

ASSEMBLY BILL NO. 385—ASSEMBLYWOMAN GIUNCHIGLIANI

MARCH 24, 2005

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing building and zoning and creates incentives and standards for green buildings. (BDR 22-730)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to building standards; making various changes to encourage energy efficiency in construction; providing for a partial abatement of certain taxes for certain energy efficient buildings and green buildings; requiring the University and Community College System of Nevada to provide instruction in certain areas related to green building; requiring the State to reduce its grid-based purchases; providing for the certification of persons engaged in solar energy system projects; making various changes concerning portfolio standards and net metering; making an appropriation; providing a penalty; and providing other matters properly relating thereto.

1 WHEREAS, The construction and operation of the buildings in
2 which we live, work and play require enormous amounts of energy,
3 water and materials and create large amounts of waste, and the
4 location of and how these buildings are built not only affect the
5 ecosystem around us, but the buildings themselves create new
6 indoor environments that present new environmental problems and
7 challenges; and
8 WHEREAS, With the threat of rising energy costs, increases in
9 population and numerous environmental concerns, the State of
10 Nevada is already developing and encouraging the use of alternative
11 energy from geothermal, wind and solar resources, and the State



1 should also consider the possibility of encouraging “greener”
2 building requirements; and

3 WHEREAS, Green building is a field that uses environmentally
4 sustainable materials to construct buildings that conserve resources
5 and provide a healthy living and working space; and

6 WHEREAS, The many elements of green building include energy
7 efficiency and the use of renewable energy, water efficiency, the use
8 of building materials that have a minimal effect on the environment,
9 reduction of waste, and the design and operation of buildings that
10 are healthy for the occupants of such buildings; and

11 WHEREAS, The Nevada Legislature encourages the construction,
12 rehabilitation and maintenance of buildings in this State in such a
13 manner as to promote better environmental standards, improve
14 energy efficiency and increase generation of energy through
15 renewable and clean-energy technologies, and to improve the health
16 and productivity of building occupants by meeting advanced criteria
17 for indoor environmental quality; now, therefore,

18
19 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
20 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

21
22 **Section 1.** (Deleted by amendment.)

23 **Sec. 2.** Chapter 278 of NRS is hereby amended by adding
24 thereto a new section to read as follows:

25 *If a governing body establishes a committee or task force on*
26 *sustainable energy, the committee or task force shall consider:*

- 27 *1. Standards for the efficient use of water;*
- 28 *2. Standards for the efficient use of energy, including,*
29 *without limitation, the use of sources of renewable energy;*
- 30 *3. Performance guidelines for new, remodeled and renovated*
31 *buildings; and*
- 32 *4. Performance guidelines for retrofit projects,*
33 *↪ including, without limitation, energy consumption, use of*
34 *potable water, use of water for landscaping purposes and solid*
35 *waste disposal.*

36 **Sec. 3.** Chapter 338 of NRS is hereby amended by adding
37 thereto a new section to read as follows:

- 38 *1. Each public building constructed, reconstructed,*
39 *remodeled, renovated, sponsored or financed by this State must be*
40 *certified at or meet the equivalent of the silver level or higher in*
41 *accordance with the Leadership in Energy and Environmental*
42 *Design Green Building Rating System or its equivalent, as adopted*
43 *by the Director of the Office of Energy pursuant to section 11 of*
44 *this act.*



2. *Each public building constructed, reconstructed, remodeled, renovated, sponsored or financed by a local government may be certified at or meet the equivalent of the silver level or higher in accordance with the Leadership in Energy and Environmental Design Green Building Rating System or its equivalent, as adopted by the Director of the Office of Energy pursuant to section 11 of this act.*

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 338.190 is hereby amended to read as follows:

338.190 1. Before it begins to construct or renovate any public building, ~~[which is larger than 20,000 square feet,]~~ each agency of the State or a political subdivision, district, authority, board or public corporation of the State shall obtain a detailed analysis of the cost of operating and maintaining the building for its expected useful life.

2. The analysis must ~~[identify the]~~ :

(a) *Estimate the cost to construct, operate and maintain the public building; and*

(b) *Identify measures, including, without limitation, for ~~the~~ ~~(a)~~ the:*

(1) *Conservation of water;*

(2) *Conservation of energy; and*

~~[(b)]~~ (3) *Use of types of energy which are alternatives to fossil fuels, such as active and passive applications of solar energy, wind and geothermal energy,*

↳ *which can be included in the building in its construction or renovation.*

3. The agency of government which proposes to build or renovate a building must consider the results of the analysis required by this section in deciding upon the type of construction and the components and systems which will be included in the building. *The agency shall incorporate the use of types of energy which are alternatives to fossil fuels and any other energy conservation measures identified in the analysis into the design of the public building if it is determined to be in the best interest of the State.*

4. This section applies to any public building or renovation of a public building, the designing of which begins on or after July 1, 1981.

