

ASSEMBLY BILL NO. 429—ASSEMBLYMEN HETTRICK, HARDY,
GEDDES, KNECHT, BEERS, BROWN, GOICOECHEA, GRADY,
GRIFFIN, GUSTAVSON, MABEY, MARVEL AND SHERER

MARCH 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to net metering and
renewable energy. (BDR 58-779)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 energy; making various changes relating to net
metering and renewable energy; authorizing the Director
of the Office of Energy within the Office of the Governor
to develop a program to distribute money in the form of
grants, incentives or rebates to pay or defray the costs for
persons to acquire, install or improve net metering
systems; revising provisions governing the regulation of
net metering; revising the definition of renewable energy
to include waterpower for the purposes of the portfolio
standard for renewable energy for certain providers of
electric service and for net metering and optional pricing;
transferring money from the Public Utilities Commission
Regulatory Fund to the Office of Energy; and providing
other matters properly relating thereto.

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

1 **Section 1.** Chapter 701 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *“Net metering system” has the meaning ascribed to it*
4 *in NRS 704.771.*

5 **Sec. 3.** *1. The Director shall develop a program to*
6 *distribute money, within the limits of legislative appropriation, in*



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1 *the form of grants, incentives or rebates to persons to pay or*
2 *defray, in whole or in part, the costs for those persons to acquire,*
3 *install or improve net metering systems, if the Director determines*
4 *that the distribution of money to a person for that purpose will*
5 *encourage, promote or stimulate:*

6 (a) *The development or use of sources of renewable energy in*
7 *the State or the development of industries or technologies that use*
8 *sources of renewable energy in the State;*

9 (b) *The conservation of energy in the State, the diversification*
10 *of the types of energy used in the State or any reduction in the*
11 *dependence of the State on foreign sources of energy;*

12 (c) *The protection of the natural resources of the State or the*
13 *improvement of the environment;*

14 (d) *The enhancement of existing utility facilities or any other*
15 *infrastructure in the State or the development of new utility*
16 *facilities or any other infrastructure in the State; or*

17 (e) *The investment of capital or the expansion of business*
18 *opportunities in the State or any growth in the economy of the*
19 *State.*

20 2. *The Director may adopt any regulations that are necessary*
21 *to carry out the provisions of this section.*

22 3. *The Director shall not distribute money to any person*
23 *pursuant to this section unless:*

24 (a) *The person complies with any requirements that the*
25 *Director adopts by regulation; and*

26 (b) *The distribution of the money is consistent with one or*
27 *more of the public purposes set forth in paragraphs (a) to (e),*
28 *inclusive, of subsection 1.*

29 4. *As used in this section, "person" includes, without*
30 *limitation, any state or local governmental agency or entity.*

31 **Sec. 4.** NRS 701.020 is hereby amended to read as follows:

32 701.020 As used in this chapter, unless the context otherwise
33 requires, the words and terms defined in NRS 701.030 to 701.090,
34 inclusive, *and section 2 of this act* have the meanings ascribed to
35 them in those sections.

36 **Sec. 5.** NRS 701.380 is hereby amended to read as follows:

37 701.380 1. The Task Force shall:

38 (a) Advise the Office of Energy in ~~the~~ :

39 (1) *The* development and periodic review of the
40 comprehensive state energy plan with regard to the use of renewable
41 energy and the use of measures which conserve or reduce the
42 demand for energy or which result in more efficient use of energy.

43 (2) *The distribution of money to persons pursuant to*
44 *section 3 of this act to pay or defray, in whole or in part, the costs*



1 *for those persons to acquire, install or improve net metering*
2 *systems.*

3 (b) Coordinate its activities and programs with the activities and
4 programs of the Office of Energy, the Consumer's Advocate and the
5 Public Utilities Commission of Nevada and other federal, state and
6 local officers and agencies that promote, fund, administer or operate
7 activities and programs related to the use of renewable energy and
8 the use of measures which conserve or reduce the demand for
9 energy or which result in more efficient use of energy.

10 (c) Spend the money in the Trust Fund for Renewable Energy
11 and Energy Conservation to:

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

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

18 (3) Distribute grants and other money to establish programs
19 and projects which incorporate the use of renewable energy and
20 measures which conserve or reduce the demand for energy or which
21 result in more efficient use of energy.

22 (4) Conduct feasibility studies, including, without limitation,
23 ~~{a feasibility study}~~ *any feasibility studies* concerning the
24 establishment *or expansion* of ~~{an incentive fund,}~~ *any* grants ,
25 *incentives, rebates* or other programs to enable or assist ~~{residential,~~
26 ~~small commercial and agricultural customers}~~ *persons* to reduce the
27 cost of purchasing on-site generation systems, net metering systems
28 and distributed generation systems that use renewable energy.

