

SENATE BILL NO. 327—SENATOR SCHNEIDER

MARCH 16, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Provides incentives for certain electrification projects. (BDR S-377)

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

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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; authorizing the Public Utilities Commission of Nevada to provide certain incentives for investments in advanced travel center electrification systems and systems for recharging plug-in electric or plug-in hybrid electric vehicles; establishing the Electric Vehicle Demonstration Program; requiring the Commission to adopt regulations to carry out the Demonstration Program; requiring electric utilities in this State to administer the Demonstration Program in their service areas; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill authorizes the Public Utilities Commission of Nevada to adopt regulations providing certain incentives and portfolio energy credits to an electric utility that operates or invests in an advanced travel center electrification system or a system for recharging plug-in electric or plug-in hybrid electric vehicles. An electric utility is authorized to enter into a joint venture with one or more persons or governmental entities to develop or invest in such an electrification project. To be eligible for any incentives or portfolio energy credits authorized by this bill, an electrification project must be located within the service area of the electric utility.

Sections 2-21 of this bill establish the Electric Vehicle Demonstration Program. **Section 16** creates the Demonstration Program. **Section 17** requires the Commission to adopt regulations to carry out the Demonstration Program, including regulations concerning the qualifications of and the incentives available to participants in the Demonstration Program. **Section 18** requires each electric utility in this State to carry out the Demonstration Program in the utility's service area and authorizes the utility to recover its reasonable and prudent costs for carrying out and administering the Demonstration Program. **Section 20** authorizes



18 the Task Force for Renewable Energy and Energy Conservation to select qualified
19 applicants to participate in the Demonstration Program. **Section 21** authorizes the
20 Task Force to withdraw a participant from the Demonstration Program if the
21 participant does not comply with the requirements of the Demonstration Program.
22 **Section 22** of this bill provides that the Demonstration Program will expire in 2013.

1 WHEREAS, Energy and clean air are essential to the health,
2 welfare and security of Nevada residents and businesses; and

3 WHEREAS, New electrical vehicle propulsion technologies are
4 emerging and their adoption should be encouraged; and

5 WHEREAS, Nevada public utilities should be encouraged to
6 prepare for large-scale use of electric powered motor vehicles; and

7 WHEREAS, The efficiency and cost effectiveness of electric
8 generation facilities can be enhanced by spreading the fixed cost of
9 operation over a greater number of hours per day and by introducing
10 a new customer base, namely vehicles; and

11 WHEREAS, Nevada has been a leader in energy efficiency and
12 should continue to adopt public policies that foster energy
13 innovation; and

14 WHEREAS, Transportation fuel costs have risen dramatically,
15 and such costs impact the price of goods and services in Nevada as
16 well as the strength of Nevada's tourism industry; and

17 WHEREAS, Fossil fuel use in vehicles has a detrimental impact
18 on air quality and the health of Nevada's residents and the reduction
19 in use of such fuels will benefit Nevada's environment; now,
20 therefore,

21

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

24

25 **Section 1.** 1. The Public Utilities Commission of Nevada
26 may adopt regulations which:

27 (a) Establish a program for the approval of an increased rate of
28 return on equity for investments made by an electric utility in:

29 (1) An advanced travel center electrification system; or

30 (2) A system for recharging plug-in electric or plug-in hybrid
31 electric vehicles.

32 (b) For the purpose of complying with a portfolio standard
33 established pursuant to NRS 704.7821:

34 (1) Provide more than one portfolio energy credit for each
35 kilowatt-hour of electricity generated by a wind energy system on
36 the premises of an electrification project if, on an annual basis, 50
37 percent or more of the energy generated by the wind energy system
38 is used by the electrification project; and



(2) Provide more than the number of kilowatt-hours deemed to have been generated from a solar photovoltaic energy system pursuant to NRS 704.7822 on the premises of an electrification project if, on an annual basis, 50 percent or more of the energy generated by the solar photovoltaic system is used by the electrification project.

2. In applying for any program or portfolio energy credit authorized pursuant to subsection 1, an electric utility may:

(a) Enter into a joint venture with one or more persons or governmental entities; and

(b) Invest in an electrification project owned by a person other than an electric utility.

3. To be eligible for any program or portfolio energy credit authorized pursuant to subsection 1, an electrification project must be located within the service area of the electric utility.

4. As used in this section:

(a) "Advanced travel center electrification system" means a system designed to allow a commercial truck to shut down its engine and still obtain power for heating, cooling, lighting and communication.

(b) "Electric utility" has the meaning ascribed to it in NRS 704B.050.

(c) "Electrification project" means:

(1) An advanced travel center electrification system; or

(2) A system for recharging plug-in electric or plug-in hybrid electric vehicles.

Sec. 2. Sections 2 to 21, inclusive, of this act may be cited as the Electric Vehicle Demonstration Program.

Sec. 3. As used in sections 2 to 21, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 15, inclusive, of this act have the meaning ascribed to them in those sections.

Sec. 4. "Applicant" means a person who is applying to participate in the Demonstration Program.

Sec. 5. "Category" means one of the categories of participation in the Demonstration Program as set forth in section 16 of this act.

Sec. 6. "Commission" means the Public Utilities Commission of Nevada.

Sec. 7. "Demonstration Program" means the Electric Vehicle Demonstration Program created by section 16 of this act.

Sec. 8. "Electric personal assistive mobility device" means a self-balancing, nontandem two-wheeled device, designed to transport only one person, with an electric propulsion system that limits the maximum speed of the device to 15 miles per hour or less.



