utilities Comm'n by R185-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.600 Definitions. ([NRS 701B.005](#), [701B.840](#), [703.025](#)) As used in [NAC 701B.600](#) to [701B.720](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 701B.605](#) to [701B.655](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R186-09, 4-20-2010; R122-13, 2-26-2014)

NAC 701B.605 "Applicant" defined. ([NRS 701B.840](#), [703.025](#)) "Applicant" has the meaning ascribed to it in [NRS 701B.720](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.610 “Commission” defined. ([NRS 701B.840](#), [703.025](#)) “Commission” has the meaning ascribed to it in [NRS 701B.730](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.613 “Corporation for public benefit” defined. ([NRS 701B.005](#), [701B.840](#), [703.025](#)) “Corporation for public benefit” means a corporation that is organized for a public or charitable purpose and which upon dissolution must distribute its assets to the United States, a state, or a person which is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

(Added to NAC by Pub. Utilities Comm'n by R122-13, eff. 2-26-2014)

NAC 701B.615 “Host customer” defined. ([NRS 701B.840](#), [703.025](#)) “Host customer” means either the utility customer of record at the location where a waterpower energy system will be located or a person who has been designated by the utility customer of record in a letter to the utility explaining the relationship between that person and the utility customer of record.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010)

NAC 701B.620 “Participant” defined. ([NRS 701B.840](#), [703.025](#)) “Participant” has the meaning ascribed to it in [NRS 701B.740](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R083-11, 5-30-2012)

NAC 701B.630 “System owner” defined. ([NRS 701B.840](#), [703.025](#)) “System owner” means the owner of the generating equipment at the time an incentive is paid. If a waterpower energy system is owned by a third party, the third party is the system owner.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010)

NAC 701B.635 “Utility” defined. ([NRS 701B.840](#), [703.025](#)) “Utility” has the meaning ascribed to it in [NRS 701B.780](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.640 “Waterpower” defined. ([NRS 701B.840](#), [703.025](#)) “Waterpower” has the meaning ascribed to it in [NRS 701B.790](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.645 “Waterpower Demonstration Program” and “Program” defined. ([NRS 701B.840](#), [703.025](#)) “Waterpower Demonstration Program” or “Program” has the meaning ascribed to it in [NRS 701B.810](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.650 “Waterpower Demonstration Program rate” defined. ([NRS 701B.840](#), [703.025](#)) “Waterpower Demonstration Program rate” means the rate established pursuant to [NAC 701B.675](#).

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.655 “Waterpower energy system” defined. ([NRS 701B.840](#), [703.025](#))
“Waterpower energy system” has the meaning ascribed to it in [NRS 701B.800](#).

(Added to NAC by Pub. Utilities Comm’n by R173-07, eff. 4-17-2008)

NAC 701B.660 Annual plan of utility: Filing and contents. ([NRS 701B.005](#), [701B.840](#), [701B.850](#), [703.025](#)) Pursuant to [NRS 701B.850](#), a utility shall file with the Commission an annual plan which must include the following:

1. A schedule describing major program milestones;
2. A budget with the following categories:
 - (a) Contractor costs;
 - (b) Marketing costs;
 - (c) Training costs; and
 - (d) Utility administrative costs;
3. A report on the activity of the Program during the immediately preceding calendar year and the current calendar year which includes, without limitation, the most up-to-date versions of the following information for each calendar year:
 - (a) The number of applications filed;
 - (b) The number of participants enrolled in the Waterpower Demonstration Program and the number who have dropped out of the Waterpower Demonstration Program;
 - (c) The annual budget and expenditures;
 - (d) Any remaining financial obligations at the end of a calendar year;
 - (e) A list of completed installations;
 - (f) A summary of marketing efforts;
 - (g) A description of training and educational activities; and
 - (h) The results of participant surveys;
4. A description of the application process, including, without limitation:
 - (a) The procedures to be followed by the utility and the applicant;
 - (b) The criteria for selection of applicants for the Waterpower Demonstration Program;
 - (c) Copies of proposed applications and forms; and
 - (d) The procedures for a participant to claim the incentive at completion of the project and a copy of the required claim form, which must include, at a minimum, the following data and attachments:
 - (1) The name and address of the participant;
 - (2) The address at which the waterpower energy system is located;
 - (3) The technical description of the main components of the waterpower energy system, if different from the application;
 - (4) An assignment of the incentive payment, if applicable;
 - (5) A building permit approved and signed by the applicable governing jurisdiction to ensure that the waterpower energy system complies with all local codes; and
 - (6) An invoice for the waterpower energy system to ensure that a properly licensed contractor performed the required work and that the waterpower energy system equipment is new and has not been previously installed;
5. The total of all incentives paid for the immediately preceding calendar year;
6. The total of all incentives projected to be paid for the calendar year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid;
7. A detailed advertising plan;

