

Amendment No. 1100

Senate Amendment to Assembly Bill No. 405 First Reprint	(BDR 52-959)
<b>Proposed by:</b> Senate Committee on Commerce, Labor and Energy	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: Yes Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date					
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

BJF



Date: 6/2/2017

A.B. No. 405—Establishes certain protections for and ensures the rights of a person who uses renewable energy in this State and revises provisions governing net metering. (BDR 52-959)





ASSEMBLY BILL NO. 405--ASSEMBLYMEN BROOKS, WATKINS, FRIERSON, YEAGER, MCCURDY II; ARAUJO, BILBRAY-AXELROD, CARRILLO, COHEN, DIAZ, FUMO, JAUREGUI, JOINER, MILLER, MONROE-MORENO, NEAL, SWANK AND THOMPSON

MARCH 20, 2017

JOINT ~~[SPONSOR: SENATOR]~~ SPONSORS: SENATORS ATKINSON, FORD, MANENDO, SEGERBLOM AND SPEARMAN

Referred to Committee on Commerce and Labor

SUMMARY—Establishes certain protections for and ensures the rights of a person who uses renewable energy in this State and revises provisions governing net metering. (BDR 52-959)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.  
Effect on the State: Yes.

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

AN ACT relating to renewable energy; creating the contractual requirements for an agreement for the lease or purchase of a distributed generation system and a power purchase agreement; describing utility rates; establishing the minimum warranty requirements for an agreement concerning a distributed generation system; creating the Renewable Energy Bill of Rights; requiring certain electric utilities to file a request with the Public Utilities Commission of Nevada to establish an optional time-variant rate schedule for customers; requiring a utility to ~~charge a net metering adjustment charge~~ provide a credit to certain customer-generators, ~~requiring the Legislative Committee on Energy to make certain recommendations to the Legislature;~~ for excess electricity generated by the net metering systems of such customer-generators; revising provisions governing the eligibility of certain customers of electric utilities in this State to participate in net metering; revising various other provisions relating to net metering; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Sections 9-11 of this bill set forth the requirements for the cover page, provisions and  
2 summary disclosure statement of agreements for the lease of a distributed generation system.

3 **Sections 12-14** of this bill set forth the requirements for the cover page, provisions and  
4 summary disclosure statement of agreements for the purchase of a distributed generation  
5 system. **Sections 15-17** of this bill set forth the requirements for the cover page, provisions  
6 and summary disclosure statement of agreements for the sale of the output of a distributed  
7 generation system, known as a power purchase agreement.

8 **Section 18** of this bill sets forth the disclosure relating to utility rates that must be  
9 included with an agreement created pursuant to **sections 9-17** if the agreement makes a  
10 written reference to the price of electricity that is provided by an electric utility. **Section 19** of  
11 this bill sets forth the minimum warranty requirements for an agreement created pursuant to  
12 **sections 9-17** concerning a distributed generation system.

13 **Section 20** of this bill: **(1)** establishes that it is a deceptive trade practice if a person fails  
14 to comply with **sections 2-20** of this bill ~~+~~ ; **and (2)** authorizes the Public Utilities  
15 Commission of Nevada to direct a customer to the appropriate person or agency to  
16 resolve a complaint concerning a solar installation company. **Section 20** additionally  
17 establishes that it is consumer fraud if a person violates any provision of **sections 2-20**.  
18 **Section 20** further requires that any document described in **sections 9-19** be provided in: (1)  
19 English; or (2) Spanish, if any person so requests.

20 **Sections 22-25** of this bill create the Renewable Energy Bill of Rights that applies to each  
21 natural person who is a resident of this State.

22 Existing law defines “net metering” as the measure of the difference between the  
23 electricity supplied by an electric utility and the electricity generated by a customer-generator  
24 that is fed back to the utility. (NRS 704.769) **Section 27** of this bill requires electric utilities to  
25 file a request with the ~~Public Utilities~~ Commission ~~of Nevada~~ to establish an optional time-  
26 variant rate schedule for customers, including customer-generators that acquire an energy  
27 storage system. **Section 27** further requires that such a request be designed to expand and  
28 accelerate the development and use of energy storage systems in this State. **Section 27**  
29 additionally authorizes the Commission to approve any such request that the Commission  
30 finds to be in the public interest.

31 **Section ~~28.1~~ 28.3** of this bill ~~requires~~ provides that if a customer-generator accepts  
32 the offer of a utility to charge a net metering adjustment charge to each for net metering  
33 and has a net metering system with a capacity of 25 kilowatts or less, the utility is  
34 required to provide the customer-generator who accepts the offer of a utility for net  
35 metering a credit for certain excess electricity that is generated by the customer-  
36 generator. **Section ~~28.1~~ 28.3** requires that this ~~net metering adjustment charge~~ credit: (1)  
37 ~~applies~~ apply to each kilowatt-hour of excess electricity that is generated by a customer-  
38 generator; and (2) equals a percentage of the rate the customer-generator would have paid for  
39 a kilowatt-hour of electricity supplied by the utility at the time the customer-generator fed the  
40 kilowatt-hour of excess electricity back to the utility. **Section ~~28.1~~ 28.3** further provides that  
41 this percentage be tiered based on the amount of cumulative installed capacity ~~and peak~~  
42 ~~demand for electricity~~ in this State. ~~+~~

43 ~~Section 29 of this bill requires the Legislative Committee on Energy, in consultation with~~  
44 ~~the Commission, to make certain recommendations to the Legislature within 6 months of the~~  
45 ~~Commission determining that the cumulative installed capacity of all net metering systems in~~  
46 ~~this State exceeds 800 megawatts and 10 percent of the peak demand for electricity in this~~  
47 ~~State for the previous year.~~ of net metering systems with a capacity of not more than 25  
48 kilowatts.

49 **Section 28.5 of this bill requires the Commission to open an investigatory docket to**  
50 **establish a methodology for determining the effect of net metering on rates charged by a**  
51 **utility to its customers. On or before June 30, 2020 and biennially thereafter, the**  
52 **Commission is required to submit to the Director of the Legislative Counsel Bureau for**  
53 **transmittal to the Legislature a report concerning the impact of net metering on such**  
54 **rates.**

55 **Section 28.7 of this bill enacts provisions relating to net metering that would become**  
56 **effective on the date that the Legislature provides by law for an open, competitive**  
57 **electric energy market in a service territory. Under section 28.7, if the Legislature**  
58 **provides by law for such a market: (1) each person providing electric service in the**  
59 **service territory under such a law would be required to offer net metering to its**  
60 **customers; (2) the Commission or any other agency designated by such a law to regulate**  
61 **electric service in this State must prohibit any person providing electric service in the**

62 service territory from impeding or interrupting the operation or performance or  
 63 otherwise restricting the output of an existing net metering system; and (3) a customer-  
 64 generator must be required to pay any costs charged to other customers of the customer-  
 65 generator's provider of electric service who are in the rate class to which the customer-  
 66 generator would belong if the customer-generator did not have a net metering system.

67 Existing law requires each electric utility in this State to offer net metering to customer-  
 68 generators operating in the service area of the utility until the date on which the cumulative  
 69 capacity of all net metering systems in this State for which electric utilities have accepted  
 70 completed applications is 235 megawatts. (NRS 704.773)

71 **Section 31** of this bill amends existing law to require each electric utility to offer net  
 72 metering to customer-generators operating within the service area of the utility. **Section 31**  
 73 further requires the utility to not: (1) charge the customer-generator any fee or charge that is  
 74 different than that charged to other customers of the utility to which the customer-generator  
 75 would belong if he or she did not have a net metering system; and (2) reduce the amount of  
 76 the minimum monthly charge of the customer-generator based on the electricity the customer-  
 77 generator feeds back to the utility. **Section 31** additionally requires the Commission and a  
 78 utility to allow the customer-generator to continue net metering at the location at which the  
 79 system is originally installed ~~(for the life of the net metering system or)~~ for 20 years ~~, if~~  
 80 ~~whichever is longer.~~

81 Existing law sets forth that after the date on which the cumulative capacity is 235  
 82 megawatts, electric utilities are to offer net metering to customer-generators in accordance  
 83 with a tariff filed by the utility and approved by the Commission. (NRS 704.7735) **Section 33**  
 84 of this bill repeals this provision.

