

Assembly Bill No. 428—Committee
on Commerce and Labor

CHAPTER.....

AN ACT relating to energy; revising provisions relating to the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; revising provisions governing the payment of incentives to participants in the Solar Program and the Wind Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations; requiring each electric utility in this State to create a Lower Income Solar Energy Pilot Program; requiring the Consumer’s Advocate of the Bureau of Consumer Protection in the Office of the Attorney General to publish certain reports; requiring the Commission to open an investigatory docket relating to the costs and benefits attributable to net metering; extending the prospective expiration of the Solar Program, the Wind Program and the Waterpower Program; establishing the Legislative Committee on Energy; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (NRS 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) **Section 3** of this bill establishes the statewide capacity floor for the Solar Program and the limits on incentives paid for each renewable energy program. **Sections 5, 19 and 26** of this bill remove the concept of a “program year” with respect to the renewable energy programs.

Sections 5-7 of this bill require the Public Utilities Commission of Nevada to adopt regulations relating to the provision of market-based incentives under the Solar Program. **Section 7** requires the Commission to review the incentives and authorizes the Commission to adjust the incentives not more frequently than annually. **Section 7** also provides for an incentive to be paid to a qualified participant in the Solar Program in one installment upon proof that the participant has installed and energized the solar energy system and for an incentive to be paid to a qualified participant over time which must be based on the performance of the solar energy system and the amount of electricity generated by the solar energy system. **Section 7** also provides for the payment of performance-based incentives to a qualified participant in the Solar Program after December 31, 2021. **Section 9** of this bill requires the Commission to establish the categories for participation in the Solar Program. **Section 9** authorizes the Commission to establish the criteria and capacity limitations for each category. **Section 11** of this bill requires a participant in the Solar Program to participate in net metering.

Section 13 of this bill requires the Commission to establish the categories for participation in the Wind Program. **Section 14** of this bill requires the Commission to adopt regulations establishing a system of incentives for participation in the Wind Program. **Section 14** further provides that the total amount of the incentive



paid to a participant in the Wind Program with a nameplate capacity of not more than 500 kilowatts must be paid over time and be based on the performance and amount of electricity generated by the wind energy system. **Section 14** also provides for the payment of performance-based incentives to a qualified participant in the Wind Program after December 31, 2021. **Section 17** of this bill requires a participant in the Wind Program to participate in net metering.

Section 18 of this bill requires the Commission to adopt regulations to provide a system of incentives for waterpower energy systems with a nameplate capacity of not more than 500 kilowatts, and **section 20** of this bill prescribes certain limitations on such incentives. **Section 21** of this bill requires a participant in the Waterpower Program to participate in net metering.

Section 21.3 of this bill requires each electric utility in this State to create a Lower Income Solar Energy Pilot Program for the purpose of installing solar distributed generation systems within its service territory for the benefit of low-income customers.

Existing law authorizes certain qualified customers of a utility to participate in net metering. (NRS 704.766-704.775) **Section 24** of this bill authorizes a utility to assess certain charges against certain participants in net metering.

Existing law authorizes the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General to represent the public interest in any proceeding, including a proceeding to review a proposed rate of an electric utility. **Section 25.5** of this bill requires the Consumer's Advocate to publish a report containing certain information if the Consumer's Advocate declines to represent the public interest in a proceeding to review a proposed rate of an electric utility.

Section 26.5 of this bill requires the Commission to open an investigatory docket to evaluate the costs and benefits attributable to net metering in this State.

Sections 25.6-25.9 of this bill extend the prospective expiration of the Wind Program, the Waterpower Program and the Solar Program from December 31, 2021, to December 31, 2025.

Sections 25.1-25.45 and 25.55 of this bill establish the Legislative Committee on Energy and set forth the membership, duties, powers and responsibilities of the Committee.

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

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

Section 1. Chapter 701B of NRS is hereby amended by adding thereto the provisions set forth as sections 1.5 to 3.5, inclusive, of this act.

Sec. 1.5. *1. As used in this chapter, unless the context otherwise requires, "installed cost" means the actual, documented cost of tangible materials and labor for the installation of a solar energy system, distributed generation system, wind energy system or waterpower energy system.*

2. As used in this section:



(a) “Distributed generation system” has the meaning ascribed to it in NRS 701B.055.

(b) “Solar energy system” has the meaning ascribed to it in NRS 701B.150.

(c) “Waterpower energy system” has the meaning ascribed to it in NRS 701B.800.

(d) “Wind energy system” has the meaning ascribed to it in NRS 701B.560.

Sec. 2. *The Legislature hereby finds and declares that it is the policy of this State to:*

1. Expand and accelerate the development of solar distributed generation systems in this State; and

2. Establish a sustainable and self-sufficient solar renewable energy industry in this State in which solar energy systems are a viable mainstream alternative for homes, businesses and other public entities.

Sec. 3. *1. For the purposes of carrying out the Solar Energy Systems Incentive Program created by NRS 701B.240, and subject to the limitations prescribed by subsection 2, the Public Utilities Commission of Nevada shall set incentive levels and schedules, with a goal of approving solar energy systems totaling at least 250,000 kilowatts of capacity in this State for the period beginning on July 1, 2010, and ending on December 31, 2021.*

2. The Commission shall not authorize the payment of an incentive pursuant to:

(a) The Solar Energy Systems Incentive Program if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of solar energy systems and solar distributed generation systems to exceed \$255,270,000 for the period beginning on July 1, 2010, and ending on December 31, 2025.

