

Amendment No. 387

Senate Amendment to Senate Bill No. 358 (BDR 58-1146)

Proposed by: Senate Committee on Energy and Infrastructure and Transportation**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD an appropriation where one does not currently exist in S.B. 358.

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold dashed underlining* is newly added transitory language.

MSN/TMC



Date: 4/18/2009

S.B. No. 358—Revises provisions related to energy. (BDR 58-1146)



SENATE BILL NO. 358—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

MARCH 23, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Revises provisions related to energy. (BDR 58-1146)

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

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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; revising provisions related to energy and state and residential property; revising provisions related to ~~[the issuance of portfolio energy credits,]~~ public utility rates ~~;~~ ~~[and net metering,]~~ revising provisions related to capacity and incentives in certain renewable energy programs; ~~[amending provisions related to local improvement districts and renewable energy,]~~ authorizing local governing bodies to establish districts to finance loans for the construction and installation of certain renewable energy installations and energy efficiency improvements on residential property; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section ~~(4)~~ 1.5 of this bill requires a portion of any federal stimulus money to be used for the state energy reduction plan for state buildings. (NRS 701.215) This section also requires certain biannual reports regarding the plan.

Sections 2, 3, 5, 6, 8, 9 and 20 of this bill revise provisions related to capacity and incentives in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (NRS 701B.200, 701B.260, 701B.590, 701B.620, 701B.840, 701B.850)

~~[Sections 4, 7 and 10 of this bill revise provisions related to the issuance of portfolio energy credits. (NRS 701B.290, 701B.640, 701B.870)]~~

Section 11 of this bill revises provisions governing the allocation of certain money for a program to improve energy conservation and energy efficiency in certain residential properties. (NRS 702.275)

Section 12 of this bill amends provisions related to rates of public utilities. (NRS 704.110)

~~[Section 12 of this bill amends provisions related to the amount of net metering offered by public utilities. (NRS 704.772)]~~

~~[Sections 14-18 of this bill amend provisions related to local improvement districts in order to allow renewable energy projects. (NRS 271.020, 271.265)]~~

Section 1 of this bill requires the Director of the Office of Energy to adopt regulations establishing a list of renewable energy installations and energy efficiency improvements that are suitable for residential property. Section 16.5 of this bill

authorizes the governing body of a county, city or town to establish a district to finance loans to owners of residential property within the district to assist the owners in the construction and installation of renewable energy installations and energy efficiency improvements that are determined to be suitable by the Director.

Section 19 of this bill amends provisions related to tracking the use of energy in buildings owned by the State or occupied by a state agency. (NRS 331.095)

Section 20.5 of this bill appropriates \$25,000 to the Interim Finance Committee for allocation to the Office of Energy to hire a qualified, independent consultant to act as a liaison between the Office of Energy, the Public Utilities Commission of Nevada and providers of electric service in this State with regard to the implementation of the system of portfolio energy credits.

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

Section 1. Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Director shall adopt regulations establishing a list of the types of renewable energy installations and energy efficiency improvements which the Director determines are suitable for residential property for the purposes of section 16.5 of this act.

2. As used in this section:

(a) "Energy efficiency improvement" has the meaning ascribed to it in section 16.5 of this act.

(b) "Renewable energy installation" has the meaning ascribed to it in section 16.5 of this act.

~~Section 1.5.~~ Sec. 1.5. NRS 701.215 is hereby amended to read as follows:

701.215 1. 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.

2. In accordance with, and out of any money received pursuant to, the American Recovery and Reinvestment Act of 2009, Public Law 111-5, the Interim Finance Committee may determine an amount of money to be used by the Director to fulfill the requirements of subsection 1.

3. The Director:

(a) Shall use any amount of money provided pursuant to subsection 2 to fulfill the requirements of subsection 1;

(b) May fulfill the requirements of subsection 1 by contracting with one or more qualified independent consultants; and

(c) Shall biannually file reports with the Legislative Commission that:

(1) Indicate the general progress of energy reduction in state buildings; and

(2) Identify any state agency that fails to cooperate with the Director in the design or implementation of the plan prepared pursuant to subsection 1.

