

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

LCB File No. R025-12

March 22, 2012

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

AUTHORITY: §1, NRS 701B.200 and 701B.220; §§2 and 3, NRS 701B.200 and 701B.255; §4, NRS 701B.590; §§5-8, NRS 701B.590 and 701B.615.

A REGULATION relating to renewable energy; revising the rate for incentive payments to participants in the Solar Energy Systems Incentive Program; revising provisions governing participants in the Solar Energy Systems Incentive Program and the Wind Energy Systems Demonstration Program who do not complete installation of the participating energy system within a certain period; requiring the annual plan for the Wind Energy Systems Demonstration Program filed by utilities to include certain information concerning wind turbine models eligible for the Program and requirements for proof of wind speeds at tower sites; establishing a minimum wind speed for tower sites under the Wind Energy Systems Demonstration Program; and providing other matters properly relating thereto.

Section 1. NAC 701B.150 is hereby amended to read as follows:

701B.150 1. The utility shall offer to a host customer an incentive in the form of a rebate.

Any retail distribution customer of a participating utility may apply for an incentive. A host customer or, pursuant to subsection 1 of NAC 701B.175, a system owner may apply for the incentive. The project site must be located in the service territory of the utility.

2. The incentive payment levels must automatically be reduced over the duration of the Solar Program in five initial steps, based on the total number of kilowatts of confirmed reservations. After the fifth step, the Commission will determine any further steps depending on the progress of the Solar Program. The duration of each step will depend on when the utility reaches a specific total number of kilowatts of confirmed reservations. The kilowatt capacity set

for each step of the Solar Program is in addition to the capacity granted for prior steps. The amount of the incentive and the total number of kilowatts of confirmed reservations are set for each of the first five steps of the Solar Program as follows:

	Private Residential Property and Small Business Property		School Property		Public and Other Property		Total
Step	Kilowatt Capacity	Rebate Per Watt	Kilowatt Capacity	Rebate Per Watt	Kilowatt Capacity	Rebate Per Watt	
Baseline 2009- 2010	1,000	\$2.50	2,000	\$5.00	760	\$5.00	3,760
Step 1 2010- 2011	1,090	\$2.30	2,180	\$5.00	828	\$5.00	4,098
Step 2 2011- 2012	1,188	\$2.10	2,376	\$4.90	903	\$4.90	4,467
Step 3 2012- 2013	1,295	\$1.90	2,590	\$4.80	984	\$4.80	4,869
Step 4 2013-	1,412	[\$1.70] \$1.35	2,823	[\$4.70] \$3.70	1,073	[\$4.70] \$3.70	5,308

2014							
Step 5	1,539	[\$1.50]	3,077	[\$4.60]	1,169	[\$4.60]	5,785
		\$1.25		\$3.30		\$3.30	

3. The utility shall calculate its progress toward meeting the total number of kilowatts of confirmed reservations for a given step using the number of kilowatts proposed for a project in the application. Projects are included in the calculation of total kilowatts in a step once they are deemed eligible and have been issued a confirmed reservation. When the total number of kilowatts allocated through the confirmed reservations reaches the capacity listed within any particular step, any subsequent kilowatts allocated by the utility will be at the next step. If the maximum capacity authorized by NRS 701B.260 for a given program year is reached before the end of that year, the utility shall suspend the payment of incentives for capacity beyond the capacity authorized for the current program year until the beginning of the next program year, but may continue to issue confirmed reservations at an incentive level not more than two steps ahead of the step associated with the current program year.

4. If there are any kilowatts that remain unused and unaccounted for in any previous steps due to events such as applicants dropping out of the process or reducing the size of their solar energy systems, those kilowatts will be added to the current step under which the utility is issuing reservations and incentives. If kilowatts become unused in the current step, those kilowatts will be returned to the current step. Any reallocation of kilowatts from an earlier step to a later step due to drop-outs or size reductions of a solar energy system may take place as long as the kilowatts are reallocated within the same category of projects unless the Commission approves an alternate allocation process.

