

**LCB File No. R185-09**

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

**Docket No. 09-07014**

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

AUTHORITY: §§1-24, NRS 701B.590 and 703.025.

A REGULATION relating to energy; providing definitions regarding the Wind Energy Systems Demonstration Program; providing for incentives for participants in the Program; providing requirements for the annual plan filed in regard to the Program; providing requirements for accounting for the Program; and providing other matters properly relating thereto.

**Section 1.** Chapter 701B of NAC as amended by LCB File No. R174-07 is hereby amended by adding thereto the provisions set forth in sections \_\_\_ through \_\_\_ of this regulation.

**Sec. 2.** *“Host Customer” means either the utility customer of record at the location where the generating equipment will be located, or a person who has been designated by the utility customer of record in a letter to the utility explaining the relationship the person who is on the utility service bill and interconnection agreement to the Host Customer. The Host Customer shall be a party to any agreement or contract with the utility regarding the Wind Demonstration Program.*

**Sec. 3.** *“System Owner” is the owner of the generating equipment at the time the incentive is paid. In the case of a third-party-owned system (or leased system, for example), the third party (or lessor) is the System Owner.*

**Sec. 4. 1.** *For residential, small business, and agricultural applications;*

*(a) A Reservation Request Form must have signatures of the Applicant, Host Customer and System Owner (if different from the Host Customer). The Reservation Request Form shall be accompanied by a copy of Executed Alternative System Ownership Agreement (if the System Owner is not also the Host Customer).*

*(b) If an application is found to be incomplete or requires clarification, the utility shall request additional information. Applicants have 20 calendar days to respond to the request with the necessary information. If after 20 calendar days the Applicant has not submitted the requested information, the application will be cancelled. The Applicant is not precluded from resubmitting the project to the utility for an incentive. All resubmitted application packages will be treated as new applications and will be processed in sequence with other new applications. Incentive funds are not reserved until the utility receives all information and documentation required for the Reservation Request and the project is approved.*

*(c) Once received, the utility will review the application package for completeness and determine eligibility. Once the utility approves the reservation request, the utility will issue a Confirmed Reservation Notice, confirming that a specific incentive amount is reserved for the project. The system must be purchased, installed, and put into operation by the Reservation Expiration Date as listed in the Confirmed Reservation Notice. The Confirmed Reservation Notice will list the specific reservation dollar amount, the approved kW capacity of the project, and the Reservation Expiration Date.*

*(d) Applicants have 12 months to complete the installation of a wind energy system once they have received a Confirmed Reservation Notice from the utility.*

*(e) After the wind energy system is purchased, installed, and put into operation, the Applicant should submit the Incentive Claim Form and the required supporting documentation. The Incentive Claim Form Package must have signatures of the Applicant, the Host Customer and the System Owner (if different from the Host Customer), and should be submitted with any documentation deemed necessary by the Commission.*

**Sec. 5.1. For schools, public, and other property;**

*(a) Once a Reservation Request Form package is determined to be complete and eligible, the utility will reserve funds allocated for a specified system size, and will send an initial Reservation Notice to the Applicant. The initial Reservation Notice documents that an incentive amount has been reserved for a project. The initial Reservation Notice will list, at a minimum, the approved incentive amount and the date by which the Proof of Project Milestone package must be submitted to secure the reservation, and all required documentation that must be submitted with it.*

*(b) The initial Reservation is valid only until the Proof of Project Milestone date. Within 60 days after the initial Reservation Notice, schools, public and other property entities must submit the Proof of Project Milestone checklist and a copy of the RFP or other solicitation for the installation of the Project. Then, schools, public and other property entities will have an additional 180 days to provide the entire Proof of Project Milestone package. Once the Applicant has sufficiently demonstrated that the Project is advancing, the utility will issue a Confirmed Reservation Notice. The Applicant will have 12 months to complete the project from the date that the initial Reservation Notice is issued.*

*(c) Within 60 calendar days of the date on the initial Reservation Notice, the Proof of Project Milestone package with all supporting documentation must be submitted to demonstrate to the utility that the Project is progressing and that there is a sustained commitment to complete the Project within the allowed timeline. Once the Applicant has successfully met Proof of Project Milestone requirements, the utility will issue a Confirmed Reservation with a Reservation Expiration Date of 12 months from the initial Reservation Notice.*

*(d) The following documentation must be submitted on or before the Proof of Project Milestone date indicated in the initial Reservation Notice:*

- 1. Completed Proof of Project Milestone Checklist;*
- 2. Copy of Executed Alternative System Ownership Agreement (if System Owner is different than Host Customer); and*
- 3. Copy of RFP or Solicitation (Government, Non-Profit, and Public Entities only).*