Sec. 6. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Commission on Economic Development shall grant a partial abatement from the tax imposed on real property by this chapter for property which has a building or other structure that is certified at or meets the equivalent of the silver level or higher by a person authorized to grant such certification in accordance with*



1 *the Leadership in Energy and Environmental Design Green*
2 *Building Rating System or its equivalent, as adopted by the*
3 *Director of the Office of Energy pursuant to section 11 of this act.*

4 2. *The partial abatement must be for a duration of not more*
5 *than 10 years and must not exceed 50 percent of the taxes on real*
6 *property payable each year pursuant to this chapter.*

7 3. *The Commission on Economic Development shall establish*
8 *by regulation the qualifications and methods to determine*
9 *eligibility for the abatement.*

10 4. *The Commission on Economic Development shall*
11 *immediately forward a certificate of eligibility for the abatement*
12 *to:*

13 (a) *The Department of Taxation;*

14 (b) *The Nevada Tax Commission;*

15 (c) *The county treasurer; and*

16 (d) *The county assessor.*

17 **Sec. 7.** NRS 374.307 is hereby amended to read as follows:

18 374.307 1. There are exempted from the taxes imposed by
19 this chapter the gross receipts from the sale of, and the storage, use
20 or other consumption in this State of, any:

21 (a) Product or system designed or adapted to use renewable
22 energy to generate electricity and all of its integral components.

23 (b) Solar thermal energy system that reduces the consumption of
24 electricity or any fossil fuel, and all of its integral components.

25 (c) Solar lighting system that reduces the consumption of
26 electricity or any fossil fuel, and all of its integral components.

27 (d) *Products or materials used in the construction or remodel*
28 *of a building if the building is certified or will, when complete,*
29 *meet the requirements to be certified at or meet the equivalent of*
30 *the silver level or higher in accordance with the Leadership in*
31 *Energy and Environmental Design Green Building Rating System.*

32 2. As used in this section:

33 (a) "Biomass" means any organic matter that is available on a
34 renewable basis, including, without limitation:

35 (1) Agricultural crops and agricultural wastes and residues;

36 (2) Wood and wood wastes and residues;

37 (3) Animal wastes;

38 (4) Municipal wastes; and

39 (5) Aquatic plants.

40 (b) "Fuel cell" means a device or contrivance that, through the
41 chemical process of combining ions of hydrogen and oxygen,
42 produces electricity and water.

43 (c) *"Leadership in Energy and Environmental Design Green*
44 *Building Rating System" means the system of rating buildings*



adopted by the Director of the Office of Energy pursuant to section 11 of this act.

(d) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:

- (1) Biomass;
- (2) Fuel cells;
- (3) Geothermal energy;
- (4) Solar energy;
- (5) Waterpower; and
- (6) Wind.

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

~~(d)~~ (e) "Solar lighting system" means a system of related components that:

- (1) Uses solar energy to provide indoor lighting; and
- (2) Is designed to work as an integral package such that the system is not complete without one of its related components.

~~(e)~~ (f) "Solar thermal energy system" means a system of related components that:

- (1) Uses solar radiation to heat water; and
- (2) Is designed to work as an integral package such that the system is not complete without one of its related components.

~~(f)~~ (g) "System designed or adapted to use renewable energy to generate electricity" means a system of related components:

- (1) From which at least 75 percent of the electricity generated is produced from one or more sources of renewable energy; and
- (2) That is designed to work as an integral package such that the system is not complete without one of its related components.

Sec. 8. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

Instruction within the System must be given in the essentials of green building construction and design to assist students in preparing for the Leadership in Energy and Environmental Design Professional Accreditation Exam offered by the U.S. Green Building Council.

Sec. 8.1. Chapter 618 of NRS is hereby amended by adding thereto the provisions set forth as sections 8.2 to 8.12, inclusive, of this act.

