



WORK SESSION

Senate Committee on Growth and Infrastructure

April 04, 2019

PREPARED BY
RESEARCH DIVISION
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Bills Under Consideration

The following measures may be considered for action during today's work session. In some cases, possible amendments are noted. These amendments were either suggested during testimony or submitted after the hearing and do not necessarily have the approval of the Committee.

- SB358** _____
Floor Assignment _____

EXHIBIT D Senate Committee on Growth
and Infrastructure
Date: 4-4-2019 Total pages: 24
Exhibit begins with: D1 thru: D24

TOC ID: 185



Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Senate Committee on Growth and Infrastructure

This measure may be considered for action during today's work session.

April 4, 2019

SENATE BILL 358

Revises provisions relating to the renewable energy portfolio standard. (BDR 58-301)

Sponsored by: Senators Brooks, Cannizzaro, and Denis

Date Heard: April 2, 2019

Fiscal Impact: Effect on Local Government: No.

Effect on the State: Yes.

Senate Bill 358 declares the policy of the state concerning renewable energy. An electric utility is authorized to acquire, without additional approval of the Public Utilities Commission of Nevada (PUCN), an existing renewable energy facility or a renewable energy facility that is being developed, if the electric utility meets certain conditions. The measure also authorizes certain electric utilities that intends to acquire or construct a renewable energy facility to request approval of the PUCN to exclude the renewable energy facility from its base rate and, instead charge a just and reasonable rate established by the PUCN for the electricity generated by the facility.

The bill revises the portfolio standard for calendar year 2021 and each calendar year thereafter so that by calendar year 2030, and for each calendar year thereafter, each provider of electric service will be required to generate, acquire, or save electricity from renewable energy systems or efficiency measures not less than 50 percent of the total amount of electricity sold by the provider to its retail customers in Nevada during that calendar year. The measure also revises the manner in which providers of electric service may comply with the portfolio standard.

The measure expands the definition of provider of electric service for the purposes of compliance with the portfolio standard, and the definition of renewable energy with respect to the kinds of waterpower that are considered renewable energy.

Amendments:

Senator Brooks proposes the attached amendments.

SB 358 Conceptual Amendment
Responding to Nevada Rural Electric Association Concerns

(1) New Section Amending NRS 704.675:

(New language in *green bold italic underlining*, new deleted language in purple strikethrough)

NRS 704.675 is hereby amended to read as follows:

704.675. Every cooperative association or nonprofit corporation or association and every other supplier of services described in this chapter supplying those services for the use of its own members only is hereby declared to be affected with a public interest, to be a public utility, and to be subject to the jurisdiction, control and regulation of the Commission for the purposes of [NRS 703.191](#), [704.330](#) ~~and~~ [704.350](#) to [704.410](#), inclusive, *and NRS 704.7821*, but not to any other jurisdiction, control and regulation of the Commission or to the provisions of any section not specifically mentioned in this section.

(2) New Section Amending NRS 704.7818:

NRS 704.7818 is hereby amended to read as follows:

704.7818. 1. “Retail customer” means:

(a) a *An* end-use customer that purchases electricity for consumption in this state; *or* ~~†~~

(b) For a provider of electric service which is declared to be a public utility pursuant to NRS 704.675 and which provides service only to its members, an end-use member that purchases electricity for consumption in this state.

2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of [chapter 704B](#) of NRS.

(b) A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of [chapter 704B](#) of NRS.

(c) A landlord of a manufactured home park or mobile home park or owner of a company town who is subject to any of the provisions of [NRS 704.905](#) to [704.960](#), inclusive.

(d) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.

(3) Section 22, amendment to NRS 704.7821, and Section 24, amendment to NRS 704.7825:

Replace “retail customers or members” and “with “retail customers” throughout Sections 22 and 24.

(4) Section 22, amendment to NRS 704.7821(9):

(New language in **bright red italics**, stricken language in **brown strikethrough**)

9. For the purposes of subsection 1, for calendar year 2019 and for each calendar year thereafter, ~~unless the provider makes the election authorized by subsection 10~~, the total amount of electricity sold by the following providers to their retail customers ~~for members~~ in this State during a calendar year does not include the first 1,000,000 megawatt-hours of electricity sold by the provider to such customers ~~for members~~ during that calendar year:

(a) A rural electric cooperative established pursuant to chapter 81 of NRS that is in existence on the effective date of this act.

(b) A general improvement district established pursuant to chapter 318 of NRS that is in existence on the effective date of this act;

(c) A utility established pursuant to chapters **268, 709 or 710** of NRS that is in existence on the effective date of this act.

(d) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which ~~is~~ **has been** declared to be a public utility pursuant to NRS 704.673, which provides service only to its members and which is in existence **and already providing retail electric service** on the effective date of this act.

↪ Such providers do not earn energy portfolio credits under the system of energy portfolio credits established by the Commission pursuant to subsection 4 for electricity generated or acquired by the provider from renewable energy systems to make the first 1,000,000 megawatt-hours of sales to retail customers ~~for members~~ within this State within a calendar year~~, unless the provider makes the election provided by subsection 10~~.

(5) Section 22, amendment to NRS 704.7821(11):

(New language in **bright red italics**, stricken language in **brown strikethrough**)

~~11.~~ A provider listed in subsection 9 ~~who has not made the election described in~~ shall, during any calendar year in which the total amount of electricity sold by the provider to its retail customers ~~for members~~ in this State during that calendar year is less than 1,000,000 megawatt-hours, submit to the Commission, after the end of the calendar year and within the time prescribed by the Commission, a report of the total amount of electricity sold to its retail customers ~~for members~~ in this State for that calendar year. **A provider listed in subsection 9(a) or subsection 9(d) shall include the report of the total amount of electricity sold to its retail customers in its annual report furnished to the Commission pursuant to NRS 703.191.**

SB 358 – Draft Amendment 3/30/19 - List of Sections Amended

Section 6 – Renewable Energy Facility Owned by the Utility – Price set by reference to a competitive market rate (formerly Section 7)

Section 7 – Acquisition by Utility of Existing Renewable Energy Facility (formerly Section 6)

Section 9 – Change language to “subject to NRS 704.787” in place of “an agency or instrumentality of the state”

Section 10 – Change language to “subject to NRS 704.787” in place of “an agency or instrumentality of the state”

Section 16 – Plan for construction or expansion of transmission facilities – Amendment to NRS 704.741(4) deleted

Section 19 – Definition of “portfolio energy system” – NRS 704.7804 – New language concerning plant using waterpower placed into operation before July 1, 1997

Section 21 – Definition of “waterpower” in definition of “renewable energy” – NRS 704.7811

- New language concerning inclusion of power derived from pumped water
- Language in current law excluding power requiring new or increased appropriation of water is retained

Section 22 – Add language to reference “retail customers or members” in place of “retail customers” in several places – NRS 704.7821

Section 22 – Three-Year Averaging for RPS compliance – Amendment to NRS 704.7821(5) deleted

Section 22 – Exemption from RPS Compliance – NRS 704.7821(6) – Language adding “underperformance of an existing renewable energy facility” as reason for exemption

Section 22 – Exclusion of Green Energy Tariff Sales from the RPS Calculation – NRS 704.7821(8) – Change language to reference any program of optional pricing where portfolio energy credits are transferred to customer or member or retired on their behalf, rather than reference to programs pursuant to NRS 704.738

Section 22 – 1,000,000 MWh Exclusion from RPS – NRS 704.7821(9), (11) – New language on entities eligible for the exclusion

