

CHAPTER.....

AN ACT relating to energy; establishing as part of the Solar Energy Systems Incentive Program a program for the payment of incentives for the installation of certain energy storage systems; creating the Electric Vehicle Infrastructure Demonstration Program; 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; repealing provisions requiring each electric utility to create a Lower Income Solar Energy Pilot Program; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. Existing law further establishes the amount of incentives that may be authorized for payment by the Public Utilities Commission of Nevada to each Program. (NRS 701B.005, 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) **Section 1.5** of this bill combines the amount of existing incentives available for payment to each Program into a single pool of money from which the Commission may authorize the payment of an incentive to a Program. **Section 1.5** further requires the Commission, for the period beginning on January 1, 2018, and ending on December 31, 2023, to authorize the payment of incentives in an amount of not more than \$1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of electric utilities in this State that benefit low-income customers. **Section 11** of this bill repeals the provisions of existing law that require each electric utility in this State to create a Lower Income Solar Energy Pilot Program, which are duplicative of the amendatory provisions of **section 1.5**.

Sections 1.2 and 1.3 of this bill require the Commission to establish, as part of the Solar Energy Systems Incentive Program, incentives for: (1) the installation of energy storage systems by a customer of an electric utility; and (2) the installation of energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts by certain customers of an electric utility.

Section 1.4 of this bill: (1) creates the Electric Vehicle Infrastructure Demonstration Program; (2) requires the Commission to adopt regulations concerning the Program; and (3) authorizes each utility to recover the costs of carrying out the Program.



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

Section 1. Chapter 701B of NRS is hereby amended by adding thereto the provisions set forth as sections 1.1 to 1.4, inclusive, of this act.

Sec. 1.1. *“Energy storage system” means commercially available technology that is capable of retaining energy, storing energy for a period of time and delivering the energy after storage, including, without limitation, by chemical, thermal or mechanical means.*

Sec. 1.2. *1. The Commission shall adopt regulations to establish as part of the Solar Program a program for the payment of incentives for the installation of energy storage systems by customers of a utility. The regulations must include, without limitation, regulations that:*

(a) Establish a process to set and periodically review the level of incentives available to customers of a utility.

(b) Require that each energy storage system for which an incentive is awarded pursuant to this section provides a minimum level of benefit to customers of the utility, including, without limitation:

(1) Reducing peak demand for electricity;

(2) Avoiding or deferring investment by the utility in assets for the generation, transmission or distribution of electricity; or

(3) Improving the reliability of the operation of the transmission or distribution grid.

(c) Determine the allocation of incentives among customers in the following categories:

(1) Residential and small commercial;

(2) New construction;

(3) Public entities; and

(4) Any other category determined by the Commission.

(d) Establish the:

(1) Qualifications and requirements an applicant must meet to be eligible to be awarded an incentive pursuant to this section;

(2) Form and content of the application for an incentive pursuant to this section;

(3) Process for accepting and approving applications, which must provide that applications are approved based on the



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

(4) Requirements an applicant must meet to receive the payment of an incentive from the utility, including, without limitation, the form and content of a form to claim the incentive that must be submitted by the applicant.

(e) Require a utility to include in its annual plan submitted pursuant to NRS 701B.230 information concerning the incentives available pursuant to this section.

2. To be eligible to receive an incentive pursuant to this section, a person must:

(a) Be a customer of a utility;

(b) Be a property owner, a participant or a person who has installed on the property of the person a solar energy system or energy storage system; and

(c) Submit an application to a utility and be selected by the utility for inclusion in the Solar Program and the award of an incentive pursuant to this section.

3. A utility shall review each application submitted pursuant to subsection 2 to ensure that the applicant meets the qualifications and requirements to be eligible to be awarded an incentive pursuant to this section.

4. The Commission shall not authorize the payment of an incentive pursuant to this section as part of the Solar Program if the payment of the incentive would cause the total amount of incentives paid by all utilities pursuant to this section to exceed \$5,000,000.

5. As used in this section, "residential or small commercial customer of a utility" means an existing residential or small commercial customer of a utility or a prospective residential or small commercial customer of a utility that affirms it will become an actual customer of the utility within 12 months after the date on which the application is filed.

