

ASSEMBLY BILL NO. 428—COMMITTEE
ON COMMERCE AND LABOR

MARCH 25, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to energy.
(BDR 58-797)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to energy; revising provisions relating to the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; revising provisions governing the payment of incentives to participants in the Solar Program and the Wind Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations; revising certain provisions relating to the portfolio standard for renewable energy; providing for aggregate net metering on low-income residential property; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Solar Energy Systems Incentive Program, the Wind
2 Energy Systems Demonstration Program and the Waterpower Energy Systems
3 Demonstration Program. (NRS 701B.010-701B.290, 701B.400-701B.650,
4 701B.700-701B.880) **Section 3** of this bill establishes the statewide capacity floor
5 for the Solar Program and the limits on incentives paid for each renewable energy
6 program. **Section 3** further authorizes a utility to file with the Public Utilities
7 Commission of Nevada the annual plan required for each of these programs as a
8 single plan. **Sections 5, 19 and 26** of this bill remove the concept of a “program
9 year” with respect to the renewable energy programs.
10 **Section 7** of this bill revises provisions governing the incentives for
11 participation in the Solar Program, requires the Commission to review the
12 incentives and authorizes the Commission to adjust the incentives not more
13 frequently than annually. **Section 7** also provides for an incentive to be paid to a
14 participant in the Solar Program in one installment upon proof that the participant



15 has installed and energized the solar energy system and for an incentive to be paid
16 to a participant over time which must be based on the performance of the solar
17 energy system and the amount of electricity generated by the solar energy system.
18 **Section 7** also provides for the payment of performance-based incentives to a
19 qualified participant in the Solar Program after December 31, 2021. **Section 9** of
20 this bill requires the Commission to establish the categories for participation in the
21 Solar Program which must, at a minimum, distinguish between residential property,
22 nonresidential property and low-income residential property. **Section 9** further
23 requires the Commission to establish the capacity limitations for each category.
24 **Section 11** of this bill requires a participant in the Solar Program to participate in
25 net metering.

26 **Section 13** of this bill requires the Commission to establish the categories for
27 participation in the Wind Program. **Section 14** of this bill requires the Commission
28 to adopt regulations establishing a system of incentives for participation in the
29 Wind Program. **Section 14** further provides that the total amount of the incentive
30 paid to a participant in the Wind Program with a nameplate capacity of not more
31 than 500 kilowatts must be paid over time and be based on the performance and
32 amount of electricity generated by the wind energy system. **Section 14** also
33 provides for the payment of performance-based incentives to a qualified participant
34 in the Wind Program after December 31, 2021. **Section 17** of this bill requires a
35 participant in the Wind Program to participate in net metering.

36 **Section 18** of this bill requires the Commission to adopt regulations to provide
37 a system of incentives for waterpower energy systems with a nameplate capacity of
38 not more than 500 kilowatts. **Section 21** of this bill requires a participant in the
39 Waterpower Program to participate in net metering.

40 Existing law authorizes certain qualified customers of a utility to participate in
41 net metering. (NRS 704.766-704.775) **Sections 23 and 24** of this bill authorize
42 certain persons who reside in a residential housing complex located on low-income
43 residential property to participate in aggregate net metering through the use of a net
44 metering system which operates on multiple residential units. **Section 23** prescribes
45 the requirements for such an aggregate net metering system, and **section 24**
46 requires the Commission to adopt regulations setting forth the conditions under and
47 manner in which qualified residents and tenants may participate.

48 Existing law provides that a provider of electric service shall be deemed to have
49 generated or acquired 2.4 kilowatt-hours of electricity from a renewable energy
50 system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a
51 solar photovoltaic system installed on the premises of retail customers. (NRS
52 704.7822) **Section 25** of this bill provides the same calculation for solar
53 photovoltaic systems installed on the premises of the provider if certain conditions
54 are met.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 701B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *The Legislature hereby finds and declares that it is*
4 *the policy of this State to:*

5 *1. Expand and accelerate the development of solar distributed*
6 *generation systems in this State; and*



* A B 4 2 8 *

1 2. *Establish a sustainable and self-sufficient solar renewable*
2 *energy industry in this State in which solar energy systems are a*
3 *viable mainstream alternative for homes, businesses and other*
4 *public entities.*

5 **Sec. 3. 1.** *For the purposes of carrying out the Solar*
6 *Energy Systems Incentive Program created by NRS 701B.240,*
7 *the Public Utilities Commission of Nevada shall approve solar*
8 *energy systems totaling at least 76,478 kilowatts of capacity in this*
9 *State for the period beginning on July 1, 2013, and ending on*
10 *December 31, 2021.*

11 2. *The Commission shall not authorize the payment of an*
12 *incentive pursuant to:*

13 (a) *The Solar Energy Systems Incentive Program if the*
14 *payment of the incentive would cause the total amount of*
15 *incentives paid by all utilities in this State for the installation of*
16 *solar energy systems and solar distributed generation systems to*
17 *exceed \$333,530,000 for the period beginning on July 1, 2013, and*
18 *ending on December 31, 2021.*