Sec. 8.2. *As used in sections 8.2 to 8.12, inclusive, of this act, unless the context otherwise requires:*

1. "Occupation" means a specific discipline involved in a solar energy system project, including, without limitation, those tasks performed by an inspector, management planner, consultant,



1 *project designer, contractor, supervisor or worker engaged in a*
2 *solar energy system project.*

3 2. *“Solar energy system” means a facility or energy system*
4 *for the generation of electricity that uses photovoltaic cells and*
5 *solar energy to generate electricity.*

6 3. *“Solar energy system project” means a project related to:*

7 (a) *The installation of a solar energy system; or*

8 (b) *The maintenance of a solar energy system.*

9 4. *“Worker” means any person actually engaged in work*
10 *directly related to a solar energy system project in a capacity other*
11 *than as an inspector, management planner, consultant, project*
12 *designer, contractor or supervisor engaged in a solar energy*
13 *system project.*

14 **Sec. 8.3.** 1. *The Division shall adopt regulations*
15 *establishing standards and procedures for the certification of each*
16 *occupation. The regulations must include, without limitation:*

17 (a) *Standards for:*

18 (1) *Courses that provide initial training;*

19 (2) *Courses that provide a review of the initial training;*

20 (3) *Examinations;*

21 (4) *Qualifications;*

22 (5) *Certification;*

23 (6) *Renewal of certification; and*

24 (7) *Revocation of certification.*

25 (b) *A schedule of fees designed to recover revenue to defray*
26 *the costs of carrying out the provisions of sections 8.2 to 8.12,*
27 *inclusive, of this act. The Division may collect fees for applications*
28 *for certification, the issuance, renewal and reinstatement of*
29 *certification, examinations, the review and approval of training*
30 *courses, job notifications and inspections, recordkeeping, and any*
31 *other activity of the Division related to the provisions of sections*
32 *8.2 to 8.12, inclusive, of this act.*

33 (c) *Standards for solar energy system projects.*

34 2. *In adopting regulations pursuant to subsection 1, the*
35 *Division shall consult with the State Apprenticeship Council.*

36 3. *The Division may adopt:*

37 (a) *Such regulations as are necessary to carry out the*
38 *provisions of sections 8.2 to 8.12, inclusive, of this act; and*

39 (b) *Regulations to include within the definition of*
40 *“occupation” any discipline deemed necessary, including, without*
41 *limitation, that of instructor in any activity related to a solar*
42 *energy system project.*

43 **Sec. 8.4.** 1. *A person shall not engage in a solar energy*
44 *system project unless he holds a valid certificate issued by the*
45 *Division.*



2. The Division shall issue certificates to:

(a) Persons enrolled in courses that provide the initial training related to solar energy systems; and

(b) Qualified applicants in each occupation.

3. The Division shall not issue a certificate as a contractor for solar energy system projects solely on the basis of a person's status as a licensee pursuant to chapter 624 of NRS.

4. Any person who engages in a solar energy system project without a certificate issued by the Division is guilty of a misdemeanor.

Sec. 8.5. A person applying for a certificate in an occupation must:

1. Submit an application on a form prescribed and furnished by the Division, accompanied by a fee prescribed by the Division;

2. Successfully complete a course of training in activities related to a solar energy system project approved or administered by the Division for that occupation;

3. Pass an examination approved or administered by the Division for that occupation;

4. If he is a contractor, present proof satisfactory to the Division that he is insured to the extent determined necessary by the Administrator for the appropriate activities related to a solar energy system project under the requested certificate, for the effective period of the certificate; and

5. Meet any additional requirements established by the Division.

Sec. 8.6. 1. To renew a certificate in an occupation, a person must, on or before January 1 of each year:

(a) Apply to the Division for renewal;

(b) Pay the annual fee for renewal set by the Division; and

(c) Submit evidence satisfactory to the Division of his completion of the requirements for continuing education or training established by the Division, if any.

2. The Division may adopt regulations requiring continuing education or training of a person issued a certificate in any occupation and, as a prerequisite to the renewal of a certificate, require each person issued a certificate to comply with those requirements.

Sec. 8.7. 1. In addition to the requirements of sections 8.5 and 8.6 of this act, an applicant for the issuance or renewal of a certificate in an occupation shall submit to the Division:

(a) The statement prescribed by the Welfare Division of the Department of Human Resources pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

(b) The social security number of the applicant.



1 2. The Division shall include the statement required pursuant
2 to subsection 1 in:

3 (a) The application or any other forms that must be submitted
4 for the issuance or renewal of a certificate; or

5 (b) A separate form prescribed by the Division.

6 3. A certificate in an occupation may not be issued or
7 renewed by the Division if the applicant:

8 (a) Fails to submit the statement required pursuant to
9 subsection 1; or

10 (b) Indicates on the statement submitted pursuant to
11 subsection 1 that he is subject to a court order for the support of a
12 child and is not in compliance with the order or a plan approved
13 by the district attorney or other public agency enforcing the order
14 for the repayment of the amount owed pursuant to the order.

15 4. If an applicant indicates on the statement submitted
16 pursuant to subsection 1 that he is subject to a court order for the
17 support of a child and is not in compliance with the order or a
18 plan approved by the district attorney or other public agency
19 enforcing the order for the repayment of the amount owed
20 pursuant to the order, the Division shall advise the applicant to
21 contact the district attorney or other public agency enforcing the
22 order to determine the actions that the applicant may take to
23 satisfy the arrearage.