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

1 **Section 1.** The Legislature hereby finds and declares that the provisions  
 2 of this act are necessary to provide for the immediate reestablishment of the  
 3 rooftop solar market in this State for the purposes of:

- 4 1. Encouraging the creation of new jobs opportunities in this State;
- 5 2. Advancing the development of renewable energy using the natural  
 6 solar resources of this State; and
- 7 3. Ensuring that this State maintains flexibility considering the possibility  
 8 that the ballot question known as the "Energy Choice Initiative" may be  
 9 approved by the voters at the 2018 general election and alter the structure of  
 10 the electricity market in this State.

11 ~~Section 1.~~ **Sec. 1.5.** Chapter 598 of NRS is hereby amended by adding  
 12 thereto the provisions set forth as sections 2 to 20, inclusive, of this act.

13 **Sec. 2.** *As used in sections 2 to 20, inclusive, of this act, unless the context*  
 14 *otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of*  
 15 *this act have the meanings ascribed to them in those sections.*

16 **Sec. 3.** "Commission" means the Public Utilities Commission of Nevada.

17 **Sec. 3.5.** "Disclosure" means a written statement.

18 **Sec. 4.** "Distributed generation system" means a system or facility for the  
 19 generation of electricity:

- 20 1. That uses solar energy to generate electricity;
- 21 2. That is located on the property of a customer of an electric utility;
- 22 3. That is connected on the customer's side of the electricity meter;
- 23 4. That provides electricity primarily to offset customer load on that  
 24 property; and
- 25 5. The excess generation from which is periodically exported to the grid in  
 26 accordance with the provisions governing net metering systems used by customer-

1 *generators pursuant to NRS 704.766 to 704.775, inclusive ~~H~~, and sections 27 to*  
2 *29, inclusive, of this act.*

3 **Sec. 5.** *“Host customer” means either:*

4 *1. The customer of record of an electric utility at the location where an*  
5 *energy system that uses photovoltaic cells and solar energy to generate electricity*  
6 *will be located; or*

7 *2. A person who has been designated by the customer of record of an*  
8 *electric utility in a letter to the utility explaining the relationship between that*  
9 *person and the customer of record.*

10 **Sec. 6.** *“Portfolio energy credit” has the meaning ascribed to it in NRS*  
11 *704.7803.*

12 **Sec. 7.** *“Power purchase agreement” means an agreement in which a solar*  
13 *installation company:*

14 *1. Arranges for the design, installation, maintenance and energy output of*  
15 *a distributed generation system; and*

16 *2. Sells the electricity generated from a distributed generation system to the*  
17 *host customer.*

18 **Sec. 8.** *1. “Solar installation company” means any form of business*  
19 *organization or any other nongovernmental legal entity, including, without*  
20 *limitation, a corporation, partnership, association, trust or unincorporated*  
21 *organization, that transacts business directly with a residential customer of an*  
22 *electric utility to:*

23 *(a) Sell and install a distributed generation system; or*

24 *(b) Install a distributed generation system owned by a third party from whom*  
25 *the customer:*

26 *(1) Leases a distributed generation system; or*

27 *(2) Purchases electricity generated by a distributed generation system.*

28 *2. The term does not include entities that are third party:*

29 *(a) Owners of a distributed generation system; or*

30 *(b) Financiers of a distributed generation system who do not sell or install*  
31 *the distributed generation system.*

32 **Sec. 9.** *An agreement for the lease of a distributed generation system must*  
33 *include a cover page that provides the following information in at least 10-point*  
34 *font:*

35 *1. The amounts due at the signing for and at the completion of the*  
36 *installation or any inspection of the distributed generation system.*

37 *2. An estimated timeline for the installation of the distributed generation*  
38 *system.*

39 *3. The estimated amount of the monthly payments due under the lease in*  
40 *the first year of operation of the distributed generation system.*

41 *4. The length of the term of the lease.*

42 *5. A description of any warranties.*

43 *6. The rate of any payment increases.*

44 *7. The identification of any state or federal tax incentives that are included*  
45 *in calculating the amount of the monthly payments due under the lease.*

46 *8. The estimated production of the distributed generation system in the first*  
47 *year of operation.*

48 *9. A description of the terms for renewal or any other options available at*  
49 *the end of the term of the lease.*

50 *10. A description of any option to purchase the distributed generation*  
51 *system before the end of the term of the lease.*

52 *11. Notice of the existence of the Recovery Fund administered by the State*  
53 *Contractors’ Board pursuant to NRS 624.470.*

1       12. Notice that a person financially damaged by a licensed contractor who  
2 performs work on a residence may be eligible to recover certain financial  
3 damages from the Recovery Fund.

4       13. Notice that a host customer may file a complaint with the Public  
5 Utilities Commission of Nevada.

6       14. Contact information for the State Contractors' Board ~~H~~ and the Public  
7 Utilities Commission of Nevada, including, without limitation, a telephone  
8 number.

9       Sec. 10. An agreement for the lease of a distributed generation system must  
10 include, without limitation, the following information in at least 10-point font:

11       1. The name, mailing address, telephone number and number of the  
12 contractor's license of the solar installation company.

13       2. The name, mailing address and telephone number of:

14       (a) The lessor of the distributed generation system; and

15       (b) The name, mailing address and telephone number of the person  
16 responsible for all maintenance of the distributed generation system, if different  
17 from the solar installation company.

18       3. An estimated timeline for the installation of the distributed generation  
19 system.

20       4. The length of the term of the lease.

21       5. A general description of the distributed generation system.

22       6. The amounts due at the signing for and at the completion of the  
23 installation or any inspection of the distributed generation system.

24       7. A description of any warranties.

25       8. The amount of the:

26       (a) Monthly payments due under the lease; and

27       (b) Total payments due under the lease, excluding taxes.

28       9. A description of any other one-time or recurring charges, including,  
29 without limitation, a description of the circumstances that trigger any late fees.

30       10. A description of any obligation the lessor has regarding the installation,  
31 repair or removal of the distributed generation system.

32       11. A description of any obligation the lessor has regarding construction of  
33 and insurance for the distributed generation system.

34       12. A description of any:

35       (a) Taxes due at the commencement of the lease; and

36       (b) Estimation of taxes known to be applicable during the term of the lease,  
37 subject to any change in the state or local tax rate or tax structure.

38       13. A copy of the warranty for the distributed generation system.

39       14. A disclosure notifying the lessee of the transferability of the obligations  
40 under the warranty to a subsequent lessee.

41       15. The identification of any state or federal tax incentives that are included  
42 in calculating the amount of the monthly payments due under the lease.

43       16. A description of the ownership of any tax credits, tax rebates, tax  
44 incentives or portfolio energy credits in connection with the distributed  
45 generation system.

46       17. Any terms for renewal of the lease.

47       18. A description of any option to purchase the distributed generation  
48 system before the end of the term of the lease.

49       19. A description of all options available to the host customer in connection  
50 with the continuation, termination or transfer of the lease in the event of the:

51       (a) Sale of the property to which the distributed generation system is affixed;  
52 or

53       (b) Death of the lessee.

1       20. *A description of any restrictions that the lease imposes on the*  
2 *modification or transfer of the property to which the distributed generation*  
3 *system is affixed.*

4       21. *The granting to the lessee of the right to rescind the lease for a period*  
5 *ending not less than 3 business days after the lease is signed.*

6       22. *An estimate of the amount of electricity that could be generated by the*  
7 *distributed generation system in the first year of operation.*

8       23. *A signature block that is signed and dated by the lessor and the lessee of*  
9 *the distributed generation system.*

10       **Sec. 11.** 1. *An agreement for the lease of a distributed generation system*  
11 *must include a disclosure that is not more than 3 pages in length and is in at least*  
12 *10-point font.*

13       2. *The disclosure described in subsection 1 must be separate from the cover*  
14 *page and agreement described in sections 9 and 10 of this act.*

15       3. *The disclosure described in subsection 1 must include, without*  
16 *limitation:*

17       (a) *The name, mailing address, telephone number and electronic mail*  
18 *address of the lessor;*

19       (b) *The name, mailing address, telephone number, electronic mail address*  
20 *and number of the contractor's license of the person who installed the distributed*  
21 *generation system, if different from the solar installation company;*

22       (c) *The name, mailing address, telephone number, electronic mail address*  
23 *and the number of the contractor's license of the person responsible for all*  
24 *maintenance of the distributed generation system, if different from the solar*  
25 *installation company;*

26       (d) *The length of the term of the lease;*

27       (e) *The amount of the monthly payments due under the lease in the first year*  
28 *of operation;*

29       (f) *The amounts due at the signing for and at the completion of the*  
30 *installation of the distributed generation system;*

31       (g) *The estimated amount of the total payments due under the lease,*  
32 *including, without limitation, any incentives that are included in the estimated*  
33 *lease payments;*

34       (h) *A description of any one-time or recurring fees, including, without*  
35 *limitation, a description of the circumstances that trigger:*

36       (1) *Any late fees;*

37       (2) *Estimated fees for the removal of the distributed generation system;*

38       (3) *Fees for a notice of removal and refileing pursuant to the Uniform*

39 *Commercial Code;*

40       (4) *Fees for connecting to the Internet; and*

41       (5) *Fees for not enrolling in a program in which payments are made*  
42 *through an electronic transfer of money cleared through an automated*  
43 *clearinghouse;*

44       (i) *The total number of payments to be made under the lease;*

45       (j) *The due date of any payment and the manner in which the consumer will*  
46 *receive an invoice for such payments;*

47       (k) *The rate of any payment increases and the date on which the first*  
48 *increase in the rate may occur, if applicable;*

49       (l) *Assumptions concerning the design of the distributed generation system,*  
50 *including, without limitation:*

51       (1) *The size of the distributed generation system;*

52       (2) *The estimated amount of production for the distributed generation*  
53 *system in the first year of operation;*



1           (3) *The estimated annual degradation to the distributed generation*  
2 *system; and*

3           (4) *As specified by the lease at the time of installation, whether or not an*  
4 *electric utility must credit a customer of the electric utility for any excess energy*  
5 *that is generated by the distributed ~~energy~~ generation system;*

6           (m) *A disclosure notifying the lessee of the intent of the lessor to file a fixture*  
7 *filing, as defined in NRS 104A.2309, on the distributed generation system;*

8           (n) *A disclosure notifying the lessee if maintenance and repairs of the*  
9 *distributed generation system are included in the lease;*

10           (o) *A disclosure describing any warranty for the repair of any damage to the*  
11 *roof of the property owned by the lessee in connection with the installation or*  
12 *removal of the distributed generation system;*

13           (p) *A disclosure describing:*

14               (1) *The transferability of the lease; and*

15               (2) *Any conditions on transferring the lease in connection with the lessee*  
16 *selling his or her property;*

17           (q) *A description of any guarantees of the performance of the distributed*  
18 *generation system;*

19           (r) *A description of the basis for any estimates of savings that were provided*  
20 *to the lessee, if applicable; and*

21           (s) *A disclosure concerning the retention of any portfolio energy credits, if*  
22 *applicable.*

23           **Sec. 12.** *An agreement for the purchase of a distributed generation system*  
24 *must include a cover page that provides the following information in at least 10-*  
25 *point font:*

26               1. *The size of the distributed generation system.*

27               2. *The length of the term of the warranty for the distributed generation*  
28 *system.*

29               3. *An estimated timeline for the installation of the distributed generation*  
30 *system.*

31               4. *A description of any warranties.*

32               5. *The total cost of the distributed generation system.*

33               6. *The estimated value of any portfolio energy credits and rebates of any*  
34 *incentives included in the calculation of the total cost of the distributed*  
35 *generation system.*

36               7. *The amounts due at the signing for and at the completion of the*  
37 *installation of the distributed generation system.*

38               8. *The estimated production of the distributed generation system in the first*  
39 *year of operation.*

40               9. *Notice of the existence of the Recovery Fund administered by the State*  
41 *Contractors' Board pursuant to NRS 624.470.*

42               10. *Notice that a person financially damaged by a licensed contractor who*  
43 *performs work on a residence may be eligible to recover certain financial*  
44 *damages from the Recovery Fund.*

45               11. *Notice that a host customer may file a complaint with the Public*  
46 *Utilities Commission of Nevada.*

47               12. *Contact information for the State Contractors' Board ~~††~~ and Public*  
48 *Utilities Commission of Nevada, including, without limitation, a telephone*  
49 *number.*

50           **Sec. 13.** *An agreement for the purchase of a distributed generation system*  
51 *must include, without limitation, the following information in at least 10-point*  
52 *font:*

1           1. *The name, mailing address, telephone number, electronic mail address*  
2 *and number of the contractor's license of the solar installation company.*

3           2. *The name, mailing address, telephone number and electronic mail*  
4 *address of:*

5           (a) *The purchaser of the distributed generation system; and*

6           (b) *The name, mailing address, telephone number and electronic mail*  
7 *address of the person responsible for all maintenance of the distributed*  
8 *generation system, if different from the solar installation company.*

9           3. *A description, which includes, without limitation, any assumptions,*  
10 *concerning the design and installation of the distributed generation system. Such*  
11 *a description must include, without limitation:*

12           (a) *The size of the distributed generation system;*

13           (b) *The estimated amount of production for the distributed generation system*  
14 *in the first year of operation; and*

15           (c) *The estimated annual degradation to the distributed generation system.*

16           4. *The total cost of the distributed generation system.*

17           5. *An estimated timeline for the installation of the distributed generation*  
18 *system.*

19           6. *A payment schedule, including, without limitation:*

20           (a) *The due dates for any deposit; and*

21           (b) *Any subsequent payments that are not to exceed the total system cost*  
22 *stated on the cover page pursuant to section 12 of this act.*

23           7. *The granting to the purchaser the right to rescind the agreement for a*  
24 *period ending not less than 3 business days after the agreement is signed.*

25           8. *A copy of the warranty for the distributed generation system.*

26           9. *A disclosure notifying the purchaser of the transferability of the*  
27 *obligations under the warranty to a subsequent purchaser.*

28           10. *The identification of any incentives included in the calculation of the*  
29 *total cost of the distributed generation system.*

30           11. *A description of any guarantee of the performance of the distributed*  
31 *generation system.*

32           12. *A signature block that is signed and dated by the purchaser of the*  
33 *distributed generation system and the solar installation company.*

34           13. *A description of the basis for any estimates of savings that were*  
35 *provided to the purchaser, if applicable.*

36           14. *A disclosure concerning the retention of any portfolio energy credits, if*  
37 *applicable.*

38           **Sec. 14.** 1. *An agreement for the purchase of a distributed generation*  
39 *system must include a disclosure that is not more than 3 pages in length and is in*  
40 *at least 10-point font.*

41           2. *The disclosure described in subsection 1 must be separate from the cover*  
42 *page and agreement described in sections 12 and 13 of this act.*

43           3. *The disclosure described in subsection 1 must include, without*  
44 *limitation:*

45           (a) *The name, mailing address, telephone number and electronic mail*  
46 *address of the solar installation company;*

47           (b) *The name, mailing address, telephone number, electronic mail address*  
48 *and number of the contractor's license of the person who installed the distributed*  
49 *generation system, if different from the solar installation company;*

50           (c) *The name, mailing address, telephone number, electronic mail address*  
51 *and the number of the contractor's license of the person responsible for all*  
52 *maintenance of the distributed generation system, if different from the solar*  
53 *installation company;*