5. If a host customer installs a solar energy system that has greater kilowatt capacity than the number of kilowatts in its confirmed reservation, the host customer must receive the incentive level in its confirmed reservation for only the kilowatt capacity described in the confirmed reservation.

6. The utility shall provide updates to its Internet website, as close as possible to real time and not less often than weekly, to indicate the total kilowatts available for incentives at each step and in each category, including any kilowatts newly available due to reallocations. Different customer categories may meet step goals at different times due to different levels of participation.

7. For each step in the Solar Program:

(a) The utility may issue not more than 3,760 kilowatts of capacity of incentives for solar energy systems that do not meet the criteria in subparagraphs (1) to (5), inclusive, of paragraph (b).

(b) For incentives not issued pursuant to paragraph (a), the solar energy system proposed in the application must:

- (1) Use solar energy to generate electricity;
- (2) Be located on the property of a customer of the electric utility;
- (3) Be connected on the customer's side of the electricity meter;
- (4) Provide electricity primarily to offset customer load on that property; and
- (5) Periodically export the excess generation from the solar energy system to the grid in accordance with the provisions governing net metering systems used by customer-generators pursuant to NRS 704.766 to 704.775, inclusive.

8. Portfolio energy credits must be assigned pursuant to NRS 701B.290 and 704.775.

Sec. 2. NAC 701B.155 is hereby amended to read as follows:

701B.155 For private residential property and small business property:

1. The host customer may submit an application for the reservation of an incentive to the utility using forms approved by the Commission once the host customer has executed a contract with a third party for, or has received a purchase order demonstrating proof of purchase of, solar generating equipment. The application for the reservation of an incentive must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) A copy of the executed agreement to purchase and install the solar energy system;

(c) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner;

(d) Any documentation required by the utility which substantiates ownership of the equipment; and

(e) An attestation executed by the contractor involved in the installation of the solar energy system stating that the installation will meet siting requirements as determined by the utility.

2. The utility shall provide on its Internet website, adjacent to the application forms, a best practices guide to selecting a contractor and other consumer resources, including, but not limited to, the current contact information for the State Contractors' Board.

3. If an application is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the application will be cancelled and the applicant may resubmit the application to the utility. The utility shall treat all resubmitted

applications as new applications and process them in sequence with other new applications.

Money for an incentive is not reserved until the utility receives all information and documentation required for the application and the project is approved.

4. The utility shall, within 30 days after receipt of an application, review the application for completeness and determine eligibility. Once the utility approves the application, the utility shall issue a notice confirming that a specific incentive amount is reserved for the project. The solar energy system must be purchased, installed and capable of producing electricity on or before the expiration date listed on the notice. The notice must list:

- (a) The incentive amount that has been reserved for the project;
- (b) The approved kilowatt capacity of the project; and
- (c) An expiration date for the reservation, which must be 12 months after the date of the issuance of the notice.

5. ~~The~~ *To receive the full incentive for the reservation, the* applicant must complete the installation of a solar energy system not later than the expiration date listed on the notice issued pursuant to subsection 4. *If the applicant completes installation of the participating solar energy system after the expiration date listed on the notice and not more than 6 months after the expiration date, the applicant is only eligible to receive 75 percent of the incentive initially assigned to the reservation. If the applicant fails to complete installation of the participating solar energy system within 6 months after the expiration date listed on the notice, the reservation is forfeited and the utility must make the capacity for that reservation available in the next step. For the purposes of this section, if the expiration date listed on the notice is before the effective date of this regulation, the expiration date for the reservation will be deemed to be the effective date of this regulation.*

6. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the solar energy system is purchased, installed and capable of producing electricity. The form must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) Any supporting documentation deemed necessary by the Commission; and

(c) Any documentation required by the utility which substantiates ownership of the equipment.

