
SENATE BILL NO. 145—SENATOR SPEARMAN

PREFILED FEBRUARY 13, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to energy. (BDR 58-54)

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; revising provisions relating to the payment of incentives to participants in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; requiring certain electric utilities in this State to file with the Public Utilities Commission of Nevada a plan for modernization of the grid; requiring the Commission to determine whether a plan to increase supply or reduce demand provides a benefit to customers of the utility through application of the utility cost test; revising the composition of the Legislative Commission on Energy; providing incentives for the construction of publicly available hydrogen-refueling stations; repealing provisions requiring each electric utility to create a Lower Income Solar Energy Pilot Program; repealing the prohibition on certain electric utilities requiring residential customers to pay certain electric service rates based on the time of use of electricity; directing the Legislative Committee on Energy to conduct an interim study of energy efficiency programs and the viability of establishing green banks to help finance the use and harnessing of clean energy in this State; making an appropriation; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law establishes the Solar Energy Systems Incentive Program, the Wind
2 Energy Systems Demonstration Program and the Waterpower Energy Systems
3 Demonstration Program. Existing law further establishes the amount of incentives
4 that may be authorized for payment by the Public Utilities Commission of Nevada
5 to each Program. (NRS 701B.005, 701B.010-701B.290, 701B.400-701B.650,
6 701B.700-701B.880) **Section 1** of this bill combines the amount of existing
7 incentives available for payment to each Program into a single pool of money from
8 which the Commission may authorize the payment of an incentive to a Program.
9 **Section 1** further requires the Commission, for the period beginning on January 1,
10 2018, and ending on December 31, 2023, to authorize the payment of incentives in
11 an amount of not more than \$2,000,000 per year for the installation of solar energy
12 systems and distributed generation systems at locations throughout the service
13 territories of electric utilities in this State that benefit low-income customers.
14 **Section 2** of this bill provides that incentives available to a participant that is a
15 public entity or nonprofit organization must not exceed 75 percent of the installed
16 cost of the solar energy system or distributed generation system based on the
17 average installed cost of a system, as applicable, in the immediately preceding year.
18 **Section 11** of this bill repeals the provisions of existing law that require each
19 electric utility in this State to create a Lower Income Solar Energy Pilot Program,
20 which are duplicative of the amendatory provisions of **section 1**.

21 Existing law requires an electric utility with an annual operating revenue of
22 \$2,500,000 or more in this State to submit to the Public Utilities Commission of
23 Nevada a plan to increase its supply of electricity or decrease the demands made on
24 its system by its customers. (NRS 704.741) **Section 3** of this bill requires such a
25 utility to submit to the Commission a plan for modernization of the grid as part of
26 the plan to increase its supply or decrease the demands on its system. Existing law
27 requires the Commission to convene a public hearing on the adequacy of a plan to
28 increase supply or reduce demand and to issue an order accepting the plan or
29 specifying any portions of the plan it deems to be inadequate. (NRS 704.746,
30 704.751) **Section 5** of this bill authorizes the Commission to accept a plan for
31 modernization of the grid if the Commission determines that the benefits of the plan
32 exceed its costs. **Section 4** of this bill requires the Commission to apply the utility
33 cost test in determining whether the plan adequately demonstrates the economic,
34 environmental and other benefits to customers of the electric utility.

35 Existing law creates the Legislative Committee on Energy. (NRS 218E.805)
36 **Sections 6 and 7** of this bill add two nonvoting members to the Committee who
37 represent the building and banking industries in this State, respectively.

38 **Section 8** of this bill requires the Department of Transportation to evaluate and
39 publish annually a report concerning the need for additional publicly available
40 hydrogen-fueling stations over the next 3 years. **Section 9** of this bill appropriates
41 to the Department \$2,000,000 to provide incentives for the construction of publicly
42 available hydrogen-fueling stations.

43 Existing law creates the Legislative Committee on Energy and directs the
44 Committee to take a variety of actions with respect to matter related to energy
45 policy within this State. (NRS 218E.800-218E.815) **Section 10** of this bill directs
46 the Committee to conduct an interim study concerning: (1) the development of
47 energy, viability, expansion and implementation of energy efficiency programs; and
48 (2) the viability of establishing green banks and similar entities to help finance the
49 use and harnessing of clean energy projects in this State, for both commercial and
50 residential properties. The Committee will consult with entities and interests from
51 various backgrounds including government, public utilities, real estate development
52 and finance. **Section 10** further directs the Governor's Office of Energy to provide
53 administrative and technical assistance to the Committee.



