

SENATE BILL NO. 188—SENATOR SCHNEIDER

MARCH 9, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Establishes the Solar Hot Water Heating Systems Demonstration Program. (BDR 58-379)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; establishing the Solar Hot Water Heating Systems Demonstration Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations governing the Demonstration Program; requiring a public utility that supplies natural gas to file with the Commission an annual plan for carrying out the Demonstration Program; requiring the Task Force for Renewable Energy and Energy Conservation to nominate participants for the Demonstration Program; requiring the Commission to review applications and select participants for the Demonstration Program; providing for rebates and the issuance of portfolio energy credits to certain participants in the Demonstration Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 17 of this bill creates the Solar Hot Water Heating Systems Demonstration Program and sets forth the categories of and eligibility requirements for participants. **Section 17** further requires the Public Utilities Commission of Nevada to adopt regulations establishing the qualifications that a person must meet to participate in the Demonstration Program.

Section 18 of this bill provides that each year on or before the date established by the Commission, a public utility that supplies natural gas must file with the Commission its annual plan for carrying out and administering the Demonstration Program within its service area for that program year. **Section 19** of this bill requires the Task Force for Renewable Energy and Energy Conservation to develop an application for the Demonstration Program and advertise for the submission of applications on or before November 1, 2009, and on or before November 1 of each year thereafter. **Section 20** of this bill provides that on or before February 1, 2010,



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and on or before February 1 of each year thereafter, an applicant that wishes to participate in the Demonstration Program for the following program year must apply to the Task Force. **Section 21** of this bill requires the Task Force to review the applications and nominate applicants to participate in the Demonstration Program. **Section 22** of this bill requires the Commission, on or before May 1 of each year, to select participants for the Demonstration Program and notify each participant not later than 10 days after the selection is made.

Section 23 of this bill requires the Commission to adopt regulations that establish a rebate program for a participant who installs a solar hot water heating system and sets forth the maximum amounts allowed for such rebates. **Section 24** of this bill requires the Commission to adopt regulations relating to the issuance of portfolio energy credits to certain participants.

Section 25 of this bill authorizes the Commission to withdraw certain participants from the Demonstration Program for noncompliance.

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

Section 1. Chapter 701B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 25, inclusive, of this act.

Sec. 2. *As used in sections 2 to 25, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 16, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Applicant” means a person who applies to the Commission to participate in the Demonstration Program.*

Sec. 4. *“Category” means one of the categories of participants in the Demonstration Program as set forth in section 17 of this act.*

Sec. 5. *“Commission” means the Public Utilities Commission of Nevada.*

Sec. 6. *“Demonstration Program” means the Solar Hot Water Heating Systems Demonstration Program created by section 17 of this act.*

Sec. 7. *“Institution of higher education” means:*

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.

Sec. 8. *“Participant” means a person who has been selected by the Commission, pursuant to section 22 of this act, to participate in the Demonstration Program.*

Sec. 9. *“Person” includes a government, governmental agency or political subdivision of a government.*



1 **Sec. 10.** *“Program year” means the period from July 1 to*
2 *June 30 of each year.*

3 **Sec. 11.** 1. *“Public and other property” means any real*
4 *property, building or facility which is owned, leased or occupied*
5 *by:*

6 (a) *A public entity;*

7 (b) *A nonprofit organization that is recognized as exempt from*
8 *taxation pursuant to section 501(c)(3) of the Internal Revenue*
9 *Code, 26 U.S.C. § 501(c)(3), as amended; or*

10 (c) *A corporation for public benefit as defined in NRS 82.021.*

11 2. *The term does not include school property.*

12 **Sec. 12.** *“School property” means any real property, building*
13 *or facility which is owned, leased or occupied by:*

14 1. *A public school as defined in NRS 385.007;*

15 2. *A private school as defined in NRS 394.103; or*

16 3. *An institution of higher education.*

17 **Sec. 13.** *“Small business” means a business conducted for*
18 *profit which employs 500 or fewer full-time or part-time*
19 *employees.*

20 **Sec. 14.** *“Solar hot water heating system” means a system of*
21 *related components that uses solar energy to heat water and is*
22 *designed to work as an integral package such that the system is*
23 *not complete without one of its related components.*

24 **Sec. 15.** *“Task Force” means the Task Force for Renewable*
25 *Energy and Energy Conservation created by NRS 701.350.*

26 **Sec. 16.** *“Utility” means a public utility that supplies natural*
27 *gas in this State.*

28 **Sec. 17.** 1. *The Solar Hot Water Heating Systems*
29 *Demonstration Program is hereby created.*

30 2. *The Demonstration Program must have three categories of*
31 *participants as follows:*

