

SENATE BILL NO. 358—COMMITTEE ON ENERGY,  
INFRASTRUCTURE AND TRANSPORTATION

MARCH 23, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Revises provisions related to energy.  
(BDR 58-1146)

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 provisions related to energy and state and residential property; revising provisions related to the issuance of portfolio energy credits, public utility rates and net metering; revising provisions related to capacity and incentives in certain renewable energy programs; amending provisions related to local improvement districts and renewable energy; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 **Section 1** of this bill requires a portion of any federal stimulus money to be
- 2 used for the state energy reduction plan for state buildings. (NRS 701.215) This
- 3 section also requires certain biannual reports regarding the plan.
- 4 **Sections 2, 3, 5, 6, 8, 9 and 20** of this bill revise provisions related to capacity
- 5 and incentives in the Solar Energy Systems Incentive Program, the Wind Energy
- 6 Systems Demonstration Program and the Waterpower Energy Systems
- 7 Demonstration Program. (NRS 701B.200, 701B.260, 701B.590, 701B.620,
- 8 701B.840, 701B.850)
- 9 **Sections 4, 7 and 10** of this bill revise provisions related to the issuance of
- 10 portfolio energy credits. (NRS 701B.290, 701B.640, 701B.870)
- 11 **Section 11** of this bill revises provisions governing the allocation of certain
- 12 money for a program to improve energy conservation and energy efficiency in
- 13 certain residential properties. (NRS 702.275)
- 14 **Section 12** of this bill amends provisions related to rates of public utilities.
- 15 (NRS 704.110)
- 16 **Section 13** of this bill amends provisions related to the amount of net metering
- 17 offered by public utilities. (NRS 704.773)
- 18 **Sections 14-18** of this bill amend provisions related to local improvement
- 19 districts in order to allow renewable energy projects. (NRS 271.030, 271.265)



20 **Section 19** of this bill amends provisions related to tracking the use of energy  
21 in buildings owned by the State or occupied by a state agency. (NRS 331.095)

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

1 **Section 1.** NRS 701.215 is hereby amended to read as follows:  
2 701.215 **1.** The Director shall prepare a state energy  
3 reduction plan which requires state agencies, departments and other  
4 entities in the Executive Branch to reduce grid-based energy  
5 purchases for state-owned buildings by 20 percent by 2015.

6 **2.** *In accordance with, and out of any money received*  
7 *pursuant to, the American Recovery and Reinvestment Act of*  
8 *2009, Public Law 111-5, the Interim Finance Committee may*  
9 *determine an amount of money to be used by the Director to fulfill*  
10 *the requirements of subsection 1.*

11 **3. The Director:**

12 (a) *Shall use any amount of money provided pursuant to*  
13 *subsection 2 to fulfill the requirements of subsection 1;*

14 (b) *May fulfill the requirements of subsection 1 by contracting*  
15 *with one or more qualified independent consultants; and*

16 (c) *Shall biannually file reports with the Legislative*  
17 *Commission that:*

18 (1) *Indicate the general progress of energy reduction in*  
19 *state buildings; and*

20 (2) *Identify any state agency that fails to cooperate with the*  
21 *Director in the design or implementation of the plan prepared*  
22 *pursuant to subsection 1.*

23 **Sec. 2.** NRS 701B.200 is hereby amended to read as follows:

24 701B.200 The Commission shall adopt regulations necessary  
25 to carry out the provisions of NRS 701B.010 to 701B.290, inclusive,  
26 including, without limitation, regulations that establish:

27 1. The type of incentives available to participants in the Solar  
28 Program and the level or amount of those incentives ~~is~~, *except that*  
29 *the level or amount of an incentive available in a particular*  
30 *program year must be not be based upon whether the incentive is*  
31 *for unused capacity reallocated from a past program year*  
32 *pursuant to paragraph (c) of subsection 2 of NRS 701B.260;*

33 2. The requirements for a utility's annual plan for carrying out  
34 and administering the Solar Program. A utility's annual plan must  
35 include, without limitation:

36 (a) A detailed plan for advertising the Solar Program;

37 (b) A detailed budget and schedule for carrying out and  
38 administering the Solar Program;



1 (c) A detailed account of administrative processes and forms  
2 that will be used to carry out and administer the Solar Program,  
3 including, without limitation, a description of the application  
4 process and copies of all applications and any other forms that are  
5 necessary to apply for and participate in the Solar Program;

6 (d) A detailed account of the procedures that will be used for  
7 inspection and verification of a participant's solar energy system  
8 and compliance with the Solar Program;

9 (e) A detailed account of training and educational activities that  
10 will be used to carry out and administer the Solar Program; and

11 (f) Any other information required by the Commission.

12 **Sec. 3.** NRS 701B.260 is hereby amended to read as follows:

13 701B.260 1. Except as otherwise provided in this section, the  
14 Commission may approve, for a program year, solar energy  
15 systems:

16 (a) Totaling 2,000 kilowatts of capacity for school property;

17 (b) Totaling 760 kilowatts of capacity for public and other  
18 property; and

19 (c) Totaling 1,000 kilowatts of capacity for private residential  
20 property and small business property.