* S B 1 4 5 *

54 Existing law prohibits an electric utility from making changes in any schedule
55 or imposing any rate on residential customers that is based on the time of day, day
56 of the week or time of year during which the electricity is used or that otherwise
57 varies based upon the time during which the electricity is used. (NRS 704.085)
58 **Section 11** of this bill repeals this prohibition, thereby permitting an electric utility
59 to adopt a rate or schedule based on the time of use if the Public Utilities
60 Commission of Nevada finds the rate or schedule to be just and reasonable.
61 (NRS 704.040)

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

1 **Section 1.** NRS 701B.005 is hereby amended to read as
2 follows:

3 701B.005 1. For the purposes of carrying out the Solar
4 Energy Systems Incentive Program created by NRS 701B.240, and
5 subject to the limitations prescribed by ~~subsection~~ *subsections 2*
6 ~~1 and 3~~, the Public Utilities Commission of Nevada shall set
7 incentive levels and schedules, with a goal of approving solar
8 energy systems totaling at least 250,000 kilowatts of capacity in this
9 State for the period beginning on July 1, 2010, and ending on
10 December 31, 2021.

11 2. ~~The~~ *Subject to the limitation prescribed by subsection 3*
12 *the* Commission ~~shall not~~ *may* authorize the payment of an
13 incentive pursuant to ~~1~~:

14 ~~(a) The~~ *the* Solar Energy Systems Incentive Program *created*
15 *by NRS 701B.240, the Wind Energy Systems Demonstration*
16 *Program created by NRS 701B.580 and the Waterpower Energy*
17 *Systems Demonstration Program created by NRS 701B.820* if the
18 payment of the incentive would *not* cause the total amount of
19 incentives paid by all utilities in this State for the installation of
20 solar energy systems , ~~and~~ solar distributed generation systems ,
21 *wind energy systems and waterpower energy systems* to exceed
22 ~~255,270,000~~ *\$295,270,000* for the period beginning on July 1,
23 2010, and ending on December 31, 2025.

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

33 3. *For the period beginning on January 1, 2018, and ending*
34 *on December 31, 2023, the Commission shall, from the money*



1 *allocated for the payment of an incentive pursuant to subsection 2,*
2 *authorize the payment of incentives in an amount of not more*
3 *than \$2,000,000 per year for the installation of solar energy*
4 *systems and distributed generation systems at locations*
5 *throughout the service territories of utilities in this State that*
6 *benefit low-income customers, including, without limitation,*
7 *homeless shelters, low-income housing developments and public*
8 *entities, other than municipalities, that serve significant*
9 *populations of low-income residents.*

10 4. The Commission may, subject to the limitations
11 prescribed by ~~subsection 2,~~ *subsections 2 and 3,* authorize the
12 payment of performance-based incentives for the period ending on
13 December 31, 2025.

14 ~~4.1~~ 5. A utility may file with the Commission one combined
15 annual plan which meets the requirements set forth in NRS
16 701B.230, 701B.610 and 701B.850. The Commission shall review
17 and approve any plan submitted pursuant to this subsection in
18 accordance with the requirements of NRS 701B.230, 701B.610 and
19 701B.850, as applicable.

20 ~~5.1~~ 6. As used in this section:

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

23 (b) *"Municipality" means any county or city in this State.*

24 (c) "Utility" means a public utility that supplies electricity in
25 this State.

26 **Sec. 2.** NRS 701B.200 is hereby amended to read as follows:

27 701B.200 The Commission shall adopt regulations necessary
28 to carry out the provisions of NRS 701B.010 to 701B.290, inclusive,
29 including, without limitation, regulations that:

30 1. Establish the type of incentives available to participants in
31 the Solar Program and the level or amount of those incentives. The
32 incentives must be market-based incentives that:

33 (a) Do not exceed ~~50~~:

34 *(1) Seventy-five percent of the installed cost of a solar*
35 *energy system or distributed generation system to a public entity or*
36 *nonprofit organization, excluding the cost of labor, as determined*
37 *by using the average installed cost of solar energy systems or*
38 *distributed generation systems, as applicable, in the immediately*
39 *preceding year; or*