24 **Sec. 8.8.** 1. If the Division receives a copy of a court order
25 issued pursuant to NRS 425.540 that provides for the suspension
26 of all professional, occupational and recreational licenses,
27 certificates and permits issued to a person who is the holder of a
28 certificate in an occupation, the Division shall deem the certificate
29 issued to that person to be suspended at the end of the 30th day
30 after the date on which the court order was issued, unless the
31 Division receives a letter issued to the holder of the certificate by
32 the district attorney or other public agency pursuant to NRS
33 425.550 stating that the holder of the certificate has complied with
34 the subpoena or warrant, or has satisfied the arrearage pursuant
35 to NRS 425.560.

36 2. The Division shall reinstate a certificate that has been
37 suspended by a district court pursuant to NRS 425.540 if the
38 Division receives a letter issued by the district attorney or other
39 public agency pursuant to NRS 425.550 to the person whose
40 certificate was suspended stating that the person whose certificate
41 was suspended has complied with the subpoena or warrant or has
42 satisfied the arrearage pursuant to NRS 425.560.

43 **Sec. 8.9.** The Division or a person authorized by the Division
44 shall inspect annually at least one solar energy system project
45 conducted by each contractor issued a certificate. The contractor



1 *shall, upon request of the Division or a person authorized by the*
2 *Division, allow the inspection of all property, activities and*
3 *facilities of the project and all related documents and records.*

4 **Sec. 8.10.** 1. *If the Division finds that a person, other than*
5 *a worker, has violated any of the provisions of sections 8.2 to 8.12,*
6 *inclusive, of this act, or the standards or regulations adopted*
7 *pursuant thereto, it may:*

8 *(a) Upon the first violation, impose upon the person an*
9 *administrative fine of not more than \$1,500.*

10 *(b) Upon the second violation or a subsequent violation:*

11 *(1) Impose upon the person an administrative fine of not*
12 *more than \$2,500; and*

13 *(2) If he is certified pursuant to sections 8.2 to 8.12,*
14 *inclusive, of this act, suspend or revoke his certificate and require*
15 *him to fulfill certain training or educational requirement to have*
16 *his certificate reinstated.*

17 2. *Any penalty imposed pursuant to subsection 1 does not*
18 *relieve the person from criminal prosecution for engaging in a*
19 *solar energy system project without a certificate.*

20 3. *If the certificate of a contractor for solar energy system*
21 *projects is suspended or revoked pursuant to subsection 1 and the*
22 *owner of a building or structure upon which the contractor is*
23 *engaged in a project employs another certified contractor to*
24 *complete the project, the original contractor may not bring an*
25 *action against the owner of the building or structure for breach of*
26 *contract or damages based on the employment of another*
27 *contractor.*

28 **Sec. 8.11.** 1. *If the Division intends to suspend or revoke a*
29 *person's certificate, it shall first notify him by certified mail. The*
30 *notice must contain a statement of the Division's legal authority,*
31 *jurisdiction and reasons for the proposed action.*

32 2. *A person is entitled to a hearing to contest the proposed*
33 *suspension or revocation of his certificate. A request for such a*
34 *hearing must be made pursuant to regulations adopted by the*
35 *Division.*

36 3. *Upon receiving a request for a hearing to contest a*
37 *proposed suspension or revocation, the Division shall hold a*
38 *hearing within 10 days after the date of the receipt of the request.*

39 **Sec. 8.12.** *The Division may maintain in a court of*
40 *competent jurisdiction a suit for an injunction against any person*
41 *engaged in a solar energy system project in violation of the*
42 *provisions of sections 8.2 to 8.12, inclusive, of this act, or the*
43 *standards or regulations adopted pursuant thereto. An injunction:*

44 1. *May be issued without proof of actual damage sustained by*
45 *any person.*



2. *Does not relieve the person from criminal liability for engaging in a solar energy system project without a certificate.*

Sec. 9. Chapter 701 of NRS is hereby amended by adding thereto the provisions set forth as sections 10, 11 and 12 of this act.

Sec. 10. (Deleted by amendment.)