21 2. If the capacity allocated to any category for a program year  
22 is not fully subscribed by participants in that category, the  
23 Commission may, in any combination it deems appropriate:

24 (a) Allow a utility to submit additional applications to the Task  
25 Force from applicants who want to participate in that category; ~~for~~

26 (b) Reallocate any of the unused capacity in that category to any  
27 of the other categories ~~for~~; or

28 *(c) Reallocate any of the unused capacity in that category to*  
29 *future program years within the same category.*

30 ~~but in no case may the sum of the allocated total capacities of all~~  
31 ~~the categories be greater than 3,760 kilowatts, which is the sum of~~  
32 ~~the approvable total capacities of all the categories as described in~~  
33 ~~subsection 1.]~~

34 3. To promote the installation of solar energy systems on as  
35 many school properties as possible, the Commission may not  
36 approve for use in the Solar Program a solar energy system having a  
37 generating capacity of more than 50 kilowatts if the solar energy  
38 system is or will be installed on school property on or after July 1,  
39 2007, unless the Commission determines that approval of a solar  
40 energy system with a greater generating capacity is more practicable  
41 for a particular school property.

42 4. After reviewing the master application submitted by a utility  
43 pursuant to NRS 701B.250 and ensuring that each applicant meets  
44 the qualifications and requirements to be eligible to participate in  
45 the Solar Program, the Task Force shall:



1 (a) Within the limits of the capacity allocated to each category,  
2 select applicants to be participants in the Solar Program and place  
3 those applicants on a list of participants; and

4 (b) Select applicants to be placed on a prioritized waiting list to  
5 become participants in the Solar Program if any capacity within a  
6 category becomes available.

7 5. Not later than 30 days after the date on which the Task Force  
8 selects an applicant to be on the list of participants or the prioritized  
9 waiting list, the utility which submitted the application to the Task  
10 Force on behalf of the applicant shall provide written notice of the  
11 selection to the applicant.

12 6. After the Task Force selects an applicant to be on the list of  
13 participants, the utility which submitted the application to the Task  
14 Force on behalf of the applicant may approve the solar energy  
15 system proposed by the applicant. Except as otherwise provided in  
16 subsection 3 of NRS 701B.250, immediately upon the utility's  
17 approval of the solar energy system, the applicant may install and  
18 energize the solar energy system.

19 **Sec. 4.** NRS 701B.290 is hereby amended to read as follows:

20 701B.290 1. After a participant installs a solar energy system  
21 included in the Solar Program, the Commission shall issue portfolio  
22 energy credits for use within the system of portfolio energy credits  
23 adopted by the Commission pursuant to NRS 704.7821.

24 2. The Commission shall designate the portfolio energy credits  
25 issued pursuant to this section as portfolio energy credits generated,  
26 acquired or saved from solar renewable energy systems for the  
27 purposes of the portfolio standard.

28 3. All portfolio energy credits issued for a solar energy system  
29 installed pursuant to the Solar Program must be assigned ~~[to and  
30 become the property of the utility administering the Program.] as  
31 follows:~~

32 (a) *The credits must be divided between the participant and the  
33 utility based upon the relative contribution that each has made to  
34 the total cost of the system, including, without limitation, the cost  
35 of installation of the system;*

36 (b) *The utility's relative contribution must include the value of  
37 any rebates offered to the participant; and*

38 (c) *Relative contributions must not be calculated until the  
39 utility has recovered reasonable costs related to the administration  
40 of the plan, as determined by the Commission.*

41 **Sec. 5.** NRS 701B.590 is hereby amended to read as follows:

42 701B.590 The Commission shall adopt regulations necessary  
43 to carry out the provisions of the Wind Energy Systems  
44 Demonstration Program Act, including, without limitation,  
45 regulations that establish:



1 1. The qualifications and requirements an applicant must meet  
2 to be eligible to participate in the Program in each particular  
3 category of:

- 4 (a) School property;
- 5 (b) Other public property;
- 6 (c) Private residential property and small business property; and
- 7 (d) Agricultural property.

8 2. The type of incentives available to participants in the  
9 Program and the level or amount of those incentives ~~is~~, *except that*  
10 *the level or amount of an incentive available in a particular*  
11 *program year must be not be based upon whether the incentive is*  
12 *for unused capacity reallocated from a past program year*  
13 *pursuant to paragraph (c) of subsection 3 of NRS 701B.620.*

14 3. The requirements for a utility's annual plan for carrying out  
15 and administering the Program. A utility's annual plan must include,  
16 without limitation:

- 17 (a) A detailed plan for advertising the Program;
- 18 (b) A detailed budget and schedule for carrying out and  
19 administering the Program;
- 20 (c) A detailed account of administrative processes and forms  
21 that will be used to carry out and administer the Program, including,  
22 without limitation, a description of the application process and  
23 copies of all applications and any other forms that are necessary to  
24 apply for and participate in the Program;
- 25 (d) A detailed account of the procedures that will be used for  
26 inspection and verification of a participant's wind energy system  
27 and compliance with the Program;
- 28 (e) A detailed account of training and educational activities that  
29 will be used to carry out and administer the Program; and
- 30 (f) Any other information required by the Commission.

31 **Sec. 6.** NRS 701B.620 is hereby amended to read as follows:

32 701B.620 1. Based on the applications submitted by each  
33 utility for a program year, the Task Force shall:

- 34 (a) Within the limits of the capacity allocated to each category,  
35 select applicants to be participants in the Wind Demonstration  
36 Program and place those applicants on a list of participants; and
- 37 (b) Select applicants to be placed on a prioritized waiting list to  
38 become participants in the Program if any capacity within a  
39 category becomes available.

40 2. Not later than 30 days after the date on which the Task Force  
41 selects an applicant to be on the list of participants or the prioritized  
42 waiting list, the utility which submitted the application to the Task  
43 Force on behalf of the applicant shall provide written notice of the  
44 selection to the applicant.



