

**PROPOSED REGULATION OF THE  
DIRECTOR OF THE OFFICE OF ENERGY**

**LCB File No. R051-15**

August 21, 2015

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

AUTHORITY: §§1-7, 9 and 10, NRS 701A.450, as amended by section 3 of Assembly Bill No. 466, Chapter 342 Statutes of Nevada 2015, at page 1920; §8, NRS 218F.510, as amended by section 2 of Assembly Bill No. 466, Statutes of Nevada 2015, at page 1919, NRS 281.129, as amended by section 1 of Assembly Bill No. 466, Chapter 342 Statutes of Nevada 2015, at page 1919, and NRS 701A.450, as amended by section 3 of Assembly Bill No. 466, Chapter 342 Statutes of Nevada 2015, at page 1920.

A REGULATION relating to the Renewable Energy Account; establishing a program through which the Director of the Office of Energy may provide financing through loans or other distributions of money from the Renewable Energy Account for the purchase and installation of certain energy efficiency measures; establishing a process by which an officer or employee of the State who obtains such financing may enter into an agreement with the Director pursuant to which repayment of the loan or other distribution of money from the Account will be made through payroll deductions; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, not less than 75 percent of the money in the Renewable Energy Account administered by the Director of the Office of Energy must be used to offset the cost of electricity to or the use of electricity by retail customers of a public utility that is subject to the portfolio standard established by the Public Utilities Commission of Nevada. Existing law authorizes the Director to establish by regulation other uses of the money in the Account. Existing law also authorizes the Director to establish by regulation a procedure by which any officer or employee of the State to whom the Director has made a loan or other distribution of money from the Account may enter into an agreement with the Director pursuant to which repayment of the loan or other distribution of money may be made through payroll deductions. (NRS 701A.450, as amended by section 3 of Assembly Bill No. 466, Chapter 342 Statutes of Nevada 2015, at page 1920)

**Sections 2-9** of this regulation establish a program through which a natural person may apply to the Director for a loan or other distribution of money from the Account for the purpose

of financing, in whole or in part, the purchase and installation in a single-family residence owned by the applicant of one or more energy efficiency measures which are approved by the Director.

**Section 7** provides that the Director will maintain a list of the approved energy efficiency measures and publish the list on an Internet website maintained by the Office of Energy.

**Section 8** authorizes a natural person to apply for a loan or other distribution of money from the Account for the purposes authorized by the program. **Section 8** also provides that an officer or employee of the State who has been approved for a loan or other distribution of money from the Account may apply to enter into an agreement with the Director pursuant to which the repayment of the loan or other distribution of money from the Account will be made through payroll deductions. **Section 8** sets forth certain terms and information which any such agreement must contain. **Section 8** also provides that the Director will provide to the Department of Administration or the Legislative Fiscal Officer, as applicable, the information necessary to enable the Department or the Legislative Fiscal Officer, as applicable, to administer the payroll deduction authorized by the agreement.

**Section 9** authorizes the Director to suspend repayment of a loan or other distribution of money from the Account during any period other than when an officer or employee of the State is working, on leave with pay, except catastrophic leave, or on a leave of absence due to a fiscal emergency. If the Director does not suspend repayment during any such period, **section 9** provides the mechanism by which the Director will collect repayment of the loan or other distribution of money. **Section 9** also provides for the payment in full of the entire unpaid balance of any loan or other distribution of money from the Account upon the permanent separation from service of an officer or employee of the State who has entered into an agreement with the Director for repayment through payroll deductions.

**Section 1.** Chapter 701A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 9, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Account” means the Renewable Energy Account created by NRS 701A.450.*

**Sec. 4.** *“Director” means the Director of the Office of Energy appointed pursuant to NRS 701.150.*

**Sec. 5.** *“Energy efficiency measure” means any measure designed, intended or used to improve energy efficiency or to reduce the consumption of energy.*

*Sec. 6. “Participant” means an officer or employee of the State who enters into an agreement with the Director pursuant to section 8 of this regulation.*

*Sec. 7. 1. There is hereby established a program through which a natural person may apply to the Director for a loan or other distribution of money from the Account for the purpose of financing, in whole or in part, the purchase and installation in a single-family residence owned by the natural person of one or more energy efficiency measures which are approved by the Director.*

*2. The Director will:*

*(a) Maintain a list of those energy efficiency measures the financing of the purchase and installation of which is an approved use of money obtained through a loan or other distribution of money from the Account;*

*(b) Make the list of approved energy efficiency measures maintained by the Director available to the general public free of charge; and*

*(c) Publish the list of approved energy efficiency measures maintained by the Director on an Internet website maintained by the Office of Energy.*

