

Amendment No. 851

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

Proposed by: Senator Cegavske

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

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: 5/19/2009

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; creating the Renewable Energy and Energy Efficiency Authority; establishing the position of the Nevada Energy Commissioner; revising provisions related to energy and state and residential property; revising provisions related to public utility rates; revising provisions related to capacity and incentives in certain renewable energy programs; requiring the Public Utilities Commission of Nevada to adopt regulations authorizing electric utilities to recover certain costs; authorizing local governing bodies to establish improvement districts for the construction and installation of certain renewable energy projects and energy efficiency projects; abolishing the Task Force for Renewable Energy and Energy Conservation; transferring authority for the administration of the Trust Fund for Renewable Energy and Energy Conservation from the Task Force to the Authority; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1.19 of this bill creates the Renewable Energy and Energy Efficiency Authority. **Sections 1.73 and 1.75** of this bill set forth certain duties of the Authority. **Section 1.73** transfers the authority for administration of the Trust Fund for Renewable Energy and Energy Conservation from the Task Force for Renewable Energy and Energy Conservation to the Authority.

Section 1.21 of this bill creates the position of the Nevada Energy Commissioner. The Commissioner is the head of the Authority. **Sections 1.21-1.25, 1.55-1.59, 1.63, 1.67-1.71, 1.77 and 1.79** of this bill set forth the powers and duties of the Commissioner and transfer certain duties from the Director of the Office of Energy to the Commissioner.

Section 1.27 of this bill creates the State and Local Government Panel on Renewable and Efficient Energy, which will advise the Commissioner and the Authority on issues relating to the viability and progress of energy efficiency and renewable energy retrofit projects at public buildings and schools. **Section 1.35** of this bill creates the New Energy Industry Task Force, which will advise the Commissioner and the Authority on measures to promote the development of renewable energy and energy efficiency projects in this State.

Sections 1.47-1.53 and 1.61 of this bill revise the powers and duties of the Director of the Office of Energy.

Section 11.7 of this bill reduces the amount of the mill tax which is available for the use of the Public Utilities Commission of Nevada and authorizes the levying and assessment of a portion of the mill tax against electric utilities for the use of the Authority and the Office of Energy, in amounts determined by the Legislature, or the Interim Finance Committee if the Legislature is not in session. **Section 20.7** of this bill requires the Commissioner and the Director of the Office of Energy to apply for and accept any money available pursuant to the American Recovery and Reinvestment Act of 2009.

Sections 1.83-9 and 20 of this bill revise provisions related to the administration of and the 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)

Section 3 of this bill provides that for each program year for the period beginning July 1, 2010, and ending on June 30, 2021, the total capacity of the Solar Energy Systems Incentive Program increases by 9 percent per program year, which additional amount of capacity must be approved for distributed generation systems. **Section 2** of this bill requires the Commission to adopt regulations authorizing a utility to recover the reasonable costs incurred in carrying out and administering the installation of such distributed generation systems. **Section 20.1** of this bill requires the Commission to make certain reports to the Legislature concerning the Solar Program.

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 11.1 of this bill authorizes the Commission, within the limits of Legislative authorization, to fix the salaries of certain professional, technical and operational personnel.

Section 11.25 of this bill requires the Commission to adopt regulations requiring electric utilities to provide certain information to retail customers concerning the safe disposal and recycling of electronic waste, electrical systems and other waste, including, without limitation, compact fluorescent light bulbs.

Section 11.3 of this bill requires the Commission to adopt regulations authorizing an electric utility to recover a portion of its lost revenues that is attributable to decreases in customer consumption and loads that are associated with the implementation by the electric utility of energy efficiency and conservation programs approved by the Commission.

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

Sections 18.1-18.9 of this bill authorize the governing body of a county, city or town to establish an improvement district for the construction and installation of a renewable energy project or an energy efficiency project.

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)

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

Section 1. (Deleted by amendment.)

Sec. 1.11. Chapter 701 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.13 to 1.41, inclusive, of this act.

Sec. 1.13. *“Authority” means the Renewable Energy and Energy Efficiency Authority created by section 1.19 of this act.*

Sec. 1.15. *“Commissioner” means the Nevada Energy Commissioner appointed pursuant to section 1.21 of this act.*

Sec. 1.17. *“Panel” means the State and Local Government Panel on Renewable and Efficient Energy created by section 1.27 of this act.*

Sec. 1.19. *1. The Renewable Energy and Energy Efficiency Authority is hereby created. The Commissioner is the head of the Authority.*

2. *The Authority may request assistance from the Public Utilities Commission of Nevada regarding the use of any resources of the Commission in general.*

Sec. 1.21. *1. The Governor shall appoint the Nevada Energy Commissioner as the head of the Authority, subject to confirmation by the Legislature, or the Legislative Commission if the Legislature is not in session.*

2. The Commissioner:

(a) Is in the unclassified service of the State;

(b) Serves at the pleasure of the Governor; and

(c) Must have experience and demonstrated expertise in one or more of the following fields:

(1) Financing of energy projects;

(2) Energy generation projects;

(3) Energy transmission projects;

(4) Professional engineering related to energy efficiency; or

(5) Renewable energy.

3. The Commissioner may, within the limits of legislative appropriations or authorizations:

(a) Employ and fix the salaries of or contract for the services of such professional, technical and operational personnel and consultants as the execution of his duties and the operation of the Authority may require;

(b) Employ, or retain on a contract basis, legal counsel who shall:

(1) Be counsel and attorney for the Commissioner and the Authority in all actions, proceedings and hearings; and

(2) Generally aid the Authority in the performance of its duties; and

(c) Employ such additional personnel as may be required to carry out the duties of the Authority, who must be in the classified service of the State.

4. A person employed by the Commissioner pursuant to this section must be qualified by training and experience to perform the duties of his employment.

5. The Commissioner and the persons employed by the Commissioner shall not have any conflict of interest relating to the performance of their duties.

Sec. 1.23. *The Commissioner shall:*

1. Utilize all available public and private means to:

(a) Provide information to the public about issues relating to energy and to explain how conservation of energy and its sources may be accomplished; and

(b) Work with educational and research institutions, trade associations and any other public and private entities in this State to create a database for information on technological development, financing opportunities and federal and state policy developments regarding renewable energy and energy efficiency.

2. Encourage the development of any sources of renewable energy and any energy projects which will benefit the State and any measures which conserve or reduce the demand for energy or which result in more efficient use of energy, including, without limitation, by:

(a) Identifying appropriate areas in this State for the development of sources of renewable energy, based on:

(1) Assessments of solar, wind and geothermal potential;

(2) Evaluations of natural resource constraints;

(3) Current electric transmission infrastructure and capacity; and

(4) The feasibility of the construction of new electric transmission lines;

(b) Working with renewable energy developers to locate their projects within appropriate areas of this State, including, without limitation, assisting the developers to interact with the Bureau of Land Management, the Department of Defense and other federal agencies in:

1 (1) *Expediting land leases;*
2 (2) *Resolving site issues; and*
3 (3) *Receiving permits for projects on public lands within the appropriate*
4 *areas of this State;*

5 (c) *Coordinating the planning of renewable energy projects in appropriate*
6 *areas of this State to establish a mix of solar, wind and geothermal renewable*
7 *energy systems that create a reliable source of energy and maximize the use of*
8 *current or future transmission lines and infrastructure; and*

9 (d) *Developing proposals for the financing of future electric transmission*
10 *projects for renewable energy if no such financing proposals exist.*

11 3. *Review jointly with the Nevada System of Higher Education the policies*
12 *of this State relating to the research and development of the geothermal energy*
13 *resources in this State and make recommendations to the appropriate state and*
14 *federal agencies concerning methods for the development of those resources.*

15 4. *If the Commissioner determines that it is feasible and cost-effective, enter*
16 *into contracts with researchers from the Nevada System of Higher Education:*

17 (a) *To conduct environmental studies relating to the identification of*
18 *appropriate areas in this State for the development of renewable energy*
19 *resources, including, without limitation, hydrologic studies, solar resource*
20 *mapping studies and wind power modeling studies; and*

21 (b) *For the development of technologies that will facilitate the energy*
22 *efficiency of the electricity grid for this State, including, without limitation,*
23 *meters that facilitate energy efficiency for consumers of electricity.*

24 5. *Cooperate with the Director:*

25 (a) *To promote energy projects that enhance the economic development of*
26 *the State;*

27 (b) *To promote the use of renewable energy in this State;*

28 (c) *To promote the use of measures which conserve or reduce the demand for*
29 *energy or which result in more efficient use of energy;*

30 (d) *To develop a comprehensive program for retrofitting public buildings in*
31 *this State with energy efficiency measures; and*

32 (e) *If the Commissioner determines that it is feasible and cost-effective, to*
33 *enter into contracts with researchers from the Nevada System of Higher*
34 *Education for the design of energy efficiency and retrofit projects to carry out the*
35 *comprehensive program for retrofitting public buildings in this State developed*
36 *pursuant to paragraph (d).*

37 6. *Coordinate the activities and programs of the Authority with the activities*
38 *and programs of the Office of Energy, the Consumer's Advocate and the Public*
39 *Utilities Commission of Nevada, and with other federal, state and local officers*
40 *and agencies that promote, fund, administer or operate activities and programs*
41 *related to the use of renewable energy and the use of measures which conserve or*
42 *reduce the demand for energy or which result in more efficient use of energy.*

43 7. *Carry out all other directives concerning energy that are prescribed by*
44 *the Legislature.*

45 **Sec. 1.25.** *The Commissioner may:*

46 1. *Administer any gifts or grants which the Authority is authorized to*
47 *accept.*

48 2. *To the extent not inconsistent with the terms or conditions of a gift,*
49 *grant, appropriation or authorization, expend money received from those gifts or*
50 *grants or from any money received through legislative appropriations or*
51 *authorizations to contract with qualified persons or institutions for research in*
52 *the production and efficient use of energy resources.*

3. Enter into any cooperative agreement with any federal or state agency or political subdivision.

4. Participate in any program established by the Federal Government relating to sources of energy and adopt regulations to carry out such a program.

5. Assist developers of renewable energy systems in preparing and making requests to obtain money for development through the issuance of industrial development revenue bonds pursuant to NRS 349.400 to 349.670, inclusive.

