

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

Docket 07-06026

SOLAR ENERGY SYSTEMS INCENTIVE PROGRAM

EXPLANATION: - Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is to be omitted.

Section 1. *Chapter 701B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 17 inclusive, of this regulation.*

Sec. 2. *“Applicant” has the meaning ascribed to it in Section 4 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 3. *“Category” has the meaning ascribed to it in Section 5 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 4. *“Commission” has the meaning ascribed to it in Section 6 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 5. *“Participant” has the meaning ascribed to it in Section 9 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 6. *“Program year” has the meaning ascribed to it in Section 11 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 7. *“Public and other property” has the meaning ascribed to it in Section 12 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 8. *“School property” has the meaning ascribed to it in Section 14 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 9. *“Small business” has the meaning ascribed to it in Section 15 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 10. *“Solar energy system” has the meaning ascribed to it in Section 16 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 11. *“Solar Program” has the meaning ascribed to it in Section 17 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 12. *“Task Force” has the meaning ascribed to it in Section 18 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 13. *“Utility” has the meaning ascribed to it in Section 19 of SB 437 of the 74th Session of the Nevada Legislature.*

Sec. 14. *1. A utility shall offer each participant in the Solar Program the following incentives in the form of a rebate for installing and operating a solar renewable energy system unless the Commission approves a different incentive for a program year.*

(a) For the school property and the public and other property categories:

1. Program year beginning July 1, 2007, an incentive of \$5 per watt of installed capacity of the solar energy system.

2. Program year beginning July 1, 2008, an incentive of \$4.60 per watt of installed capacity of the solar energy system.

3. Program year beginning July 1, 2009, an incentive of \$4.20 per watt of installed capacity of the solar energy system.

4. Program year beginning July 1, 2010, an incentive of \$3.80 per watt of installed capacity of the solar energy system.

5. *Program year beginning July 1, 2011, an incentive of \$3.40 per watt of installed capacity of the solar energy system.*

6. *Program year beginning July 1, 2012, an incentive of \$3.00 per watt of installed capacity of the solar energy system.*

(b) For the private residential property and small business property categories:

1. *Program year beginning July 1, 2007, an incentive of \$2.50 per watt of installed capacity of the solar energy system.*

2. *Program year beginning July 1, 2008, an incentive of \$2.30 per watt of installed capacity of the solar energy system.*

3. *Program year beginning July 1, 2009, an incentive of \$2.10 per watt of installed capacity of the solar energy system.*

4. *Program year beginning July 1, 2010, an incentive of \$1.90 per watt of installed capacity of the solar energy system.*

5. *Program year beginning July 1, 2011, an incentive of \$1.70 per watt of installed capacity of the solar energy system.*

6. *Program year beginning July 1, 2012, an incentive of \$1.50 per watt of installed capacity of the solar energy system.*

2. *The incentives in effect at the time an application is approved by the Task Force determines the incentive level which the applicant shall be eligible to receive at the completion of the applicant's project if the project meets all of the requirements of the Solar Program for that program year.*

Sec. 15. 1. Each year on or before February 1, a utility shall file with the Commission its annual plan for carrying out and administering the Solar Program within its service area for a program year.

2. The annual plan shall include the following:

(a) Schedule describing major program milestones;

(b) Budget broken down by the following categories,

(1) Incentives;

(2) Contractor costs;

(3) Marketing costs;

(4) Training costs; and

(5) Utility administrative costs.

(c) Report on previous program years and status update on current program year including the following:

(1) Number of applications by category;

(2) Drop outs;

(3) Budgets and expenditures;

(4) Remaining financial obligations;

(5) List of completed installations;

(6) Marketing results summary; and

(7) Training and educational activities.

(d) Application process:

(1) Procedures to be followed by the utility and the applicant;

- (2) Selection criteria and basis for acceptance in the program and the waiting list;*
- (3) Applications and forms;*
- (4) Application process schedule including estimated dates when the utility will forward recommendations for approval of applications to the Task Force;*
- (5) Evaluation criteria;*
- (6) Criteria for promoting applicants from the waiting list to the approved list;*
and
- (7) Template of the recommendation for approval of applications and waiting list by the Task Force.*
- (e) Proposed program year incentives;*
- (f) Detailed advertising plan;*
- (g) Education/Training plan;*
- (h) Inspection and verification plan including the requirements pursuant to Section 16 of this regulation and any other requirements an applicant must fulfill to receive incentive payment;*
- (i) Conditions and requirements which must be met to allow the utility to request and the Task Force to approve the reallocation unsubscribed capacity from one category to another category in the program year; and*
- (j) Administrative processes,*
 - (1) Agreements; and*
 - (2) Reports.*

Sec. 16. 1. *The qualifications and requirements an applicant must meet to be eligible to participate in each applicable category, are as follows:*

(a) School property, public and other property

(1) School property must be located within the Nevada service territory of a utility.