8. An education and training plan;
9. An inspection and verification plan for waterpower energy systems which verifies that an applicant or participant meets all applicable requirements;
10. The average installed cost in Nevada of a waterpower energy system during the immediately preceding calendar year;
11. A graph and table showing the cumulative committed capacity and incurred incentive liability, separated into installed capacity and active reservations, at the end of each calendar year since the commencement of the Program;
12. A table demonstrating the effects of the Program on the rates paid by customers; and
13. A survey for participants which includes, without limitation, questions on:
 - (a) The operational effectiveness of the participant's waterpower energy system, including, without limitation, the total kilowatt-hours of electricity generated per calendar year; and
 - (b) Any other information regarding the effectiveness of the Waterpower Demonstration Program.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R186-09, 4-20-2010; R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.665 Annual plan of utility: Approval by Commission. ([NRS 701B.840](#), [701B.850](#), [703.025](#)) Not later than 150 days after the annual plan is filed pursuant to [NAC 701B.660](#), the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008)

NAC 701B.670 Accounting for costs and revenues of utility; recovery of utility's labor costs and overhead costs. ([NRS 701B.840](#), [703.025](#))

1. All reasonable and prudent costs associated with carrying out and administering the Waterpower Demonstration Program must be accounted for in the books and records of a utility separately from amounts attributable to any other activity. The utility must account for the costs and revenues in the following manner:

(a) Calculate, on a monthly basis, the costs incurred and revenues received in the Waterpower Demonstration Program since the end of the test period in its last proceeding to change the Waterpower Demonstration Program rate;

(b) Record the cost of the Waterpower Demonstration Program in a separate subaccount of FERC Account No. 182.3 and record an offset in the appropriate subaccount of other FERC accounts;

(c) Maintain subsidiary records of the subaccount of FERC Account No. 182.3 which must clearly delineate, without limitation, the incentives, contractor costs, marketing costs, training costs and utility administrative costs associated with the Waterpower Demonstration Program;

(d) Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the rate established pursuant to [NAC 701B.675](#) to recover the Waterpower Demonstration Program cost; and

(e) Apply a carrying charge at the rate of 1/12 of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.

2. The utility's labor costs and overhead costs related to the Waterpower Demonstration Program must be recovered in a general rate case filing.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R051-09, 1-28-2010)

NAC 701B.675 Filing, calculation and adjustment of Waterpower Demonstration Program rate; recovery of Program costs. ([NRS 701B.005](#), [701B.840](#), [703.025](#))

1. A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 11 of [NRS 704.110](#) a revised Waterpower Demonstration Program rate. The rate must be calculated by adding the following two components:

(a) A prospective rate determined by dividing not more than the total costs in the Waterpower Demonstration Program annual plan by the projected kilowatt-hours for the calendar year; and

(b) A clearing rate determined by dividing the cumulative balance in the Waterpower Demonstration Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in [NAC 704.063](#) by the test period kilowatt-hour sales.

2. The Commission will allow recovery of all prudent Waterpower Demonstration Program costs included in the subaccount of FERC Account No. 182.3 at the end of the test period as defined in [NAC 704.063](#) and adjust the Waterpower Demonstration Program rate accordingly.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R186-09, 4-20-2010; R076-11, 5-30-2012; R122-13, 2-26-2014)

NAC 701B.680 Receipt of incentives established when application approved. ([NRS 701B.005](#), [701B.840](#), [703.025](#)) If the incentives for a participant's first calendar year change between the time his or her application is approved and the time the waterpower energy system is completed, the participant must receive for that calendar year the incentives established at the time that the application was approved.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R186-09, 4-20-2010; R083-11, 5-30-2012; R122-13, 2-26-2014)

NAC 701B.685 Application for incentives; categories of host customers; establishment by Commission of rate of incentive payment; payment of incentives; proposal of incentive levels; assignment of portfolio energy credits. ([NRS 701B.005](#), [701B.840](#), [703.025](#))

1. The utility shall offer to a host customer an incentive that is paid over a period of 5 years. The incentive must be based upon the metered production of electricity by the waterpower energy system. The total amount of the incentive paid to a host customer must not exceed 50 percent of the installed cost of the waterpower energy system of the host customer. Any customer of a utility that receives retail electric service from the utility may apply for an incentive. A host customer may apply for the incentive or a system owner may apply for the incentive. The project site must be located in the service territory of the utility.

2. A host customer must, based upon the nature of the host customer, be designated as one of the following categories:

- (a) Public entity;
- (b) Low-income and nonprofit;
- (c) Residential and small commercial; or
- (d) Large commercial and industrial.

3. The rate of the incentive payment offered pursuant to subsection 1 must be established by the Commission in the proceeding to review the annual plan of a utility. The utility shall include in its first annual plan filed after February 26, 2014, proposed incentive levels for each category and a detailed procedure and schedule for the payment of incentives. The Commission may

approve the proposed incentive levels, in whole or in part, or prescribe incentive levels other than those proposed by the utility. The utility may, in a subsequent annual plan, propose to modify any incentive level approved by the Commission pursuant to this subsection. The Commission may approve the proposed modification, in whole or in part, or prescribe an incentive level other than the incentive level proposed by the utility.

4. A contract to receive an incentive paid over a period of 5 years executed pursuant to this section must not be executed on or after January 1, 2021. The contract must not provide for the payment of the incentive, or any portion thereof, after December 31, 2025. The incentive must be paid on a quarterly basis and must be paid directly to the host customer or third-party assignee of the host customer.

5. The utility shall not issue a reservation notice to a host customer if the incentive that would be paid under the notice would cause the incentive expenditure cap established pursuant to subsection 2 of [NRS 701B.005](#) to be exceeded.

6. A waterpower energy system with a capacity of more than 500 kilowatts is not eligible to receive an incentive.

7. If a host customer installs a waterpower energy system that has greater kilowatt capacity than the amount of kilowatts in its confirmed reservation, the host customer must receive the incentive level in its confirmed reservation for only the kilowatt capacity described in the confirmed reservation.

8. Portfolio energy credits generated by a host customer participating in the Program must be assigned to the utility pursuant to [NRS 701B.870](#) and [704.775](#).

9. As used in this section:

(a) “Low-income and nonprofit” means a category of host customer that is:

- (1) An entity that owns publicly subsidized housing;
- (2) A nonprofit corporation or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3);
- (3) An entity eligible for low-income housing credits pursuant to 26 U.S.C. § 42;
- (4) A person whose income does not exceed 80 percent of the median family income for the county in which the person resides, subject to an adjustment for any area with unusually high or low median incomes or housing costs; or
- (5) A Title I school.

(b) “Public entity” means a category of host customer that is:

- (1) A department or agency of a state or local government;
- (2) A public school district;
- (3) An institute of higher education that is part of the Nevada System of Higher Education;
- (4) An Indian tribe or tribal organization; or
- (5) A corporation for public benefit.

(c) “Title I school” has the meaning ascribed to it in [NRS 385A.040](#).

(Added to NAC by Pub. Utilities Comm’n by R186-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

NAC 701B.687 Provision of application to Commission. ([NRS 701B.005](#), [701B.840](#), [703.025](#)) A utility shall provide to the Commission each application, including related materials, submitted by a host customer designated pursuant to [NAC 701B.685](#) as a public entity, other than a corporation for public benefit or an Indian tribe or tribal organization. The application must be submitted to the Commission not later than 30 days after the application is approved and the issuance of a reservation notice. Confidential information,

including, without limitation, personal identifying information, must be provided to the Commission pursuant to [NAC 703.527](#) to [703.5282](#), inclusive.