32 (a) *School property;*

33 (b) *Public and other property; and*

34 (c) *Private residential property and small business property.*

35 3. *To be eligible to participate in the Demonstration Program,*
36 *a person must:*

37 (a) *Meet the qualifications established pursuant to subsection*
38 *4 and be approved by the Commission;*

39 (b) *When installing a solar hot water heating system, use an*
40 *installer who has been issued a classification C-1 license with the*
41 *appropriate subclassification by the State Contractors’ Board*
42 *pursuant to the regulations adopted by the Board; and*

43 (c) *If the person participates in the category of school property*
44 *or public and other property, provide for the public display of the*
45 *solar hot water heating system, including, without limitation,*



1 *providing for public demonstrations of the solar hot water heating*
2 *system and for hands-on experience of the solar hot water heating*
3 *system by the public.*

4 *4. The Commission shall adopt regulations setting forth the*
5 *qualifications an applicant must meet to qualify to participate in*
6 *the Demonstration Program, including, without limitation,*
7 *regulations specifying the solar hot water heating systems that*
8 *qualify for the Demonstration Program.*

9 *Sec. 18. 1. Each year on or before a date established by the*
10 *Commission, each utility in this State shall file with the*
11 *Commission the annual plan of the utility for carrying out and*
12 *administering the Demonstration Program within its service area*
13 *for that program year.*

14 *2. The Commission shall:*

15 *(a) Adopt regulations governing the annual plans of utilities;*

16 *(b) Review the annual plan filed by a utility to determine*
17 *whether the utility has complied with the regulations; and*

18 *(c) Approve the annual plan with such modifications and upon*
19 *such terms and conditions as the Commission determines*
20 *necessary or appropriate to facilitate the Demonstration Program.*

21 *3. A utility shall carry out and administer the Demonstration*
22 *Program within its service area in accordance with the annual*
23 *plan approved by the Commission.*

24 *4. A utility may recover its reasonable and prudent costs,*
25 *including, without limitation, customer incentives, that are*
26 *associated with carrying out and administering the Demonstration*
27 *Program within its service area by seeking recovery of those costs*
28 *in an appropriate proceeding before the Commission pursuant to*
29 *NRS 704.110.*

30 *5. The Commission may, by regulation, authorize an electric*
31 *utility to participate in the Demonstration Program if a customer*
32 *of the electric utility is using an electric hot water heating system*
33 *in conjunction with a solar hot water heating system.*

34 *6. As used in this section, "electric utility" means any public*
35 *utility or successor in interest that:*

36 *(a) Is in the business of providing electric service to customers;*

37 *(b) Holds a certificate of public convenience and necessity*
38 *issued or transferred pursuant to chapter 704 of NRS; and*

39 *(c) In the most recently completed calendar year or in any*
40 *other calendar year within the 7 calendar years immediately*
41 *preceding the most recently completed calendar year, had a gross*
42 *operating revenue of \$250,000,000 or more in this State.*

43 *↪ The term does not include a cooperative association, nonprofit*
44 *corporation, nonprofit association or provider of electric service*



1 *which is declared to be a public utility pursuant to NRS 704.673*
2 *and which provides service only to its members.*

3 **Sec. 19. 1. On or before November 1, 2009, the Task Force**
4 **shall:**

5 *(a) Develop an application for the Demonstration Program;*
6 *and*

7 *(b) Advertise for the submission of applications for the*
8 *Demonstration Program for the program year beginning July 1,*
9 *2010.*

10 *2. On or before November 1, 2010, and on or before*
11 *November 1 of each year thereafter, the Task Force shall advertise*
12 *for the submission of applications for the Demonstration Program*
13 *for the following program year.*

14 *3. The advertisements of the Task Force for applications for*
15 *the Demonstration Program must include, without limitation, a*
16 *description of:*

17 *(a) The requirements for participation in the Demonstration*
18 *Program;*

19 *(b) The incentives available to participants in the*
20 *Demonstration Program; and*

21 *(c) The application process to participate in the Demonstration*
22 *Program.*

23 **Sec. 20. 1. On or before February 1, 2010, and on or**
24 **before February 1 of each year thereafter, a person who wishes to**
25 **participate in the Demonstration Program for the following**
26 **program year must apply to the Task Force, on an application**
27 **form prescribed by the Task Force.**

28 *2. The application must include:*

29 *(a) A designation of the category of the applicant;*

30 *(b) The terms per year of capacity of the proposed solar hot*
31 *water heating system;*

32 *(c) If the person is applying to participate in the*
33 *Demonstration Program in the category of school property or*
34 *public and other property, a description of the plan for the public*
35 *display of the solar hot water heating system required by*
36 *subsection 3 of section 17 of this act; and*

37 *(d) Any other information required by the Task Force.*

38 **Sec. 21. 1. On or before March 1, 2010, the Task Force**
39 **shall:**

40 *(a) Review each application submitted for participation in the*
41 *Demonstration Program for the program year beginning July 1,*
42 *2010, to determine whether the applicant meets the requirements*
43 *of subsection 4 of section 17 of this act; and*



1 (b) Nominate applicants that are qualified for participation in
2 the Demonstration Program for the program year beginning
3 July 1, 2010.