Sec. 3. NAC 701B.160 is hereby amended to read as follows:

701B.160 For school property and public and other property:

1. The host customer may submit an application for the reservation of an incentive to the utility using forms approved by the Commission once the host customer has, at a minimum, issued a request for proposal or other solicitation for the installation of the solar energy system. The application for the reservation of an incentive must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) A copy of the request for proposal or other solicitation for the installation of the solar energy system, or a copy of the executed agreement to purchase and install the solar energy system; and

(c) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner.

2. The utility shall, within 30 days after receipt of an application, review an application to determine whether it is complete and the applicant is eligible. Once the utility determines that an

application is complete and that the applicant is eligible, the utility shall reserve money allocated for the specified size of the solar energy system and send a notice to the applicant. The notice must list:

(a) The incentive amount that has been reserved for the project;

(b) The date 90 days after the issuance of the notice by which the applicant must submit a checklist approved by the Commission documenting the progress of the project and demonstrating that there is a sustained commitment to complete the project within 12 months after the date of the notice; and

(c) The date 180 days after the issuance of the notice by which the applicant must submit all documentation required to confirm the reservation in the initial notice, including, without limitation:

(1) A copy of the executed agreement to purchase and install the solar energy system;

(2) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner; and

(3) Any documentation required by the utility which substantiates ownership of the equipment.

3. The reservation of money pursuant to subsection 2 is valid only until the date for submission of the checklist pursuant to paragraph (b) of subsection 2.

4. If the documentation required by paragraph (c) of subsection 2 is received on or before the required date but is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the requested additional information within 20 calendar days after receipt of the request, the application will be cancelled. Once the

applicant has sufficiently demonstrated that the project is progressing, the utility shall issue a notice that the reservation has been confirmed.

5. If the applicant provides documentation to satisfy all of the requirements described in subsections 1 and 2 at the time of the initial application, the utility shall, within 30 days after receipt of the application:

(a) Review the application and determine whether it is complete and the applicant is eligible; and

(b) Either issue a notice that the project has a confirmed reservation or request more information as described in subsection 4.

6. ~~The~~ *To receive the full incentive for the reservation, the* applicant must complete the project not later than 12 months after the date that the initial notice was issued. *If the applicant completes the project after the expiration date and not more than 6 months after the expiration date, the applicant is only eligible to receive 75 percent of the incentive initially assigned to the reservation. If the applicant fails to complete the project within 6 months after the expiration date, the reservation is forfeited and the utility must make the capacity for that reservation available in the next step. For the purposes of this section, if the expiration date for a reservation is before the effective date of this regulation, the expiration date for the reservation will be deemed to be the effective date of this regulation.*

7. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the solar energy system is purchased, installed and capable of producing power. The form must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

- (b) Any supporting documentation deemed necessary by the Commission; and
- (c) Any documentation required by the utility which substantiates ownership of the equipment.

Sec. 4. NAC 701B.480 is hereby amended to read as follows:

701B.480 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 with calculations, supporting data and justifications for the proposed incentives, which 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 efforts;
- (g) A description of training and educational activities; and
- (h) The results of participant surveys. ~~†~~

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; and
- (d) 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) The name and address of the participant;
 - (2) The address at which the wind energy system is located;
 - (3) The technical description of the main components of the wind energy system if different from the application;
 - (4) An assignment of the incentive payment, if applicable;
 - (5) A building permit signed off by the applicable governing jurisdiction to ensure that the wind energy system complies with all local codes;
 - (6) A voltage verification form to ensure that the meter socket is ready for meter set;

(7) An invoice for the wind energy system to ensure that a properly licensed contractor performed the required work and that the wind energy system equipment is new and has not been previously installed;

(8) A net metering agreement if not previously provided; and

(9) A statement verifying the public display of the wind energy system by a school or public facility, if applicable. ~~{}~~

6. The total of all incentives proposed to be paid for the program year. ~~{}~~

7. A detailed advertising plan. ~~{}~~

8. An education and training plan. ~~{}~~

9. *Standards and requirements for applicants to provide proof of wind speeds at tower sites for participating wind energy systems.*

10. Proposed wind turbine certification lists for the subsequent program year which outline the wind turbine models eligible for participation in the Program. After notifying the Commission, the utility may modify the wind turbine certification lists to address changes in the certification programs or suspend turbines from participation in the Program which have a demonstrated pattern of failure or unreliability.

