SENATE BILL NO. 420–SENATOR OHRENSCHALL

MARCH 21, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to renewable energy. (BDR 58-679)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [fomitted material] is material to be omitted.

AN ACT relating to renewable energy; excluding from regulation as a public utility a person who operates or facilitates the operation of one or more systems that use renewable energy to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the electric utility; revising provisions relating to the interconnection of such systems to an electric utility; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law defines the terms "public utility" and "utility" for the purposes of regulation of such persons and entities by the Public Utilities Commission of Nevada. The term includes, in part, any plant or equipment within this State for the production, delivery or furnishing for or to other persons of power in any form. However, existing law also provides specific exceptions to regulation as a public utility for certain persons who operate certain facilities for the generation of electricity or who provide electricity to certain persons under certain circumstances. (NRS 704.020, 704.021) For example, a person who is engaged in the production and sale of electricity for resale to the public is not considered a public utility. Likewise, a person who participates in net metering is not considered a public utility. Section 1 of this bill similarly excludes from regulation as a public utility a person who operates or facilitates the operation of one or more systems that use renewable energy to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the electric utility.

Existing law authorizes the governing body of any city or county to adopt a building code, specifying the design, soundness and materials of structures. (NRS 278.580) Existing law also requires the construction, alteration or change in the use of a building or other structure in this State to be in compliance with the technical



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provisions of the National Electrical Code of the National Fire Protection Association in the form most recently approved by the governing body of the city or county in which the building or other structure is located. (NRS 278.583) **Section 4** of this bill provides if a building or other structure is located in a county whose population is less than 100,000 and a source of electricity for the building or other structure is a system that uses renewable energy to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the electric utility: (1) the building is exempt from a provision of any code requiring the building or other structure to have an interconnection to the electric utility that provides electric service in the service territory in which the building or other structure is located; and (2) the governing body of the county or any city in the county is prohibited from including in any code a requirement that the building or other structure have an interconnection to the electric utility that provides electric service in the service territory in which the building or other structure is located. Sections 2, 3 and 5-10 of this bill make conforming changes.

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

Section 1. NRS 704.021 is hereby amended to read as follows: 704.021 "Public utility" or "utility" does not include:

- 1. Persons engaged in the production and sale of natural gas, other than sales to the public, or engaged in the transmission of natural gas other than as a common carrier transmission or distribution line or system.
- 2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:
 - (a) They serve 25 persons or less; and
- (b) Their gross sales for water or services for the disposal of sewage, or both, amounted to \$25,000 or less during the immediately preceding 12 months.
- 3. Persons not otherwise engaged in the business of furnishing, producing or selling water or services for the disposal of sewage, or both, but who sell or furnish water or services for the disposal of sewage, or both, as an accommodation in an area where water or services for the disposal of sewage, or both, are not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water or services for the disposal of sewage, or both, for compensation, to persons within the political subdivision.
- 4. Persons who are engaged in the production and sale of energy, including electricity, to public utilities, cities, counties or other entities which are reselling the energy to the public.
- 5. Persons who are subject to the provisions of NRS 590.465 to 590.645, inclusive.



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- 6. Persons who are engaged in the sale or use of special fuel as defined in NRS 366.060.
- 7. Persons who provide water from water storage, transmission and treatment facilities if those facilities are for the storage, transmission or treatment of water from mining operations.
- 8. Persons who are video service providers, as defined in NRS 711.151, except for those operations of the video service provider which consist of providing a telecommunication service to the public, in which case the video service provider is a public utility only with regard to those operations of the video service provider which consist of providing a telecommunication service to the public.
- 9. Persons who own or operate a net metering system described in paragraph (c) of subsection 1 of NRS 704.771.
- 10. Persons who for compensation own or operate individual systems which use renewable energy, *as defined in NRS 704.7811*, to generate electricity and sell the electricity generated from those systems to not more than one customer of the public utility per individual system if each individual system is:
 - (a) Located on the premises of another person;
- (b) Used to produce not more than 150 percent of that other person's requirements for electricity on an annual basis for the premises on which the individual system is located; and
- (c) Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.
- I → As used in this subsection, "renewable energy" has the meaning ascribed to it in NRS 704.7811.1
- 11. Persons who own, control, operate or manage a facility that supplies electricity only for use to charge electric vehicles.
- 12. Persons who operate or facilitate the operation of one or more systems that use renewable energy, as defined in NRS 704.7811, to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the public utility that provides electric service in the service territory in which the persons or premises are located.
 - **Sec. 2.** NRS 704.175 is hereby amended to read as follows:
- 704.175 1. Except as provided in subsection 2 [-] and section 4 of this act, any public utility which installs or modifies any electrical supply line in any building or facility which it owns or operates, if the building or facility is open and accessible to the general public, shall perform such installation or modification as if the National Electrical Code adopted by the National Fire Protection Association applied to such work, and any local government which