(b) The Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820 if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of wind energy systems and waterpower energy systems to exceed \$40,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2025. The Commission shall by regulation determine the allocation of incentives for each Program.

3. The Commission may, subject to the limitations prescribed by subsection 2, authorize the payment of performance-based incentives for the period ending on December 31, 2025.



4. *A utility may file with the Commission one combined annual plan which meets the requirements set forth in NRS 701B.230, 701B.610 and 701B.850. The Commission shall review and approve any plan submitted pursuant to this subsection in accordance with the requirements of NRS 701B.230, 701B.610 and 701B.850, as applicable.*

5. *As used in this section:*

(a) *“Distributed generation system” has the meaning ascribed to it in NRS 701B.055.*

(b) *“Utility” means a public utility that supplies electricity in this State.*

Sec. 3.5. *A person who submits an application to a utility pursuant to this chapter shall not make any false or misleading statement in the application or in any material which is required to be submitted with the application. As used in this section, “utility” means a public utility that supplies electricity or natural gas in this State.*

Sec. 4. NRS 701B.040 is hereby amended to read as follows:

701B.040 “Category” means one of the categories of participation in the Solar Program as set forth in ~~NRS 701B.240~~ *regulations adopted by the Commission.*

Sec. 5. NRS 701B.200 is hereby amended to read as follows:

701B.200 The Commission shall adopt regulations necessary to carry out the provisions of NRS 701B.010 to 701B.290, inclusive, *and section 2 of this act*, including, without limitation, regulations that:

1. Establish the type of incentives available to participants in the Solar Program and the level or amount of those incentives . ~~† except that the level or amount of an incentive available in a particular program year must not be based upon whether the incentive is for unused capacity reallocated from a past program year pursuant to paragraph (b) of subsection 2 of NRS 701B.260. The regulations must provide that the level or amount of the incentives must decline over time as the cost of solar energy systems and distributed generation systems decline.~~ *The incentives must be market-based incentives that:*

(a) *Do not exceed 50 percent of the installed cost of a solar energy system or distributed generation system, as determined by using the average installed cost of the solar energy systems or distributed generation systems, as applicable, installed in the immediately preceding year;*

(b) *Are designed to maximize the number of customer categories participating in the Solar Program based on*



demographics and location, including, without limitation, categories for public entities, customers of lower socioeconomic status, nonprofit organizations and commercial, industrial and residential customers; and

(c) Provide for a sustainable Solar Program that maintains sufficient customer participation and that provides for the measured award of incentives to as many participants as possible on or before December 31, 2021.

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

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

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

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

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

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

(f) Any other information that the Commission requires from the utility as part of the administration of the Solar Program; and

(g) Any other information required by the Commission.

3. Authorize a utility to recover the reasonable costs incurred in carrying out and administering the installation of distributed generation systems. ~~pursuant to paragraph (b) of subsection 1 of NRS 701B.260.~~

Sec. 6. NRS 701B.210 is hereby amended to read as follows:

701B.210 The Commission shall adopt regulations that establish:

1. The qualifications and requirements an applicant must meet to be eligible to participate in ~~each applicable category of:~~

~~(a) School property;~~

~~(b) Public and other property; and~~

~~(c) Private residential property and small business property; and~~
the Solar Program.

2. The form and content of the master application.

3. The process for accepting and approving applications, which must provide that applications are approved based on the



order in which complete applications are submitted and not on a lottery process.

4. A requirement that an authorized representative of any public entity participating in the Solar Program, including participation through a third-party ownership structure, provide the identifying number described in NRS 338.013 for such project and certify in the application and upon final completion of the solar energy system or distributed generation system that the public entity has complied with all applicable requirements of this chapter and chapter 338 of NRS.

5. A process pursuant to which the utility must transmit to the Commission for inclusion in the public records of the Commission a copy of any application by a public entity or any related material requested by the Commission which includes any redacted personal identifying information of a customer.

Sec. 7. NRS 701B.220 is hereby amended to read as follows:

701B.220 *1. In adopting regulations for the Solar Program, the Commission shall adopt regulations establishing ~~an incentive~~ the incentives for participation in the Solar Program ~~it~~, shall consider whether such regulations ensure, to the extent practicable, the cost-effective use of such incentives and predictability for participants, rate payers and utilities and shall maximize to the extent practicable the number of customer categories participating in the Solar Program based on demographics and location, including, without limitation, categories for public entities, customers of lower socioeconomic status, nonprofit organizations and commercial, industrial and residential customers. The regulations must:*

(a) For a solar energy system that has a generating capacity of not more than 25 kilowatts, provide for an incentive that must be paid in one installment to a participant for a solar energy system upon proof that the participant has installed and energized the solar energy system;

(b) For a solar energy system that has a generating capacity of more than 25 kilowatts, provide for an incentive that must be paid to a participant over time and be based on the performance of the solar energy system and the amount of electricity generated by the solar energy system;