Sec. 2. NRS 701B.200 is hereby amended to read as follows:

701B.200 The Commission shall adopt regulations necessary to carry out the provisions of NRS 701B.010 to 701B.290, inclusive, including, without limitation, regulations that establish:

1. The type of incentives available to participants in the Solar Program and the level or amount of those incentives ~~to~~, except that the level or amount of an incentive available in a particular program year must be not be based upon

1 *whether the incentive is for unused capacity reallocated from a past program year*
2 *pursuant to paragraph (c) of subsection 2 of NRS 701B.260;*

3 2. The requirements for a utility's annual plan for carrying out and
4 administering the Solar Program. A utility's annual plan must include, without
5 limitation:

6 (a) A detailed plan for advertising the Solar Program;

7 (b) A detailed budget and schedule for carrying out and administering the Solar
8 Program;

9 (c) A detailed account of administrative processes and forms that will be used
10 to carry out and administer the Solar Program, including, without limitation, a
11 description of the application process and copies of all applications and any other
12 forms that are necessary to apply for and participate in the Solar Program;

13 (d) A detailed account of the procedures that will be used for inspection and
14 verification of a participant's solar energy system and compliance with the Solar
15 Program;

16 (e) A detailed account of training and educational activities that will be used to
17 carry out and administer the Solar Program; and

18 (f) Any other information required by the Commission.

19 **Sec. 3.** NRS 701B.260 is hereby amended to read as follows:

20 701B.260 1. Except as otherwise provided in this section, the Commission
21 may approve, for a program year, solar energy systems:

22 (a) Totaling 2,000 kilowatts of capacity for school property;

23 (b) Totaling 760 kilowatts of capacity for public and other property; and

24 (c) Totaling 1,000 kilowatts of capacity for private residential property and
25 small business property.

26 2. If the capacity allocated to any category for a program year is not fully
27 subscribed by participants in that category, the Commission may, in any
28 combination it deems appropriate:

29 (a) Allow a utility to submit additional applications to the Task Force from
30 applicants who want to participate in that category; ~~for~~

31 (b) Reallocate any of the unused capacity in that category to any of the other
32 categories ~~for~~; or

33 (c) *Reallocate any of the unused capacity in that category to future program*
34 *years within the same category.*

35 ~~{ } but in no case may the sum of the allocated total capacities of all the categories~~
36 ~~be greater than 3,760 kilowatts, which is the sum of the approvable total capacities~~
37 ~~of all the categories as described in subsection 1. }~~

38 3. To promote the installation of solar energy systems on as many school
39 properties as possible, the Commission may not approve for use in the Solar
40 Program a solar energy system having a generating capacity of more than 50
41 kilowatts if the solar energy system is or will be installed on school property on or
42 after July 1, 2007, unless the Commission determines that approval of a solar
43 energy system with a greater generating capacity is more practicable for a particular
44 school property.

45 4. After reviewing the master application submitted by a utility pursuant to
46 NRS 701B.250 and ensuring that each applicant meets the qualifications and
47 requirements to be eligible to participate in the Solar Program, the Task Force shall:

48 (a) Within the limits of the capacity allocated to each category, select
49 applicants to be participants in the Solar Program and place those applicants on a
50 list of participants; and

51 (b) Select applicants to be placed on a prioritized waiting list to become
52 participants in the Solar Program if any capacity within a category becomes
53 available.

5. Not later than 30 days after the date on which the Task Force selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the Task Force on behalf of the applicant shall provide written notice of the selection to the applicant.

6. After the Task Force selects an applicant to be on the list of participants, the utility which submitted the application to the Task Force on behalf of the applicant may approve the solar energy system proposed by the applicant. Except as otherwise provided in subsection 3 of NRS 701B.250, immediately upon the utility's approval of the solar energy system, the applicant may install and energize the solar energy system.

Sec. 4. ~~NRS 701B.290 is hereby amended to read as follows:~~
~~701B.290 1. After a participant installs a solar energy system included in the Solar Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821.~~

~~2. The Commission shall designate the portfolio energy credits issued pursuant to this section as portfolio energy credits generated, acquired or saved from solar renewable energy systems for the purposes of the portfolio standard.~~

~~3. All portfolio energy credits issued for a solar energy system installed pursuant to the Solar Program must be assigned [to and become the property of the utility administering the Program.] as follows:~~

~~(a) The credits must be divided between the participant and the utility based upon the relative contribution that each has made to the total cost of the system, including, without limitation, the cost of installation of the system;~~

~~(b) The utility's relative contribution must include the value of any rebates offered to the participant; and~~

~~(c) Relative contributions must not be calculated until the utility has recovered reasonable costs related to the administration of the plan, as determined by the Commission.] (Deleted by amendment.)~~