Sec. 11. 1. The Director, in cooperation with:

(a) *Representatives of the building and development industry, shall adopt guidelines establishing Green Building Standards for all new and remodeled building projects.*

(b) *The Manager appointed pursuant to NRS 341.100, shall adopt the Leadership in Energy and Environmental Design Green Building Rating System, or its equivalent.*

2. *Guidelines adopted pursuant to paragraph (a) of subsection 1 must include, without limitation, suggested:*

(a) *Requirements for the use of resource-efficient materials for the building and maintenance of the structure;*

(b) *Standards for indoor environmental quality;*

(c) *Standards for the efficient use of water, including the efficient use of water for landscaping purposes;*

(d) *Standards for the efficient use of energy; and*

(e) *Requirements for the design and preparation of building lots.*

Sec. 12. *The Director shall prepare a state energy reduction plan which requires state agencies, departments and other entities in the Executive Branch to reduce grid-based energy purchases for state-owned buildings by 20 percent by 2015.*

Sec. 13. NRS 701.220 is hereby amended to read as follows:

701.220 1. The Director shall adopt regulations for the conservation of energy in buildings, including manufactured homes . ~~[, which]~~ *Such regulations must include the adoption of the most recent version of the International Energy Conservation Code, issued by the International Code Council, and any amendments to the Code, and must* establish the minimum standards for:

(a) The construction of floors, walls, ceilings and roofs;

(b) The equipment and systems for heating, ventilation and air-conditioning;

(c) Electrical equipment and systems;

(d) Insulation; and

(e) Other factors which affect the use of energy in a building.

↪ *The regulations must provide for the adoption of the most recent version of the International Energy Conservation Code every third year.*

2. The Director may exempt a building from a standard if he determines that application of the standard to the building would not accomplish the purpose of the regulations.



3. The regulations must authorize allowances in design and construction for sources of renewable energy used to supply all or a part of the energy required in a building.

4. The standards adopted by the Director are the minimum standards for the conservation of energy which apply only to areas in which the governing body of the local government has not adopted standards for the conservation of energy in buildings. Such governing bodies shall assist the Director in the enforcement of the regulations adopted pursuant to this section.

5. The Director shall solicit comments regarding the adoption of regulations pursuant to this section from:

- (a) Persons in the business of constructing and selling homes;
- (b) Contractors;
- (c) Public utilities;
- (d) Local building officials; and
- (e) The general public,

before adopting any regulations. The Director must conduct at least three hearings in different locations in the State, after giving 30 days' notice of each hearing, before he may adopt any regulations pursuant to this section.

Sec. 14. NRS 701.350 is hereby amended to read as follows:

701.350 1. The Task Force for Renewable Energy and Energy Conservation is hereby created. The Task Force consists of ~~four~~ **11** members who are appointed as follows:

(a) Two members appointed by the Majority Leader of the Senate, one of whom represents the interests of the renewable energy industry in this State with respect to biomass and the other of whom represents the interests of the mining industry in this State.

(b) Two members appointed by the Speaker of the Assembly, one of whom represents the interests of the renewable energy industry in this State with respect to geothermal energy and the other of whom represents the interests of a nonprofit organization dedicated to the protection of the environment or to the conservation of energy or the efficient use of energy.

(c) One member appointed by the Minority Leader of the Senate to represent the interests of the renewable energy industry in this State with respect to solar energy.

(d) One member appointed by the Minority Leader of the Assembly to represent the interests of the public utilities in this State.

(e) Two members appointed by the Governor, one of whom represents the interests of the renewable energy industry in this State with respect to wind and the other of whom represents the interests of the gaming industry in this State.



(f) One member appointed by the Consumer's Advocate to represent the interests of the consumers in this State.

(g) One member appointed by the governing board of the State of Nevada AFL-CIO or, if the State of Nevada AFL-CIO ceases to exist, by its successor organization or, if there is no successor organization, by the Governor.

(h) One member appointed by the Governor to represent the interests of energy conservation and the efficient use of energy in this State.

2. A member of the Task Force:

(a) Must be a citizen of the United States and a resident of this State.

(b) Must have training, education, experience or knowledge concerning:

(1) The development or use of renewable energy;

(2) Financing, planning or constructing renewable energy generation projects;

(3) Measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(4) Weatherization;

(5) Building and energy codes and standards;

(6) Grants or incentives concerning energy;

(7) Public education or community relations; or

(8) Any other matter within the duties of the Task Force.

(c) Must not be an officer or employee of the Legislative or Judicial Department of State Government.

3. After the initial terms, the term of each member of the Task Force is 3 years. A vacancy on the Task Force must be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may be reappointed to the Task Force.

4. A member of the Task Force who is an officer or employee of this State or a political subdivision of this State must be relieved from his duties without loss of his regular compensation so that he may prepare for and attend meetings of the Task Force and perform any work that is necessary to carry out the duties of the Task Force in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Task Force to:

(a) Make up the time he is absent from work to carry out his duties as a member of the Task Force; or

(b) Take annual leave or compensatory time for the absence.