19 (b) *The Wind Energy Systems Demonstration Program created*
20 *by NRS 701B.580 and the Waterpower Energy Systems*
21 *Demonstration Program created by NRS 701B.820 if the payment*
22 *of the incentive would cause the total amount of incentives paid by*
23 *all utilities in this State for the installation of wind energy systems*
24 *and waterpower energy systems to exceed \$60,000,000 for the*
25 *period beginning on July 1, 2013, and ending on December 31,*
26 *2021. The Commission shall by regulation determine the total*
27 *amount of incentives for each Program.*

28 3. *A utility may file with the Commission one combined*
29 *annual plan which meets the requirements set forth in NRS*
30 *701B.230, 701B.610 and 701B.850. The Commission shall review*
31 *and approve any plan submitted pursuant to this subsection in*
32 *accordance with the requirements of NRS 701B.230, 701B.610*
33 *and 701B.850, as applicable.*

34 4. *As used in this section:*

35 (a) *“Distributed generation system” has the meaning ascribed*
36 *to it in NRS 701B.055.*

37 (b) *“Utility” means a public utility that supplies electricity in*
38 *this State.*

39 **Sec. 4.** *NRS 701B.040 is hereby amended to read as follows:*

40 701B.040 *“Category” means one of the categories of*
41 *participation in the Solar Program as set forth in ~~NRS 701B.240.~~*
42 *regulations adopted by the Commission.*



1 **Sec. 5.** NRS 701B.200 is hereby amended to read as follows:

2 701B.200 The Commission shall adopt regulations necessary
3 to carry out the provisions of NRS 701B.010 to 701B.290, inclusive,
4 including, without limitation, regulations that:

5 1. Establish the type of incentives available to participants in
6 the Solar Program and the level or amount of those incentives ~~†~~
7 ~~except that the level or amount of an incentive available in a~~
8 ~~particular program year must not be based upon whether the~~
9 ~~incentive is for unused capacity reallocated from a past program~~
10 ~~year pursuant to paragraph (b) of subsection 2 of NRS 701B.260.~~
11 ~~The regulations must provide that the level or amount of the~~
12 ~~incentives must decline over time as the cost of solar energy systems~~
13 ~~and distributed generation systems decline.] and prescribe the~~
14 *period, which may be the period required to fully subscribe each*
15 *step in capacity or the same period covered by a utility's annual*
16 *plan for carrying out and administering the Solar Program, for a*
17 *utility to account for those incentives.*

18 2. Establish the requirements for a utility's annual plan for
19 carrying out and administering the Solar Program. A utility's annual
20 plan must include, without limitation:

21 (a) A detailed plan for advertising the Solar Program;

22 (b) A detailed budget and schedule for carrying out and
23 administering the Solar Program;

24 (c) A detailed account of administrative processes and forms
25 that will be used to carry out and administer the Solar Program,
26 including, without limitation, a description of the application
27 process and copies of all applications and any other forms that are
28 necessary to apply for and participate in the Solar Program;

29 (d) A detailed account of the procedures that will be used for
30 inspection and verification of a participant's solar energy system
31 and compliance with the Solar Program;

32 (e) A detailed account of training and educational activities that
33 will be used to carry out and administer the Solar Program; and

34 (f) Any other information required by the Commission.

35 3. Authorize a utility to recover the reasonable costs incurred in
36 carrying out and administering the installation of distributed
37 generation systems. ~~†pursuant to paragraph (b) of subsection 1 of~~
38 ~~NRS 701B.260.]~~

39 **Sec. 6.** NRS 701B.210 is hereby amended to read as follows:

40 701B.210 The Commission shall adopt regulations that
41 establish:

42 1. The qualifications and requirements an applicant must meet
43 to be eligible to participate in ~~†each applicable category of:~~

44 ~~—(a) School property;~~

45 ~~—(b) Public and other property; and~~



1 ~~—(c) Private residential property and small business property; and~~
2 ~~the Solar Program.~~

3 2. The form and content of the master application.

4 3. *The period for accepting applications, which must include*
5 *a period during which a utility must accept additional applications*
6 *if a previously approved applicant fails to install and energize a*
7 *solar energy system within the time allowed by NRS 701B.255.*

8 **Sec. 7.** NRS 701B.220 is hereby amended to read as follows:

9 701B.220 1. In adopting regulations for the Solar Program,
10 the Commission shall adopt regulations establishing ~~[an incentive]~~
11 *the incentives* for participation in the Solar Program ~~[.]~~ *and shall*
12 *consider whether such regulations ensure, to the extent*
13 *practicable, the cost-effective use of such incentives and*
14 *predictability for participants, rate payers and utilities. The*
15 *regulations must:*

16 (a) *Provide for an incentive that must be paid in one*
17 *installment to a participant for a solar energy system upon proof*
18 *that the participant has installed and energized the solar energy*
19 *system;*

20 (b) *Provide for an incentive that must be paid to a participant*
21 *over time and be based on the performance of the solar energy*
22 *system and the amount of electricity generated by the solar energy*
23 *system;*

24 (c) *Provide for a contract to be entered into between a*
25 *participant and a utility, which must include, without limitation,*
26 *provisions specifying:*

27 (1) *The amount of the incentive the participant will receive*
28 *from the utility;*

29 (2) *The period in which the participant will receive an*
30 *incentive from the utility, which must not exceed 7 years;*

31 (3) *That the payments of an incentive to the participant*
32 *must be made not more frequently than quarterly; and*

33 (4) *Except as otherwise provided in subsection 3, that a*
34 *utility must not be required to make an incentive payment after*
35 *December 31, 2021;*

