

Amendment No. 776

Assembly Amendment to Senate Bill No. 407 First Reprint	(BDR 58-1133)
<b>Proposed by:</b> Assembly Committee on Government Affairs	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

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

JWP



Date: 5/19/2017

S.B. No. 407—Creates the Nevada Clean Energy Fund. (BDR 58-1133)





SENATE BILL NO. 407—SENATORS SPEARMAN, SEGERBLOM, MANENDO, CANCELA, PARKS; ATKINSON, CANNIZZARO, DENIS, FARLEY, FORD, RATTI AND WOODHOUSE

MARCH 20, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Creates the Nevada Clean Energy Fund. (BDR 58-1133)

FISCAL NOTE: Effect on Local Government: No.  
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 energy; creating the Nevada Clean Energy Fund; creating the Board of Directors of the Fund to administer the Fund; setting forth the duties and powers of the Board; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 This bill establishes the Nevada Clean Energy Fund to provide funding for and increase  
2 significantly the pace and amount of financing available for qualified clean energy projects in  
3 this State. **Section 14** of this bill creates the Board of Directors of the Fund, whose  
4 responsibility it is to carry out the provisions of this bill. **Section 16** of this bill sets forth  
5 certain duties of the Board relative to the responsibility of the Board to carry out the  
6 provisions of this bill.

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

1 **Section 1.** Title 58 of NRS is hereby amended by adding thereto a new  
2 chapter to consist of the provisions set forth as sections 1.5 to 42, inclusive, of this  
3 act.

4 **Sec. 1.5.** *The Legislature hereby finds and declares that it is in the interest*  
5 *of this State to establish and support in this State an independent corporation for*  
6 *public benefit, the Nevada Clean Energy Fund, for the purposes of:*

- 7 1. *Promoting investments in qualified clean energy projects;*
- 8 2. *Increasing significantly the pace and amount of investments in qualified*  
9 *clean energy projects at the state and local levels;*
- 10 3. *Improving the standard of living of the residents of this State by*  
11 *promoting the more efficient and lower cost development of qualified clean*  
12 *energy projects and providing financing for qualified clean energy projects that*  
13 *will create high-paying, long-term jobs;*

1 4. *Fostering the development and consistent application of transparent*  
2 *underwriting standards, standard contractual terms, and measurement and*  
3 *verification protocols for qualified clean energy projects;*

4 5. *Promoting the creation of performance data that enables effective*  
5 *underwriting, risk management and pro forma modeling of financial*  
6 *performance of qualified clean energy projects to support primary financing*  
7 *markets and to stimulate the development of secondary investment markets for*  
8 *qualified clean energy projects; and*

9 6. *Achieving a level of financing support for qualified clean energy projects*  
10 *necessary to help abate climate change by increasing zero- or low-carbon*  
11 *electricity generation and transportation capabilities, realize energy efficiency*  
12 *potential in existing infrastructure, ease the economic effects of transitioning*  
13 *from a carbon-based economy to a clean-energy economy, achieve job creation*  
14 *through the construction and operation of qualified clean energy projects and*  
15 *complement and supplement other clean energy and energy efficiency programs*  
16 *and initiatives in this State.*

17 Sec. 2. *As used in this chapter, unless the context otherwise requires, the*  
18 *words and terms defined in sections 2.5 to 13.6, inclusive, of this act have the*  
19 *meanings ascribed to them in those sections.*

20 Sec. 2.5. *“Alternative fuel vehicle project” means any project, technology,*  
21 *product, service, function or measure, or an aggregation thereof, which supports*  
22 *the development and deployment of alternative fuels used for electricity*  
23 *generation, alternative fuel vehicles and related infrastructure, including,*  
24 *without limitation, infrastructure for electric vehicle charging stations. The term*  
25 *does not include any technology that involves the combustion of fossil fuels,*  
26 *including, without limitation, petroleum and petroleum products.*

