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SECOND REPRINT

S.B. 358

SENATE BILL NO. 358—SENATORS BROOKS, CANNIZZARO, DENIS,
SPEARMAN, WOODHOUSE; OHRENSCHALL, PARKS,
SCHEIBLE AND WASHINGTON

MARCH 18, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to the renewable energy portfolio standard. (BDR 58-301)

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 renewable energy; declaring the policy of this State concerning renewable energy; revising provisions governing certain reports relating to the portfolio standard; revising provisions relating to the price charged by certain electric utilities for electricity generated by certain renewable energy facilities; revising provisions relating to the acquisition or construction of renewable energy facilities by certain electric utilities; revising the types of renewable energy that may be used to comply with the portfolio standard; revising the portfolio standard for providers of electric service in this State; revising the applicability of the portfolio standard; revising the authority of the Public Utilities Commission of Nevada to impose administrative fines or take administrative action; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 8** of this bill sets forth findings and declarations of the Legislature that
2 it is the policy of this State to: (1) encourage and accelerate the development of new
3 renewable energy projects for the economic, health and environmental benefits
4 provided to the people of this State; (2) become a leading producer and consumer
5 of clean and renewable energy, with a goal of achieving by 2050 an amount of



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6 energy production from zero carbon dioxide emission resources that is equal to the
7 total amount of electricity sold by providers of electric service in this State; and (3)
8 ensure that the benefits of the increased use of portfolio energy systems and energy
9 efficiency measures are received by the residents of this State.

10 **Section 7** of this bill authorizes certain electric utilities to acquire, without
11 additional approval of the Public Utilities Commission of Nevada, an existing
12 renewable energy facility or a renewable energy facility that is being developed if:
13 (1) the Commission had previously accepted an integrated resource plan or
14 amendment to such a plan that provided for the purchase of the electricity generated
15 by the facility pursuant to an agreement between the electric utility and the facility;
16 (2) the electric utility notifies the Commission that the facility will not be included
17 in its rate base and the expenses associated with the facility will not be included in
18 its revenue requirement and, instead, the utility will charge a just and reasonable
19 price for the electricity generated by the facility which is based on a competitive
20 market price established by the Commission; (3) the electric utility notifies the
21 Commission that it will use the mechanism established by regulations adopted
22 pursuant to **section 6** of this bill to charge that just and reasonable price to its
23 customers; (4) the electric utility notifies the Commission that it agrees to be bound
24 by the terms and conditions of the agreement for the purchase of the electricity
25 generated by the facility that was previously approved by the Commission; and (5)
26 the utility acknowledges that, following the conclusion of the term of the
27 agreement, the utility may not include the facility in its rate base and the expenses
28 associated with the facility may not be included in its revenue requirement. **Section**
29 **5** of this bill defines “renewable energy facility.”

30 **Section 6** of this bill authorizes certain electric utilities to request approval
31 from the Commission to exclude a renewable energy facility owned by the utility
32 from its rate base and the expenses associated with the facility from its revenue
33 requirement and, instead, charge a just and reasonable price established by the
34 Commission for the electricity generated by the facility. Under **section 6**, the just
35 and reasonable price must be established by reference to a competitive market price
36 for electricity and without reference to rate of return or cost of service principles.
37 **Section 6** further requires the Commission to adopt regulations to establish a
38 mechanism by which certain electric utilities may charge the just and reasonable
39 price established for the electricity generated by a renewable energy facility to its
40 customers. **Sections 11.3, 13 and 14** of this bill make conforming changes.

41 Existing law requires the Public Utilities Commission of Nevada to establish a
42 portfolio standard which requires each provider of electric service in this State to
43 generate, acquire or save electricity from renewable energy systems or efficiency
44 measures in a certain percentage of the total amount of electricity sold by the
45 provider to its retail customers in this State during a calendar year. (NRS 704.7821)
46 **Section 22** of this bill revises the portfolio standard for calendar year 2021 and
47 each calendar year thereafter so that by calendar year 2030 and for each calendar
48 year thereafter, each provider of electric service will be required to generate,
49 acquire or save electricity from renewable energy systems or efficiency measures
50 not less than 50 percent of the total amount of electricity sold by the provider to its
51 retail customers in this State during that calendar year. **Section 22** also: (1)
52 eliminates the requirement that a minimum percentage of the amount of electricity
53 that the provider is required to generate, acquire or save be generated or acquired
54 from solar renewable energy systems; (2) revises, for the purposes of compliance
55 with the portfolio standard, the provisions governing the calculation of the total
56 amount of electricity sold by a provider to its retail customers in this State; and (3)
57 authorizes the Commission to exempt a provider from some or all of the
58 requirements of its portfolio standard for a calendar year if the provider is unable to
59 obtain a sufficient supply of electricity to comply with the standard due to a delay
60 in the completion of a renewable energy system or the underperformance of an



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61 existing renewable energy system under the control of a person or entity other than
62 the provider.

63 **Section 19** of this bill provides that a portfolio energy system or energy
64 efficiency measure includes a renewable energy system placed into operation
65 before July 1, 1997, that uses waterpower to generate electricity if the waterpower
66 is acquired by a provider from another party who is not a provider of electricity
67 pursuant to a contract for a term of not less than 10 years and the provider began
68 acquiring the waterpower before the effective date of this act.

69 **Section 20** of this bill expands the definition of "provider of electric service"
70 for the purposes of compliance with the portfolio standard. **Sections 10 and 24** of
71 this bill provide that certain providers of electric service are not subject to the
72 jurisdiction of the Commission and are not required to provide certain reports to the
73 Commission. **Section 24** also provides that certain providers are not required to
74 provide certain reports to the Commission during any year in which the total
75 amount of electricity sold by the provider to its retail customers during that
76 calendar year is less than 1,000,000 megawatt-hours. **Section 9** of this bill requires
77 certain providers of electric service to provide reports to the Director of the Office
78 of Energy. **Section 22** requires certain providers to submit to the Commission a
79 report during any year in which the total amount of electricity sold by the provider
80 to its retail customers during that calendar year is less than 1,000,000 megawatt-
81 hours.

82 **Section 21** of this bill expands the definition of "renewable energy" with
83 respect to the kinds of waterpower that are considered renewable energy. **Sections**
84 **1-3, 11, 12, 15, 17 and 25-27** of this bill make conforming changes so that the
85 amendments to existing law set forth in **section 21** do not affect other provisions of
86 existing law governing renewable energy.

87 **Sections 22 and 23** of this bill provide that the revised portfolio standard
88 established by **section 22** is applicable to providers of new electric resources, and
89 also eliminates a limitation on the authority for a provider of new electric resources
90 to use energy efficiency measures to comply with the portfolio standard. **Section 28**
91 of this bill requires the Commission to revise certain portfolio standards established
92 for a provider of new electric resources to comply with the revised portfolio
93 standard established by **section 22**.

94 Existing law provides that certain cooperatives, nonprofit corporations and
95 associations supplying utility services in this State solely to their own members are
96 subject to the jurisdiction of the Commission only for certain limited purposes.
97 (NRS 704.675) **Section 11.7** of this bill provides that such cooperatives, nonprofit
98 corporations and associations are subject to the jurisdiction of the Commission for
99 the purpose of complying with the renewable portfolio standard. **Section 21.5** of
100 this bill makes conforming changes.