Section 22 – 1,000,000 MWh Exclusion from RPS – former NRS 704.7821(9), (10), (11) - “Opt in” provisions and references deleted

Section 23 – NRS 704B Providers Use of Energy Efficiency Measures for 25% of RPS Compliance – NRS 704.7821(2) – New language allows 25% through 2024 for certain providers

New Section 23.1 – Amends RPS Enforcement provisions – NRS 704.7828 – For calendar years 2019-2029, new language limits Commission imposition of administrative fines to instances where provider has three consecutive years of non-compliance

Section 24 - Add language to reference “retail customers or members” in place of “retail customers” – NRS 704.7825(6)

Section 24 - Change language to “subject to NRS 704.787” in place of “an agency or instrumentality of the state” – NRS 704.7825(6)

Section 24 – 1,000,000 MWh Exclusion from RPS - Delete reference to now deleted “Opt in” provision – NRS 704.78213(6)

SB 358

PROPOSED AMENDMENT
BY SENATOR BROOKS

March 30, 2019

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE
OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION—Matter in (1) *blue bold italics* is new language; (2) variations of *green bold italic underlining* is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple strikethrough~~ is language proposed to be deleted in this amendment; (5) Orange underlining is deleted language in the original bill proposed to be retained in this amendment.

AN ACT relating to renewable energy; declaring the policy of this State concerning renewable energy; revising provisions governing certain reports relating to the portfolio standard; revising provisions relating to the acquisition or construction of renewable energy facilities by certain electric utilities; revising provisions governing certain plans for the construction or expansion of transmission facilities to serve renewable energy zones and to facilitate compliance with the portfolio standard; revising the types of renewable energy that may be used to comply with the portfolio standard; revising the portfolio standard for providers of electric service in this State; revising the manner in which providers of electric service may comply with the portfolio standard; revising the applicability of the portfolio standard; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; and providing other matters properly relating thereto.

SB358

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

1 **Section 1.** NRS 701.055 is hereby amended to read as follows:

2 701.055 “Energy development project” means a project for the generation transmission
3 and development of energy located on public or private land. The term includes, without
4 limitation:

5 1. A utility facility, as defined in NRS 704.860, constructed on private land; and

6 2. Electric generating plants and their associated facilities which use or will use
7 renewable energy as defined in NRS ~~704.7811,~~ 704.7715, as their primary source of energy
8 to generate electricity.

9 **Sec. 2.** NRS 701.380 is hereby amended to read as follows:

10 701.380 1. The Director shall:

11 (a) Coordinate the activities and programs of the Office of Energy with the activities and
12 programs of the Consumer’s Advocate and the Public Utilities Commission of Nevada, and
13 with other federal, state and local officers and agencies that promote, fund, administer or
14 operate activities and programs related to the use of renewable energy and the use of measures
15 which conserve or reduce the demand for energy or which result in more efficient use of
16 energy.

17 (b) Spend the money in the Trust Account for Renewable Energy and Energy
18 Conservation to:

19 (1) Educate persons and entities concerning renewable energy and measures which conserve
20 or reduce the demand for energy or which result in more efficient use of energy.

21 (2) Create incentives for investment in and the use of renewable energy and measures which
22 conserve or reduce the demand for energy or which result in more efficient use of energy.

23 (3) Distribute grants and other money to establish programs and projects which incorporate
24 the use of renewable energy and measures which conserve or reduce the demand for energy
25 or which result in more efficient use of energy.

26 (4) Conduct feasibility studies, including, without limitation, any feasibility studies
27 concerning the establishment or expansion of any grants, incentives, rebates or other
28 programs to enable or assist persons to reduce the cost of purchasing distributed generation
29 systems and on-site generation systems and net metering systems that use renewable energy.

30 (c) Take any other actions that the Director deems necessary to carry out the duties of the
31 Office of Energy, including, without limitation, contracting with consultants, if necessary, for
32 the purposes of program design or to assist the Director in carrying out the duties of the Office.

33 2. The Director shall prepare an annual report concerning the activities and programs of
34 the Office of Energy and submit the report to the Legislative Commission and the Governor
35 on or before January 30 of each year. The annual report must include, without limitation:

36 (a) A description of the objectives of each activity and program;

37 (b) An analysis of the effectiveness and efficiency of each activity and program in
38 meeting the objectives of the activity or program;

39 (c) The amount of money distributed for each activity and program from the Trust
40 Account for Renewable Energy and Energy Conservation and a detailed description of the
41 use of that money for each activity and program;

42 (d) An analysis of the coordination between the Office of
43 Energy and other officers and agencies; and

44 (e) Any changes planned for each activity and program.

45 3. As used in this section:

46 (a) “Distributed generation system” means a facility or system for the generation of
47 electricity that is in close proximity to the place where the electricity is consumed:

1 (1) That uses renewable energy as defined in NRS ~~[704.7811]~~ 704.7715 to generate
2 electricity;

3 (2) That is located on the property of a customer of an electric utility;

4 (3) That is connected on the customer’s side of the electricity meter;

5 (4) That provides electricity primarily to offset customer load on that property; and

6 (5) The excess generation from which is periodically exported to the grid in
7 accordance with the provisions governing net metering systems used by customer-generators
8 pursuant to NRS 704.766 to 704.777, inclusive.

9 (b) “Electric utility” has the meaning ascribed to it in NRS 704.7571.

10 **Sec. 3.** NRS 701B.790 is hereby amended to read as follows:

11 701B.790 “Waterpower” has the meaning ascribed to it in subsection 3 of NRS ~~[704.7811]~~
12 704.7715.

13 **Sec. 4.** Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth
14 as sections 5 to 10, inclusive, of this act.

15 **Sec. 5.** *“Renewable energy facility” has the meaning ascribed to it in NRS 704.7315.*

16 **Sec. 6.** ~~[A utility may, without any additional approval of the Commission, acquire an
17 existing renewable energy facility or a renewable energy facility that is being developed if:~~

18 ~~———— 1. The Commission has accepted a provision of a plan or an amendment to a plan
19 pursuant to NRS 704.751 that provides for the purchase of the electricity generated by the
20 renewable energy facility pursuant to an agreement for the purchase of that electricity.~~

21 ~~———— 2. The utility provides a notice to the Commission which states:~~

22 ~~———— (a) That the utility will not include the renewable energy facility in its rate base and
23 will use the mechanism established by the regulations adopted by the Commission pursuant
24 to subsection 3 of section 7 of this act to account for the electricity generated by the
25 renewable energy facility and charge a just and reasonable price for that electricity to its
26 customers through the deferred accounting mechanism set forth in NRS 704.187;~~

27 ~~———— (b) The competitive market price for the electricity generated by the facility that
28 was used to establish a just and reasonable price that the utility will charge its customers
29 for electricity generated by the renewable energy facility is a competitive market price
30 approved by the Commission; and~~

31 ~~———— (c) The utility agrees to be bound by all of the terms and conditions of the
32 agreement for the purchase of the electricity that was accepted by the Commission pursuant
33 to NRS 704.751.]~~

34 1. A utility or two or more utilities under common ownership may, in a plan or filed
35 pursuant to NRS 704.741 or an amendment to such plan, request that the Commission
36 establish a just and reasonable price for the energy produced by a renewable energy facility
37 owned by such utility by means of reference to a competitive market rate. Such request shall
38 include a request that the Commission exclude any capital investment associated with such
39 facility from the utility’s rate base and expenses associated with such facility from the
40 utility’s revenue requirement.