6. Adopt any regulations that the Commissioner determines are necessary to carry out the duties of the Commissioner or the Authority.

7. Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, negotiate and execute agreements with public or private entities which are necessary to the exercise of the powers and duties of the Commissioner or the Authority.

Sec. 1.27. 1. The State and Local Government Panel on Renewable and Efficient Energy is hereby created.

2. The Panel consists of the Commissioner and the following seven members appointed by the Commissioner:

(a) A representative of the State Public Works Board;

(b) A representative of the Housing Division of the Department of Business and Industry;

(c) A representative of the Buildings and Grounds Division of the Department of Administration;

(d) A representative of the Department of Wildlife;

(e) A representative of the Nevada Association of Counties or its successor organization;

(f) A representative of the Nevada League of Cities or its successor organization; and

(g) A representative of the Nevada Association of School Boards or its successor organization.

Sec. 1.29. 1. The Commissioner is the Chairman of the Panel.

2. The members of the Panel shall meet at the call of the Commissioner. The Panel shall prescribe regulations for its management and government.

3. A majority of the members of the Panel constitutes a quorum, and a quorum may exercise all the powers conferred on the Panel.

4. The members of the Panel serve at the pleasure of the Commissioner.

5. The members of the Panel serve without compensation.

6. The members of the Panel who are state employees:

(a) Must be relieved from their duties without loss of their regular compensation to perform their duties relating to the Panel in the most timely manner practicable; and

(b) May not be required to make up the time they are absent from work to fulfill their obligations as members of the Panel or to take annual leave or compensatory time for the absence.

Sec. 1.31. The Panel:

1. Shall advise the Commissioner and the Authority on the viability and progress of energy efficiency and renewable energy retrofit projects at public buildings and schools; and

2. May apply for any available grants and accept any gifts, grants or donations to assist the Panel in carrying out its duties pursuant to this section.

Sec. 1.33. The Authority shall provide the personnel, facilities, equipment and supplies required by the Panel to carry out the provisions of sections 1.27 to 1.33, inclusive, of this act.

Sec. 1.35. 1. The New Energy Industry Task Force is hereby created.

2. *The Task Force consists of the Commissioner and the following eight members appointed by the Commissioner:*

- (a) *A representative of the large-scale solar energy industry in this State;*
- (b) *A representative of the geothermal energy industry in this State;*
- (c) *A representative of the wind energy industry in this State;*
- (d) *A representative of the distributed generation industry, energy efficiency equipment and installation industry or manufacturers of equipment for renewable energy power plants in this State;*
- (e) *A representative of an electric utility in this State;*
- (f) *A representative of an organization in this State that advocates on behalf of environmental or public lands issues who has expertise in or knowledge of environmental or public lands issues;*
- (g) *A representative of a labor organization in this State; and*
- (h) *A representative of an organization that represents contractors in this State.*

Sec. 1.37. 1. *The Commissioner is the Chairman of the Task Force.*

2. *The members of the Task Force shall meet at the call of the Commissioner. The Task Force shall prescribe regulations for its management and government.*

3. *A majority of the members of the Task Force constitutes a quorum, and a quorum may exercise all the powers conferred on the Task Force.*

4. *The members of the Task Force serve at the pleasure of the Commissioner.*

5. *The members of the Task Force serve without compensation.*

Sec. 1.39. *The Task Force:*

1. *Shall advise the Commissioner and the Authority on measures to promote the development of renewable energy and energy efficiency projects in this State; and*

2. *May apply for any available grants and accept any gifts, grants or donations to assist the Task Force in carrying out its duties pursuant to this section.*

Sec. 1.41. *The Authority shall provide the personnel, facilities, equipment and supplies required by the Task Force to carry out the provisions of sections 1.35 to 1.41, inclusive, of this act.*

Sec. 1.43. NRS 701.020 is hereby amended to read as follows:

701.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 701.030 to 701.090, inclusive, *and sections 1.13, 1.15 and 1.17 of this act* have the meanings ascribed to them in those sections.

Sec. 1.45. NRS 701.090 is hereby amended to read as follows:

701.090 "Task Force" means the *New Energy Industry* Task Force ~~for Renewable Energy and Energy Conservation~~ created by ~~[NRS 701.350.] section 1.35 of this act.~~

Sec. 1.47. NRS 701.160 is hereby amended to read as follows:

701.160 The Director shall prepare a report concerning the status of energy in the State of Nevada and submit it to:

1. The Governor *and the Commissioner* on or before ~~January 30~~ *July 1* of each year; and

2. The *Director of the Legislative Counsel Bureau for transmittal to the next regular session of the* Legislature on or before ~~January 30~~ *July 1* of each ~~odd-numbered~~ *even-numbered* year.

Sec. 1.49. NRS 701.170 is hereby amended to read as follows:

701.170 The Director may:

1. Administer any gifts or grants which the Office of Energy is authorized to accept for the purposes of this chapter.

2. ~~{Expend}~~ *To the extent not inconsistent with the terms or conditions of a gift, grant or appropriation, expend* money received from those gifts or grants or from legislative appropriations to contract with qualified persons or institutions for research in the production and efficient use of energy resources.

3. Enter into any cooperative agreement with any federal or state agency or political subdivision.

4. ~~{Participate in any program established by the Federal Government relating to sources of energy and adopt regulations appropriate to that program.~~

~~5. Assist developers of renewable energy generation projects in preparing and making requests to obtain money for development through the issuance of industrial development revenue bonds pursuant to NRS 349.400 to 349.670, inclusive.~~

~~6.}~~ Adopt any regulations that the Director determines are necessary to carry out the duties of the Office of Energy pursuant to this chapter.

~~{7.}~~ 5. Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, promote, participate in the operation of, and create or cause to be created, any nonprofit corporation, pursuant to chapter 82 of NRS, which he determines is necessary or convenient for the exercise of the powers and duties of the Office of Energy. The purposes, powers and operation of the corporation must be consistent with the purposes, powers and duties of the Office of Energy.

~~{8.}~~ 6. Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, negotiate and execute agreements with public or private entities which are necessary to the exercise of the powers and duties of the Director or the Office of Energy.

Sec. 1.51. NRS 701.180 is hereby amended to read as follows:

701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources ~~{,}~~ *including, without limitation:*

(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240 and the Wind Energy Systems Demonstration Program created pursuant to 701B.580, including, without limitation, information relating to:

(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;

(2) The use of carbon-based energy in residential and commercial applications due to participation in the Programs; and

(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the Programs; and

(b) Information relating to any money distributed pursuant to NRS 702.270.

2. ~~{Utilize all available public and private means to provide information to the public about problems relating to energy and to explain how conservation of energy and its sources may be accomplished.~~

~~3.}~~ Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

~~[4.]~~ 3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

~~[5.—Encourage the development of:~~

~~—(a) Any sources of renewable energy and any other energy projects which will benefit the State; and~~

~~—(b) Any measures which conserve or reduce the demand for energy or which result in more efficient use of energy.~~

~~—6. In conjunction with the Desert Research Institute, review policies relating to the research and development of the State's geothermal resources and make recommendations to the appropriate state and federal agencies for establishing methods of developing the geothermal resources within the State.~~

~~—7.]~~ 4. Solicit and serve as the point of contact for grants and other money from the Federal Government, *including, without limitation, any grants and other money available pursuant to any program administered by the United States Department of Energy*, and other sources to ~~[promote:]~~ *cooperate with the Commissioner and the Authority:*

(a) ~~[Energy:]~~ *To promote energy* projects that enhance the economic development of the State;

(b) ~~[The]~~ *To promote the* use of renewable energy ~~[and] in this State;~~

(c) ~~[The]~~ *To promote the* use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy ~~[-~~

~~—8.] ;~~

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Commissioner determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive program for retrofitting public buildings in this State developed pursuant to paragraph (d).

5. Coordinate the activities and programs of the Office of Energy with the activities and programs of the ~~[Task Force:]~~ *Authority*, the Consumer's Advocate and the Public Utilities Commission of Nevada, and *with* other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

~~[9.]~~ 6. Carry out all other directives concerning energy that are prescribed by the Governor.

Sec. 1.53. NRS 701.180 is hereby amended to read as follows:

701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources, including, without limitation:

(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240 ~~[and the Wind Energy Systems Demonstration Program created pursuant to 701B.580.]~~ including, without limitation, information relating to:

(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;

(2) The use of carbon-based energy in residential and commercial applications due to participation in the ~~[Programs:]~~ *Program;* and

(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the ~~[Programs;]~~ **Program;** and

(b) Information relating to any money distributed pursuant to NRS 702.270.

2. Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

4. Solicit and serve as the point of contact for grants and other money from the Federal Government, including, without limitation, any grants and other money available pursuant to any program administered by the United States Department of Energy, and other sources to cooperate with the Commissioner and the Authority:

(a) To promote energy projects that enhance the economic development of the State;

(b) To promote the use of renewable energy in this State;

(c) To promote the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Commissioner determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive program for retrofitting public buildings in this State developed pursuant to paragraph (d).

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

6. Carry out all other directives concerning energy that are prescribed by the Governor.

Sec. 1.55. NRS 701.190 is hereby amended to read as follows:

701.190 1. The ~~[Director]~~ **Commissioner** shall prepare a comprehensive state energy plan which provides for the promotion of:

(a) Energy projects that enhance the economic development of the State;

(b) The use of renewable energy; ~~and~~

(c) The use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy. ~~It~~; and

(d) A program for the safe disposal and recycling of electronic waste, electrical equipment and other waste, including, without limitation, a program for the safe disposal and recycling of compact fluorescent light bulbs.

2. The comprehensive state energy plan must include provisions for:

(a) The assessment of the potential benefits of proposed energy projects on the economic development of the State.

(b) The education of persons and entities concerning renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(c) The creation of incentives for investment in and the use of renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(d) Grants and other money to establish programs and conduct activities which promote:

(1) Energy projects that enhance the economic development of the State;

(2) The use of renewable energy; ~~and~~

(3) The use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy. ~~and~~; and

(4) The recycling of electronic waste, electrical equipment and other waste, including, without limitation, a program for the safe disposal and recycling of compact fluorescent light bulbs.