36 (d) *Establish reporting requirements for each utility that*
37 *participates in the Solar Program, which must include, without*
38 *limitation, periodic reports of the average cost of the systems, the*
39 *cost to the utility of carrying out the Solar Program and the effect*
40 *of the Solar Program on the rates paid by customers of the utility;*
41 *and*

42 (e) *Provide for a decline over time in the amount of the*
43 *incentives for participation in the Solar Program as the cost of*
44 *installing solar energy systems decreases and as variables,*
45 *including, without limitation, system size, installation costs,*



1 *market conditions and access to federal, state and other financial*
2 *incentives, may require.*

3 2. *The Commission shall review the incentives for*
4 *participation in the Solar Program and may adjust the amount of*
5 *the incentives not more frequently than annually.*

6 3. *A contract that is executed between a utility and a*
7 *participant on or before December 31, 2021, providing for the*
8 *payment to the participant of an incentive pursuant to paragraph*
9 *(b) of subsection 1 may provide for the continued payment of such*
10 *an incentive after December 31, 2021, in accordance with*
11 *regulations adopted by the Commission.*

12 **Sec. 8.** NRS 701B.230 is hereby amended to read as follows:

13 701B.230 1. Each year on or before the date established by
14 the Commission, a utility shall file with the Commission its annual
15 plan for carrying out and administering the Solar Program within its
16 service area . ~~{for a program year.}~~

17 2. The Commission shall:

18 (a) Review each annual plan filed by a utility for compliance
19 with the requirements established by regulation of the Commission;
20 and

21 (b) Approve each annual plan with such modifications and upon
22 such terms and conditions as the Commission finds necessary or
23 appropriate to facilitate the Solar Program.

24 3. A utility shall carry out and administer the Solar Program
25 within its service area in accordance with the utility's annual plan as
26 approved by the Commission.

27 4. A utility may recover its reasonable and prudent costs,
28 including, without limitation, customer incentives, that are
29 associated with carrying out and administering the Solar Program
30 within its service area by seeking recovery of those costs in an
31 appropriate proceeding before the Commission pursuant to
32 NRS 704.110.

33 **Sec. 9.** NRS 701B.240 is hereby amended to read as follows:

34 701B.240 1. The Solar Energy Systems Incentive Program is
35 hereby created.

36 2. The ~~{Solar Program must have three}~~ *Commission shall*
37 *establish* categories ~~{as follows:~~

38 ~~—(a) School property;~~

39 ~~—(b) Public and other property; and~~

40 ~~—(c) Private residential property and small business property.}~~ *for*
41 *participation in the Solar Program, which must, at a minimum,*
42 *distinguish between:*

43 (a) *Residential property;*

44 (b) *Nonresidential property; and*

45 (c) *Low-income residential property.*



1 3. *For the purpose of establishing categories pursuant to*
2 *subsection 2, the Commission shall additionally establish:*

3 (a) *Subcategories, which must include, without limitation,*
4 *school property, public property and property owned by a*
5 *nonprofit corporation;*

6 (b) *The criteria for qualifying as a participant under each*
7 *category and subcategory; and*

8 (c) *The capacity limitations for each category and subcategory.*

9 4. To be eligible to participate in the Solar Program, a person
10 must:

11 (a) Meet the qualifications established by the Commission
12 pursuant to NRS 701B.210;

13 (b) Submit an application to a utility and be selected by the
14 ~~Commission~~ utility for inclusion in the Solar Program pursuant to
15 NRS 701B.250 and 701B.255; *and*

16 (c) When installing the solar energy system, use an installer who
17 has been issued a classification C-2 license with the appropriate
18 subclassification by the State Contractors' Board pursuant to the
19 regulations adopted by the Board. ~~}; and~~

20 ~~—(d) If the person will be participating in the Solar Program in the~~
21 ~~category of school property or public and other property, provide for~~
22 ~~the public display of the solar energy system, including, without~~
23 ~~limitation, providing for public demonstrations of the solar energy~~
24 ~~system and for hands-on experience of the solar energy system by~~
25 ~~the public.]~~

26 **Sec. 10.** NRS 701B.255 is hereby amended to read as follows:

27 701B.255 1. After reviewing an application submitted
28 pursuant to NRS 701B.250 and ensuring that the applicant meets the
29 qualifications and requirements to be eligible to participate in the
30 Solar Program, a utility may select the applicant for participation in
31 the Solar Program.

32 2. Not later than 30 days after the date on which the utility
33 selects an applicant, the utility shall provide written notice of the
34 selection to the applicant.

35 3. After the utility selects an applicant to participate in the
36 Solar Program, the utility may approve the solar energy system
37 proposed by the applicant. Upon the utility's approval of the solar
38 energy system:

39 (a) The utility shall provide to the applicant notice of the
40 approval and the amount of incentive for which the solar energy
41 system is eligible; and

42 (b) The applicant may install and energize the solar energy
43 system.

44 4. Upon the completion of the installation and energizing of the
45 solar energy system, the participant must submit to the utility an



1 incentive claim form and any supporting information, including,
2 without limitation, a verification of the cost of the project and a
3 calculation of the expected system output.

4 5. Upon receipt of the incentive claim form and verification
5 that the solar energy system is properly connected, the utility shall
6 issue an incentive payment to the participant.