27 Sec. 3. *“Board” means the Board of Directors of the Nevada Clean Energy*  
28 *Fund.*

29 Sec. 4. (Deleted by amendment.)

30 Sec. 5. (Deleted by amendment.)

31 Sec. 6. (Deleted by amendment.)

32 Sec. 6.5. *“Demand response project” means any project, technology,*  
33 *product, service, function or measure, or an aggregation thereof, that changes*  
34 *the usage of electricity by retail customers in this State from the normal*  
35 *consumption patterns in response to:*

36 1. *Changes in the price of electricity over time; or*

37 2. *Incentive payments designed to induce lower electricity use at times of*  
38 *high market prices or when system reliability is jeopardized.*

39 Sec. 7. *“Energy efficiency project” means any project, technology, product,*  
40 *service, function or measure, or an aggregation thereof, that ~~results in~~*

41 1. ~~the~~ *Results in the reduction of energy use required to achieve the same*  
42 *level of service or output obtained before the application of such project,*  
43 *technology, product, service, function or measure, or aggregation thereof; or*

44 2. *Substantially reduces greenhouse gas emissions relative to emissions that*  
45 *would have produced before the application of such project, technology, product,*  
46 *service, function or measure, or aggregation thereof.*

47 Sec. 8. (Deleted by amendment.)

48 Sec. 9. (Deleted by amendment.)

49 Sec. 10. (Deleted by amendment.)

50 Sec. 11. *“Nevada Clean Energy Fund” or “Fund” means the independent,*  
51 *nonprofit corporation established pursuant to section 13.8 of this act to provide*  
52 *money to promote investments in and increase significantly the pace and amount*

1 *of investment in qualified clean energy projects in this State and to carry out the*  
2 *provisions of this chapter.*

3 Sec. 12. (Deleted by amendment.)

4 Sec. 12.5. *“Qualified clean energy project” means any alternative fuel*  
5 *vehicle project, demand response project, energy efficiency project, renewable*  
6 *energy project or system efficiency project.*

7 Sec. 13. (Deleted by amendment.)

8 Sec. 13.2. *“Renewable energy” means energy produced by:*

9 1. *Solar resources;*

10 2. *Wind resources;*

11 3. *Geothermal resources;*

12 4. *Nonhazardous, organic biomass;*

13 5. *Anaerobic digestion of organic waste streams;*

14 6. *Small-scale, advanced hydropower;*

15 7. *Tidal currents;*

16 8. *Fuel cells using renewable resources; and*

17 9. *Any other source that naturally replenishes over a human, rather than*  
18 *geological, time frame and that is ultimately derived from solar, water or wind*  
19 *resources.*

20 Sec. 13.4. *“Renewable energy project” means the development,*  
21 *construction, deployment, alteration or repair of any project, technology, product,*  
22 *service, function or measure, or an aggregation thereof, that generates electric*  
23 *power from renewable energy.*

24 Sec. 13.6. *“System efficiency project” means the development,*  
25 *construction, deployment, alteration or repair of any distributed generation*  
26 *system, energy storage system, smart grid technology, advanced battery system,*  
27 *microgrid system, fuel cell system or combined heat and power systems.*

28 Sec. 13.8. *The Director of the Office of Energy shall cause to be formed in*  
29 *this State an independent, nonprofit corporation recognized as exempt from*  
30 *federal income taxation for the public benefit named the “Nevada Clean Energy*  
31 *Fund,” the general purpose of which is to carry out the provisions of this chapter.*

32 Sec. 14. 1. *There is hereby created the Board of Directors of the Nevada*  
33 *Clean Energy Fund, consisting of the following nine members:*

34 (a) *The Director of the Office of Energy;*

35 (b) *The Executive Director of the Office of Economic Development or his or*  
36 *her designee;*

37 (c) *The Real Estate Administrator of the Department of Business and*  
38 *Industry or his or her designee;*