(Added to NAC by Pub. Utilities Comm'n by R122-13, eff. 2-26-2014)

NAC 701B.690 Participation in Program: Application for reservation of incentive; cancellation and resubmission of application; duties of utility and applicant; claim for incentive. ([NRS 701B.005](#), [701B.820](#), [701B.840](#), [703.025](#)) For all categories:

1. An application for the reservation of an incentive must be made using a form approved by the Commission and must include, without limitation:

(a) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner;

(b) A computation stamped by a professional engineer licensed in this State that provides the estimated hours of operation of the waterpower energy system and the estimated annual kilowatt-hour output of the proposed waterpower energy system; and

(c) Any documentation required by the utility which substantiates ownership of the equipment.

2. The utility shall provide on its Internet website, adjacent to the application forms, a best practices guide to selecting a contractor and other consumer resources, including, but not limited to, the current contact information for the State Contractors' Board.

3. If an application is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the application will be cancelled, and the applicant may resubmit an application to the utility. The utility shall treat all resubmitted applications as new applications and process them in sequence with other new applications. Money for an incentive is not reserved until the utility receives all information and documentation required for the application and the project is approved.

4. The utility shall, within 30 days after receipt of an application, review the application for completeness and determine eligibility. Once the utility approves the application, the utility shall issue a notice confirming that a maximum incentive amount is reserved for the project. The waterpower energy system must be installed and capable of producing electricity on or before the expiration date listed on the notice. The notice must list:

(a) The incentive amount that has been reserved for the project;

(b) The approved kilowatt capacity of the project; and

(c) An expiration date for the reservation, which must be 12 months after the date of the issuance of the notice.

5. The applicant must complete the installation of a waterpower energy system not later than the expiration date listed on the notice issued pursuant to subsection 4.

6. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the waterpower energy system is installed and capable of producing electricity. The form must include, without limitation:

(a) Original or electronic signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) Any supporting documentation deemed necessary by the Commission;

(c) Any documentation substantiating ownership of the equipment required by the utility; and

(d) Any documentation substantiating that the host customer has entered into a net metering agreement with the utility.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010; A by R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.693 Docket to include applications in public records of Commission. ([NRS 701B.005](#), [701B.840](#), [703.025](#)) The Commission will, for each calendar year, open a docket in which to file applications received by a utility under the Program for the purpose of including such applications in the public records of the Commission.

(Added to NAC by Pub. Utilities Comm'n by R122-13, eff. 2-26-2014)

NAC 701B.695 Prerequisites to payment of incentive; action on claim; rejection of project; reapplication for reservation of incentive. ([NRS 701B.005](#), [701B.840](#), [703.025](#))

1. Once a project is completed, the applicant may request payment of the incentive listed on the confirmed reservation. A project is considered completed when it is completely installed, interconnected, permitted and capable of producing electricity in the manner and in the amounts for which it was designed.

2. To receive the incentive:

(a) All requirements of the Program must be met;

(b) A complete claim form must be submitted, in hard copy or electronically, before the expiration date listed for the project on its confirmed reservation, including, without limitation, any documentation verifying the installed cost of the project pursuant to subsection 5 of [NRS 701B.865](#);

(c) The host customer must enter into a net metering agreement with the utility; and

(d) If the host customer is designated pursuant to [NAC 701B.685](#) as a public entity, other than a corporation for public benefit or an Indian tribe or tribal organization, the application for reservation of the incentive must include an attestation that the host customer has complied with all applicable provisions of [chapters 338](#) and [701B](#) of NRS.

3. If a claim form is incomplete or is found to require clarification, the utility shall request the information necessary to process that application further. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the request for payment may be denied. If a claim form is not received by the expiration date for the project, or if the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is ineligible and that the project is rejected. If a project is rejected, the applicant or host customer may reapply for the reservation of an incentive but will be subject to the eligibility requirements, incentive levels and funding available at the time of reapplication.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010; A by R122-13, 2-26-2014; R124-15, 4-4-2016)

NAC 701B.700 Withdrawal of host customer or system owner; preservation of reservation after withdrawal; application for new reservation. ([NRS 701B.840](#), [703.025](#))

1. The host customer or system owner may withdraw from the Program for any reason by providing written notice of withdrawal to the utility.

