

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

LCB FILE NO. R045-21I

**The following document is the initial draft regulation proposed
by the agency submitted on 09/29/2021**

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

September 20, 2021

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

Section 1. NAC 701A.500 is hereby amended by adding the following definitions:

Definitions. (NRS 701A)

“Energy storage technology” defined. (NRS 701A) means technology that stores energy as potential, kinetic, chemical or thermal energy that can be released at a later time, including, without limitation, batteries, flywheels, electrochemical capacitors, compressed-air storage and thermal storage devices.

“Facility for the storage of energy from renewable generation” defined. (NRS 701A) means a facility that is constructed or installed for the sole purpose of storing electric energy received from a facility for the generation of electricity from renewable energy for release at a later time, including, without limitation, a facility that is designed to use energy storage technology. The term does not include a facility that is located on a residential property.

“Hybrid renewable generation and energy storage facility” defined. (NRS 701A) means a facility that includes both a wholesale facility for the generation of electricity from renewable energy and a facility for the storage of energy from renewable generation.

INTENT

To be in line with recent amendments pertaining to NRS 701A Sections 3, 4, and 5.

REFERENCES

NRS 701A

Sec 3, 4 and 5. Chapter 701A of NRS is hereby amended by adding the definitions mentioned above.

Section 2. NAC 701A.520 is hereby amended to read as follows:

NAC 701A.520 “Facility” defined. ([NRS 701A.390](#)) “Facility” means:

1. A facility for the generation of electricity from renewable energy in this State.
2. A wholesale facility for the generation of electricity from renewable energy in this State.
3. A facility for the transmission of electricity if:
 - (a) The facility is interconnected to a facility described in subsection 1 or 2; or

(b) The facility contributes to the capability of the electrical grid to accommodate and transmit electricity produced from a facility described in subsection 1 or 2.

4. A facility for the generation of process heat from solar renewable energy in this State.

(Added to NAC by Nev. Energy Comm'r by R094-10, eff. 8-13-2010; A by Office of Energy by R065-13, 2-26-2014)

5. A facility for the storage of energy from renewable generation or a hybrid renewable generation and energy storage facility.

INTENT

To be in line with recent amendments pertaining to NRS 701A Section 7.

REFERENCES

NRS 701A

Sec 7. NRS 701A.360 is hereby amended to read as follows: 701A.360 1. A person who intends to locate a facility for the generation of process heat from solar renewable energy, a wholesale facility for the generation of electricity from renewable energy, a facility for the storage of energy from renewable generation or a hybrid renewable generation and energy storage facility.

Section 3. NAC 701A.550 is hereby amended to read as follows:

1. **"Wages" defined.** (**NRS 701A.365 and** 701A.390) "Wages" has the meaning ascribed to it in ~~[NRS 338.010]~~ **NRS 701A.365(7).**

INTENT

To be in line with recent amendments pertaining to NRS 701A.365 (7) (a) which remove reference to the definition of "Wages" found in NRS 338.010. Further, it specifies what is to be included in the calculation of the basic hourly rate of pay and what should be omitted.

REFERENCES

NRS 701A.365 (7) (a) and (b)

7. As used in this section, "wage" or "wages":
- a) Means
 - 1. The basic hourly rate of pay; and
 - 2. The amount of hourly contribution made to a third-party administrator pursuant to a pension plan or vacation plan which is for the benefit of the employee.
 - b) Except as provided in paragraph (a), does not include the amount of any health insurance plan, pension or other bona fide fringe benefits which are a benefit to the employee.

Section 4. NAC 701A.615 is hereby amended to read as follows:

Duties of Applicant: Maintenance of certain records; payment of taxes abated resulting from noncompliance of applicant or other person working on project or facility. (*NRS 701A.365* and *NRS 701A.390*)

1. An applicant who has executed an abatement agreement with the Director shall:
 - a) *Keep or cause to be kept* ~~[Maintain]~~ a list of names and contact information of each person, entity, contractor and subcontractor working on the construction of the project and operation of the facility who is authorized to claim the benefit of the partial abatement of taxes approved by the Director, *including, any records required to be kept by a contractor engaged on a public work pursuant to subsection 5 of NRS 338.070;*

INTENT

To be in line with recent amendments pertaining to NRS 701A Section 2 and NRS 338.070.

REFERENCES

NRS 701A and NRS 338.070

Sec 2. A recipient of a partial abatement of taxes pursuant to this section and NRS 701A.300 to 701A.390, inclusive, and section 3 of this act shall keep or cause to be kept the records required to be kept by a contractor engaged on a public work pursuant to subsection 5 of NRS 338.070 for each employee who performed work on the construction of the facility, including, without limitation, the employee of any contractor or subcontractor who performed work on the facility, and for each employee of the facility.