(c) For a solar energy system that has a generating capacity of more than 25 kilowatts, provide for a contract to be entered into between a participant and a utility, which must include, without limitation, provisions specifying:



(1) The amount of the incentive the participant will receive from the utility;

(2) The period in which the participant will receive an incentive from the utility, which must not exceed 5 years;

(3) That the payments of an incentive to the participant must be made not more frequently than quarterly; and

(4) That a utility must not be required to issue any new incentive on or after January 1, 2021, or make an incentive payment after December 31, 2025;

(d) Establish reporting requirements for each utility that participates in the Solar Program, which must include, without limitation, periodic reports of the average installed cost of the systems, the cost to the utility of carrying out the Solar Program, the effect of the Solar Program on the rates paid by customers of the utility and the annual statistical data related to the amount of incentives granted and the number of participants;

(e) Provide for a decline over time in the amount of the incentives for participation in the Solar Program as the installed costs of solar energy systems decrease and as variables, including, without limitation, system size, installation costs, market conditions and access to federal, state and other financial incentives, may require;

(f) Provide that the rate at which incentives decline over time will be published by the Commission, including publication on the Internet website maintained by the Commission, annually or on such other schedule as necessary to reflect changes in the market; and

(g) Provide that incentives must be made available only to solar energy systems with a nameplate capacity of not more than 500 kilowatts.

2. The Commission shall review the incentives for participation in the Solar Program and may adjust the amount of the incentives not more frequently than annually, as determined necessary by the Commission to reflect changes in the market for solar energy systems and demand for incentives.

3. A contract that is executed between a utility and a participant on or before December 31, 2021, providing for the payment to the participant of an incentive pursuant to paragraph (b) of subsection 1 may provide for the continued payment of such an incentive after December 31, 2021, in accordance with regulations adopted by the Commission.



Sec. 8. NRS 701B.230 is hereby amended to read as follows:

701B.230 1. Each year on or before the date established by the Commission, 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 Commission shall:

(a) Review each annual plan filed by a utility for compliance with the requirements established by regulation of the Commission; and

(b) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Solar Program.

3. A utility shall carry out and administer the Solar Program within its service area in accordance with the utility's annual plan as approved by the Commission.

4. A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Solar Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 9. NRS 701B.240 is hereby amended to read as follows:

701B.240 1. The Solar Energy Systems Incentive Program is hereby created.

2. The ~~{Solar Program must have three}~~ *Commission:*

(a) Shall establish categories {as follows:

~~—(a) School property;~~

~~—(b) Public and other property; and~~

~~—(c) Private residential property and small business property.}~~ *for participation in the Solar Program with the goal of maximizing to the extent practicable the number of customer categories participating in the Solar Program based on demographics and location.*

(b) May establish the criteria and capacity for each category.

3. *For the purpose of establishing categories pursuant to subsection 2, the Commission may additionally establish subcategories which may include, without limitation, schools, public property, low-income customers and nonprofit organizations, and may establish the criteria and capacity for each subcategory.*

4. To be eligible to participate in the Solar Program, a person must:



(a) Meet the qualifications established by the Commission pursuant to NRS 701B.210;

(b) Submit an application to a utility and be selected by the ~~{Commission}~~ utility for inclusion in the Solar Program pursuant to NRS 701B.250 and 701B.255; *and*

(c) When installing the solar energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board. ~~}; and~~

~~—(d) If the person will be participating in the Solar Program in the category of school property or public and other property, provide for the public display of the solar energy system, including, without limitation, providing for public demonstrations of the solar energy system and for hands-on experience of the solar energy system by the public.~~

Sec. 10. NRS 701B.255 is hereby amended to read as follows:

701B.255 1. After reviewing an application submitted pursuant to NRS 701B.250 and ensuring that the applicant meets the qualifications and requirements to be eligible to participate in the Solar Program, a utility ~~{may}~~ shall select the applicant for participation in the Solar Program ~~{}~~, *subject to the limitations prescribed by section 3 of this act.*

2. Not later than 30 days after the date on which the utility selects an applicant, the utility shall provide written notice of the selection to the applicant.

3. After the utility selects an applicant to participate in the Solar Program, the utility ~~{may}~~ shall approve the solar energy system proposed by the applicant. Upon the utility's approval of the solar energy system:

(a) The utility shall provide to the applicant notice of the approval and the amount of incentive for which the solar energy system is eligible; and

(b) The applicant may install and energize the solar energy system.

4. Upon the completion of the installation and energizing of the solar energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the *installed* cost of the project and a calculation of the expected system output.

5. Upon receipt of the *completed* incentive claim form and verification that the solar energy system is properly connected, the utility shall issue an incentive payment to the participant.



6. The amount *and type* of the incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Solar Program, except that an applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Solar Program or does not complete the installation of the solar energy system within 12 months after the date on which the applicant is selected for participation in the Solar Program. ~~[An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the installation of the solar energy system, and the amount of the incentive for which such an applicant is eligible must be determined on the date on which the applicant completes the installation of the solar energy system.]~~

Sec. 11. NRS 701B.280 is hereby amended to read as follows:

701B.280 ~~[[~~ *To be eligible for an incentive through the Solar Program*, a solar energy system ~~[used by a participant in the Solar Program meets]~~ *must meet* the requirements ~~[of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate]~~ *for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 12. NRS 701B.440 is hereby amended to read as follows:

701B.440 “Category” means one of the categories of participation in the Wind Demonstration Program ~~[as set forth in]~~ *established by the Commission pursuant to subsection 2 of NRS 701B.580.*

Sec. 13. NRS 701B.580 is hereby amended to read as follows:

701B.580 1. The Wind Energy Systems Demonstration Program is hereby created.