(e) The development or incorporation by reference of model and uniform building and energy codes and standards which are written in language that is easy to understand and which include performance standards for conservation of energy and efficient use of energy.

(f) *The promotion of the development in this State of a curriculum for a program of renewable energy education and recycling education in kindergarten through grade 12.*

(g) *The promotion of the development by institutions of higher education in this State of research and educational programs relating to renewable energy.*

(h) Oversight and accountability with respect to all programs and activities described in this subsection.

~~(g)~~ (i) Any other matter that the ~~{Task Force}~~ *Commissioner* determines to be relevant to the issues of energy resources, energy use, energy conservation and energy efficiency.

Sec. 1.57. NRS 701.200 is hereby amended to read as follows:

701.200 1. The ~~{Director}~~ *Commissioner* may recommend to state agencies, local governments and appropriate private persons and entities, standards for conservation of energy and its sources and for carrying out the comprehensive state energy plan.

2. In recommending such standards, the ~~{Director}~~ *Commissioner* shall consider the usage of energy and its sources in the State and the methods available for conservation of those sources.

Sec. 1.59. NRS 701.210 is hereby amended to read as follows:

701.210 The ~~{Director}~~ *Commissioner* shall:

1. Prepare, subject to the approval of the Governor, petroleum allocation and rationing plans for possible energy contingencies. The plans shall be carried out only by executive order of the Governor.

2. Carry out and administer any federal programs which authorize state participation in fuel allocation programs.

Sec. 1.61. 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. 1.63. NRS 701.220 is hereby amended to read as follows:

701.220 1. The ~~Director~~ **Commissioner** shall adopt regulations for the conservation of energy in buildings, including manufactured homes. 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 that will not materially lessen the effective energy savings requirements of the Code and are deemed necessary to support effective compliance and enforcement of 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, and any amendments thereto, every third year.

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

5. The ~~Director~~ **Commissioner** 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~~ **Commissioner** 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. 1.65. NRS 701.230 is hereby amended to read as follows:

701.230 1. In a county whose population is 100,000 or more, a building whose construction began on or after October 1, 1983, must not contain a system using electric resistance for heating spaces unless:

(a) The system is merely supplementary to another means of heating;
(b) Under the particular circumstances no other primary means of heating the spaces is a feasible or economical alternative to heating by electric resistance; or

(c) The ~~{Office of Energy}~~ **Authority** determines that the present or future availability of other sources of energy is so limited as to justify the use of such a system.

2. This section does not prohibit the use of incandescent or fluorescent lighting.

Sec. 1.67. NRS 701.240 is hereby amended to read as follows:

701.240 1. The ~~{Director}~~ **Commissioner** shall develop a program to distribute money, within the limits of legislative appropriation, in the form of grants, incentives or rebates to persons to pay or defray, in whole or in part, the costs for those persons to acquire, install or improve net metering systems, if the ~~{Director}~~ **Commissioner** determines that the distribution of money to a person for that purpose will encourage, promote or stimulate:

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

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

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

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

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

2. The ~~{Director}~~ **Commissioner** may adopt any regulations that are necessary to carry out the provisions of this section.

3. The ~~{Director}~~ **Commissioner** shall not distribute money to any person pursuant to this section unless:

(a) The person complies with any requirements that the ~~{Director}~~ **Commissioner** adopts by regulation; and

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

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

Sec. 1.69. NRS 701.250 is hereby amended to read as follows:

701.250 1. The ~~{Director}~~ **Commissioner** shall adopt regulations establishing a program for evaluating the energy consumption of residential property in this State.

2. The regulations must include, without limitation:

(a) Standards for evaluating the energy consumption of residential property; and

(b) Provisions prescribing a form to be used pursuant to NRS 113.115, including, without limitation, provisions that require a portion of the form to provide information on programs created pursuant to NRS 702.275 and other programs of improving energy conservation and energy efficiency in residential property.

3. As used in this section:

(a) "Dwelling unit" means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one person

1 who maintains a household or by two or more persons who maintain a common
2 household.

3 (b) "Residential property" means any land in this State to which is affixed not
4 less than one or more than four dwelling units.

5 **Sec. 1.71.** NRS 701.260 is hereby amended to read as follows:

6 701.260 1. Between January 1, 2012, and December 31, 2015, inclusive, no
7 general purpose light may be sold in this State unless it produces at least 25 lumens
8 per watt of electricity consumed.

9 2. On and after January 1, 2016, no general purpose light may be sold in this
10 State unless it meets or exceeds the minimum standard of energy efficiency
11 established by the ~~{Director}~~ **Commissioner** pursuant to subsection 3 for lumens per
12 watt of electricity consumed.

13 3. The ~~{Director}~~ **Commissioner** shall adopt regulations to carry out the
14 provisions of this section. The regulations must, without limitation:

15 (a) Establish a minimum standard of energy efficiency for lumens per watt of
16 electricity consumed that must be produced by general purpose lights sold in this
17 State on and after January 1, 2016. The minimum standard of energy efficiency
18 established by the ~~{Director}~~ **Commissioner** must exceed 25 lumens per watt of
19 electricity consumed.

20 (b) Attempt to minimize the overall cost to consumers for general purpose
21 lighting, considering the needs of consumers relating to lighting, technological
22 feasibility and anticipated product availability and performance.

23 4. As used in this section, "general purpose light" means lamps, bulbs, tubes
24 or other devices that provide functional illumination for indoor or outdoor use. The
25 term does not include "specialty lighting" or "lighting necessary to provide
26 illumination for persons with special needs," as defined by the ~~{Director}~~
27 **Commissioner** by regulation.

28 **Sec. 1.73.** NRS 701.370 is hereby amended to read as follows:

29 701.370 1. The Trust Fund for Renewable Energy and Energy Conservation
30 is hereby created in the State Treasury.

31 2. The ~~{Task Force}~~ **Authority** shall administer the Fund. As administrator of
32 the Fund, the ~~{Task Force}~~ **Authority**:

33 (a) Shall maintain the financial records of the Fund;

34 (b) Shall invest the money in the Fund as the money in other state funds is
35 invested;

36 (c) Shall manage any account associated with the Fund;

37 (d) Shall maintain any instruments that evidence investments made with the
38 money in the Fund;

39 (e) May contract with vendors for any good or service that is necessary to carry
40 out the provisions of this section; and

41 (f) May perform any other duties that are necessary to administer the Fund.

42 3. The interest and income earned on the money in the Fund must, after
43 deducting any applicable charges, be credited to the Fund. All claims against the
44 Fund must be paid as other claims against the State are paid.

45 4. Not more than 2 percent of the money in the Fund may be used to pay the
46 costs of administering the Fund.

47 5. The money in the Fund remains in the Fund and does not revert to the State
48 General Fund at the end of any fiscal year.

49 6. All money that is deposited or paid into the Fund may only be expended
50 pursuant to an allocation made by the ~~{Task Force}~~ **Authority**. Money expended
51 from the Fund must not be used to supplant existing methods of funding that are
52 available to public agencies.

Sec. 1.75. NRS 701.380 is hereby amended to read as follows:

701.380 1. The ~~{Task-Force}~~ Authority shall:

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

~~(1) The development and periodic review of the comprehensive state energy plan with regard to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;~~

~~(2) The distribution of money to persons pursuant to NRS 701.240 to pay or defray, in whole or in part, the costs for those persons to acquire, install or improve net metering systems;~~

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

~~{(e)}~~ (b) Spend the money in the Trust Fund for Renewable Energy and Energy Conservation to:

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

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

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

(4) Conduct feasibility studies, including, without limitation, any feasibility studies concerning the establishment or expansion of any grants, incentives, rebates or other programs to enable or assist persons to reduce the cost of purchasing *distributed generation systems and* on-site generation systems ~~{and net metering systems {and distributed generation systems}}~~ that use renewable energy.

~~{(d)}~~ (c) Take any other actions that the ~~{Task-Force}~~ Authority deems necessary to carry out its duties, including, without limitation, contracting with consultants, if necessary, for the purposes of program design or to assist the ~~{Task-Force}~~ Authority in carrying out its duties.

2. The ~~{Task-Force}~~ Authority shall prepare an annual report concerning its activities and programs and submit the report to the Legislative Commission and the Governor on or before January 30 of each year. The annual report must include, without limitation:

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

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

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

(d) An analysis of the coordination between the ~~{Task-Force}~~ Authority and other officers and agencies; and

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

3. As used in this section ~~{, "distributed"}~~:

(a) “*Distributed* generation system” means a facility or system for the generation of electricity that is in close proximity to the place where the electricity is consumed ~~§~~:

(1) *That uses renewable energy as defined in NRS 704.7811 to generate electricity;*

(2) *That is located on the property of a customer of an electric utility;*

(3) *That is connected on the customer’s side of the electricity meter;*

(4) *That provides electricity primarily to offset customer load on that property; and*

(5) *The excess generation from which is periodically exported to the grid in accordance with the provisions governing net metering systems used by customer-generators pursuant to NRS 704.766 to 704.775, inclusive.*

(b) “*Electric utility*” has the meaning ascribed to it in NRS 704.7571.

Sec. 1.77. NRS 701A.100 is hereby amended to read as follows:

701A.100 1. The ~~{Director of the Office of Energy}~~ *Nevada Energy Commissioner* shall adopt a Green Building Rating System for the purposes of determining the eligibility of a building or other structure for a tax abatement pursuant to NRS 701A.110.

2. The Green Building Rating System must include standards and ratings equivalent to the standards and ratings provided pursuant to the Leadership in Energy and Environmental Design Green Building Rating System, except that the standards adopted by the ~~{Director}~~ *Commissioner*:

(a) Except as otherwise provided in paragraphs (b) and (c), must not include:

(1) Any standard that has not been included in the Leadership in Energy and Environmental Design Green Building Rating System for at least 2 years; or

(2) Standards for homes;

(b) Must provide reasonable exceptions based on the size of the area occupied by the building or other structure; and

(c) Must require a building or other structure to obtain:

(1) At least 3 points of credit for energy conservation to meet the equivalent of the silver level;

(2) At least 5 points of credit for energy conservation to meet the equivalent of the gold level; and

(3) At least 8 points of credit for energy conservation to meet the equivalent of the platinum level.