2. The host customer retains sole rights to the reservation for 30 days after submitting notice of withdrawal and may preserve the reservation beyond 30 days by submitting a revised application for a reservation to the utility before the expiration of the 30 days. The host customer may not increase the incentive amount in the original reservation.

3. If the host customer does not resubmit an application for a reservation within 30 days after withdrawal from the Program, the original application will be terminated in its entirety and any previously reserved incentive money will be released. The host customer may apply for a new reservation of an incentive if the host customer still wishes to participate in the Program.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010)

NAC 701B.705 Eligibility of participant who withdraws or does not complete installation of waterpower energy system. (NRS 701B.840, 703.025) A participant who withdraws or who does not complete the installation of his or her waterpower energy system within 12 months after the date on which the applicant is selected to participate in the Program must reapply as a new applicant to be eligible for an incentive. The applicant must meet all requirements of the Program that are in effect at the time of reapplication.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010)

NAC 701B.710 Rights of host customer; required party to agreement or contract with utility. (NRS 701B.840, 703.025)

1. The host customer may act as the applicant or system owner, may designate the applicant or system owner to act on his or her behalf and may change these designations at any time with prior written notice to the utility.

2. The host customer is the holder of the reservation of an incentive, must be a party to any agreement or contract with the utility and retains sole rights to the reservation except as otherwise provided in subsections 2 and 3 of [NAC 701B.700](#).

3. If the host customer is not the system owner, the system owner must be a party to any agreement or contract with the utility.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010)

NAC 701B.715 Location of waterpower energy system. (NRS 701B.840, 703.025)

1. A waterpower energy system must be located on property within the Nevada service territory of a participating utility.

2. An applicant must prove that his or her waterpower energy system has never been previously installed at another location.

(Added to NAC by Pub. Utilities Comm'n by R173-07, eff. 4-17-2008; A by R186-09, 4-20-2010)

NAC 701B.720 Verification of licensing of contractors involved in installation of waterpower energy system; suspension of contractor's license during application process. (NRS 701B.005, 701B.840, 703.025) In reviewing an application, a utility shall verify that any contractor involved in the installation of a waterpower energy system has an active license with the State Contractors' Board. If the utility determines that a contractor's license was suspended during the application process:

1. Reservations associated with the contractor will not be confirmed;

2. Applications associated with the contractor will be suspended;

3. No incentive payments will be made for waterpower energy systems associated with the contractor, except for waterpower energy systems which were interconnected before the suspension of the contractor's license or unless the suspension is lifted not later than 30 days after the suspension;

4. The utility shall notify each party identified on the application of the suspension; and

5. If the waterpower energy system has not been installed, the host customer may hire a new contractor without losing the current reservation of an incentive.

(Added to NAC by Pub. Utilities Comm'n by R186-09, eff. 4-20-2010; A by R122-13, 2-26-2014)

Sec. 14 of LCB File No. R022-18.

To qualify for the Storage Program, an energy storage system must:

1. Be located on property within the Nevada service territory of a participating utility;
2. Be installed at a location where the energy storage system can be connected to an existing distribution system of the utility;
3. Consist of components that are new and unused; and
4. Provide one or more of the following benefits to customers of the utility:
 - (a) Reduce the participant's peak demand for electricity.
 - (b) Provide backup or emergency power to the grid.
 - (c) Any other benefits that support critical infrastructure needs.

Sec. 15 of LCB File No. R022-18.

1. The Commission will establish a working group consisting of the following members:
 - (a) Representatives of a utility participating in the Storage Program;
 - (b) Representatives of the Bureau of Consumer Protection in the Office of the Attorney General;
 - (c) Representatives of the Regulatory Operations Staff of the Commission; and
 - (d) Two members appointed by the Commission who are not public officers or employees and who serve at the pleasure of the Commission.
2. The working group:
 - (a) Shall meet at least once a year.
 - (b) Shall recommend to the Commission criteria for the selection of participants in the category of the Storage Program established by paragraph (d) of subsection 2 of section 8 of this regulation. The utility shall include the recommended criteria in the next annual plan filed with the Commission pursuant to NAC 701B.125.
 - (c) May recommend to the Commission modifications of the criteria for the selection of participants in the category of the Storage Program established by paragraph (d) of subsection 2 of section 8 of this regulation. The utility shall include the recommended modifications in the next annual plan filed with the Commission pursuant to NAC 701B.125.