2. The ~~[Program must have four]~~ *Commission shall establish* categories ~~[as follows:~~

- ~~—(a) School property;~~
- ~~—(b) Other public property;~~
- ~~—(c) Private residential property and small business property; and~~
- ~~—(d) Agricultural property.]~~ *for participation in the Program.*

3. To be eligible to participate in the Program, a person must:

(a) Meet the qualifications established by the Commission pursuant to NRS 701B.590; *and*

(b) When installing the wind energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors’ Board pursuant to the regulations adopted by the Board. ~~]; and~~



~~—(c) If the person will be participating in the Program in the category of school property or other public property, provide for the public display of the wind energy system, including, without limitation, providing for public demonstrations of the wind energy system and for hands-on experience of the wind energy system by the public.~~

Sec. 14. NRS 701B.590 is hereby amended to read as follows:

701B.590 **1.** The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

~~1.1 (a) The capacity goals for the Program . ~~1.~~ which must be designed to meet the goal of the Legislature of the installation of not less than 5 megawatts of wind energy systems in this State by 2012 and the goals for each category of the Program.~~

~~2.1 (b) A system of incentives that are based on rebates that decline as the ~~1.~~capacity goals for the Program and the goals for each category of the Program are met. The rebates must be based on predicted energy savings.~~

~~3.1 installed cost of wind energy systems declines and as variables, including, without limitation, system size, installation costs, market conditions and access to federal, state and other financial incentives, may require. The system of incentives must provide:~~

(1) Incentives for wind energy systems with a nameplate capacity of not more than 500 kilowatts;

(2) That the amount of the incentive for a participant must be paid over time and be based on the performance of the wind energy system and the amount of electricity generated by the wind energy system; and

(3) For a contract to be entered into between a participant and a utility, which must include, without limitation, provisions specifying:

(I) The amount of the incentive the participant will receive from the utility;

(II) The period in which the participant will receive an incentive from the utility, which must not exceed 5 years;

(III) That the payments of an incentive to the participant must be made not more frequently than quarterly; and

(IV) That a utility is not required to issue any new incentive on or after January 1, 2021, or make an incentive payment after December 31, 2025.



(c) Reporting requirements for each utility that participates in the Program, which must include, without limitation, periodic reports of the average installed cost of the wind energy system, the cost to the utility of carrying out the Program and the effect of the Program on the rates paid by customers of the utility.

(d) The procedure for claiming incentives, including, without limitation, the form and content of the incentive claim form.

(e) The period for accepting applications, which must include a period during which a utility must accept additional applications if a previously approved applicant fails to install and energize a wind energy system within the time allowed by NRS 701B.615.

(f) The total incentive paid to a participant in the Program, which must not exceed 50 percent of the total installed cost of the wind energy system of the participant.

(g) A requirement that an authorized representative of any public entity participating in the Program, including participation through a third-party ownership structure, must provide the identifying number described in NRS 338.013 for such project and certify in the application and upon final completion of the wind energy system that the public entity has complied with all applicable requirements of this chapter and chapter 338 of NRS.

(h) A process pursuant to which the utility shall transmit to the Commission for inclusion in the public records of the Commission a copy of any application by a public entity or any related material requested by the Commission which includes any redacted personal identifying information of a customer.

2. A contract that is executed between a utility and a participant on or before December 31, 2021, providing for the payment to the participant of an incentive pursuant to subparagraph (2) of paragraph (b) of subsection 1 may provide for the continued payment of such an incentive after December 31, 2021, subject to the limitations prescribed by section 3 of this act and in accordance with regulations adopted by the Commission.

Sec. 15. NRS 701B.610 is hereby amended to read as follows:

701B.610 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area . ~~for the following program year.~~

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

(a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and



(b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

Sec. 16. NRS 701B.615 is hereby amended to read as follows:

701B.615 1. An applicant who wishes to participate in the Wind Demonstration Program must submit an application to a utility.

2. After reviewing an application submitted pursuant to subsection 1 and ensuring that the applicant meets the qualifications and requirements to be eligible to participate in the Program, a utility may select the applicant for participation in the Program.

3. Not later than 30 days after the date on which the utility selects an applicant, the utility shall provide written notice of the selection to the applicant.

4. After the utility selects an applicant to participate in the Program, the utility may approve the wind energy system proposed by the applicant. Upon the utility's approval of the wind energy system:

(a) The utility shall provide to the applicant notice of the approval and the amount of incentive for which the wind energy system is eligible; and

(b) The applicant may install and energize the wind energy system.

5. Upon the completion of the installation and energizing of the wind energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the *installed* cost of the project and a calculation of the expected system output.

6. Upon receipt of the incentive claim form and verification that the wind energy system is properly connected, the utility shall issue an incentive payment to the participant.