3. As used in this section, “home” means a building or other structure for which the principal use is as a residential dwelling for not more than four families.

Sec. 1.79. NRS 701A.110 is hereby amended to read as follows:

701A.110 1. Except as otherwise provided in this section, the ~~{Director}~~ *Commissioner* shall grant a partial abatement from the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, on a building or other structure that is determined to meet the equivalent of the silver level or higher by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the ~~{Director}~~ *Commissioner* pursuant to NRS 701A.100, if:

(a) No funding is provided by any governmental entity in this State for the acquisition, design or construction of the building or other structure or for the acquisition of any land therefor. For the purposes of this paragraph:

(1) Private activity bonds must not be considered funding provided by a governmental entity.

(2) The term “private activity bond” has the meaning ascribed to it in 26 U.S.C. § 141.

(b) The owner of the property:

(1) Submits an application for the partial abatement to the ~~Director~~ Commissioner. If such an application is submitted for a project that has not been completed on the date of that submission and there is a significant change in the scope of the project after that date, the application must be amended to include the change or changes.

(2) Except as otherwise provided in this subparagraph, provides to the ~~Director~~ Commissioner, within 48 months after applying for the partial abatement, proof that the building or other structure meets the equivalent of the silver level or higher, as determined by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the ~~Director~~ Commissioner pursuant to NRS 701A.100. The ~~Director~~ Commissioner may, for good cause shown, extend the period for providing such proof.

2. As soon as practicable after the ~~Director~~ Commissioner receives:

(a) The application required by subsection 1, the ~~Director~~ Commissioner shall forward a copy of that application to the:

- (1) Chief of the Budget Division of the Department of Administration;
- (2) Department of Taxation;
- (3) County assessor;
- (4) County treasurer; and
- (5) Commission on Economic Development.

(b) The application and proof required by subsection 1, the ~~Director~~ Commissioner shall determine whether the building or other structure is eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

- (1) Department of Taxation;
- (2) County assessor;
- (3) County treasurer; and
- (4) Commission on Economic Development.

3. As soon as practicable after receiving a copy of:

(a) An application pursuant to paragraph (a) of subsection 2:

(1) The Chief of the Budget Division shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State; and

(2) The Department of Taxation shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government.

(b) A certificate of eligibility pursuant to paragraph (b) of subsection 2, the Department of Taxation shall forward a copy of the certificate to each affected local government.

4. The partial abatement:

(a) Must be for a duration of not more than 10 years and in an annual amount that equals, for a building or other structure that meets the equivalent of:

(1) The silver level, 25 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land;

(2) The gold level, 30 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land; or

(3) The platinum level, 35 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education,

that would otherwise be payable for the building or other structure, excluding the associated land.

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or exemption pursuant to this chapter or NRS 361.045 to 361.159, inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

(c) Terminates upon any determination by the ~~Director~~ *Commissioner* that the building or other structure has ceased to meet the equivalent of the silver level or higher. The ~~Director~~ *Commissioner* shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the building or other structure has ceased to meet that standard. The ~~Director~~ *Commissioner* shall immediately provide notice of each determination of termination to the:

(1) Department of Taxation, who shall immediately notify each affected local government of the determination;

(2) County assessor;

(3) County treasurer; and

(4) Commission on Economic Development.

5. The ~~Director~~ *Commissioner* shall adopt regulations:

(a) Establishing the qualifications and methods to determine eligibility for the abatement;

(b) Prescribing such forms as will ensure that all information and other documentation necessary to make an appropriate determination is filed with the ~~Director~~ *Commissioner*; and

(c) Prescribing the criteria for determining when there is a significant change in the scope of a project for the purposes of subparagraph (1) of paragraph (b) of subsection 1.

and the Department of Taxation shall adopt such additional regulations as it determines to be appropriate to carry out the provisions of this section.

6. As used in this section:

(a) "Building or other structure" does not include any building or other structure for which the principal use is as a residential dwelling for not more than four families.

(b) ~~"Director"~~ *"Commissioner"* means the ~~Director of the Office of Energy~~ *Nevada Energy Commissioner* appointed pursuant to ~~NRS 701.150~~ *section 1.21 of this act*.

(c) "Taxes imposed for public education" means:

(1) Any ad valorem tax authorized or required by chapter 387 of NRS;

(2) Any ad valorem tax authorized or required by chapter 350 of NRS for the obligations of a school district, including, without limitation, any ad valorem tax necessary to carry out the provisions of subsection 5 of NRS 350.020; and

(3) Any other ad valorem tax for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.

Sec. 1.81. Chapter 701B of NRS is hereby amended by adding thereto the provisions set forth as sections 1.83 to 1.95, inclusive, of this act.

Sec. 1.83. *"Authority" means the Renewable Energy and Energy Efficiency Authority created by section 1.19 of this act.*

Sec. 1.85. *"Authority" means the Renewable Energy and Energy Efficiency Authority created by section 1.19 of this act.*

Sec. 1.87. *"Authority" means the Renewable Energy and Energy Efficiency Authority created by section 1.19 of this act.*

Sec. 1.89. *"Distributed generation system" means a system or facility for the generation of electricity:*

- 1 1. That uses solar energy to generate electricity;
- 2 2. That is located on the property of a customer of an electric utility;
- 3 3. That is connected on the customer's side of the electricity meter;
- 4 4. That provides electricity primarily to offset customer load on that
- 5 property; and
- 6 5. The excess generation from which is periodically exported to the grid in
- 7 accordance with the provisions governing net metering systems used by customer-
- 8 generators pursuant to NRS 704.766 to 704.775, inclusive.

9 **Sec. 1.91.** *The amount of the incentive for which an applicant is eligible*
10 *must be determined on the date on which the applicant is selected for*
11 *participation in the Solar Program, except that an applicant forfeits his eligibility*
12 *for that amount of incentive if the applicant withdraws from participation in the*
13 *Solar Program or does not complete the installation of his solar energy system*
14 *within 12 months after the date on which the applicant is selected for*
15 *participation in the Solar Program. An applicant who forfeits his eligibility for*
16 *the incentive for which the applicant was originally determined to be eligible may*
17 *become eligible for an incentive only on the date on which the applicant*
18 *completes the installation of his solar energy system, and the amount of the*
19 *incentive for which such an applicant is eligible must be determined on the date*
20 *on which the applicant completes the installation of his solar energy system.*

21 **Sec. 1.93.** *The amount of the incentive for which an applicant is eligible*
22 *must be determined on the date on which the applicant is selected for*
23 *participation in the Wind Demonstration Program, except that an applicant*
24 *forfeits his eligibility for that amount of incentive if the applicant withdraws from*
25 *participation in the Program or does not complete the installation of his wind*
26 *energy system within 12 months after the date on which the applicant is selected*
27 *for participation in the Program. An applicant who forfeits his eligibility for the*
28 *incentive for which the applicant was originally determined to be eligible may*
29 *become eligible for an incentive only on the date on which the applicant*
30 *completes the installation of his wind energy system, and the amount of the*
31 *incentive for which such an applicant is eligible must be determined on the date*
32 *on which the applicant completes the installation of his wind energy system.*

33 **Sec. 1.95.** *The amount of the incentive for which an applicant is eligible*
34 *must be determined on the date on which the applicant is selected for*
35 *participation in the Waterpower Demonstration Program, except that an*
36 *applicant forfeits his eligibility for that amount of incentive if the applicant*
37 *withdraws from participation in the Program or does not complete the*
38 *construction of his waterpower energy system within 12 months after the date on*
39 *which the applicant is selected for participation in the Program. An applicant*
40 *who forfeits his eligibility for the incentive for which the applicant was originally*
41 *determined to be eligible may become eligible for an incentive only on the date on*
42 *which the applicant completes the construction of his waterpower energy system,*
43 *and the amount of the incentive for which such an applicant is eligible must be*
44 *determined on the date on which the applicant completes the construction of his*
45 *waterpower energy system.*

46 **Sec. 1.97.** NRS 701B.020 is hereby amended to read as follows:

47 701B.020 As used in NRS 701B.010 to 701B.290, inclusive, *and sections*
48 *1.83, 1.89 and 1.91 of this act*, unless the context otherwise requires, the words and
49 terms defined in NRS 701B.030 to 701B.180, inclusive, *and sections 1.83 and 1.89*
50 *of this act* have the meanings ascribed to them in those sections.

51 **Sec. 1.99.** NRS 701B.080 is hereby amended to read as follows:

52 701B.080 "Participant" means a person who has been selected by the ~~Task~~
53 ~~Force~~ *Commission* to participate in the Solar Program.

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

2 701B.200 The Commission shall adopt regulations necessary to carry out the
3 provisions of NRS 701B.010 to 701B.290, inclusive, *and sections 1.83, 1.89 and*
4 *1.91 of this act*, including, without limitation, regulations that : ~~establish;~~

5 1. ~~[[The]] Establish the~~ type of incentives available to participants in the Solar
6 Program and the level or amount of those incentives ~~[[]]~~, *except that the level or*
7 *amount of an incentive available in a particular program year must not be based*
8 *upon whether the incentive is for unused capacity reallocated from a past*
9 *program year pursuant to paragraph (c) of subsection 2 of NRS 701B.260. The*
10 *regulations must provide that the level or amount of the incentives must decline*
11 *over time as the cost of solar energy systems and distributed generation systems*
12 *decline.*

13 2. ~~[[The]] Establish the~~ requirements for a utility's annual plan for carrying out
14 and administering the Solar Program. A utility's annual plan must include, without
15 limitation:

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

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

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

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

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

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

29 3. *Authorize a utility to recover the reasonable costs incurred in carrying*
30 *out and administering the installation of distributed generation systems pursuant*
31 *to paragraph (b) of subsection 1 of NRS 701B.260.*

32 **Sec. 2.3.** NRS 701B.210 is hereby amended to read as follows:

33 701B.210 The Commission shall adopt regulations that establish:

34 1. The qualifications and requirements an applicant must meet to be eligible
35 to participate in each applicable category of:

36 (a) School property;

37 (b) Public and other property; and

38 (c) Private residential property and small business property; and

39 2. The form and content of the master application which ~~[[a utility]] the~~
40 *Authority* must submit to the ~~[[Task-Force]] Commission~~ pursuant to
41 NRS 701B.250.

