

PROPOSED REGULATION OF THE PUBLIC UTILITIES COMMISSION OF NEVADA

LCB File No. R124-15

November 4, 2015

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

Section 1. NAC 701B.155 is hereby amended to read as follows:

NAC 701B.155 Application for reservation; cancellation and resubmission of application; duties of utility and applicant; limits on reservation of capacity; submission and contents of claim; effect of failure to install system.

1. A host customer may submit an application for the reservation of an incentive to the utility using forms approved by the Commission once the host customer has executed a contract with a third party for, or has received a purchase order demonstrating proof of purchase of, solar generating equipment. The application for the reservation of an incentive must include, without limitation:

- (a) Signatures, *either original or electronic*, of the applicant, the host customer and the system owner, if different from the host customer;
- (b) A copy of the executed agreement to purchase and install the solar energy system;
- (c) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner;
- (d) Any documentation required by the utility which substantiates ownership of the equipment;
- (e) If the host customer is designated pursuant to NAC 701B.150 as a public entity, other than a corporation for public benefit or an Indian tribe or tribal organization, an attestation that the host customer has complied with all applicable provisions of chapters 338 and 701B of NRS;
- (f) An attestation executed by the contractor involved in the installation of the solar energy system stating that the installation will meet siting requirements as determined by the utility; and
- (g) A *non-refundable* application fee, payable to the utility *in an amount that is accepted by the Commission in the most recent annual plan filed pursuant to NAC 701B.125.* ~~of:~~
 - ~~—— (1) For a solar energy system with a capacity of not more than 25 kilowatts, \$50.~~
 - ~~—— (2) For a solar energy system with a capacity of more than 25 kilowatts but less than 500 kilowatts, \$100.~~~~□ The fee must be refunded without interest upon the installation of the solar energy system. The fee is forfeited if the solar energy system is not installed by the expiration date contained in the reservation notice.~~ Each fee ~~that is not refunded~~ must be used by the utility to fund the costs of the Lower Income Solar Energy Pilot Program established pursuant to NRS 704.786 *and to otherwise offset the Administrative Budget of the Solar Energy Systems Incentive Program.*

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 the 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 review and approve applications in the order in which the applications are received, subject to the utility's process for review and approval of applications. 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 solar 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 type and the 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. If a host customer *or their predecessor in interest at the installation premises*:

(a) Has consumed energy delivered by the utility during each of the 12 months immediately preceding the filing date of the application, the reservation of capacity for an applicant must not exceed an amount of capacity that would produce an amount of energy greater than 100 percent of the annual requirements for electricity of the customer-generator, as determined by the consecutive 12-month period with the highest energy usage during the 2-year period immediately preceding the filing date of the application.

(b) Has not consumed energy delivered by the utility during each of the 12 months immediately preceding the filing date of the application, or if the host customer is installing the solar energy system on a new building, the reservation of capacity for an applicant must not exceed:

(1) For a residential host customer, ~~121~~ *in the number of* watts per square foot of the building *in an amount that is accepted by the Commission in the most recent annual plan filed pursuant to NAC 701B.125*; or

(2) For a nonresidential host customer, the maximum amount of capacity allowable for the building as determined by a procedure that the utility includes in its annual plan filed pursuant to NAC 701B.125 and that is approved by the Commission.

6. To receive the full incentive for the reservation, the applicant must complete the installation of a solar energy system not later than the expiration date listed on the notice issued pursuant to subsection 4. If the applicant fails to complete installation of the participating solar energy system on or before the expiration date listed on the notice, the reservation is forfeited and the utility must make the capacity for that reservation available to other applicants.

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

- (a) Signatures, *either original or electronic*, 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 required by the utility which substantiates ownership of the equipment.

8. If a host customer has received a reservation for an incentive but failed to install a solar energy system within the time prescribed by this section on three or more occasions, the host customer may not file any additional applications.