7. The amount of the incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Wind Demonstration Program, except that an applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Program or does not complete the installation of the wind energy system within 12 months after the date on which the applicant is selected for participation in the Program. ~~{An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the installation of the wind energy system, and the amount of the incentive for which such~~



~~an applicant is eligible must be determined on the date on which the applicant completes the installation of the wind energy system.~~

Sec. 17. NRS 701B.650 is hereby amended to read as follows:
701B.650 ~~##~~ *To be eligible for an incentive through the Wind Demonstration Program*, a wind energy system ~~[used by a participant in the Wind Demonstration Program meets]~~ *must meet* the requirements ~~[of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate]~~ *for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 18. NRS 701B.840 is hereby amended to read as follows:
701B.840 The Commission shall adopt regulations that establish:

1. The capacity goals for the Program, which must ~~be designed to meet the goal of the Legislature of the installation of not less than 5 megawatts of waterpower energy systems in this State by 2016 and the goals for each category of the Program. The regulations must]~~ provide that not less than 1 megawatt of capacity ~~[must]~~ be set aside for the installation of waterpower energy systems with a nameplate capacity of 100 kilowatts or less.

2. *A system of incentives for waterpower energy systems with a nameplate capacity of not more than 500 kilowatts.*

3. A system of incentives that are based on rebates that decline as the capacity goals for the Program ~~[and the goals for each category of the Program]~~ are met. The rebates must be based on predicted energy savings.

~~3.]~~ 4. The procedure for claiming incentives, including, without limitation, the form and content of the incentive claim form.

Sec. 19. NRS 701B.850 is hereby amended to read as follows:
701B.850 1. ~~[On]~~ *Each year on* or before ~~[February 21, 2008, and on or before February 1 of each subsequent year,]~~ *a date established by the Commission*, each utility shall file with the Commission ~~[for approval and]~~ *the utility's annual plan for [the administration and delivery of] carrying out and administering* the Waterpower Demonstration Program *in its service area* for the ~~[program year beginning July 1, 2008, and each subsequent year thereafter.]~~ *immediately following 12-month period prescribed by the Commission.*

2. ~~[On or before July 1, 2008, and on or before each July 1 of each subsequent year, the]~~ *The* Commission shall ~~[review]~~ :

(a) Review the annual plan for compliance with the requirements ~~[set forth]~~ *established* by regulation of the Commission ~~[; and~~



(b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

Sec. 20. NRS 701B.865 is hereby amended to read as follows:

701B.865 1. An applicant who wishes to participate in the Waterpower Demonstration Program must submit an application to a utility.

2. After reviewing an application submitted pursuant to subsection 1 and ensuring that the applicant meets the qualifications and requirements to be eligible to participate in the Program, a utility may select the applicant for participation in the Program.

3. Not later than 30 days after the date on which the utility selects an applicant, the utility shall provide written notice of the selection to the applicant.

4. After the utility selects an applicant to participate in the Program, the utility may approve the waterpower energy system proposed by the applicant. Upon the utility's approval of the waterpower energy system:

(a) The utility shall provide to the applicant notice of the approval and the amount of incentive for which the waterpower energy system is eligible; and

(b) The applicant may construct the waterpower energy system.

5. Upon the completion of the construction of a waterpower energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the *installed* cost of the project and a calculation of the expected system output.

6. Upon receipt of the incentive claim form and verification that the waterpower energy system is properly connected, the utility shall issue an incentive payment to the participant.

7. The amount of the incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Waterpower Demonstration Program, except that :

(a) An applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Program or does not complete the construction of the waterpower energy system within 12 months after the date on which the applicant is selected for participation in the Program ~~{An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the construction of the waterpower energy system, and the amount of the incentive for~~



~~which such an applicant is eligible must be determined on the date on which the applicant completes the construction of the waterpower energy system.]; and~~

(b) No payment may be made by a utility after December 31, 2025, or made if such payment would otherwise cause the utility to exceed the limitations prescribed by section 3 of this act.

8. The total incentive paid to a participant in the Waterpower Demonstration Program must not exceed 50 percent of the total installed cost of the waterpower energy system of the participant.

9. An authorized representative of any public entity participating in the Waterpower Demonstration Program, including participation through a third-party ownership structure, shall provide the identifying number described in NRS 338.013 for such project and certify in the application and upon final completion of the waterpower energy system that the public entity has complied with all applicable requirements of this chapter and chapter 338 of NRS.

10. The Commission shall adopt regulations prescribing a process pursuant to which the utility must transmit to the Commission for inclusion in the public records of the Commission a copy of any application by a public entity or any related material requested by the Commission with any redacted personal identifying information of a customer.

Sec. 21. NRS 701B.880 is hereby amended to read as follows:

701B.880 ~~##~~ *To be eligible for an incentive through the Waterpower Demonstration Program, the waterpower energy system ~~[used by a participant in the Waterpower Demonstration Program meets]~~ must meet the requirements ~~[of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate]~~ for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 21.3. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each electric utility in this State shall create a Lower Income Solar Energy Pilot Program for the purpose of installing, before January 1, 2017, distributed generation systems with a cumulative capacity of at least 1 megawatt at locations throughout its service territory which benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and schools with significant populations of low-income pupils. Each electric utility shall submit the Program as part of its annual plan submitted pursuant to NRS 701B.230. The Commission shall approve the Program with such



modifications and upon such terms and conditions as the Commission deems necessary or appropriate to enable the Program to meet the purposes set forth in this subsection.