11. An inspection and verification plan for wind energy systems which verifies that an applicant or participant meets all applicable requirements. ~~{}~~

~~—10.}~~ *12.* The conditions and requirements which must be met to allow the utility to reallocate unsubscribed capacity from one category to another category in a program year. ~~{}~~ ~~and~~

~~—11.}~~ *13.* 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. 5. NAC 701B.500 is hereby amended to read as follows:

701B.500 1. The installed capacity goals, by category, to be installed by 2012 are:

(a) Private residential property and small business property – 750 kilowatts;

(b) School property – 750 kilowatts;

(c) Other public property – 1,500 kilowatts; and

(d) Agricultural property – 2,000 kilowatts.

2. All of the capacity for each category is available for reservation by an applicant from April 20, 2010, until December 31, 2011, inclusive. ~~[Any applicant who files a complete application before December 1, 2011, and who receives a confirmed reservation notice on or before December 31, 2011, will have 12 months to complete his or her project.]~~

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

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

5. The participant must receive the incentives established at the time that his or her application was approved if:

(a) The incentives for a participant change between the time the application is approved and the time the wind energy system is completed; and

(b) The participant completes installation of the wind energy system within 12 months after the *expiration* date ~~[on which the applicant is selected for participation in the Program.]~~ *listed on the notice issued pursuant to subsection 4 of NAC 701B.510 or within 12 months after the notice issued pursuant to subsection 2 of NAC 701B.515, whichever is applicable.*

Sec. 6. NAC 701B.510 is hereby amended to read as follows:

701B.510 For private residential property, small business property and agricultural property:

1. An application for the reservation of an incentive must be made using a form approved by the Commission and must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner; and

(c) Any documentation required by the utility which substantiates ownership of the equipment.

2. The utility shall provide on its Internet website, adjacent to the application forms, a best practices guide to selecting a contractor and other consumer resources, including, but not limited to, the current contact information for the State Contractors' Board.

3. If an application is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the requested information within 20 calendar days after receipt of the request, the application will be cancelled and the applicant may resubmit an application to the utility. The utility shall treat all resubmitted applications as new applications and process them in sequence with other new applications.

Money for an incentive is not reserved until the utility receives all information and documentation required for the application and the project is approved.

4. The utility shall, within 30 days after receipt of an application, review the application for completeness and determine eligibility. Once the utility approves the application, the utility shall issue a notice confirming that a specific incentive amount is reserved for the project. The wind energy system must be purchased, installed and capable of producing electricity on or before the expiration date listed on the notice. The notice must list:

- (a) The incentive amount that has been reserved for the project;
- (b) The approved kilowatt capacity of the project; and
- (c) An expiration date for the reservation, which must be 12 months after the date of the issuance of the notice.

5. ~~The~~ *To receive the full incentive available for the reservation, the* applicant must complete the installation of a wind energy system not later than the expiration date listed on the notice issued pursuant to subsection 4. *If the applicant completes the installation of the participating wind energy system after the expiration date listed on the notice and not later than 6 months after the expiration date, the applicant is only eligible to receive 75 percent of the incentive initially assigned to the reservation. If the applicant fails to complete installation of the participating wind energy system within 6 months after the expiration date listed on the notice, the reservation is forfeited and the utility must make the capacity for that reservation available in the next step. For the purposes of this section, if the expiration date is before the effective date of this regulation, the expiration date for the reservation will be deemed to be the effective date of this regulation.*

6. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the wind energy system is purchased, installed and capable of producing electricity. The form must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) Any supporting documentation deemed necessary by the Commission; and

(c) Any documentation substantiating ownership of the equipment required by the utility.