101 Existing law authorizes the Commission to impose an administrative fine or
102 take administrative action against a provider that does not comply with its portfolio
103 standard and has not been excused from such compliance. (NRS 704.7828) **Section**
104 **24.5** of this bill provides that the Commission may only impose an administrative
105 fine or take administrative action against a provider that does not comply with its
106 portfolio standard during any calendar year after 2018 and before 2030 if the
107 provider also did not comply with its portfolio standard for the immediately
108 preceding 2 calendar years.



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

1 **Section 1.** NRS 701.055 is hereby amended to read as follows:

2 701.055 “Energy development project” means a project for the
3 generation, transmission and development of energy located on
4 public or private land. The term includes, without limitation:

5 1. A utility facility, as defined in NRS 704.860, constructed on
6 private land; and

7 2. Electric generating plants and their associated facilities
8 which use or will use renewable energy, as defined in NRS
9 ~~[704.7811,]~~ **704.7715**, as their primary source of energy to generate
10 electricity.

11 **Sec. 2.** NRS 701.380 is hereby amended to read as follows:

12 701.380 1. The Director shall:

13 (a) Coordinate the activities and programs of the Office of
14 Energy with the activities and programs of the Consumer’s
15 Advocate and the Public Utilities Commission of Nevada, and with
16 other federal, state and local officers and agencies that promote,
17 fund, administer or operate activities and programs related to the use
18 of renewable energy and the use of measures which conserve or
19 reduce the demand for energy or which result in more efficient use
20 of energy.

21 (b) Spend the money in the Trust Account for Renewable
22 Energy and Energy Conservation to:

23 (1) Educate persons and entities concerning renewable
24 energy and measures which conserve or reduce the demand for
25 energy or which result in more efficient use of energy.

26 (2) Create incentives for investment in and the use of
27 renewable energy and measures which conserve or reduce the
28 demand for energy or which result in more efficient use of energy.

29 (3) Distribute grants and other money to establish programs
30 and projects which incorporate the use of renewable energy and
31 measures which conserve or reduce the demand for energy or which
32 result in more efficient use of energy.

33 (4) Conduct feasibility studies, including, without limitation,
34 any feasibility studies concerning the establishment or expansion of
35 any grants, incentives, rebates or other programs to enable or assist
36 persons to reduce the cost of purchasing distributed generation
37 systems and on-site generation systems and net metering systems
38 that use renewable energy.

39 (c) Take any other actions that the Director deems necessary to
40 carry out the duties of the Office of Energy, including, without
41 limitation, contracting with consultants, if necessary, for the



1 purposes of program design or to assist the Director in carrying out
2 the duties of the Office.

3 2. The Director shall prepare an annual report concerning the
4 activities and programs of the Office of Energy and submit the
5 report to the Legislative Commission and the Governor on or before
6 January 30 of each year. The annual report must include, without
7 limitation:

8 (a) A description of the objectives of each activity and program;

9 (b) An analysis of the effectiveness and efficiency of each
10 activity and program in meeting the objectives of the activity or
11 program;

12 (c) The amount of money distributed for each activity and
13 program from the Trust Account for Renewable Energy and Energy
14 Conservation and a detailed description of the use of that money for
15 each activity and program;

16 (d) An analysis of the coordination between the Office of
17 Energy and other officers and agencies; and

18 (e) Any changes planned for each activity and program.

19 3. As used in this section:

20 (a) "Distributed generation system" means a facility or system
21 for the generation of electricity that is in close proximity to the place
22 where the electricity is consumed:

23 (1) That uses renewable energy as defined in NRS
24 ~~704.7811~~ 704.7715 to generate electricity;

25 (2) That is located on the property of a customer of an
26 electric utility;

27 (3) That is connected on the customer's side of the electricity
28 meter;

29 (4) That provides electricity primarily to offset customer load
30 on that property; and

31 (5) The excess generation from which is periodically
32 exported to the grid in accordance with the provisions governing net
33 metering systems used by customer-generators pursuant to NRS
34 704.766 to 704.777, inclusive.

35 (b) "Electric utility" has the meaning ascribed to it in
36 NRS 704.7571.

37 **Sec. 3.** NRS 701B.790 is hereby amended to read as follows:

38 701B.790 "Waterpower" has the meaning ascribed to it in
39 subsection 3 of NRS ~~704.7811~~ 704.7715.

40 **Sec. 4.** Chapter 704 of NRS is hereby amended by adding
41 thereto the provisions set forth as sections 5 to 10, inclusive, of this
42 act.

43 **Sec. 5.** *"Renewable energy facility" has the meaning*
44 *ascribed to it in NRS 704.7315.*



1 **Sec. 6. 1.** *A utility or two or more utilities under common*
2 *ownership may, in a plan filed pursuant to NRS 704.741 or an*
3 *amendment to such a plan, request that the Commission establish*
4 *a just and reasonable price for the energy produced by a*
5 *renewable energy facility owned by such utility or utilities by*
6 *means of reference to a competitive market rate. A request*
7 *pursuant to this subsection must include a request that the*
8 *Commission exclude any capital investment associated with the*
9 *renewable energy facility from the rate base of the utility or*
10 *utilities and expenses associated with such facility from the*
11 *revenue requirement of the utility or utilities.*

12 **2.** *If a utility or utilities make a request pursuant to*
13 *subsection 1, the Commission may grant the request. If the*
14 *Commission grants the request, any capital investment made by*
15 *the utility or utilities in such a renewable energy facility must be*
16 *excluded from the rate base of the utility or utilities and all*
17 *expenses associated with the facility must be excluded from the*
18 *revenue requirement of the utility or utilities. The just and*
19 *reasonable price for the electricity generated by the renewable*
20 *energy facility must be established by reference to a competitive*
21 *market price for the electricity, without regard or reference to the*
22 *principles of cost of service or rate of return price setting. The*
23 *Commission may determine a competitive market price based on*
24 *the results of a reasonably contemporaneous competitive request*
25 *for proposals for a substantially similar product with substantially*
26 *similar terms and conditions, including duration of the proposal.*

27 **3.** *In an order approving or modifying a plan filed by a utility*
28 *or utilities pursuant to NRS 704.741 or an amendment to such a*
29 *plan that includes a provision for the acquisition of a renewable*
30 *energy facility, the Commission may establish reasonable*
31 *performance terms and conditions for the generation and sale of*
32 *the electricity.*

33 **4.** *The Commission shall establish by regulation a*
34 *mechanism by which a utility that is authorized to charge its*
35 *customers a just and reasonable price established by the*
36 *Commission for the electricity generated by a renewable energy*
37 *facility may account for the electricity generated by the renewable*
38 *energy facility and charge the just and reasonable price for that*
39 *electricity to its customers through the mechanism set forth in*
40 *NRS 704.187. The regulations adopted pursuant to this subsection*
41 *also must ensure that no costs shall be borne by customers of the*
42 *utility other than those costs approved by the Commission to be*
43 *reflected in the mechanism set forth in NRS 704.187 for the term*
44 *specified in the Commission's order. At the conclusion of the term,*
45 *the Commission shall not allow the utility to include the remaining*