regulates electrical construction shall inspect such work within its jurisdiction for compliance with this section.

- 2. Communication equipment and related apparatus are exempted from the provisions of subsection 1 only if the equipment and apparatus are owned, installed, operated and maintained by a telecommunication provider under the jurisdiction of the Commission.
 - **Sec. 3.** NRS 704.774 is hereby amended to read as follows:

704.774 1. [A] Except as otherwise provided in section 4 of this act, a net metering system used by a customer-generator must meet all applicable safety and power quality standards established by:

(a) The National Electrical Code;

- (b) Underwriters Laboratories Inc.; and
- (c) The Institute of Electrical and Electronic Engineers.
- 2. A customer-generator whose net metering system meets such safety and quality standards must not be required by the utility to:
 - (a) Comply with additional standards or requirements;
 - (b) Perform additional tests:
 - (c) Install additional controls; or
 - (d) Purchase additional liability insurance,
- → arising solely from the status as a customer-generator.

Sec. 4. Chapter 278 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise provided by specific statute, if a building or other structure is located in a county whose population is less than 100,000 and a source of electricity for the building or other structure is a system that uses renewable energy, as defined in NRS 704.7811, to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the public utility that provides electric service in the service territory in which the persons or premises are located:

- 1. Any construction, alteration or change in the use of the building or other structure by any person, firm, association or corporation, whether public or private, is not required to comply with any provision of a building code, energy code, mechanical code, electrical code or any other code requiring the building or other structure to have an interconnection to the public utility that provides electric service in the service territory in which the building or other structure is located; and
- 2. The governing body of the county or any city in the county must not include in any building code, energy code, mechanical code, electrical code or any other code a requirement that the





building or other structure have an interconnection to the public utility that provides electric service in the service territory in which the building or other structure is located.

Sec. 5. NRS 278.0209 is hereby amended to read as follows:

278.0209 1. In any ordinance relating to the zoning of land adopted or amended by a governing body, the definition of "singlefamily residence" must include factory-built housing that has been built in compliance with the standards for single-family residential dwellings of the <u>Uniform Building Code</u> most recently adopted by the International Conference of Building Officials. For the purposes of this section, if factory-built housing is located in a county whose population is less than 100,000 and has as a source of electricity a system that uses renewable energy, as defined in NRS 704.7811, to generate electricity which serves as a source of electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the public utility that provides electric service in the service territory in which the persons or premises are located, the factory-built housing is not required to have an interconnection to the provider of electric service in the service territory in which the factory-built housing is located.

- 2. An ordinance of the governing body may require factorybuilt housing to comply with standards for safety which exceed the standards prescribed in subsection 1 if a single-family residential dwelling on the same lot is also required to comply with those standards.
- 3. The governing body shall adopt the same standards for development for the factory-built housing and the lot on which it is placed as those to which a conventional single-family residential dwelling on the same lot would be subject, including, but not limited to:
 - (a) Requirements for the setback of buildings.
 - (b) Side and rear-yard requirements.
 - (c) Standards for enclosures, access and the parking of vehicles.
 - (d) Aesthetic requirements.
 - (e) Requirements for minimum square footage.
 - (f) Requirements for design, style and structure.
- 4. The governing body may prohibit the installation of factory-built housing in a specified area if:
- (a) More than 6 years have elapsed between the date of manufacture of factory-built housing and the date of the application for the issuance of a permit to install factory-built housing in the affected area; or
- (b) The area contains a building, structure or other object having a special character or special historical interest or value.