2. The Office of Energy shall advise the Commission and each electric utility regarding grants and other sources of money available to defray the costs of the Program.

3. As used in this section, "distributed generation system" has the meaning ascribed to it in NRS 701B.055.

Secs. 22 and 23. (Deleted by amendment.)

Sec. 24. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area until the cumulative capacity of all net metering systems operating in this State is equal to ~~12~~ 3 percent of the total peak capacity of all utilities in this State.

2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than 25 kilowatts, the utility:

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

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

(c) ~~Shall~~ *Except as otherwise provided in subsection 5, shall* not charge a customer-generator any fee or charge that would increase the customer-generator's minimum monthly charge to an amount greater than that of other customers of the utility in the same rate class as the customer-generator.

3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than 25 kilowatts, the utility:

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

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

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

(b) Except as otherwise provided in paragraph (c) ~~H~~ *and subsection 5*, may charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer, demand and facility charges.



(c) Shall not charge the customer-generator any standby charge.
↳ At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.

4. If the net metering system of a customer-generator is a net metering system described in paragraph (b) or (c) of subsection 1 of NRS 704.771 and:

(a) The system is intended primarily to offset part or all of the customer-generator's requirements for electricity on property contiguous to the property on which the net metering system is located; and

(b) The customer-generator sells or transfers his or her interest in the contiguous property,

↳ the net metering system ceases to be eligible to participate in net metering.

5. *A utility shall assess against a customer-generator:*

(a) If applicable, the universal energy charge imposed pursuant to NRS 702.160; and

(b) Any charges imposed pursuant to chapter 701B of NRS or NRS 704.7827 or 704.785 which are assessed against other customers in the same rate class as the customer-generator.

↳ *For any such charges calculated on the basis of a kilowatt-hour rate, the customer-generator must only be charged with respect to kilowatt-hours of energy delivered by the utility to the customer-generator.*

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

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

- (1) Metering equipment;
- (2) Net energy metering and billing; and
- (3) Interconnection,

↳ based on the allowable size of the net metering system.

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

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

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



Sec. 25. (Deleted by amendment.)

Sec. 25.1. Chapter 218E of NRS is hereby amended by adding thereto the provisions set forth as sections 25.2 to 25.45, inclusive, of this act.

Sec. 25.2. *As used in sections 25.2 to 25.45, inclusive, of this act, unless the context otherwise requires, "Committee" means the Legislative Committee on Energy.*

Sec. 25.25. *1. The Legislative Committee on Energy, consisting of six legislative members, is hereby created. The membership of the Committee consists of:*

(a) Three members appointed by the Majority Leader of the Senate, at least one of whom must be a member of the minority political party.

(b) Three members appointed by the Speaker of the Assembly, at least one of whom must be a member of the minority political party.

2. The Legislative Commission shall review and approve the budget and work program for the Committee and any changes to the budget or work program.

3. The Legislative Commission shall select the Chair and Vice Chair of the Committee from among the members of the Committee. Each Chair and Vice Chair holds office for a term of 2 years commencing on July 1 of each odd-numbered year. The office of Chair of the Committee must alternate each biennium between the Houses. If a vacancy occurs in the office of Chair or Vice Chair, the vacancy must be filled in the same manner as the original selection for the remainder of the unexpired term.

4. A member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve after the general election until the next regular or special session convenes.

5. A vacancy on the Committee must be filled in the same manner as the original appointment for the remainder of the unexpired term.

Sec. 25.3. *1. Except as otherwise ordered by the Legislative Commission, the members of the Committee shall meet not earlier than November 1 of each odd-numbered year and not later than August 31 of the following even-numbered year at the times and places specified by a call of the Chair or a majority of the Committee.*

2. The Director or the Director's designee shall act as the nonvoting recording Secretary of the Committee.



3. *Four members of the Committee constitute a quorum, and a quorum may exercise all the power and authority conferred on the Committee.*

4. *Except during a regular or special session, for each day or portion of a day during which a member of the Committee attends a meeting of the Committee or is otherwise engaged in the business of the Committee, the member is entitled to receive the:*

(a) Compensation provided for a majority of the Legislators during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers and employees generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

5. *All such compensation, per diem allowances and travel expenses must be paid from the Legislative Fund.*

Sec. 25.4. 1. The Committee may:

(a) Evaluate, review and comment upon matters related to energy policy within this State, including, without limitation:

(1) Policies, plans or programs relating to the production, consumption or use of energy in this State;

(2) Legislative measures regarding energy policy;

(3) The effect of any policy, plan, program or legislation on rates or rate payers;

(4) The effect of any policy, plan, program or legislation on economic development in this State;

(5) The effect of any policy, plan, program or legislation on the environment;

(6) Any contracts or requests for proposals relating to the purchase of capacity;

(7) The effect of any policy, plan, program or legislation which provides for the construction or acquisition of facilities for the generation of electricity;

(8) The effect of any policy, plan, program or legislation on the development of a market in this State for electricity generated from renewable energy;

(9) The infrastructure and transmission requirements of any policy, plan, program or legislation; and

(10) Any other matters or topics that, in the determination of the Committee, affect energy policy in this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.



