

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

LCB File No. R140-09

Effective April 20, 2010

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

AUTHORITY: §§1-6, NRS 704.773.

A REGULATION relating to public utilities; revising provisions relating to net metering tariffs; providing that any relationship or agreement between a customer-generator and a third-party system owner or operator must not prohibit the customer-generator from participating in certain programs that encourage the development of renewable energy; and providing other matters properly relating thereto.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *“Third-party system owner or operator” means a person who for compensation owns or operates individual systems which use renewable energy to generate electricity and sell the electricity generated from those systems to not more than one customer of the public utility per individual system if each individual system is:*

- 1. Located on the premises of another person;*
- 2. Used to produce not more than 150 percent of that other person’s requirements for electricity on an annual basis, as measured in kilowatts, for the premises on which the individual system is located; and*
- 3. Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.*

Sec. 3. *A customer-generator may designate a third-party system owner or operator to work with the utility on behalf of the customer-generator on matters relating to the net metering system of the customer-generator.*

Sec. 4. *Any relationship or agreement between a customer-generator and a third-party system owner or operator must not prohibit the customer-generator from participating in any utility program that encourages the development of renewable energy.*

Sec. 5. Section 2 of LCB File No. R032-08, which was adopted by the Public Utilities Commission of Nevada and filed with the Secretary of State on September 18, 2008, is hereby amended to read as follows:

Sec. 2. As used in sections 2 to 14, inclusive, of this regulation, *and sections 2, 3 and 4 of LCB File No. R140-09*, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this regulation *and section 2 of LCB File No. R140-09* have the meanings ascribed to them in those sections.

Sec. 6. Section 11 of LCB File No. R032-08, which was adopted by the Public Utilities Commission of Nevada and filed with the Secretary of State on September 18, 2008, is hereby amended to read as follows:

Sec. 11. A utility must file an application with the Commission to obtain approval of a net metering tariff. The net metering tariff must include, at a minimum, the following provisions:

1. Net metering must be accomplished using a single meter capable of registering the flow of electricity in both directions, except that if the net metering system of a customer-generator has a capacity of more than 100 kilowatts, the utility may require the customer-generator to install, at his own expense ~~§~~ *or at a cost which is negotiated between the*

customer-generator and the third-party system owner or operator, an energy meter that is capable of measuring generation output and customer load.

2. Billing for net metering must be made in accordance with the provisions of NRS 704.775.
3. Interconnection with the utility must be consistent with the utility's tariff.
4. The net metering system must meet the standards set forth in NRS 704.774.

NOTICE OF ADOPTION OF REGULATION

The Public Utilities Commission adopted regulations assigned LCB File No. R140-09 (Docket No. 09-06031) which pertain to chapter 704 of the Nevada Administrative Code on February 24, 2010. A copy of the regulations as adopted is attached.

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY NRS 233B.066 LCB FILE NO. R140-09 (DOCKET NO. 09-06031)

The following informational statement is submitted for adopted amendments to Nevada Administrative Code Chapter 704.

1. A description of how public comment was solicited, a summary of public response, and explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notice of intent to act upon the regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in third party participation in ownership of renewable energy systems and other related utility matters in accordance with Assembly Bill 186. These documents were also made available at the website of the Public Utilities Commission ("PUC"), <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Elko Daily Free Press
Las Vegas Review Journal
Nevada Appeal
Reno Gazette Journal
Tonopah Times-Bonanza

and posted at the following locations:

Public Utilities Commission
1150 East William Street
Carson City, NV 89701

Public Utilities Commission
101 Convention Center Drive, Suite 250
Las Vegas, NV 89109

First Judicial District Court
885 East Musser Street
Carson City, Nevada 89701

Second Judicial District Court
75 Court Street
Reno, NV 89501

Eighth Judicial District Court
Regional Justice Center
200 Lewis Avenue
Las Vegas, NV 89155

Participants discussed third party participation in ownership of renewable energy systems and other related utility matters. Topics included but were not limited to whether third party ownership

of a renewable energy system affects who pays for a meter, and how to synchronize the statutory language regarding third party ownership with the requirements in the regulations for net metering.

Transcripts of the proceedings are available for review at the office of the PUC, 1150 East William Street, Carson City, Nevada 89701 and 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

2. **The number of persons who:**
 - (a) **attended each hearing:** February 4, 2010 - 3
 - (b) **testified at each hearing:** February 4, 2010 - 3
 - (c) **submitted to the agency written comments:** 4

3. **A description of how comment was solicited from affected businesses, a summary of their response and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public.

The summary may be obtained as instructed in the response to question #1.

4. **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The permanent regulations were adopted on February 24, 2010.

5. **The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**
 - (a) **Both adverse and beneficial effects;**
 - (b) **Both immediate and long-term effects;**

(a) Both adverse and beneficial effects:

No adverse effects of the proposed regulations on small businesses are anticipated. The proposed regulations may provide increased opportunities for small businesses in renewable energy industries.

(b) Both immediate and long-term effects:

See Item #5(a).

6. **The estimated cost to the agency for enforcement of the adopted regulation.**

There is no additional cost to the agency for enforcement of these regulations.

- 7. A description of any regulation of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

These regulations do not overlap or duplicate any federal, state, or local regulations.

- 8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

N/A

- 9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

N/A

- 10. If the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The PUC determined that the proposed regulations do not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the PUC adopted the findings of the Regulatory Operations Staff, which conducted a Delphi Method exercise to determine the impacts. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts.