

SENATE BILL NO. 188—SENATOR SCHNEIDER

MARCH 9, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Provides for the establishment of the Solar Thermal 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; providing for the establishment of the Solar Thermal Systems Demonstration Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations governing the Demonstration Program; providing for rebates to certain participants in the Demonstration Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 17 of this bill requires the Public Utilities Commission of Nevada to establish the Solar Thermal Systems Demonstration Program and to adopt regulations establishing the qualifications that a person must meet to participate in the Demonstration Program.

Section 18 of this bill provides that a public utility that supplies natural gas may recover its reasonable and prudent costs that are associated with carrying out and administering the Demonstration Program within its service area.

Section 23 of this bill requires the Commission to adopt regulations that establish program milestones and a rebate program for a participant who installs a solar thermal system and sets forth guidelines for such rebates.

Section 25 of this bill authorizes a public utility that supplies natural gas to withdraw certain participants from the Demonstration Program for noncompliance.

Section 26 of this bill requires the Commission to adopt the regulations required by this bill on or before March 1, 2010. **Section 27** of this bill requires the Commission, on or before July 1, 2012, to submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report concerning the Demonstration Program.



1 WHEREAS, Nevada is heavily dependent on natural gas; and
2 WHEREAS, Solar thermal systems constitute a large, untapped
3 source for reducing the demand for natural gas in Nevada; and

4 WHEREAS, Growing demand for solar thermal systems will
5 create jobs in Nevada, promote greater energy independence and
6 protect consumers from rising energy costs; and

7 WHEREAS, It is in the interest of the State to promote solar
8 thermal systems and other technologies that directly reduce the
9 demand for natural gas in homes, businesses, schools and other
10 governmental buildings; and

11 WHEREAS, It is the intent of the Legislature to build a
12 mainstream market for solar thermal systems that directly reduces
13 the demand for natural gas in homes, businesses, schools and other
14 governmental buildings through the installation of at least 3,000
15 solar thermal systems in this State by 2019; and

16 WHEREAS, It is the intent of the Legislature that incentives for
17 the installation of solar thermal systems should be a cost-effective
18 investment by natural gas customers and that such customers will
19 recoup the cost of their investments through lower prices for natural
20 gas, additional system stability and reduced pollution; now,
21 therefore,

22
23 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
24 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
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26 **Section 1.** Chapter 701B of NRS is hereby amended by adding
27 thereto the provisions set forth as sections 2 to 25, inclusive, of this
28 act.

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

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

34 **Sec. 4.** *“Category” means one of the categories of*
35 *participants in the Demonstration Program as set forth in section*
36 *17 of this act.*

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

39 **Sec. 6.** *“Demonstration Program” means the Solar Thermal*
40 *Systems Demonstration Program established by the Commission*
41 *pursuant to section 17 of this act.*

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

43 *1. A university, college or community college which is*
44 *privately owned or which is part of the Nevada System of Higher*
45 *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 approved by a utility pursuant to section 17 of this act to participate in the Demonstration Program.

Sec. 9. "Person" includes a government, governmental agency or political subdivision of a government.

Sec. 10. (Deleted by amendment.)

Sec. 11. 1. "Public and other property" means any real property, building or facility which is owned, leased or occupied by:

(a) A public entity;

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

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

2. The term includes, without limitation, any real property, building or facility which is owned, leased or occupied by:

(a) A church; or

(b) A benevolent, fraternal or charitable lodge, society or organization.

3. The term does not include school property.

Sec. 12. "School property" means any real property, building or facility which is owned, leased or occupied by:

1. A public school as defined in NRS 385.007;

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

3. An institution of higher education.

Sec. 13. "Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

Sec. 14. "Solar thermal system" means a system of related components that uses solar energy to heat water or air and is designed to work as an integral package such that the system is not complete without one of its related components.

Sec. 15. (Deleted by amendment.)

Sec. 16. "Utility" means a public utility that supplies natural gas in this State.

Sec. 17. 1. The Commission shall establish the Solar Thermal Systems Demonstration Program to carry out the intent of the Legislature to promote the installation of at least 3,000 solar thermal systems in homes, businesses, schools and other governmental buildings throughout this State by 2019.

2. The Demonstration Program must have four categories of participants as follows:

(a) School property;



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- (b) Public and other property;
- (c) Private residential property; and
- (d) Small business property.

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

- (a) Apply to a utility on a form prescribed by the Commission;
- (b) Meet the qualifications established pursuant to subsection 5 and be approved by the utility;

(c) When installing a solar thermal system, use an installer who has been issued a classification C-1 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

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

4. The utility shall notify each applicant who is approved to participate in the Demonstration Program not later than 10 days after the approval.

5. The Commission shall adopt regulations which must include, without limitation, provisions which:

(a) Establish the qualifications an applicant must meet to qualify to participate in the Demonstration Program.

(b) Establish specifications for the design, installation, energy output and displacement standards of the solar thermal systems that qualify for the Demonstration Program.

(c) Require that the components of any solar thermal system be new and unused.

(d) Require that any solar thermal collector have a warranty against defects and undue degradation of not less than 10 years.

(e) Require that a solar thermal system be installed in a building which is connected to the existing distribution system of a utility in this State.

(f) Require that a solar thermal system have a meter or other measuring device installed to monitor and measure the performance of the system and the quantity of energy generated or displaced by the system.

(g) Require that a solar thermal system be installed in conformity with the manufacturer's specifications and all applicable codes and standards.

(h) Establish siting and installation requirements for solar thermal systems to ensure efficient and appropriate installation and to promote maximized performance of such systems.



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6. As used in this section, "applicant" means a person who applies to the utility to participate in the Demonstration Program.

Sec. 18. A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Demonstration Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 21. (Deleted by amendment.)

Sec. 22. (Deleted by amendment.)

Sec. 23. 1. The Commission shall adopt regulations establishing program milestones and a rebate program for a participant who installs a solar thermal system. The rebates provided by the Commission must:

(a) Decline over time as the program milestones are reached;

(b) Be structured to reduce the cost of solar thermal systems; and

(c) Be based on the actual energy savings or predicted energy savings of the solar thermal system as determined by the Commission.

2. The regulations must require that to be eligible for a rebate pursuant to the Demonstration Program, a solar thermal system must have received an OG-300 performance certification from the Solar Rating and Certification Corporation.

3. In determining the amount of the rebates provided through the Demonstration Program, the Commission shall consider any federal tax credits and other incentives available to participants.

Sec. 24. (Deleted by amendment.)

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

2. The utility may, without notice, 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 thermal system within 12 months after the date the participant receives notice of his approval to participate in the Demonstration Program.

(b) A participant in the category of school property or public and other property if the participant does not complete the installation of a solar thermal system within 30 months after the



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1 *date the participant receives notice of his approval to participate in*
2 *the Demonstration Program.*

3 *3. A participant who is withdrawn from the Demonstration*
4 *Program pursuant to subsection 2 forfeits any rebates provided by*
5 *sections 2 to 25, inclusive, of this act.*

6 **Sec. 26.** On or before March 1, 2010, the Public Utilities
7 Commission of Nevada shall adopt the regulations required by
8 sections 17 and 23 of this act.

9 **Sec. 27.** On or before July 1, 2012, the Public Utilities
10 Commission of Nevada shall submit to the Director of the
11 Legislative Counsel Bureau for transmittal to the Legislature a
12 report concerning the Solar Thermal Systems Demonstration
13 Program which must include, without limitation:

14 1. An explanation of the criteria used by the Commission to
15 determine the amount of the rebates provided pursuant to the
16 Demonstration Program;

17 2. A statement of the anticipated benefits of the Demonstration
18 Program; and

19 3. Any recommendations concerning the Demonstration
20 Program.

21 **Sec. 28.** This act becomes effective on July 1, 2009.

