

**PROPOSED REGULATION OF THE PUBLIC
UTILITIES COMMISSION OF NEVADA**

LCB File No. R115-03

October 17, 2003

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

AUTHORITY: §§1-20, NRS 704.7821 and 704.7828.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 20, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 20, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Administrator” means the person appointed by the Commission to administer the system of renewable energy credits established pursuant to NRS 704.7821.*

Sec. 4. *“Designated representative” means the person authorized by the owner of a renewable energy system to represent the system before the Commission.*

Sec. 5 *“Net metering system” has the meaning ascribed to it in NRS 704.771.*

Sec. 6. *“Provider of electric service” has the meaning ascribed to it in NRS 704.7808.*

Sec. 7. *“Renewable energy” has the meaning ascribed to it in NRS 704.7811.*

Sec. 8. *“Renewable energy credit” means a unit of credit which:*

1. Equals 1 kilowatt-hour of electricity generated by a renewable energy system.

2. *For a solar facility that reduces the consumption of electricity by the generation of solar energy, equals the amount of electricity that is reduced at the facility by the operation of the solar facility.*

3. *For a net metering system, equals the amount of metered electricity generated by the system or, if the system does not use a meter to measure the kilowatt-hours of electricity generated by the system, equals the estimate of the electricity generated by the system in the manner prescribed in subsection 4 of section 15 of this regulation.*

Sec. 9. *“Renewable energy system” has the meaning ascribed to it in NRS 704.7815.*

Sec. 10. *“Utility provider” means a provider of electric service that is a public utility.*

Sec. 11. *Renewable energy credits may be used to establish a portfolio standard for renewable energy pursuant to the provisions of NRS 704.7801 to 704.7828, inclusive.*

Sec. 12. 1. *A renewable energy system or an owner of renewable energy credits who wishes to participate in the system of renewable energy credits established pursuant to NRS 704.7821 must apply to, and be approved by, the Commission to participate in the system.*

2. *The application must include:*

(a) *The legal name of the applicant and all other names under which the applicant is doing business in the United States.*

(b) *The telephone number, mailing address and electronic mail address of the applicant.*

(c) *A copy of each business license and certificate issued by this state or any local government of this state which authorizes the applicant to conduct business in this state.*

(d) *The name, telephone number, address and electronic mail address of the designated representative, if the applicant is a renewable energy system.*

(e) A map indicating the location of the renewable energy system, and an electrical one-line diagram indicating the system's interconnection points with the local distribution or transmission system and the location of all generation units.

(f) The type of renewable energy system.

(g) The rating of the electrical capacity of the renewable energy system.

(h) The date the renewable energy system was placed in service.

(i) The estimated yearly generation of electricity by the renewable energy system in kilowatt-hours.

(j) The location and type of metering used by the renewable energy system, including the identification of primary metering and secondary metering at multiple sites.

(k) If fossil fuel is used as an energy source to generate electricity, the percentage that fossil fuel bears to the total input of the renewable energy system. If the percentage of fossil fuel is more than 2 percent of the total input, as measured in British thermal units, a statement that indicates whether separate metering is practical.

(l) Proof that the applicant is a renewable energy system or an owner of renewable energy credits.

(m) A signature page signed by an authorized agent of the renewable energy system which states that the renewable energy system consents to the jurisdiction of the Commission for the purposes of participating in the system of renewable energy credits.

3. If there is a change in any information contained in the application, the applicant shall notify the Commission and provide the revised information within 30 days after the change in the information occurs.

Sec. 13. 1. *Each renewable energy system or owner of renewable energy credits who is authorized by the Commission to participate in the system of renewable energy credits shall, not later than 30 days after the last day of the month in the calendar quarter, submit to the Commission or Administrator each calendar quarter information concerning the purchase or sale of renewable energy credits. The amount of electricity reported in the information submitted to the Commissioner or Administrator must be generated solely from, or purchased and attributable to, a renewable energy system which is authorized by the Commission to participate in the system of renewable energy credits pursuant to section 12 of this regulation.*

2. Each provider of electric service shall, not later than 30 days after the end of the calendar quarter, submit to the Administrator a quarterly report which includes the amount of renewable energy and the number of renewable energy credits purchased from each renewable energy system. The report must be submitted on a form prescribed by the Administrator.

Sec. 14. *If a renewable energy system has entered into a contract with a provider of electric service before the effective date of this regulation, the renewable energy credits generated by the renewable energy system pursuant to the contract must be awarded to the provider, or as otherwise determined in a proceeding conducted pursuant to NAC 704B.300 to 704B.420, inclusive.*

Sec. 15. 1. *Electricity generated by a renewable energy system which is authorized to participate in the system of renewable energy credits must be metered and the renewable energy system shall submit meter readings quarterly to the Commission.*

2. Except as provided in subsections 3, 4 and 5, the Administrator shall certify renewable energy credits to a renewable energy system for:

(a) The net metered output of electricity in kilowatt-hours delivered to the transmission system or the distribution system and sold to a provider of electric service. The net metered output must be provided to the Administrator by the entity that owns, operates or controls the meters used to monitor the net metered output of electricity of the renewable energy system.

(b) The difference between the metered generation of electricity in kilowatt-hours and the net metered output of electricity set forth in paragraph (a). Unless otherwise provided for in a contract for renewable energy, the renewable energy credits certified by the Administrator pursuant to this paragraph must be awarded to the owner of the renewable energy system.