29 (d) Take any other actions that the Task Force deems necessary
30 to carry out its duties, including, without limitation, contracting with
31 consultants, if necessary, for the purposes of program design or to
32 assist the Task Force in carrying out its duties.

33 2. The Task Force shall prepare an annual report concerning its
34 activities and programs and submit the report to the Legislative
35 Commission and the Governor on or before January 30 of each year.
36 The annual report must include, without limitation:

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

38 (b) An analysis of the effectiveness and efficiency of each
39 activity and program in meeting the objectives of the activity or
40 program;

41 (c) The amount of money distributed for each activity and
42 program from the Trust Fund for Renewable Energy and Energy
43 Conservation and a detailed description of the use of that money for
44 each activity and program;



1 (d) An analysis of the coordination between the Task Force and
2 other officers and agencies; and

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

4 3. As used in this section ~~the~~:

5 ~~“(a) “Distributed”~~, *“distributed* generation system” means a
6 facility or system for the generation of electricity that is in close
7 proximity to the place where the electricity is consumed.

8 ~~“(b) “Net metering system” has the meaning ascribed to it in~~
9 ~~NRS 704.771.]~~

10 **Sec. 6.** NRS 704.771 is hereby amended to read as follows:

11 704.771 “Net metering system” means a facility or energy
12 system for the generation of electricity that:

13 1. Uses renewable energy as its primary source of energy to
14 generate electricity;

15 2. Has a generating capacity of not more than ~~[10 kilowatts;]~~
16 *30 kilowatts and a customer load of not more than 30 kilowatts;*

17 3. Is located on the customer-generator’s premises;

18 4. Operates in parallel with the utility’s transmission and
19 distribution facilities; and

20 5. Is intended primarily to offset part or all of the customer-
21 generator’s requirements for electricity.

22 **Sec. 7.** NRS 704.775 is hereby amended to read as follows:

23 704.775 1. The billing period for net metering ~~{may be~~
24 ~~either}~~ *must be on* a monthly ~~{period or, with the written consent of~~
25 ~~the customer-generator, an annual period.}~~ *basis.*

26 2. The net energy measurement must be calculated in the
27 following manner:

28 (a) The utility shall measure the net electricity produced or
29 consumed during the billing period, in accordance with normal
30 metering practices.

31 (b) If the electricity supplied by the utility exceeds the electricity
32 generated by the customer-generator which is fed back to the utility
33 during the billing period, the customer-generator must be billed for
34 the net electricity supplied by the utility.

35 (c) If the electricity generated by the customer-generator which
36 is fed back to the utility exceeds the electricity supplied by the
37 utility during the billing period:

38 (1) Neither the utility nor the customer-generator is entitled
39 to compensation for electricity provided to the other during the
40 billing period; and

41 (2) The excess electricity which is fed back to the utility shall
42 be deemed to be electricity that the utility generated or acquired
43 from a renewable energy system for the purposes of complying with
44 its portfolio standard pursuant to NRS 704.7801 to 704.7828,
45 inclusive.



1 **Sec. 8.** NRS 704.7811 is hereby amended to read as follows:
2 704.7811 1. "Renewable energy" means:

- 3 (a) Biomass;
4 (b) Geothermal energy;
5 (c) Solar energy; ~~land~~
6 (d) *Waterpower; and*
7 (e) Wind.

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

10 **Sec. 9.** If, on or after January 1, 2003, but before the effective
11 date of this act, a provider of electric service generated or acquired
12 any kilowatt-hours of electricity from a renewable energy system
13 that uses waterpower to generate electricity, and the provider sold
14 those kilowatt-hours to its retail customers in this state during
15 calendar year 2003, the provider may use those kilowatt-hours for
16 the purposes of NRS 704.7801 to 704.7828, inclusive, as amended
17 by this act, and the regulations adopted pursuant thereto, to comply
18 with its portfolio standard for renewable energy for calendar year
19 2003.

20 **Sec. 10.** 1. Not later than 30 days after the effective date of
21 this act, the Public Utilities Commission of Nevada shall transfer the
22 sum of \$250,000 from its reserve account in the Public Utilities
23 Commission Regulatory Fund, created by NRS 703.147, to an
24 account in the State General Fund for use by the Director of the
25 Office of Energy within the Office of the Governor to carry out the
26 provisions of section 3 of this act.

27 2. The Director of the Office of Energy shall use the money
28 transferred pursuant to this section only for the purposes set forth in
29 section 3 of this act.

30 **Sec. 11.** This act becomes effective upon passage and
31 approval.