*Sec. 8. 1. A natural person may apply to the Director, on a form approved by the Director, for a loan or other distribution of money from the Account to finance in whole or in part the purchase and installation in a single-family residence owned by the natural person of one or more energy efficiency measures from among those approved by the Director pursuant to section 7 of this regulation.*

*2. An officer or employee of the State whose application submitted pursuant to subsection 1 is approved by the Director may submit to the Director, on a form approved by the Director, an application to enter into an agreement pursuant to which repayment of the approved loan*

*or other distribution of money from the Account will be made through payroll deductions from the paycheck of the participant.*

*3. If the Director approves an application submitted pursuant to subsection 2, the Director may enter into an agreement with the participant. An agreement entered into pursuant to this subsection must include:*

- (a) The amount of the loan or other distribution of money from the Account;*
- (b) The total amount to be repaid by the participant;*
- (c) The amount to be deducted from each paycheck of the participant;*
- (d) A description of each approved energy efficiency measure selected by the participant;*
- (e) Any waivers or consent requirements established by the Director;*
- (f) Provisions specifying that the participant may repay the loan or other distribution of money from the Account early without penalty; and*
- (g) Any other terms and conditions the Director determines necessary to ensure the repayment of the loan or other distribution of money from the Account.*

*4. Upon entering into an agreement with a participant pursuant to subsection 3, the Director will provide to the Department of Administration or the Legislative Fiscal Officer, as applicable, the information necessary to enable the Department of Administration or the Legislative Fiscal Officer, as applicable, to administer the payroll deduction set forth in the agreement, including:*

- (a) The name of the participant;*
- (b) The employee number of the participant;*
- (c) The amount of the payroll deduction authorized by the agreement;*
- (d) The frequency of the payroll deductions authorized by the agreement;*

*(e) The total amount of the loan or other distribution of money from the Account authorized by the agreement; and*

*(f) Any other information which the Department of Administration or the Legislative Fiscal Officer, as applicable, determines is necessary to administer the payroll deduction set forth in the agreement.*

*Sec. 9. 1. The Director may suspend repayment of a loan or other distribution of money from the Account made pursuant to section 8 of this regulation during any period other than when the participant is in paid status as that term is defined in NAC 284.0742. If the Director does not suspend repayment during such period:*

*(a) The Director will bill the participant for the payment due;*

*(b) Payment is due on the 20th day of each month during the period;*

*(c) Payment must be made not later than 15 days after the date on which the payment is due; and*

*(d) If payment is not received by the date on which it is due:*

*(1) The Director may provide notice to the participant by mail that the payment is past due; and*

*(2) The loan or other distribution of money from the Account may be subject to collection proceedings in accordance with the provisions of chapter 353C of NRS.*

*2. Upon a participant's permanent separation from service, the entire unpaid balance of the loan or other distribution of money from the Account is deemed to be due in its entirety and may be withheld from the final paycheck of or other final payment of money by the State to the participant. Any unpaid balance remaining thereafter must be paid by the participant by check within 60 days after the participant's date of permanent separation from service. If a*

*participant fails to pay the unpaid balance remaining within 60 days after his or her date of permanent separation from service, the unpaid balance remaining is deemed to be past due and the Director will take action to collect the debt in accordance with the provisions of chapter 353C of NRS.*

**Sec. 10.** NAC 701A.645 is hereby amended to read as follows:

701A.645 1. The Director will establish, charge and collect a fee from each applicant who submits an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive. The amount of the fee must not exceed the actual cost to the Director for processing and approving the application.

2. For projects approved on or before June 30, 2013, the State Controller shall, as soon as practicable, deposit all money in his or her possession that is subject to the provisions of NRS 701A.450 into the Renewable Energy Account in such an account or accounts as directed by the Director. All money received by the Director from the State Controller pursuant to NRS 701A.450 must be deposited by the Director into one or more interest-bearing accounts in financial institutions located in Nevada. All records related to the account or accounts are public records and must be maintained by the Director.

3. At least once every odd-numbered year, the Director will have the account or accounts audited by an independent auditor, and any report made by the auditor is a public record and must be maintained by the Director.

4. The Director will disburse from the account or accounts all of the money contained therein as follows:

(a) Seventy-five percent must be available to offset the cost of electricity to or the use of electricity by retail customers of a public utility pursuant to subsection 4 of NRS 701A.450; and

(b) Twenty-five percent must be dedicated ~~{solely}~~ to be used by the Director for ~~{the}~~ :

*(1) The* operation and staffing of his or her office ~~{and for purposes}~~ ;

*(2) To make loans or other distributions of money to carry out the program established by section 7 of this regulation; and*

*(3) Purposes* related to the Director's duties and obligations pursuant to chapters 701 and 701A of NRS and NAC 701A.500 to 701A.660, inclusive.