1 3. If the capacity allocated to any category for a program year  
2 is not fully subscribed by participants in that category, the Task  
3 Force may, in any combination it deems appropriate:

4 (a) Allow a utility to submit additional applications from  
5 applicants who want to participate in that category; ~~or~~

6 (b) Reallocate any of the unused capacity in that category to any  
7 of the other categories ~~or~~; *or*

8 (c) *Reallocate any of the unused capacity in that category to*  
9 *future program years within the same category.*

10 4. At any time after submitting an application to participate in  
11 the Program to a utility, an applicant may energize his wind energy  
12 system if the wind energy system meets all applicable building  
13 codes and all applicable requirements of the utility as approved by  
14 the Commission. An applicant who energizes his wind energy  
15 system under such circumstances remains eligible to participate in  
16 the Program, and the energizing of the wind energy system does not  
17 alter the applicant's status on the list of participants or the  
18 prioritized waiting list.

19 **Sec. 7.** NRS 701B.640 is hereby amended to read as follows:

20 701B.640 1. After a participant installs a wind energy system  
21 included in the Wind Demonstration Program, the Commission shall  
22 issue portfolio energy credits for use within the system of portfolio  
23 energy credits adopted by the Commission pursuant to NRS  
24 704.7821 equal to the actual or estimated kilowatt-hour production  
25 of the wind energy system.

26 2. All portfolio energy credits issued for a wind energy system  
27 installed pursuant to the Wind Demonstration Program must be  
28 assigned ~~to and become the property of the utility administering the~~  
29 ~~Program.]~~ *as follows:*

30 (a) *The credits must be divided between the participant and the*  
31 *utility based upon the relative contribution that each has made to*  
32 *the total cost of the system, including, without limitation, the cost*  
33 *of installation of the system;*

34 (b) *The utility's relative contribution must include the value of*  
35 *any rebates offered to the participant; and*

36 (c) *Relative contributions must not be calculated until the*  
37 *utility has recovered reasonable costs related to the administration*  
38 *of the plan, as determined by the Commission.*

39 **Sec. 8.** NRS 701B.840 is hereby amended to read as follows:

40 701B.840 The Commission shall adopt regulations that  
41 establish:

42 1. The level, amount and type of incentives available for  
43 participants in the Waterpower Demonstration Program ~~or~~, *except*  
44 *that the level or amount of an incentive available in a particular*  
45 *program year must be not be based upon whether the incentive is*



1 *for unused capacity reallocated from a past program year*  
2 *pursuant to subsection 5 of NRS 701B.850.*

3 2. The requirements for an annual plan for the administration  
4 and delivery of the Waterpower Demonstration Program. The  
5 requirements for an annual plan must include, without limitation:

- 6 (a) An advertising plan;
- 7 (b) A detailed budget;
- 8 (c) A schedule;
- 9 (d) Administrative processes, including, without limitation, a  
10 copy of the application and process for accepting applications;
- 11 (e) An inspection and verification process;
- 12 (f) Proposed training and educational activities; and
- 13 (g) Any other information required by the Commission.

14 **Sec. 9.** NRS 701B.850 is hereby amended to read as follows:

15 701B.850 1. On or before February 21, 2008, and on or  
16 before February 1 of each subsequent year, each utility shall file  
17 with the Commission for approval an annual plan for the  
18 administration and delivery of the Waterpower Demonstration  
19 Program for the program year beginning July 1, 2008, and each  
20 subsequent year thereafter.

21 2. On or before July 1, 2008, and on or before each July 1 of  
22 each subsequent year, the Commission shall review the annual plan  
23 for compliance with the requirements set forth by regulation of the  
24 Commission.

25 3. On or before November 1, 2008, and on or before  
26 November 1 of each subsequent year, each utility shall submit to the  
27 Task Force a recommendation of which applications received  
28 should be accepted into the program. The Task Force shall review  
29 the applications to ensure that the applicant meets the requirements  
30 adopted pursuant to subsection 4 of NRS 701B.820.

31 4. The Task Force may approve, from among the applications  
32 recommended by each utility, waterpower energy systems totaling:

- 33 (a) For the program year beginning July 1, 2008, 200 kilowatts  
34 of capacity;
- 35 (b) For the program year beginning July 1, 2009, an additional  
36 100 kilowatts of capacity; and
- 37 (c) For the program year beginning July 1, 2010, an additional  
38 100 kilowatts of capacity.

39 *5. If the capacity allocated for a program year is not fully*  
40 *subscribed by participants, the Task Force may reallocate any of*  
41 *the unused capacity to future program years.*

42 **Sec. 10.** NRS 701B.870 is hereby amended to read as follows:

43 701B.870 1. After a participant installs a waterpower energy  
44 system included in the Waterpower Demonstration Program, the  
45 Commission shall issue portfolio energy credits for use within the





1 system of portfolio energy credits adopted by the Commission  
2 pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-  
3 hour production of the waterpower energy system of the participant.

4 2. All portfolio energy credits issued for a waterpower energy  
5 system installed pursuant to the Waterpower Demonstration  
6 Program are assigned ~~to and become the property of the utility~~  
7 ~~administering the Program.~~ as follows:

8 (a) *The credits must be divided between the participant and the*  
9 *utility based upon the relative contribution that each has made to*  
10 *the total cost of the system, including, without limitation, the cost*  
11 *of installation of the system;*

12 (b) *The utility's relative contribution must include the value of*  
13 *any rebates offered to the participant; and*

14 (c) *Relative contributions must not be calculated until the*  
15 *utility has recovered reasonable costs related to the administration*  
16 *of the plan, as determined by the Commission.*

17 **Sec. 11.** NRS 702.275 is hereby amended to read as follows:

18 702.275 1. At the beginning of ~~the~~ *each* fiscal year, 30  
19 percent of *all* the money in the Fund which was allocated to the  
20 Division of Welfare and Supportive Services during ~~the~~ *all*  
21 preceding fiscal ~~year~~ *years* pursuant to NRS 702.260 and which  
22 remains unspent and unencumbered must be distributed to the  
23 Housing Division for a program of improving energy conservation  
24 and energy efficiency in residential property. The Housing Division  
25 may use not more than 6 percent of the money distributed pursuant  
26 to this section for its administrative expenses.