- 1 (d) *The purchase price of the distributed generation system;*  
2 (e) *The payment schedule for the distributed generation system;*  
3 (f) *The approximate start and completion dates for the installation of the*  
4 *distributed generation system;*  
5 (g) *A disclosure notifying the purchaser of the responsible party for*  
6 *obtaining approval for connecting the distributed generation system to the*  
7 *electricity meter on the host customer's side;*  
8 (h) *Assumptions concerning the design of the distributed generation system,*  
9 *including, without limitation:*  
10 (1) *The size of the distributed generation system;*  
11 (2) *The estimated amount of production for the distributed generation*  
12 *system in the first year of operation;*  
13 (3) *The estimated annual degradation to the distributed generation*  
14 *system; and*  
15 (4) *As specified by the agreement at the time of installation, whether or*  
16 *not an electric utility must credit a customer of the electric utility for any excess*  
17 *energy that is generated by the distributed ~~energy~~ generation system;*  
18 (i) *A disclosure notifying the purchaser if maintenance and repairs of the*  
19 *distributed generation system are included in the purchase;*  
20 (j) *A disclosure describing any warranty for the repair of any damage to the*  
21 *roof of the property owned by the purchaser in connection with the installation or*  
22 *removal of the distributed generation system;*  
23 (k) *A description of any guarantees of the performance of the distributed*  
24 *generation system;*  
25 (l) *A description of the basis for any estimates of savings that were provided*  
26 *to the purchaser, if applicable; and*  
27 (m) *A disclosure concerning the retention of any portfolio energy credits, if*  
28 *applicable.*  
29 **Sec. 15.** *A power purchase agreement for the sale of the output of a*  
30 *distributed generation system must include a cover page that provides the*  
31 *following information in at least 10-point font:*  
32 1. *The rate of any increase in the payments to be made during the term of*  
33 *the agreement and, if applicable, the date of the first such increase.*  
34 2. *An estimated timeline for the installation of the distributed generation*  
35 *system.*  
36 3. *The rate of electricity per kilowatt-hour of electricity for the first year of*  
37 *the agreement.*  
38 4. *The length of the term of the agreement.*  
39 5. *The amounts due at the signing for and at the completion of the*  
40 *installation or any inspection of the distributed generation system.*  
41 6. *The estimated production of the distributed generation system in the first*  
42 *year of operation.*  
43 7. *A description of the options available at the end of the term of the*  
44 *agreement.*  
45 8. *A description of any option to purchase the distributed generation system*  
46 *before the end of the term of the agreement.*  
47 9. *Notice of the existence of the Recovery Fund administered by the State*  
48 *Contractors' Board pursuant to NRS 624.470.*  
49 10. *Notice that a person financially damaged by a licensed contractor who*  
50 *performs work on a residence may be eligible to recover certain financial*  
51 *damages from the Recovery Fund.*  
52 11. *Notice that a host customer may file a complaint with the Public*  
53 *Utilities Commission of Nevada.*

1 12. Contact information for the State Contractors' Board ~~and~~ and the Public  
2 Utilities Commission of Nevada, including, without limitation, a telephone  
3 number.

4 **Sec. 16.** *A power purchase agreement for the sale of the output of a*  
5 *distributed generation system must include, without limitation, the following*  
6 *information in at least 10-point font:*

7 1. *The name, mailing address, telephone number, electronic mail address*  
8 *and number of the contractor's license of the solar installation company.*

9 2. *The name, mailing address, telephone number and electronic mail*  
10 *address of:*

11 (a) *The provider of the distributed generation system; and*

12 (b) *The name, mailing address, telephone number and electronic mail*  
13 *address of the person responsible for all maintenance of the distributed*  
14 *generation system, if different from the solar installation company.*

15 3. *The length of the term of the agreement.*

16 4. *An estimated timeline for the installation of the distributed generation*  
17 *system.*

18 5. *The payments made during the first year of the agreement for the price of*  
19 *electricity, which includes, without limitation, the price per kilowatt-hour of*  
20 *electricity and the price per monthly system electrical output.*

21 6. *The estimated annual electrical output of the distributed generation*  
22 *system.*

23 7. *The rate of any increase in the payments to be made during the term of*  
24 *the agreement and, if applicable, the date of the first such increase.*

25 8. *A description of any obligation the solar installation company has*  
26 *regarding construction and repair of and insurance for the distributed generation*  
27 *system.*

28 9. *A description of any one-time or recurring fees, including, without*  
29 *limitation, a description of the circumstances that trigger any late fees.*

30 10. *A description of any:*

31 (a) *Taxes due at the commencement of the agreement; and*

32 (b) *Estimation of taxes known to be applicable during the term of the*  
33 *agreement, subject to a change in the state or local tax rate or tax structure.*

34 11. *A copy of the warranty for the distributed generation system.*

35 12. *A description of the ownership of any tax credits, tax rebates, tax*  
36 *incentives or portfolio energy credits in connection with the distributed*  
37 *generation system.*

38 13. *Any terms for renewal of the agreement.*

39 14. *A description of any option to purchase the distributed generation*  
40 *system before the end of the term of the agreement.*

41 15. *A description of all options available to the host customer in connection*  
42 *with the continuation, termination or transfer of the agreement in the event of*  
43 *the:*

44 (a) *Sale of the property to which the distributed generation system is affixed;*  
45 *or*

46 (b) *Death of the purchaser.*

47 16. *The granting to the purchaser of the right to rescind the agreement for*  
48 *a period ending not less than 3 business days after the agreement is signed.*

49 17. *A description of any restrictions that the agreement imposes on the*  
50 *modification or transfer of the property to which the distributed generation*  
51 *system is affixed.*

52 18. *A description of any guarantees of the performance of the distributed*  
53 *generation system.*

1       19. A disclosure notifying the host customer of the transferability of the  
2 obligations under the warranty to a subsequent purchaser.

3       20. A signature block that is signed and dated by the purchaser and the  
4 solar installation company.

5       21. A statement describing the due dates of any payments.

6       Sec. 17. 1. A power purchase agreement for the sale of output of a  
7 distributed generation system must include a disclosure that is not more than 3  
8 pages in length and is in at least 10-point font.

9       2. The disclosure described in subsection 1 must be separate from the cover  
10 page and agreement described in sections 15 and 16 of this act.

11       3. The disclosure described in subsection 1 must include, without  
12 limitation:

13       (a) The name, mailing address, telephone number and electronic mail  
14 address of the solar installation company;

15       (b) The name, mailing address, telephone number, electronic mail address  
16 and number of the contractor's license of the person who installed the distributed  
17 generation system, if different from the solar installation company;

18       (c) The name, mailing address, telephone number, electronic mail address  
19 and the number of the contractor's license of the person responsible for all  
20 maintenance of the distributed generation system if different from the solar  
21 installation company;

22       (d) The payment schedule for the distributed generation system, including,  
23 without limitation, any payments that are due, if applicable, at:

24           (1) Signing for the distributed generation system;

25           (2) Commencement of installation of the distributed generation system;

26 and

27           (3) Completion of installation of the distributed generation system;

28       (e) A description of any one-time or recurring fees, including, without  
29 limitation, a description of the circumstances that trigger:

30           (1) Any late fees;

31           (2) Estimated fees for the removal of the distributed generation system;

32           (3) Fees for a notice of removal and refileing pursuant to the Uniform  
33 Commercial Code;

34           (4) Fees for connecting to the Internet; and

35           (5) Fees for not enrolling in a program in which payments are made  
36 through an electronic transfer of money cleared through an automated  
37 clearinghouse;

38       (f) A statement that describes when payments are due;

39       (g) The rate of any payment increases and the date on which the first  
40 increase in the rate may occur, if applicable;

41       (h) Assumptions concerning the design of the distributed generation system,  
42 including, without limitation:

43           (1) The size of the distributed generation system;

44           (2) The estimated amount of production for the distributed generation  
45 system in the first year of operation;

46           (3) The estimated annual degradation to the distributed generation  
47 system; and

48           (4) As specified by the agreement at the time of installation, whether or  
49 not an electric utility must credit a customer of the electric utility for any excess  
50 energy that is generated by the distributed ~~energy~~ generation system;

51       (i) A disclosure notifying the purchaser of the intent of the owner of the  
52 distributed generation system to file a fixture filing, as defined in NRS  
53 104A.2309, on the distributed generation system;

1           (j) *A disclosure notifying the purchaser if maintenance and repairs of the distributed generation system are included in the agreement;*