Sec. 5. NRS 701B.590 is hereby amended to read as follows:

701B.590 The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

1. The qualifications and requirements an applicant must meet to be eligible to participate in the Program in each particular category of:

- (a) School property;
- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

2. The type of incentives available to participants in the Program and the level or amount of those incentives ~~to~~, *except that the level or amount of an incentive available in a particular program year must be not be based upon whether the incentive is for unused capacity reallocated from a past program year pursuant to paragraph (c) of subsection 3 of NRS 701B.620.*

3. The requirements for a utility's annual plan for carrying out and administering the Program. A utility's annual plan must include, without limitation:

- (a) A detailed plan for advertising the Program;
- (b) A detailed budget and schedule for carrying out and administering the Program;
- (c) A detailed account of administrative processes and forms that will be used to carry out and administer the Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Program;

(d) A detailed account of the procedures that will be used for inspection and verification of a participant's wind energy system and compliance with the Program;

(e) A detailed account of training and educational activities that will be used to carry out and administer the Program; and

(f) Any other information required by the Commission.

Sec. 6. NRS 701B.620 is hereby amended to read as follows:

701B.620 1. Based on the applications submitted by each utility for a program year, the Task Force shall:

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Wind Demonstration Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Program if any capacity within a category becomes available.

2. Not later than 30 days after the date on which the Task Force selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the Task Force on behalf of the applicant shall provide written notice of the selection to the applicant.

3. If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the Task Force may, in any combination it deems appropriate:

(a) Allow a utility to submit additional applications from applicants who want to participate in that category; ~~for~~

(b) Reallocate any of the unused capacity in that category to any of the other categories ~~to~~; or

(c) Reallocate any of the unused capacity in that category to future program years within the same category.

4. At any time after submitting an application to participate in the Program to a utility, an applicant may energize his wind energy system if the wind energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who energizes his wind energy system under such circumstances remains eligible to participate in the Program, and the energizing of the wind energy system does not alter the applicant's status on the list of participants or the prioritized waiting list.

Sec. 7. ~~NRS 701B.640 is hereby amended to read as follows:~~

~~701B.640 1. After a participant installs a wind energy system included in the Wind Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the wind energy system.~~

~~2. All portfolio energy credits issued for a wind energy system installed pursuant to the Wind Demonstration Program must be assigned to and become the property of the utility administering the Program.] as follows:~~

~~(a) The credits must be divided between the participant and the utility based upon the relative contribution that each has made to the total cost of the system, including, without limitation, the cost of installation of the system;~~

~~(b) The utility's relative contribution must include the value of any rebates offered to the participant; and~~

~~(c) Relative contributions must not be calculated until the utility has recovered reasonable costs related to the administration of the plan, as determined by the Commission.](Deleted by amendment.)~~

Sec. 8. NRS 701B.840 is hereby amended to read as follows:

701B.840 The Commission shall adopt regulations that establish:

1. The level, amount and type of incentives available for participants in the Waterpower Demonstration Program ~~is~~, *except that the level or amount of an incentive available in a particular program year must be not be based upon whether the incentive is for unused capacity reallocated from a past program year pursuant to subsection 5 of NRS 701B.850.*

2. The requirements for an annual plan for the administration and delivery of the Waterpower Demonstration Program. The requirements for an annual plan must include, without limitation:

- (a) An advertising plan;
- (b) A detailed budget;
- (c) A schedule;
- (d) Administrative processes, including, without limitation, a copy of the application and process for accepting applications;
- (e) An inspection and verification process;
- (f) Proposed training and educational activities; and
- (g) Any other information required by the Commission.

Sec. 9. NRS 701B.850 is hereby amended to read as follows:

701B.850 1. On or before February 21, 2008, and on or before February 1 of each subsequent year, each utility shall file with the Commission for approval an annual plan for the administration and delivery of the Waterpower Demonstration Program for the program year beginning July 1, 2008, and each subsequent year thereafter.

2. On or before July 1, 2008, and on or before each July 1 of each subsequent year, the Commission shall review the annual plan for compliance with the requirements set forth by regulation of the Commission.

3. On or before November 1, 2008, and on or before November 1 of each subsequent year, each utility shall submit to the Task Force a recommendation of which applications received should be accepted into the program. The Task Force shall review the applications to ensure that the applicant meets the requirements adopted pursuant to subsection 4 of NRS 701B.820.