39 (d) *The Commissioner of Financial Institutions or his or her designee;*

40 (e) *One member appointed by the Governor from among a list of nominees*  
41 *submitted by the State Contractors’ Board;*

42 (f) *One member appointed by the Governor from among a list of nominees*  
43 *submitted by labor organizations in this State;*

44 (g) *One member appointed by the Governor from among a list of nominees*  
45 *submitted by the board of county commissioners of the county in this State with*  
46 *the largest population;*

47 (h) *One member appointed by the Governor from among a list of nominees*  
48 *submitted by the board of county commissioners of the county in this State with*  
49 *the second largest population; and*

50 (i) *One member appointed by the Governor from among a list of nominees*  
51 *submitted by the boards of county commissioners of the counties in this State not*  
52 *described in paragraph (g) or (h).*

1           2. *The members appointed to the Board pursuant to paragraphs (e) to (i),*  
2 *inclusive, of subsection 1 should have expertise in matters relating to renewable*  
3 *energy, economic development, banking, law, finance or other matters relevant to*  
4 *the work of the Board. When appointing a member to the Board, consideration*  
5 *must be given to whether the members appointed to the Board reflect the ethnic*  
6 *and geographical diversity of this State.*

7           3. *The term of each member of the Board appointed pursuant to paragraphs*  
8 *(e) to (i), inclusive, of subsection 1 is 3 years. A member may be reappointed for*  
9 *additional terms of 3 years in the same manner as the original appointment. A*  
10 *vacancy occurring in the membership of the Board must be filled in the same*  
11 *manner as the original appointment.*

12           4. *The Board shall annually elect a Chair from among its members.*

13           5. *The Board shall meet regularly at least semiannually and may meet at*  
14 *other times upon the call of the Chair. Any five members of the Committee*  
15 *constitute a quorum for the purpose of voting. A majority vote of the quorum is*  
16 *required to take action with respect to any matter.*

17           6. *The Board shall adopt rules for its own management and government.*

18           7. *While engaged in the business of the Board, each member of the Board is*  
19 *entitled to receive the per diem allowance and travel expenses provided for state*  
20 *officers and employees generally.*

21           Sec. 15. (Deleted by amendment.)

22           Sec. 16. 1. *To carry out the provisions of this chapter, the Board shall:*

23           (a) *Annually develop and adopt a work program to serve and support the*  
24 *deployment of qualified clean energy projects in this State, including, without*  
25 *limitation, projects benefitting single-family and multi-family residential*  
26 *property, commercial, industrial, educational and governmental property and*  
27 *hospitals and nonprofit property and any other projects which advance the*  
28 *purposes of this chapter;*

29           (b) *Develop rules, policies and procedures which specify the eligibility of*  
30 *borrowers and any other terms or conditions of the financial support to be*  
31 *provided by the Nevada Clean Energy Fund before financing support is provided*  
32 *for any qualified clean energy project;*

33           (c) *Develop and offer a range of financing structures, forms and techniques*  
34 *for qualified clean energy projects, including, without limitation, ~~senior~~ loans,*  
35 *~~subordinate loans,~~ credit enhancements, guarantees, warehousing,*  
36 *securitization, and other financial products and structures;*

37           (d) *Leverage private investment in qualified clean energy projects through*  
38 *financing mechanisms that support, enhance and complement private*  
39 *investment;*

40           (e) *Develop consumer protection standards to be enforced on all investments*  
41 *to ensure the Nevada Clean Energy Fund and its partners are lending in a*  
42 *responsible and transparent manner that is in the financial interests of the*  
43 *borrowers;*

44           (f) *Assess reasonable fees for the financing support and risk management*  
45 *activities provided by the Nevada Clean Energy Fund in amounts sufficient to*  
46 *cover the reasonable costs of the Fund;*

47           (g) *Collect and make available to the public in a centralized database on an*  
48 *Internet website maintained by the Nevada Clean Energy Fund information*  
49 *regarding rates, terms and conditions of all financing support transactions,*  
50 *unless the disclosure of such information includes a trade secret, confidential*  
51 *commercial information or confidential financial information;*