2           (k) *A disclosure describing any warranty for the repair of any damage to the*  
3 *roof of the property owned by the purchaser in connection with the installation or*  
4 *removal of the distributed generation system;*

5           (l) *A disclosure describing the transferability of the distributed generation*  
6 *system in connection with the purchaser selling his or her property;*

7           (m) *A description of any guarantees of the performance of the distributed*  
8 *generation system;*

9           (n) *A description of the basis for any estimates of savings that were provided*  
10 *to the purchaser, if applicable; and*

11           (o) *A disclosure concerning the retention of any portfolio energy credits, if*  
12 *applicable.*

13           **Sec. 18.** *If an agreement for the lease or purchase of a distributed*  
14 *generation system or if a power purchase agreement makes a written reference to*  
15 *the price of electricity that is provided by an electric utility, the agreement or*  
16 *power purchase agreement, as applicable, must also provide, in 12-point font, a*  
17 *disclosure in substantially the following form:*  
18

19                     *Actual utility rates may go up or down and actual savings may vary.*

20                     *For further information regarding rates, you may contact your local*  
21 *utility or the Public Utilities Commission of Nevada.*

22           **Sec. 19. 1.** *An agreement for the lease or purchase of a distributed*  
23 *generation system and a power purchase agreement must include an express*  
24 *warranty for the installation of the distributed generation system and the*  
25 *penetration into the roof by the distributed generation system. Such warranties*  
26 *must:*

27                     (i) *Be express and in writing; and*

28                     (ii) *Expire not earlier than 10 years after the installation of the distributed*  
29 *generation system.*

30           **2.** *An agreement for the lease of a distributed generation system and a*  
31 *power purchase agreement must include an express warranty that:*

32                     (i) *Is in writing; and*

33                     (ii) *Does not expire earlier than 10 years after the installation of the*  
34 *distributed generation system.*

35           **3.** *An agreement for the purchase of a distributed generation system must*  
36 *include the following express warranties in writing for the component parts,*  
37 *including parts and labor, of the distributed generation system, either directly*  
38 *from the solar installation company or passed through from the manufacturer of*  
39 *the component parts:*

40                     (i) *For collectors and storage units, not less than a 10-year warranty; and*

41                     (ii) *For inverters, not less than a 7-year warranty.*

42           **4.** *The provisions of this section that relate to a person who installs a*  
43 *distributed generation system do not apply to a person who installs a system on*  
44 *his or her own property.*

45           **Sec. 20. 1.** *A host customer may file a complaint concerning a solar*  
46 *installation company with the Public Utilities Commission of Nevada. Upon*  
47 *receipt of a complaint, the Commission may direct the host customer to the*  
48 *appropriate agency or person to resolve the complaint.*

49           **2.** *The failure of a person to comply with sections 2 to 20, inclusive, of this*  
50 *act constitutes a deceptive trade practice for the purposes of NRS 598.0903 to*  
51 *598.0999, inclusive.*

1 ~~2~~ 3. A violation of any provision of sections 2 to 20, inclusive, of this act  
2 constitutes consumer fraud for the purposes of NRS 41.600.

3 ~~3~~ 4. Any document described in sections 9 to 19, inclusive, of this act  
4 must be provided in:

5 (a) English; or

6 (b) Spanish, if any person so requests.

7 Sec. 21. Chapter 701 of NRS is hereby amended by adding thereto the  
8 provisions set forth as sections 22 to 25, inclusive, of this act.

9 Sec. 22. (Deleted by amendment.)

10 Sec. 23. Sections 22 to 25, inclusive, of this act may be cited as the  
11 Renewable Energy Bill of Rights.

12 Sec. 24. The Legislature hereby declares that each natural person who is a  
13 resident of this State has the right to:

14 1. Generate, consume and export renewable energy and reduce his or her  
15 use of electricity that is obtained from the grid.

16 2. Use technology to store energy at his or her residence.

17 3. If the person generates renewable energy pursuant to subsection 1, or  
18 stores energy pursuant to subsection 2, or any combination thereof, be allowed to  
19 connect his or her system that generates renewable energy or stores energy, or  
20 any combination thereof, with the electricity meter on the customer's side that is  
21 provided by an electric utility or any other person named and defined in chapters  
22 704, 704A and 704B of NRS:

23 (a) In a timely manner;

24 (b) ~~Without any unnecessary, burdensome or restrictive requirements;~~ In  
25 accordance with requirements established by the electric utility to ensure the  
26 safety of utility workers; and

27 (c) ~~Without the permission of an electric utility or any other person named~~  
28 ~~and defined in chapters 704, 704A and 704B of NRS;~~ After providing written  
29 notice to the electric utility providing service in the service territory and installing  
30 a nomenclature plate on the electrical meter panel indicating that a system that  
31 generates renewable energy or stores energy, or any combination thereof, is  
32 present if the system:

33 (1) Is not used for exporting renewable energy past the electric utility  
34 meter on the customer's side; and

35 (2) Meets ~~reasonable~~ all applicable state and local safety and electrical  
36 code requirements.

37 4. Fair credit for any energy exported to the grid.

38 5. Consumer protections in contracts for renewable energy pursuant to  
39 sections 2 to 20, inclusive, of this act.

40 6. Have his or her generation of renewable energy given priority in  
41 planning and acquisition of energy resources by an electric utility.

42 7. ~~Remain~~ Except as otherwise provided in section 27 or 28.3 of this act,  
43 remain within the existing broad rate class to which the resident would belong in  
44 the absence of a net metering system or a system that generates renewable energy  
45 or stores energy, or any combination thereof, without any fees or charges that are  
46 different than the fees and charges assessed to customers of the same rate class,  
47 regardless of the technologies on the customer's side of the electricity meter,  
48 including, without limitation, energy production, energy savings, energy  
49 consumption, energy storage or energy shifting technologies, provided that such  
50 technologies do not compromise the safety and reliability of the utility grid.

51 Sec. 25. (Deleted by amendment.)

1       Sec. 26. Chapter 704 of NRS is hereby amended by adding thereto the  
2 provisions set forth as sections 27, ~~28 and~~ to 29, inclusive, of this act.

3       Sec. 27. 1. *An electric utility that primarily serves densely populated*  
4 *counties shall, on or before August 1, 2017, file with the Commission in a*  
5 *manner authorized by NRS 704.110 a request that the Commission establish an*  
6 *optional time-variant rate schedule for customers, including, without limitation,*  
7 *customer-generators who acquire an energy storage system.*

8       2. *An electric utility that primarily serves less densely populated counties*  
9 *shall, on or before January 16, 2018, file with the Commission in a manner*  
10 *authorized by NRS 704.100 a request that the Commission establish an optional*  
11 *time-variant rate schedule for customers, including, without limitation, customer-*  
12 *generators who acquire an energy storage system.*

13       3. *A request filed pursuant to subsection 1 or 2 must be designed to expand*  
14 *and accelerate the development and use of energy storage systems in this State.*

15       4. *The Commission:*

16       (a) *Shall review each request filed pursuant to subsection 1 or 2;*

17       (b) *May approve each request that the Commission finds to be in the public*  
18 *interest; and*

19       (c) *Not later than March 15, 2018, shall issue a written order approving or*  
20 *denying each request filed pursuant to subsection 1 or 2.*

21       5. *As used in this section:*

22       (a) *“Electric utility that primarily serves densely populated counties” has the*  
23 *meaning ascribed to it in NRS 704.110.*

24       (b) *“Electric utility that primarily serves less densely populated counties” has*  
25 *the meaning ascribed to it in NRS 704.110.*

26       (c) *“Energy storage system” means any commercially available technology*  
27 *that is capable of retaining energy, storing the energy for a period of time and*  
28 *delivering the energy after storage, including, without limitation, by chemical,*  
29 *thermal or mechanical means.*

30       (d) *“Time-variant rate schedule” means a rate schedule that incorporates*  
31 *different rates for different times of day during which electricity may be used by a*  
32 *customer or fed back to the utility by the customer.*

33       Sec. 28. ~~1. A utility shall charge a net metering adjustment charge~~  
34 ~~pursuant to this section to each customer generator who, on or after the effective~~  
35 ~~date of this section, accepts the offer of the utility for net metering.~~