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- 5. As used in this section, "factory-built housing" has the meaning ascribed to it in NRS 461.080.
- 6. The provisions of this section do not abrogate a recorded restrictive covenant.
 - **Sec. 6.** NRS 278.580 is hereby amended to read as follows:
- 278.580 1. Subject to the limitation set forth in NRS 244.368 and 278.586 [...] and section 4 of this act, the governing body of any city or county may adopt a building code, specifying the design, soundness and materials of structures, and may adopt rules, ordinances and regulations for the enforcement of the building code.
- 2. The governing body may also fix a reasonable schedule of fees for the issuance of building permits. A schedule of fees so fixed does not apply to the State of Nevada or the Nevada System of Higher Education, except that such entities may enter into a contract with the governing body to pay such fees for the issuance of building permits, the review of plans and the inspection of construction. Except as it may agree to in such a contract, a governing body is not required to provide for the review of plans or the inspection of construction with respect to a structure of the State of Nevada or the Nevada System of Higher Education.
- 3. Notwithstanding any other provision of law, the State and its political subdivisions shall comply with all zoning regulations adopted pursuant to this chapter, except for the expansion of any activity existing on April 23, 1971.
- 4. A governing body shall amend its building codes and, if necessary, its zoning ordinances and regulations to permit the use of:
- (a) Straw or other materials and technologies which conserve scarce natural resources or resources that are renewable in the construction of a structure; and
- (b) Systems which use solar or wind energy to reduce the costs of energy for a structure if such systems and structures are otherwise in compliance with applicable building codes and zoning ordinances, including those relating to the design, location and soundness of such systems and structures,
- → to the extent the local climate allows for the use of such materials, technologies, resources and systems.
- 5. The amendments required by subsection 4 may address, without limitation:
- (a) The inclusion of characteristics of land and structures that are most appropriate for the construction and use of systems using solar and wind energy.
- (b) The recognition of any impediments to the development of systems using solar and wind energy.





- (c) The preparation of design standards for the construction, conversion or rehabilitation of new and existing systems using solar and wind energy.
 - 6. A governing body shall amend its building codes to include:
- (a) The seismic provisions of the <u>International Building Code</u> published by the International Code Council; and
- (b) Standards for the investigation of hazards relating to seismic activity, including, without limitation, potential surface ruptures and liquefaction.
 - **Sec. 7.** NRS 278.583 is hereby amended to read as follows:
- 278.583 1. [After] Except as otherwise provided in section 4 of this act, after January 1, 1974, any construction, alteration or change in the use of a building or other structure in this State by any person, firm, association or corporation, whether public or private, must be in compliance with the technical provisions of the National Electrical Code of the National Fire Protection Association in the form most recently approved by the governing body of the city or county in which the building or other structure is located. The governing body of each city or county shall review each edition of the National Electrical Code that is published by the National Fire Protection Association after the 1996 edition to ensure its suitability for that city or county. Each new edition of the code shall be deemed approved by the governing body of each city or county unless the edition is disapproved by that governing body within 60 days after the date of publication by the National Fire Protection Association.
- 2. [Any] Except as otherwise provided in section 4 of this act, any city or county within the State may adopt such modifications of the code as are deemed reasonably necessary, if such modifications do not reduce the standards established in the code.

Sec. 8. NRS 461.170 is hereby amended to read as follows:

- 461.170 1. [The] Except as otherwise provided in this section, the Division shall adopt by regulation nationally recognized codes and standards for the construction of factory-built housing, manufactured buildings and modular components.
- 2. [The] Except as otherwise provided in this section, the Division shall adopt regulations for the:
 - (a) Reconstruction; and
- (b) Alteration, including, without limitation, alteration to a plumbing, heating or electrical system,
- → of factory-built housing, manufactured buildings and modular components that are consistent with nationally recognized codes and standards.
- 3. [If] Except as otherwise provided in this section, if approved in writing by the Division, a local enforcement agency



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may impose requirements that are more stringent than the codes, standards and regulations adopted under this section.

