

SENATE BILL NO. 314—SENATOR LANGE

MARCH 20, 2023

JOINT SPONSOR: ASSEMBLYMAN CARTER

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to energy storage systems. (BDR 58-60)

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

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

AN ACT relating to energy; revising a definition relating to certain renewable energy facilities; revising provisions governing the establishment by the Public Utilities Commission of Nevada of biennial targets for the procurement of energy storage systems by certain electric utilities; requiring the Commission to reevaluate the existing biennial targets; eliminating an obsolete provision relating to the establishment of such targets; establishing requirements for the installation of electrochemical energy storage systems; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Public Utilities Commission of Nevada to: (1)
2 determine, on or before October 1, 2018, whether it is in the public interest to
3 establish by regulation biennial targets for the procurement of energy storage
4 systems by certain electric utilities; and (2) if the Commission determines that it is
5 in the public interest to establish such targets, adopt regulations establishing
6 biennial targets for the procurement of energy storage systems by certain electric
7 utilities. (NRS 704.795, 704.796) Existing regulations, with certain exceptions,
8 establish progressively larger targets for the procurement of energy storage systems
9 by certain electric utilities, culminating in a requirement that certain electric
10 utilities procure energy storage systems capable of storing not less than 1,000
11 megawatts of electric power by December 31, 2030. Existing regulations also
12 require the Commission to review the existing biennial energy storage targets when
13 it reviews the resource plan submitted by an electric utility and determine whether



14 the targets should be altered. (**Section 10** of LCB File No. R106-19) **Section 1.5** of
15 this bill requires that the Commission establish biennial targets that deliver the
16 greatest benefits to the customers of the electric utility in relation to the costs of the
17 procurement of energy storage systems. **Section 6** of this bill repeals the obsolete
18 provision that requires the Commission to determine whether to adopt regulations
19 to establish the biennial targets by October 1, 2018, given that those regulations
20 have been adopted. **Section 2** of this bill makes a conforming change relating to the
21 repeal of this obsolete provision.

22 **Section 3** of this bill prohibits a person from installing an electrochemical
23 energy storage system unless the person holds a valid license in the classification
24 required to perform such work and, except under certain limited circumstances, for
25 installations occurring on property other than a residential property after July 1,
26 2025, ensures that the installation: (1) is performed by or under the direct
27 supervision of a person who holds a certificate demonstrating the successful
28 completion of the Energy Storage and Microgrid Training and Certification
29 program; and (2) conforms to certain standards regarding the installation of signage
30 in connection with such systems. **Section 4** of this bill provides that a violation of
31 the provisions of **section 3** is grounds for disciplinary action by the State
32 Contractors' Board.

33 **Section 1** of this bill revises the definition of "facility for the storage of energy
34 from renewable generation."

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

1 **Section 1.** NRS 701A.327 is hereby amended to read as
2 follows:

3 701A.327 1. "Facility for the storage of energy from
4 renewable generation" means a facility that is constructed or
5 installed for the ~~{sole}~~ purpose of storing electric energy received
6 from a facility for the generation of electricity from renewable
7 energy for release at a later time, including, without limitation, a
8 facility that is designed to use energy storage technology.

9 2. The term does not include a facility that is located on a
10 residential property.

11 **Sec. 1.5.** NRS 704.796 is hereby amended to read as follows:

12 704.796 ~~{If, pursuant to NRS 704.795, the Commission~~
13 ~~determines that it is in the public interest to establish by regulation~~
14 ~~targets for the procurement of energy storage systems by an electric~~
15 ~~utility, the}~~

16 1. *The* Commission shall adopt regulations:

17 ~~{1}~~ (a) Establishing biennial targets for the procurement of
18 energy storage systems by ~~{the}~~ *an* electric utility;

19 ~~{2}~~ (b) Setting forth the points of interconnection on the
20 electric grid for the implementation of energy storage systems;

21 ~~{3}~~ (c) Establishing that an energy storage system may be
22 owned by the electric utility or any other person;



1 ~~[4.]~~ (d) Establishing requirements for the filing by the electric
2 utility of annual or biennial plans to meet biennial targets for the
3 procurement and implementation of energy storage systems;

4 ~~[5.]~~ (e) Prescribing a procedure by which the Commission must,
5 at least once every 3 years, reevaluate the biennial targets for the
6 procurement of energy storage systems by the electric utility;

7 ~~[6.]~~ (f) Establishing a procedure by which an electric utility
8 may obtain a waiver or deferral of the biennial targets for the
9 procurement of energy storage systems if the electric utility is not
10 able to identify energy storage systems that provide benefits to
11 customers of the utility that exceed the costs of energy storage
12 systems; and

13 ~~[7.]~~ (g) Requiring the electric utility to include such information
14 as the Commission may require in each plan submitted by the
15 electric utility pursuant to NRS 704.741.

