
SENATE BILL NO. 51—SENATOR TITUS

FEBRUARY 14, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Establishes pilot project to provide solar hot water heating systems for certain low-income households. (BDR 58-788)

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

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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; establishing a Solar Hot Water Pilot Project to assist certain low-income households in acquiring and installing solar hot water heating systems for the purposes of energy conservation, weatherization and energy efficiency; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Under existing law, a low-income household is eligible to receive assistance for
 - 2 energy conservation, weatherization and energy efficiency from the Housing
 - 3 Division of the Department of Business and Industry. (NRS 702.270)
 - 4 This bill requires the Housing Division to establish a Solar Hot Water Pilot
 - 5 Project to assist low-income households in acquiring and installing solar hot water
 - 6 heating systems. This bill authorizes the Housing Division to pay a percentage of
 - 7 the cost for a solar hot water heating system if the public utility or municipal utility
 - 8 that provides service to the eligible household provides money or services to cover
 - 9 the remaining costs. A utility that participates in the Project is entitled to receive
 - 10 renewable energy credits as determined by the Public Utilities Commission.
 - 11 This bill provides for the joint administration and regulation of the Project by
 - 12 the Housing Division and the Public Utilities Commission.
 - 13 This bill also provides for a one-time transfer of \$1.5 million from the Welfare
 - 14 Division to the Housing Division to fund the Project.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 702 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *The Housing Division shall develop a Solar Hot Water*
4 *Pilot Project for households that are eligible to participate in*
5 *programs of energy conservation, weatherization and energy*
6 *efficiency pursuant to NRS 702.270.*

7 2. *Except as otherwise provided in NRS 702.150, within the*
8 *limits of legislative appropriations and authorized expenditures for*
9 *the project and in compliance with the provisions of this section,*
10 *the Housing Division shall distribute money appropriated or*
11 *authorized for the project to pay not more than one-half of the*
12 *costs to acquire and install a solar hot water heating system for an*
13 *eligible household.*

14 3. *The Housing Division shall not distribute money to acquire*
15 *and install a solar hot water heating system for an eligible*
16 *household unless a public utility or municipal utility providing*
17 *service to the eligible household agrees to provide money or*
18 *services to cover the remaining costs to acquire and install the*
19 *solar hot water heating system for the eligible household.*

20 4. *A public utility or municipal utility that participates in the*
21 *project is entitled to receive, for each eligible household assisted*
22 *by the public utility or municipal utility, renewable energy credits*
23 *in an amount determined by the Commission for use within the*
24 *system of renewable energy credits adopted by the Commission*
25 *pursuant to NRS 704.7821. The Commission shall designate such*
26 *renewable energy credits as renewable energy credits generated or*
27 *acquired from solar renewable energy systems.*

28 5. *The Housing Division and the Commission shall*
29 *coordinate their activities and programs to carry out the provisions*
30 *of this section.*

31 6. *The Housing Division has primary jurisdiction to*
32 *administer the project, except that such primary jurisdiction must*
33 *not be interpreted to affect, interfere with or impair the primary*
34 *jurisdiction of the Commission to regulate public utilities. The*
35 *Housing Division may adopt any regulations that are necessary to*
36 *carry out the provisions of this section so long as such regulations*
37 *relate to the administration of the project and do not affect,*
38 *interfere with or impair the primary jurisdiction of the*
39 *Commission to regulate public utilities.*

40 7. *The Commission shall establish by regulation the technical*
41 *standards that a solar hot water heating system must meet to be*
42 *used as part of the project. The Commission may adopt any other*



1 *regulations that are necessary to carry out the provisions of this*
2 *section so long as such regulations relate to its primary*
3 *jurisdiction to regulate public utilities, including, without*
4 *limitation, its primary jurisdiction to regulate the system of*
5 *renewable energy credits adopted by the Commission pursuant to*
6 *NRS 704.7821.*

7 *8. A solar hot water heating system that is acquired or*
8 *installed as part of the project is not a net metering system for the*
9 *purposes of NRS 704.766 to 704.775, inclusive.*

10 **Sec. 2.** NRS 702.150 is hereby amended to read as follows:

11 702.150 1. The provisions of NRS 702.160 do not apply to
12 any term of natural gas or any kilowatt-hour of electricity that a
13 retail customer purchases from:

14 (a) A rural electric cooperative established pursuant to chapter
15 81 of NRS.

16 (b) A general improvement district established pursuant to
17 chapter 318 of NRS.

18 (c) A cooperative association, nonprofit corporation, nonprofit
19 association or provider of service which is declared to be a public
20 utility pursuant to NRS 704.673 and which provides service only to
21 its members.