4. The Task Force may approve, from among the applications recommended by each utility, waterpower energy systems totaling:

- (a) For the program year beginning July 1, 2008, 200 kilowatts of capacity;
- (b) For the program year beginning July 1, 2009, an additional 100 kilowatts of capacity; and
- (c) For the program year beginning July 1, 2010, an additional 100 kilowatts of capacity.

5. If the capacity allocated for a program year is not fully subscribed by participants, the Task Force may reallocate any of the unused capacity to future program years.

Sec. 10. ~~NRS 701B.870 is hereby amended to read as follows:~~

~~701B.870 1. After a participant installs a waterpower energy system included in the Waterpower Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the waterpower energy system of the participant.~~

~~2. All portfolio energy credits issued for a waterpower energy system installed pursuant to the Waterpower Demonstration Program are assigned to and become the property of the utility administering the Program, as follows:~~

~~(a) The credits must be divided between the participant and the utility based upon the relative contribution that each has made to the total cost of the system, including, without limitation, the cost of installation of the system;~~

~~(b) The utility's relative contribution must include the value of any rebates offered to the participant; and~~

~~(c) Relative contributions must not be calculated until the utility has recovered reasonable costs related to the administration of the plan, as determined by the Commission. (Deleted by amendment.)~~

Sec. 11. NRS 702.275 is hereby amended to read as follows:

702.275 1. ~~At the beginning of~~ ~~ta~~ Before the end of each fiscal year, the Division of Welfare and Supportive Services shall submit a report to the Director of the Legislative Counsel Bureau for transmittal to the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means during a regular or special session of the Legislature, or the Interim Finance Committee when the Legislature is not in session, which specifies the amount of all money in the Fund which was allocated to the Division of Welfare and Supportive Services during all preceding fiscal years pursuant to NRS 702.260 and which remains unspent and unencumbered.

2. Based upon the report submitted pursuant to subsection 1 and any other information available, the Senate Standing Committee on Finance or the Assembly Standing Committee on Ways and Means during a regular or special session of the Legislature, or the Interim Finance Committee when the Legislature is not in session, may require the Division of Welfare and Supportive Services to distribute not more than 30 percent of all the money in the Fund which was allocated to the Division of Welfare and Supportive Services during ~~the~~ all preceding fiscal ~~year~~ years pursuant to NRS 702.260 and which remains unspent and unencumbered ~~must be distributed~~ to the Housing Division for ~~a program of improving energy conservation and energy efficiency in residential property.~~ the programs authorized by NRS 702.270. The Housing Division may use not more than 6 percent of the money distributed pursuant to this section for its administrative expenses.

~~2. Except as otherwise provided in NRS 702.150, after deduction for its administrative expenses, the Housing Division may use the money distributed pursuant to this section only to provide a qualified purchaser of residential property which has received a deficient evaluation on the energy consumption of the residential property pursuant to the program established in NRS 701.250 with a grant to pay for improvements designed to increase the energy conservation and energy efficiency of the residential property or to assist an eligible household in acquiring such improvements.~~

~~3. To be eligible to receive assistance from the Housing Division pursuant to this section:~~

~~(a) The purchaser of the residential property must have a household income that is not more than 80 percent of the median gross family income for the county in which the property is located, based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for that county; and~~

~~(b) The residential property must not meet the standards for energy consumption established pursuant to NRS 701.250.~~

~~4. The Housing Division shall adopt regulations to carry out and enforce the provisions of this section.~~

~~5. In carrying out the provisions of this section, the Housing Division shall:~~

~~(a) Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;~~

~~(b) Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;~~

~~(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;~~

~~(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;~~

~~(e) Establish a process for evaluating the program conducted pursuant to this section;~~

~~(f) Develop a process for making changes to the program; and~~

~~(g) Engage in annual planning and evaluation processes with the Division of Welfare and Supportive Services as required by NRS 702.280.]~~

Sec. 12. NRS 704.110 is hereby amended to read as follows:

704.110 Except as otherwise provided in NRS 704.075 and 704.68861 to 704.68887, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097:

1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an annual deferred energy accounting adjustment application, the Consumer's Advocate shall be deemed a party of record.

2. Except as otherwise provided in subsection 3, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall, not later than 210 days after the date on which the application is filed, issue a written order approving or disapproving, in whole or in part, the proposed changes.