(b) Private residential property and small business property;

(1) Private residential property

(I) Be the owner of the property at which the solar system will be installed, and

(II) Be located within the Nevada service territory of a utility

(2) Small Business

(I) Be the owner of the property at which the solar system will be installed, and

(II) Be located within the Nevada service territory of a utility.

2. The applicant must use a solar energy system that includes the following:

(a) A two-year workmanship warranty for the installation of the solar energy system, including labor and materials;

(b) A seven-year product warranty for the inverters, limited to material; and

(c) A 20-year product warranty for the solar panels, limited to material.

Sec. 17. 1. *The master application which a utility must submit to the Task Force must include the following:*

(a) The annual plan for the applicable program year, as modified and approved by the Commission;

(b) The completed application for each applicant;

(c) The recommended criteria for approving applications and establishing priority for the waiting list;

(d) A list of those applications recommended for approval indicating that are new applications and that are proposed to be promoted from the waiting list;

(e) A list of applicants recommended for the waiting list in priority order; and

(f) A tabulation by program category for the program year showing the capacity allowed for each category, the capacity previously approved for each category, the capacity recommended for approval for each category, the capacity represented by the waiting list for each category, and the balance of capacity not yet committed.

Sec. 18. NAC 704.8927 is hereby amended to read as follows:

1. Except as otherwise provided in NAC 704.8893, electricity generated by a renewable energy system which is authorized to participate in the system of portfolio energy credits must be metered and the renewable energy system shall submit meter readings quarterly to the Commission.

2. Except as otherwise provided in subsections 3 to 12, inclusive, the Administrator shall certify portfolio energy credits to a portfolio energy system or efficiency measure 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 portfolio 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 portfolio energy credits for the line loss factor of:

(a) 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 distributed renewable energy system by a factor of 1.05; and

(b) An energy efficiency measure by multiplying the number of kilowatt-hours saved by the energy efficiency measure by a factor of 1.05.

4. The Administrator shall certify portfolio energy credits for participants in the Solar Energy Systems *Incentive Program created pursuant to SB 437 of the 74th Session of the Nevada Legislature* ~~[Demonstration Program created in section 14 of chapter 331, Statutes of Nevada 2003, as amended by section 17 of chapter 478, Statutes of Nevada 2003.]~~ by multiplying the actual kilowatt-hours produced by the solar renewable energy system by a factor of 2.4.

5. The Administrator shall certify portfolio energy credits for solar photovoltaic systems described in NRS 704.7822 by multiplying the actual kilowatt-hours produced by the solar renewable energy system by a factor of 2.4.

6. The Administrator shall certify portfolio energy credits for a system that uses a reverse polymerization process described in NRS 704.7823 by multiplying the actual kilowatt-hours produced by the renewable energy system by a factor of 0.7.

7. The Administrator shall certify portfolio energy credits for electricity saved by a utility provider during its peak load periods, as defined in the utility provider's approved tariffs, from energy efficiency measures described in NRS 704.7802, by multiplying each kilowatt-hour

of electricity saved by the utility provider during its peak load period from energy efficiency measures by a factor of 2.0.

8. 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.

9. A net metering system will be credited annually with portfolio energy credits 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 energy system which does not use a meter to measure the generation of electricity of the system.

10. The portfolio energy credits generated by a net metering system must be assigned to the owner of the net metering system, unless the provisions of subparagraph (4) of paragraph (c) of subsection 2 of NRS 704.775 or subparagraph 3 of paragraph (c) of subsection 3 of NRS 704.775 apply, or another allocation of the portfolio energy credits is provided for in a written agreement between the utility provider and the owner of the net metering system.

11. If the Administrator is required by subsections 4 to 7, inclusive, to apply a multiplier in certifying portfolio energy credits for a portfolio energy system or efficiency measure and he determines that more than one multiplier may be applicable to the portfolio energy system or efficiency measure, the Administrator shall only apply the largest applicable multiplier in certifying the portfolio energy credits.

12. 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) “Reverse polymerization process” has the meaning ascribed to it in NRS 704.7823.
- (c) “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, natural gas or propane.

Sec. 18. NAC 704.8939 is hereby repealed.