22 2. If a retail customer is exempted from paying the universal
23 energy charge pursuant to subsection 1, the retail customer may not
24 receive money or other assistance from:

25 (a) The Welfare Division pursuant to NRS 702.260 for any
26 utility service for which the retail customer is exempted from paying
27 the universal energy charge; or

28 (b) The Housing Division pursuant to NRS 702.270 ~~§~~ *or*
29 *section 1 of this act.*

30 **Sec. 3.** NRS 702.280 is hereby amended to read as follows:

31 702.280 1. The Welfare Division and the Housing Division
32 jointly shall establish an annual plan to coordinate their activities
33 and programs pursuant to this chapter. In preparing the annual plan,
34 the Divisions shall solicit advice from knowledgeable persons. The
35 annual plan must include, without limitation, a description of:

36 (a) The resources and services being used by each program and
37 the efforts that will be undertaken to increase or improve those
38 resources and services;

39 (b) The efforts that will be undertaken to improve administrative
40 efficiency;

41 (c) The efforts that will be undertaken to coordinate with other
42 federal, state and local agencies, nonprofit organizations and any
43 private business or trade organizations that provide energy
44 assistance or conservation services to low-income persons;



1 (d) The measures concerning program design that will be
2 undertaken to improve program effectiveness; and

3 (e) The efforts that will be taken to address issues identified
4 during the most recently completed annual evaluation conducted
5 pursuant to subsection 2.

6 2. The Welfare Division and the Housing Division jointly
7 shall:

8 (a) Conduct an annual evaluation of the programs that each
9 Division carries out pursuant to NRS 702.260 and 702.270 ~~(1)~~ **and**
10 **section 1 of this act;**

11 (b) Solicit advice from the Commission as part of the annual
12 evaluation; and

13 (c) Prepare a report concerning the annual evaluation and submit
14 the report to the Governor, the Legislative Commission and the
15 Interim Finance Committee.

16 3. The report prepared pursuant to subsection 2 must include,
17 without limitation:

18 (a) A description of the objectives of each program;

19 (b) An analysis of the effectiveness and efficiency of each
20 program in meeting the objectives of the program;

21 (c) The amount of money distributed from the Fund for each
22 program and a detailed description of the use of that money for each
23 program;

24 (d) An analysis of the coordination between the Divisions
25 concerning each program; and

26 (e) Any changes planned for each program.

27 **Sec. 4.** NRS 704.771 is hereby amended to read as follows:

28 704.771 1. "Net metering system" means a facility or energy
29 system for the generation of electricity that:

30 ~~(1)~~ (a) Uses renewable energy as its primary source of energy
31 to generate electricity;

32 ~~(2)~~ (b) Has a generating capacity of not more than 30
33 kilowatts;

34 ~~(3)~~ (c) Is located on the customer-generator's premises;

35 ~~(4)~~ (d) Operates in parallel with the utility's transmission and
36 distribution facilities; and

37 ~~(5)~~ (e) Is intended primarily to offset part or all of the
38 customer-generator's requirements for electricity.

39 2. ***The term does not include a solar hot water heating system***
40 ***that is acquired or installed as part of the Solar Hot Water Pilot***
41 ***Project administered by the Housing Division of the Department***
42 ***of Business and Industry pursuant to section 1 of this act.***

43 **Sec. 5.** NRS 704.7815 is hereby amended to read as follows:

44 704.7815 "Renewable energy system" means:

45 1. A facility or energy system that:



1 (a) Uses renewable energy or energy from a qualified energy
2 recovery process to generate electricity; and

3 (b) Transmits or distributes the electricity that it generates from
4 renewable energy or energy from a qualified energy recovery
5 process via:

6 (1) A power line which is dedicated to the transmission or
7 distribution of electricity generated from renewable energy or
8 energy from a qualified energy recovery process and which is
9 connected to a facility or system owned, operated or controlled by a
10 provider of electric service; or

11 (2) A power line which is shared with not more than one
12 facility or energy system generating electricity from nonrenewable
13 energy and which is connected to a facility or system owned,
14 operated or controlled by a provider of electric service.

15 2. A solar energy system that reduces the consumption of
16 electricity, natural gas or propane ~~H~~, *including, without limitation,*
17 *a solar hot water heating system that is acquired or installed as*
18 *part of the Solar Hot Water Pilot Project administered by the*
19 *Housing Division of the Department of Business and Industry*
20 *pursuant to section 1 of this act.*

21 3. A net metering system used by a customer-generator
22 pursuant to NRS 704.766 to 704.775, inclusive.

23 **Sec. 6.** NRS 704.7821 is hereby amended to read as follows:

24 704.7821 1. For each provider of electric service, the
25 Commission shall establish a portfolio standard for renewable
26 energy and energy from a qualified energy recovery process. The
27 portfolio standard must require each provider to generate or acquire
28 electricity from renewable energy systems in an amount that is:

29 (a) For calendar years 2003 and 2004, not less than 5 percent of
30 the total amount of electricity sold by the provider to its retail
31 customers in this State during that calendar year.