3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. The following public utilities shall each file a general rate application pursuant to this subsection based on the following schedule:

1 (a) An electric utility that primarily serves less densely populated counties
2 shall file a general rate application not later than 5 p.m. on or before the first
3 Monday in December 2007, and at least once every 36 months thereafter.

4 (b) An electric utility that primarily serves densely populated counties shall file
5 a general rate application not later than 5 p.m. on or before the first Monday in
6 December 2008, and at least once every 36 months thereafter.

7 (c) A public utility that furnishes water for municipal, industrial or domestic
8 purposes or services for the disposal of sewage, or both, which had an annual gross
9 operating revenue of \$500,000 or more for at least 1 year during the immediately
10 preceding 3 years and which had not filed a general rate application with the
11 Commission on or after July 1, 2005, shall file a general rate application on or
12 before June 30, 2008, and at least once every 36 months thereafter unless waived by
13 the Commission pursuant to standards adopted by regulation of the Commission.

14 (d) A public utility that furnishes water for municipal, industrial or domestic
15 purposes or services for the disposal of sewage, or both, which had an annual gross
16 operating revenue of \$500,000 or more for at least 1 year during the immediately
17 preceding 3 years and which had filed a general rate application with the
18 Commission on or after July 1, 2005, shall file a general rate application on or
19 before June 30, 2009, and at least once every 36 months thereafter unless waived by
20 the Commission pursuant to standards adopted by regulation of the Commission.

21 ➤ The Commission shall adopt regulations setting forth standards for waivers
22 pursuant to paragraphs (c) and (d) and for including the costs incurred by the public
23 utility in preparing and presenting the general rate application before the effective
24 date of any change in rates.

25 4. In addition to submitting the statement required pursuant to subsection 3, a
26 public utility may submit with its general rate application a statement showing the
27 effects, on an annualized basis, of all expected changes in circumstances. If such a
28 statement is filed, it must include all increases and decreases in revenue and
29 expenses which may occur within 210 days after the date on which its general rate
30 application is filed with the Commission if such expected changes in circumstances
31 are reasonably known and are measurable with reasonable accuracy. If a public
32 utility submits such a statement, the public utility has the burden of proving that the
33 expected changes in circumstances set forth in the statement are reasonably known
34 and are measurable with reasonable accuracy. The Commission shall consider
35 expected changes in circumstances to be reasonably known and measurable with
36 reasonable accuracy if the expected changes in circumstances consist of specific
37 and identifiable events or programs rather than general trends, patterns or
38 developments, have an objectively high probability of occurring to the degree, in
39 the amount and at the time expected, are primarily measurable by recorded or
40 verifiable revenues and expenses and are easily and objectively calculated, with the
41 calculation of the expected changes relying only secondarily on estimates,
42 forecasts, projections or budgets. If the Commission determines that the public
43 utility has met its burden of proof:

44 (a) The Commission shall consider the statement submitted pursuant to this
45 subsection and evidence relevant to the statement, including all reasonable
46 projected or forecasted offsets in revenue and expenses that are directly attributable
47 to or associated with the expected changes in circumstances under consideration, in
48 addition to the statement required pursuant to subsection 3 as evidence in
49 establishing just and reasonable rates for the public utility; and

50 (b) The public utility is not required to file with the Commission the
51 certification that would otherwise be required pursuant to subsection 3.

52 5. If a public utility files with the Commission an application to make changes
53 in any schedule and the Commission does not issue a final written order regarding

the proposed changes within the time required by this section, the proposed changes shall be deemed to be approved by the Commission.

6. If a public utility files with the Commission a general rate application, the public utility shall not file with the Commission another general rate application until all pending general rate applications filed by that public utility have been decided by the Commission unless, after application and hearing, the Commission determines that a substantial financial emergency would exist if the public utility is not permitted to file another general rate application sooner. The provisions of this subsection do not prohibit the public utility from filing with the Commission, while a general rate application is pending, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale pursuant to subsection 7, a quarterly rate adjustment pursuant to subsection 8 or 9, any information relating to deferred accounting requirements pursuant to NRS 704.185 or an annual deferred energy accounting adjustment application pursuant to NRS 704.187, if the public utility is otherwise authorized to so file by those provisions.

7. A public utility may file an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale once every 30 days. The provisions of this subsection do not apply to:

(a) An electric utility which is required to adjust its rates on a quarterly basis pursuant to subsection 9; or

(b) A public utility which purchases natural gas for resale and which adjusts its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8.