36 ~~2. The net metering adjustment charge required by this section applies to~~  
37 ~~each kilowatt hour of excess electricity governed by paragraph (c) of subsection 2~~  
38 ~~of NRS 704.775 that is generated by a customer generator described in~~  
39 ~~subsection 1.~~

40 ~~3. The net metering adjustment charge on each kilowatt hour of excess~~  
41 ~~electricity described in subsection 2 must equal a percentage, as set forth in~~  
42 ~~subsection 1, of the rate the customer generator would have paid for a kilowatt~~  
43 ~~hour of electricity supplied by the utility at the time the customer generator fed~~  
44 ~~the kilowatt hour of excess electricity back to the utility.~~

45 ~~4. The percentage to be used to determine the net metering adjustment~~  
46 ~~charge pursuant to subsection 3 on each kilowatt hour of excess electricity must~~  
47 ~~equal:~~

48       ~~(a) Five percent, if the customer generator accepts the offer of the utility for~~  
49 ~~net metering;~~

50       ~~(1) On or after the effective date of this section; and~~

51       ~~(2) Before the date on which the Commission determines and posts to its~~  
52 ~~Internet website its determination that the cumulative installed capacity of all net~~  
53 ~~metering systems in this State equals or exceeds:~~



~~(I) Four hundred and eighty megawatts; and~~  
~~(II) Six percent of the peak demand for electricity in this State for the previous calendar year, as determined by the Commission pursuant to subsection 6;~~

~~(b) Ten percent, if the customer generator accepts the offer of the utility for net metering;~~

~~(1) On or after the date the Commission determines, pursuant to subsection 6, that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (a) have been met; and~~

~~(2) Before the date on which the Commission determines and posts to its Internet website its determination that the cumulative installed capacity of all net metering systems in this State equals or exceeds:~~

~~(I) Six hundred and forty megawatts; and~~

~~(II) Eight percent of the peak demand for electricity in this State for the previous calendar year, as determined by the Commission pursuant to subsection 6;~~

~~(c) Fifteen percent, if the customer generator accepts the offer of the utility for net metering;~~

~~(1) On or after the date the Commission determines, pursuant to subsection 6, that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (b) have been met; and~~

~~(2) Before the date on which the Commission determines and posts to its Internet website its determination that the cumulative installed capacity of all net metering systems in this State equals or exceeds:~~

~~(I) Eight hundred megawatts; and~~

~~(II) Ten percent of the peak demand for electricity in this State for the previous calendar year, as determined by the Commission pursuant to subsection 6; or~~

~~(d) Twenty percent, if the customer generator accepts the offer of the utility for net metering on or after the date the Commission determines, pursuant to subsection 6, that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (c) have been met.~~

~~5. Each utility shall:~~

~~(a) On or before January 15 of each calendar year, report to the Commission the peak demand for electricity experienced by that utility each day of the immediately preceding calendar year; and~~

~~(b) On or before the 15th day of each calendar month, post on its Internet website and report to the Commission the cumulative installed capacity of the net metering systems for which a customer generator has accepted the offer of that utility as of the close of business of the utility on the last business day of the immediately preceding calendar month.~~

~~6. The Commission shall:~~

~~(a) After January 15 of each calendar year and on or before the immediately succeeding January 31 of each calendar year, determine and post on its Internet website the peak demand for electricity in this State for the immediately preceding calendar year, based upon the information the Commission most recently received pursuant to paragraph (a) of subsection 5;~~

~~(b) For the purposes of subsection 1, during January of each calendar year, until the Commission determines and posts on its Internet website pursuant to paragraph (a) a new peak demand for electricity in this State, deem the peak demand for electricity in this State to continue to be the same peak demand for electricity in this State as was applicable during the immediately preceding December;~~

~~(c) On the first business day of each calendar month, determine and post on its Internet website the cumulative installed capacity of all net metering systems in this State, based upon the information the Commission most recently received pursuant to paragraph (b) of subsection 5, and~~

~~(d) Based upon the peak demand for electricity in this State determined pursuant to paragraph (a) or (b), as applicable, and the cumulative installed capacity of all net metering systems in this State determined pursuant to paragraph (c):~~

~~(1) On the first business day of each calendar month before the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (a) of subsection 4 have been met, determine and post on its Internet website the remaining capacity of net metering systems which may be installed in this State before those conditions are met;~~

~~(2) On the first business day of the calendar month on which the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (a) of subsection 4 have been met, post on its Internet website:~~

~~(I) A statement indicating that those conditions have been met; and~~

~~(II) A statement indicating that all offers for net metering accepted on or after this business day are governed by paragraph (b), (c) or (d) of subsection 4, as applicable, and are not governed by paragraph (a) of subsection 4;~~

~~(3) On the first business day of each calendar month after the date described in subparagraph (2) and before the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (b) of subsection 4 have been met, determine and post on its Internet website the remaining capacity of net metering systems which may be installed in this State before those conditions are met;~~

~~(4) On the first business day of the calendar month on which the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (b) of subsection 4 have been met, post on its Internet website:~~

~~(I) A statement indicating that those conditions have been met; and~~

~~(II) A statement indicating that all offers for net metering accepted on or after this business day are governed by paragraph (c) or (d) of subsection 4, as applicable, and are not governed by paragraph (a) or (b) of subsection 4;~~

~~(5) On the first business day of each calendar month after the date described in subparagraph (4) and before the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (c) of subsection 4 have been met, determine and post on its Internet website the remaining capacity of net metering systems which may be installed in this State before those conditions are met; and~~

~~(6) On the first business day of the calendar month on which the Commission determines that the conditions set forth in sub subparagraphs (I) and (II) of subparagraph (2) of paragraph (c) of subsection 4 have been met, post on its Internet website:~~

~~(I) A statement indicating that those conditions have been met; and~~

~~(II) A statement indicating that all offers for net metering accepted on or after this business day are governed by paragraph (d) of subsection 4 and are not governed by paragraph (a), (b) or (c) of subsection 4.~~

~~7. Except as otherwise provided in this subsection, a customer generator shall be deemed to accept the offer of the utility for net metering on the date the customer generator submits to the utility a complete application to install a net~~

~~metering system within the service area of the utility. A customer generator who accepted the offer of the utility for net metering before the effective date of this section may, but is not required to, submit a request to be treated for all purposes, including, without limitation, for the purposes of subsection 4, as a customer generator who accepted the offer of the utility for net metering on the date of the request. (Deleted by amendment.)~~

Sec. 28.3. 1. If a customer-generator accepts the offer of a utility for net metering on or after the effective date of this act and the net metering system of the customer-generator has a capacity of not more than 25 kilowatts, the utility must, in accordance with this section, provide to the customer-generator a credit for each kilowatt-hour of excess electricity governed by paragraph (c) of subsection 2 of NRS 704.775 that is generated by the customer-generator.

2. The credit for each kilowatt-hour of excess electricity described in subsection 1 must equal a percentage, as set forth in subsection 3, of the rate the customer-generator would have paid for a kilowatt-hour of electricity supplied by the utility at the time the customer-generator fed the kilowatt-hour of excess electricity back to the utility.

3. The percentage to be used to determine the credit pursuant to subsection 2 for each kilowatt-hour of excess electricity must equal:

(a) Ninety-five percent, if the customer-generator accepts the offer of the utility for net metering:

(1) On or after the effective date of this section; and

(2) Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a capacity of not more than 25 kilowatts for customer-generators who accepted the offer of the utility for net metering on or after the effective date of this section is equal to 80 megawatts;

(b) Eighty-eight percent, if the customer-generator accepts the offer of the utility for net metering:

(1) On or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (a) has been met; and

(2) Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a generating capacity of not more than 25 kilowatts for customer generators who accepted the offer of the utility for net metering on or after the date described in subparagraph (1) is equal to 80 megawatts;

(c) Eighty-one percent, if the customer-generator accepts the offer of the utility for net metering:

(1) On or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (b) has been met; and

(2) Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a generating capacity of not more than 25 kilowatts for customer generators who accepted the offer of the utility for net metering on or after the date described in subparagraph (1) is equal to 80 megawatts;

(d) Seventy-five percent, if the customer-generator accepts the offer of the utility for net metering on or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (c) has been met.