Sec. 15. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 16 and 17 of this act.

Sec. 16. 1. *For the purpose of complying with a portfolio standard pursuant to NRS 704.7821, a provider shall be deemed to*



1 *have generated or acquired 1.5 kilowatt hours of electricity from a*
2 *renewable energy system for each 1 kilowatt hour of actual*
3 *electricity generated or acquired from a solar photovoltaic system*
4 *if:*

5 (a) *Not less than 25 percent of the components in the system*
6 *are manufactured in this State; and*

7 (b) *The employees of the owner of the renewable energy*
8 *system are trained and certified pursuant to sections 8.2 to 8.12,*
9 *inclusive, of this act.*

10 2. *The total amount of electricity deemed to have been*
11 *generated or acquired pursuant to the provisions of this section*
12 *must not exceed 50 megawatt hours.*

13 3. *The Commission shall adopt regulations to carry out the*
14 *provisions of this section.*

15 **Sec. 17.** 1. *For the purpose of complying with a portfolio*
16 *standard pursuant to NRS 704.7821, a provider shall be deemed to*
17 *have generated or acquired 2.4 kilowatt hours of electricity from a*
18 *renewable energy system for each 1 kilowatt hour of actual*
19 *electricity generated or acquired from a solar photovoltaic system,*
20 *if:*

21 (a) *The solar photovoltaic system is established in an*
22 *enterprise zone in Nevada;*

23 (b) *The employees of the owner of the solar photovoltaic*
24 *system are trained and certified pursuant to sections 8.2 to 8.12,*
25 *inclusive, of this act; and*

26 (c) *The average price paid for electricity generated by the solar*
27 *photovoltaic system is 75 percent of the average price paid for*
28 *solar energy in this State.*

29 2. *The total amount of electricity deemed to have been*
30 *generated or acquired pursuant to this section must not exceed 20*
31 *megawatt hours.*

32 3. *The Commission shall adopt regulations to carry out the*
33 *provisions of this section.*

34 **Sec. 18.** NRS 704.771 is hereby amended to read as follows:

35 704.771 "Net metering system" means a facility or energy
36 system for the generation of electricity that:

37 1. Uses renewable energy as its primary source of energy to
38 generate electricity;

39 2. Has a generating capacity of not more than ~~300~~ 150
40 kilowatts;

41 3. Is located on the customer-generator's premises;

42 4. Operates in parallel with the utility's transmission and
43 distribution facilities; and

44 5. Is intended primarily to offset part or all of the customer-
45 generator's requirements for electricity.



1 **Sec. 18.2.** NRS 704.773 is hereby amended to read as follows:
2 704.773 1. ~~[A]~~ *Except as otherwise provided in subsection*

3 *2, a* utility shall offer net metering, as set forth in NRS 704.775, to
4 the customer-generators operating within its service area.

5 2. A utility ~~[A]~~ *is not required to provide net metering to*
6 *additional customer-generators operating within its service area if*
7 *the combined total peak demand of all customer-generators served*
8 *by the utility equals or exceeds 1 percent of the peak customer*
9 *demand of the utility.*

10 3. *For net metering systems with a generating capacity of 30*
11 *kilowatts or less, a utility:*

12 (a) Shall offer to make available to each of its customer-
13 generators who has accepted its offer for net metering an energy
14 meter that is capable of registering the flow of electricity in two
15 directions.

16 (b) May, at its own expense and with the written consent of the
17 customer-generator, install one or more additional meters to monitor
18 the flow of electricity in each direction.

19 (c) Shall not charge a customer-generator any fee or charge that
20 would increase the customer-generator's minimum monthly charge
21 to an amount greater than that of other customers of the utility in the
22 same rate class as the customer-generator.

23 4. *For net metering systems with a generating capacity of*
24 *more than 30 kilowatts, a utility:*

25 (a) *May require that a customer-generator install one or more*
26 *meters capable of separately measuring the flow of electricity in*
27 *both directions. All meters must provide time-of-use measurements*
28 *of the flow of electricity and the customer-generator must take*
29 *service on a time-of-use schedule. If the existing meter of the*
30 *customer-generator is not a time-of-use meter or is not capable of*
31 *measuring the total flow of electricity in both directions, the*
32 *customer-generator is responsible for all expenses involved in*
33 *purchasing and installing a time-of-use meter that is able to*
34 *measure the total flow of electricity in both directions.*

35 (b) *Shall charge the customer-generator for the consumption*
36 *of electricity from the utility at a price consistent with the tariffed*
37 *rate that would be charged to the customer-generator if the*
38 *customer-generator did not use a net metering system. The*
39 *generation of electricity provided to the utility must result in a*
40 *credit to the customer-generator and must be priced in accordance*
41 *with the generation component that is established under the*
42 *applicable rate structure to which the customer would be assigned*
43 *if the customer did not use a net metering system. The customer-*
44 *generator shall pay all other fees and charges, including, without*
45 *limitation, the customer, demand and facility charges that are*



charged to the other customers of the utility in the same rate class as the customer-generator.