8. A public utility which purchases natural gas for resale must request approval from the Commission to adjust its rates on a quarterly basis between annual rate adjustment applications based on changes in the public utility's recorded costs of natural gas purchased for resale. If the Commission approves such a request:

(a) The public utility shall file written notice with the Commission before the public utility makes a quarterly rate adjustment between annual rate adjustment applications. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(b) The public utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The public utility shall begin providing such written notice to its customers not later than 30 days after the date on which the public utility files its written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the public utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and

(IV) Any other information required by the Commission.

(c) The public utility shall file an annual rate adjustment application with the Commission. The annual rate adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(d) The proceeding regarding the annual rate adjustment application must include a review of each quarterly rate adjustment and a review of the transactions and recorded costs of natural gas included in each quarterly rate adjustment and the annual rate adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application, and the public utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the public utility to recover any recorded costs of natural gas which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the public utility, and the Commission shall order the public utility to adjust its rates if the Commission determines that any recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application were not reasonable or prudent.

9. An electric utility shall adjust its rates on a quarterly basis based on changes in the public utility's recorded costs of purchased fuel or purchased power in the following manner:

(a) An electric utility shall file written notice with the Commission on or before August 15, 2007, and every quarter thereafter of the quarterly rate adjustment to be made by the electric utility for the following quarter. The first quarterly rate adjustment by the electric utility will take effect on October 1, 2007, and each subsequent quarterly rate adjustment will take effect every quarter thereafter. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(b) Each electric utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The electric utility shall begin providing such written notice to its customers not later than 30 days after the date on which the electric utility files a written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the electric utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and

(IV) Any other information required by the Commission.

(c) An electric utility shall file an annual deferred energy accounting adjustment application pursuant to NRS 704.187 with the Commission. The annual deferred energy accounting adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(d) The proceeding regarding the annual deferred energy accounting adjustment application must include a review of each quarterly rate adjustment and a review of the transactions and recorded costs of purchased fuel and purchased power included in each quarterly rate adjustment and the annual deferred energy accounting adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs

of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application, and the electric utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the electric utility to recover any recorded costs of purchased fuel and purchased power which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the electric utility, and the Commission shall order the electric utility to adjust its rates if the Commission determines that any recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application were not reasonable or prudent.

10. If an electric utility files an annual deferred energy accounting adjustment application pursuant to subsection 9 and NRS 704.187 while a general rate application is pending, the electric utility shall:

(a) Submit with its annual deferred energy accounting adjustment application information relating to the cost of service and rate design; and

(b) Supplement its general rate application with the same information, if such information was not submitted with the general rate application.

11. A utility facility identified in a 3-year plan submitted pursuant to NRS 704.741 and accepted by the Commission for acquisition or construction pursuant to NRS 704.751 and the regulations adopted pursuant thereto shall be deemed to be a prudent investment. The utility may recover all just and reasonable costs of planning and constructing such a facility.

12. *In regard to any rate or schedule approved or disapproved pursuant to this section, the Commission may ~~not~~, after a hearing:*

(a) ~~Approve~~ Upon the request of the utility, approve a new rate but delay the ~~collection~~ implementation of that new rate:

(1) Until a date determined by the Commission; and

(2) Under ~~any~~ conditions as determined by the Commission, including, without limitation, a requirement that interest charges be included in the collection of the new rate; and

(b) ~~Establish a separate rate for eligible households that qualify for assistance pursuant to NRS 702.260, but such a separate rate must take into account any assistance received pursuant to NRS 702.260.~~ Authorize a utility to implement a reduced rate for low-income residential customers.

13. As used in this section:

(a) "Electric utility" has the meaning ascribed to it in NRS 704.187.

(b) "Electric utility that primarily serves densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.

(c) "Electric utility that primarily serves less densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.