41 2. If a utility makes a request pursuant to subsection 1, the Commission may grant the
42 request. If the Commission grants the request, any capital investment made by the utility in
43 such renewable energy shall be excluded from the utility’s rate base and all expenses
44 associated with such facility shall be excluded from the utility’s revenue requirement. The
45 just and reasonable price for the electricity generated by the renewable energy facility must
46 be established by reference to a competitive market price for the electricity, without regard or
47 reference to the principles of cost-of service or rate of return price setting. The Commission
48 may determine a competitive market price based on the results of a reasonably

1 contemporaneous competitive request for proposals for a substantially similar product with
2 substantially similar terms and conditions, including duration of the proposal.

3 3. In an order approving or modifying a plan filed by a utility pursuant to NRS 704.741
4 or an amendment to such plan that includes a provision for the acquisition of a facility for
5 the generation of electricity from solar energy, the Commission may establish reasonable
6 performance terms and conditions for the generation and sale of the electricity.

7 4. The Commission shall establish by regulation a mechanism by which a utility that is
8 authorized to charge its customers a just and reasonable price established by the
9 Commission for the electricity generated by a renewable energy facility may account for the
10 electricity generated by a renewable energy facility and charge the just and reasonable price
11 for that electricity to its customers through the mechanism set forth in NRS 704.187. Such
12 regulations also shall ensure that no cost other than those approved by the Commission to be
13 reflected in the mechanism set forth in NRS 704.187 for the term specified in the
14 Commission's order shall be borne by customers. At the conclusion of such term, the
15 Commission shall not allow the utility to include the remaining capital investment, if any,
16 associated with such utility in the utility's rate base or the utility to include any expenses
17 associated with the facility in the utility's revenue requirement. The Commission may
18 establish regulations for the utility to make a proposal regarding recovery of a just and
19 reasonable price for energy produced by such facility beyond the initial term approved by the
20 Commission by filing a plan pursuant to NRS 704.741 or an amendment to such plan. Any
21 such proposal must be reviewed and approved by the Commission before any other costs
22 associated with such facility are charged to customers through the mechanism set forth in
23 NRS 704.187.

24 5. As part of any order issued by the Commission approving or modifying a plan filed
25 by a utility pursuant to NRS 704.741 or an amendment to such plan that includes a
26 provision for the acquisition of a facility for the generation of electricity from solar energy
27 pursuant to subsection 2, the Commission shall make all findings necessary to conclude that
28 the renewable energy facility is not public utility property as defined by Section 168(i) of the
29 Internal Revenue Code.

30 ~~Sec. 7. [1. A utility or utilities that have filed a plan pursuant to NRS 704.741 or an~~
31 ~~amendment to such a plan that includes a provision for the acquisition or construction of~~
32 ~~a renewable energy facility may request that the Commission exclude the renewable energy~~
33 ~~facility from the rate base of the utility. If a utility makes such a request, the Commission~~
34 ~~may exclude the renewable energy facility from the rate base of the utility and authorize~~
35 ~~the utility to charge from its customers a just and reasonable price established by the~~
36 ~~Commission for the electricity generated by the renewable energy facility. The just and~~
37 ~~reasonable price for the electricity generated by the renewable energy facility must be~~
38 ~~established by reference to a competitive market price for the electricity, without regard to~~
39 ~~the principles of cost-of-service or rate of return. The Commission may determine a~~
40 ~~competitive market price based on the results of competitive requests for proposals for a~~
41 ~~substantially similar product.~~

42 ~~2. In an order approving or modifying a plan filed by a utility pursuant to NRS 704.741~~
43 ~~or an amendment to such a plan that includes a provision for the acquisition or~~
44 ~~construction of a facility for the generation of electricity from solar energy, the~~
45 ~~Commission may establish reasonable performance terms and conditions for the~~
46 ~~generation and sale of the electricity.~~

47 ~~3. The Commission shall establish by regulation a mechanism by which a utility that is~~
48 ~~authorized to charge its customers a just and reasonable price established by the~~

~~Commission for the electricity generated by a renewable energy facility may account for the electricity generated by the renewable energy facility and charge the just and reasonable price for that electricity to its customers through the mechanism set forth in NRS 704.187.]~~

A utility may, without any additional approval of the Commission, acquire an existing renewable energy facility or a renewable energy facility that is being developed if:

1. The Commission has accepted a provision of a plan or an amendment to a plan pursuant to NRS 704. 751 that provides for the purchase of the electricity generated by the renewable energy facility pursuant to an agreement for the purchase of that electricity.

2. The utility provides a notice to the Commission which states:

(a) That the utility will not include the renewable energy facility in its rate base or expenses associated with the utility in its revenue requirement and, instead, will use the mechanism established by the regulations adopted by the Commission pursuant to subsection 4 of section 6 of this act to account for the electricity generated by the renewable energy facility and charge a just and reasonable price for that electricity to its customers through the deferred accounting mechanism set forth in NRS 704.187;

(b) The contract price originally approved by the Commission will be the just and reasonable price that the utility will charge its customers for electricity generated by the renewable energy facility pursuant to the accounting mechanism set forth in NRS 704.187; and

(c) The utility agrees to be bound by all of the terms and conditions of the agreement for the purchase of the electricity that was accepted by the Commission pursuant to NRS 704. 751 and acknowledging that utility may not include (i) any capital investment associated with the renewable energy facility in the utility’s rate base and (ii) expense associated with the renewable energy facility in the utility’s revenue requirement following the conclusion of the term of the agreement.

(d) The utility’s notice shall acknowledge that, at the conclusion of the existing term of the agreement, the utility may not include a just and reasonable charge for the price of the electricity produced by such renewable energy facility in the deferred accounting mechanism set forth in NRS 704.187 unless the Commission approves a just and reasonable charge by reference to a competitive market price through a plan filed pursuant to NRS 704.741, or an amendment to such plan, filed by the utility pursuant to the regulations adopted by the Commission under section 6, subsection 4.

Sec. 8. The Legislature finds and declares that it is the policy of this State to:

1. Encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State;

2. Become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2050 an amount of energy production from zero carbon dioxide emission resources equal to the total amount of electricity sold by providers of electric service in this State; and

3. Ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State. Such benefits include, without limitation, improved air quality, reduced water use, a more diverse portfolio of resources for generating electricity, reduced fossil fuel consumption and more stable rates for retail customers of electric service.

Sec. 9. A provider of electric service that is subject to NRS 704.787 ~~[an agency or instrumentality of this State]~~ shall, on or before July 1 of each year, submit to the Director of the Office of Energy appointed pursuant to NRS 701.150 a report that contains the information described in subsection 4 of NRS 704.7825.

1 **Sec. 10.** *Notwithstanding any provision of law to the contrary, a provider of electric*
2 *service that is subject to NRS 704.787 ~~[an agency or instrumentality of this State]~~ is not*
3 *subject to the jurisdiction of the Commission.*

4 **Sec. 11.** NRS 704.021 is hereby amended to read as follows:

5 704.021 “Public utility” or “utility” does not include:

6 1. Persons engaged in the production and sale of natural gas, other than sales to the
7 public, or engaged in the transmission of natural gas other than as a common carrier
8 transmission or distribution line or system.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (c) Not part of a larger system that aggregates electricity generated from renewable
43 energy for resale or use on premises other than the premises on which the individual system
44 is located. ➔ As used in this subsection, “renewable energy” has the meaning ascribed to it
45 in NRS ~~[704.7811.]~~ **704.7715.**

46 11. Persons who own, control, operate or manage a facility that supplies electricity only
47 for use to charge electric vehicles.