1 *capital investment, if any, associated with such a facility in the*
2 *utility's rate base or to include any expenses associated with the*
3 *facility in the utility's revenue requirement. The Commission may*
4 *establish regulations for the utility to make a proposal regarding*
5 *recovery of a just and reasonable price for energy produced by the*
6 *facility beyond the initial term approved by the Commission by*
7 *filing a plan pursuant to NRS 704.741 or an amendment to such a*
8 *plan. Any such proposal must be reviewed and approved by the*
9 *Commission before any other costs associated with the facility are*
10 *charged to customers through the mechanism set forth in*
11 *NRS 704.187.*

12 5. *As part of any order issued by the Commission approving*
13 *or modifying a plan filed by a utility or utilities pursuant to NRS*
14 *704.741 or an amendment to such plan that includes a provision*
15 *for the acquisition of a renewable energy facility pursuant to*
16 *subsection 2, the Commission shall make all findings necessary to*
17 *support the conclusion that the facility is not public utility property*
18 *as defined in section 168(i) of the Internal Revenue Code, 26*
19 *U.S.C. § 168(i).*

20 **Sec. 7.** *A utility may, without any additional approval of the*
21 *Commission, acquire an existing renewable energy facility or a*
22 *renewable energy facility that is being developed if:*

23 1. *The Commission has accepted a provision of a plan or an*
24 *amendment to a plan pursuant to NRS 704.751 that provides for*
25 *the purchase of the electricity generated by the renewable energy*
26 *facility pursuant to an agreement for the purchase of that*
27 *electricity.*

28 2. *The utility provides a notice to the Commission which*
29 *states:*

30 (a) *That the utility will not include the renewable energy*
31 *facility in its rate base or expenses associated with the facility in its*
32 *revenue requirement and, instead, will use the mechanism*
33 *established by the regulations adopted by the Commission*
34 *pursuant to subsection 4 of section 6 of this act to account for the*
35 *electricity generated by the renewable energy facility and charge a*
36 *just and reasonable price for that electricity to its customers*
37 *through the deferred accounting mechanism set forth in*
38 *NRS 704.187;*

39 (b) *The contract price originally approved by the Commission*
40 *will be the just and reasonable price that the utility will charge its*
41 *customers for electricity generated by the renewable energy facility*
42 *pursuant to the accounting mechanism set forth in NRS 704.187;*

43 (c) *The utility agrees to be bound by all of the terms and*
44 *conditions of the agreement for the purchase of the electricity that*
45 *was accepted by the Commission pursuant to NRS 704.751 and*



1 *acknowledges that, following the conclusion of the term of the*
2 *agreement, the utility may not include:*

3 *(1) Any capital investment associated with the renewable*
4 *energy facility in the utility's rate base; or*

5 *(2) Any expense associated with the renewable energy*
6 *facility in the utility's revenue requirement; and*

7 *(d) That the utility acknowledges that, at the conclusion of the*
8 *existing term of the agreement, the utility may not include a just*
9 *and reasonable charge for the price of the electricity produced by*
10 *the renewable energy facility in the deferred accounting*
11 *mechanism set forth in NRS 704.187 unless the Commission*
12 *approves a just and reasonable charge by reference to a*
13 *competitive market price through a plan filed pursuant to NRS*
14 *704.741, or an amendment to such plan, filed by the utility*
15 *pursuant to the regulations adopted by the Commission pursuant*
16 *to subsection 4 of section 6 of this act.*

17 **Sec. 8.** *The Legislature finds and declares that it is the policy*
18 *of this State to:*

19 *1. Encourage and accelerate the development of new*
20 *renewable energy projects for the economic, health and*
21 *environmental benefits provided to the people of this State;*

22 *2. Become a leading producer and consumer of clean and*
23 *renewable energy, with a goal of achieving by 2050 an amount of*
24 *energy production from zero carbon dioxide emission resources*
25 *equal to the total amount of electricity sold by providers of electric*
26 *service in this State; and*

27 *3. Ensure that the benefits of the increased use of portfolio*
28 *energy systems and energy efficiency measures are received by the*
29 *residents of this State. Such benefits include, without limitation,*
30 *improved air quality, reduced water use, a more diverse portfolio*
31 *of resources for generating electricity, reduced fossil fuel*
32 *consumption and more stable rates for retail customers of electric*
33 *service.*

34 **Sec. 9.** *A provider of electric service that is subject to NRS*
35 *704.787 shall, on or before July 1 of each year, submit to the*
36 *Director of the Office of Energy appointed pursuant to NRS*
37 *701.150 a report that contains the information described in*
38 *subsection 4 of NRS 704.7825.*

39 **Sec. 10.** *Notwithstanding any provision of law to the*
40 *contrary, a provider of electric service that is subject to NRS*
41 *704.787 is not subject to the jurisdiction of the Commission.*

42 **Sec. 11.** *NRS 704.021 is hereby amended to read as follows:*
43 *704.021 "Public utility" or "utility" does not include:*

44 *1. Persons engaged in the production and sale of natural gas,*
45 *other than sales to the public, or engaged in the transmission of*



1 natural gas other than as a common carrier transmission or
2 distribution line or system.

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

6 (a) They serve 25 persons or less; and

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

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

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

22 5. Persons who are subject to the provisions of NRS 590.465 to
23 590.645, inclusive.

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

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

29 8. Persons who are video service providers, as defined in NRS
30 711.151, except for those operations of the video service provider
31 which consist of providing a telecommunication service to the
32 public, in which case the video service provider is a public utility
33 only with regard to those operations of the video service provider
34 which consist of providing a telecommunication service to the
35 public.

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

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

43 (a) Located on the premises of another person;



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

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

7 ➤ As used in this subsection, "renewable energy" has the meaning
8 ascribed to it in NRS ~~704.7811.~~ 704.7715.

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

11 **Sec. 11.3.** NRS 704.187 is hereby amended to read as follows:

12 704.187 1. An electric utility that ~~purchase~~ :

13 (a) *Purchases* fuel or power shall use deferred accounting by
14 recording upon its books and records in deferred accounts all
15 increases and decreases in costs for purchased fuel and purchased
16 power that are prudently incurred by the electric utility.

17 (b) *Pursuant to section 6 of this act is approved by the*
18 *Commission to charge a just and reasonable price for the*
19 *electricity generated by a renewable energy facility shall use*
20 *deferred accounting in accordance with the regulations adopted by*
21 *that section.*

22 2. An electric utility using deferred accounting :

23 (a) *Pursuant to paragraph (a) of subsection 1* shall include in
24 its annual report to the Commission a statement showing, for the
25 period of recovery, the allocated rate of return for each of its
26 operating departments in this State using deferred accounting.

27 (b) *Pursuant to paragraph (b) of subsection 1 shall include in*
28 *its annual report to the Commission any information that is*
29 *required to be included in the annual report by the regulations*
30 *adopted pursuant to section 6 of this act.*

31 3. Except as otherwise provided in this section, an electric
32 utility using deferred accounting shall file an annual deferred energy
33 accounting adjustment application on or before March 1, 2008, and
34 on or before March 1 of each year thereafter.

35 4. An electric utility that purchases fuel or power and has
36 received approval from the Commission to make quarterly
37 adjustments to its deferred energy accounting adjustment pursuant
38 to subsection 10 of NRS 704.110 is not eligible to request an
39 adjustment to its deferred energy accounting adjustment in its
40 annual deferred energy accounting adjustment application.