Sec. 13. ~~{NRS 704.773 is hereby amended to read as follows:~~

~~704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer generators operating within its service area until the cumulative capacity of all such net metering systems is equal to [1] 2 percent of the utility's peak capacity.~~

~~2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than 100 kilowatts, the utility:~~

~~(a) Shall offer to make available to the customer-generator an energy meter that is capable of registering the flow of electricity in two directions;~~

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

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

~~3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than 100 kilowatts, the utility:~~

~~(a) May require the customer-generator to install at its own cost:~~

~~(1) An energy meter that is capable of measuring generation output and customer load; and~~

~~(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility;~~

~~(b) Except as otherwise provided in paragraph (c), may charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer demand and facility charges;~~

~~(c) Shall not charge the customer-generator any standby charge;~~

~~4. At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.~~

~~4. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:~~

~~(a) The particular provisions, limitations and responsibilities of a customer-generator which must be included in a net metering tariff with regard to:~~

~~(1) Metering equipment;~~

~~(2) Net energy metering and billing; and~~

~~(3) Interconnection;~~

~~based on the allowable size of the net metering system;~~

~~(b) The particular provisions, limitations and responsibilities of a customer-generator and the utility which must be included in a standard net metering contract;~~

~~(c) A timeline for processing applications and contracts for net metering applicants;~~

~~(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.775, inclusive.] (Deleted by amendment.)~~

~~Sec. 14. [Chapter 271 of NRS is hereby amended by adding thereto the provisions set forth as sections 15 and 16 of this act.] (Deleted by amendment.)~~

~~Sec. 15. ["Renewable energy" has the meaning ascribed to it in NRS 704.781.] (Deleted by amendment.)~~

~~Sec. 16. ["Renewable energy project" means real property, facilities and equipment used to generate electricity from renewable energy and all appurtenances and incidentals necessary, useful or desirable for any such real property, facilities and equipment.] (Deleted by amendment.)~~

~~Sec. 16.5. Chapter 271 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The governing body of a county, city or town may establish a district to finance the construction and installation of renewable energy installations and~~

energy efficiency improvements which the Director of the Office of Energy has determined are suitable for residential property pursuant to section 1 of this act.

2. If a governing body of a county, city or town establishes a district pursuant to subsection 1, the governing body shall:

(a) Establish a program to provide loans to owners of residential property in the district to assist the owners in constructing or installing renewable energy installations and energy efficiency improvements on the residential property.

(b) Issue special assessment bonds as provided in this chapter to finance the loans provided pursuant to the program.

(c) Establish criteria for determining the eligibility of an applicant and the residential property of the applicant for a loan provided pursuant to the program.

(d) Establish the maximum amount of a loan made pursuant to the program.

3. For each loan made pursuant to a program established pursuant to paragraph (a) of subsection 1:

(a) The period of the loan must not be less than 20 years.

(b) The rate of interest of the loan must be reasonable.

(c) The governing body must allow each owner of residential property to choose to repay the loan through an assessment levied by the governing body on the residential property of the owner.

(d) To ensure repayment of the loan, the governing body may record a lien for the amount of the loan against the residential property of an owner.

4. As used in this section:

(a) "Energy efficiency improvement" means a modification of residential property that is designed to reduce the energy consumption of the residential property.

(b) "Renewable energy" has the meaning ascribed to it in NRS 704.7811.

(c) "Renewable energy installation" means an installation that uses renewable energy to generate electricity.

Sec. 17. [NRS 271.030 is hereby amended to read as follows:]

~~271.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 271.035 to 271.250, inclusive, and sections 15 and 16 of this act have the meanings ascribed to them in those sections.~~ (Deleted by amendment.)

Sec. 18. [NRS 271.265 is hereby amended to read as follows:]

~~271.265 1. The governing body of a county, city or town, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:~~

~~(a) A commercial area vitalization project;~~

~~(b) A curb and gutter project;~~

~~(c) A drainage project;~~

~~(d) An off-street parking project;~~

~~(e) An overpass project;~~

~~(f) A park project;~~

~~(g) A renewable energy project;~~

~~(h) A sanitary sewer project;~~

~~[(h)] (i) A security wall;~~

~~[(i)] (j) A sidewalk project;~~

~~[(j)] (k) A storm sewer project;~~

~~[(k)] (l) A street project;~~

~~[(l)] (m) A street beautification project;~~

~~[(m)] (n) A transportation project;~~

~~[(n)] (o) An underpass project;~~

~~[(o)] (p) A water project; and~~

~~[(p)] (q) Any combination of such projects.~~

~~2. In addition to the power specified in subsection 1, the governing body of a city having a commission form of government as defined in NRS 267.010, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:~~

~~(a) An electrical project;~~

~~(b) A telephone project;~~

~~(c) A combination of an electrical project and a telephone project;~~

~~(d) A combination of an electrical project or a telephone project with any of the projects, or any combination thereof, specified in subsection 1; and~~