40 *(2) Fifty percent of the installed cost of a solar energy system*
41 *or distributed generation system ~~to~~ to a person other than a public*
42 *entity or nonprofit organization, as determined by using the*
43 *average installed cost of ~~the~~ solar energy systems or distributed*
44 *generation systems, as applicable, to such persons, installed in the*
45 *immediately preceding year;*



1 (b) Are designed to maximize the number of customer
2 categories participating in the Solar Program based on
3 demographics and location, including, without limitation, categories
4 for public entities, customers of lower socioeconomic status,
5 nonprofit organizations and commercial, industrial and residential
6 customers; and

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

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

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

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

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

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

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

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

29 (g) Any other information required by the Commission.

30 3. Authorize a utility to recover the reasonable costs incurred in
31 carrying out and administering the installation of distributed
32 generation systems.

33 **Sec. 3.** NRS 704.741 is hereby amended to read as follows:

34 704.741 1. A utility which supplies electricity in this State
35 shall, on or before July 1 of every third year, in the manner specified
36 by the Commission, submit a plan to increase its supply of
37 electricity or decrease the demands made on its system by its
38 customers to the Commission.

39 2. The Commission shall, by regulation:

40 (a) Prescribe the contents of such a plan, including, but not
41 limited to, the methods or formulas which are used by the utility to:

42 (1) Forecast the future demands; and

43 (2) Determine the best combination of sources of supply to
44 meet the demands or the best method to reduce them; and



1 (b) Designate renewable energy zones and revise the designated
2 renewable energy zones as the Commission deems necessary.

3 3. The Commission shall require the utility to include in its
4 plan:

5 (a) An energy efficiency program for residential customers
6 which reduces the consumption of electricity or any fossil fuel and
7 which includes, without limitation, the use of new solar thermal
8 energy sources.

9 (b) A comparison of a diverse set of scenarios of the best
10 combination of sources of supply to meet the demands or the best
11 methods to reduce the demands, which must include at least one
12 scenario of low carbon intensity that includes the deployment of
13 distributed generation.

14 (c) An analysis of the effects of the requirements of NRS
15 704.766 to 704.775, inclusive, on the reliability of the distribution
16 system of the utility and the costs to the utility to provide electric
17 service to all customers. The analysis must include an evaluation of
18 the costs and benefits of addressing issues of reliability through
19 investment in the distribution system.

20 (d) A list of the utility's assets described in NRS 704.7338.

21 (e) A surplus asset retirement plan as required by NRS 704.734.

22 4. The Commission shall require the utility to include in its
23 plan a plan for construction or expansion of transmission facilities to
24 serve renewable energy zones and to facilitate the utility in meeting
25 the portfolio standard established by NRS 704.7821.

26 5. *The Commission shall require the utility to include in its*
27 *plan a plan for modernization of the grid. The plan for*
28 *modernization of the grid may evaluate, without limitation, the*
29 *benefits and costs of new technologies, contracts, sources of*
30 *energy, distributed resources, energy storage, means for reducing*
31 *emissions and any other means for enhancing the reliability and*
32 *security of the grid.*

33 6. As used in this section:

34 (a) "Carbon intensity" means the amount of carbon by weight
35 emitted per unit of energy consumed.

36 (b) "Renewable energy zones" means specific geographic zones
37 where renewable energy resources are sufficient to develop
38 generation capacity and where transmission constrains the delivery
39 of electricity from those resources to customers.

40 **Sec. 4.** NRS 704.746 is hereby amended to read as follows:

41 704.746 1. After a utility has filed its plan pursuant to NRS
42 704.741, the Commission shall convene a public hearing on the
43 adequacy of the plan.

44 2. The Commission shall determine the parties to the public
45 hearing on the adequacy of the plan. A person or governmental



1 entity may petition the Commission for leave to intervene as a party.
2 The Commission must grant a petition to intervene as a party in the
3 hearing if the person or entity has relevant material evidence to
4 provide concerning the adequacy of the plan. The Commission may
5 limit participation of an intervener in the hearing to avoid
6 duplication and may prohibit continued participation in the hearing
7 by an intervener if the Commission determines that continued
8 participation will unduly broaden the issues, will not provide
9 additional relevant material evidence or is not necessary to further
10 the public interest.