41 5. *An electric utility that, pursuant to section 6 of this act, is*
42 *approved by the Commission to charge a just and reasonable price*
43 *for the electricity generated by a renewable energy facility shall*
44 *file deferred energy accounting adjustments in accordance with*
45 *the regulations adopted pursuant to section 6 of this act.*



1 **6.** As used in this section:

2 (a) “Annual deferred energy accounting adjustment application”
3 means an application filed by an electric utility pursuant to this
4 section and subsection 11 of NRS 704.110.

5 (b) “Costs for purchased fuel and purchased power” means all
6 costs which are prudently incurred by an electric utility and which
7 are required to purchase fuel, to purchase capacity and to purchase
8 energy. The term does not include any costs that the Commission
9 determines are not recoverable pursuant to subsection 11 of
10 NRS 704.110.

11 (c) “Electric utility” means any public utility or successor in
12 interest that:

13 (1) Is in the business of providing electric service to
14 customers;

15 (2) Holds a certificate of public convenience and necessity
16 issued or transferred pursuant to this chapter; and

17 (3) In the most recently completed calendar year or in any
18 other calendar year within the 7 calendar years immediately
19 preceding the most recently completed calendar year, had a gross
20 operating revenue of \$250,000,000 or more in this State.

21 ↪ The term does not include a cooperative association, nonprofit
22 corporation, nonprofit association or provider of electric service
23 which is declared to be a public utility pursuant to NRS 704.673 and
24 which provides service only to its members.

25 ***(d) “Renewable energy facility” has the meaning ascribed to it***
26 ***in NRS 704.7315.***

27 **Sec. 11.7.** NRS 704.675 is hereby amended to read as follows:

28 704.675 Every cooperative association or nonprofit corporation
29 or association and every other supplier of services described in this
30 chapter supplying those services for the use of its own members
31 only is hereby declared to be affected with a public interest, to be a
32 public utility, and to be subject to the jurisdiction, control and
33 regulation of the Commission for the purposes of NRS 703.191,
34 704.330 , ~~and~~ 704.350 to 704.410, inclusive, **and 704.7821**, but
35 not to any other jurisdiction, control and regulation of the
36 Commission or to the provisions of any section not specifically
37 mentioned in this section.

38 **Sec. 12.** NRS 704.7315 is hereby amended to read as follows:

39 704.7315 “Renewable energy facility” means an electric
40 generating facility that uses renewable energy to produce electricity.
41 As used in this section, “renewable energy” has the meaning
42 ascribed to it in NRS ~~[704.7811.]~~ **704.7715.**

43 **Sec. 13.** NRS 704.736 is hereby amended to read as follows:

44 704.736 The application of NRS 704.736 to 704.754, inclusive,
45 **and sections 5, 6 and 7 of this act** is limited to any public utility in



1 the business of supplying electricity which has an annual operating
2 revenue in this state of \$2,500,000 or more.

3 **Sec. 14.** NRS 704.7362 is hereby amended to read as follows:
4 704.7362 As used in NRS 704.736 to 704.754, inclusive, *and*
5 *sections 5, 6 and 7 of this act*, unless the context otherwise requires,
6 the words and terms defined in NRS 704.7364 and 704.7366 *and*
7 *section 5 of this act* have the meanings ascribed to them in those
8 sections.

9 **Sec. 15.** NRS 704.738 is hereby amended to read as follows:
10 704.738 1. A utility which supplies electricity in this state
11 may apply to the Commission for authority to charge, as part of a
12 program of optional pricing, a higher rate for electricity that is
13 generated from renewable energy.

14 2. The program may provide the customers of the utility with
15 the option of paying a higher rate for electricity to support the
16 increased use by the utility of renewable energy in the generation of
17 electricity.

18 3. As used in this section, "renewable energy" has the meaning
19 ascribed to it in NRS ~~[704.7811.]~~ **704.7715.**

20 **Sec. 16.** (Deleted by amendment.)

21 **Sec. 17.** NRS 704.7715 is hereby amended to read as follows:
22 704.7715 1. "Renewable energy" ~~[has the meaning ascribed~~
23 ~~to it in NRS 704.7811.]~~ *means:*

- 24 (a) *Biomass;*
- 25 (b) *Geothermal energy;*
- 26 (c) *Solar energy;*
- 27 (d) *Waterpower; and*
- 28 (e) *Wind.*

29 2. *The term does not include coal, natural gas, oil, propane*
30 *or any other fossil fuel, or nuclear energy.*

31 3. *As used in this section, "waterpower" means power derived*
32 *from standing, running or falling water which is used for any*
33 *plant, facility, equipment or system to generate electricity if the*
34 *generating capacity of the plant, facility, equipment or system is*
35 *not more than 30 megawatts. Except as otherwise provided in this*
36 *subsection, the term includes, without limitation, power derived*
37 *from water that has been pumped from a lower to a higher*
38 *elevation if the generating capacity of the plant, facility,*
39 *equipment or system for which the water is used is not more than*
40 *30 megawatts. The term does not include power:*

41 (a) *Derived from water stored in a reservoir by a dam or*
42 *similar device, unless:*

- 43 (1) *The water is used exclusively for irrigation;*
- 44 (2) *The dam or similar device was in existence on*

45 *January 1, 2003; and*



1 (3) *The generating capacity of the plant, facility, equipment*
2 *or system for which the water is used is not more than 30*
3 *megawatts;*

4 (b) *That requires a new or increased appropriation or*
5 *diversion of water for its creation; or*

6 (c) *That requires the use of any fossil fuel for its creation,*
7 *unless:*

8 (1) *The primary purpose of the use of the fossil fuel is not*
9 *the creation of the power; and*

10 (2) *The generating capacity of the plant, facility, equipment*
11 *or system for which the water is used is not more than 30*
12 *megawatts.*

13 **Sec. 18.** NRS 704.7801 is hereby amended to read as follows:
14 704.7801 As used in NRS 704.7801 to 704.7828, inclusive,
15 *and sections 8, 9 and 10 of this act*, unless the context otherwise
16 requires, the words and terms defined in NRS 704.7802 to
17 704.7819, inclusive, have the meanings ascribed to them in those
18 sections.

19 **Sec. 19.** NRS 704.7804 is hereby amended to read as follows:
20 704.7804 “Portfolio energy system or efficiency measure”
21 means:

22 1. Any renewable energy system:

23 (a) Placed into operation before July 1, 1997, if a provider of
24 electric service used electricity generated or acquired from the
25 renewable energy system to satisfy its portfolio standard before
26 July 1, 2009; ~~or~~

27 (b) *Placed into operation before July 1, 1997, that uses*
28 *waterpower from a plant, facility, equipment or system to generate*
29 *electricity, if the waterpower is acquired by the provider of electric*
30 *service from another party pursuant to a contract for a term of not*
31 *less than 10 years and the provider of electric service began*
32 *acquiring the waterpower from the plant, facility, equipment or*
33 *system before the effective date of this act; or*

34 (c) Placed into operation on or after July 1, 1997. ~~or~~

35 2. Any energy efficiency measure installed on or before
36 December 31, 2019.

37 **Sec. 20.** NRS 704.7808 is hereby amended to read as follows:
38 704.7808 1. “Provider of electric service” and “provider”
39 mean any person or entity that is in the business of selling electricity
40 to retail customers for consumption in this State, regardless of
41 whether the person or entity is otherwise subject to regulation by the
42 Commission.

43 2. The term includes, without limitation, a provider of new
44 electric resources that is selling electricity to an eligible customer



1 for consumption in this State pursuant to the provisions of chapter
2 704B of NRS.