4. On or before the 15th day of each calendar month, a utility shall post on its Internet website and report to the Commission the cumulative installed capacity of the net metering systems with a capacity of not more than 25 kilowatts

1 for which a customer-generator has accepted the offer of that utility as of the  
2 close of business of the utility on the last business day of the immediately  
3 preceding calendar month.

4 5. Except as otherwise provided in this subsection, for the purposes of this  
5 section, a customer-generator shall be deemed to accept the offer of the utility for  
6 net metering on the date the customer-generator submits to the utility a complete  
7 application to install a net metering system within the service area of the utility. A  
8 customer-generator who accepted the offer of the utility for net metering before  
9 the effective date of this section and whose net metering system has a capacity of  
10 not more than 25 kilowatts may, but is not required to, submit a request to be  
11 treated for all purposes, including, without limitation, for the purposes of  
12 subsection 4, as a customer-generator who accepted the offer of the utility for net  
13 metering on the date of submitting the request.

14 Sec. 28.5. 1. The Commission shall open an investigatory docket to  
15 establish a methodology to determine the impact, if any, of net metering pursuant  
16 to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act  
17 on rates charged by a utility to its customers in this State.

18 2. On or before June 30, 2020, and biennially thereafter, the Commission  
19 shall submit to the Director of the Legislative Counsel Bureau for transmittal to  
20 the next regular session of the Legislature a report concerning the impact of net  
21 metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29,  
22 inclusive, on rates charged by a utility to its customers in this State. The report  
23 must contain:

24 (a) Based on the methodology established pursuant to subsection 1,  
25 calculations of:

26 (1) Whether net metering pursuant to NRS 704.766 to 704.775, inclusive,  
27 and sections 27 to 29, inclusive, of this act has an impact on rates charged by a  
28 utility to its customers in this State; and

29 (2) The amount of any increase or decrease in such rates as a result of  
30 net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to  
31 29, inclusive, of this act;

32 (b) An explanation of the methodology used to make the calculations  
33 required by paragraph (a);

34 (c) The data used to make the calculations required by paragraph (a),  
35 including, without limitation, avoided generation capacity, avoided transmission  
36 and generation capacity and avoided system upgrades;

37 (d) A comparison of the impact on rates of net metering pursuant to NRS  
38 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act and the  
39 impact on rates of capital expenditures by the utility;

40 (e) A description of the process for obtaining input from stakeholders in  
41 developing the methodology required by subsection 1; and

42 (f) A summary of comments on the written report from interested persons.

43 Sec. 28.7. If the Legislature provides by law for an open, competitive retail  
44 electric energy market for all electricity customers within a service territory;

45 1. Each person providing electric service in that service territory shall be  
46 deemed to be a utility for the purposes of NRS 704.766 to 704.775, inclusive, and  
47 sections 27 to 29, inclusive, of this act;

48 2. The Commission or any other agency designated by law to regulate  
49 electric service in this State shall prohibit any person providing electric service in  
50 the service territory from impeding or interrupting the operation or performance  
51 or otherwise restrict the output of an existing net metering system; and

52 3. A customer-generator must be required to pay any costs charged to other  
53 customers of the person providing electric service to the customer-generator in

the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system.

~~Sec. 29. Within 6 months after the date the Commission determines that the conditions set forth in sub-subparagraphs (I) and (II) of subparagraph (2) of paragraph (c) of subsection 4 of section 28 of this act have been met, the Legislative Committee on Energy created by NRS 218E.805 shall, in consultation with the Commission, make recommendations to the Legislature concerning:~~

~~1. Whether the net metering adjustment charge required by section 28 of this act is adequate to offset any known impacts of customer generators on the electricity grid, the system for distribution of electricity and the rates for electricity. The Legislative Committee on Energy, in consultation with the Commission, shall take into account any benefits to the electricity grid and any benefits to society that it determines are caused by the net metering systems of customer generators.~~

~~2. Any revision to the net metering adjustment charge that is determined by the Legislative Committee on Energy to be appropriate.~~

~~3. Whether a different rate design or different compensation for excess electricity that is fed back to the utility by customer generators would increase any benefits caused by the net metering systems of customer generators to the electricity grid and to all customers of utilities in this State.~~

~~4. Any revision to the rate design or the compensation for excess electricity that is fed back to the utility by customer generators that the Legislative Committee on Energy determines to be appropriate. (Deleted by amendment.)~~

Sec. 30. NRS 704.767 is hereby amended to read as follows:

704.767 As used in NRS 704.766 to 704.775, inclusive, and sections 27, 28 and 29, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 704.7675 to 704.772, inclusive, have the meanings ascribed to them in those sections.

Sec. 31. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering ~~+~~  
~~— (a) In accordance with the provisions of [this section, NRS 704.774 and 704.775.] NRS 704.766 to 704.775, inclusive, and sections 27, 28 and 29, inclusive, of this act~~ to the customer-generators operating within its service area .  
~~until the date on which the cumulative capacity of all net metering systems for which all utilities in this State have accepted or approved completed applications for net metering is equal to 235 megawatts.~~

~~— (b) After the date on which the cumulative capacity requirement described in paragraph (a) is met, in accordance with a tariff filed by the utility and approved by the Commission pursuant to NRS 704.7735.]~~

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) Except as otherwise provided in subsection ~~[5.] 7., [and section 28 of this act.]~~ shall not charge ~~[+]~~ the customer-generator any fee or charge that ~~[would increase the customer-generator's minimum monthly charge to an amount greater] is different~~ than that ~~[+]~~ charged to other customers of the utility in the ~~[same]~~ rate class ~~[+]~~ to which the customer-generator ~~[+] would belong if the customer-generator did not have a net metering system.~~

1 *(d) Shall not reduce the minimum monthly charge of the customer-generator*  
 2 *based on the electricity generated by the customer-generator and fed back to the*  
 3 *utility.*

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

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

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

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

11 (b) Except as otherwise provided in paragraph ~~[(e)] and [(d)]~~ and subsection  
 12 ~~[(5), may] 7, and section 28 of this act,~~ shall not charge the customer-generator  
 13 any ~~[applicable]~~ fee or charge *that is different than that* charged to other customers  
 14 of the utility in the ~~[same]~~ rate class ~~[as]~~ *to which the customer-generator* ~~[(1)]~~ *would*  
 15 *belong if the customer-generator did not have a net metering system,* including,  
 16 without limitation, customer, demand and facility charges.

17 (c) *Shall not reduce the minimum monthly charge of the customer-generator*  
 18 *based on the electricity generated by the customer-generator and fed back to the*  
 19 *utility.*

20 (d) Shall not charge the customer-generator any standby charge.

21 ~~[(1)]~~  
 22 4. At the time of installation or upgrade of any portion of a net metering  
 23 system, the utility must allow a customer-generator governed by ~~[(this)]~~ subsection 3  
 24 to pay the entire cost of the installation or upgrade of the portion of the net metering  
 25 system.

26 ~~[(4)]~~ 5. *Except as otherwise provided in subsections 2, 3 and 6 and section*  
 27 ~~[(2)]~~ 28.3 *of this act, the utility shall not for any purpose assign a customer-*  
 28 *generator to a rate class other than the rate class to which the customer-*  
 29 *generator would belong if the customer-generator did not have a net metering*  
 30 *system, including, without limitation, for the purpose of any fee or charge.*

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

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

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

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

39 ~~[(5)]~~ 7. A utility shall assess against a customer-generator:

40 (a) If applicable, the universal energy charge imposed pursuant to NRS  
 41 702.160; and

42 (b) Any charges imposed pursuant to chapter 701B of NRS or NRS 704.7827  
 43 or 704.785 which are assessed against other customers in the same rate class as the  
 44 customer-generator. ~~[(1)]~~ and

45 ~~—(e) The charges or rates, if any, which the Commission determines must be~~  
 46 ~~assessed against the customer-generator pursuant to any tariff submitted to and~~  
 47 ~~approved by the Commission pursuant to NRS 704.7735.]~~

48 the net metering system ceases to be eligible to participate in net metering.  
 49 For any such charges calculated on the basis of a kilowatt-hour rate, the  
 50 customer-generator must only be charged with respect to kilowatt-hours of energy  
 51 delivered by the utility to the customer-generator.

