AN ACT relating to renewable energy; declaring the policy of this State concerning renewable energy; requiring an assessment of technically feasible and economically viable pathways for achieving the goals in the policy to be included in the comprehensive state energy plan; requiring the comprehensive state energy plan to be updated at least once every 2 years; revising the portfolio standard for providers of electric service in this State; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 2 of this bill sets forth findings and declarations of the Legislature that it is the policy of this State to: (1) encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State; and (2) become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2040 an amount of renewable energy production of at least 80 percent of the electricity sold by providers of electric service in this State.

Existing law requires the Director of the Office of Energy to prepare a comprehensive state energy plan which, in part, provides for the promotion of the
Section 1

NRS 701.190 is hereby amended to read as follows:

701.190  1.  The Director shall prepare a comprehensive state energy plan which provides for the promotion of:

(a) Energy projects that enhance the economic development of the State;
(b) The use of renewable energy;
(c) The use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy; and
(d) A program for the safe disposal and recycling of electronic waste, electrical equipment and other waste, including, without limitation, a program for the safe disposal and recycling of compact fluorescent light bulbs.

2.  The comprehensive state energy plan must be updated at least once every 2 years and include provisions for:

(a) The assessment of technically feasible and economically viable pathways for providers of electric service within this State to achieve by 2040 the goal of generating or acquiring an amount of annual renewable energy production equal to at least 80 percent of the electricity sold by providers of electric service in this State.  

Section 3

The comprehensive state energy plan must be updated at least once every 2 years and include provisions for:

(a) The assessment of technically feasible and economically viable pathways for providers of electric service within this State to achieve by 2040 the goal of generating or acquiring an amount of annual renewable energy production equal to at least 80 percent of the electricity sold by providers of electric service in this State.  

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

Section 1.  NRS 701.190 is hereby amended to read as follows:

701.190  1.  The Director shall prepare a comprehensive state energy plan which provides for the promotion of:

(a) Energy projects that enhance the economic development of the State;
(b) The use of renewable energy;
(c) The use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy; and
(d) A program for the safe disposal and recycling of electronic waste, electrical equipment and other waste, including, without limitation, a program for the safe disposal and recycling of compact fluorescent light bulbs.

2.  The comprehensive state energy plan must be updated at least once every 2 years and include provisions for:

(a) The assessment of technically feasible and economically viable pathways for providers of electric service within this State to achieve by 2040 the goal of generating or acquiring an amount of annual renewable energy production equal to at least 80 percent of the electricity sold by providers of electric service in this State.
of the total amount of electricity sold by providers of electric service in this State. The Director may consult with, contract with, or employ one or more knowledgeable and independent third parties to assist in the preparation of the assessment required by this paragraph.

(b) The assessment of the potential benefits of proposed energy projects on the economic development of the State.

(c) The education of persons and entities concerning renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(d) The creation of incentives for investment in and the use of renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(e) Grants and other money to establish programs and conduct activities which promote:

(1) Energy projects that enhance the economic development of the State;

(2) The use of renewable energy;

(3) The use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy; and

(4) The recycling of electronic waste, electrical equipment and other waste, including, without limitation, a program for the safe disposal and recycling of compact fluorescent light bulbs.

(f) The development or incorporation by reference of model and uniform building and energy codes and standards which are written in language that is easy to understand and which include performance standards for conservation of energy and efficient use of energy.

(g) The promotion of the development in this State of a curriculum for a program of renewable energy education and recycling education in kindergarten through grade 12.

(h) The promotion of the development by institutions of higher education in this State of research and educational programs relating to renewable energy.

(i) Oversight and accountability with respect to all programs and activities described in this subsection.

(j) Any other matter that the Director determines to be relevant to the issues of energy resources, energy use, energy conservation and energy efficiency.

3. The Director shall, on or before November 30 of each even-numbered year, prepare a report concerning the most recent version of the comprehensive state energy plan and submit it to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.
Sec. 2. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

The Legislature finds and declares that it is the policy of this State to:
1. Encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State; and
2. Become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2040 an amount of renewable energy production equal to at least 80 percent of the total amount of electricity sold by providers of electric service in this State.

Sec. 3. NRS 704.7821 is hereby amended to read as follows:

704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. The portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:
   (a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (f) For calendar years 2015 through 2017, inclusive, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (g) For calendar years 2018 and 2019, not less than 22 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
   (h) For calendar years 2020 and 2021, not less than 30 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
(i) For calendar years 2022 and 2023, not less than 34 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
(j) For calendar years 2024 and 2025, not less than 38 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
(k) For calendar years 2026 and 2027, not less than 42 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
(l) For calendar years 2028 and 2029, not less than 46 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.
(m) For calendar year 2025 and for each calendar year thereafter, not less than 25 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:
(a) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than:
   (1) For calendar years 2009 through 2015, inclusive, 5 percent of that amount must be generated or acquired from solar renewable energy systems.
   (2) For calendar year 2016 and for each calendar year thereafter, 6 percent of that amount must be generated or acquired from solar renewable energy systems.
(b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures:
   (1) During calendar years 2013 and 2014, not more than 25 percent of that amount may be based on energy efficiency measures;
   (2) During each calendar year 2015 to 2019, inclusive, not more than 20 percent of that amount may be based on energy efficiency measures;
   (3) During each calendar year 2020 to 2024, inclusive, not more than 10 percent of that amount may be based on energy efficiency measures; and
   (4) For calendar year 2025 and each calendar year thereafter, no portion of that amount may be based on energy efficiency measures.

If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits
pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

(b) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. If, for the benefit of one or more retail customers in this State, the provider has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

5. Except as otherwise provided in subsection 6, each provider shall comply with its portfolio standard during each calendar year.

6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.

7. The Commission shall adopt regulations that establish:
(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

8. Except as otherwise provided in NRS 704.78213, the provisions of this section do not apply to a provider of new electric resources as defined in NRS 704B.130.

9. As used in this section:

(a) “Energy efficiency contract” means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) “Renewable energy contract” means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) “Terms and conditions” includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 4. NRS 704.78213 is hereby amended to read as follows:

704.78213 1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, acquire or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821, which is effective on the date on which the order approving the application or request is approved.

2. Of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each
calendar year, not more than 25 percent of that amount may be based on energy efficiency measures.

2. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

3. As used in this section:
   (a) “Eligible customer” has the meaning ascribed to it in NRS 704B.080.
   (b) “Provider of new electric resources” has the meaning ascribed to it in NRS 704B.130.

Sec. 5. Notwithstanding the provisions of any other law or any ruling or order issued by or portfolio standard established by the Public Utilities Commission of Nevada to the contrary, for any portfolio standard established by the Commission pursuant to the provisions of subsection 1 of NRS 704.78213 before July 1, 2017, the Commission shall, for the period beginning on July 1, 2017, revise the portfolio standard to require the provider of new electric resources as defined in NRS 704B.130 to generate, acquire or save electricity from portfolio energy systems or energy efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821, as amended by section 3 of this act.

Sec. 6. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 7. This act becomes effective on July 1, 2017.