3 3. The term does not include:

4 (a) ~~[This State or an agency or instrumentality of this State.~~

5 ~~—(b) A rural electric cooperative established pursuant to chapter
6 81 of NRS.~~

7 ~~—(c) A general improvement district established pursuant to
8 chapter 318 of NRS.~~

9 ~~—(d) A utility established pursuant to chapter 709 or 710 of NRS.~~

10 ~~—(e) A cooperative association, nonprofit corporation, nonprofit
11 association or provider of electric service which is declared to be a
12 public utility pursuant to NRS 704.673 and which provides service
13 only to its members.~~

14 ~~—(f)] A landlord of a manufactured home park or mobile home
15 park or owner of a company town who is subject to any of the
16 provisions of NRS 704.905 to 704.960, inclusive.~~

17 ~~[(g)] (b) A landlord who pays for electricity that is delivered
18 through a master meter and who distributes or resells the electricity
19 to one or more tenants for consumption in this State.~~

20 **Sec. 21.** NRS 704.7811 is hereby amended to read as follows:

21 704.7811 1. “Renewable energy” means:

22 (a) Biomass;

23 (b) Geothermal energy;

24 (c) Solar energy;

25 (d) Waterpower; and

26 (e) Wind.

27 2. The term does not include coal, natural gas, oil, propane or
28 any other fossil fuel, or nuclear energy.

29 3. As used in this section, “waterpower” means power derived
30 from standing, running or falling water which is used for any plant,
31 facility, equipment or system to generate electricity . ~~[if the
32 generating capacity of the plant, facility, equipment or system is not
33 more than 30 megawatts.]~~ Except as otherwise provided in this
34 subsection, the term includes, without limitation, power derived
35 from water that has been pumped from a lower to a higher elevation
36 if the generating capacity of the plant, facility, equipment or system
37 for which the water is used is not more than 30 megawatts ~~[.]~~, *and*
38 *the plant, facility, equipment or system was in existence and used*
39 *to derive power from pumped water before January 1, 2019.* The
40 term does not include power:

41 (a) ~~[Derived from water stored in a reservoir by a dam or similar
42 device, unless:~~

43 ~~—(1) The water is used exclusively for irrigation;~~

44 ~~—(2) The dam or similar device was in existence on
45 January 1, 2003; and~~



~~(3) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts;~~

~~(b)}~~ That requires a new or increased appropriation or diversion of water for its creation; ~~for~~

~~(c)}~~ (b) That requires the use of any fossil fuel for its creation, unless ~~for~~

~~(1) The}~~ *the* primary purpose of the use of the fossil fuel is not the creation of the power ~~for~~; ~~and~~

~~(2) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts.} ; or~~

(c) That was produced before the effective date of this act from a renewable energy system with a generating capacity of more than 30 megawatts placed into operation before July 1, 1997.

Sec. 21.5. NRS 704.7818 is hereby amended to read as follows:

704.7818 1. "Retail customer" means ~~an~~ :

(a) *An end-use customer that purchases electricity for consumption in this state ~~for~~; or*

(b) An end-use member that purchases electricity for consumption in this state from a cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.675 and which provides service only to its members.

2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(b) A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(c) A landlord of a manufactured home park or mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(d) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.



1 **Sec. 22.** NRS 704.7821 is hereby amended to read as follows:
2 704.7821 1. For each provider of electric service, the
3 Commission shall establish a portfolio standard. ~~The~~ *Except as*
4 *otherwise provided in subsections 6, 8 and 9, the* portfolio standard
5 must require each provider to generate, acquire or save electricity
6 from portfolio energy systems or efficiency measures in an amount
7 that is:

8 (a) For calendar years 2005 and 2006, not less than 6 percent of
9 the total amount of electricity sold by the provider to its retail
10 customers in this State during that calendar year.

11 (b) For calendar years 2007 and 2008, not less than 9 percent of
12 the total amount of electricity sold by the provider to its retail
13 customers in this State during that calendar year.

14 (c) For calendar years 2009 and 2010, not less than 12 percent
15 of the total amount of electricity sold by the provider to its retail
16 customers in this State during that calendar year.

17 (d) For calendar years 2011 and 2012, not less than 15 percent
18 of the total amount of electricity sold by the provider to its retail
19 customers in this State during that calendar year.

20 (e) For calendar years 2013 and 2014, not less than 18 percent
21 of the total amount of electricity sold by the provider to its retail
22 customers in this State during that calendar year.

23 (f) For calendar years 2015 through 2019, inclusive, not less
24 than 20 percent of the total amount of electricity sold by the
25 provider to its retail customers in this State during that calendar
26 year.

27 (g) For calendar ~~years~~ *year* 2020 , ~~through 2024, inclusive,~~
28 not less than 22 percent of the total amount of electricity sold by the
29 provider to its retail customers in this State during that calendar
30 year.

31 (h) *For calendar year 2021, not less than 24 percent of the*
32 *total amount of electricity sold by the provider to its retail*
33 *customers in this State during that calendar year.*

34 (i) *For calendar years 2022 and 2023, not less than 29 percent*
35 *of the total amount of electricity sold by the provider to its retail*
36 *customers in this State during that calendar year.*

37 (j) *For calendar years 2024 through 2026, inclusive, not less*
38 *than 34 percent of the total amount of electricity sold by the*
39 *provider to its retail customers in this State during that calendar*
40 *year.*

41 (k) *For calendar years 2027 through 2029, inclusive, not less*
42 *than 42 percent of the total amount of electricity sold by the*
43 *provider to its retail customers in this State during that calendar*
44 *year.*



1 (l) For calendar year ~~{2025}~~ 2030 and for each calendar year
2 thereafter, not less than ~~{25}~~ 50 percent of the total amount of
3 electricity sold by the provider to its retail customers in this State
4 during that calendar year.

5 2. In addition to the requirements set forth in subsection 1, the
6 portfolio standard for each provider must require that:

7 (a) ~~{Of the total amount of electricity that the provider is
8 required to generate, acquire or save from portfolio energy systems
9 or efficiency measures during each calendar year, not less than:~~

10 ~~— (1) For calendar years 2009 through 2015, inclusive, 5
11 percent of that amount must be generated or acquired from solar
12 renewable energy systems.~~

13 ~~— (2) For calendar year 2016 and for each calendar year
14 thereafter, 6 percent of that amount must be generated or acquired
15 from solar renewable energy systems.~~

16 ~~{(b)}~~ Of the total amount of electricity that the provider is
17 required to generate, acquire or save from portfolio energy systems
18 or efficiency measures:

19 (1) During calendar years 2013 and 2014, not more than 25
20 percent of that amount may be based on energy efficiency measures;

21 (2) During each calendar year 2015 to 2019, inclusive, not
22 more than 20 percent of that amount may be based on energy
23 efficiency measures;

24 (3) During each calendar year 2020 to 2024, inclusive, not
25 more than 10 percent of that amount may be based on energy
26 efficiency measures; and

27 (4) For calendar year 2025 and each calendar year thereafter,
28 no portion of that amount may be based on energy efficiency
29 measures.

30 ➔ If the provider intends to use energy efficiency measures to
31 comply with its portfolio standard during any calendar year, of the
32 total amount of electricity saved from energy efficiency measures
33 for which the provider seeks to obtain portfolio energy credits
34 pursuant to this paragraph, at least 50 percent of that amount must
35 be saved from energy efficiency measures installed at service
36 locations of residential customers of the provider, unless a different
37 percentage is approved by the Commission.