Sec. 2. NAC 701B.165 is hereby amended to read as follows:

NAC 701B.165 Prerequisites to payment of incentive; action on claim; rejection of project; reapplication for reservation of incentive.

1. Once a project to install a solar energy system with a capacity of not more than 25 kilowatts is completed, the applicant may request payment of the one-time incentive amount, which must be based on the nameplate capacity of the installed solar energy system and which must not exceed the incentive listed on the confirmed reservation.

2. After the completion of a project to install a solar energy system with a capacity of more than 25 kilowatts but less than 500 kilowatts, the applicant may request the commencement of the payment of the performance-based incentive described by the confirmed reservation and in the contract with the utility.

3. 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.

4. To receive the one-time incentive payment or to initiate the payment of the performance-based incentive:

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

(b) A complete claim form must be submitted, *either in hard copy or electronically*, by the expiration date listed for the project on its confirmed reservation, including ~~[-, without limitation, final itemized invoices of the cost of tangible materials and labor, and]~~ any documentation verifying the installed cost of the project pursuant to subsection 4 of NRS 701B.255; and

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

5. 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 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.

6. As used in this section, "cost of tangible materials and labor" means the reasonable cost of materials and labor for permitting, panels, inverters, the balance of system components and any other costs that are directly related to and required for the operation of a solar energy system. The term does not include such costs for improvements to a building or site which are necessary to accommodate a solar energy system, as determined during a proceeding to review the annual plan of a utility filed pursuant to NAC 701B.125.

Sec. 3. NAC 701B.480 is hereby amended to read as follows:

NAC 701B.480 Annual plan of utility: Filing and contents.

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) ~~A voltage verification form to ensure that the meter socket is ready for meter set;~~
 - ~~(7)~~ 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
 - ~~(8)~~(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.

Sec. 4. NAC 701B.510 is hereby amended to read as follows:

NAC 701B.510 Application for reservation; cancellation and resubmission of application; duties of utility and applicant; submission and contents of claim.

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) Signatures, *either original or electronic*, 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.

Sec. 5. NAC 701B.520 is hereby amended to read as follows:

NAC 701B.520 Prerequisites to payment of incentive; action on claim; rejection of project; reapplication for reservation of incentive.

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, *either in hard copy or electronically*, by the expiration date listed for the project on its confirmed reservation, including ~~without limitation, final itemized invoices of the cost of tangible materials and labor, and~~ 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.

4. As used in this section, “cost of tangible materials and labor” means the cost of materials and labor for permitting, generators, towers, inverters, the balance of system components and any other costs that are directly related to and required for the operation of a wind energy system. The term does not include such costs for improvements to a building or site which are necessary to accommodate a wind energy system.

Sec. 6. NAC 701B.660 is hereby amended to read as follows:

NAC 701B.660 Annual plan of utility: Filing and contents.

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;
 - (6) ~~{A voltage verification form to ensure that the meter socket is ready for meter set; and~~
 - ~~—(7)—~~ 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.

Sec. 7. NAC 701B.690 is hereby amended to read as follows:

NAC 701B.690 Participation in Program: Application for reservation of incentive; cancellation and resubmission of application; duties of utility and applicant; claim for incentive.

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) Signatures, *either original or electronic*, 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.

Sec. 8. NAC 701B.695 is hereby amended to read as follows:

NAC 701B.695 Prerequisites to payment of incentive; action on claim; rejection of project; reapplication for reservation of incentive.

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, *either in hard copy or electronically*, before the expiration date listed for the project on its confirmed reservation, including ~~without limitation, final itemized invoices of the cost of tangible materials and labor, and~~ 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.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.

4. As used in this section, “cost of tangible materials and labor” means the cost of materials and labor for permitting, generators, towers, inverters, the balance of system components and any other costs that are directly related to and required for the operation of a waterpower energy system. The term does not include such costs for improvements to a building or site which are necessary to accommodate a waterpower energy system.