16 *2. The Commission shall establish biennial targets pursuant*
17 *to subsection 1 that deliver the greatest benefits to the customers*
18 *of the electric utility in relation to the costs of the procurement of*
19 *energy storage systems. In calculating the benefits and costs of the*
20 *procurement of energy storage systems, the Commission shall*
21 *consider all known and measurable benefits and costs, including,*
22 *without limitation:*

23 (a) *A reduction in the need for the additional generation of*
24 *electricity by the electric utility during periods of peak demand;*

25 (b) *A reduction in line losses of the electric utility;*

26 (c) *The benefits and costs related to ancillary services of the*
27 *electric utility;*

28 (d) *Avoided costs to the electric utility for additional*
29 *generation, transmission and generation capacity;*

30 (e) *The benefits arising from a reduction of greenhouse gas*
31 *emissions and the emission of other air pollutants;*

32 (f) *The benefits and costs to the electric utility related to*
33 *voltage support;*

34 (g) *The benefits of diversifying the types of resources used for*
35 *the generation of electricity;*

36 (h) *The administrative costs incurred by the electric utility;*

37 (i) *The cost to the electric utility of the integration of energy*
38 *storage systems into the transmission and distribution grid; and*

39 (j) *The cost of the energy storage systems.*

40 **Sec. 2.** NRS 704.797 is hereby amended to read as follows:

41 704.797 1. ~~If the Commission adopts regulations pursuant to~~
42 ~~NRS 704.796 to establish biennial targets for the procurement of~~
43 ~~energy storage systems by an electric utility, to} To meet the targets~~
44 set forth in ~~those} the regulations [,- the] adopted pursuant to NRS~~
45 ~~704.796, an~~ electric utility may procure energy storage systems that



1 are either centralized or distributed and either owned by the utility
2 or by any other person, as prescribed by regulation of the
3 Commission.

4 2. Electric energy storage systems procured by an electric
5 utility to meet ~~[any]~~ *the* biennial targets for the procurement of
6 energy storage systems established by regulation pursuant to NRS
7 704.796 must:

- 8 (a) Reduce peak demand for electricity;
- 9 (b) Avoid or defer investment by the electric utility in assets for
10 the generation, transmission and distribution of electricity;
- 11 (c) Improve the reliability of the operation of the transmission or
12 distribution grid;
- 13 (d) Reduce the emission of greenhouse gases or other air
14 pollutants; or
- 15 (e) Integrate renewable energy into the electric grid.

16 **Sec. 3.** Chapter 624 of NRS is hereby amended by adding
17 thereto a new section to read as follows:

18 *1. A person shall not install an electrochemical energy
19 storage system in this State unless he or she:*

20 *(a) Holds a valid license in the classification required to
21 perform such work issued pursuant to this chapter and the
22 regulations of the Board;*

23 *(b) If the installation is for a property other than a residential
24 property and is performed on or after July 1, 2025, and except as
25 otherwise provided in subsection 2, ensures that the installation:*

26 *(1) Is performed by or under the direct supervision of a
27 person who holds a certificate demonstrating the successful
28 completion of the Energy Storage and Microgrid Training and
29 Certification program (ESAMTAC); and*

30 *(2) Conforms to any standards regarding the installation of
31 signage in connection with such systems as contained in the
32 Standard for the Installation of Stationary Energy Storage
33 Systems, NFPA 855, in the form most recently published by the
34 National Fire Protection Association.*

35 *2. The provisions of paragraph (b) of subsection 1 do not
36 apply to work on an electrochemical energy storage system which
37 is performed under a warranty by an employee of the
38 manufacturer of the electrochemical energy storage system.*

39 *3. As used in this section:*

40 *(a) "Electrochemical energy storage system" means a
41 commercially available technology that is capable of receiving
42 electric energy and storing that energy by electrochemical means
43 in order to produce and deliver electricity at a later time.*

44 *(b) "Residential property" means:*



1 (1) *Improved real estate that consists of not more than four*
2 *residential units; or*

3 (2) *A single-family residential unit, including, without*
4 *limitation, a condominium, townhouse or home within a*
5 *subdivision, if the unit is sold, leased or otherwise conveyed unit*
6 *by unit, regardless of whether the unit is part of a larger building*
7 *or parcel that consists of more than four units.*

8 **Sec. 4.** NRS 624.3016 is hereby amended to read as follows:

9 624.3016 The following acts or omissions, among others,
10 constitute cause for disciplinary action under NRS 624.300:

11 1. Any fraudulent or deceitful act committed in the capacity of
12 a contractor, including, without limitation, misrepresentation or the
13 omission of a material fact.