Sec. 18.4. NRS 704.775 is hereby amended to read as follows:

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

2. The net energy measurement must be *measured in kilowatt hours and* calculated in the following manner:

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

(b) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the customer-generator must be billed for the net electricity supplied by the utility ~~{}~~ *with such charges for energy due and payable with each monthly bill.*

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

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

(2) The ~~{excess}~~ electricity which is fed back to the utility ~~{shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.}~~ *that exceeds the electricity supplied by the utility during the billing period must be carried forward and treated as a credit in the next billing period in addition to the kilowatt hours generated by the customer-generator. If the customer-generator is provided service by the utility pursuant to a rate schedule that employs a time-of-use period for billing purposes, the electricity carried forward must be applied to the same time-of-use period for the next billing period in which it is generated. If no comparable time-of-use period exists in the next billing period, the electricity carried forward must be evenly apportioned between the time-of-use periods in the next billing period. The excess electrical energy for each month is carried forward to the next month unless:*

(I) The net metering system is no longer operating;

(II) The net metering system is no longer connected to the utility's electric system;

(III) The customer-generator ceases to take electric service from the utility at that location; or



(IV) The customer-generator assigns the net metering system to another party.

Sec. 18.5. NRS 704.7801 is hereby amended to read as follows:

704.7801 As used in NRS 704.7801 to 704.7828, inclusive, *and sections 16 and 17 of this act*, unless the context otherwise requires, the words and terms defined in NRS 704.7805 to 704.7818, inclusive, have the meanings ascribed to them in those sections.

Sec. 18.6. NRS 704.7815 is hereby amended to read as follows:

704.7815 “Renewable energy system” means:

1. A facility or energy system that:

(a) Uses renewable energy or energy from a qualified energy recovery process to generate electricity; and

(b) Transmits or distributes the electricity that it generates from renewable energy or energy from a qualified energy recovery process via:

(1) A power line which is dedicated to the transmission or distribution of electricity generated from renewable energy or energy from a qualified energy recovery process and which is connected to a facility or system owned, operated or controlled by a provider of electric service; or

(2) A power line which is shared with not more than one facility or energy system generating electricity from nonrenewable energy and which is connected to a facility or system owned, operated or controlled by a provider of electric service.

2. A solar energy system that reduces the consumption of electricity ~~[, natural gas or propane.]~~ *or any fossil fuel.*

3. A net metering system used by a customer-generator pursuant to NRS 704.766 to 704.775, inclusive.

Sec. 18.8. NRS 704.860 is hereby amended to read as follows:

704.860 “Utility facility” means:

1. Electric generating plants and their associated facilities, other than :

(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more. ~~[As used in this subsection, “associated facilities” includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.]~~

(b) Electric generating plants and their associated facilities that use or will use renewable energy or energy from a qualified



1 *energy recovery process as the primary source of energy to*
2 *generate electricity and that have or will have a generating*
3 *capacity of not more than 150 kilowatts, including, without*
4 *limitation, a net metering system. As used in this paragraph:*

5 (1) *“Net metering system” has the meaning ascribed to it in*
6 *NRS 704.771.*

7 (2) *“Qualified energy recovery process” has the meaning*
8 *ascribed to it in NRS 704.7809.*

9 (3) *“Renewable energy” has the meaning ascribed to it in*
10 *NRS 704.7811.*

11 2. Electric transmission lines and transmission substations that:

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

13 (b) Are not required by local ordinance to be placed
14 underground; and

15 (c) Are constructed outside any incorporated city.

16 3. Gas transmission lines, storage plants, compressor stations
17 and their associated facilities when constructed outside:

18 (a) Any incorporated city; and

19 (b) Any county whose population is 100,000 or more.

20 4. Water storage, transmission and treatment facilities, other
21 than facilities for the storage, transmission or treatment of water
22 from mining operations.

23 5. Sewer transmission and treatment facilities.

24 **Sec. 19.** Section 3 of chapter 330, Statutes of Nevada 2001, as
25 amended by section 2 of Chapter 511, Statutes of Nevada 2003, at
26 page 3496, is hereby amended to read as follows:

27 Sec. 3. 1. This section becomes effective on July 1,
28 2001.

29 2. Sections 1 and 2 of this act become effective on
30 July 1, 2001, for the purpose of adopting regulations and on
31 January 1, 2002, for all other purposes.