4 2. On or before March 1, 2011, and on or before March 1 of
5 each year thereafter, the Task Force shall:

6 (a) Review each application submitted for participation in the
7 Demonstration Program for the following program year to
8 determine whether the applicant meets the requirements of
9 subsection 4 of section 17 of this act; and

10 (b) Nominate applicants that are qualified for participation in
11 the Demonstration Program for the following program year.

12 Sec. 22. 1. On or before May 1 of each year, the
13 Commission shall:

14 (a) Review each applicant nominated by the Task Force
15 pursuant to section 21 of this act to ensure that the applicant
16 meets the requirements of subsection 4 of section 17 of this act;
17 and

18 (b) From those qualified applicants nominated by the Task
19 Force, select participants for the Demonstration Program for the
20 following program year.

21 2. The Commission may approve, from among the qualified
22 applicants, solar hot water heating systems totaling:

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

24 (1) Not more than 5,000 therms per year of capacity for
25 school property;

26 (2) Not more than 10,000 therms per year of capacity for
27 public and other property; and

28 (3) Not more than 10,000 therms per year of capacity for
29 private residential property and small business property.

30 (b) For the program year beginning July 1, 2011:

31 (1) Not more than 22,500 therms per year of capacity for
32 school property;

33 (2) Not more than 22,500 therms per year of capacity for
34 public and other property; and

35 (3) Not more than 30,000 therms per year of capacity for
36 private residential property and small business property.

37 (c) For the program year beginning July 1, 2012, and for each
38 program year thereafter:

39 (1) Not more than 45,000 therms per year of capacity for
40 school property;

41 (2) Not more than 45,000 therms per year of capacity for
42 public and other property; and

43 (3) Not more than 60,000 therms per year of capacity for
44 private residential property and small business property.



3. The Commission shall notify each applicant selected to participate in the Demonstration Program not later than 10 days after the selection is made.

Sec. 23. 1. The Commission shall adopt regulations establishing a rebate program for a participant who installs a solar hot water heating system, including, without limitation, the installation of a system for heating a swimming pool.

2. The rebate for a participant pursuant to subsection 1 must be equal to the estimated first-year savings of kilowatt-hours resulting from the installation of the solar hot water heating system multiplied by 75 cents.

3. The estimation of the savings of kilowatt-hours must be based upon the annual OG-300 performance estimates of the Solar Rating and Certification Corporation.

4. Notwithstanding the provisions of this section, the rebate amount must not exceed the lesser of:

(a) Fifty percent of the total cost of the solar hot water heating system;

(b) For a residential solar hot water heating system, \$5,000; or

(c) For a nonresidential solar hot water heating system, \$25,000.

Sec. 24. 1. The Commission shall adopt regulations for the issuance of portfolio energy credits to a participant that installs a solar hot water heating system included in the Demonstration Program for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821.

2. All portfolio energy credits issued for a solar hot water heating system installed pursuant to the Demonstration Program are assigned to and become the property of the utility administering the Demonstration Program.

3. As used in this section, "portfolio energy credit" has the meaning ascribed to it in NRS 704.7803.

Sec. 25. 1. Except as otherwise provided in this section, if the Commission determines that a participant has not complied with the requirements for participation in the Demonstration Program, the Commission shall, after notice and an opportunity for a hearing, withdraw the participant from the Demonstration Program.

2. The Commission may, without notice or an opportunity for a hearing, withdraw from the Demonstration Program:

(a) A participant in the category of private residential property and small business property if the participant does not complete the installation of a solar hot water heating system within 12 months after the date the participant receives notice of his selection to participate in the Demonstration Program.



1 ***(b) A participant in the category of school property or public***
2 ***and other property if the participant does not complete the***
3 ***installation of a solar hot water heating system within 30 months***
4 ***after the date the participant receives notice of his selection to***
5 ***participate in the Demonstration Program.***

6 ***3. A participant who is withdrawn from the Demonstration***
7 ***Program pursuant to subsection 2 forfeits any rebates or portfolio***
8 ***energy credits provided by sections 2 to 25, inclusive, of this act.***

9 **Sec. 26.** This act becomes effective on July 1, 2009.