*(e) Once Applicants have successfully met the Proof of Project Milestones requirements, the utility will issue a Confirmed Reservation Notice.*

*(f) If submitted Proof of Project Milestone documentation is received by the Proof of Project Milestone Date but requires clarification or is missing required documentation, the utility will request the information necessary to process that application further. Applicants have 20 calendar days to respond with the necessary information. If, after 20 calendar days, the Applicant has not submitted the requested information, the application will be cancelled.*

*(g) After the system is purchased, installed, and put into operation, the Applicant should submit the Incentive Claim Form and the required supporting documentation. The Incentive Claim Form Package must have signatures of the Applicant, the Host Customer and*

*the System Owner (if different from the Host Customer), and should be submitted with any documentation deemed necessary by the Commission.*

*Sec. 6. 1. The utility shall offer to a Host Customer an incentive in the form of a rebate. Any retail distribution customer of a participating electric utility may apply for an incentive. The person who applies for the incentive can be a Host Customer, a System Owner, and/or an Applicant. The project site must be located in the service territory of the electric utility.*

*2. The incentive payment levels shall automatically be reduced over the duration of the Wind Demonstration Program in a three tiers based on the volume of kW of confirmed reservations. The duration of the phase-out of the incentives will be dependent on when the utility reaches its kW goal. The amount of the rebate per kW of capacity and the incentive levels shall be determined by the Commission in the utility's annual plan filing.*

*3. The utility shall calculate its progress toward meeting the required number of kW of confirmed reservations for a given incentive level using the number of kW proposed for a project in the Application. Projects are included in the calculation of total kW in an incentive level once they are deemed eligible and have been issued a confirmed reservation. When the number of kW allocated through the confirmed reservations reaches its maximum within any particular incentive level, the utility will move to the next level.*

*4. If there are any kW that remain unused and unaccounted for in any previous incentive levels, due to events such as Applicants dropping out of the process or reducing the size of their systems, those kW will be added to the current level under which the utility is issuing reservations and incentives, thus increasing the number in that level and ensuring that no kW are left outstanding. When kW drop out of the current level, those kW will be returned to the current level. Any reallocation of kW from a higher level to a lower level due to drop*

*outs or system size reductions can take place as long as the reallocation is consistent with how the kW's were initially reserved for either residential or non-residential projects.*

*5. If a Host Customer installs a system that has greater kW capacity than the amount of kW's in its confirmed reservation, the Host Customer shall receive the incentive level in its confirmed reservation for only the kW capacity described in the confirmed reservation.*

*Incentive dollars may be paid to the Host Customer for the excess kW capacity at the current incentive level applicable to new applications.*

*6. The utility shall provide updates to its website as close as possible to real time and no less than weekly to indicate the total kW's available for incentives at each level and in each customer sector, including those kW's newly available due to reallocations. The residential and non-residential customer categories may meet level goals at different times due to different levels of participation.*

**Sec. 7. 1. *Once a Project is completed, Applicants may request payment of the Wind***

***Demonstration Program Incentive amount listed on their Incentive Claim Form. A Project is considered completed when it is completely installed, interconnected, permitted, paid for, and capable of producing electricity in the manner and in the amounts for which it was designed.***

***2. To receive the incentive, all Wind Demonstration Program requirements must be met and a complete Incentive Claim Form package submitted prior to the Reservation Expiration Date.***

***3. If an Incentive Claim Form package is incomplete or is found to require clarification, the utility will request the information necessary to process that application further. Applicants have 20 calendar days to respond to the requested clarification with the necessary information.***

***If after 20 calendar days, the Applicant has not submitted the requested information, the***

*request for payment may be denied. If an Incentive Claim Form package is not received by the expiration date of the Incentive Claim Form, or the Incentive Claim Form package indicates that the Project is otherwise ineligible, the utility will send a written notice stating the reasons why the Project is ineligible and the Project will be rejected. If this is the case, the Applicant or Host Customer may reapply for an incentive reservation but will be subject to the eligibility requirements, incentive levels, and funding available at that time of reapplication.*

**Sec. 8.** *The Host Customer or System Owner may withdraw from the Project for any reason by providing written notice of such withdrawal to the utility. The Host Customer will retain sole rights to the Reservation. To preserve the Reservation and corresponding Reservation number, the Host Customer must submit a new Reservation Request Form at the same time written notification of withdrawal from the Project is provided to the utility. If all available funds are reserved for other Projects, the Host Customer cannot increase the originally reserved Incentive amount. Submitting a new Reservation Request Form will not move or alter the Proof of Project Advancement Milestone Date provided by the utility, if any. If the Host Customer fails to re-submit a Reservation Request Form at the time of Project withdrawal, the Application will be terminated in its entirety by the Program Administrator and any previously reserved incentive funding will be released. In that instance, the Host Customer must apply for a new incentive reservation should the Host Customer still wish to participate in the Program.*