42 **Sec. 2.5.** NRS 701B.240 is hereby amended to read as follows:

43 701B.240 1. The Solar Energy Systems Incentive Program is hereby
44 created.

45 2. The Solar Program must have three categories as follows:

46 (a) School property;

47 (b) Public and other property; and

48 (c) Private residential property and small business property.

49 3. To be eligible to participate in the Solar Program, a person must:

50 (a) Meet the qualifications established by the Commission pursuant to
51 NRS 701B.210;

(b) Submit an application to ~~{a-utility}~~ *the Authority* and be selected by the ~~{Task-Force}~~ *Commission* for inclusion in the Solar Program pursuant to NRS 701B.250 and 701B.260;

(c) When installing the solar energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Solar Program in the category of school property or public and other property, provide for the public display of the solar energy system, including, without limitation, providing for public demonstrations of the solar energy system and for hands-on experience of the solar energy system by the public.

Sec. 2.7. NRS 701B.250 is hereby amended to read as follows:

701B.250 1. If an applicant desires to participate in the Solar Program for a program year, the applicant must submit an application to ~~{a-utility}~~ *the Authority*. If an applicant desires to participate in the category of school property or public and other property, the applicant may submit an application for multiple program years, not to exceed 5 years.

2. Each year on or before the date established by the Commission, *the Authority shall submit to* a utility ~~{shall}~~ *for* review each application submitted pursuant to subsection 1 to ensure that the applicant meets the qualifications and requirements to be eligible to participate in the Solar Program. ~~{and}~~

3. Each year on or before the date established by the Commission, a utility shall submit its recommendations to the Authority for each application submitted for its review pursuant to subsection 2.

4. Upon receipt of the recommendations of the utility pursuant to subsection 3, the Authority shall submit to the ~~{Task-Force}~~ *Commission:*

(a) *The Authority's recommendations as to which applications should be approved for participation in the Solar Program;*

(b) *The utility's recommendations as to which applications should be approved for participation in the Solar Program; and*

~~{(b)}~~ (c) A master application containing all the applications recommended by the utility.

~~{3-}~~ 5. At any time after submitting an application to ~~{a-utility}~~ *the Authority*, an applicant may install or energize his solar energy system if the solar energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who installs or energizes his solar energy system under such circumstances remains eligible to participate in the Solar Program, and the installation or energizing of the solar energy system does not alter the applicant's status on the list of participants or the prioritized waiting list pursuant to NRS 701B.260.

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

701B.260 1. Except as otherwise provided in this section, the Commission may approve, for ~~{a}~~ :

(a) *The program year* ~~{}~~ *beginning July 1, 2009*, solar energy systems:

~~{(a)}~~ (1) *Totaling 2,000 kilowatts of capacity for school property;*

~~{(b)}~~ (2) *Totaling 760 kilowatts of capacity for public and other property; and*

~~{(c)}~~ (3) *Totaling 1,000 kilowatts of capacity for private residential property and small business property* ~~{}~~ *and*

(b) *Each program year for the period beginning July 1, 2010, and ending on June 30, 2021, an additional 9 percent of the sum of the total allocated capacities of all the categories described in paragraph (a) which must be approved for distributed generation systems.*

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

(a) Allow a utility to submit additional applications to the ~~Task Force~~ Authority 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 ~~it~~; or

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

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

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

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

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Solar 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 Solar Program if any capacity within a category becomes available.

5. Not later than 30 days after the date on which the ~~Task Force~~ Commission 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~~ the Authority shall provide written notice of the selection to the applicant.

6. After the ~~Task Force~~ Commission 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~~ Authority may approve the solar energy system proposed by the applicant. Except as otherwise provided in subsection ~~3~~ 5 of NRS 701B.250, immediately upon the ~~utility's~~ Authority's approval of the solar energy system, the applicant may install and energize the solar energy system.

7. The Commission shall not authorize the payment of an incentive for the installation of a distributed generation system pursuant to paragraph (b) of subsection 1 if:

(a) For the period beginning July 1, 2010, and ending June 30, 2013, inclusive, the payment of the incentive would cause the total amount of incentives paid for the installation of distributed generation systems pursuant to paragraph (b) of subsection 1 to exceed \$78,260,000; and

(b) For the period beginning July 1, 2010, and ending June 30, 2021, the payment of the incentive would cause the total amount of incentives paid for the installation of distributed generation systems pursuant to paragraph (b) of subsection 1 to exceed \$255,270,000.

Sec. 4. (Deleted by amendment.)

1 **Sec. 4.3.** NRS 701B.410 is hereby amended to read as follows:
2 701B.410 As used in NRS 701B.400 to 701B.650, inclusive, *and sections*
3 *1.85 and 1.93 of this act*, unless the context otherwise requires, the words and
4 terms defined in NRS 701B.420 to 701B.560, inclusive, *and section 1.85 of this act*
5 have the ~~meaning~~ *meanings* ascribed to them in those sections.

6 **Sec. 4.5.** NRS 701B.470 is hereby amended to read as follows:
7 701B.470 “Participant” means a person who has been selected by the ~~Task~~
8 ~~Force~~ *Commission* pursuant to NRS 701B.620 to participate in the Wind
9 Demonstration Program.

10 **Sec. 4.7.** NRS 701B.580 is hereby amended to read as follows:
11 701B.580 1. The Wind Energy Systems Demonstration Program is hereby
12 created.

13 2. The Program must have four categories as follows:

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

18 3. To be eligible to participate in the Program, a person must:

19 (a) Meet the qualifications established by the Commission pursuant to
20 NRS 701B.590;

21 (b) Submit an application to ~~a utility~~ *the Authority* and be selected by the
22 ~~Task Force~~ *Commission* for inclusion in the Program pursuant to NRS 701B.610
23 and 701B.620;

24 (c) When installing the wind energy system, use an installer who has been
25 issued a classification C-2 license with the appropriate subclassification by the
26 State Contractors’ Board pursuant to the regulations adopted by the Board; and

27 (d) If the person will be participating in the Program in the category of school
28 property or other public property, provide for the public display of the wind energy
29 system, including, without limitation, providing for public demonstrations of the
30 wind energy system and for hands-on experience of the wind energy system by the
31 public.

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

33 701B.590 The Commission shall adopt regulations necessary to carry out the
34 provisions of the Wind Energy Systems Demonstration Program Act, including,
35 without limitation, regulations that establish:

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

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

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

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

- 49 (a) A detailed plan for advertising the Program;
50 (b) A detailed budget and schedule for carrying out and administering the
51 Program;

52 (c) A detailed account of administrative processes and forms that will be used
53 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. 5.5. NRS 701B.610 is hereby amended to read as follows:

701B.610 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area for the following program year.

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

(a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and

(b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

3. *Each year on or before the date established by the Commission, the Authority shall submit to a utility for review each application submitted to the Authority pursuant to NRS 701B.580.*

4. *Each year on or before the date established by the Commission, a utility shall submit its recommendations to the Authority for each application submitted for its review pursuant to subsection 3.*

5. On or before November 1, 2008, and on or before November 1 of each year thereafter, ~~each utility~~ *the Authority* shall submit to the ~~Task Force~~ *Commission* the ~~utility's~~ *recommendations of the Authority and each utility* as to which applications received by the ~~utility~~ *Authority* should be approved for participation in the Program. The ~~Task Force~~ *Commission* shall review the applications to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Program.

~~4.~~ 6. Except as otherwise provided in NRS 701B.620, the ~~Task Force~~ *Commission* may approve, from among the applications recommended by *the Authority* and each utility, wind energy systems totaling:

(a) For the program year beginning July 1, 2008:

(1) *Not more than* 500 kilowatts of capacity for school property;

(2) *Not more than* 500 kilowatts of capacity for other public property;

(3) *Not more than* 700 kilowatts of capacity for private residential property and small business property; and

(4) *Not more than* 700 kilowatts of capacity for agricultural property.

(b) For the program year beginning July 1, 2009:

(1) An additional 250 kilowatts of capacity for school property;

(2) An additional 250 kilowatts of capacity for other public property;

(3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

(c) For the program year beginning July 1, 2010:

(1) An additional 250 kilowatts of capacity for school property;

(2) An additional 250 kilowatts of capacity for other public property;

(3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

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

701B.620 1. Based on the applications submitted by ~~each utility~~ *the Authority* for a program year, the ~~Task Force~~ *Commission* 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~~ *Commission* 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~~ *Authority* 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~~ *Commission* may, in any combination it deems appropriate:

(a) Allow ~~a utility~~ *the Authority* to submit additional applications from applicants who want to participate in that category; ~~or~~

(b) Reallocate any of the unused capacity in that category to any of the other categories ~~{}; 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~~ *the Authority*, 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. (Deleted by amendment.)

Sec. 7.1. NRS 701B.700 is hereby amended to read as follows:

701B.700 NRS 701B.700 to ~~701B.890~~ *701B.880*, inclusive, *and sections 1.87 and 1.95 of this act* may be cited as the Waterpower Energy Systems Demonstration Program Act.

Sec. 7.3. NRS 701B.710 is hereby amended to read as follows:

701B.710 As used in NRS 701B.700 to ~~701B.890~~ *701B.880*, inclusive, *and sections 1.87 and 1.95 of this act*, unless the context otherwise requires, the words and terms defined in NRS 701B.720 to 701B.810, inclusive, *and section 1.87 of this act* have the meanings ascribed to them in those sections.

Sec. 7.5. NRS 701B.820 is hereby amended to read as follows:

701B.820 1. The Waterpower Energy Systems Demonstration Program is hereby created.

2. The Waterpower Demonstration Program is created for agricultural uses.

3. To be eligible to participate in the Waterpower Demonstration Program, a person must meet the qualifications established pursuant to subsection 4, ~~and~~ apply to *the Authority* and be selected by the ~~Task Force~~ *Commission* for inclusion in the Waterpower Demonstration Program.

4. The Commission shall adopt regulations providing for the qualifications an applicant must meet to qualify to participate in the Waterpower Demonstration Program.

1 **Sec. 7.7.** NRS 701B.830 is hereby amended to read as follows:
2 701B.830 ~~{The Task Force}~~ *Each utility* is responsible for the administration
3 and delivery of the Waterpower Demonstration Program as approved by the
4 Commission.