- 4. In a county whose population is less than 100,000, any construction, reconstruction or alteration of factory-built housing, a manufactured building or a modular component is not required to comply with any provision of a building code or electric code requiring the building or other structure to have an interconnection to the public utility that provides electric service in the service territory in which the factory-built housing, manufactured building or modular component is located if a source of electricity for the factory-built housing, manufactured building or modular component is a system that uses renewable energy, as defined in NRS 704.7811, to generate electricity for not more than 18 persons or premises that are not connected to the transmission or distribution grid of the public utility that provides electric service in the service territory in which the persons or premises are located.
 - **Sec. 9.** NRS 477.030 is hereby amended to read as follows:
- 477.030 1. Except as otherwise provided in this section, the State Fire Marshal shall enforce all laws and adopt regulations relating to:
 - (a) The prevention of fire.

- (b) The storage and use of:
 - (1) Combustibles, flammables and fireworks; and
- (2) Explosives in any commercial construction, but not in mining or the control of avalanches,
- → under those circumstances that are not otherwise regulated by the Division of Industrial Relations of the Department of Business and Industry pursuant to NRS 618.890.
- (c) The safety, access, means and adequacy of exit in case of fire from mental and penal institutions, facilities for the care of children, foster homes, residential facilities for groups, facilities for intermediate care, nursing homes, hospitals, schools, all buildings, except private residences, which are occupied for sleeping purposes, buildings used for public assembly and all other buildings where large numbers of persons work, live or congregate for any purpose. As used in this paragraph, "public assembly" means a building or a portion of a building used for the gathering together of 50 or more persons for purposes of deliberation, education, instruction, worship, entertainment, amusement or awaiting transportation, or the gathering together of 100 or more persons in establishments for drinking or dining.
- (d) The suppression and punishment of arson and fraudulent claims or practices in connection with fire losses.





Except as otherwise provided in subsection 12, the regulations of the State Fire Marshal apply throughout the State, but except with respect to state-owned or state-occupied buildings, the State Fire Marshal's authority to enforce them or conduct investigations under this chapter does not extend to a school district except as otherwise provided in NRS 393.110, or a county whose population is 100,000 or more or which has been converted into a consolidated municipality, except in those local jurisdictions in those counties where the State Fire Marshal is requested to exercise that authority by the chief officer of the organized fire department of that jurisdiction or except as otherwise provided in a regulation adopted pursuant to paragraph (b) of subsection 2.

2. The State Fire Marshal may:

(a) Set standards for equipment and appliances pertaining to fire safety or to be used for fire protection within this State, including the threads used on fire hose couplings and hydrant fittings; and

- (b) Adopt regulations based on nationally recognized standards setting forth the requirements for fire departments to provide training to firefighters using techniques or exercises that involve the use of fire or any device that produces or may be used to produce fire.
- 3. The State Fire Marshal shall cooperate with the State Forester Firewarden in the preparation of regulations relating to standards for fire retardant roofing materials pursuant to paragraph (e) of subsection 1 of NRS 472.040 and the mitigation of the risk of a fire hazard from vegetation in counties within or partially within the Lake Tahoe Basin and the Lake Mead Basin.
- 4. The State Fire Marshal shall cooperate with the Division of Child and Family Services of the Department of Health and Human Services in establishing reasonable minimum standards for overseeing the safety of and directing the means and adequacy of exit in case of fire from foster homes.
- 5. The State Fire Marshal shall coordinate all activities conducted pursuant to 15 U.S.C. §§ 2201 et seq. and receive and distribute money allocated by the United States pursuant to that act.
- 6. Except as otherwise provided in subsection 10, the State Fire Marshal shall:
- (a) Investigate any fire which occurs in a county other than one whose population is 100,000 or more or which has been converted into a consolidated municipality, and from which a death results or which is of a suspicious nature.
- (b) Investigate any fire which occurs in a county whose population is 100,000 or more or which has been converted into a consolidated municipality, and from which a death results or which





is of a suspicious nature, if requested to do so by the chief officer of the fire department in whose jurisdiction the fire occurs.