32 3. This act expires by limitation on ~~June 30,~~
33 *December 31, 2005.*

34 **Sec. 19.2.** Section 18 of Chapter 331, Statutes of Nevada
35 2003, at page 1869, is hereby amended to read as follows:

36 Sec. 18. 1. On or before May 1 of each year, the
37 Public Utilities Commission of Nevada shall:

38 (a) Review each application nominated by the Committee
39 to ensure that the application meets the requirements of
40 subsection 3 of section 14 of this act; and

41 (b) From those nominees, select participants for the
42 Demonstration Program for the following program year.

43 2. The Public Utilities Commission of Nevada may
44 approve, from among the applications nominated by the
45 Committee, solar energy systems totaling:



- (a) For the program year beginning July 1, 2004:
 - (1) 100 kilowatts of capacity for schools;
 - (2) 200 kilowatts of capacity for other public buildings; and
 - (3) 200 kilowatts of capacity for private residences and small businesses.
 - (b) For the program year beginning July 1, 2005:
 - (1) An additional ~~450~~ 570 kilowatts of capacity for schools;
 - (2) An additional ~~450~~ 570 kilowatts of capacity for other public buildings; and
 - (3) An additional ~~600~~ 760 kilowatts of capacity for private residences and small businesses.
 - (c) For the program year beginning July 1, 2006:
 - (1) An additional ~~900~~ 570 kilowatts of capacity for schools;
 - (2) An additional ~~900~~ 570 kilowatts of capacity for other public buildings; and
 - (3) An additional ~~1200~~ 760 kilowatts of capacity for private residences and small businesses.
 - (d) *For the program year beginning July 1, 2007:*
 - (1) *An additional 570 kilowatts of capacity for schools;*
 - (2) *An additional 570 kilowatts of capacity for other public buildings; and*
 - (3) *An additional 760 kilowatts of capacity for private residences and small businesses.*
 - (e) *For the program year beginning July 1, 2008:*
 - (1) *An additional 570 kilowatts of capacity for schools;*
 - (2) *An additional 570 kilowatts of capacity for other public buildings; and*
 - (3) *An additional 760 kilowatts of capacity for private residences and small businesses.*
 - (f) *For the program year beginning July 1, 2009:*
 - (1) *An additional 570 kilowatts of capacity for schools;*
 - (2) *An additional 570 kilowatts of capacity for other public buildings; and*
 - (3) *An additional 760 kilowatts of capacity for private residences and small businesses.*
3. The Public Utilities Commission of Nevada shall notify each nominee of its selections no later than 10 days after the decision is made.



1 **Sec. 19.4.** Section 24 of Chapter 331, Statutes of Nevada
2 2003, at page 1871, is hereby amended to read as follows:

3 Sec. 24. The provisions of sections 4 to 21, inclusive, of
4 this act expire by limitation on June 30, ~~2007.~~ 2010.

5 **Sec. 19.6.** 1. The Director of the Office of Energy shall
6 review model commercial standards for appliances, including,
7 without limitation, the appliance efficiency standards adopted by the
8 California Energy Commission.

9 2. The Director shall prepare a report summarizing the review
10 and submit the report by July 1, 2006, to the Director of the
11 Legislative Counsel Bureau for transmittal to the Legislative
12 Commission and to the 74th Session of the Nevada Legislature. The
13 report must be made available to the general public.

14 **Sec. 19.8.** There is hereby appropriated from the State General
15 Fund to the Trust Fund for Renewable Energy and Energy
16 Conservation, created pursuant to NRS 701.370, the sum of
17 \$250,000.

18 **Sec. 20.** 1. This section and section 19 of this act become
19 effective upon passage and approval.

20 2. Sections 1 to 18.8, inclusive, and sections 19.2 to 19.8,
21 inclusive, of this act become effective:

22 (a) Upon passage and approval for the purpose of adopting
23 regulations and performing any other preparatory administrative
24 tasks that are necessary to carry out the provisions of this act; and

25 (b) On October 1, 2005, for all other purposes.

26 3. Sections 8.7 and 8.8 of this act expire by limitation on the
27 date on which the provisions of 42 U.S.C. § 666 requiring each state
28 to establish procedures under which the state has authority to
29 withhold or suspend, or to restrict the use of professional,
30 occupational and recreational licenses of persons who:

31 (a) Have failed to comply with a subpoena or warrant relating to
32 a proceeding to determine the paternity of a child or to establish or
33 enforce an obligation for the support of a child; or

34 (b) Are in arrears in the payment for the support of one or more
35 children,

36 ➤ are repealed by the Congress of the United States.