5 **Sec. 8.** NRS 701B.840 is hereby amended to read as follows:
6 701B.840 The Commission shall adopt regulations that establish:

7 1. The level, amount and type of incentives available for participants in the
8 Waterpower Demonstration Program ~~{ }~~, *except that the level or amount of an*
9 *incentive available in a particular program year must be not be based upon*
10 *whether the incentive is for unused capacity reallocated from a past program year*
11 *pursuant to subsection 7 of NRS 701B.850.*

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

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

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

24 701B.850 1. On or before February 21, 2008, and on or before February 1
25 of each subsequent year, each utility shall file with the Commission for approval an
26 annual plan for the administration and delivery of the Waterpower Demonstration
27 Program for the program year beginning July 1, 2008, and each subsequent year
28 thereafter.

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

32 3. *Each year on or before the date established by the Commission, the*
33 *Authority shall submit to a utility for review each application submitted to the*
34 *Authority pursuant to NRS 701B.820.*

35 4. *Each year on or before the date established by the Commission, a utility*
36 *shall submit its recommendations to the Authority for each application submitted*
37 *for its review pursuant to subsection 3.*

38 5. On or before November 1, 2008, and on or before November 1 of each
39 subsequent year, ~~{each utility}~~ *the Authority* shall submit to the ~~{Task Force a~~
40 ~~recommendation}~~ *Commission the recommendations of the Authority and each*
41 *utility as to* which applications received *by the Authority* should be accepted into
42 the program. The ~~{Task Force}~~ *Commission* shall review the applications to ensure
43 that the applicant meets the requirements adopted pursuant to subsection 4 of
44 NRS 701B.820.

45 ~~{4.}~~ 6. The ~~{Task Force}~~ *Commission* may approve, from among the
46 applications recommended by *the Authority and* each utility, waterpower energy
47 systems totaling:

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

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

Sec. 10. (Deleted by amendment.)

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

702.275 1. ~~[At the beginning of a]~~ *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. 11.1. NRS 703.130 is hereby amended to read as follows:

703.130 1. The Commission shall appoint a Deputy Commissioner who shall serve in the unclassified service of the State.

2. The Commission shall appoint a Secretary who shall perform such administrative and other duties as are prescribed by the Commission. The Commission shall also appoint an Assistant Secretary.

3. *The Commission shall, within the limits of legislative appropriations or authorizations, employ and fix the salaries of or contract for the services of such professional, technical and operational personnel and consultants as the execution of its duties and the operation of the Commission may require.*

4. The Commission may employ such other clerks, experts or engineers as may be necessary.

~~[4.]~~ 5. Except as otherwise provided in subsection ~~[5.]~~ 6, the Commission:

(a) May appoint one or more hearing officers for a period specified by the Commission to conduct proceedings or hearings that may be conducted by the Commission pursuant to NRS 702.160 and 702.170 and chapters 704, 704A, 704B, 705, 708 and 711 of NRS.

(b) Shall prescribe by regulation the procedure for appealing a decision of a hearing officer to the Commission.

~~[5.]~~ 6. The Commission shall not appoint a hearing officer to conduct proceedings or hearings:

(a) In any matter pending before the Commission pursuant to NRS 704.7561 to 704.7595, inclusive; or

(b) In any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an annual deferred energy accounting adjustment application.

~~[6.]~~ 7. As used in this section, “electric utility” has the meaning ascribed to it in NRS 704.187.

Sec. 11.2. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 11.25 and 11.3 of this act.

Sec. 11.25. 1. The Commission shall adopt regulations requiring each electric utility to disclose to its retail customers information about the safe disposal and recycling of electronic waste, electrical systems and other waste, including, without limitation, compact fluorescent light bulbs, in accordance with the comprehensive state energy plan established by the Nevada Energy Commissioner pursuant to NRS 701.190. The disclosure must:

(a) Be in a standard, uniform format established by the Commission by regulation; and

(b) Be included:

(1) At least two times each calendar year, as an insert in the bills that the electric utility sends to its retail customers; and

(2) If the electric utility maintains a website on the Internet or any successor to the Internet, on that website.

1 2. As used in this section, "electric utility" has the meaning ascribed to it in
2 NRS 704.187.

3 **Sec. 11.3.** ~~[Chapter 704 of NRS is hereby amended by adding thereto a new~~
4 ~~section to read as follows:]~~

5 *1. The Commission shall adopt regulations authorizing an electric utility to*
6 *recover the net revenues differential that is attributable to decreases in customer*
7 *consumption and loads that are associated with the implementation by the*
8 *electric utility of energy efficiency and conservation programs approved by the*
9 *Commission.*

10 *2. The regulations adopted pursuant to subsection 1:*

11 *(a) Must provide for timely cost recovery and timely earnings opportunity*
12 *associated with verifiable energy efficiency savings in a manner which ensures*
13 *that the earnings opportunity associated with the implementation of energy*
14 *efficiency and conservation programs is not less than the earnings opportunity*
15 *associated with other investments and measures to serve increased customer*
16 *consumption and loads;*

17 *(b) Must not affect the electric utility's incentives and allowed returns in*
18 *areas not affected by the implementation of energy efficiency and conservation*
19 *programs;*

20 *(c) Must not discourage advanced pricing methodologies that encourage*
21 *energy conservation by customers of the electric utility;*

22 *(d) Must provide that the effect to the customers of the electric utility must be*
23 *apportioned fairly among all customers who receive energy from the transmission*
24 *and distribution facilities of the electric utility;*

25 *(e) Must authorize the electric utility to recover its costs and net revenues*
26 *differential through a rate that is adjusted annually; and*

27 *(f) May provide for additional incentives for the electric utility to encourage*
28 *customers to participate in energy efficiency and conservation programs*
29 *approved by the Commission.*

30 *3. As used in this section, "electric utility" has the meaning ascribed to it in*
31 *NRS 704.187.*

32 **Sec. 11.5.** NRS 704.021 is hereby amended to read as follows:

33 704.021 "Public utility" or "utility" does not include:

34 1. Persons engaged in the production and sale of natural gas, other than sales
35 to the public, or engaged in the transmission of natural gas other than as a common
36 carrier transmission or distribution line or system.

37 2. Persons engaged in the business of furnishing, for compensation, water or
38 services for the disposal of sewage, or both, to persons within this State if:

39 (a) They serve 25 persons or less; and

40 (b) Their gross sales for water or services for the disposal of sewage, or both,
41 amounted to \$25,000 or less during the immediately preceding 12 months.

42 3. Persons not otherwise engaged in the business of furnishing, producing or
43 selling water or services for the disposal of sewage, or both, but who sell or furnish
44 water or services for the disposal of sewage, or both, as an accommodation in an
45 area where water or services for the disposal of sewage, or both, are not available
46 from a public utility, cooperative corporations and associations or political
47 subdivisions engaged in the business of furnishing water or services for the disposal
48 of sewage, or both, for compensation, to persons within the political subdivision.

49 4. Persons who are engaged in the production and sale of energy, including
50 electricity, to public utilities, cities, counties or other entities which are reselling the
51 energy to the public.

52 5. Persons who are subject to the provisions of NRS 590.465 to 590.645,
53 inclusive.

6. Persons who are engaged in the sale or use of special fuel as defined in NRS 366.060.

7. Persons who provide water from water storage, transmission and treatment facilities if those facilities are for the storage, transmission or treatment of water from mining operations.

8. Persons who are video service providers, as defined in NRS 711.151, except for those operations of the video service provider which consist of providing a telecommunication service to the public, in which case the video service provider is a public utility only with regard to those operations of the video service provider which consist of providing a telecommunication service to the public.

9. Persons who for compensation own or operate individual systems which use renewable energy to generate electricity and sell the electricity generated from those systems to not more than one customer of the public utility per individual system if each individual system is:

(a) Located on the premises of another person;

(b) Used to produce not more than 150 percent of that other person's requirements for electricity on an annual basis for the premises on which the individual system is located; and

(c) Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.

As used in this subsection, "renewable energy" has the meaning ascribed to it in NRS 704.7811.

Sec. 11.7. NRS 704.033 is hereby amended to read as follows:

704.033 1. Except as otherwise provided in subsection 6, the Commission shall levy and collect an annual assessment from all public utilities, providers of discretionary natural gas service and alternative sellers subject to the jurisdiction of the Commission.

2. Except as otherwise provided in subsections 3 and 4, the annual assessment must be:

(a) For the use of the Commission, not more than ~~{3.50}~~ 2.50 mills; ~~{and}~~

(b) For the use of the Consumer's Advocate, not more than 0.75 mills ~~{;}~~;

(c) For the use of the Renewable Energy and Energy Efficiency Authority, not more 0.925 mills; and

(d) For the use of the Office of Energy, not more than 0.075 mills,

on each dollar of gross operating revenue derived from the intrastate operations of such utilities, providers of discretionary natural gas service and alternative sellers in the State of Nevada. The total annual assessment must be not more than 4.25 mills.

3. The levy ~~{for}~~:

(a) For the use of the Consumer's Advocate must not be assessed against railroads ~~{;}~~;

(b) For the use of the Renewable Energy and Energy Efficiency Authority must be assessed only against electric utilities; and

(c) For the use of the Office of Energy must be assessed only against electric utilities.

4. The minimum assessment in any 1 year must be \$100.

5. The gross operating revenue of the utilities must be determined for the preceding calendar year. In the case of:

(a) Telecommunication providers, except as provided in paragraph (c), the revenue shall be deemed to be all intrastate revenues.

(b) Railroads, the revenue shall be deemed to be the revenue received only from freight and passenger intrastate movements.

(c) All public utilities, providers of discretionary natural gas service and alternative sellers, the revenue does not include the proceeds of any commodity, energy or service furnished to another public utility, provider of discretionary natural gas service or alternative seller for resale.

6. Providers of commercial mobile radio service are not subject to the annual assessment and, in lieu thereof, shall pay to the Commission an annual licensing fee of \$200.

7. The amount of the annual assessment which the Commission must levy and collect for the use of the Renewable Energy and Energy Efficiency Authority pursuant to paragraph (c) of subsection 2 and the Office of Energy pursuant to paragraph (d) of subsection 2 must be determined by:

(a) The Legislature if the Legislature is in session; or

(b) The Interim Finance Committee if the Legislature is not in session.

8. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

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

1 make such order in reference to the increased rates as is required by this chapter.
2 The following public utilities shall each file a general rate application pursuant to
3 this subsection based on the following schedule:

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

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

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

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

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

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

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

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

5. If a public utility files with the Commission an application to make changes 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

1 a review of the transactions and recorded costs of purchased fuel and purchased
2 power included in each quarterly rate adjustment and the annual deferred energy
3 accounting adjustment application. There is no presumption of reasonableness or
4 prudence for any quarterly rate adjustment or for any transactions or recorded costs
5 of purchased fuel and purchased power included in any quarterly rate adjustment or
6 the annual deferred energy accounting adjustment application, and the electric
7 utility has the burden of proving reasonableness and prudence in the proceeding.

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

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

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

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

23 11. A utility facility identified in a 3-year plan submitted pursuant to NRS
24 704.741 and accepted by the Commission for acquisition or construction pursuant
25 to NRS 704.751 and the regulations adopted pursuant thereto shall be deemed to be
26 a prudent investment. The utility may recover all just and reasonable costs of
27 planning and constructing such a facility.

28 12. *In regard to any rate or schedule approved or disapproved pursuant to*
29 *this section, the Commission may, after a hearing:*

30 (a) *Upon the request of the utility, approve a new rate but delay the*
31 *implementation of that new rate:*

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

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

36 (b) *Authorize a utility to implement a reduced rate for low-income residential*
37 *customers.*

38 13. As used in this section:

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

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

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

50 **Sec. 13.** (Deleted by amendment.)

51 **Sec. 13.3.** NRS 704.7815 is hereby amended to read as follows:

52 704.7815 "Renewable energy system" means:

53 1. A facility or energy system that ~~is~~

1 ~~—(a) Uses~~ *uses* renewable energy or energy from a qualified energy recovery
2 process to generate electricity ~~{}~~ and :

3 *(a) Uses the electricity that it generates from renewable energy or energy*
4 *from a qualified energy recovery process in this State; or*

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

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

11 ~~—(2) A power line which is shared with not more than one facility or energy~~
12 ~~system generating electricity from nonrenewable energy and which is connected to~~
13 ~~a facility or system owned, operated or controlled by a provider of electric service.]~~
14 *to a provider of electric service for delivery into and use in this State.*

15 2. A solar energy system that reduces the consumption of electricity or any
16 fossil fuel.

17 3. A net metering system used by a customer-generator pursuant to NRS
18 704.766 to 704.775, inclusive.

19 **Sec. 13.5.** NRS 704.7821 is hereby amended to read as follows:

20 704.7821 1. For each provider of electric service, the Commission shall
21 establish a portfolio standard. The portfolio standard must require each provider to
22 generate, acquire or save electricity from portfolio energy systems or efficiency
23 measures in an amount that is:

24 (a) For calendar years 2005 and 2006, not less than 6 percent of the total
25 amount of electricity sold by the provider to its retail customers in this State during
26 that calendar year.

27 (b) For calendar years 2007 and 2008, not less than 9 percent of the total
28 amount of electricity sold by the provider to its retail customers in this State during
29 that calendar year.

30 (c) For calendar years 2009 and 2010, not less than 12 percent of the total
31 amount of electricity sold by the provider to its retail customers in this State during
32 that calendar year.

33 (d) For calendar years 2011 and 2012, not less than 15 percent of the total
34 amount of electricity sold by the provider to its retail customers in this State during
35 that calendar year.

36 (e) For calendar years 2013 and 2014, not less than 18 percent of the total
37 amount of electricity sold by the provider to its retail customers in this State during
38 that calendar year.

39 (f) For calendar ~~{year}~~ *years* 2015 ~~{and for each calendar year thereafter.}]~~ *to*
40 *2019, inclusive*, not less than 20 percent of the total amount of electricity sold by
41 the provider to its retail customers in this State during that calendar year.

42 *(g) For calendar years 2020 to 2024, inclusive, not less than 22 percent of*
43 *the total amount of electricity sold by the provider to its retail customers in this*
44 *State during that calendar year.*

45 *(h) For calendar year 2025 and for each calendar year thereafter, not less*
46 *than 25 percent of the total amount of electricity sold by the provider to its retail*
47 *customers in this State during that calendar year.*

48 2. Except as otherwise provided in subsection 3, in addition to the
49 requirements set forth in subsection 1, the portfolio standard for each provider must
50 require that:

51 (a) Of the total amount of electricity that the provider is required to generate,
52 acquire or save from portfolio energy systems or efficiency measures during each
53 calendar year, not less than ~~{5}~~ :

(1) *Five percent of that amount must be generated or acquired from solar renewable energy systems ~~for~~ for each calendar year up to and including 2015; and*

(2) *Six percent of that amount must be generated or acquired from solar renewable energy systems for calendar year 2016 and for each calendar year thereafter.*

(b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures. If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

(c) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. The provisions of paragraphs (b) and (c) of subsection 2 do not apply to a provider of new electric resources pursuant to chapter 704B of NRS with respect to its use of an energy efficiency measure that is financed by a customer, or which is a geothermal energy system for the provision of heated water to one or more customers and which reduces the consumption of electricity or any fossil fuel, except that, of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures.

4. If, for the benefit of one or more retail customers in this State, the provider, or the customer of a provider of new electric resources pursuant to chapter 704B of NRS, has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

5. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

6. Except as otherwise provided in subsection 7, each provider shall comply with its portfolio standard during each calendar year.

7. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable

energy contracts or energy efficiency contracts. If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.

8. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

9. As used in this section:

(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 13.7. NRS 113.115 is hereby amended to read as follows:

113.115 1. Except as otherwise provided in subsection 3, the seller shall have the energy consumption of the residential property evaluated pursuant to the program established in NRS 701.250.

2. Except as otherwise provided in subsection 4, before closing a transaction for the conveyance of residential property, the seller shall serve the purchaser with the completed evaluation required pursuant to subsection 1, if any, on a form to be provided by the ~~Director of the Office of Energy,~~ *Nevada Energy Commissioner*, as prescribed in regulations adopted pursuant to NRS 701.250.

3. Subsection 1 does not apply to a sale or intended sale of residential property:

(a) By foreclosure pursuant to chapter 107 of NRS.

(b) Between any co-owners of the property, spouses or persons related within the third degree of consanguinity.

(c) By a person who takes temporary possession or control of or title to the property solely to facilitate the sale of the property on behalf of a person who relocates to another county, state or country before title to the property is transferred to a purchaser.

(d) If the seller and purchaser agree to waive the requirements of subsection 1.

4. If an evaluation of a residential property was completed not more than 5 years before the seller and purchaser entered into the agreement to purchase the residential property, the seller may serve the purchaser with that evaluation.

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

1 **Sec. 16.** (Deleted by amendment.)

2 **Sec. 16.5.** (Deleted by amendment.)

3 **Sec. 17.** (Deleted by amendment.)

4 **Sec. 18.** (Deleted by amendment.)

5 **Sec. 18.1.** Chapter 271 of NRS is hereby amended by adding thereto the
6 provisions set forth as sections 18.2 to 18.5, inclusive, of this act.

7 **Sec. 18.2.** *“Energy efficiency improvement” means a modification of real*
8 *property that is designed to reduce the energy consumption of the real property.*

9 **Sec. 18.3.** *“Energy efficiency improvement project” means the*
10 *modification of real property or the facilities or equipment on the real property*
11 *that is designed to reduce the energy consumption of the real property.*

12 **Sec. 18.4.** *“Renewable energy” has the meaning ascribed to it in*
13 *NRS 704.7811.*

14 **Sec. 18.5.** *“Renewable energy project” means real property, facilities and*
15 *equipment used to generate electricity from renewable energy to offset customer*
16 *load in whole or in part for the real property and all appurtenances and*
17 *incidentals necessary, useful or desirable for any such real property, facilities*
18 *and equipment.*

19 **Sec. 18.7.** NRS 271.030 is hereby amended to read as follows:

20 271.030 As used in this chapter, unless the context otherwise requires, the
21 words and terms defined in NRS 271.035 to 271.250, inclusive, ~~and sections 18.1~~
22 ~~18.2 to 18.5, inclusive, of this act~~ have the meanings ascribed to them in those
23 sections.

24 **Sec. 18.9.** NRS 271.265 is hereby amended to read as follows:

25 271.265 1. The governing body of a county, city or town, upon behalf of the
26 municipality and in its name, without any election, may from time to time acquire,
27 improve, equip, operate and maintain, within or without the municipality, or both
28 within and without the municipality:

29 (a) A commercial area vitalization project;

30 (b) A curb and gutter project;

31 (c) A drainage project;

32 (d) *An energy efficiency improvement project;*

33 (e) An off-street parking project;

34 ~~(e)(f)~~ (f) An overpass project;

35 ~~(f)(g)~~ (g) A park project;

36 (h) *A renewable energy project;*

37 ~~(g)(i)~~ (i) A sanitary sewer project;

38 ~~(h)(j)~~ (j) A security wall;

39 ~~(i)(k)~~ (k) A sidewalk project;

40 ~~(j)(l)~~ (l) A storm sewer project;

41 ~~(k)(m)~~ (m) A street project;

42 ~~(l)(n)~~ (n) A street beautification project;

43 ~~(m)(o)~~ (o) A transportation project;

44 ~~(n)(p)~~ (p) An underpass project;

45 ~~(o)(q)~~ (q) A water project; and

46 ~~(p)(r)~~ (r) Any combination of such projects.

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

52 (a) An electrical project;

53 (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.

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, 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. 19.1. NRS 332.430 is hereby amended to read as follows:

332.430 A qualified service company shall provide to the ~~{Office of Energy within the Office of the Governor}~~ **Renewable Energy and Energy Efficiency Authority** information concerning each performance contract which the qualified service company enters into pursuant to NRS 332.300 to 332.440, inclusive, including, without limitation, the name of the project, the local government for which the project is being carried out and the expected operating cost savings. The ~~{Office of Energy}~~ **Renewable Energy and Energy Efficiency Authority** may report any energy savings realized as a result of such performance contracts to the United States Department of Energy pursuant to 42 U.S.C. § 13385.