14 2. A conviction of a violation of NRS 624.730, or a conviction
15 in this State or any other jurisdiction of a felony relating to the
16 practice of a contractor or a crime involving moral turpitude.

17 3. Knowingly making a false statement in or relating to the
18 recording of a notice of lien pursuant to the provisions of
19 NRS 108.226.

20 4. Failure to give a notice required by NRS 108.227, 108.245,
21 108.246 or 624.520.

22 5. Failure to comply with NRS 624.920, 624.930, 624.935 or
23 624.940 or any regulations of the Board governing contracts for
24 work concerning residential pools and spas.

25 6. Failure to comply with NRS 624.860 to 624.875, inclusive,
26 or any regulations of the Board governing contracts for work
27 concerning residential photovoltaic systems used to produce
28 electricity.

29 7. Failure to comply with NRS 624.600.

30 8. Misrepresentation or the omission of a material fact, or the
31 commission of any other fraudulent or deceitful act, to obtain a
32 license.

33 9. Failure to pay an assessment required pursuant to
34 NRS 624.470.

35 10. Failure to file a certified payroll report that is required for a
36 contract for a public work.

37 11. Knowingly submitting false information in an application
38 for qualification or a certified payroll report that is required for a
39 contract for a public work.

40 12. Failure to notify the Board of a conviction or entry of a
41 plea of guilty, guilty but mentally ill or nolo contendere pursuant to
42 NRS 624.266.

43 13. Failure to provide a builder's warranty as required by NRS
44 624.602 or to respond reasonably to a claim made under a builder's
45 warranty.



1 **14. Failure to comply with section 3 of this act.**

2 **Sec. 5.** NRS 624.800 is hereby amended to read as follows:

3 624.800 For any violation of the provisions of NRS 624.005 to
4 624.750, inclusive, **and section 3 of this act** that is punishable as a
5 misdemeanor, an indictment must be found, or an information or
6 complaint filed, within 2 years after the commission of the offense.

7 **Sec. 6.** NRS 704.795 is hereby repealed.

8 **Sec. 7.** 1. This section and section 1 and 6 of this act become
9 effective upon passage and approval.

10 2. Sections 3, 4 and 5 of this act become effective:

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

14 (b) On October 1, 2023, for all other purposes.

15 3. Sections 1.5 and 2 of this act become effective on July 1,
16 2024.

17 4. Section 1 of this act expires by limitation on June 30, 2049.

TEXT OF REPEALED SECTION

704.795 Commission required to determine whether targets for the procurement of energy storage systems by electric utility is in public interest; required factors to consider; calculation of benefits and costs.

1. On or before October 1, 2018, the Commission shall determine whether it is in the public interest to establish by regulation biennial targets for the procurement of energy storage systems by an electric utility.

2. In making the determination required by subsection 1, the Commission shall consider:

(a) Whether the procurement of energy storage systems by an electric utility will achieve the following purposes:

(1) The integration of renewable energy resources which generate electricity on an intermittent basis into the transmission and distribution grid of the electric utility.

(2) The improvement of the reliability of the systems for the transmission and distribution of electricity.

(3) The increased use of renewable energy resources to generate electricity.

(4) The reduction of the need for the additional generation of electricity during periods of peak demand.



(5) The avoidance or deferral of investment by the electric utility in generation, transmission and distribution of electricity.

(6) The replacement of ancillary services provided by facilities using fossil fuels with ancillary services provided by the use of energy storage systems.

(7) The reduction of greenhouse gas emissions.

(b) The interconnection of energy storage systems at each point of the electric grid, including, without limitation, in the transmission and distribution of electricity and at the site of the customer.

3. For the purposes of subsection 1, the Commission shall determine that the establishment of targets for the procurement of energy storage systems by an electric utility is in the public interest if the benefits to customers of the electric utility exceed the costs of the procurement of energy storage systems. In calculating the benefits and costs of the procurement of energy storage systems, the Commission shall consider all known and measurable benefits and costs, including, without limitation:

(a) A reduction in the need for the additional generation of electricity during periods of peak demand;

(b) A reduction in line losses;

(c) The benefits and costs related to ancillary services;

(d) Avoided costs for additional generation, transmission and generation capacity;

(e) The benefits arising from a reduction of greenhouse gas emissions and the emission of other air pollutants;

(f) The benefits and costs related to voltage support;

(g) The benefits of diversifying the types of resources used for the generation of electricity;

(h) The administrative costs incurred by the electric utility;

(i) The cost to the electric utility of the integration of energy storage systems into the transmission and distribution grid; and

(j) The cost of energy storage systems.