7 6. The amount of the incentive for which an applicant is
8 eligible must be determined on the date on which the applicant is
9 selected for participation in the Solar Program, except that an
10 applicant forfeits eligibility for that amount of incentive if the
11 applicant withdraws from participation in the Solar Program or does
12 not complete the installation of the solar energy system within 12
13 months after the date on which the applicant is selected for
14 participation in the Solar Program. ~~[An applicant who forfeits
15 eligibility for the incentive for which the applicant was originally
16 determined to be eligible may become eligible for an incentive only
17 on the date on which the applicant completes the installation of the
18 solar energy system, and the amount of the incentive for which such
19 an applicant is eligible must be determined on the date on which the
20 applicant completes the installation of the solar energy system.]~~

21 **Sec. 11.** NRS 701B.280 is hereby amended to read as follows:

22 701B.280 ~~[[~~ *To be eligible for an incentive through the*
23 *Solar Program*, a solar energy system ~~[used by a participant in the~~
24 *Solar Program meets]* *must meet* the requirements ~~[of NRS 704.766~~
25 *to 704.775, inclusive, the participant is entitled to participate]* *for*
26 *participation* in net metering pursuant to the provisions of NRS
27 704.766 to 704.775, inclusive.

28 **Sec. 12.** NRS 701B.440 is hereby amended to read as follows:

29 701B.440 “Category” means one of the categories of
30 participation in the Wind Demonstration Program ~~[as set forth in]~~
31 *established by the Commission pursuant to subsection 2 of*
32 NRS 701B.580.

33 **Sec. 13.** NRS 701B.580 is hereby amended to read as follows:

34 701B.580 1. The Wind Energy Systems Demonstration
35 Program is hereby created.

36 2. The ~~[Program must have four]~~ *Commission shall establish*
37 categories ~~[as follows:~~

- 38 ~~—(a) School property;~~
39 ~~—(b) Other public property;~~
40 ~~—(c) Private residential property and small business property; and~~
41 ~~—(d) Agricultural property.]~~ *for participation in the Program.*

42 3. To be eligible to participate in the Program, a person must:

43 (a) Meet the qualifications established by the Commission
44 pursuant to NRS 701B.590; *and*



1 (b) When installing the wind energy system, use an installer
2 who has been issued a classification C-2 license with the appropriate
3 subclassification by the State Contractors' Board pursuant to the
4 regulations adopted by the Board. ~~}; and~~

5 ~~—(c) If the person will be participating in the Program in the~~
6 ~~category of school property or other public property, provide for the~~
7 ~~public display of the wind energy system, including, without~~
8 ~~limitation, providing for public demonstrations of the wind energy~~
9 ~~system and for hands-on experience of the wind energy system by~~
10 ~~the public.}~~

11 **Sec. 14.** NRS 701B.590 is hereby amended to read as follows:

12 701B.590 **1.** The Commission shall adopt regulations
13 necessary to carry out the provisions of the Wind Energy Systems
14 Demonstration Program Act, including, without limitation,
15 regulations that establish:

16 ~~{H.}~~ **(a)** The capacity goals for the Program. ~~}; which must be~~
17 ~~designed to meet the goal of the Legislature of the installation of not~~
18 ~~less than 5 megawatts of wind energy systems in this State by 2012~~
19 ~~and the goals for each category of the Program.~~

20 ~~—2.}~~ **(b)** A system of incentives that are based on rebates that
21 decline as the ~~{capacity goals for the Program and the goals for each~~
22 ~~category of the Program are met. The rebates must be based on~~
23 ~~predicted energy savings.~~

24 ~~—3.}~~ *cost of installing wind energy systems declines and as*
25 *variables, including, without limitation, system size, installation*
26 *costs, market conditions and access to federal, state and other*
27 *financial incentives, may require. The system of incentives must*
28 *provide:*

29 *(1) Incentives for wind energy systems with a nameplate*
30 *capacity of not more than 500 kilowatts;*

31 *(2) That the amount of the incentive for a participant must*
32 *be paid over time and be based on the performance of the wind*
33 *energy system and the amount of electricity generated by the wind*
34 *energy system; and*

35 *(3) For a contract to be entered into between a participant*
36 *and a utility, which must include, without limitation, provisions*
37 *specifying:*

38 *(I) The amount of the incentive the participant will*
39 *receive from the utility;*

40 *(II) The period in which the participant will receive an*
41 *incentive from the utility, which must not exceed 7 years;*

42 *(III) That the payments of an incentive to the*
43 *participant must be made not more frequently than quarterly; and*



1 *(IV) Except as otherwise provided in subsection 2, that a*
2 *utility is not required to make an incentive payment after*
3 *December 31, 2021.*

4 *(c) Reporting requirements for each utility that participates in*
5 *the Program, which must include, without limitation, periodic*
6 *reports of the average cost of the wind energy system, the cost to*
7 *the utility of carrying out the Program and the effect of the*
8 *Program on the rates paid by customers of the utility.*

9 *(d) The procedure for claiming incentives, including, without*
10 *limitation, the form and content of the incentive claim form.*

11 *(e) The period for accepting applications, which must include*
12 *a period during which a utility must accept additional applications*
13 *if a previously approved applicant fails to install and energize a*
14 *wind energy system within the time allowed by NRS 701B.615.*