**Sec. 9. 1.** *The Host Customer may act as the Applicant and/or System Owner, may designate the Applicant and/or Wind Demonstration Contractor to act on their behalf, and may change these parties at any given time with prior written notice to the utility.*

*2. The Host Customer shall be the incentive reservation holder, shall be a party to any agreement or contract with the utility, and shall retain sole rights to the incentive reservation and corresponding incentive reservation number.*

*a. If the Host Customer is not the System Owner, then the System Owner shall also be a party to any agreement or contract with the utility.*

**Sec. 10.** Section 13 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Sec. 13. ~~["Task Force" has the meaning ascribed to it in NRS 701B.530.]~~

**Sec. 11.** Section 18 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Section 18. 1. ~~For a program year, a utility shall offer to a participant the following incentives in the form of a rebate:~~

~~(a) For school property and other public property:~~

~~(1) For all of the watts up to and including the first 10 kilowatts of installed capacity of a wind energy system, the lesser of:~~

~~(I) The total dollar amount obtained by multiplying \$3 by the number of watts of installed capacity up to and including the first 10 kilowatts of installed capacity; or~~

~~(II) Sixty percent of the eligible installed system cost;~~

~~(2) For all of the watts over the first 10 kilowatts of installed capacity of a wind energy~~

system, the lesser of:

~~(I) The total dollar amount obtained by multiplying \$2 by the number of watts of~~

~~installed capacity above the first 10 kilowatts of installed capacity; or~~

~~(II) Thirty percent of the eligible installed system cost; and~~

~~(3) The total rebate must not exceed 60 percent of the eligible installed system cost; and~~

~~(b) For private residential property, small business property and agricultural property:~~

~~(1) For all of the watts up to and including the first 10 kilowatts of installed capacity of~~

~~a wind energy system, the lesser of:~~

~~(I) The total dollar amount obtained by multiplying \$2.50 by the number of watts of~~

~~installed capacity up to and including the first 10 kilowatts of installed capacity; or~~

~~(II) Sixty percent of the eligible installed system cost;~~

~~(2) For all of the watts over the first 10 kilowatts of installed capacity of a wind energy~~

~~system, the lesser of:~~

~~(I) The total dollar amount obtained by multiplying \$1.50 by the number of watts of~~

~~installed capacity above the first 10 kilowatts of installed capacity; or~~

~~(II) Thirty percent of the eligible installed system cost; and~~

~~(3) The total rebate must not exceed 60 percent of the eligible installed system cost.]~~

*The installed capacity goals by category to be installed by 2012 are:*

*(a) Residential property and small business property – 750 kW;*

*(b) School property – 750 kW;*

*(c) Public property and other property – 1,500 kW; and*

*(d) Agricultural property – 2,000 kW.*



*2. All of the capacity for each category is available from the date of enactment of this regulation until 2012.*

*3. The utility shall deploy educational, marketing and promotional efforts directed to meet the goals set in subsection 1.*

*4. The capacity goals set in subsection 1 may be reallocated from an undersubscribed category to an oversubscribed category subject compliance with the reallocation process approved in the annual plan.*

~~[2.]~~ *Sec. X.* If the incentives for a participant's first program year change between the time his application is approved and the time his wind energy system is completed *and the participant completes the installation of his wind energy system within 12 months after the date on which the applicant is selected for participation in the Program*, the participant must receive for that program year the incentives established at the time that his application was approved.

**Sec. 12.** Section 19 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Sec. 19. Pursuant to NRS 701B.610, a utility shall file with the Commission an annual plan which must include the following:

1. A schedule describing major program milestones;
2. A budget with the following categories:
  - (a) Incentives;
  - (b) Contractor costs;
  - (c) Marketing costs;

(d) Training costs; and

(e) Utility administrative costs;

*3. A table providing proposed incentive levels for the upcoming program year and all subsequent program years. The calculations and supporting data and justifications for the proposed incentives shall also be provided. The incentives must decline as capacity goals for the Program and goals for each category are met, and must reflect predicted energy savings;*

4. A report on previous program years and the current program year which includes, without limitation, the most up-to-date versions of the following information for each program year:

(a) The number of applications filed in each program category;

(b) The number of participants enrolled in the Program and the number who have dropped out of the Program;

(c) The annual budget and expenditures;

(d) Any remaining financial obligations at the end of a program year;

(e) A list of completed installations;

(f) A summary of marketing results;

(g) A description of training and educational activities; and

(h) The results of participant surveys;

~~4~~ 5. A description of the application process, including, without limitation:

(a) The procedures to be followed by the utility and the applicant;

(b) The criteria for the selection of applicants for the Program, for the selection of applicants for the prioritized waiting list and for the promotion of applicants from the prioritized waiting list to the Program;

(c) Copies of proposed applications and forms;

*1. The Reservation Request Form and Incentive Claim Form provided by the utility shall include a place to designate the System Owner, if known at the time. The utility may require documentation substantiating equipment ownership.*

~~(d) [A schedule for the application process with estimated dates for when the utility will forward recommendations for approval by the Task Force; and]~~ *The procedures for a participant to claim the incentive at completion of the project and a copy of the required claim form, which must include, at a minimum, the following data and attachments:*

- 1. Name and address of the participant;*
- 2. Address at which the renewable energy system is located;*
- 3. The technical description of the main components of the system if different from the application;*
- 4. An assignment of the incentive payment, if applicable;*
- 5. Building permit signed off by governing jurisdiction to ensure that the system complies with all local codes;*
- 6. Voltage verification form to ensure that the meter socket is ready for meter set;*
- 7. Invoice for renewable energy system to ensure that a properly licensed contractor performed the required work and that the system equipment is new and has not been previously installed;*
- 8. Net metering agreement if not previously provided; and*
- 9. Schools and public facility public display verification statement if applicable;*

~~[(e) A template for a recommendation document containing the list of applications proposed for approval for the Program and for the prioritized waiting list;~~

~~5]6.~~ *The total of all incentives proposed to be paid for the program year;*

~~[6]~~7. A detailed advertising plan;

~~[7]~~8. An education and training plan;

~~[8]~~9. An inspection and verification plan for wind energy systems which verifies that an applicant or participant meets all applicable requirements;

~~[9]~~10. The conditions and requirements which must be met to allow the utility to ~~[request and the Task Force to approve the reallocation of unsubscribed capacity from one category to another category in a program year]~~ *reallocate unsubscribed capacity from one category to another category in a program year*; and

~~[10]~~11. A survey for participants which includes, without limitation, questions on:

(a) The operational effectiveness of the participant's wind energy system, including, without limitation, the total kilowatt-hours of electricity generated per program year;

(b) Environmental issues, including, without limitation, the number of birds killed in relation to the wind energy system, the noise produced by the system and any other aesthetic issues related to the system; and

(c) Any other information regarding the effectiveness of the Program.

**Sec. 13.** Section 20 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Sec. 20. 1. For all program categories:

(a) A wind energy system must be located on property within the Nevada service territory of a participating utility; and

(b) An applicant must prove that his wind energy system has never been previously installed at another location.

~~[2. For the private residential property, small business property or agricultural property category, the wind energy system must be on property owned by the participant.]~~

**Sec. 14.** Section 21 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Sec. 21. ~~[The master application which a utility must submit to the Task Force must include the following:~~

- ~~1. The annual plan for the applicable program year, as modified and approved by the Commission;~~
- ~~2. The completed application for each applicant;~~
- ~~3. A list of the applications recommended for approval, indicating which are existing applications recommended for promotion from a previous prioritized waiting list and which are new applications;~~
- ~~4. A prioritized waiting list; and~~
- ~~5. A tabulation by program category for the program year showing the:
  - ~~(a) Total capacity allowed for each category;~~
  - ~~(b) Total capacity previously approved for each category;~~
  - ~~(c) Total capacity recommended by the utility for approval for each category;~~
  - ~~(d) Total capacity represented by the waiting list for each category; and~~
  - ~~(e) Balance of capacity not yet committed.]~~~~

*A participant who withdraws or does not complete the installation of his wind energy system within 12 months after the date on which the applicant is selected to participate in the program must reapply as a new applicant to be eligible for an incentive. The applicant must meet all program requirements that are in effect at the time of reapplication.*

**Sec. 15.** Section 23 of LCB File No. R174-07, which was adopted by the Public Utilities Commission of Nevada and was filed with the Secretary of State on April 17, 2008, is hereby amended to read as follows:

Sec. 23. 1. A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 9 of NRS 704.110 a revised Wind Demonstration Program rate. The rate must be calculated by adding the following two components:

(a) A prospective rate determined by dividing *no more than* the total costs in the Wind Demonstration Program annual plan by the projected kilowatt-hours for the program year; and  
(b) A clearing rate determined by dividing the cumulative balance in the Wind Demonstration Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in NAC 704.063 by the test period kilowatt-hour sales.

2. The Commission will allow recovery of all prudent Wind Demonstration Program costs included in the subaccount of FERC Account 182.3 at the end of the test period as defined in NAC 704.063 and adjust the Wind Demonstration Program rate accordingly.