27 2. Except as otherwise provided in NRS 702.150, after  
28 deduction for its administrative expenses, the Housing Division may  
29 use the money distributed pursuant to this section only to provide a  
30 qualified purchaser of residential property which has received a  
31 deficient evaluation on the energy consumption of the residential  
32 property pursuant to the program established in NRS 701.250 with a  
33 grant to pay for improvements designed to increase the energy  
34 conservation and energy efficiency of the residential property or to  
35 assist an eligible household in acquiring such improvements.

36 3. To be eligible to receive assistance from the Housing  
37 Division pursuant to this section:

38 (a) The purchaser of the residential property must have a  
39 household income that is not more than 80 percent of the median  
40 gross family income for the county in which the property is located,  
41 based upon the estimates of the United States Department of  
42 Housing and Urban Development of the most current median gross  
43 family income for that county; and

44 (b) The residential property must not meet the standards for  
45 energy consumption established pursuant to NRS 701.250.





1 4. The Housing Division shall adopt regulations to carry out  
2 and enforce the provisions of this section.

3 5. In carrying out the provisions of this section, the Housing  
4 Division shall:

5 (a) Solicit advice from the Division of Welfare and Supportive  
6 Services and from other knowledgeable persons;

7 (b) Identify and implement appropriate delivery systems to  
8 distribute money from the Fund and to provide other assistance  
9 pursuant to this section;

10 (c) Coordinate with other federal, state and local agencies that  
11 provide energy assistance or conservation services to low-income  
12 persons and, to the extent allowed by federal law and to the extent  
13 practicable, use the same simplified application forms as those other  
14 agencies;

15 (d) Encourage other persons to provide resources and services,  
16 including, to the extent practicable, schools and programs that  
17 provide training in the building trades and apprenticeship programs;

18 (e) Establish a process for evaluating the program conducted  
19 pursuant to this section;

20 (f) Develop a process for making changes to the program; and

21 (g) Engage in annual planning and evaluation processes with the  
22 Division of Welfare and Supportive Services as required by  
23 NRS 702.280.

24 **Sec. 12.** NRS 704.110 is hereby amended to read as follows:

25 704.110 Except as otherwise provided in NRS 704.075 and  
26 704.68861 to 704.68887, inclusive, or as may otherwise be provided  
27 by the Commission pursuant to NRS 704.095 or 704.097:

28 1. If a public utility files with the Commission an application to  
29 make changes in any schedule, including, without limitation,  
30 changes that will result in a discontinuance, modification or  
31 restriction of service, the Commission shall investigate the propriety  
32 of the proposed changes to determine whether to approve or  
33 disapprove the proposed changes. If an electric utility files such an  
34 application and the application is a general rate application or an  
35 annual deferred energy accounting adjustment application, the  
36 Consumer's Advocate shall be deemed a party of record.

37 2. Except as otherwise provided in subsection 3, if a public  
38 utility files with the Commission an application to make changes in  
39 any schedule, the Commission shall, not later than 210 days after the  
40 date on which the application is filed, issue a written order  
41 approving or disapproving, in whole or in part, the proposed  
42 changes.

43 3. If a public utility files with the Commission a general rate  
44 application, the public utility shall submit with its application a  
45 statement showing the recorded results of revenues, expenses,



1 investments and costs of capital for its most recent 12 months for  
2 which data were available when the application was prepared.  
3 Except as otherwise provided in subsection 4, in determining  
4 whether to approve or disapprove any increased rates, the  
5 Commission shall consider evidence in support of the increased  
6 rates based upon actual recorded results of operations for the same  
7 12 months, adjusted for increased revenues, any increased  
8 investment in facilities, increased expenses for depreciation, certain  
9 other operating expenses as approved by the Commission and  
10 changes in the costs of securities which are known and are  
11 measurable with reasonable accuracy at the time of filing and which  
12 will become effective within 6 months after the last month of those  
13 12 months, but the public utility shall not place into effect any  
14 increased rates until the changes have been experienced and  
15 certified by the public utility to the Commission and the  
16 Commission has approved the increased rates. The Commission  
17 shall also consider evidence supporting expenses for depreciation,  
18 calculated on an annual basis, applicable to major components of the  
19 public utility's plant placed into service during the recorded test  
20 period or the period for certification as set forth in the application.  
21 Adjustments to revenues, operating expenses and costs of securities  
22 must be calculated on an annual basis. Within 90 days after the date  
23 on which the certification required by this subsection is filed with  
24 the Commission, or within the period set forth in subsection 2,  
25 whichever time is longer, the Commission shall make such order in  
26 reference to the increased rates as is required by this chapter. The  
27 following public utilities shall each file a general rate application  
28 pursuant to this subsection based on the following schedule:

29 (a) An electric utility that primarily serves less densely  
30 populated counties shall file a general rate application not later than  
31 5 p.m. on or before the first Monday in December 2007, and at least  
32 once every 36 months thereafter.

33 (b) An electric utility that primarily serves densely populated  
34 counties shall file a general rate application not later than 5 p.m. on  
35 or before the first Monday in December 2008, and at least once  
36 every 36 months thereafter.