15 *2. A contract that is executed between a utility and a*
16 *participant on or before December 31, 2021, providing for the*
17 *payment to the participant of an incentive pursuant to*
18 *subparagraph (2) of paragraph (b) of subsection 1 may provide for*
19 *the continued payment of such an incentive after December 31,*
20 *2021, in accordance with regulations adopted by the Commission.*

21 **Sec. 15.** NRS 701B.610 is hereby amended to read as follows:

22 701B.610 1. On or before February 1, 2008, and on or before
23 February 1 of each year thereafter, each utility shall file with the
24 Commission its annual plan for carrying out and administering the
25 Wind Demonstration Program within its service area . ~~for the~~
26 ~~following program year.~~

27 2. On or before July 1, 2008, and on or before July 1 of each
28 year thereafter, the Commission shall:

29 (a) Review the annual plan filed by each utility for compliance
30 with the requirements established by regulation; and

31 (b) Approve the annual plan with such modifications and upon
32 such terms and conditions as the Commission finds necessary or
33 appropriate to facilitate the Program.

34 **Sec. 16.** NRS 701B.615 is hereby amended to read as follows:

35 701B.615 1. An applicant who wishes to participate in the
36 Wind Demonstration Program must submit an application to a
37 utility.

38 2. After reviewing an application submitted pursuant to
39 subsection 1 and ensuring that the applicant meets the qualifications
40 and requirements to be eligible to participate in the Program, a
41 utility may select the applicant for participation in the Program.

42 3. Not later than 30 days after the date on which the utility
43 selects an applicant, the utility shall provide written notice of the
44 selection to the applicant.



1 4. After the utility selects an applicant to participate in the
2 Program, the utility may approve the wind energy system proposed
3 by the applicant. Upon the utility's approval of the wind energy
4 system:

5 (a) The utility shall provide to the applicant notice of the
6 approval and the amount of incentive for which the wind energy
7 system is eligible; and

8 (b) The applicant may install and energize the wind energy
9 system.

10 5. Upon the completion of the installation and energizing of the
11 wind energy system, the participant must submit to the utility an
12 incentive claim form and any supporting information, including,
13 without limitation, a verification of the cost of the project and a
14 calculation of the expected system output.

15 6. Upon receipt of the incentive claim form and verification
16 that the wind energy system is properly connected, the utility shall
17 issue an incentive payment to the participant.

18 7. The amount of the incentive for which an applicant is
19 eligible must be determined on the date on which the applicant is
20 selected for participation in the Wind Demonstration Program,
21 except that an applicant forfeits eligibility for that amount of
22 incentive if the applicant withdraws from participation in the
23 Program or does not complete the installation of the wind energy
24 system within 12 months after the date on which the applicant is
25 selected for participation in the Program. ~~{An applicant who forfeits
26 eligibility for the incentive for which the applicant was originally
27 determined to be eligible may become eligible for an incentive only
28 on the date on which the applicant completes the installation of the
29 wind energy system, and the amount of the incentive for which such
30 an applicant is eligible must be determined on the date on which the
31 applicant completes the installation of the wind energy system.}~~

32 **Sec. 17.** NRS 701B.650 is hereby amended to read as follows:

33 701B.650 ~~{H}~~ *To be eligible for an incentive through the*
34 *Wind Demonstration Program*, a wind energy system ~~{used by a~~
35 ~~participant in the Wind Demonstration Program meets}~~ *must meet*
36 the requirements ~~{of NRS 704.766 to 704.775, inclusive, the~~
37 ~~participant is entitled to participate}~~ *for participation* in net
38 metering pursuant to the provisions of NRS 704.766 to 704.775,
39 inclusive.

40 **Sec. 18.** NRS 701B.840 is hereby amended to read as follows:

41 701B.840 The Commission shall adopt regulations that
42 establish:

43 1. The capacity goals for the Program, which must ~~{be~~
44 ~~designed to meet the goal of the Legislature of the installation of not~~
45 ~~less than 5 megawatts of waterpower energy systems in this State by~~



1 ~~2016 and the goals for each category of the Program. The~~
2 ~~regulations must~~ provide that not less than 1 megawatt of capacity
3 ~~must~~ be set aside for the installation of waterpower energy systems
4 with a nameplate capacity of 100 kilowatts or less.

5 2. *A system of incentives for waterpower energy systems with*
6 *a nameplate capacity of not more than 500 kilowatts.*

7 3. A system of incentives that are based on rebates that decline
8 as the capacity goals for the Program ~~and the goals for each~~
9 ~~category of the Program~~ are met. The rebates must be based on
10 predicted energy savings.

11 ~~3.~~ 4. The procedure for claiming incentives, including,
12 without limitation, the form and content of the incentive claim form.