7. To be eligible for an incentive, the tower site of the wind energy system must have an average annual wind speed at hub height of 10 miles per hour or greater.

Sec. 7. NAC 701B.515 is hereby amended to read as follows:

701B.515 For school property and other public property:

1. The host customer may submit an application for the reservation of an incentive to the utility using forms approved by the Commission once the host customer has, at a minimum, issued a request for proposal or other solicitation for the installation of the wind energy system.

The application for the reservation of an incentive must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner; and

(c) A copy of the request for proposal or other solicitation for the installation of the wind energy system, or a copy of the executed agreement to purchase and install the wind energy system.

2. The utility shall, within 30 days after receipt of an application, review the application to determine whether it is complete and the applicant is eligible. Once the utility determines that an application is complete and that the applicant is eligible, the utility shall reserve money allocated for the specified size of the wind energy system and send a notice to the applicant. The notice must list:

(a) The incentive amount that has been reserved for the project;

(b) The date 90 days after the issuance of the notice by which the applicant must submit a checklist approved by the Commission documenting the progress of the project and demonstrating that there is a sustained commitment to complete the project within 12 months after the date of the notice; and

(c) The date 180 days after the issuance of the notice by which the applicant must submit all documentation required to confirm the reservation in the initial notice, including, without limitation:

(1) A copy of the executed agreement to purchase and install the wind energy system;

(2) If the system owner is not the host customer, a copy of the executed agreement between the host customer and the system owner; and

(3) Any documentation required by the utility which substantiates ownership of the equipment.

3. The reservation of money pursuant to subsection 2 is valid only until the date for submission of the checklist pursuant to paragraph (b) of subsection 2.

4. If the documentation required by paragraph (c) of subsection 2 is received on or before the required date but is found to be incomplete or requires clarification, the utility shall request additional information. If the applicant has not submitted the additional requested information

within 20 calendar days after receipt of the request, the application will be cancelled. Once the applicant has sufficiently demonstrated that the project is progressing, the utility shall issue a notice that the reservation has been confirmed.

5. If the applicant provides documentation to satisfy all of the requirements described in subsections 1 and 2 at the time of the initial application, the utility shall, within 30 days after receipt of the application:

(a) Review the application and determine whether it is complete and the applicant is eligible; and

(b) Either issue a notice that the project has a confirmed reservation or request more information as described in subsection 4.

6. ~~The~~ *To receive the full incentive available for the reservation, the* applicant must complete the project not later than 12 months after the date that the initial notice was issued. *If the applicant completes the project after the expiration date and not more than 6 months after the expiration date, the applicant is only eligible to receive 75 percent of the incentive initially assigned to the reservation. If the applicant fails to complete the project within 6 months after the expiration date, the reservation is forfeited and the utility must make the capacity for that reservation available in the next step. For the purposes of this section, if the expiration date for a reservation is before the effective date of this regulation, the expiration date for the reservation will be deemed to be the effective date of this regulation.*

7. To claim the incentive, the applicant must submit a form approved by the Commission to the utility after the wind energy system is purchased, installed and capable of producing power. The form must include, without limitation:

(a) Signatures of the applicant, the host customer and the system owner, if different from the host customer;

(b) Any supporting documentation deemed necessary by the Commission; and

(c) Any documentation required by the utility which substantiates ownership of the equipment.

8. To be eligible for an incentive, the tower site of the wind energy system must have an average annual wind speed at hub height of 10 miles per hour or greater.

Sec. 8. NAC 701B.530 is hereby amended to read as follows:

701B.530 A participant who withdraws or who does not complete the installation of his or her wind energy system within ~~12~~ 18 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 requirements of the Program that are in effect at the time of reapplication.