37 (c) A public utility that furnishes water for municipal, industrial  
38 or domestic purposes or services for the disposal of sewage, or both,  
39 which had an annual gross operating revenue of \$500,000 or more  
40 for at least 1 year during the immediately preceding 3 years and  
41 which had not filed a general rate application with the Commission  
42 on or after July 1, 2005, shall file a general rate application on or  
43 before June 30, 2008, and at least once every 36 months thereafter  
44 unless waived by the Commission pursuant to standards adopted by  
45 regulation of the Commission.



1 (d) A public utility that furnishes water for municipal, industrial  
2 or domestic purposes or services for the disposal of sewage, or both,  
3 which had an annual gross operating revenue of \$500,000 or more  
4 for at least 1 year during the immediately preceding 3 years and  
5 which had filed a general rate application with the Commission on  
6 or after July 1, 2005, shall file a general rate application on or before  
7 June 30, 2009, and at least once every 36 months thereafter unless  
8 waived by the Commission pursuant to standards adopted by  
9 regulation of the Commission.

10 ➤ The Commission shall adopt regulations setting forth standards  
11 for waivers pursuant to paragraphs (c) and (d) and for including the  
12 costs incurred by the public utility in preparing and presenting the  
13 general rate application before the effective date of any change in  
14 rates.

15 4. In addition to submitting the statement required pursuant to  
16 subsection 3, a public utility may submit with its general rate  
17 application a statement showing the effects, on an annualized basis,  
18 of all expected changes in circumstances. If such a statement is  
19 filed, it must include all increases and decreases in revenue and  
20 expenses which may occur within 210 days after the date on which  
21 its general rate application is filed with the Commission if such  
22 expected changes in circumstances are reasonably known and are  
23 measurable with reasonable accuracy. If a public utility submits  
24 such a statement, the public utility has the burden of proving that the  
25 expected changes in circumstances set forth in the statement are  
26 reasonably known and are measurable with reasonable accuracy.  
27 The Commission shall consider expected changes in circumstances  
28 to be reasonably known and measurable with reasonable accuracy if  
29 the expected changes in circumstances consist of specific and  
30 identifiable events or programs rather than general trends, patterns  
31 or developments, have an objectively high probability of occurring  
32 to the degree, in the amount and at the time expected, are primarily  
33 measurable by recorded or verifiable revenues and expenses and are  
34 easily and objectively calculated, with the calculation of the  
35 expected changes relying only secondarily on estimates, forecasts,  
36 projections or budgets. If the Commission determines that the public  
37 utility has met its burden of proof:

38 (a) The Commission shall consider the statement submitted  
39 pursuant to this subsection and evidence relevant to the statement,  
40 including all reasonable projected or forecasted offsets in revenue  
41 and expenses that are directly attributable to or associated with the  
42 expected changes in circumstances under consideration, in addition  
43 to the statement required pursuant to subsection 3 as evidence in  
44 establishing just and reasonable rates for the public utility; and



1 (b) The public utility is not required to file with the Commission  
2 the certification that would otherwise be required pursuant to  
3 subsection 3.

4 5. If a public utility files with the Commission an application to  
5 make changes in any schedule and the Commission does not issue a  
6 final written order regarding the proposed changes within the time  
7 required by this section, the proposed changes shall be deemed to be  
8 approved by the Commission.

9 6. If a public utility files with the Commission a general rate  
10 application, the public utility shall not file with the Commission  
11 another general rate application until all pending general rate  
12 applications filed by that public utility have been decided by the  
13 Commission unless, after application and hearing, the Commission  
14 determines that a substantial financial emergency would exist if the  
15 public utility is not permitted to file another general rate application  
16 sooner. The provisions of this subsection do not prohibit the public  
17 utility from filing with the Commission, while a general rate  
18 application is pending, an application to recover the increased cost  
19 of purchased fuel, purchased power, or natural gas purchased for  
20 resale pursuant to subsection 7, a quarterly rate adjustment pursuant  
21 to subsection 8 or 9, any information relating to deferred accounting  
22 requirements pursuant to NRS 704.185 or an annual deferred energy  
23 accounting adjustment application pursuant to NRS 704.187, if the  
24 public utility is otherwise authorized to so file by those provisions.

25 7. A public utility may file an application to recover the  
26 increased cost of purchased fuel, purchased power, or natural gas  
27 purchased for resale once every 30 days. The provisions of this  
28 subsection do not apply to:

29 (a) An electric utility which is required to adjust its rates on a  
30 quarterly basis pursuant to subsection 9; or

31 (b) A public utility which purchases natural gas for resale and  
32 which adjusts its rates on a quarterly basis between annual rate  
33 adjustment applications pursuant to subsection 8.

34 8. A public utility which purchases natural gas for resale must  
35 request approval from the Commission to adjust its rates on a  
36 quarterly basis between annual rate adjustment applications based  
37 on changes in the public utility's recorded costs of natural gas  
38 purchased for resale. If the Commission approves such a request:

39 (a) The public utility shall file written notice with the  
40 Commission before the public utility makes a quarterly rate  
41 adjustment between annual rate adjustment applications. A quarterly  
42 rate adjustment is not subject to the requirements for notice and a  
43 hearing pursuant to NRS 703.320 or the requirements for a  
44 consumer session pursuant to subsection 1 of NRS 704.069.