48 **Sec. 12.** NRS 704.7315 is hereby amended to read as follows:

49 704.7315 “Renewable energy facility” means an electric generating facility that uses
50 renewable energy to produce electricity. As used in this section, “renewable energy” has the
51 meaning ascribed to it in NRS ~~[704.7811.]~~ **704.7715.**

1 **Sec. 13.** NRS 704.736 is hereby amended to read as follows: 704.736 The application
2 of NRS 704.736 to 704.754, inclusive, *and sections 5, 6 and 7 of this act* is limited to any
3 public utility in the business of supplying electricity which has an annual operating revenue
4 in this state of \$2,500,000 or more.

5 **Sec. 14.** NRS 704.7362 is hereby amended to read as follows: 704.7362 As used in
6 NRS 704.736 to 704.754, inclusive, *and sections 5, 6 and 7 of this act*, unless the context
7 otherwise requires, the words and terms defined in NRS 704.7364 and 704.7366 *and section*
8 *5 of this act* have the meanings ascribed to them in those sections.

9 **Sec. 15.** NRS 704.738 is hereby amended to read as follows:
10 704.738 1. A utility which supplies electricity in this state may apply to the Commission
11 for authority to charge, as part of a program of optional pricing, a higher rate for electricity
12 that is generated from renewable energy.
13 2. The program may provide the customers of the utility with the option of paying a
14 higher rate for electricity to support the increased use by the utility of renewable energy in
15 the generation of electricity.
16 3. As used in this section, “renewable energy” has the meaning ascribed to it in NRS
17 ~~[704.7811.]~~ **704.7715.**

18 **Sec. 16.** NRS 704.741 is hereby amended to read as follows:
19 704.741 1. A utility which supplies electricity in this State shall, on or before June 1 of
20 every third year, in the manner specified by the Commission, submit a plan to increase its
21 supply of electricity or decrease the demands made on its system by its customers to the
22 Commission. Two or more utilities that are affiliated through common ownership and that
23 have an interconnected system for the transmission of electricity shall submit a joint plan.
24 2. The Commission shall, by regulation:
25 (a) Prescribe the contents of such a plan, including, but not limited to, the methods or
26 formulas which are used by the utility or utilities to:
27 (1) Forecast the future demands; and
28 (2) Determine the best combination of sources of supply to meet the demands or the best
29 method to reduce them; and
30 (b) Designate renewable energy zones and revise the designated renewable energy zones
31 as the Commission deems necessary.
32 3. The Commission shall require the utility or utilities to include in the plan:
33 (a) An energy efficiency program for residential customers which reduces the
34 consumption of electricity or any fossil fuel and which includes, without limitation, the use
35 of new solar thermal energy sources.
36 (b) A proposal for the expenditure of not less than 5 percent of the total expenditures
37 related to energy efficiency and conservation programs on energy efficiency and conservation
38 programs directed to low-income customers of the electric utility.
39 (c) A comparison of a diverse set of scenarios of the best combination of sources of
40 supply to meet the demands or the best methods to reduce the demands, which must include
41 at least one scenario of low carbon intensity that includes the deployment of distributed
42 generation.
43 (d) An analysis of the effects of the requirements of NRS 704.766 to 704.777, inclusive,
44 on the reliability of the distribution system of the utility or utilities and the costs to the utility
45 or utilities to provide electric service to all customers. The analysis must include an evaluation
46 of the costs and benefits of addressing issues of reliability through investment in the
47 distribution system.
48 (e) A list of the utility’s or utilities’ assets described in NRS 704.7338.
49 (f) A surplus asset retirement plan as required by NRS 704.734.
50 4. The Commission shall require the utility or utilities to include in the plan a plan for
51 construction or expansion of transmission facilities to serve renewable energy zones and to

1 facilitate the utility or utilities in meeting the portfolio standard established by NRS
2 704.7821. ~~[The plan for the construction or expansion of transmission facilities must
3 identify and evaluate:~~

4 ~~a) Transmission network upgrades that could be implemented within renewable energy
5 zones to expedite or facilitate the development of portfolio energy systems within such
6 zones.~~

7 ~~(b) Options for construction or expansion of transmission facilities meeting the
8 portfolio standard, including, without limitation, transmission facilities which are jointly
9 owned by the utility or utilities.]~~

10 5. The Commission shall require the utility or utilities to include in the plan a distributed
11 resources plan. The distributed resources plan must:

12 (a) Evaluate the locational benefits and costs of distributed resources. This evaluation
13 must be based on reductions or increases in local generation capacity needs, avoided or
14 increased investments in distribution infrastructure, safety benefits, reliability benefits and
15 any other savings the distributed resources provide to the electricity grid for this State or costs
16 to customers of the electric utility or utilities.

17 (b) Propose or identify standard tariffs, contracts or other mechanisms for the
18 deployment of cost-effective distributed resources that satisfy the objectives for distribution
19 planning.

20 (c) Propose cost-effective methods of effectively coordinating existing programs
21 approved by the Commission, incentives and tariffs to maximize the locational benefits and
22 minimize the incremental costs of distributed resources.

23 (d) Identify any additional spending necessary to integrate cost effective distributed
24 resources into distribution planning consistent with the goal of yielding a net benefit to the
25 customers of the electric utility or utilities.

26 (e) Identify barriers to the deployment of distributed resources, including, without
27 limitation, safety standards related to technology or operation of the distribution system in a
28 manner that ensures reliable service.

29 6. As used in this section:

30 (a) “Carbon intensity” means the amount of carbon by weight emitted per unit of energy
31 consumed.

32 (b) “Distributed generation system” has the meaning ascribed to it in NRS 701.380.

33 (c) “Distributed resources” means distributed generation systems, energy efficiency,
34 energy storage, electric vehicles and demand-response technologies.

35 (d) *“Portfolio energy system” means any renewable energy system described in
36 subsection 1 of NRS 704.7804.*

37 (e) “Renewable energy zones” means specific geographic zones where renewable energy
38 resources are sufficient to develop generation capacity and where transmission constrains the
39 delivery of electricity from those resources to customers.

40 **Sec. 17.** NRS 704.7715 is hereby amended to read as follows:

41 704.7715 *1.* “Renewable energy” ~~[has the meaning ascribed to it in NRS 704.7811.]~~
42 *means:*

43 (a) *Biomass;*

44 (b) *Geothermal energy;*

45 (c) *Solar energy;*

46 (d) *Waterpower; and*

47 (e) *Wind.*

48 *2. The term does not include coal, natural gas, oil, propane or any other fossil fuel,
49 or nuclear energy.*

50 *3. As used in this section, “waterpower” means power derived from standing, running
51 or falling water which is used for any plant, facility, equipment or system to generate*

1 *electricity if the generating capacity of the plant, facility, equipment or system is not more*
2 *than 30 megawatts. Except as otherwise provided in this subsection, the term includes,*
3 *without limitation, power derived from water that has been pumped from a lower to a*
4 *higher elevation if the generating capacity of the plant, facility, equipment or system for*
5 *which the water is used is not more than 30 megawatts. The term does not include power:*

- 6 (a) *Derived from water stored in a reservoir by a dam or similar device, unless:*
 - 7 (1) *The water is used exclusively for irrigation;*
 - 8 (2) *The dam or similar device was in existence on January 1, 2003; and*
 - 9 (3) *The generating capacity of the plant, facility, equipment or system for which*
10 *the water is used is not more than 30 megawatts;*
- 11 (b) *That requires a new or increased appropriation or diversion of water for its*
12 *creation; or*
- 13 (c) *That requires the use of any fossil fuel for its creation, unless:*
 - 14 (1) *The primary purpose of the use of the fossil fuel is not the creation of the power;*
15 *and*
 - 16 (2) *The generating capacity of the plant, facility, equipment or system for which the*
17 *water is used is not more than 30 megawatts.*

18 **Sec. 18.** NRS 704.7801 is hereby amended to read as follows:

19 704.7801 As used in NRS 704.7801 to 704.7828, inclusive, *and sections 8, 9 and 10 of*
20 *this act*, unless the context otherwise requires, the words and terms defined in NRS 704.7802
21 to 704.7819, inclusive, have the meanings ascribed to them in those sections.