Sec. 19.2. NRS 333A.080 is hereby amended to read as follows:

333A.080 1. The State Public Works Board shall determine those companies that satisfy the requirements of qualified service companies for the purposes of this chapter. In making such a determination, the State Public Works Board shall enlist the assistance of the staffs of the ~~{Office of Energy within the Office of the Governor}~~ **the Renewable Energy and Energy Efficiency Authority**, the Buildings and Grounds Division of the Department of Administration and the Purchasing Division of the Department of Administration. The State Public Works Board shall prepare and issue a request for qualifications to not less than three potential qualified service companies.

2. In sending out a request for qualifications, the State Public Works Board:

(a) Shall attempt to identify at least one potential qualified service company located within this State; and

(b) May consider whether and to what extent the companies to which the request for qualifications will be sent will use local contractors.

3. The State Public Works Board shall adopt, by regulation, criteria to determine those companies that satisfy the requirements of qualified service companies. The criteria for evaluation must include, without limitation, the following areas as substantive factors to assess the capability of such companies:

(a) Design;

(b) Engineering;

(c) Installation;

(d) Maintenance and repairs associated with performance contracts;

(e) Experience in conversions to different sources of energy or fuel and other services related to operating cost-savings measures provided that is done in association with a comprehensive energy, water or waste disposal cost-savings retrofit;

(f) Monitoring projects after the projects are installed;

(g) Data collection and reporting of savings;

(h) Overall project experience and qualifications;

(i) Management capability;

(j) Ability to access long-term financing;

(k) Experience with projects of similar size and scope; and

(l) Such other factors determined by the State Public Works Board to be relevant and appropriate to the ability of a company to perform the projects.

☞ In determining whether a company satisfies the requirements of a qualified service company, the State Public Works Board shall also consider whether the company holds the appropriate licenses required for the design, engineering and construction which would be completed pursuant to a performance contract.

4. The State Public Works Board shall compile a list of those companies that it determines satisfy the requirements of qualified service companies.

Sec. 19.3. NRS 333A.140 is hereby amended to read as follows:

333A.140 A qualified service company shall provide to the ~~{Office of Energy within the Office of the Governor}~~ *Renewable Energy and Energy Efficiency Authority* information concerning each performance contract which the qualified service company enters into pursuant to this chapter, including, without limitation, the name of the project, the using agency for which the project is being carried out and the expected operating cost savings. The ~~{Office of Energy}~~ *Renewable Energy and Energy Efficiency Authority* may report any energy savings realized as a result of such performance contracts to the United States Department of Energy pursuant to 42 U.S.C. § 13385.

Sec. 19.4. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of each local government shall, within 60 days after the effective date of this section, develop a plan to retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures. Such a plan must:

(a) Be developed with input from one or more energy retrofit coordinators designated pursuant to NRS 338.1907, if any.

(b) Include a list of specific projects. The projects must be prioritized and selected on the basis of the following criteria:

(1) The length of time necessary to commence the project.

(2) The number of workers estimated to be employed on the project.

(3) The effectiveness of the project in reducing energy consumption.

(4) The estimated cost of the project.

(5) Whether the project is able to be powered by or otherwise use sources of renewable energy.

(6) Whether the project has qualified for participation in one or more of the following programs:

(I) The Solar Energy Systems Incentive Program created by NRS 701B.240;

(II) The Renewable Energy School Pilot Program created by NRS 701B.350;

(III) The Wind Energy Systems Demonstration Program created by NRS 701B.580; or

(IV) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820.

(c) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts, donations or other sources of money from public and private sources.

2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Nevada Energy Commissioner and to any other entity designated for that purpose by the Legislature.

3. *As used in this section:*

(a) *“Local government” means each city or county that meets the definition of “eligible unit of local government” as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in subsection 11 of NRS 338.010, that does not meet the definition of “eligible entity” as set forth in 42 U.S.C. § 17151.*

(b) *“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.*

(c) *“Retrofit” means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.*

Sec. 19.5. Chapter 396 of NRS is hereby amended by adding thereto the provisions set forth as sections 19.6 and 19.7 of this act.

Sec. 19.6. *To the extent money is available, the Nevada Renewable Energy Integration and Development Consortium of the Nevada System of Higher Education or its successor organization shall:*

1. *Serve as a resource of information concerning research that is conducted relating to renewable energy and energy efficiency in this State.*

2. *Work with the Nevada Institute for Renewable Energy Commercialization or its successor organization to establish a mechanism for transferring technology to the marketplace, including, without limitation, within the limits of available grant money, establishing support for start-up energy technology businesses and ensuring the appropriate protection of intellectual property.*

3. *Provide information concerning renewable energy and energy efficiency to the Office of Energy and the Renewable Energy and Energy Efficiency Authority.*

Sec. 19.7. *To the extent money is available, the Board of Regents shall establish within the fields of science, engineering, business administration and political science within the System programs designed to improve the ability of students in those fields to serve the renewable energy industry in this State.*

Sec. 19.8. Section 19.4 of this act is hereby amended to read as follows:

Sec. 19.4. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of each local government shall, within 60 days after the effective date of this section, develop a plan to retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures. Such a plan must:

(a) Be developed with input from one or more energy retrofit coordinators designated pursuant to NRS 338.1907, if any.

(b) Include a list of specific projects. The projects must be prioritized and selected on the basis of the following criteria:

(1) The length of time necessary to commence the project.

(2) The number of workers estimated to be employed on the project.

(3) The effectiveness of the project in reducing energy consumption.

(4) The estimated cost of the project.

(5) Whether the project is able to be powered by or otherwise use sources of renewable energy.

(6) Whether the project has qualified for participation in one or more of the following programs:

(I) The Solar Energy Systems Incentive Program created by NRS 701B.240; ~~or~~

(II) The Renewable Energy School Pilot Program created by NRS 701B.350. ~~;~~

~~(III) The Wind Energy Systems Demonstration Program created by NRS 701B.580; or~~

~~(IV) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820.;~~

(c) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts, donations or other sources of money from public and private sources.

2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Nevada Energy Commissioner and to any other entity designated for that purpose by the Legislature.

3. As used in this section:

(a) "Local government" means each city or county that meets the definition of "eligible unit of local government" as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in subsection 11 of NRS 338.010, that does not meet the definition of "eligible entity" as set forth in 42 U.S.C. § 17151.

(b) "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.

(c) "Retrofit" means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.

Sec. 19.9. NRS 701.350, 701.360, 701B.170, 701B.270, 701B.530, 701B.630, 701B.770 and 701B.890 are hereby repealed.

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 section may be allocated pursuant to the amendatory provisions of sections 3, 6 and 9 of this act.

Sec. 20.1. On or before February 1, 2013, and on or before February 1, 2017, the Public Utilities Commission of Nevada shall submit to the Director of the

Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a report concerning the Solar Energy Systems Incentive Program created by NRS 701B.240, including, without limitation, information concerning:

1. For each category of participants in the Solar Program, the number of solar energy systems installed;

2. The amount of funding provided by utilities for the installation of distributed generation systems pursuant to paragraph (b) of subsection 1 of NRS 701B.260;

3. Any other information relating to participation in, funding of and administration of the Solar Program which the Commission determines is relevant; and

4. Any recommendations concerning the continuation of the Solar Program and the levels of funding provided by utilities.

Sec. 20.3. The Public Utilities Commission of Nevada shall, on or before July 1, 2010, adopt such regulations as are necessary to carry out the amendatory provisions of section 3 of this act.

Sec. 20.5. (Deleted by amendment.)

Sec. 20.7. 1. The Director of the Office of Energy shall apply for and accept any grant, appropriation, allocation or other money available pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to assist the Director in carrying out his duties and the duties of the Office of Energy.

2. The Nevada Energy Commissioner shall apply for and accept any grant, appropriation, allocation or other money available pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to assist the Commissioner in carrying out his duties and the duties of the Renewable Energy and Energy Efficiency Authority.

Sec. 20.8. For the period beginning July 1, 2009, and ending June 30, 2010, the Public Utilities Commission of Nevada shall levy and collect from electric utilities the annual assessment described in NRS 704.033, as amended by section 11.7 of this act, that must be:

1. For the use of the Renewable Energy and Energy Efficiency Authority, 0.21 mills; and

2. For the use of the Office of Energy, 0.07 mills,

unless the Legislature or the Interim Finance Committee establishes a different amount on or before June 15, 2009.

Sec. 20.9. 1. Any regulation adopted by the Director of the Office of Energy before the effective date of this section, the responsibility for which has been transferred pursuant to the provisions of this act to the Nevada Energy Commissioner:

(a) Remains in force until repealed or replaced by the Commissioner; and

(b) May be enforced by the Commissioner.

2. The Green Building Rating System adopted by the Director of the Office of Energy pursuant to NRS 701A.100 before the effective date of this section:

(a) Remains in force until repealed or replaced by the Nevada Energy Commissioner; and

(b) May be enforced by the Commissioner.

Sec. 21. 1. This section and sections 1 to 1.51, inclusive, 1.55 to 19.7, inclusive, and 19.9 to 20.9, inclusive, of this act become effective upon passage and approval.

2. Sections 1.51, 1.85, 1.87, 1.93, 1.95, 4.3 to 9, inclusive, and 19.4 of this act expire by limitation on June 30, 2011.

3. Sections 1.53 and 19.8 of this act become effective on July 1, 2011.

LEADLINES OF REPEALED SECTIONS

701.350 Creation; appointment of members; qualifications for members; terms of members; vacancies; requirements and restrictions concerning members who are public officers or employees.

701.360 Selection and terms of Chairman and Vice Chairman; vacancies; quorum; meetings; members serve without compensation; per diem and travel expenses; Consumer's Advocate to provide support and assistance.

701B.170 "Task Force" defined.

701B.270 Withdrawal of participant for noncompliance; forfeiture of incentives.

701B.530 "Task Force" defined. [Effective through June 30, 2011.]

701B.630 Withdrawal of participant for noncompliance; forfeiture of incentives. [Effective through June 30, 2011.]

701B.770 "Task Force" defined. [Effective through June 30, 2011.]

701B.890 Withdrawal of participant for noncompliance. [Effective through June 30, 2011.]