1 (b) The public utility shall provide written notice of each  
2 quarterly rate adjustment to its customers by including the written  
3 notice with a customer's regular monthly bill. The public utility  
4 shall begin providing such written notice to its customers not later  
5 than 30 days after the date on which the public utility files its  
6 written notice with the Commission pursuant to paragraph (a). The  
7 written notice that is included with a customer's regular monthly  
8 bill:

9 (1) Must be printed separately on fluorescent-colored paper  
10 and must not be attached to the pages of the bill; and

11 (2) Must include the following:

12 (I) The total amount of the increase or decrease in the  
13 public utility's revenues from the rate adjustment, stated in dollars  
14 and as a percentage;

15 (II) The amount of the monthly increase or decrease in  
16 charges for each class of customer or class of service, stated in  
17 dollars and as a percentage;

18 (III) A statement that customers may send written  
19 comments or protests regarding the rate adjustment to the  
20 Commission; and

21 (IV) Any other information required by the Commission.

22 (c) The public utility shall file an annual rate adjustment  
23 application with the Commission. The annual rate adjustment  
24 application is subject to the requirements for notice and a hearing  
25 pursuant to NRS 703.320 and the requirements for a consumer  
26 session pursuant to subsection 1 of NRS 704.069.

27 (d) The proceeding regarding the annual rate adjustment  
28 application must include a review of each quarterly rate adjustment  
29 and a review of the transactions and recorded costs of natural gas  
30 included in each quarterly rate adjustment and the annual rate  
31 adjustment application. There is no presumption of reasonableness  
32 or prudence for any quarterly rate adjustment or for any transactions  
33 or recorded costs of natural gas included in any quarterly rate  
34 adjustment or the annual rate adjustment application, and the public  
35 utility has the burden of proving reasonableness and prudence in the  
36 proceeding.

37 (e) The Commission shall not allow the public utility to recover  
38 any recorded costs of natural gas which were the result of any  
39 practice or transaction that was unreasonable or was undertaken,  
40 managed or performed imprudently by the public utility, and the  
41 Commission shall order the public utility to adjust its rates if the  
42 Commission determines that any recorded costs of natural gas  
43 included in any quarterly rate adjustment or the annual rate  
44 adjustment application were not reasonable or prudent.



1 9. An electric utility shall adjust its rates on a quarterly basis  
2 based on changes in the public utility's recorded costs of purchased  
3 fuel or purchased power in the following manner:

4 (a) An electric utility shall file written notice with the  
5 Commission on or before August 15, 2007, and every quarter  
6 thereafter of the quarterly rate adjustment to be made by the electric  
7 utility for the following quarter. The first quarterly rate adjustment  
8 by the electric utility will take effect on October 1, 2007, and each  
9 subsequent quarterly rate adjustment will take effect every quarter  
10 thereafter. A quarterly rate adjustment is not subject to the  
11 requirements for notice and a hearing pursuant to NRS 703.320 or  
12 the requirements for a consumer session pursuant to subsection 1 of  
13 NRS 704.069.

14 (b) Each electric utility shall provide written notice of each  
15 quarterly rate adjustment to its customers by including the written  
16 notice with a customer's regular monthly bill. The electric utility  
17 shall begin providing such written notice to its customers not later  
18 than 30 days after the date on which the electric utility files a written  
19 notice with the Commission pursuant to paragraph (a). The written  
20 notice that is included with a customer's regular monthly bill:

21 (1) Must be printed separately on fluorescent-colored paper  
22 and must not be attached to the pages of the bill; and

23 (2) Must include the following:

24 (I) The total amount of the increase or decrease in the  
25 electric utility's revenues from the rate adjustment, stated in dollars  
26 and as a percentage;

27 (II) The amount of the monthly increase or decrease in  
28 charges for each class of customer or class of service, stated in  
29 dollars and as a percentage;

30 (III) A statement that customers may send written  
31 comments or protests regarding the rate adjustment to the  
32 Commission; and

33 (IV) Any other information required by the Commission.

34 (c) An electric utility shall file an annual deferred energy  
35 accounting adjustment application pursuant to NRS 704.187 with  
36 the Commission. The annual deferred energy accounting adjustment  
37 application is subject to the requirements for notice and a hearing  
38 pursuant to NRS 703.320 and the requirements for a consumer  
39 session pursuant to subsection 1 of NRS 704.069.

40 (d) The proceeding regarding the annual deferred energy  
41 accounting adjustment application must include a review of each  
42 quarterly rate adjustment and a review of the transactions and  
43 recorded costs of purchased fuel and purchased power included in  
44 each quarterly rate adjustment and the annual deferred energy  
45 accounting adjustment application. There is no presumption of



1 reasonableness or prudence for any quarterly rate adjustment or for  
2 any transactions or recorded costs of purchased fuel and purchased  
3 power included in any quarterly rate adjustment or the annual  
4 deferred energy accounting adjustment application, and the electric  
5 utility has the burden of proving reasonableness and prudence in the  
6 proceeding.

7 (e) The Commission shall not allow the electric utility to recover  
8 any recorded costs of purchased fuel and purchased power which  
9 were the result of any practice or transaction that was unreasonable  
10 or was undertaken, managed or performed imprudently by the  
11 electric utility, and the Commission shall order the electric utility to  
12 adjust its rates if the Commission determines that any recorded costs  
13 of purchased fuel and purchased power included in any quarterly  
14 rate adjustment or the annual deferred energy accounting adjustment  
15 application were not reasonable or prudent.

16 10. If an electric utility files an annual deferred energy  
17 accounting adjustment application pursuant to subsection 9 and  
18 NRS 704.187 while a general rate application is pending, the  
19 electric utility shall:

20 (a) Submit with its annual deferred energy accounting  
21 adjustment application information relating to the cost of service  
22 and rate design; and

23 (b) Supplement its general rate application with the same  
24 information, if such information was not submitted with the general  
25 rate application.