- (c) Cooperate with the Commissioner of Insurance, the Attorney General and the Fraud Control Unit established pursuant to NRS 228.412 in any investigation of a fraudulent claim under an insurance policy for any fire of a suspicious nature.
- (d) Cooperate with any local fire department in the investigation of any report received pursuant to NRS 629.045.
- (e) Provide specialized training in investigating the causes of fires if requested to do so by the chief officer of an organized fire department.
- 7. The State Fire Marshal shall put the National Fire Incident Reporting System into effect throughout the State and publish at least annually a summary of data collected under the System.
- 8. The State Fire Marshal shall provide assistance and materials to local authorities, upon request, for the establishment of programs for public education and other fire prevention activities.
 - 9. The State Fire Marshal shall:
- (a) Except as otherwise provided in subsection 12 and NRS 393.110, assist in checking plans and specifications for construction;
 - (b) Provide specialized training to local fire departments; and
- (c) Assist local governments in drafting regulations and ordinances,
- on request or as the State Fire Marshal deems necessary.
- 10. Except as otherwise provided in this subsection, in a county other than one whose population is 100,000 or more or which has been converted into a consolidated municipality, the State Fire Marshal shall, upon request by a local government, delegate to the local government by interlocal agreement all or a portion of the State Fire Marshal's authority or duties if the local government's personnel and programs are, as determined by the State Fire Marshal, equally qualified to perform those functions. If a local government fails to maintain the qualified personnel and programs in accordance with such an agreement, the State Fire Marshal shall revoke the agreement. The provisions of this subsection do not apply to the authority of the State Fire Marshal to adopt regulations pursuant to paragraph (b) of subsection 2.
- 11. The State Fire Marshal may, as a public safety officer or as a technical expert on issues relating to hazardous materials, participate in any local, state or federal team or task force that is established to conduct enforcement and interdiction activities involving:
- (a) Commercial trucking;
 - (b) Environmental crimes;
 - (c) Explosives and pyrotechnics;





(d) Drugs or other controlled substances; or

- (e) Any similar activity specified by the State Fire Marshal.
- 12. Except as otherwise provided in this subsection, any regulations of the State Fire Marshal concerning matters relating to building codes, including, without limitation, matters relating to the construction, maintenance or safety of buildings, structures and property in this State:
- (a) Do not apply in a county whose population is 700,000 or more which has adopted a code *containing provisions related to fire safety* at least as stringent as the <u>International Fire Code</u> and the <u>International Building Code</u>, published by the International Code Council. To maintain the exemption from the applicability of the regulations of the State Fire Marshal pursuant to this subsection, the code of the county must <u>[be] contain provisions related to fire safety</u> at least as stringent as the most recently published edition of the <u>International Fire Code</u> and the <u>International Building Code</u> within 1 year after publication of such an edition.
- (b) Apply in a county described in paragraph (a) with respect to state-owned or state-occupied buildings or public schools in the county and in those local jurisdictions in the county in which the State Fire Marshal is requested to exercise that authority by the chief executive officer of that jurisdiction. As used in this paragraph, "public school" has the meaning ascribed to it in NRS 385.007.
- **Sec. 10.** NRS 624.3017 is hereby amended to read as follows: 624.3017 The following acts, among others, constitute cause for disciplinary action under NRS 624.300:
- [Workmanship] Except as otherwise provided in section 4 of this act, workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed. If no applicable building or construction code has been adopted locally, then workmanship must meet the standards prescribed in the <u>Uniform Plumbing Code</u>, National Electrical Code, International Building Code <u>International Residential Code</u> in the form of the code most recently approved by the Board. The Board shall review each edition of the Uniform Plumbing Code, National Electrical Code, International <u>Building Code</u> or <u>International Residential Code</u> that is published after the 1996 edition to ensure its suitability. Each new edition of the code shall be deemed approved by the Board unless the edition is disapproved by the Board within 60 days of the publication of the code.
- 2. Advertising projects of construction without including in the advertisements the name and license number of the licensed contractor who is responsible for the construction.





- 1 3. Advertising projects of construction beyond the scope of the 2 license.
- 3 **Sec. 11.** This act becomes effective on July 1, 2019.