Section 5. NAC 701A.620 is hereby amended to read as follows:

701A.620 (*NRS 701A.365 and* NRS 701A.390)

1. Each applicant who executes an abatement agreement with the Director shall file an annual compliance report with the Director on the form prescribed by the Director. *A recipient of a partial abatement of taxes shall submit annually to the Office of Energy and the board of county commissioners of the county in which the facility is located a certified payroll report on a form or in a format prescribed by the Director. The certified payroll report must be accompanied by a statement certifying the truthfulness and accuracy of the payroll report; and include the records required in NRS 701A.379.* The applicant shall file the annual compliance report on or before the anniversary date of the abatement agreement, except

that the Director may grant an extension of time to file the annual compliance report which must not exceed 30 days. The annual compliance report must include all information and documentation required by the Director.

INTENT

To be in line with recent amendments pertaining to NRS 701A Section 3.

REFERENCES

NRS 701A

Sec 3. A recipient of a partial abatement of taxes pursuant to this section and NRS 701A.300 to 701A.390, inclusive, and section 2 of this act shall submit annually to the Office of Energy and the board of county commissioners of the county in which the facility is located a certified payroll report on a form or in a format prescribed by the Director. The certified payroll report must: 1) Be accompanied by a statement certifying the truthfulness and accuracy of the payroll report; and 2) Include the information contained in the records required to be kept pursuant to section 2 of this act.

Section 6. NAC 701A.645 is hereby amended to read as follows:

4. ~~[The Director will distribute from the account or accounts all of the money contained therein as follows:]~~ ***The money in the Account must be used for such purposes as the Director of the Office of Energy may establish by regulation.***

~~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 operation and staffing of his or her office and for 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.]~~

A portion of such fee may be used to support activities of the Office which expand renewable energy development in the State. The Office may use the funds for any program or project such as:

c. Renewable resource development

d. Mapping

e. Surveying

f. Monitoring of project development and life cycle performance

g. Business development to include communication with project developers

- h. The use of funds to match money provided through grants, projects or programs provided or established by the Federal Government*
- i. Regional Market Development*

INTENT

To be in line with recent amendments pertaining to NRS 701A.390 (3) (a) and (b) which allows the Director to establish a fee that will support the activities of the office and expansion of renewable energy development in the state. The proposed amendments will also be in line to language modification found in NRS 701A.450 (4) .

REFERENCES

NRS 701A.390 (3) (a) and (b)

3. May 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, and sections 2 and 3 of this act. The amount of the fee must consist of:
 - a) An amount that does not exceed the actual cost to the Director for processing and approving the application; and
 - b) A reasonable amount established by a regulation adopted by the Director pursuant to this paragraph. The Office shall use the proceeds of the fee for activities of the Office that support and expand renewable energy development in this State and are specified and a regulation adopted by the Director pursuant to this paragraph. The Director shall adopt regulations specifying the amount of the fee described in this section and setting forth the specific activities of the Office that the proceeds of the fee will support and expand.

Section 7. NAC 701A.650 is hereby amended to read as follows:

2. An applicant shall pay to the Director the following fees:
 - a) For review and approval of an application submitted pursuant to NRS 701A.360, ~~[\$7,500]~~ **\$9,000**. An applicant shall pay the fee concurrently with the submission of his or her application. The Director will not approve an application for which the fee has not been timely paid pursuant t this paragraph.
 - b) For the review and approval of an annual compliance report submitted pursuant to NAC 701A.620, ~~[\$250]~~ **\$500**. An applicant shall pay the fee concurrently with the submission of his or her annual compliance report. The Director will deem incomplete pursuant to subsection 3 of NAC 701A.620 an annual compliance report for which the fee has not been timely paid pursuant to this paragraph.
 - c) In addition to any other fee required by this subsection, if the review and approval of an application submitted pursuant to NRS 701A.360 or an annual compliance report

submitted pursuant to NAC 701A.620 requires an on-site inspection, ~~[\$500]~~ \$1,000 per inspection.

INTENT

To be in line with recent amendments pertaining to NRS 701A.390 (3) (a) and (b) which allows the Director to establish a fee that will support the activities of the office and expansion of renewable energy development in the state.

REFERENCES

NRS 701A.390 (3) (a) and (b)

3. May 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, and sections 2 and 3 of this act. The amount of the fee must consist of:
 - a) An amount that does not exceed the actual cost to the Director for processing and approving the application; and
 - b) A reasonable amount established by a regulation adopted by the Director pursuant to this paragraph. The Office shall use the proceeds of the fee for activities of the Office that support and expand renewable energy development in this State and are specified and a regulation adopted by the Director pursuant to this paragraph. The Director shall adopt regulations specifying the amount of the fee described in this section and setting forth the specific activities of the Office that the proceeds of the fee will support and expand.