~~(e) A combination of an electrical project and a telephone project with any of the projects, or any combination thereof, specified in subsection 1.~~

~~3. In addition to the power specified in subsections 1 and 2, the governing body of a municipality, on behalf of the municipality and in its name, without an election, may finance an underground conversion project with the approval of each service provider that owns the overhead service facilities to be converted.~~

~~4. In addition to the power specified in subsections 1, 2 and 3, if the governing body of a municipality in a county whose population is less than 400,000 complies with the provisions of NRS 271.650, the governing body of the municipality, on behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:~~

~~(a) An art project; and~~

~~(b) A tourism and entertainment project. **(Deleted by amendment.)**~~

Sec. 19. NRS 331.095 is hereby amended to read as follows:

331.095 1. The Chief shall establish a program to track the use of energy in buildings owned by the State and ~~[may establish such a program, where appropriate, for]~~ **in** other buildings **which are** occupied by a state agency ~~[]~~ **and whose owners comply with the program pursuant to subsection 6.**

2. The program established pursuant to this section must:

(a) Record utility bills for each building for each month and preserve those records indefinitely;

(b) Allow for the comparison of utility bills for a building from month to month and year to year;

(c) Allow for the comparison of utility bills between buildings, including comparisons between similar buildings or types of buildings;

(d) Allow for adjustments to the information based upon variations in weather conditions, the length of the billing period and other changes in relevant conditions;

(e) Facilitate identification of errors in utility bills and meter readings;

(f) Allow for the projection of costs for energy for a building; and

(g) Identify energy and cost savings associated with efforts to conserve energy.

3. The Chief may apply for any available grants and accept any gifts, grants or donations to assist in establishing and carrying out the program.

4. **In accordance with, and out of any money received pursuant to, the American Recovery and Reinvestment Act of 2009, Public Law 111-5, the Interim Finance Committee may determine an amount of money to be used by the Chief to fulfill the requirements of subsection 1.**

5. To the extent that there is not sufficient money available for the support of the program, each state agency that occupies a building in which the use of energy is tracked pursuant to the program shall reimburse the Buildings and Grounds Division for the agency's proportionate share of the unfunded portion of the cost of

the program. The reimbursement must be based upon the energy consumption of the respective state agencies that occupy buildings in which the use of energy is tracked.

6. *Notwithstanding any other provision of law, an owner of a building who enters into a contract with a state agency for occupancy in his building;*

(a) *If the contract is entered into before the effective date of this act, may comply with the program; and*

(b) *If the contract is entered into on or after the effective date of this act, shall, to the extent practicable as determined by the Chief, comply with the program.*

If an owner chooses not to comply with the program pursuant to paragraph (a), a state or local agency shall not, after the effective date of this act, enter into a contract for occupancy of a building owned by the owner ~~it~~, except that the Chief may authorize a state or local agency to enter into a contract for the occupancy of a building owned by an owner who does not comply with the program if the Chief determines that it is impracticable for the owner to comply with the program.

Sec. 20. Any kilowatts of capacity that have been unused from the inception of the Solar Energy Systems Incentive Program, Wind Energy Systems Demonstration Program and Waterpower Energy Systems Demonstration Program pursuant to NRS 701B.260, 701B.620 and 701B.850 until the effective date of this act may be allocated pursuant to the amendatory provisions of sections 3, 6 and 9 of this act.

Sec. 20.5. 1. There is hereby appropriated from the State General Fund the sum of \$25,000 to the Interim Finance Committee for allocation during the Fiscal Years 2009-2010 and 2010-2011 to the Office of Energy, which money may be used only to hire a qualified, independent consultant who must be an expert in economics, finance or engineering. The independent consultant shall act as a liaison between the Office of Energy, the Public Utilities Commission of Nevada and providers of electric service in this State to coordinate the efforts of those entities to implement the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821. Money appropriated pursuant to this section may only be allocated by the Interim Finance Committee upon demonstrated need by the Office of Energy and approval by the State Board of Examiners.

2. Any remaining balance of the appropriation made by subsection 1 must not be allocated by the Interim Finance Committee after June 30, 2011, and must be reverted to the State General Fund on or before September 16, 2011. Any remaining balance of the money allocated to the Office of Energy pursuant to subsection 1 must not be committed for expenditure after June 30, 2011, must not be spent for any purpose after September 16, 2011, and must be reverted to the State General Fund on or before September 16, 2011.

Sec. 21. This act becomes effective upon passage and approval.