26 11. A utility facility identified in a 3-year plan submitted  
27 pursuant to NRS 704.741 and accepted by the Commission for  
28 acquisition or construction pursuant to NRS 704.751 and the  
29 regulations adopted pursuant thereto shall be deemed to be a prudent  
30 investment. The utility may recover all just and reasonable costs of  
31 planning and constructing such a facility.

32 12. *In regard to any rate or schedule approved or disapproved*  
33 *pursuant to this section, the Commission may:*

34 (a) *Approve a new rate but delay the collection of that new*  
35 *rate:*

36 (1) *Until a date determined by the Commission; and*

37 (2) *Under any conditions as determined by the Commission,*  
38 *including, without limitation, a requirement that interest charges*  
39 *be included in the collection of the new rate; and*

40 (b) *Establish a separate rate for eligible households that*  
41 *qualify for assistance pursuant to NRS 702.260, but such a*  
42 *separate rate must take into account any assistance received*  
43 *pursuant to NRS 702.260.*

44 13. As used in this section:





1 (a) "Electric utility" has the meaning ascribed to it in  
2 NRS 704.187.

3 (b) "Electric utility that primarily serves densely populated  
4 counties" means an electric utility that, with regard to the provision  
5 of electric service, derives more of its annual gross operating  
6 revenue in this State from customers located in counties whose  
7 population is 400,000 or more than it does from customers located  
8 in counties whose population is less than 400,000.

9 (c) "Electric utility that primarily serves less densely populated  
10 counties" means an electric utility that, with regard to the provision  
11 of electric service, derives more of its annual gross operating  
12 revenue in this State from customers located in counties whose  
13 population is less than 400,000 than it does from customers located  
14 in counties whose population is 400,000 or more.

15 **Sec. 13.** NRS 704.773 is hereby amended to read as follows:

16 704.773 1. A utility shall offer net metering, as set forth in  
17 NRS 704.775, to the customer-generators operating within its  
18 service area until the cumulative capacity of all such net metering  
19 systems is equal to ~~1~~ 2 percent of the utility's peak capacity.

20 2. If the net metering system of a customer-generator who  
21 accepts the offer of a utility for net metering has a capacity of not  
22 more than 100 kilowatts, the utility:

23 (a) Shall offer to make available to the customer-generator an  
24 energy meter that is capable of registering the flow of electricity in  
25 two directions.

26 (b) May, at its own expense and with the written consent of the  
27 customer-generator, install one or more additional meters to monitor  
28 the flow of electricity in each direction.

29 (c) Shall not charge a customer-generator any fee or charge that  
30 would increase the customer-generator's minimum monthly charge  
31 to an amount greater than that of other customers of the utility in the  
32 same rate class as the customer-generator.

33 3. If the net metering system of a customer-generator who  
34 accepts the offer of a utility for net metering has a capacity of more  
35 than 100 kilowatts, the utility:

36 (a) May require the customer-generator to install at its own cost:

37 (1) An energy meter that is capable of measuring generation  
38 output and customer load; and

39 (2) Any upgrades to the system of the utility that are required  
40 to make the net metering system compatible with the system of the  
41 utility.

42 (b) Except as otherwise provided in paragraph (c), may charge  
43 the customer-generator any applicable fee or charge charged to  
44 other customers of the utility in the same rate class as the



1 customer-generator, including, without limitation, customer,  
2 demand and facility charges.

3 (c) Shall not charge the customer-generator any standby charge.

4 ➔ At the time of installation or upgrade of any portion of a net  
5 metering system, the utility must allow a customer-generator  
6 governed by this subsection to pay the entire cost of the installation  
7 or upgrade of the portion of the net metering system.

8 4. The Commission shall adopt regulations prescribing the  
9 form and substance for a net metering tariff and a standard net  
10 metering contract. The regulations must include, without limitation:

11 (a) The particular provisions, limitations and responsibilities of  
12 a customer-generator which must be included in a net metering tariff  
13 with regard to:

14 (1) Metering equipment;

15 (2) Net energy metering and billing; and

16 (3) Interconnection,

17 ➔ based on the allowable size of the net metering system.

18 (b) The particular provisions, limitations and responsibilities of  
19 a customer-generator and the utility which must be included in a  
20 standard net metering contract.

21 (c) A timeline for processing applications and contracts for net  
22 metering applicants.

23 (d) Any other provisions the Commission finds necessary to  
24 carry out the provisions of NRS 704.766 to 704.775, inclusive.

25 **Sec. 14.** Chapter 271 of NRS is hereby amended by adding  
26 thereto the provisions set forth as sections 15 and 16 of this act.

27 **Sec. 15.** *“Renewable energy” has the meaning ascribed to it*  
28 *in NRS 704.7811.*

29 **Sec. 16.** *“Renewable energy project” means real property,*  
30 *facilities and equipment used to generate electricity from*  
31 *renewable energy and all appurtenances and incidentals*  
32 *necessary, useful or desirable for any such real property, facilities*  
33 *and equipment.*

34 **Sec. 17.** NRS 271.030 is hereby amended to read as follows:

35 271.030 As used in this chapter, unless the context otherwise  
36 requires, the words and terms defined in NRS 271.035 to 271.250,  
37 inclusive, *and sections 15 and 16 of this act* have the meanings  
38 ascribed to them in those sections.