11 3. In addition to any party to the hearing, any interested person
12 may make comments to the Commission regarding the contents and
13 adequacy of the plan.

14 4. After the hearing, the Commission shall determine whether:

15 (a) The forecast requirements of the utility are based on
16 substantially accurate data and an adequate method of forecasting.

17 (b) The plan identifies and takes into account any present and
18 projected reductions in the demand for energy that may result from
19 measures to improve energy efficiency in the industrial,
20 commercial, residential and energy producing sectors of the area
21 being served.

22 (c) The plan adequately demonstrates the economic,
23 environmental and other benefits to this State and to the customers
24 of the utility, associated with the following possible measures and
25 sources of supply:

26 (1) Improvements in energy efficiency;

27 (2) Pooling of power;

28 (3) Purchases of power from neighboring states or countries;

29 (4) Facilities that operate on solar or geothermal energy or
30 wind;

31 (5) Facilities that operate on the principle of cogeneration or
32 hydrogeneration;

33 (6) Other generation facilities; and

34 (7) Other transmission facilities.

35 5. *In determining whether the plan adequately demonstrates*
36 *the economic, environmental and other benefits to this State and*
37 *to customers of the utility pursuant to paragraph (c) of subsection*
38 *4, the Commission shall apply the utility cost test.*

39 6. The Commission may give preference to the measures and
40 sources of supply set forth in paragraph (c) of subsection 4 that:

41 (a) Provide the greatest economic and environmental benefits to
42 the State;

43 (b) Are consistent with the provisions of this section;

44 (c) Provide levels of service that are adequate and reliable; and



1 (d) Provide the greatest opportunity for the creation of new jobs
2 in this State.

3 ~~16-1~~ 7. The Commission shall:

4 (a) Adopt regulations which determine the level of preference to
5 be given to those measures and sources of supply; and

6 (b) Consider the value to the public of using water efficiently
7 when it is determining those preferences.

8 ~~17-1~~ 8. The Commission shall:

9 (a) Consider the level of financial commitment from developers
10 of renewable energy projects in each renewable energy zone, as
11 designated pursuant to subsection 2 of NRS 704.741; and

12 (b) Adopt regulations establishing a process for considering
13 such commitments including, without limitation, contracts for the
14 sale of energy, leases of land and mineral rights, cash deposits and
15 letters of credit.

16 ~~18-1~~ 9. The Commission shall, after a hearing, review and
17 accept or modify an emissions reduction and capacity replacement
18 plan which includes each element required by NRS 704.7316. In
19 considering whether to accept or modify an emissions reduction and
20 capacity replacement plan, the Commission shall consider:

21 (a) The cost to the customers of the electric utility to implement
22 the plan;

23 (b) Whether the plan provides the greatest economic benefit to
24 this State;

25 (c) Whether the plan provides the greatest opportunities for the
26 creation of new jobs in this State; and

27 (d) Whether the plan represents the best value to the customers
28 of the electric utility.

29 *10. As used in this section, "utility cost test" means the*
30 *measurement of the cost effectiveness of an energy efficiency plan*
31 *or energy efficiency program that compares the monetary costs*
32 *that are borne by an electric utility and that are incurred to*
33 *develop, acquire and operate an energy efficiency program on a*
34 *life-cycle basis to the avoided monetary costs associated with*
35 *developing, acquiring and operating resources to supply electricity*
36 *in the absence of the energy efficiency program.*

37 **Sec. 5.** NRS 704.751 is hereby amended to read as follows:

38 704.751 1. After a utility has filed the plan required pursuant
39 to NRS 704.741, the Commission shall issue an order accepting or
40 modifying the plan or specifying any portions of the plan it deems to
41 be inadequate:

42 (a) Within 135 days for any portion of the plan relating to the
43 energy supply plan for the utility for the 3 years covered by the plan;
44 and



1 (b) Within 180 days for all portions of the plan not described in
2 paragraph (a).

3 ➔ If the Commission issues an order modifying the plan, the utility
4 may consent to or reject some or all of the modifications by filing
5 with the Commission a notice to that effect. Any such notice must
6 be filed not later than 30 days after the date of issuance of the order.
7 If such a notice is filed, any petition for reconsideration or rehearing
8 of the order must be filed with the Commission not later than 10
9 business days after the date the notice is filed.