Sec. 1.3. *I. The Commission shall adopt regulations to establish as part of the Solar Program a program for the payment of incentives for the installation of energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts. The regulations must include, without limitation, regulations that:*

(a) Establish the type and level of incentives available to a person who installs an energy storage system that has a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts. The Commission shall establish a level of incentives



that, to the extent possible, ensures that the benefits of the energy storage system exceed the costs of the energy storage system to a customer of a utility.

(b) Require that each energy storage system for which an incentive is awarded pursuant to this section provides a minimum level of benefit to customers of the utility, including, without limitation:

- (1) Reducing peak demand for electricity;*
- (2) Avoiding or deferring investment by the utility in assets for the generation, transmission or distribution of electricity; or*
- (3) Improving the reliability of the operation of the transmission or distribution grid.*

(c) Establish a collaborative process for a utility to select persons to participate in the program and receive an incentive pursuant to this section.

2. To be eligible to receive an incentive pursuant to this section, a person must:

(a) Be a property owner, a participant or a person who has installed on the property of the person a solar energy system;

(b) Install an energy storage system that has a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts; and

(c) Be selected by the utility for inclusion in the Solar Program and the award of an incentive pursuant to this section.

3. In collaboration with interested parties, a utility shall identify customers of the utility who have the potential to satisfy the requirements for an incentive pursuant to this section and locations on the utility's system at which energy storage systems that would qualify for an incentive pursuant to this section have the potential to be installed.

4. The Commission shall not authorize the payment of an incentive pursuant to this section as part of the Solar Program if the payment of the incentive would cause the total amount of incentives paid by all utilities pursuant to this section to exceed \$5,000,000.

Sec. 1.4. *1. The Legislature hereby finds and declares that it is the policy of this State to expand and accelerate the deployment of electric vehicles and supporting infrastructure throughout this State.*

2. The Electric Vehicle Infrastructure Demonstration Program is hereby created.

3. The Commission shall adopt regulations to carry out the provisions of the Electric Vehicle Infrastructure Demonstration



Program, including, without limitation, regulations that require a utility to submit to the Commission an annual plan for carrying out the Program in its service area. The annual plan submitted by a utility may include any measure to promote or incentivize the deployment of electric vehicle infrastructure, including, without limitation:

(a) The payment of an incentive to a customer of the utility that installs or provides electric vehicle infrastructure;

(b) Qualifications and requirements an applicant must meet to be eligible to be awarded an incentive;

(c) The imposition of a rate by the utility to require the purchase of electric service for the charging of an electric vehicle 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, if a customer of the utility participates in the Electric Vehicle Infrastructure Demonstration Program; and

(d) The establishment of programs directed by the utility to promote electric vehicle infrastructure, including, without limitation, education and awareness programs for customers of the utility, programs to provide technical assistance related to the charging of electric vehicles to governmental entities or the owners or operators of large fleets of motor vehicles and programs to create partnerships with private organizations to promote the development of electric vehicle infrastructure.

4. The Commission shall:

(a) Review each annual plan submitted by a utility pursuant to the regulations adopted pursuant to subsection 3 for compliance with the requirements established by the Commission; and

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

5. Each utility:

(a) Shall carry out and administer the Electric Vehicle Infrastructure Demonstration Program within its service area in accordance with its annual plan as approved by the Commission pursuant to subsection 4; and

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



6. As used in this section:

(a) “Electric vehicle” means a vehicle powered solely by one or more electric motors.

(b) “Electric vehicle infrastructure” includes, without limitation, electric vehicles and the charging stations for the recharging of electric vehicles.

Sec. 1.5. NRS 701B.005 is hereby amended to read as follows:

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

2. ~~The~~ **Subject to the limitation prescribed by subsection 3** the Commission ~~shall not~~ **may** authorize the payment of an incentive pursuant to ~~†~~

~~(a) The~~ **the Electric Vehicle Infrastructure Demonstration Program created by section 1.4 of this act, the Solar Energy Systems Incentive Program created by NRS 701B.240, the Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820** if the payment of the incentive would **not** cause the total amount of incentives paid by all utilities in this State for the installation of **electric vehicle infrastructure**, solar energy systems, ~~and~~ solar distributed generation systems, **energy storage systems, wind energy systems and waterpower energy systems** to exceed ~~†\$255,270,000†~~ **\$295,270,000** for the period beginning on July 1, 2010, and ending on December 31, 2025.