13 5. *The period for accepting applications, which must include*
14 *a period during which a utility must accept additional applications*
15 *if a previously approved applicant fails to install and energize a*
16 *waterpower energy system within the time allowed by*
17 *NRS 701B.865.*

18 **Sec. 19.** NRS 701B.850 is hereby amended to read as follows:

19 701B.850 1. ~~On~~ *Each year on* or before ~~February 21,~~
20 ~~2008, and on or before February 1 of each subsequent year,~~ *a date*
21 *established by the Commission,* each utility shall file with the
22 Commission ~~for approval and~~ *the utility's* annual plan for ~~the~~
23 ~~administration and delivery of~~ *carrying out and administering*
24 the Waterpower Demonstration Program *in its service area* for the
25 ~~program year beginning July 1, 2008, and each subsequent year~~
26 ~~thereafter.~~ *immediately following 12-month period prescribed by*
27 *the Commission.*

28 2. ~~On or before July 1, 2008, and on or before each July 1 of~~
29 ~~each subsequent year, the~~ *The* Commission shall ~~review~~ :

30 (a) *Review* the annual plan for compliance with the requirements
31 ~~set forth~~ *established* by regulation of the Commission ~~;~~ *and*

32 (b) *Approve the annual plan with such modifications and upon*
33 *such terms and conditions as the Commission finds necessary or*
34 *appropriate to facilitate the Program.*

35 **Sec. 20.** NRS 701B.865 is hereby amended to read as follows:

36 701B.865 1. An applicant who wishes to participate in the
37 Waterpower Demonstration Program must submit an application to
38 a utility.

39 2. After reviewing an application submitted pursuant to
40 subsection 1 and ensuring that the applicant meets the qualifications
41 and requirements to be eligible to participate in the Program, a
42 utility may select the applicant for participation in the Program.

43 3. Not later than 30 days after the date on which the utility
44 selects an applicant, the utility shall provide written notice of the
45 selection to the applicant.



1 4. After the utility selects an applicant to participate in the
2 Program, the utility may approve the waterpower energy system
3 proposed by the applicant. Upon the utility's approval of the
4 waterpower energy system:

5 (a) The utility shall provide to the applicant notice of the
6 approval and the amount of incentive for which the waterpower
7 energy system is eligible; and

8 (b) The applicant may construct the waterpower energy system.

9 5. Upon the completion of the construction of a waterpower
10 energy system, the participant must submit to the utility an incentive
11 claim form and any supporting information, including, without
12 limitation, a verification of the cost of the project and a calculation
13 of the expected system output.

14 6. Upon receipt of the incentive claim form and verification
15 that the waterpower energy system is properly connected, the utility
16 shall issue an incentive payment to the participant.

17 7. The amount of the incentive for which an applicant is
18 eligible must be determined on the date on which the applicant is
19 selected for participation in the Waterpower Demonstration
20 Program, except that an applicant forfeits eligibility for that amount
21 of incentive if the applicant withdraws from participation in the
22 Program or does not complete the construction of the waterpower
23 energy system within 12 months after the date on which the
24 applicant is selected for participation in the Program. ~~{An applicant
25 who forfeits eligibility for the incentive for which the applicant was
26 originally determined to be eligible may become eligible for an
27 incentive only on the date on which the applicant completes the
28 construction of the waterpower energy system, and the amount of
29 the incentive for which such an applicant is eligible must be
30 determined on the date on which the applicant completes the
31 construction of the waterpower energy system.}~~

32 **Sec. 21.** NRS 701B.880 is hereby amended to read as follows:

33 701B.880 ~~{H}~~ *To be eligible for an incentive through the*
34 *Waterpower Demonstration Program*, the waterpower energy
35 system ~~{used by a participant in the Waterpower Demonstration~~
36 ~~Program meets}~~ *must meet* the requirements ~~{of NRS 704.766 to~~
37 ~~704.775, inclusive, the participant is entitled to participate}~~ *for*
38 *participation* in net metering pursuant to the provisions of NRS
39 704.766 to 704.775, inclusive.

40 **Sec. 22.** NRS 704.021 is hereby amended to read as follows:

41 704.021 "Public utility" or "utility" does not include:

42 1. Persons engaged in the production and sale of natural gas,
43 other than sales to the public, or engaged in the transmission of
44 natural gas other than as a common carrier transmission or
45 distribution line or system.



1 2. Persons engaged in the business of furnishing, for
2 compensation, water or services for the disposal of sewage, or both,
3 to persons within this State if:

4 (a) They serve 25 persons or less; and

5 (b) Their gross sales for water or services for the disposal of
6 sewage, or both, amounted to \$25,000 or less during the
7 immediately preceding 12 months.

8 3. Persons not otherwise engaged in the business of furnishing,
9 producing or selling water or services for the disposal of sewage, or
10 both, but who sell or furnish water or services for the disposal of
11 sewage, or both, as an accommodation in an area where water or
12 services for the disposal of sewage, or both, are not available from a
13 public utility, cooperative corporations and associations or political
14 subdivisions engaged in the business of furnishing water or services
15 for the disposal of sewage, or both, for compensation, to persons
16 within the political subdivision.

17 4. Persons who are engaged in the production and sale of
18 energy, including electricity, to public utilities, cities, counties or
19 other entities which are reselling the energy to the public.

20 5. Persons who are subject to the provisions of NRS 590.465 to
21 590.645, inclusive.

22 6. Persons who are engaged in the sale or use of special fuel as
23 defined in NRS 366.060.

24 7. Persons who provide water from water storage, transmission
25 and treatment facilities if those facilities are for the storage,
26 transmission or treatment of water from mining operations.

27 8. Persons who are video service providers, as defined in NRS
28 711.151, except for those operations of the video service provider
29 which consist of providing a telecommunication service to the
30 public, in which case the video service provider is a public utility
31 only with regard to those operations of the video service provider
32 which consist of providing a telecommunication service to the
33 public.