10 2. If a utility files an amendment to a plan, the Commission
11 shall issue an order accepting or modifying the amendment or
12 specifying any portions of the amendment it deems to be
13 inadequate:

14 (a) Within 135 days after the filing of the amendment; or

15 (b) Within 180 days after the filing of the amendment for all
16 portions of the amendment which contain an element of the
17 emissions reduction and capacity replacement plan.

18 ➔ If the Commission issues an order modifying the amendment, the
19 utility may consent to or reject some or all of the modifications by
20 filing with the Commission a notice to that effect. Any such notice
21 must be filed not later than 30 days after the date of issuance of the
22 order. If such a notice is filed, any petition for reconsideration or
23 rehearing of the order must be filed with the Commission not later
24 than 10 business days after the date the notice is filed.

25 3. All prudent and reasonable expenditures made to develop
26 the utility's plan, including environmental, engineering and other
27 studies, must be recovered from the rates charged to the utility's
28 customers.

29 4. The Commission may accept ~~fat~~:

30 (a) A transmission plan submitted pursuant to subsection 4 of
31 NRS 704.741 for a renewable energy zone if the Commission
32 determines that the construction or expansion of transmission
33 facilities would facilitate the utility meeting the portfolio standard,
34 as defined in NRS 704.7805.

35 (b) *A plan for modernization of the grid submitted pursuant to*
36 *subsection 5 of NRS 704.741 if the Commission determines that*
37 *the benefits of the plan exceed the costs of the plan.*

38 5. The Commission shall adopt regulations establishing the
39 criteria for determining the adequacy of ~~fat~~:

40 (a) A transmission plan submitted pursuant to subsection 4 of
41 NRS 704.741.

42 (b) *A plan for modernization of the grid submitted pursuant to*
43 *subsection 5 of NRS 704.741.*

44 6. Any order issued by the Commission accepting or modifying
45 an element of an emissions reduction and capacity replacement plan



1 must include provisions authorizing the electric utility to construct
2 or acquire and own electric generating plants necessary to meet the
3 capacity amounts approved in, and carry out the provisions of, the
4 plan. As used in this subsection, "capacity" means an amount of
5 firm electric generating capacity used by the electric utility for the
6 purpose of preparing a plan filed with the Commission pursuant to
7 NRS 704.736 to 704.754, inclusive.

8 **Sec. 6.** NRS 218E.805 is hereby amended to read as follows:

9 218E.805 1. The Legislative Committee on Energy,
10 consisting of ~~six legislative~~ **eight** members, is hereby created. The
11 membership of the Committee consists of:

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

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

18 (c) *Two nonvoting members appointed by the Legislative*
19 *Commission as follows:*

20 (1) *One member who represents the building industry in*
21 *this State; and*

22 (2) *One member who represents the banking industry in*
23 *this State.*

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

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

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

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

42 **Sec. 7.** NRS 218E.810 is hereby amended to read as follows:

43 218E.810 1. Except as otherwise ordered by the Legislative
44 Commission, the members of the Committee shall meet not earlier
45 than November 1 of each odd-numbered year and not later than



1 August 31 of the following even-numbered year at the times and
2 places specified by a call of the Chair or a majority of the
3 Committee.

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

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

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

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

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

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

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

20 **Sec. 8.** Chapter 408 of NRS is hereby amended by adding
21 thereto a new section to read as follows:

22 *1. On or before October 1, 2018, and on or before October 1*
23 *of every year thereafter, the Department shall create and make*
24 *available to the public a report concerning the need for publicly*
25 *available hydrogen-fueling stations for the 3 years following the*
26 *creation of the report, which sets forth the need for such stations*
27 *in terms of quantity of fuel needed for the actual and projected*
28 *number of hydrogen-fueled vehicles, geographic areas where fuel*
29 *will be needed and station coverage.*

30 *2. The Department shall establish by regulation a program to*
31 *provide financial incentives, including, without limitation, grants*
32 *and loans, to promote investment in the construction of publicly*
33 *available hydrogen-fueling stations, not to exceed the lesser of:*

34 *(a) An amount the Department deems necessary to fund the*
35 *number of publicly available hydrogen-fueling stations identified*
36 *in subsection 1.*

37 *(b) Twenty million dollars in the aggregate for the period*
38 *beginning on July 1, 2017, and ending on June 30, 2027.*

39 *3. As used in this section, "publicly available hydrogen-*
40 *fueling station" means the equipment used to store and dispense*
41 *hydrogen fuel according to industry codes and standards that is*
42 *open to the public.*

43 **Sec. 9.** 1. There is hereby appropriated from the State
44 General Fund to the Department of Transportation for carrying out
45 the provisions of section 8 of this act, the sum of \$2,000,000.