1 *(h) Work with market and program participants to provide information*  
2 *regarding best practices for overseeing qualified clean energy projects and*  
3 *information regarding other appropriate consumer protections;*

4 *(i) Prepare an annual report for the public on the financing activities of the*  
5 *Nevada Clean Energy Fund; and*

6 *(j) Undertake such other activities as are necessary to carry out the*  
7 *provisions of this chapter.*

8 *2. In addition to any money available through gifts, grants, donations or*  
9 *legislative appropriation to carry out the purposes of this chapter, the Board shall*  
10 *identify any other sources of money which may, in the opinion of the Board, be*  
11 *used to provide money for the Fund.*

12 *3. The Fund may:*

13 *(a) Sue and be sued.*

14 *(b) Have a seal.*

15 *(c) Acquire real or personal property or any interest therein, by gift,*  
16 *purchase, foreclosure, deed in lieu of foreclosure, lease, option or otherwise.*

17 *(d) Prepare and enter into agreements with the Federal Government for the*  
18 *acceptance of grants of money for the purposes of this chapter.*

19 *(e) Enter into agreements or cooperate with third parties to provide for*  
20 *enhanced leveraging of money of the Fund, additional financing mechanisms or*  
21 *any other program or combination of programs for the purpose of expanding the*  
22 *scope of financial assistance available from the Fund.*

23 *(f) Bind the Fund and the Board to terms of any agreements entered into*  
24 *pursuant to this chapter.*

25 *(g) Apply for and accept gifts, grants and donations from any source for the*  
26 *purpose of carrying out the provisions of this chapter.*

27 *Sec. 17. (Deleted by amendment.)*

28 *Sec. 18. (Deleted by amendment.)*

29 *Sec. 19. (Deleted by amendment.)*

30 *Sec. 20. (Deleted by amendment.)*

31 *Sec. 21. (Deleted by amendment.)*

32 *Sec. 22. (Deleted by amendment.)*

33 *Sec. 23. (Deleted by amendment.)*

34 *Sec. 24. (Deleted by amendment.)*

35 *Sec. 25. (Deleted by amendment.)*

36 *Sec. 26. (Deleted by amendment.)*

37 *Sec. 27. (Deleted by amendment.)*

38 *Sec. 28. (Deleted by amendment.)*

39 *Sec. 29. (Deleted by amendment.)*

40 *Sec. 30. (Deleted by amendment.)*

41 *Sec. 31. (Deleted by amendment.)*

42 *Sec. 32. (Deleted by amendment.)*

43 *Sec. 33. (Deleted by amendment.)*

44 *Sec. 34. (Deleted by amendment.)*

45 *Sec. 35. (Deleted by amendment.)*

46 *Sec. 36. (Deleted by amendment.)*

47 *Sec. 37. (Deleted by amendment.)*

48 *Sec. 38. (Deleted by amendment.)*

49 *Sec. 39. (Deleted by amendment.)*

50 *Sec. 40. (Deleted by amendment.)*

51 *Sec. 41. (Deleted by amendment.)*

52 *Sec. 42. (Deleted by amendment.)*

1           **Sec. 43.** Notwithstanding the provisions of section 14 of this act, as soon as  
2 practicable on or after July 1, 2017, the Governor shall appoint the members of the  
3 Board of Directors of the Nevada Clean Energy Fund identified in:

4           1. Paragraphs (e), (g) and (i) of subsection 1 of section 14 of this act to initial  
5 terms of 2 years; and

6           2. Paragraphs (f) and (h) of subsection 1 of section 14 of this act to initial  
7 terms of 3 years.

8           **Sec. 44.** This act becomes effective:

9           1. Upon passage and approval for the purpose of adopting regulations and  
10 performing any preparatory administrative tasks that are necessary to carry out the  
11 provisions of this act; and

12           2. On July 1, 2017, for all other purposes.