3. The Administrator shall certify renewable energy credits for the line loss factor of a customer-maintained distributed renewable energy system by multiplying the metered number of kilowatt-hours generated and used by the customer who is served by the customer-maintained renewable energy system by a factor of 1.15.

4. A solar thermal energy system may use a thermal energy meter to measure the amount of energy generated by the system. The system will be credited with 1 kilowatt-hour of electricity generated for each 3,412 British Thermal Units of heat generated by the solar thermal energy system.

5. A net metering system must credit renewable energy credits quarterly based upon the amount of metered electricity generated by the system or, if metering is not used, upon an estimate of the electricity generated by the net metering system by using the method of calculation designated by the regulatory operations staff of the Commission for a solar thermal energy system which does not use a meter to measure the generation of electricity of the system.

6. The renewable energy credits generated by a net metering system must be assigned to the owner of the net metering system, unless the provisions of subparagraph (2) of paragraph (c) of subsection 2 of NRS 704.775 apply, or another allocation of the renewable energy credits is provided for in a written agreement between the utility provider and the owner of the net metering system.

7. As used in this section:

(a) “Customer-maintained distributed renewable energy system” means a facility or energy system which:

(1) Is used and maintained by an end-use customer;

(2) Uses renewable energy to generate electricity;

(3) Does not use the utility’s system to transmit or distribute electricity; and

(4) Uses a meter and other equipment to:

(I) Measure the electricity generated by the energy system; and

(II) Reduce part, but not more than all, of the electrical load of the customer.

(b) “Solar thermal energy system” means a renewable energy system that uses solar energy for the purpose of producing heat to reduce directly the consumption of electricity.

Sec. 16. 1. *Each quarterly statement of renewable energy credits certified by the Administrator pursuant to section 15 of this regulation must be identified by a serial number determined by the Administrator as follows:*

(a) The first four digits must represent the year the renewable energy credit is issued.

(b) The next two digits must represent the month the renewable energy credit is issued.

(c) Those digits must be followed by two characters which represent the type of renewable energy.

(d) Those characters must be followed by six characters which represent a unique number assigned to the renewable energy system by the Commission or Administrator.

(e) Those characters must be followed by the appropriate number of digits which represent the amount expressed in thousands of kilowatt-hours of electricity generated by the renewable energy system.

2. Each quarterly statement of renewable energy credits must list by month the metered kilowatt-hours of electricity generated by the renewable energy system or, if the renewable energy system does not use a meter to measure the kilowatt-hours of electricity generated, the estimated amount of electricity generated and the type of renewable energy credit identified in section 15 of this regulation.

3. The unique number assigned to a renewable energy system by the Administrator or Commission pursuant to paragraph (d) of subsection 1 is valid for the life of the renewable energy system and may not be changed regardless of any change in the name or ownership of the system.

Sec. 17. 1. Renewable energy credits certified by the Administrator pursuant to section 15 of this regulation expire 4 years after the compliance year in which the renewable energy credits are certified.

2. The Administrator shall establish and maintain a website on the Internet to provide information concerning transactions for the registration, certification, trading and retiring of renewable energy credits.

3. As used in this section, "compliance year" has the meaning ascribed to it in NAC 704.8839.

Sec. 18. 1. *Upon receipt of a joint request for the transfer of a renewable energy credit from the owner of a renewable energy credit and the proposed purchaser of the renewable energy credit, the Administrator shall transfer the renewable energy credit from the account of the owner to the account specified in the request, unless the credit cannot be transferred. The Administrator shall send a notice of the transfer of the renewable energy credit to the electronic mail addresses of the owner and purchaser within 5 business days after the renewable energy credit is transferred.*

2. If a renewable energy credit cannot be transferred, the Administrator shall, within 15 days after he receives the request for the transfer of a renewable energy credit, notify the owner of the credit and the proposed purchaser, in writing, of the reason why the credit cannot be transferred.

3. The Administrator shall, each month, mail to each participant in the system of renewable energy credits a statement of his account.

Sec. 19. *If the owner of renewable energy credits wishes to retire any such credits from being traded or otherwise transferred before their expiration, his designated representative must submit a request to retire those credits to the Administrator. The Administrator shall maintain records to identify:*

- 1. The renewable energy credits that are retired; and*
- 2. The basis upon which the renewable energy credits are retired.*

Sec. 20. 1. *A utility provider shall:*

(a) Account for renewable energy credits by using General Instruction 21 as set forth in the Uniform System of Accounts of the Federal Energy Regulatory Commission in 18 C.F.R. Part 101, which is hereby adopted by reference. The volume of the Code of Federal

Regulations which contains Part 101 may be purchased from the Superintendent of Documents, United States Government Printing Office, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954, or toll-free at 866.512.1800, for the price of \$62.

(b) Substitute FERC Account No. 555, which is adopted by reference pursuant to NAC 704.120, for FERC Account Nos. 509, 411.8 and 411.9.

(c) Maintain subaccounts for renewable energy credits that are separate from all other items in FERC Account No. 555.

(d) Apply for the inclusion of any losses or gains from the purchase or sale of renewable energy credits in each deferred energy application filed pursuant to NAC 704.023 to 704.195, inclusive.

2. As used in this section, “FERC account” means an account contained in the Uniform System of Accounts established by the Federal Energy Regulatory Commission.