ADOPTED REGULATION OF THE

PUBLIC UTILITIES COMMISSION OF NEVADA

LCB File No. R083-11

Effective May 30, 2012

EXPLANATION – Matter in ***italics*** is new; matter in brackets **[**~~omitted material~~**]** is material to be omitted.

AUTHORITY: §§1 and 3, NRS 701B.336, as amended by section 1 of Senate Bill No. 182, chapter 239, Statutes of Nevada 2011, at page 1020; §2, NRS 701B.336, as amended by section 1 of Senate Bill No. 182, chapter 239, Statutes of Nevada 2011, at page 1020, and NRS 701B.342, as amended by section 2 of Senate Bill No. 182, chapter 239, Statutes of Nevada 2011, at page 1021; §4, NRS 701B.590 and section 51 of Assembly Bill No. 380, chapter 412, Statutes of Nevada 2011, at page 2563; §5, NRS 701B.820; §§6 and 7, NRS 701B.840, as amended by section 2 of Assembly Bill No. 359, chapter 347, Statutes of Nevada 2011, at page 1940, and section 51 of Assembly Bill No. 380, chapter 412, Statutes of Nevada 2011, at page 2563.

A REGULATION relating to renewable energy systems; revising provisions governing reporting by utilities concerning the Solar Thermal Systems Demonstration Program; revising provisions governing participants in and contractors who install systems participating in the Solar Thermal Systems Demonstration Program; revising provisions governing capacity goals for the Wind Energy Systems Demonstration Program and Waterpower Energy Systems Demonstration Program; and providing other matters properly relating thereto.

Section 1. NAC 701B.235 is hereby amended to read as follows:

701B.235 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(2) The number of participants in the Solar Thermal Program and the number of participants who have withdrawn from the Solar Thermal Program;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 number of participants with metered solar thermal systems, the individual sizes of the solar thermal systems and the data collected from those meters;~~

~~(4)]~~ The annual budget and expenditures of the Solar Thermal Program;

~~[(5)]~~ ***(4)*** A list of completed installations;

~~[(6)]~~ ***(5)*** A summary of marketing efforts; and

~~[(7)]~~ ***(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.

Sec. 2. NAC 701B.280 is hereby amended to read as follows:

701B.280 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. ~~[Include a meter or other measuring device to enable the utility to evaluate the output of the installed solar thermal system, except that meters must be installed on a sampling of systems of various sizes.~~

~~10.]~~ Have:

(a) An OG-300 certification ~~[that]~~ ***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 ~~[or similar certification which is appropriate for the specific type of property and]~~ ***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.

Sec. 3. NAC 701B.285 is hereby amended to read as follows:

701B.285 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 ~~[a classification C-1 license with]~~ the appropriate ~~[subclassification]~~ ***license*** by the State Contractors' ~~[Board pursuant to regulations adopted by the]~~ 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.

Sec. 4. NAC 701B.500 is hereby amended to read as follows:

701B.500 1. The ***Commission will, for each year of the Program, determine the*** installed capacity goals, by category, ~~[to be installed by 2012 are:~~

~~(a) Private residential property and small business property – 750 kilowatts;~~

~~(b) School property – 750 kilowatts;~~

~~(c) Other public property – 1,500 kilowatts; and~~

~~(d) Agricultural property – 2,000 kilowatts.~~

~~2. All of the capacity for each category is available for reservation by an applicant from April 20, 2010, until December 31, 2011, inclusive.]~~ ***for the Program.***

2. Any applicant who files a complete application ***to reserve available capacity*** before December 1, ~~[2011,]~~ ***2021,*** and who receives a confirmed reservation notice on or before December 31, ~~[2011,]~~ ***2021,*** will have 12 months to complete his or her project.

3. The utility shall deploy educational, marketing and promotional efforts directed to meet the goals ~~[set forth in]~~ ***determined by the Commission pursuant to*** subsection 1.

4. ~~[The capacity goals set forth in subsection 1 may be reallocated from an undersubscribed category to an oversubscribed category subject to compliance with the reallocation process approved in the annual plan.~~

~~5.]~~ The participant must receive the incentives established at the time that his or her application was approved if:

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

(b) The participant completes installation of the wind energy system within 12 months after the date on which the applicant is selected for participation in the Program.

Sec. 5. NAC 701B.620 is hereby amended to read as follows:

701B.620 "Participant" ~~[means a person who has been selected by the Task Force to participate in the Waterpower Demonstration Program.]~~ ***has the meaning ascribed to it in NRS 701B.740.***

Sec. 6. NAC 701B.680 is hereby amended to read as follows:

701B.680 1. All ~~[500 kilowatts]~~ ***5 megawatts*** of capacity to be installed by ~~[2012]~~ ***2016*** are available for reservation by ~~[a]~~ ***any*** participant from ~~[April 20, 2010,]~~ ***January 1, 2012,*** until December 31, ~~[2011,]~~ ***2021,*** inclusive ~~[.]~~ ***, except that at least 1 megawatt of the capacity available for reservation must be set aside for reservation by participants who install waterpower energy systems with a nameplate capacity of 100 kilowatts or less.*** Any applicant who files a complete application on or before December 1, ~~[2011,]~~ ***2021,*** and who receives a confirmed reservation notice on or before December 31, ~~[2011,]~~ ***2021,*** will have 12 months to

complete his or her project. The incentive award available for any application must be limited to the first 200 kilowatts of installed capacity.

2. If the incentives for a participant's first program 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 program year the incentives established at the time that the application was approved.

Sec. 7. NAC 704.882 is hereby amended to read as follows:

704.882 A utility must file an application with the Commission to obtain approval of a net metering tariff. The net metering tariff must include, at a minimum, the following provisions:

1. Net metering must be accomplished using a single meter capable of registering the flow of electricity in both directions, except that if the net metering system of a customer-generator has a capacity of more than ~~[100]~~ ***25*** kilowatts, the utility may require the customer-generator to install, at his or her own expense or at a cost which is negotiated between the customer-generator and the third-party system owner or operator, an energy meter that is capable of measuring generation output and customer load.

2. Billing for net metering must be made in accordance with the provisions of NRS 704.775.

3. Interconnection with the utility must be consistent with the utility's tariff.

4. The net metering system must meet the standards set forth in NRS 704.774.