Sec. 9. “Electric vehicle” means any vehicle that is powered in whole or in part by electrical power.

Sec. 10. “Participant” means a person who has been selected by the Task Force pursuant to section 20 of this act to participate in the Demonstration Program.

Sec. 11. “Person” includes, without limitation, a governmental entity.

Sec. 12. “Program year” means the period of July 1 to June 30 of the following year.

Sec. 13. “Task Force” means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 14. “Utility” means a public utility that supplies electricity in this State.

Sec. 15. “Vehicle” means every device in, upon or by which any person or property is or may be transported. The term does not include:

1. Devices moved by human power or used exclusively upon stationary rails or tracks;
2. Mobile homes or commercial coaches as defined in chapter 489 of NRS; or
3. Electric personal assistive mobility devices.

Sec. 16. 1. The Electric Vehicle Demonstration Program is hereby created.

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

- (a) Schools;
- (b) Other public entities;
- (c) Private persons; and
- (d) Businesses.

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

(a) Meet the qualifications established by the Commission pursuant to section 17 of this act;

(b) Submit an application to a utility and be selected by the Task Force for inclusion in the Demonstration Program pursuant to sections 19 and 20 of this act; and

(c) If the person will be participating in the Demonstration Program in the category of schools or other public entities, provide for the public display of the electric vehicle and any electric vehicle charging station installed or operated by the participant, including, without limitation, providing for public demonstrations of the electric vehicle and the electric vehicle charging station.

Sec. 17. The Commission shall adopt regulations necessary to carry out the provisions of the Demonstration Program, including, without limitation, regulations that establish:



1 1. The qualifications and requirements an applicant must meet
2 to be eligible to participate in the Demonstration Program in each
3 category.

4 2. The type of incentives available to participants in the
5 Demonstration Program and the level or amount of those incentives.

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

9 (a) A detailed plan for advertising the Demonstration Program;

10 (b) A detailed budget and schedule for carrying out and
11 administering the Demonstration Program;

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

18 (d) A detailed account of the procedures that will be used for
19 inspection and verification of a participant's electric vehicle and any
20 system for recharging plug-in electric vehicles installed or operated
21 by the participant;

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

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

26 **Sec. 18.** 1. Each utility shall carry out and administer the
27 Demonstration Program within its service area in accordance with
28 its annual plan as approved by the Commission pursuant to section
29 19 of this act.

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

36 **Sec. 19.** 1. On or before February 1, 2010, and on or before
37 February 1 of each year thereafter, each utility shall file with the
38 Commission its annual plan for carrying out and administering the
39 Demonstration Program within its service area for the following
40 program year.

41 2. On or before July 1, 2010, and on or before July 1 of each
42 year thereafter, the Commission shall:

43 (a) Review the annual plan filed by each utility for compliance
44 with the requirements established by regulation pursuant to section
45 17 of this act; 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 Demonstration Program.

3. On or before November 1, 2010, and on or before November 1 of each year thereafter, each utility shall submit to the Task Force the utility's recommendations as to which applications received by the utility should be approved for participation in the Demonstration Program. The Task Force shall review the applications to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Demonstration Program.

4. Except as otherwise provided in section 20 of this act, the Task Force may approve, from among the applications recommended by each utility, electric vehicles totaling:

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

- (1) One hundred electric vehicles for schools;
- (2) One hundred electric vehicles for other public entities;
- (3) One hundred electric vehicles for private persons; and
- (4) One hundred electric vehicles for businesses.

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

- (1) An additional 125 electric vehicles for schools;
- (2) An additional 125 electric vehicles for other public entities;
- (3) An additional 125 electric vehicles for private persons; and

- (4) An additional 125 electric vehicles for businesses.

(c) For the program year beginning July 1, 2012:

- (1) An additional 150 electric vehicles for schools;
- (2) An additional 150 electric vehicles for other public entities;
- (3) An additional 150 electric vehicles for private persons; and

- (4) An additional 150 electric vehicles for businesses.

Sec. 20. 1. Based on the applications submitted by each utility for a program year, the Task Force shall:

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

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



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1 Force on behalf of the applicant shall provide written notice of the
2 selection to the applicant.

3 3. If the electric vehicles allocated to any category for a
4 program year are not fully subscribed by participants in that
5 category, the Task Force may, in any combination it deems
6 appropriate:

7 (a) Allow a utility to submit additional applications from
8 applicants who wish to participate in that category;

9 (b) Reallocate any of the unallocated electric vehicles in that
10 category to any of the other categories; or

11 (c) Reallocate any of the unallocated electric vehicles for a
12 program year to the next program year.

13 **Sec. 21.** 1. Except as otherwise provided in this section, if
14 the Task Force determines that a participant has not complied with
15 the requirements for participation in the Demonstration Program, the
16 Task Force shall, after notice and an opportunity for a hearing,
17 withdraw the participant from the Demonstration Program.

18 2. The Task Force may, without notice or an opportunity for a
19 hearing, withdraw a participant from the Demonstration Program if
20 the participant does not purchase an electric vehicle within 90 days
21 after the date the participant receives written notice of his selection
22 to participate in the Demonstration Program.

23 3. A participant who is withdrawn from the Demonstration
24 Program pursuant to subsection 2 forfeits any incentives.

25 **Sec. 22.** 1. This section and section 1 of this act become
26 effective upon passage and approval.

27 2. Sections 2 to 21, inclusive, of this act become effective on
28 July 1, 2009, and expire by limitation on September 30, 2013.