(d) Make recommendations to the Legislature concerning the manner in which energy policy may be implemented or improved.

2. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 701.070.

Sec. 25.45. *1. If the Committee conducts investigations or holds hearings pursuant to paragraph (b) of subsection 1 of section 25.4 of this act:*

(a) The Secretary of the Committee or, in the Secretary's absence, a member designated by the Committee may administer oaths.

(b) The Secretary or Chair of the Committee may cause the deposition of witnesses, residing either within or without the State, to be taken in the manner prescribed by rule of court for taking depositions in civil actions in the district courts.

(c) The Chair of the Committee may issue subpoenas to compel the attendance and testimony of witnesses and the production of books, papers, accounts, department records and other documents.

2. If any witness fails or refuses to attend or testify or to produce the books, papers, accounts, department records or other documents required by the subpoena, the Chair of the Committee may report the failure or refusal to the district court by a petition which:

(a) Sets forth that:

(1) Due notice has been given of the time and place of the attendance of the witness or the production of the required books, papers, accounts, department records or other documents;

(2) The witness has been subpoenaed by the Committee pursuant to this section; and

(3) The witness has failed or refused to attend or testify or to produce the books, papers, accounts, department records or other documents required by the subpoena before the Committee named in the subpoena; and

(b) Asks for an order of the court compelling the witness to attend and testify or to produce the required books, papers, accounts, department records or other documents before the Committee.

3. Upon such a petition, the court shall:

(a) Enter an order directing the witness:

(1) To appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order; and



(2) To show cause why the witness has not attended or testified or produced the required books, papers, accounts, department records or other documents before the Committee; and

(b) Serve a certified copy of the order upon the witness.

4. If it appears to the court that the subpoena was regularly issued by the Committee, the court shall enter an order that the witness:

(a) Must appear before the Committee at the time and place fixed in the order;

(b) Must testify or produce the required books, papers, accounts, department records or other documents; and

(c) Upon failure to obey the order, must be dealt with as for contempt of court.

Sec. 25.5. NRS 228.390 is hereby amended to read as follows:

228.390 **1.** Except as otherwise provided in NRS 704.110 and 704.7561 to 704.7595, inclusive:

~~1-1~~ **(a)** The Consumer's Advocate has sole discretion to represent or refrain from representing the public interest and any class of customers in any proceeding.

~~1-2~~ **(b)** In exercising such discretion, the Consumer's Advocate shall consider the importance and extent of the public interest or the customers' interests involved and whether those interests would be adequately represented without his or her participation.

~~1-3~~ **(c)** If the Consumer's Advocate determines that there would be a conflict between the public interest and any particular class of customers or any inconsistent interests among the classes of customers involved in a particular matter, the Consumer's Advocate may choose to represent one of the interests, to represent no interest, or to represent one interest through his or her office and another or others through outside counsel engaged on a case basis.

(d) If the Consumer's Advocate declines to represent the public interest in a proceeding to review a proposed rate of an electric utility, the Consumer's Advocate shall publish a report in support of the decision to decline such representation and make the report available to the public at the Bureau of Consumer Protection and on the Internet website maintained by the Bureau of Consumer Protection. The report must:

(1) Identify each element of the public interest, as may be applicable to the proceeding to review a proposed rate; and

(2) Specify the manner in which each element of the public interest, as identified pursuant to subparagraph (1), is sufficiently represented.



2. As used in this section, “electric utility” has the meaning ascribed to it in NRS 704.187.

Sec. 25.55. Section 25.4 of this act is hereby amended to read as follows:

Sec. 25.4. 1. The Committee may:

(a) Evaluate, review and comment upon matters related to energy policy within this State, including, without limitation:

(1) Policies, plans or programs relating to the production, consumption or use of energy in this State;

(2) Legislative measures regarding energy policy;

(3) *The progress made by this State in satisfying the goals and objectives of Senate Bill No. 123 of the 77th Session of the Nevada Legislature;*

(4) The effect of any policy, plan, program or legislation on rates or rate payers;

~~+(4)+~~ (5) The effect of any policy, plan, program or legislation on economic development in this State;

~~+(5)+~~ (6) The effect of any policy, plan, program or legislation on the environment;

~~+(6)+~~ (7) Any contracts or requests for proposals relating to the purchase of capacity;

~~+(7)+~~ (8) The effect of any policy, plan, program or legislation which provides for the construction or acquisition of facilities for the generation of electricity;

~~+(8)+~~ (9) The effect of any policy, plan, program or legislation on the development of a market in this State for electricity generated from renewable energy;

~~+(9)+~~ (10) The infrastructure and transmission requirements of any policy, plan, program or legislation; and

~~+(10)+~~ (11) Any other matters or topics that, in the determination of the Committee, affect energy policy in this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which energy policy may be implemented or improved.