52 ~~[(6)]~~ 8. *The Commission and the utility must allow a customer-generator*  
 53 *who accepts the offer of the utility for net metering to continue net metering*  
 pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 ~~[(1)], 28 and] to 29.~~

1 inclusive, of this act at the location at which the net metering system is originally  
2 installed ~~for the life of the net metering system that is originally installed or~~ for  
3 20 years  ~~whichever is longer~~ For the purposes of this subsection, “to  
4 continue net metering” includes, without limitation:

5 (a) Retaining the percentage set forth in subsection ~~44~~ 3 of section ~~28.3~~ 28.3  
6 of this act to be used to determine the ~~net metering adjustment charge~~ credit for  
7 electricity governed by paragraph (c) of subsection 2 of NRS 704.775, which is  
8 applicable to the customer-generator; and

9 (b) Replacing the originally installed net metering system, as needed, at any  
10 time before 20 years after the date of the installation of the originally installed net  
11 metering system.

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

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

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

20 ↪ based on the allowable size of the net metering system.

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

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

26 (d) Any other provisions the Commission finds necessary to carry out the  
27 provisions of NRS 704.766 to 704.775, inclusive ~~44~~, and sections 27, ~~28 and~~ to  
28 29, inclusive, of this act.

29 Sec. 31.5. NRS 704.775 is hereby amended to read as follows:

30 704.775 1. The billing period for net metering must be a monthly period.

31 2. The net energy measurement must be calculated in the following manner:

32 (a) The utility shall measure, in kilowatt-hours, the net electricity produced or  
33 consumed during the billing period, in accordance with normal metering practices.

34 (b) If the electricity supplied by the utility exceeds the electricity generated by  
35 the customer-generator which is fed back to the utility during the billing period, the  
36 customer-generator must be billed for the net electricity supplied by the utility.

37 (c) ~~44~~ Except as otherwise provided in section 28.3 of this act, if the  
38 electricity generated by the customer-generator which is fed back to the utility  
39 exceeds the electricity supplied by the utility during the billing period:

40 (1) Neither the utility nor the customer-generator is entitled to  
41 compensation for the electricity provided to the other during the billing period.

42 (2) The excess electricity which is fed back to the utility during the billing  
43 period is carried forward to the next billing period as an addition to the kilowatt-  
44 hours generated by the customer-generator in that billing period. If the customer-  
45 generator is billed for electricity pursuant to a time-of-use rate schedule, the excess  
46 electricity carried forward must be added to the same time-of-use period as the  
47 time-of-use period in which it was generated unless the subsequent billing period  
48 lacks a corresponding time-of-use period. In that case, the excess electricity carried  
49 forward must be apportioned evenly among the available time-of-use periods.

50 (3) Excess electricity may be carried forward to subsequent billing periods  
51 indefinitely, but a customer-generator is not entitled to receive compensation for  
52 any excess electricity that remains if:

1 (I) The net metering system ceases to operate or is disconnected from  
2 the utility's transmission and distribution facilities;

3 (II) The customer-generator ceases to be a customer of the utility at the  
4 premises served by the net metering system; or

5 (III) The customer-generator transfers the net metering system to  
6 another person.

7 (4) The value of the excess electricity must not be used to reduce any other  
8 fee or charge imposed by the utility.

9 3. If the cost of purchasing and installing a net metering system was paid for:

10 (a) In whole or in part by a utility, the electricity generated by the net metering  
11 system shall be deemed to be electricity that the utility generated or acquired from a  
12 renewable energy system for the purposes of complying with its portfolio standard  
13 pursuant to NRS 704.7801 to 704.7828, inclusive.

14 (b) Entirely by a customer-generator, the Commission shall issue to the  
15 customer-generator portfolio energy credits for use within the system of portfolio  
16 energy credits adopted by the Commission pursuant to NRS 704.7821 and  
17 704.78213 equal to the electricity generated by the net metering system.

18 4. A bill for electrical service is due at the time established pursuant to the  
19 terms of the contract between the utility and the customer-generator.

20 ~~Sec. 32. 1. For the purposes of compliance with section 28 of this act,  
21 from the effective date of section 28 of this act until the date in January 2018 on  
22 which the Public Utilities Commission of Nevada first determines the peak demand  
23 for electricity in this State pursuant to paragraph (a) of subsection 6 of section 28 of  
24 this act, the Commission shall deem the peak demand for electricity in this State for  
25 the previous calendar year to be 8,000 megawatts.~~

26 ~~2. For the purposes of compliance with paragraph (a) of subsection 5 of  
27 section 28 of this act in January 2018, a utility to which section 28 of this act  
28 applies may, on or before January 15, 2018, report the peak demand for electricity  
29 experienced by the utility each day of calendar year 2017 beginning on the effective  
30 date of section 28 of this act and ending on December 31, 2017.] (Deleted by  
31 amendment.)~~

32 Sec. 32.5. 1. Not later than 45 days after the effective date of this act, a  
33 utility shall file with the Public Utilities Commission of Nevada any  
34 amendments to its tariff or tariffs that are necessary to comply with the  
35 provisions of section 28.3 of this act.

36 2. As used in this section, "utility" has the meaning ascribed to it in NRS  
37 704.772.

38 Sec. 32.7. The provisions of subsection 1 of NRS 318D.380 do not apply  
39 to any provision of this act which adds or revises a requirement to submit a  
40 report to the Legislature.

41 Sec. 33. NRS 704.7735 is hereby repealed.

42 Sec. 34. 1. This section and sections ~~26~~ 25 to 28.5, inclusive, and 29 to  
43 33, inclusive, of this act become effective upon passage and approval.

44 2. Sections 1 to 24, inclusive, of this act become effective on September 1,  
45 2017.

46 3. If the Legislature provides by law for an open, competitive retail  
47 electric energy market for all electricity customers within a service territory,  
48 including, without limitation, if the Legislature does so as a result of the  
49 proposed state constitutional amendment known as the Energy Choice  
50 Initiative, section 28.7 of this act becomes effective with regard to the  
51 customers within that service territory on the date on which such customers  
52 have the right to choose the provider of their electric utility service pursuant to  
53 that law. As used in this section, "electricity customer" means every person,



1 business, association of persons or businesses, state agency, political  
2 subdivision of this State or any other entity in this State that is a customer of a  
3 provider of electric service.

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### TEXT OF REPEALED SECTION

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#### **704.7735 Utility required to offer net metering in accordance with tariff after certain cumulative capacity requirements are met.**

1. Except as otherwise provided in subsection 3, each utility shall, in accordance with a tariff filed by the utility and approved by the Commission, offer net metering to customer-generators who submit applications to install net metering systems within its service territory after the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met.

2. For the purposes of evaluating and approving any tariff filed with the Commission pursuant to subsection 1 and otherwise carrying out the provisions of this section, the Commission:

(a) May establish one or more rate classes for customer-generators.

(b) May establish terms and conditions for the participation by customer-generators in net metering, including, without limitation, limitations on enrollment in net metering which the Commission determines are appropriate to further the public interest.

(c) May close to new customer-generators a tariff filed pursuant to subsection 1 and approved by the Commission if the Commission determines that closing the tariff to new customer-generators is in the public interest.

(d) May authorize a utility to establish just and reasonable rates and charges to avoid, reduce or eliminate an unreasonable shifting of costs from customer-generators to other customers of the utility.

(e) Shall not approve a tariff filed pursuant to subsection 1 or authorize any rates or charges for net metering that unreasonably shift costs from customer-generators to other customers of the utility.

3. In approving any tariff submitted pursuant to subsection 1, the Commission shall determine whether and the extent to which any tariff approved or rates or charges authorized pursuant to this section are applicable to customer-generators who, on or before the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met, submitted a complete application to install a net metering system within the service territory of a utility.