22 **Sec. 19.** NRS 704.7804 is hereby amended to read as follows:

23 704.7804 “Portfolio energy system or efficiency measure” means:

24 1. Any renewable energy system:

- 25 (a) Placed into operation before July 1, 1997, if a provider of electric service used
26 electricity generated or acquired from the renewable energy system to satisfy its portfolio
27 standard before July 1, 2009; ~~or~~
- 28 (b) *Placed into operation before July 1, 1997, that uses waterpower from a plant,*
29 *facility, equipment or system to generate electricity, if the waterpower is acquired by the*
30 *provider of electric service from another party pursuant to a contract for a term of not less*
31 *than 10 years, and if the provider had been acquiring waterpower from the other party*
32 *prior to the effective date of this act; or*
- 33 (c) Placed into operation on or after July 1, 1997. ~~or~~

34 2. Any energy efficiency measure installed on or before December 31, 2019.

35 **Sec. 20.** NRS 704.7808 is hereby amended to read as follows:

36 704.7808 1. “Provider of electric service” and “provider” mean any person or entity that is
37 in the business of selling electricity to retail customers for consumption in this State,
38 regardless of whether the person or entity is otherwise subject to regulation by the
39 Commission.

40 2. The term includes, without limitation, a provider of new electric resources that is
41 selling electricity to an eligible customer for consumption in this State pursuant to the
42 provisions of chapter 704B of NRS.

43 3. The term does not include:

- 44 (a) ~~[This State or an agency or instrumentality of this State. (b) A rural electric~~
45 ~~cooperative established pursuant to chapter 81 of NRS.~~
- 46 (c) ~~— A general improvement district established pursuant to chapter 318 of NRS.~~
- 47 (d) ~~— A utility established pursuant to chapter 709 or 710 of NRS. (e) A cooperative~~
48 ~~association, nonprofit corporation, nonprofit association or provider of electric service which~~
49 ~~is declared to be a public utility pursuant to NRS 704.673 and which provides service only to~~
50 ~~its members.~~

1 ~~(f)~~ A landlord of a manufactured home park or mobile home park or owner of a company
2 town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

3 ~~(g)~~ (b) A landlord who pays for electricity that is delivered through a master meter and
4 who distributes or resells the electricity to one or more tenants for consumption in this State.

5 **Sec. 21.** NRS 704.7811 is hereby amended to read as follows:

6 704.7811 1. "Renewable energy" means:

- 7 (a) Biomass;
- 8 (b) Geothermal energy;
- 9 (c) Solar energy;
- 10 (d) Waterpower; and
- 11 (e) Wind.

12 2. The term does not include coal, natural gas, oil, propane or any other fossil fuel, or
13 nuclear energy.

14 3. As used in this section, "waterpower" means power derived from standing, running
15 or falling water which is used for any plant, facility, equipment or system to generate
16 electricity. ~~[if the generating capacity of the plant, facility, equipment or system is not more~~
17 ~~than 30 megawatts.]~~ Except as otherwise provided in this subsection, the term includes,
18 without limitation, power derived from water that has been pumped from a lower to a higher
19 elevation if the generating capacity of the plant, facility, equipment or system for which the
20 water is used is not more than 30 megawatts ~~[,]~~ *and the plant, facility, equipment or system*
21 *used for both the electricity generation and the water pumping were* was in existence and
22 being used to derive power from pumped water prior to ~~[on]~~ *January 1, 2019.* The term does
23 not include power:

- 24 (a) ~~[Derived from water stored in a reservoir by a dam or similar device, unless:~~
- 25 ~~(1) — The water is used exclusively for irrigation;~~
- 26 ~~(2) — The dam or similar device was in existence on~~
- 27 ~~January 1, 2003; and~~
- 28 ~~(3) — The generating capacity of the plant, facility, equipment or system for which the~~
- 29 ~~water is used is not more than 30 megawatts;~~

30 ~~(b) That requires a new or increased appropriation or diversion of water for its~~
31 ~~creation; or~~

- 32 ~~(c)~~ (b) That requires the use of any fossil fuel for its creation, unless ~~[~~
- 33 ~~(4) — The] the~~ primary purpose of the use of the fossil fuel is not the creation of the power
34 ~~[; and~~
- 35 ~~(5) — The generating capacity of the plant, facility, equipment or system for which the~~
- 36 ~~water is used is not more than 30 megawatts.] ; or~~

37 ~~(b)~~ (c) *That was produced before the effective date of this act from a*
38 *renewable energy system placed into operation before July 1, 1997.*

39 **Sec. 22.** NRS 704.7821 is hereby amended to read as follows:

40 704.7821 1. For each provider of electric service, the Commission shall establish a
41 portfolio standard. ~~[The]~~ *Except as otherwise provided in subsections 5, 6, 8 and 9,*
42 *the* portfolio standard must require each provider to generate, acquire or save
43 electricity from portfolio energy systems or efficiency measures in an amount that
44 is:

- 45 (a) For calendar years 2005 and 2006, not less than 6 percent of the total amount
46 of electricity sold by the provider to its retail customers in this State during that
47 calendar year.

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

4 (c) For calendar years 2009 and 2010, not less than 12 percent of the total amount
5 of electricity sold by the provider to its retail customers in this State during that
6 calendar year.

7 (d) For calendar years 2011 and 2012, not less than 15 percent of the total amount
8 of electricity sold by the provider to its retail customers in this State during that
9 calendar year.

10 (e) For calendar years 2013 and 2014, not less than 18 percent of the total amount
11 of electricity sold by the provider to its retail customers in this State during that
12 calendar year.

13 (f) For calendar years 2015 through 2019, inclusive, not less than 20 percent of
14 the total amount of electricity sold by the provider to its retail customers in this State
15 during that calendar year.

16 (g) For calendar ~~[years]~~ *year* 2020 , ~~[through 2024, inclusive,]~~ not less than 22
17 percent of the total amount of electricity sold by the provider to its retail customers
18 or members in this State during that calendar year.

19 (h) *For calendar year 2021, not less than 24 percent of the total amount of*
20 *electricity sold by the provider to its retail customers* or members *in this State during*
21 *that calendar year.*

22 (i) *For calendar years 2022 and 2023, not less than 29 percent of the total*
23 *amount of electricity sold by the provider to its retail customers* or members *in this*
24 *State during that calendar year.*

25 (j) *For calendar years 2024 through 2026, inclusive, not less than 34 percent*
26 *of the total amount of electricity sold by the provider to its retail customers* or
27 *members in this State during that calendar year.*

28 (k) *For calendar years 2027 through 2029, inclusive, not less than 42 percent of the*
29 *total amount of electricity sold by the provider to its retail customers* or members *in this*
30 *State during that calendar year.*

31 (l) For calendar year ~~[2025]~~ *2030* and for each calendar year thereafter, not less than
32 ~~[25]~~ *50* percent of the total amount of electricity sold by the provider to its retail customers
33 or members in this State during that calendar year.