32 (b) For calendar years 2005 and 2006, not less than 7 percent of
33 the total amount of electricity sold by the provider to its retail
34 customers in this State during that calendar year.

35 (c) For calendar years 2007 and 2008, not less than 9 percent of
36 the total amount of electricity sold by the provider to its retail
37 customers in this State during that calendar year.

38 (d) For calendar years 2009 and 2010, not less than 11 percent
39 of the total amount of electricity sold by the provider to its retail
40 customers in this State during that calendar year.

41 (e) For calendar years 2011 and 2012, not less than 13 percent
42 of the total amount of electricity sold by the provider to its retail
43 customers in this State during that calendar year.

44 (f) For calendar year 2013 and for each calendar year thereafter,
45 not less than 15 percent of the total amount of electricity sold by the



1 provider to its retail customers in this State during that calendar
2 year.

3 2. In addition to the requirements set forth in subsection 1, the
4 portfolio standard for each provider must require that:

5 (a) Of the total amount of electricity that the provider is required
6 to generate or acquire from renewable energy systems during each
7 calendar year, not less than 5 percent of that amount must be
8 generated or acquired from solar renewable energy systems.

9 (b) If the provider acquires electricity from a renewable energy
10 system pursuant to a renewable energy contract with another party:

11 (1) The term of the renewable energy contract must be not
12 less than 10 years, unless the other party agrees to a renewable
13 energy contract with a shorter term; and

14 (2) The terms and conditions of the renewable energy
15 contract must be just and reasonable, as determined by the
16 Commission. If the provider is a public utility and the Commission
17 approves the terms and conditions of the renewable energy contract
18 between the provider and the other party, the renewable energy
19 contract and its terms and conditions shall be deemed to be a
20 prudent investment and the provider may recover all just and
21 reasonable costs associated with the renewable energy contract.

22 3. ~~##;~~ *Except as otherwise provided in this subsection, if*, for
23 the benefit of one or more of its retail customers in this State, the
24 provider has subsidized, in whole or in part, the acquisition or
25 installation of a solar energy system which qualifies as a renewable
26 energy system and which reduces the consumption of electricity, the
27 total reduction in the consumption of electricity during each
28 calendar year that results from the solar energy system shall be
29 deemed to be electricity that the provider generated or acquired
30 from a renewable energy system for the purposes of complying with
31 its portfolio standard. *If the provider participates in the Solar Hot
32 Water Pilot Project administered by the Housing Division of the
33 Department of Business and Industry pursuant to section 1 of this
34 act, the provider is entitled to receive renewable energy credits
35 pursuant to the provisions of that section.*

36 4. The Commission shall adopt regulations that establish a
37 system of renewable energy credits that may be used by a provider
38 to comply with its portfolio standard.

39 5. Except as otherwise provided in subsection 6, each provider
40 shall comply with its portfolio standard during each calendar year.

41 6. If, for any calendar year, a provider is unable to comply with
42 its portfolio standard through the generation of electricity from its
43 own renewable energy systems or, if applicable, through the use of
44 renewable energy credits, the provider shall take actions to acquire
45 electricity pursuant to one or more renewable energy contracts. If



1 the Commission determines that, for a calendar year, there is not or
2 will not be a sufficient supply of electricity made available to the
3 provider pursuant to renewable energy contracts with just and
4 reasonable terms and conditions, the Commission shall exempt the
5 provider, for that calendar year, from the remaining requirements of
6 its portfolio standard or from any appropriate portion thereof, as
7 determined by the Commission.

8 7. The Commission shall adopt regulations for the
9 determination of just and reasonable terms and conditions for the
10 renewable energy contracts that a provider of electric service must
11 enter into to comply with its portfolio standard.

12 8. As used in this section:

13 (a) "Renewable energy contract" means a contract to acquire
14 electricity from one or more renewable energy systems owned,
15 operated or controlled by other parties.

16 (b) "Terms and conditions" includes, without limitation, the
17 price that a provider of electric service must pay to acquire
18 electricity pursuant to a renewable energy contract.

19 **Sec. 7.** Notwithstanding the provisions of chapter 702 of NRS:

20 1. Not later than 30 days after the effective date of this act, the
21 sum of \$1.5 million must be transferred from the account
22 maintained for money collected through the universal energy charge
23 and distributed to the Welfare Division of the Department of Human
24 Resources pursuant to NRS 702.260 to the account maintained for
25 money collected through the universal energy charge and distributed
26 to the Housing Division of the Department of Business and Industry
27 pursuant to NRS 702.270, for use by the Housing Division to carry
28 out the provisions of section 1 of this act.

29 2. The Housing Division shall use the money transferred
30 pursuant to this section only for the purposes set forth in section 1 of
31 this act.

32 **Sec. 8.** This act becomes effective upon passage and approval.