38 ~~{(e)}~~ (b) If the provider acquires or saves electricity from a
39 portfolio energy system or efficiency measure pursuant to a
40 renewable energy contract or energy efficiency contract with
41 another party:

42 (1) The term of the contract must be not less than 10 years,
43 unless the other party agrees to a contract with a shorter term; and

44 (2) The terms and conditions of the contract must be just and
45 reasonable, as determined by the Commission. If the provider is a



1 utility provider and the Commission approves the terms and
2 conditions of the contract between the utility provider and the other
3 party, the contract and its terms and conditions shall be deemed to
4 be a prudent investment and the utility provider may recover all just
5 and reasonable costs associated with the contract.

6 3. If, for the benefit of one or more retail customers in this
7 State, the provider has paid for or directly reimbursed, in whole or
8 in part, the costs of the acquisition or installation of a solar energy
9 system which qualifies as a renewable energy system and which
10 reduces the consumption of electricity, the total reduction in the
11 consumption of electricity during each calendar year that results
12 from the solar energy system shall be deemed to be electricity that
13 the provider generated or acquired from a renewable energy system
14 for the purposes of complying with its portfolio standard.

15 4. The Commission shall adopt regulations that establish a
16 system of portfolio energy credits that may be used by a provider to
17 comply with its portfolio standard.

18 5. Except as otherwise provided in subsection 6, each provider
19 shall comply with its portfolio standard during each calendar year.

20 6. If, for any calendar year, a provider is unable to comply with
21 its portfolio standard through the generation of electricity from its
22 own renewable energy systems or, if applicable, through the use of
23 portfolio energy credits, the provider shall take actions to acquire or
24 save electricity pursuant to one or more renewable energy contracts
25 or energy efficiency contracts. ~~If the Commission determines that,
26 for a calendar year, there is not or will not be a sufficient supply of
27 electricity or a sufficient amount of energy savings made available
28 to the provider pursuant to renewable energy contracts and energy
29 efficiency contracts with just and reasonable terms and conditions,
30 the~~ *The* Commission shall exempt the provider, for that calendar
31 year, from the remaining requirements of its portfolio standard or
32 from any appropriate portion thereof, as determined by the
33 Commission ~~if~~ *if the Commission determines that:*

34 *(a) For the calendar year, there is not or will not be a*
35 *sufficient supply of electricity or a sufficient amount of energy*
36 *savings made available to the provider pursuant to renewable*
37 *energy contracts and energy efficiency contracts with just and*
38 *reasonable terms and conditions, after the provider has made*
39 *reasonable efforts to secure such contracts; or*

40 *(b) The provider is unable to obtain a sufficient supply of*
41 *electricity to comply with the portfolio standard because of a delay*
42 *in the completion of the construction of a renewable energy*
43 *system, or the underperformance of an existing renewable energy*
44 *system, that is under the control of a person or entity other than*
45 *the provider and that was intended to provide such electricity.*



1 7. The Commission shall adopt regulations that establish:

2 (a) Standards for the determination of just and reasonable terms
3 and conditions for the renewable energy contracts and energy
4 efficiency contracts that a provider must enter into to comply with
5 its portfolio standard.

6 (b) Methods to classify the financial impact of each long-term
7 renewable energy contract and energy efficiency contract as an
8 additional imputed debt of a utility provider. The regulations must
9 allow the utility provider to propose an amount to be added to the
10 cost of the contract, at the time the contract is approved by the
11 Commission, equal to a compensating component in the capital
12 structure of the utility provider. In evaluating any proposal made by
13 a utility provider pursuant to this paragraph, the Commission shall
14 consider the effect that the proposal will have on the rates paid by
15 the retail customers of the utility provider.

16 8. ~~Except as otherwise provided in NRS 704.78213, the~~
17 ~~provisions of this section do not apply to a provider of new electric~~
18 ~~resources as defined in NRS 704B.130.]~~ *For the purposes of*
19 *subsection 1, for calendar year 2019 and for each calendar year*
20 *thereafter, the total amount of electricity sold by a provider to its*
21 *retail customers in this State during a calendar year does not*
22 *include the amount of electricity sold by the provider as part of a*
23 *program of optional pricing authorized by the Commission*
24 *pursuant to which the provider either transfers portfolio energy*
25 *credits to the customer or retires portfolio energy credits above the*
26 *renewable energy portfolio standard on behalf of the customer.*

27 9. *For the purposes of subsection 1, for calendar year 2019*
28 *and for each calendar year thereafter, the total amount of*
29 *electricity sold by the following providers to their retail customers*
30 *in this State during a calendar year does not include the first*
31 *1,000,000 megawatt-hours of electricity sold by the provider to*
32 *such customers during that calendar year:*

33 (a) *A rural electric cooperative established pursuant to chapter*
34 *81 of NRS that is in existence on the effective date of this act.*

35 (b) *A general improvement district established pursuant to*
36 *chapter 318 of NRS that is in existence on the effective date of this*
37 *act.*

38 (c) *A utility established pursuant to chapter 244, 266, 268, 709*
39 *or 710 of NRS that is in existence on the effective date of this act.*

40 (d) *A cooperative association, nonprofit corporation, nonprofit*
41 *association or provider of electric service which is declared to be a*
42 *public utility pursuant to NRS 704.673, which provides service*
43 *only to its members and which is in existence and providing retail*
44 *electric service on the effective date of this act.*



1 ↳ *Such providers do not earn energy portfolio credits under the*
2 *system of energy portfolio credits established by the Commission*
3 *pursuant to subsection 4 for electricity generated or acquired by*
4 *the provider from renewable energy systems to make the first*
5 *1,000,000 megawatt-hours of sales to retail customers within this*
6 *State within a calendar year. The provisions of this subsection do*
7 *not apply to any successor in interest of such a provider.*

8 10. *A provider listed in subsection 9 shall, during any*
9 *calendar year in which the total amount of electricity sold by the*
10 *provider to its retail customers in this State during that calendar*
11 *year is less than 1,000,000 megawatt-hours, submit to the*
12 *Commission, after the end of the calendar year and within the*
13 *time prescribed by the Commission, a report of the total amount of*
14 *electricity sold to its retail customers in this State for that calendar*
15 *year. The providers described in paragraphs (a) and (d) of*
16 *subsection 9 shall submit the report required by this subsection to*
17 *the Commission as part of the annual report filed by such a*
18 *provider as required by NRS 703.191.*

19 ~~9.~~ 11. As used in this section:

20 (a) "Energy efficiency contract" means a contract to attain
21 energy savings from one or more energy efficiency measures
22 owned, operated or controlled by other parties.

23 (b) "Renewable energy contract" means a contract to acquire
24 electricity from one or more renewable energy systems owned,
25 operated or controlled by other parties.

26 (c) "Terms and conditions" includes, without limitation, the
27 price that a provider must pay to acquire electricity pursuant to a
28 renewable energy contract or to attain energy savings pursuant to an
29 energy efficiency contract.