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

36 (a) ~~[Of the total amount of electricity that the provider is required to generate, acquire or~~
37 ~~save from portfolio energy systems or efficiency measures during each calendar year, not less~~
38 ~~than:~~

39 ~~(1) For calendar years 2009 through 2015, inclusive, 5 percent of that amount must be~~
40 ~~generated or acquired from solar renewable energy systems.~~

41 ~~(2) For calendar year 2016 and for each calendar year thereafter, 6 percent of that amount~~
42 ~~must be generated or acquired from solar renewable energy systems.~~

43 ~~(b)~~ Of the total amount of electricity that the provider is required to generate, acquire or
44 save from portfolio energy systems or efficiency measures:

45 (1) During calendar years 2013 and 2014, not more than 25 percent of that amount may
46 be based on energy efficiency measures;

47 (2) During each calendar year 2015 to 2019, inclusive, not more than 20 percent of that
48 amount may be based on energy efficiency measures;

1 (3) During each calendar year 2020 to 2024, inclusive, not more than 10 percent of that
2 amount may be based on energy efficiency measures; and

3 (4) For calendar year 2025 and each calendar year thereafter, no portion of that amount
4 may be based on energy efficiency measures.

5 ↪ If the provider intends to use energy efficiency measures to comply with its portfolio
6 standard during any calendar year, of the total amount of electricity saved from energy
7 efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant
8 to this paragraph, at least 50 percent of that amount must be saved from energy efficiency
9 measures installed at service locations of residential customers or members of the provider,
10 unless a different percentage is approved by the Commission.

11 ~~[(e)]~~ (b) If the provider acquires or saves electricity from a portfolio energy system or
12 efficiency measure pursuant to a renewable energy contract or energy efficiency contract with
13 another party:

14 (1) The term of the contract must be not less than 10 years, unless the other party agrees
15 to a contract with a shorter term; and (2) The terms and conditions of the contract must be
16 just and reasonable, as determined by the Commission. If the provider is a utility provider
17 and the Commission approves the terms and conditions of the contract between the utility
18 provider and the other party, the contract and its terms and conditions shall be deemed to be
19 a prudent investment and the utility provider may recover all just and reasonable costs
20 associated with the contract.

21 3. If, for the benefit of one or more retail customers or members in this State, the provider
22 has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or
23 installation of a solar energy system which qualifies as a renewable energy system and which
24 reduces the consumption of electricity, the total reduction in the consumption of electricity
25 during each calendar year that results from the solar energy system shall be deemed to be
26 electricity that the provider generated or acquired from a renewable energy system for the
27 purposes of complying with its portfolio standard.

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

30 5. Except as otherwise provided in subsection 6, each provider shall comply with its
31 portfolio standard during each calendar year. ~~[For calendar year 2022 and each calendar
32 year thereafter, a provider shall be deemed to have complied with its portfolio standard
33 during that calendar year if the total amount of electricity generated, acquired or saved
34 from portfolio energy systems or efficiency measures during that calendar year and the
35 immediately preceding 2 calendar years is a percentage of the total amount of electricity
36 sold by the provider to its retail customers in this State during those years that is not less
37 than the percentage required for that calendar year pursuant to subsection 1.]~~

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

42 ~~[If the Commission determines that, for a calendar year, there is not or will not be a sufficient
43 supply of electricity or a sufficient amount of energy savings made available to the provider
44 pursuant to renewable energy contracts and energy efficiency contracts with just and
45 reasonable terms and conditions, the]~~ **The** Commission shall exempt the provider, for that
46 calendar year, from the remaining requirements of its portfolio standard or from any
47 appropriate portion thereof, as determined by the Commission ~~[]~~ **if the Commission**
48 **determines that:**

49 (a) **For the calendar year, there is not or will not be a sufficient supply of electricity or**
50 **a sufficient amount of energy savings made available to the provider pursuant to renewable**

1 *energy contracts and energy efficiency contracts with just and reasonable terms and*
2 *conditions, after the provider has made reasonable efforts to secure such contracts; or*

3 *(b) The provider is unable to obtain a sufficient supply of electricity to comply with the*
4 *portfolio standard because of a delay in the completion of the construction of a renewable*
5 *energy system, or the underperformance of an existing renewable energy facility, that is*
6 *under the control of a person or entity other than the provider and that was intended to*
7 *provide such electricity.*

8 7. The Commission shall adopt regulations that establish:

9 (a) Standards for the determination of just and reasonable terms and conditions for the
10 renewable energy contracts and energy efficiency contracts that a provider must enter into to
11 comply with its portfolio standard.

12 (b) Methods to classify the financial impact of each long-term renewable energy contract
13 and energy efficiency contract as an additional imputed debt of a utility provider. The
14 regulations must allow the utility provider to propose an amount to be added to the cost of
15 the contract, at the time the contract is approved by the Commission, equal to a compensating
16 component in the capital structure of the utility provider. In evaluating any proposal made by
17 a utility provider pursuant to this paragraph, the Commission shall consider the effect that the
18 proposal will have on the rates paid by the retail customers of the utility provider.

19 8. ~~[Except as otherwise provided in NRS 704.78213, the provisions of this section do not~~
20 ~~apply to a provider of new electric resources as defined in NRS 704B.130.] For the purposes~~
21 ~~of subsection 1, for calendar year 2019 and for each calendar year thereafter, the total~~
22 ~~amount of electricity sold by a provider to its retail customers in this State during a calendar~~
23 ~~year does not include the amount of electricity sold by the provider as part of a program of~~
24 ~~optional pricing authorized by the Commission pursuant to which the provider either~~
25 ~~transfers portfolio energy credits to the customer or member, or retires portfolio energy~~
26 ~~credits above the renewable portfolio standard on behalf of the customer or member [NRS~~
27 ~~704.738].~~

28 9. *For the purposes of subsection 1, for calendar year 2019 and for each calendar year*
29 *thereafter, ~~[unless the provider makes the election authorized by subsection 10], the total~~*
30 *amount of electricity sold by the following providers to their retail customers or members*
31 *in this State during a calendar year does not include the first 1,000,000 megawatt-hours of*
32 *electricity sold by the provider to such customers or members during that calendar year:*

33 (a) *A rural electric cooperative established pursuant to chapter 81 of NRS that is in*
34 *existence on the effective date of this act.*

35 (b) *A general improvement district established pursuant to chapter 318 of NRS that is*
36 *in existence on the effective date of this act;*

37 (c) *A utility established pursuant to chapter 710 of NRS that is in existence on the*
38 *effective date of this act.*

39 (d) *A cooperative association, nonprofit corporation, nonprofit association or provider*
40 *of electric service which ~~is~~ has been declared to be a public utility pursuant to NRS*
41 *704.673, which provides service only to its members and which is in existence and already*
42 *providing retail electric service on the effective date of this act.*

43 ↪ *Such providers do not earn energy portfolio credits under the system of energy portfolio*
44 *credits established by the Commission pursuant to subsection 4 for electricity generated or*
45 *acquired by the provider from renewable energy systems to make the first 1,000,000*
46 *megawatt-hours of sales to retail customers or members within this State within a calendar*
47 *year~~, unless the provider makes the election provided by subsection 10].~~*