1 2. Any balance of the sum appropriated by subsection 1 must
2 not be committed for expenditure after June 30, 2019, and reverts to
3 the State General Fund as soon as all payments of money committed
4 have been made.

5 **Sec. 10.** 1. The Legislature hereby finds and declares that:

6 (a) Developing sustainable and reliable energy efficiency
7 programs is critical to the future of Nevada's economy and
8 competitiveness;

9 (b) Energy production and energy efficiency programs in
10 Nevada should be diverse, stable, affordable, technologically
11 advanced and environmentally sound;

12 (c) Attracting investors and participants in energy efficiency
13 programs from private businesses and industries is paramount to
14 establishing an energy policy in Nevada consistent with Nevada's
15 energy goals for the 21st century; and

16 (d) The efficient use of energy frees public and private money
17 for use in other areas such as education, infrastructure, public health
18 and public safety.

19 2. The Legislative Committee on Energy shall conduct an
20 interim study concerning:

21 (a) The development, viability, expansion and implementation
22 of energy efficiency programs in this State, including, without
23 limitation, programs for businesses and industries in this State,
24 energy efficiency resource standards and other energy efficiency
25 incentive programs; and

26 (b) The viability of establishing green banks and similar entities
27 to help finance the use and harnessing of clean energy projects in
28 this State, for both commercial and residential properties.

29 3. In carrying out the duties set forth in this section, the
30 Committee shall consult with and solicit input from the following
31 entities and interests:

32 (a) The Public Utilities Commission of Nevada;

33 (b) A utility company regulated by the Public Utilities
34 Commission of Nevada;

35 (c) The Office of Energy;

36 (d) A financial institution in this State that has expertise in the
37 financing of clean energy projects;

38 (e) The Office of the State Treasurer;

39 (f) A residential or commercial builder in this State that has
40 expertise in the installation and integration of clean energy products
41 and techniques in residential or commercial building projects;

42 (g) An association of residential or commercial real estate
43 developers;

44 (h) As determined appropriate by the Committee, other persons,
45 businesses, state agencies, entities, interests or other organizations



1 with expertise in matters relevant to energy efficiency programs,
2 including, without limitation, consumers, representatives from
3 organizations that promote energy efficiency and representatives
4 from businesses and industries that may be affected by any
5 recommendations of the Committee; and

6 (i) Any other person determined appropriate by the Committee.

7 4. The Committee shall study, without limitation:

8 (a) The existing energy efficiency incentive programs within
9 this State and existing clean energy programs and financial activities
10 occurring within this State, including, without limitation, programs
11 and activities of state governmental agencies, the Public Utilities
12 Commission of Nevada, local governmental entities within this
13 State, public and private utilities serving customers in this State and
14 other private entities and organizations within this State.

15 (b) Other states' laws, regulations and policies relating to energy
16 efficiency incentive programs and energy efficiency resource
17 standards.

18 (c) The methods of capitalization, structure, organization and
19 financing of green banks and similar entities that assist in financing
20 the production and harnessing of clean energy in the United States
21 and outside the United States.

22 (d) The sources, types and amounts of private capital leveraged
23 or invested in connection with green banks and similar entities for
24 financing clean energy.

25 (e) The current and potential size, in this State, of existing and
26 potential markets for clean energy.

27 (f) The need to provide reasonably priced financing or establish
28 related market structures to increase clean energy market
29 penetration and fill any existing market gaps.

30 (g) Potential financial instruments or services to be used by a
31 green bank or a similar entity for helping to finance and harness
32 projects in this State, including, without limitation, loans, leases,
33 credit enhancements, warehouses and securitization.

34 (h) The need for a green bank or similar entity to finance clean
35 energy in this State.

36 (i) The impact and advisability of implementing legislation
37 regarding energy efficiency resource standards and any other energy
38 efficiency incentive programs considered by the Committee.

39 5. The Office of Energy, in consultation with the Public
40 Utilities Commission of Nevada and with the encouraged
41 cooperation of various public and private utilities in this State, shall
42 provide administrative and technical assistance to the Committee.