Sec. 29 of LCB File No. R022-18.

To qualify for the Electric Vehicle Program:

1. Electric vehicle infrastructure and systems must be located or implemented on property within the Nevada service territory of a participating utility.
2. If the electric vehicle infrastructure and systems involve the installation of any equipment, the equipment must be installed at a location where the electric vehicle infrastructure and systems can be connected to an existing distribution system of a participating utility.
3. If the electric vehicle infrastructure and systems involve the installation of components, the components must be new and unused.

Sec. 30 of LCB File No. R022-18.

A utility participating in the Electric Vehicle Program:

1. Shall prioritize incentives for commercially available infrastructure equipment that operates at 240 volts or more.
2. May own and operate electric vehicle infrastructure and systems at public locations, workplaces, multi-family dwellings and fleet charging locations within the service territory of the utility, subject to approval of rates by the Commission.

NAC 704.68096 Directory listings. ([NRS 703.025](#), [704.210](#))

1. Certificated telecommunication providers who provide directory listings to their customers must allow identical listings to be purchased on a nondiscriminatory basis by other providers or by the customers of any other provider operating within the geographic area contained in the directory.

2. As used in this section, “directory listings” include listings in white pages, yellow pages, and electronic white and yellow pages.

(Added to NAC by Pub. Service Comm’n, eff. 10-25-95; A by Pub. Utilities Comm’n by R136-07, 1-30-2008)

NAC 704.68933 Telephone directory listings; access to other services. ([NRS 703.025](#), [704.210](#))

1. At the request of an end user, a provider shall subscribe to the listings in a telephone directory of the local exchange company on behalf of the end user. The provider shall contact the local exchange company to initiate new listings in a telephone directory and to cancel existing listings. The provider shall pay the applicable tariff rates for the listing.

2. A provider shall inform end users of the method for obtaining access to the local exchange company and shall provide access to local and intraLATA operator services, emergency 911 service, and other emergency services. The provider shall provide end users with clear dialing instructions for access to these services if the required dialing sequence differs from that used by the local exchange company.

3. A provider which serves a transient apartment shall allow an end user who occupies the apartment to access long distance service which is:

- (a) Obtained by the end user dialing 800; or
- (b) Referred to as “10XXX0+/-service,” if facilities to provide such a service are available.

(Added to NAC by Pub. Service Comm’n, eff. 10-1-94)

NAC 704.75918 Correction of failures in market for service. ([NRS 703.025](#), [704.210](#))

After the filing of a complaint and a public hearing regarding the complaint or upon a motion of the Commission after an investigation, the Commission may act, consistent with federal requirements, to correct failures in the market for payphone service.

(Added to NAC by Pub. Utilities Comm’n by R189-97, eff. 3-30-98)

NAC 704.9486 Performance-based methodology for recovery of costs for natural gas used as fuel for generation: Proposal for establishment; report of results. ([NRS 703.025](#), [704.210](#), [704.741](#))

1. As part of its energy supply plan, a utility may propose the establishment of a performance-based methodology for the recovery of costs for natural gas used as a fuel for generation. Any proposed performance methodology must be based upon objective standards and criteria.

2. A proposal for the establishment of a performance-based methodology for the recovery of costs for natural gas must include information sufficient to enable the Commission to evaluate the proposal, including, without limitation:

- (a) The criteria to be used in measuring the performance of the utility;
- (b) The rationale for using the selected criteria;
- (c) If appropriate, the proposed sharing allocation between the utility and its consumers;
- (d) The duration of the program; and
- (e) Supporting documentation.

3. If the Commission authorizes a performance-based methodology, the utility shall report the results of the methodology approved by the Commission in the deferred energy application filed by the utility pursuant to [NAC 704.023](#) to [704.195](#), inclusive. At a minimum, the report must cover the period between the adjustment date for the most recent deferred energy application and the adjustment date for the application which includes the report of the results of the approved methodology.

4. As used in this section, “adjustment date” has the meaning ascribed to it in [NAC 704.024](#).
(Added to NAC by Pub. Utilities Comm’n by R004-04, eff. 5-25-2004)