30 **Sec. 23.** NRS 704.78213 is hereby amended to read as
31 follows:

32 704.78213 1. If the Commission issues an order approving an
33 application that is filed pursuant to NRS 704B.310 or a request that
34 is filed pursuant to NRS 704B.325 regarding a provider of new
35 electric resources and an eligible customer, the Commission must
36 establish in the order a portfolio standard applicable to the
37 electricity sold by the provider of new electric resources to the
38 eligible customer in accordance with the order. The portfolio
39 standard must require the provider of new electric resources to
40 generate, acquire or save electricity from portfolio energy systems
41 or efficiency measures in the amounts described in the portfolio
42 standard set forth in NRS 704.7821 . ~~[which is effective on the date~~
43 ~~on which the order approving the application or request is~~
44 ~~approved.]~~



1 2. ~~Each~~ *Except as otherwise provided in this subsection, of* the
2 total amount of electricity that a provider of new electric resources
3 is required to generate, acquire or save from portfolio energy
4 systems or efficiency measures during each calendar year, not more
5 than 25 percent of that amount may be based on energy efficiency
6 measures. *The provisions of this subsection apply to an order of*
7 *the Commission approving an application that is filed pursuant to*
8 *NRS 704B.310 or a request filed pursuant to NRS 704B.325*
9 *regarding a provider of new electric resources and an eligible*
10 *customer only:*

11 (a) *If the order was issued by the Commission before*
12 *January 1, 2019; and*

13 (b) *For calendar years before 2025.*

14 3. If, for the benefit of one or more eligible customers, the
15 eligible customer of a provider of new electric resources has paid for
16 or directly reimbursed, in whole or in part, the costs of the
17 acquisition or installation of a solar energy system which qualifies
18 as a renewable energy system and which reduces the consumption
19 of electricity, the total reduction in the consumption of electricity
20 during each calendar year that results from the solar energy system
21 shall be deemed to be electricity that the provider of new electric
22 resources generated or acquired from a renewable energy system for
23 the purposes of complying with its portfolio standard.

24 4. As used in this section:

25 (a) "Eligible customer" has the meaning ascribed to it in
26 NRS 704B.080.

27 (b) "Provider of new electric resources" has the meaning
28 ascribed to it in NRS 704B.130.

29 **Sec. 24.** NRS 704.7825 is hereby amended to read as follows:

30 704.7825 1. ~~Each~~ *Except as otherwise provided in*
31 *subsection 6, each* provider of electric service shall submit to the
32 Commission an annual report that provides information relating to
33 the actions taken by the provider to comply with its portfolio
34 standard.

35 2. Each provider shall submit the annual report to the
36 Commission after the end of each calendar year and within the time
37 prescribed by the Commission. The report must be submitted in a
38 format approved by the Commission.

39 3. The Commission may adopt regulations that require
40 providers to submit to the Commission additional reports during
41 each calendar year.

42 4. Each annual report and each additional report must include
43 clear and concise information that sets forth:

44 (a) The amount of electricity which the provider generated,
45 acquired or saved from portfolio energy systems or efficiency



1 measures during the reporting period and, if applicable, the amount
2 of portfolio energy credits that the provider acquired, sold or traded
3 during the reporting period to comply with its portfolio standard;

4 (b) The capacity of each renewable energy system owned,
5 operated or controlled by the provider, the total amount of electricity
6 generated by each such system during the reporting period and the
7 percentage of that total amount which was generated directly from
8 renewable energy;

9 (c) Whether, during the reporting period, the provider began
10 construction on, acquired or placed into operation any renewable
11 energy system and, if so, the date of any such event;

12 (d) Whether, during the reporting period, the provider
13 participated in the acquisition or installation of any energy
14 efficiency measures and, if so, the date of any such event; and

15 (e) Any other information that the Commission by regulation
16 may deem relevant.

17 5. Based on the reports submitted by providers pursuant to this
18 section, the Commission shall compile information that sets forth
19 whether any provider has used energy efficiency measures to
20 comply with its portfolio standard and, if so, the type of energy
21 efficiency measures used and the amount of energy savings
22 attributable to each such energy efficiency measure. The
23 Commission shall report such information to:

24 (a) The Legislature, not later than the first day of each regular
25 session; and

26 (b) The Legislative Commission, if requested by the Chair of the
27 Commission.

28 ***6. The provisions of this section do not apply to:***

29 ***(a) A provider of electric service that is subject to NRS***
30 ***704.787; or***

31 ***(b) A provider of electric service that is listed in subsection 9 of***
32 ***NRS 704.7821 during any calendar year in which the total amount***
33 ***of electricity sold by the provider to its retail customers in this***
34 ***State during that calendar year is less than 1,000,000 megawatt-***
35 ***hours.***

36 **Sec. 24.5.** NRS 704.7828 is hereby amended to read as
37 follows:

38 704.7828 1. The Commission shall adopt regulations to carry
39 out and enforce the provisions of NRS 704.7801 to 704.7828,
40 inclusive ***[]***, ***and sections 8, 9 and 10 of this act.*** The regulations
41 adopted by the Commission may include any enforcement
42 mechanisms which are necessary and reasonable to ensure that each
43 provider of electric service complies with its portfolio standard.
44 Such enforcement mechanisms may include, without limitation, the
45 imposition of administrative fines.



1 2. If a provider exceeds the portfolio standard for any calendar
2 year:

3 (a) The Commission shall authorize the provider to carry
4 forward to subsequent calendar years for the purpose of complying
5 with the portfolio standard for those subsequent calendar years any
6 excess kilowatt-hours of electricity that the provider generates,
7 acquires or saves from portfolio energy systems or efficiency
8 measures;

9 (b) By more than 10 percent but less than 25 percent of the
10 amount of portfolio energy credits necessary to comply with its
11 portfolio standard for the subsequent calendar year, the provider
12 may sell any portfolio energy credits which are in excess of 10
13 percent of the amount of portfolio energy credits necessary to
14 comply with its portfolio standard for the subsequent calendar year;
15 and

16 (c) By 25 percent or more of the amount of portfolio energy
17 credits necessary to comply with its portfolio standard for the
18 subsequent calendar year, the provider shall use reasonable efforts
19 to sell any portfolio energy credits which are in excess of 25 percent
20 of the amount of portfolio energy credits necessary to comply with
21 its portfolio standard for the subsequent calendar year.

22 ↪ Any money received by a provider from the sale of portfolio
23 energy credits pursuant to paragraphs (b) and (c) must be credited
24 against the provider's costs for purchased fuel and purchased power
25 pursuant to NRS 704.187 in the same calendar year in which the
26 money is received, less any verified administrative costs incurred by
27 the provider to make the sale, including any costs incurred to qualify
28 the portfolio energy credits for potential sale regardless of whether
29 such sales are made.

30 3. If a provider does not comply with its portfolio standard for
31 any calendar year and the Commission has not exempted the
32 provider from the requirements of its portfolio standard pursuant to
33 NRS 704.7821 or 704.78213, the Commission ~~is~~

34 ~~—(a) Shall~~ shall require the provider to carry forward to
35 subsequent calendar years the amount of the deficiency in kilowatt-
36 hours of electricity that the provider does not generate, acquire or
37 save from portfolio energy systems or efficiency measures during a
38 calendar year in violation of its portfolio standard . ~~is; and~~

39 ~~—(b) May~~

40 4. *If the Commission has not exempted a provider from the*
41 *requirements of its portfolio standard pursuant to NRS 704.7821*
42 *or 704.78213 and the provider does not comply with its portfolio*
43 *standard:*



1 (a) *During any calendar year after 2018 but before 2030, and*
2 *did not comply with its portfolio standard for the 2 immediately*
3 *preceding calendar years; or*

4 (b) *During calendar year 2030 or any subsequent calendar*
5 *year,*

6 *the Commission may* impose an administrative fine against the
7 provider or take other administrative action against the provider, or
8 do both.