43 6. The Committee may accept any gifts, grants or donations to
44 assist the Committee in carrying out the duties set forth in this
45 section.



1 7. If the Committee determines that a green bank or similar
2 entity is needed to help finance or harness projects of clean energy
3 in this State, the Committee shall provide recommendations
4 regarding:

- 5 (a) The legal steps required to create such an entity;
- 6 (b) Capital resources that can be used to pay for the entity;
- 7 (c) The structure and organization of the entity;
- 8 (d) The markets in this State that such an entity should serve;

9 and

- 10 (e) The types of financing activities the entity should undertake.

11 8. On or before January 1, 2019, the Committee shall submit a
12 report of its findings, including, without limitation, any
13 recommendations for legislation, to:

14 (a) The Director of the Legislative Counsel Bureau for
15 distribution to the 79th Session of the Nevada Legislature;

16 (b) The Public Utilities Commission of Nevada; and

17 (c) The Director of the Office of Energy.

18 9. As used in this section:

19 (a) "Clean energy" includes:

20 (1) Energy produced from renewable resources, including,
21 without limitation, biomass, fuel cells, geothermal, solar,
22 waterpower, wind or any other source of energy that occurs
23 naturally or is regenerated naturally; and

24 (2) Energy saved as a result of the installation and use of
25 products or technologies that are energy efficient.

26 (b) "Green bank" means an institution that exists or is created to
27 help harness or use clean energy and includes features or properties
28 such as, without limitation:

29 (1) The institution is public or quasi-public.

30 (2) The institution provides or helps to provide financing that
31 is low-cost, or long-term, or both, for projects that generate clean
32 energy.

33 (3) The leveraging of private investment by way of the
34 stimulating investment of public money.

35 (4) The reduction of market inefficiencies.

36 (5) Greater deployment of the use of clean energy.

37 (6) Recycling of public capital, so that investment in clean
38 energy may increase without affecting taxpayers.

39 (c) "Legislative Committee on Energy" or "Committee" means
40 the Legislative Committee on Energy created by NRS 218E.805.

41 (d) "Office of Energy" means the Office of Energy created
42 within the Office of the Governor by NRS 701.150.

43 **Sec. 11.** NRS 704.085 and 704.786 are hereby repealed.



- 1 **Sec. 12.** 1. This act becomes effective:
2 (a) Upon passage and approval for the purpose of performing
3 any preparatory administrative tasks necessary to carry out the
4 provisions of this act; and
5 (b) On July 1, 2017, for all other purposes.
6 2. Sections 1 and 2 of this act expire by limitation on
7 December 31, 2025.
8 3. Section 8 of this act expires by limitation on June 30, 2027.

TEXT OF REPEALED SECTIONS

704.085 Electric utility prohibited from making change in schedule or imposing rate which requires residential customer to purchase electric service based on time of usage; exceptions.

1. Except as otherwise provided in subsection 2, an electric utility shall not make changes in any schedule or impose any rate, and the Commission shall not approve any changes in any schedule or authorize the imposition of any rate by an electric utility, which requires a residential customer to purchase electric service at a rate which is based on the time of day, day of the week or time of year during which the electricity is used or which otherwise varies based upon the time during which the electricity is used, except that the Commission may approve such a change in a schedule or authorize the imposition of such a rate if the approval or authorization is conditioned upon an election by a residential customer to purchase electric service at such a rate.

2. The provisions of subsection 1 do not apply to any changes in a schedule or rates imposed on a customer-generator.

3. As used in this section:

(a) "Customer-generator" has the meaning ascribed to it in NRS 704.768.

(b) "Electric utility" has the meaning ascribed to it in NRS 704.187.

704.786 Lower Income Solar Energy Pilot Program: Creation required by each electric utility in State.

1. Each electric utility in this State shall create a Lower Income Solar Energy Pilot Program for the purpose of installing, before January 1, 2017, distributed generation systems with a cumulative capacity of at least 1 megawatt at locations throughout its service territory which benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and schools with significant populations of low-income pupils. Each



electric utility shall submit the Program as part of its annual plan submitted pursuant to NRS 701B.230. The Commission shall approve the Program with such modifications and upon such terms and conditions as the Commission deems necessary or appropriate to enable the Program to meet the purposes set forth in this subsection.

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

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

