

Senate Bill No. 407—Senators Spearman, Segerblom, Manendo, Cancela, Parks; Atkinson, Cannizzaro, Denis, Farley, Ford, Ratti and Woodhouse

CHAPTER.....

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:

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

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

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

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

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

- 1. Promoting investments in qualified clean energy projects;*
- 2. Increasing significantly the pace and amount of investments in qualified clean energy projects at the state and local levels;*
- 3. Improving the standard of living of the residents of this State by promoting the more efficient and lower cost development of qualified clean energy projects and providing financing for qualified clean energy projects that will create high-paying, long-term jobs;*
- 4. Fostering the development and consistent application of transparent underwriting standards, standard contractual terms, and measurement and verification protocols for qualified clean energy projects;*



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

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

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

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

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

Secs. 4-6. (Deleted by amendment.)

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

1. *Changes in the price of electricity over time; or*
2. *Incentive payments designed to induce lower electricity use at times of high market prices or when system reliability is jeopardized.*

Sec. 7. *“Energy efficiency project” means any project, technology, product, service, function or measure, or an aggregation thereof, that:*



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

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

Secs. 8-10. (Deleted by amendment.)

Sec. 11. *“Nevada Clean Energy Fund” or “Fund” means the independent, nonprofit corporation established pursuant to section 13.8 of this act to provide money to promote investments in and increase significantly the pace and amount of investment in qualified clean energy projects in this State and to carry out the provisions of this chapter.*

Sec. 12. (Deleted by amendment.)

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

Sec. 13. (Deleted by amendment.)

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

- 1. Solar resources;*
- 2. Wind resources;*
- 3. Geothermal resources;*
- 4. Nonhazardous, organic biomass;*
- 5. Anaerobic digestion of organic waste streams;*
- 6. Small-scale, advanced hydropower;*
- 7. Tidal currents;*
- 8. Fuel cells using renewable resources; and*
- 9. Any other source that naturally replenishes over a human, rather than geological, time frame and that is ultimately derived from solar, water or wind resources.*

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

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



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

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

- (a) The Director of the Office of Energy;*
- (b) The Executive Director of the Office of Economic Development or his or her designee;*
- (c) The Real Estate Administrator of the Department of Business and Industry or his or her designee;*
- (d) The Commissioner of Financial Institutions or his or her designee;*
- (e) One member appointed by the Governor from among a list of nominees submitted by the State Contractors' Board;*
- (f) One member appointed by the Governor from among a list of nominees submitted by labor organizations in this State;*
- (g) One member appointed by the Governor from among a list of nominees submitted by the board of county commissioners of the county in this State with the largest population;*
- (h) One member appointed by the Governor from among a list of nominees submitted by the board of county commissioners of the county in this State with the second largest population; and*
- (i) One member appointed by the Governor from among a list of nominees submitted by the boards of county commissioners of the counties in this State not described in paragraph (g) or (h).*

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

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



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

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

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

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

Sec. 15. (Deleted by amendment.)

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

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

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

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

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

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

(f) *Assess reasonable fees for the financing support and risk management activities provided by the Nevada Clean Energy*



Fund in amounts sufficient to cover the reasonable costs of the Fund;

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

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

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

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

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

3. The Fund may:

(a) Sue and be sued.

(b) Have a seal.

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

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

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

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

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

Secs. 17-42. (Deleted by amendment.)

Sec. 43. Notwithstanding the provisions of section 14 of this act, as soon as practicable on or after July 1, 2017, the Governor



shall appoint the members of the Board of Directors of the Nevada Clean Energy Fund identified in:

1. Paragraphs (e), (g) and (i) of subsection 1 of section 14 of this act to initial terms of 2 years; and
2. Paragraphs (f) and (h) of subsection 1 of section 14 of this act to initial terms of 3 years.

Sec. 44. This act becomes effective:

1. Upon passage and approval for the purpose of adopting regulations and performing any preparatory administrative tasks that are necessary to carry out the provisions of this act; and
2. On July 1, 2017, for all other purposes.