34 9. Persons who own or operate a net metering system described
35 in paragraph (c) of subsection 1 of NRS 704.771.

36 10. Persons who for compensation own or operate individual
37 systems which use renewable energy to generate electricity and sell
38 the electricity generated from those systems to not more than one
39 customer of the public utility per individual system if each
40 individual system is:

41 (a) Located on the premises of another person;

42 (b) Used to produce not more than 150 percent of that other
43 person's requirements for electricity on an annual basis for the
44 premises on which the individual system is located; and



1 (c) Not part of a larger system that aggregates electricity
2 generated from renewable energy for resale or use on premises other
3 than the premises on which the individual system is located.

4 ➔ As used in this subsection, "renewable energy" has the meaning
5 ascribed to it in NRS 704.7811.

6 ***11. Persons whose requirements for electricity are offset in***
7 ***whole or in part by a net metering system described in paragraph***
8 ***(d) of subsection 1 of NRS 704.771.***

9 **Sec. 23.** NRS 704.771 is hereby amended to read as follows:

10 704.771 1. "Net metering system" means:

11 (a) A facility or energy system for the generation of electricity
12 that:

13 (1) Uses renewable energy as its primary source of energy to
14 generate electricity;

15 (2) Has a generating capacity of not more than 1 megawatt;

16 (3) Is located on the customer-generator's premises;

17 (4) Operates in parallel with the utility's transmission and
18 distribution facilities; and

19 (5) Is intended primarily to offset part or all of the customer-
20 generator's requirements for electricity;

21 (b) A facility or energy system for the generation of electricity
22 that:

23 (1) Uses waterpower as its primary source of energy to
24 generate electricity;

25 (2) Is located on property owned by the customer-generator;

26 (3) Has a generating capacity of not more than 1 megawatt;

27 (4) Generates electricity that is delivered to the transmission
28 and distribution facilities of the utility; and

29 (5) Is intended primarily to offset all or part of the customer-
30 generator's requirements for electricity on that property or
31 contiguous property owned by the customer-generator; or

32 (c) A facility or energy system for the generation of electricity:

33 (1) Which uses wind power as its primary source of energy
34 to generate electricity;

35 (2) Which is located on property owned or leased by an
36 institution of higher education in this State;

37 (3) Which has a generating capacity of not more than 1
38 megawatt;

39 (4) Which operates in parallel with the utility's transmission
40 and distribution facilities;

41 (5) Which is intended primarily to offset all or part of the
42 customer-generator's requirements for electricity on that property or
43 on contiguous property owned or leased by the customer-generator;

44 (6) Which is used for research and workforce training; and



1 (7) The construction or installation of which is commenced
2 on or before December 31, 2011, and is completed on or before
3 December 31, 2012.

4 *(d) A facility or energy system for the generation of electricity*
5 *that:*

6 *(1) Uses solar power as its primary source of energy to*
7 *generate electricity;*

8 *(2) Is a single system operating on two or more residential*
9 *units located within the same residential housing complex on low-*
10 *income residential property;*

11 *(3) Has an aggregate generating capacity of not more than*
12 *1 megawatt;*

13 *(4) Operates in parallel with the utility's transmission and*
14 *distribution facilities; and*

15 *(5) Is intended primarily to offset all or part of the*
16 *requirements for electricity of two or more residents or tenants of*
17 *the residential housing complex on a pro rata basis.*

18 2. The term does not include a facility or energy system for the
19 generation of electricity which has a generating capacity that
20 exceeds the greater of:

21 (a) The limit on the demand that the class of customer of the
22 customer-generator may place on the system of the utility; or

23 (b) One hundred percent of the customer-generator's annual
24 requirements for electricity.

25 **Sec. 24.** NRS 704.773 is hereby amended to read as follows:

26 704.773 1. A utility shall offer net metering, as set forth in
27 NRS 704.775, to the customer-generators operating within its
28 service area until the cumulative capacity of all net metering
29 systems operating in this State is equal to 2 percent of the total peak
30 capacity of all utilities in this State.

31 2. ~~##~~ *Except as otherwise provided in subsection 6, if* the net
32 metering system of a customer-generator who accepts the offer of a
33 utility for net metering has a capacity of not more than 25 kilowatts,
34 the utility:

35 (a) Shall offer to make available to the customer-generator an
36 energy meter that is capable of registering the flow of electricity in
37 two directions.

38 (b) May, at its own expense and with the written consent of the
39 customer-generator, install one or more additional meters to monitor
40 the flow of electricity in each direction.

41 (c) Shall not charge a customer-generator any fee or charge that
42 would increase the customer-generator's minimum monthly charge
43 to an amount greater than that of other customers of the utility in the
44 same rate class as the customer-generator.



1 3. ~~HH~~ *Except as otherwise provided in subsection 6, if* the net
2 metering system of a customer-generator who accepts the offer of a
3 utility for net metering has a capacity of more than 25 kilowatts, the
4 utility:

5 (a) May require the customer-generator to install at its own cost:

6 (1) An energy meter that is capable of measuring generation
7 output and customer load; and

8 (2) Any upgrades to the system of the utility that are required
9 to make the net metering system compatible with the system of the
10 utility.