48 10. ~~[A provider listed in subsection 9 may elect to have the Commission establish a~~
49 ~~portfolio standard for the provider which applies to the total amount of electricity sold by~~
50 ~~the provider to its retail customers in this State during the calendar year, including the first~~
51 ~~1,000,000 megawatt-hours of sales to such customers. To make the election described by~~

~~this subsection, the provider shall provide written notification of the election to the Commission on or before September 30 of the year immediately preceding the first calendar year for which the provider is requesting that the portfolio standard apply to the total amount of electricity sold by the provider to its retail customers in this State during that calendar year. Within 90 days after receiving such a notification, the Commission shall issue an order establishing a portfolio standard for the provider. The portfolio standard established pursuant to this subsection applies to the provider for each calendar year thereafter.]~~

~~[11.] A provider listed in subsection 9 [who has not made the election described in] shall, during any calendar year in which the total amount of electricity sold by the provider to its retail customers or members in this State during that calendar year is less than 1,000,000 megawatt-hours, submit to the Commission, after the end of the calendar year and within the time prescribed by the Commission, a report of the total amount of electricity sold to its retail customers or members in this State for that calendar year.~~

11. The provisions of subsection 9 are not applicable to any successor in interest of any provider listed in subsection 9.

~~[9.]~~ 12. As used in this section:

- (a) “Energy efficiency contract” means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.
- (b) “Renewable energy contract” means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.
- (c) “Terms and conditions” includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 23. NRS 704.78213 is hereby amended to read as follows:

704.78213 1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, acquire or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821 . ~~[which is effective on the date on which the order approving the application or request is approved.]~~

2. ~~[Of]~~ Except as otherwise provided in this subsection, of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures. The provisions of this subsection apply to an order of the Commission approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer only if the order was issued by the Commission before January 1, 2019. If such an order was issued by the Commission, the provisions of this subsection apply only for calendar years before 2025.

~~[3.]~~ 3. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or

1 acquired from a renewable energy system for the purposes of complying with its portfolio
2 standard.

3 ~~[4.] [3.]~~ 4. As used in this section:

4 (a) “Eligible customer” has the meaning ascribed to it in NRS 704B.080.

5 (b) “Provider of new electric resources” has the meaning ascribed to it in NRS 704B.130.

6 **Sec. 23.1.** NRS 704.7828 is hereby amended to read as follows:

7 704.7828 1. The Commission shall adopt regulations to carry out and enforce the
8 provisions of NRS 704.7801 to 704.7828, inclusive. The regulations adopted by the
9 Commission may include any enforcement mechanisms which are necessary and reasonable
10 to ensure that each provider of electric service complies with its portfolio standard. Such
11 enforcement mechanisms may include, without limitation, the imposition of administrative
12 fines.

13 2. If a provider exceeds the portfolio standard for any calendar year:

14 (a) The Commission shall authorize the provider to carry forward to subsequent calendar
15 years for the purpose of complying with the portfolio standard for those subsequent calendar
16 years any excess kilowatt-hours of electricity that the provider generates, acquires or saves
17 from portfolio energy systems or efficiency measures;

18 (b) By more than 10 percent but less than 25 percent of the amount of portfolio energy
19 credits necessary to comply with its portfolio standard for the subsequent calendar year, the
20 provider may sell any portfolio energy credits which are in excess of 10 percent of the amount
21 of portfolio energy credits necessary to comply with its portfolio standard for the subsequent
22 calendar year; and

23 (c) By 25 percent or more of the amount of portfolio energy credits necessary to comply
24 with its portfolio standard for the subsequent calendar year, the provider shall use reasonable
25 efforts to sell any portfolio energy credits which are in excess of 25 percent of the amount of
26 portfolio energy credits necessary to comply with its portfolio standard for the subsequent
27 calendar year.

28 →Any money received by a provider from the sale of portfolio energy credits pursuant to
29 paragraphs (b) and (c) must be credited against the provider’s costs for purchased fuel and
30 purchased power pursuant to NRS 704.187 in the same calendar year in which the money is
31 received, less any verified administrative costs incurred by the provider to make the sale,
32 including any costs incurred to qualify the portfolio energy credits for potential sale regardless
33 of whether such sales are made.

34 3. If a provider does not comply with its portfolio standard for any calendar year and
35 the Commission has not exempted the provider from the requirements of its portfolio standard
36 pursuant to NRS 704.7821 or 704.78213, the Commission~~;~~

37 ~~—(a) S] shall require the provider to carry forward to subsequent calendar years the~~
38 ~~amount of the deficiency in kilowatt-hours of electricity that the provider does not generate,~~
39 ~~acquire or save from portfolio energy systems or efficiency measures during a calendar year~~
40 ~~in violation of its portfolio standard. ~~]; and~~~~

41 ~~(b) 4. For calendar years 2019 through 2029, inclusive, if a provider does not comply~~
42 ~~with its portfolio standard for any calendar year, and has not complied with its portfolio~~
43 ~~standard for the two prior calendar years, and the Commission has not exempted the~~
44 ~~provider from the requirements of its portfolio standard pursuant to NRS 704.7821 or~~
45 ~~704.78213, the Commission ~~[M] may impose an administrative fine against the provider or~~~~
46 ~~take other administrative action against the provider, or do both.~~

47 ~~5. For calendar year 2030 and for each calendar year thereafter, if a provider does not~~
48 ~~comply with its portfolio standard for any calendar year and the Commission has not~~
49 ~~exempted the provider from the requirements of its portfolio standard pursuant to NRS~~
50 ~~704.7821 or 704.78213, the Commission may impose an administrative fine against the~~
51 ~~provider or take other administrative action against the provider, or do both.~~

1 ~~[4.]~~ 6. Except as otherwise provided in subsection ~~[5.]~~ 7, the Commission may impose
2 an administrative fine against a provider based upon:

3 (a) Each kilowatt-hour of electricity that the provider does not generate, acquire or save
4 from portfolio energy systems or efficiency measures during a calendar year in violation of
5 its portfolio standard; or

6 (b) Any other reasonable formula adopted by the Commission.

7 ~~[5.]~~ 7. If a provider sells any portfolio energy credits pursuant to paragraph (b) or (c) of
8 subsection 2 in any calendar year in which the Commission determines that the provider did
9 not comply with its portfolio standard, the Commission shall not make any adjustment to the
10 provider's expenses or revenues and shall not impose on the provider any administrative fine
11 authorized by this section for that calendar year if:

12 (a) In the calendar year immediately preceding the calendar year in which the portfolio
13 energy credits were sold, the amount of portfolio energy credits held by the provider and
14 attributable to electricity generated, acquired or saved from portfolio energy systems or
15 efficiency measures by the provider exceeded the amount of portfolio energy credits
16 necessary to comply with the provider's portfolio standard by more than 10 percent;

17 (b) The price received for any portfolio energy credits sold by the provider was not lower
18 than the most recent value of portfolio energy credits, net of any energy value if the price was
19 for bundled energy and credits, as determined by reference to the last long-term renewable
20 purchased power agreements approved by the Commission in the most recent proceeding that
21 included such agreements; and

22 (c) The provider would have complied with the portfolio standard in the relevant year
23 even after the sale of portfolio energy credits based on the load forecast of the provider at the
24 time of the sale.

25 ~~[6.]~~ 8. In the aggregate, the administrative fines imposed against a provider for all
26 violations of its portfolio standard for a single calendar year must not exceed the amount
27 which is necessary and reasonable to ensure that the provider complies with its portfolio
28 standard, as determined by the Commission.

