

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R140-09

November 24, 2009

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

AUTHORITY: §§1-6, NRS 704.773.

A REGULATION relating to public utilities; revising provisions relating to net metering tariffs; providing that any relationship or agreement between a customer-generator and a third-party system owner or operator must not prohibit the customer-generator from participating in certain programs that encourage the development of renewable energy; and providing other matters properly relating thereto.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *“Third-party system owner or operator” means a person who for compensation owns or operates 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:*

- 1. Located on the premises of another person;*
- 2. 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*
- 3. 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.*

Sec. 3. *A customer-generator may designate a third-party system owner or operator to work with the utility on behalf of the customer-generator on matters relating to the net metering system of the customer-generator.*

Sec. 4. *Any relationship or agreement between a customer-generator and a third-party system owner or operator must not prohibit the customer-generator from participating in any utility program that encourages the development of renewable energy.*

Sec. 5. Section 2 of LCB File No. R032-08, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on September 18, 2008, is hereby amended to read as follows:

Sec. 2. As used in sections 2 to 14, inclusive, of this regulation, *and sections 2 to 6, inclusive, of LCB File No. R140-09 as proposed by the Public Utilities Commission of Nevada*, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this regulation *and section 2 of LCB File No. R140-09 as proposed by the Public Utilities Commission of Nevada*, have the meanings ascribed to them in those sections.

Sec. 6. Section 11 of LCB File No. R032-08, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on September 18, 2008, is hereby amended to read as follows:

Sec. 11. A utility must file an application with the Commission to obtain approval of a net metering tariff. The net metering tariff must include, at a minimum, the following provisions:

1. Net metering must be accomplished using a single meter capable of registering the flow of electricity in both directions, except that if the net metering system of a customer-

generator has a capacity of more than 100 kilowatts, the utility may require the customer-generator to install, at his own expense ~~§~~ *or at a cost which is negotiated between the customer-generator and the third party system owner or operator*, an energy meter that is capable of measuring generation output and customer load.

2. Billing for net metering must be made in accordance with the provisions of NRS 704.775.
3. Interconnection with the utility must be consistent with the utility's tariff.
4. The net metering system must meet the standards set forth in NRS 704.774.