2. As used in this section, “renewable energy” has the meaning ascribed to it in NRS 701.070.



Sec. 25.6. Section 113 of chapter 509, Statutes of Nevada 2007, as last amended by section 49 of chapter 412, Statutes of Nevada 2011, at page 2562, is hereby amended to read as follows:

Sec. 113. 1. This act becomes effective:

(a) Upon passage and approval for the purposes of adopting regulations and taking such other actions as are necessary to carry out the provisions of this act; and

(b) For all other purposes besides those described in paragraph (a):

(1) For this section and sections 1, 30, 32, 36 to 46, inclusive, 49, 51 to 61, inclusive, 107, 109, 110 and 111 of this act, upon passage and approval.

(2) For sections 1.5 to 29, inclusive, 43.5, 47, 51.3, 51.7, 108, 112 and 112.5 of this act, on July 1, 2007.

(3) For sections 62 to 106, inclusive, of this act, on October 1, 2007.

(4) For sections 31, 32.3, 32.5, 32.7, 33, 34 and 35 of this act, on January 1, 2009.

(5) For section 48 of this act, on January 1, 2010.

(6) For section 50 of this act, on January 1, 2011.

2. Sections 62 to 75, inclusive, 77 to 82, inclusive, 85 to 94, inclusive, and 95 to 105, inclusive, of this act expire by limitation on December 31, ~~2021,~~ **2025.**

Sec. 25.7. Section 13 of chapter 246, Statutes of Nevada 2009, as last amended by section 50 of chapter 412, Statutes of Nevada 2011, at page 2563, is hereby amended to read as follows:

Sec. 13. 1. This act becomes effective on July 1, 2009.

2. Sections 2 and 3 of this act expire by limitation on December 31, ~~2021,~~ **2025.**

Sec. 25.8. Section 21 of chapter 321, Statutes of Nevada 2009, as last amended by section 51 of chapter 412, Statutes of Nevada 2011, at page 2563, is hereby amended to read as follows:

Sec. 21. 1. This section and sections 1 to 1.51, inclusive, 1.55 to 19.7, inclusive, and 19.9 to 20.9, inclusive, of this act become effective upon passage and approval.

2. Sections 1.85, 1.87, 1.92, 1.93, 1.95 and 4.3 to 9, inclusive, of this act expire by limitation on December 31, ~~2021,~~ **2025.**

Sec. 25.9. Section 54 of chapter 412, Statutes of Nevada 2011, at page 2563, is hereby amended to read as follows:

Sec. 54. 1. This section and sections 1, 3 to 42, inclusive, 44, 45, 46, 48 to 51, inclusive, subsection 2 of



section 52 and section 53 of this act become effective upon passage and approval.

2. Sections 2, 43, 47 and subsection 1 of section 52 of this act become effective on January 1, ~~2022,~~ 2026.

Sec. 26. NRS 701B.060, 701B.100, 701B.110, 701B.120, 701B.130, 701B.140, 701B.260, 701B.490 and 701B.760 are hereby repealed.

Sec. 26.5. 1. As soon as practicable after the effective date of this act, the Public Utilities Commission of Nevada shall open an investigatory docket to examine the comprehensive costs of and benefits from net metering in this State, including, without limitation, the costs and benefits to:

- (a) The State of Nevada;
 - (b) Customer-generators who participate in net metering;
 - (c) Customers of a utility who do not participate in net metering;
- and
- (d) Each utility which offers net metering.

2. The investigatory docket shall engage a knowledgeable and independent third party to analyze all factors that the Commission deems necessary to determine the costs and benefits described in subsection 1.

3. The following parties may participate in the investigatory docket:

- (a) Each utility in this State;
- (b) The Regulatory Operations Staff of the Commission;
- (c) The Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General;
- (d) Any business operating in the State whose primary business is the installation of distributed generation systems; and
- (e) Any other interested parties.

4. On or before October 1, 2014, the Commission shall:

- (a) Prepare a written report of its findings and recommendations from the investigatory docket, including, without limitation, a calculation and determination of the total costs of and benefits from net metering.
- (b) Submit the written report to the Director of the Legislative Counsel Bureau for transmittal to the 78th Session of the Nevada Legislature.

5. If the report of the Commission concludes that there is a material net benefit or cost attributable to net metering, the Commission shall recommend a methodology for properly allocating and apportioning all of the costs and benefits of net



metering among all persons who participate in, benefit from and pay for net metering.

6. As used in this section:

(a) "Distributed generation system" has the meaning ascribed to it in NRS 701B.055.

(b) "Net metering" has the meaning ascribed to it in NRS 704.769.

(c) "Utility" has the meaning ascribed to it in NRS 704.772.

Sec. 27. The Public Utilities Commission of Nevada shall adopt regulations to carry out the amendatory provisions of this act on or before April 30, 2014. The regulations must provide for the transition to the performance-based incentive required by NRS 701B.220, as amended by section 7 of this act, NRS 701B.590, as amended by section 14 of this act, and NRS 701B.840, as amended by section 18 of this act, for the applicable participants in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program.

Sec. 28. 1. This section and sections 1 to 25, inclusive, 26 and 27 of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations or performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

(b) On January 1, 2014, for all other purposes.

2. Sections 25.1 to 25.45, inclusive, of this act become effective on July 1, 2013.

3. Section 25.55 of this act becomes effective at 12:01 a.m. on July 1, 2013, if, and only if, Senate Bill No. 123 of this session is enacted by the Legislature and becomes effective.

4. Sections 1 to 23, inclusive, of this act expire by limitation on December 31, 2025.