29 ~~[7.]~~ 9. If the Commission imposes an administrative fine against a utility provider:

30 (a) The administrative fine is not a cost of service of the utility provider;

31 (b) The utility provider shall not include any portion of the administrative fine in any
32 application for a rate adjustment or rate increase; and

33 (c) The Commission shall not allow the utility provider to recover any portion of the
34 administrative fine from its retail customers.

35 ~~[8.]~~ 10. All administrative fines imposed and collected pursuant to this section must be
36 deposited in the State General Fund.

37 **Sec. 24.** NRS 704.7825 is hereby amended to read as follows: 704.7825 1. ~~[Each]~~
38 *Except as otherwise provided in subsection 6, each* provider of electric service shall submit
39 to the Commission an annual report that provides information relating to the actions taken by
40 the provider to comply with its portfolio standard.

41 2. Each provider shall submit the annual report to the Commission after the end of each
42 calendar year and within the time prescribed by the Commission. The report must be
43 submitted in a format approved by the Commission.

44 3. The Commission may adopt regulations that require providers to submit to the
45 Commission additional reports during each calendar year.

46 4. Each annual report and each additional report must include clear and concise
47 information that sets forth:

48 (a) The amount of electricity which the provider generated, acquired or saved from
49 portfolio energy systems or efficiency measures during the reporting period and, if applicable,
50 the amount of portfolio energy credits that the provider acquired, sold or traded during the
51 reporting period to comply with its portfolio standard;

1 (b) The capacity of each renewable energy system owned, operated or controlled by the
2 provider, the total amount of electricity generated by each such system during the reporting
3 period and the percentage of that total amount which was generated directly from renewable
4 energy;

5 (c) Whether, during the reporting period, the provider began construction on, acquired
6 or placed into operation any renewable energy system and, if so, the date of any such event;

7 (d) Whether, during the reporting period, the provider participated in the acquisition or
8 installation of any energy efficiency measures and, if so, the date of any such event; and

9 (e) Any other information that the Commission by regulation may deem relevant.

10 5. Based on the reports submitted by providers pursuant to this section, the Commission
11 shall compile information that sets forth whether any provider has used energy efficiency
12 measures to comply with its portfolio standard and, if so, the type of energy efficiency
13 measures used and the amount of energy savings attributable to each such energy efficiency
14 measure. The Commission shall report such information to:

15 (a) The Legislature, not later than the first day of each regular session; and

16 (b) The Legislative Commission, if requested by the Chair of the Commission.

17 **6. *The provisions of this section do not apply to:***

18 (a) *A provider of electric service that is subject to NRS 704.787 ~~[an agency or~~
19 ~~instrumentality of this State]; or~~*

20 (b) *A provider of electric service that is listed in subsection 9 of NRS 704.7821 ~~[who~~
21 ~~has not made the election described in subsection 10 of that section], during any calendar~~
22 ~~year in which the total amount of electricity sold by the provider to its retail customers or~~
23 ~~members in this State during that calendar year is less than 1,000,000 megawatt-hours.~~*

24 **Sec. 25.** NRS 704.860 is hereby amended to read as follows:

25 704.860 “Utility facility” means:

26 1. Electric generating plants and their associated facilities, except electric generating
27 plants and their associated facilities which use or will use renewable energy, as defined in
28 NRS ~~[704.7811,]~~ 704.7715, as their primary source of energy to generate electricity and
29 which have or will have a nameplate capacity of not more than 70 megawatts, including,
30 without limitation, a net metering system, as defined in NRS 704.771. As used in this
31 subsection, “associated facilities” includes, without limitation, any facilities for the storage,
32 transmission or treatment of water, including, without limitation, facilities to supply water or
33 for the treatment or disposal of wastewater, which support or service an electric generating
34 plant.

35 2. Electric transmission lines and transmission substations that:

36 (a) Are designed to operate at 200 kilovolts or more;

37 (b) Are not required by local ordinance to be placed underground; and

38 (c) Are constructed outside any incorporated city.

39 3. Gas transmission lines, storage plants, compressor stations and their associated
40 facilities when constructed outside any incorporated city.

41 4. Water storage, transmission and treatment facilities, other than facilities for the
42 storage, transmission or treatment of water from mining operations.

43 5. Sewer transmission and treatment facilities.

44 **Sec. 26.** NRS 704.890 is hereby amended to read as follows:

45 704.890 1. Except as otherwise provided in subsection 3, the Commission may not grant a
46 permit for the construction, operation and maintenance of a utility facility, either as proposed
47 or as modified by the Commission, to a person unless it finds and determines:

48 (a) The nature of the probable effect on the environment;

49 (b) If the utility facility emits greenhouse gases and does not use renewable energy as its
50 primary source of energy to generate electricity, the extent to which the facility is needed to
51 ensure reliable utility service to customers in this State;

- 1 (c) That the need for the facility balances any adverse effect on the environment;
- 2 (d) That the facility represents the minimum adverse effect on the environment,
- 3 considering the state of available technology and the nature and economics of the various
- 4 alternatives;
- 5 (e) That the location of the facility as proposed conforms to applicable state and local
- 6 laws and regulations issued thereunder and the applicant has obtained, or is in the process of
- 7 obtaining, all other permits, licenses, registrations and approvals required by federal, state
- 8 and local statutes, regulations and ordinances;
- 9 (f) That the surplus asset retirement plan filed pursuant to NRS 704.870:
- 10 (1) Complies with federal, state and local laws;
- 11 (2) Provides for the remediation and reuse of the facility within a reasonable period;
- 12 and
- 13 (3) Is able to be reasonably completed under the funding plan contained in the
- 14 application; and
- 15 (g) That the facility will serve the public interest.

16 2. If the Commission determines that the location of all or a part of the proposed facility
 17 should be modified, it may condition its permit upon such a modification. If the applicant has
 18 not obtained all the other permits, licenses, registrations and approvals required by federal,
 19 state and local statutes, regulations and ordinances as of the date on which the Commission
 20 decides to issue a permit, the Commission shall condition its permit upon the applicant
 21 obtaining those permits and approvals.

22 3. The requirements set forth in paragraph (g) of subsection 1 do not apply to any
 23 application for a permit which is filed by a state government or political subdivision thereof.

24 4. As used in this section, “renewable energy” has the meaning ascribed to it in NRS
 25 ~~704.7811.~~ 704.7715.

26 **Sec. 27.** NRS 271.197 is hereby amended to read as follows:

27 271.197 “Renewable energy” has the meaning ascribed to it in NRS ~~704.7811.~~ 704.7715.

28 **Sec. 28.** Notwithstanding the provisions of any other law or any ruling or order issued
 29 by or portfolio standard established by the Public Utilities Commission of Nevada to the
 30 contrary, for any portfolio standard established by the Commission pursuant to the
 31 provisions of subsection 1 of NRS 704.78213, as that section existed on or after July 1,
 32 2012, and before the effective date of this act, the Commission shall, for calendar year 2020
 33 and for each calendar year thereafter, revise the portfolio standard to require the provider of
 34 new electric resources as defined in NRS 704B.130 to generate, acquire or save electricity
 35 from portfolio energy systems or energy efficiency measures in the amounts described in
 36 the portfolio standard set forth in NRS 704.7821, as amended by section 22 of this act.

37 **Sec. 29.** 1. This act becomes effective upon passage and approval.

38 2. Section 3 of this act expires by limitation on December 31, 2025.

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