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

3. **For the period beginning on January 1, 2018, and ending on December 31, 2023, the Commission shall, from the money allocated for the payment of an incentive pursuant to subsection 2, authorize the payment of incentives in an amount of not more**



than \$1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of utilities in this State that benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and public entities, other than municipalities, that serve significant populations of low-income residents.

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

~~4-~~ 5. A utility may file with the Commission one combined annual plan which meets the requirements set forth in NRS 701B.230, 701B.610 and 701B.850. The Commission shall review and approve any plan submitted pursuant to this subsection in accordance with the requirements of NRS 701B.230, 701B.610 and 701B.850, as applicable.

~~5-~~ 6. As used in this section:

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

(b) *“Electric vehicle infrastructure” has the meaning ascribed to it in section 1.4 of this act.*

(c) *“Energy storage system” has the meaning ascribed to it in section 1.1 of this act.*

(d) *“Municipality” means any county or city in this State.*

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

Sec. 1.6. NRS 701B.010 is hereby amended to read as follows:

701B.010 The provisions of NRS 701B.010 to 701B.290, inclusive, *and sections 1.1, 1.2 and 1.3 of this act* apply to the Solar Energy Systems Incentive Program.

Sec. 1.7. NRS 701B.020 is hereby amended to read as follows:

701B.020 As used in NRS 701B.010 to 701B.290, inclusive, *and sections 1.1, 1.2 and 1.3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 701B.030 to 701B.180, inclusive, *and section 1.1 of this act* have the meanings ascribed to them in those sections.

Sec. 1.8. NRS 701B.190 is hereby amended to read as follows:

701B.190 The Legislature hereby finds and declares that it is the policy of this State to:

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



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

Sec. 2. (Deleted by amendment.)

Sec. 2.5. NRS 704.021 is hereby amended to read as follows:

704.021 "Public utility" or "utility" does not include:

1. Persons engaged in the production and sale of natural gas, other than sales to the public, or engaged in the transmission of natural gas other than as a common carrier transmission or distribution line or system.

2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:

(a) They serve 25 persons or less; and

(b) Their gross sales for water or services for the disposal of sewage, or both, amounted to \$25,000 or less during the immediately preceding 12 months.

3. Persons not otherwise engaged in the business of furnishing, producing or selling water or services for the disposal of sewage, or both, but who sell or furnish water or services for the disposal of sewage, or both, as an accommodation in an area where water or services for the disposal of sewage, or both, are not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water or services for the disposal of sewage, or both, for compensation, to persons within the political subdivision.

4. Persons who are engaged in the production and sale of energy, including electricity, to public utilities, cities, counties or other entities which are reselling the energy to the public.

5. Persons who are subject to the provisions of NRS 590.465 to 590.645, inclusive.

6. Persons who are engaged in the sale or use of special fuel as defined in NRS 366.060.

7. Persons who provide water from water storage, transmission and treatment facilities if those facilities are for the storage, transmission or treatment of water from mining operations.

8. Persons who are video service providers, as defined in NRS 711.151, except for those operations of the video service provider which consist of providing a telecommunication service to the public, in which case the video service provider is a public utility only with regard to those operations of the video service provider



which consist of providing a telecommunication service to the public.

9. Persons who own or operate a net metering system described in paragraph (c) of subsection 1 of NRS 704.771.

10. Persons who for compensation own or operate individual systems which use renewable energy to generate electricity and sell the electricity generated from those systems to not more than one customer of the public utility per individual system if each individual system is:

(a) Located on the premises of another person;

(b) Used to produce not more than 150 percent of that other person's requirements for electricity on an annual basis for the premises on which the individual system is located; and

(c) Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.

↳ As used in this subsection, "renewable energy" has the meaning ascribed to it in NRS 704.7811.

11. Persons who own, control, operate or manage a facility that supplies electricity only for use to charge electric vehicles.

Secs. 3-10. (Deleted by amendment.)

Sec. 11. NRS 704.786 is hereby repealed.

Sec. 12. 1. This act becomes effective:

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

(b) On July 1, 2017, for all other purposes.

2. Sections 1 to 2, inclusive, of this act expire by limitation on December 31, 2025.