9 ~~[4.]~~ 5. Except as otherwise provided in ~~[subsection—5,]~~
10 *subsections 4 and 6*, the Commission may impose an administrative
11 fine against a provider based upon:

12 (a) Each kilowatt-hour of electricity that the provider does not
13 generate, acquire or save from portfolio energy systems or
14 efficiency measures during a calendar year in violation of its
15 portfolio standard; or

16 (b) Any other reasonable formula adopted by the Commission.

17 ~~[5.]~~ 6. If a provider sells any portfolio energy credits pursuant
18 to paragraph (b) or (c) of subsection 2 in any calendar year in which
19 the Commission determines that the provider did not comply with
20 its portfolio standard, the Commission shall not make any
21 adjustment to the provider's expenses or revenues and shall not
22 impose on the provider any administrative fine authorized by this
23 section for that calendar year if:

24 (a) In the calendar year immediately preceding the calendar year
25 in which the portfolio energy credits were sold, the amount of
26 portfolio energy credits held by the provider and attributable to
27 electricity generated, acquired or saved from portfolio energy
28 systems or efficiency measures by the provider exceeded the amount
29 of portfolio energy credits necessary to comply with the provider's
30 portfolio standard by more than 10 percent;

31 (b) The price received for any portfolio energy credits sold by
32 the provider was not lower than the most recent value of portfolio
33 energy credits, net of any energy value if the price was for bundled
34 energy and credits, as determined by reference to the last long-term
35 renewable purchased power agreements approved by the
36 Commission in the most recent proceeding that included such
37 agreements; and

38 (c) The provider would have complied with the portfolio
39 standard in the relevant year even after the sale of portfolio energy
40 credits based on the load forecast of the provider at the time of the
41 sale.

42 ~~[6.]~~ 7. In the aggregate, the administrative fines imposed
43 against a provider for all violations of its portfolio standard for a
44 single calendar year must not exceed the amount which is necessary



1 and reasonable to ensure that the provider complies with its
2 portfolio standard, as determined by the Commission.

3 ~~[7.]~~ 8. If the Commission imposes an administrative fine
4 against a utility provider:

5 (a) The administrative fine is not a cost of service of the utility
6 provider;

7 (b) The utility provider shall not include any portion of the
8 administrative fine in any application for a rate adjustment or rate
9 increase; and

10 (c) The Commission shall not allow the utility provider to
11 recover any portion of the administrative fine from its retail
12 customers.

13 ~~[8.]~~ 9. All administrative fines imposed and collected pursuant
14 to this section must be deposited in the State General Fund.

15 **Sec. 25.** NRS 704.860 is hereby amended to read as follows:

16 704.860 “Utility facility” means:

17 1. Electric generating plants and their associated facilities,
18 except electric generating plants and their associated facilities which
19 use or will use renewable energy, as defined in NRS ~~[704.7811,]~~
20 **704.7715**, as their primary source of energy to generate electricity
21 and which have or will have a nameplate capacity of not more than
22 70 megawatts, including, without limitation, a net metering system,
23 as defined in NRS 704.771. As used in this subsection, “associated
24 facilities” includes, without limitation, any facilities for the storage,
25 transmission or treatment of water, including, without limitation,
26 facilities to supply water or for the treatment or disposal of
27 wastewater, which support or service an electric generating plant.

28 2. Electric transmission lines and transmission substations that:

29 (a) Are designed to operate at 200 kilovolts or more;

30 (b) Are not required by local ordinance to be placed
31 underground; and

32 (c) Are constructed outside any incorporated city.

33 3. Gas transmission lines, storage plants, compressor stations
34 and their associated facilities when constructed outside any
35 incorporated city.

36 4. Water storage, transmission and treatment facilities, other
37 than facilities for the storage, transmission or treatment of water
38 from mining operations.

39 5. Sewer transmission and treatment facilities.

40 **Sec. 26.** NRS 704.890 is hereby amended to read as follows:

41 704.890 1. Except as otherwise provided in subsection 3, the
42 Commission may not grant a permit for the construction, operation
43 and maintenance of a utility facility, either as proposed or as
44 modified by the Commission, to a person unless it finds and
45 determines:



- 1 (a) The nature of the probable effect on the environment;
- 2 (b) If the utility facility emits greenhouse gases and does not use
3 renewable energy as its primary source of energy to generate
4 electricity, the extent to which the facility is needed to ensure
5 reliable utility service to customers in this State;
- 6 (c) That the need for the facility balances any adverse effect on
7 the environment;
- 8 (d) That the facility represents the minimum adverse effect on
9 the environment, considering the state of available technology and
10 the nature and economics of the various alternatives;
- 11 (e) That the location of the facility as proposed conforms to
12 applicable state and local laws and regulations issued thereunder and
13 the applicant has obtained, or is in the process of obtaining, all other
14 permits, licenses, registrations and approvals required by federal,
15 state and local statutes, regulations and ordinances;
- 16 (f) That the surplus asset retirement plan filed pursuant to
17 NRS 704.870:
- 18 (1) Complies with federal, state and local laws;
- 19 (2) Provides for the remediation and reuse of the facility
20 within a reasonable period; and
- 21 (3) Is able to be reasonably completed under the funding plan
22 contained in the application; and
- 23 (g) That the facility will serve the public interest.
- 24 2. If the Commission determines that the location of all or a
25 part of the proposed facility should be modified, it may condition its
26 permit upon such a modification. If the applicant has not obtained
27 all the other permits, licenses, registrations and approvals required
28 by federal, state and local statutes, regulations and ordinances as of
29 the date on which the Commission decides to issue a permit, the
30 Commission shall condition its permit upon the applicant obtaining
31 those permits and approvals.
- 32 3. The requirements set forth in paragraph (g) of subsection 1
33 do not apply to any application for a permit which is filed by a state
34 government or political subdivision thereof.
- 35 4. As used in this section, "renewable energy" has the meaning
36 ascribed to it in NRS ~~704.7811.~~ 704.7715.
- 37 **Sec. 27.** NRS 271.197 is hereby amended to read as follows:
38 271.197 "Renewable energy" has the meaning ascribed to it in
39 NRS ~~704.7811.~~ 704.7715.
- 40 **Sec. 28.** Notwithstanding the provisions of any other law or
41 any ruling or order issued by or portfolio standard established by the
42 Public Utilities Commission of Nevada to the contrary, for any
43 portfolio standard established by the Commission pursuant to the
44 provisions of subsection 1 of NRS 704.78213 before the effective
45 date of this act, the Commission shall, for calendar year 2020 and



1 for each calendar year thereafter, revise the portfolio standard to
2 require the provider of new electric resources as defined in NRS
3 704B.130 to generate, acquire or save electricity from portfolio
4 energy systems or energy efficiency measures in the amounts
5 described in the portfolio standard set forth in NRS 704.7821, as
6 amended by section 22 of this act.

7 **Sec. 29.** 1. This act becomes effective upon passage and
8 approval.

9 2. Section 3 of this act expires by limitation on
10 December 31, 2025.