39 **Sec. 18.** NRS 271.265 is hereby amended to read as follows:

40 271.265 1. The governing body of a county, city or town,  
41 upon behalf of the municipality and in its name, without any  
42 election, may from time to time acquire, improve, equip, operate  
43 and maintain, within or without the municipality, or both within and  
44 without the municipality:

45 (a) A commercial area vitalization project;



- 1 (b) A curb and gutter project;
- 2 (c) A drainage project;
- 3 (d) An off-street parking project;
- 4 (e) An overpass project;
- 5 (f) A park project;
- 6 (g) *A renewable energy project;*
- 7 ~~(h)~~ A sanitary sewer project;
- 8 ~~(i)~~ (i) A security wall;
- 9 ~~(j)~~ (j) A sidewalk project;
- 10 ~~(k)~~ (k) A storm sewer project;
- 11 ~~(l)~~ (l) A street project;
- 12 ~~(m)~~ (m) A street beautification project;
- 13 ~~(n)~~ (n) A transportation project;
- 14 ~~(o)~~ (o) An underpass project;
- 15 ~~(p)~~ (p) A water project; and
- 16 ~~(q)~~ (q) Any combination of such projects.

17 2. In addition to the power specified in subsection 1, the  
18 governing body of a city having a commission form of government  
19 as defined in NRS 267.010, upon behalf of the municipality and in  
20 its name, without any election, may from time to time acquire,  
21 improve, equip, operate and maintain, within or without the  
22 municipality, or both within and without the municipality:

- 23 (a) An electrical project;
- 24 (b) A telephone project;
- 25 (c) A combination of an electrical project and a telephone  
26 project;
- 27 (d) A combination of an electrical project or a telephone project  
28 with any of the projects, or any combination thereof, specified in  
29 subsection 1; and
- 30 (e) A combination of an electrical project and a telephone  
31 project with any of the projects, or any combination thereof,  
32 specified in subsection 1.

33 3. In addition to the power specified in subsections 1 and 2, the  
34 governing body of a municipality, on behalf of the municipality and  
35 in its name, without an election, may finance an underground  
36 conversion project with the approval of each service provider that  
37 owns the overhead service facilities to be converted.

38 4. In addition to the power specified in subsections 1, 2 and 3,  
39 if the governing body of a municipality in a county whose  
40 population is less than 400,000 complies with the provisions of NRS  
41 271.650, the governing body of the municipality, on behalf of the  
42 municipality and in its name, without any election, may from time to  
43 time acquire, improve, equip, operate and maintain, within or  
44 without the municipality, or both within and without the  
45 municipality:



- 1 (a) An art project; and
- 2 (b) A tourism and entertainment project.

3 **Sec. 19.** NRS 331.095 is hereby amended to read as follows:

4 331.095 1. The Chief shall establish a program to track the  
5 use of energy in buildings owned by the State and ~~may establish~~  
6 ~~such a program, where appropriate, for~~ in other buildings *which*  
7 *are* occupied by a state agency ~~[-]~~ *and whose owners comply with*  
8 *the program pursuant to subsection 6.*

9 2. The program established pursuant to this section must:

10 (a) Record utility bills for each building for each month and  
11 preserve those records indefinitely;

12 (b) Allow for the comparison of utility bills for a building from  
13 month to month and year to year;

14 (c) Allow for the comparison of utility bills between buildings,  
15 including comparisons between similar buildings or types of  
16 buildings;

17 (d) Allow for adjustments to the information based upon  
18 variations in weather conditions, the length of the billing period and  
19 other changes in relevant conditions;

20 (e) Facilitate identification of errors in utility bills and meter  
21 readings;

22 (f) Allow for the projection of costs for energy for a building;  
23 and

24 (g) Identify energy and cost savings associated with efforts to  
25 conserve energy.

26 3. The Chief may apply for any available grants and accept any  
27 gifts, grants or donations to assist in establishing and carrying out  
28 the program.

29 4. *In accordance with, and out of any money received*  
30 *pursuant to, the American Recovery and Reinvestment Act of*  
31 *2009, Public Law 111-5, the Interim Finance Committee may*  
32 *determine an amount of money to be used by the Chief to fulfill*  
33 *the requirements of subsection 1.*

34 5. To the extent that there is not sufficient money available for  
35 the support of the program, each state agency that occupies a  
36 building in which the use of energy is tracked pursuant to the  
37 program shall reimburse the Buildings and Grounds Division for the  
38 agency's proportionate share of the unfunded portion of the cost of  
39 the program. The reimbursement must be based upon the energy  
40 consumption of the respective state agencies that occupy buildings  
41 in which the use of energy is tracked.

42 6. *Notwithstanding any other provision of law, an owner of a*  
43 *building who enters into a contract with a state agency for*  
44 *occupancy in his building:*



1        *(a) If the contract is entered into before the effective date of*  
2 *this act, may comply with the program; and*

3        *(b) If the contract is entered into on or after the effective date*  
4 *of this act, shall comply with the program.*

5        *↳ If an owner chooses not to comply with the program pursuant*  
6 *to paragraph (a), a state or local agency shall not, after the*  
7 *effective date of this act, enter into a contract for occupancy of a*  
8 *building owned by the owner.*

9        **Sec. 20.** Any kilowatts of capacity that have been unused from  
10 the inceptions of the Solar Energy Systems Incentive Program,  
11 Wind Energy Systems Demonstration Program and Waterpower  
12 Energy Systems Demonstration Program pursuant to NRS  
13 701B.260, 701B.620 and 701B.850 until the effective date of this  
14 act may be allocated pursuant to the amendatory provisions of  
15 sections 3, 6 and 9 of this act.

16        **Sec. 21.** This act becomes effective upon passage and  
17 approval.