11 (b) Except as otherwise provided in paragraph (c), may charge
12 the customer-generator any applicable fee or charge charged to other
13 customers of the utility in the same rate class as the customer-
14 generator, including, without limitation, customer, demand and
15 facility charges.

16 (c) Shall not charge the customer-generator any standby charge.

17 ↪ At the time of installation or upgrade of any portion of a net
18 metering system, the utility must allow a customer-generator
19 governed by this subsection to pay the entire cost of the installation
20 or upgrade of the portion of the net metering system.

21 4. If the net metering system of a customer-generator is a net
22 metering system described in paragraph (b) or (c) of subsection 1 of
23 NRS 704.771 and:

24 (a) The system is intended primarily to offset part or all of the
25 customer-generator's requirements for electricity on property
26 contiguous to the property on which the net metering system is
27 located; and

28 (b) The customer-generator sells or transfers his or her interest
29 in the contiguous property,

30 ↪ the net metering system ceases to be eligible to participate in net
31 metering.

32 5. The Commission shall adopt regulations prescribing the
33 form and substance for a net metering tariff and a standard net
34 metering contract. The regulations must include, without limitation:

35 (a) The particular provisions, limitations and responsibilities of
36 a customer-generator which must be included in a net metering tariff
37 with regard to:

38 (1) Metering equipment;

39 (2) Net energy metering and billing; and

40 (3) Interconnection,

41 ↪ based on the allowable size of the net metering system.

42 (b) The particular provisions, limitations and responsibilities of
43 a customer-generator and the utility which must be included in a
44 standard net metering contract.



1 (c) A timeline for processing applications and contracts for net
2 metering applicants.

3 (d) Any other provisions the Commission finds necessary to
4 carry out the provisions of NRS 704.766 to 704.775, inclusive.

5 **6. The Commission shall adopt regulations prescribing the**
6 **manner in which two or more residents or tenants of a residential**
7 **housing complex located on low-income residential property may**
8 **participate in net metering. The regulations must include, without**
9 **limitation:**

10 (a) **The qualifications for participation in net metering as a**
11 **resident or tenant of a residential housing complex located on low-**
12 **income residential property.**

13 (b) **The manner in which consumption and generation of**
14 **electricity are measured on a pro rata basis.**

15 (c) **The manner in which credit is issued to a resident or tenant**
16 **on a pro rata basis.**

17 (d) **Any requirements for the allocation to a resident or tenant**
18 **of any costs relating to the installation by a utility of metering**
19 **equipment.**

20 **Sec. 25.** NRS 704.7822 is hereby amended to read as follows:

21 704.7822 For the purpose of complying with a portfolio
22 standard established pursuant to NRS 704.7821 or 704.78213, a
23 provider shall be deemed to have generated or acquired 2.4 kilowatt-
24 hours of electricity from a renewable energy system for each 1.0
25 kilowatt-hour of actual electricity generated or acquired from a solar
26 photovoltaic system, if:

27 1. The system is installed on the premises of a retail customer
28 **† or provider;** and

29 2. On an annual basis, at least 50 percent of the electricity
30 generated by the system is utilized by the retail customer **or**
31 **provider** on that premises.

32 **Sec. 26.** NRS 701B.060, 701B.100, 701B.110, 701B.120,
33 701B.130, 701B.140, 701B.260, 701B.490 and 701B.760 are hereby
34 repealed.

35 **Sec. 27.** The Public Utilities Commission of Nevada shall
36 adopt regulations to carry out the amendatory provisions of this act
37 on or before April 30, 2014. The regulations must:

38 1. Provide for the transition to the performance-based incentive
39 required by NRS 701B.220, as amended by section 7 of this act,
40 NRS 701B.590, as amended by section 14 of this act, and NRS
41 701B.840, as amended by section 18 of this act, for the applicable
42 participants in the Solar Energy Systems Incentive Program, the
43 Wind Energy Systems Demonstration Program and the Waterpower
44 Energy Systems Demonstration Program.



1 2. Require that the capacity allocated for a participant in the
2 Solar Energy Systems Incentive Program, the Wind Energy Systems
3 Demonstration Program or the Waterpower Energy Systems
4 Incentive Program who fails to install and energize the energy
5 system within 12 months after the date on which the applicant is
6 selected for participation in the respective program must be made
7 available to applicants who apply for participation in the Solar
8 Energy Systems Incentive Program, the Wind Energy Systems
9 Demonstration Program or the Waterpower Energy Systems
10 Demonstration Program on or after January 1, 2015.

11 **Sec. 28.** 1. This act becomes effective:

12 (a) Upon passage and approval for the purpose of adopting
13 regulations or performing any other preparatory administrative tasks
14 necessary to carry out the provisions of this act; and

15 (b) On January 1, 2015, for all other purposes.

16 2. Sections 1 to 24, inclusive, of this act expire by limitation on
17 December 31, 2021.

LEADLINES OF REPEALED SECTIONS

- 701B.060** “Institution of higher education” defined.
- 701B.100** “Program year” defined.
- 701B.110** “Public and other property” defined.
- 701B.120** “Public entity” defined.
- 701B.130** “School property” defined.
- 701B.140** “Small business” defined.
- 701B.260** Capacity allocated to each category; reallocation
of capacity; limitations on incentives.
- 701B.490** “Program year” defined.
- 701B.760** “Program year” defined.

