

ASSEMBLY BILL NO. 416—ASSEMBLYMEN BOBZIEN; ATKINSON,
CONKLIN, DONDERO LOOP AND KIRKPATRICK

MARCH 21, 2011

JOINT SPONSOR: SENATOR LESLIE

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain programs for
renewable energy. (BDR 58-849)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to energy; revising provisions governing the Solar Energy Systems Incentive Program; revising the categories of participants in the Solar Program; revising provisions governing the Wind Energy Systems Demonstration Program; removing the prospective expiration of the Wind Program; revising provisions governing certain solar energy systems and wind energy systems which are deemed public works for certain purposes; revising provisions governing net metering systems; requiring the reallocation of certain capacity and incentives for participation in the Solar Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 4** of this bill revises provisions governing the incentives for
2 participation in the Solar Energy Systems Incentive Program, requires the Public
3 Utilities Commission of Nevada to review the incentives and authorizes the
4 Commission to adjust the incentives not less frequently than annually. **Section 5** of
5 this bill provides that the Solar Program is created to meet the Legislature's goal of
6 not less than 400 megawatts of installed solar energy systems in this State on or
7 before January 1, 2020. **Sections 3 and 5** of this bill revise the categories of
8 participants in the Solar Program to include commercial property, and **section 7** of



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this bill revises the allocation of capacity to the different categories of participants in the Program. **Section 6** of this bill removes the requirement that a participant in the Solar Program be approved by a utility before installing and energizing the solar energy system. **Section 8** of this bill revises provisions concerning certain solar energy systems that are deemed public works and requires that the application for any such solar system include the identifying number assigned to the public work by the Labor Commissioner.

Sections 9 and 10 of this bill require the Commission to establish the categories of participation in the Wind Energy Systems Demonstration Program. **Section 10** revises the capacity goals for the Wind Program, which must be designed so that the total cost of the Wind Program does not exceed \$30,000,000 per year through June 30, 2017. **Section 10** further provides that the incentives must be based on the performance of and amount of electricity generated by the wind energy system. **Section 13** of this bill revises provisions concerning certain wind energy systems that are deemed public works and requires that the application for any such wind energy system include the identifying number assigned to the public work by the Labor Commissioner. **Sections 20-23** of this bill remove the prospective expiration of the Wind Program.

Section 15 of this bill revises provisions governing net metering systems to include a system that is intended primarily to offset part or all of a customer-generator's requirements for electricity on the property where the system is located or on property contiguous with such property and owned by the customer-generator. **Section 16** of this bill increases the net metering cap from 1 percent of the utility's peak capacity to 5 percent. **Section 17** of this bill revises provisions governing the requirements for safety and power quality standards applicable to net metering systems. **Section 18** of this bill requires the Commission to adopt regulations specifying certain information that must be included in a bill for electrical service for a customer-generator.

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

Section 1. NRS 701B.100 is hereby amended to read as follows:

701B.100 "Program year" means ~~the period of July 1 to June 30 of the following~~ a calendar year.

Sec. 2. NRS 701B.110 is hereby amended to read as follows:

701B.110 1. "Public and other property" means any real property, building or facilities which are 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)~~ 501(c) of the Internal Revenue Code, 26 U.S.C. § ~~501(c)(3)~~ 501(c), as amended; or

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

2. The term includes, without limitation ~~any~~ :

(a) Any real property, building or facilities which are owned, leased or occupied by:

~~(a)~~ (1) A church; or



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~~(b)~~ (2) A benevolent, fraternal or charitable lodge, society or association.

~~{3. The term does not include school}~~

(b) *School* property.

Sec. 3. NRS 701B.210 is hereby amended to read as follows:

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

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

(a) ~~{School property;}~~

~~(b)}~~ Public and other property; ~~{and}~~

~~(c)}~~ (b) Private residential property ; and ~~{small business}~~

(c) *Commercial* property; and

2. The form and content of the master application.

Sec. 4. NRS 701B.220 is hereby amended to read as follows:

701B.220 1. In adopting regulations for the Solar Program, the Commission shall adopt regulations establishing an incentive for participation in the Solar Program. *The regulations must:*

(a) *Provide that the amount of the incentive must be paid over time and be based on the performance of the solar energy system and the amount of electricity generated by the solar energy system;*

(b) *Provide that the amount of any incentive paid for a solar energy system which is installed on public and other property and which is owned by a private entity must be the incentive paid for a participant in the category of commercial property;*

(c) *Provide for a contract to be entered into between a participant and a utility, which must include, without limitation, provisions specifying:*

(1) *The amount of the incentive the participant will receive from the utility;*

(2) *The period in which the participant will receive an incentive from the utility and provisions for the extension of that period;*

(3) *The frequency of payments of an incentive to the participant, which must be not more frequently than quarterly and not less frequently than annually; and*

(4) *That any portfolio energy credits issued to the participant and attributable to the solar energy system during the period in which the participant will receive an incentive from the utility must be assigned to and become the property of the utility in the manner prescribed by NRS 701B.290; and*

(d) *Establish reporting requirements for each utility that participates in the Solar Program, which must include, without limitation, periodic reports of the average cost of systems in each category, the cost to the utility of carrying out the Program and*



1 *the effect of the Program on the rates paid by the customers of the*
2 *utility.*

3 *2. The Commission shall review the incentives for*
4 *participation in the Program and may adjust the amount of the*
5 *incentives not less frequently than annually.*

6 **Sec. 5.** NRS 701B.240 is hereby amended to read as follows:

7 701B.240 1. The Solar Energy Systems Incentive Program is
8 hereby created ~~[]~~ *to meet the goal of the Legislature that not less*
9 *than 400 megawatts of solar energy systems be installed in this*
10 *State on or before January 1, 2020.*

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

12 (a) ~~[School property;~~

13 ~~—(b)—~~ Public and other property; ~~[and~~

14 ~~—(c)—~~ (b) Private residential property ; and ~~[small business]~~

15 (c) *Commercial* property.

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

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

20 (b) *Be a customer of a utility;*

21 (c) Submit an application to a utility and be selected by the
22 Commission for inclusion in the Solar Program pursuant to NRS
23 701B.250 and 701B.255;

24 ~~[(e)]~~ (d) When installing the solar energy system, use an
25 installer who has been issued a classification C-2 license with the
26 appropriate subclassification by the State Contractors' Board
27 pursuant to the regulations adopted by the Board; and

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

34 **Sec. 6.** NRS 701B.255 is hereby amended to read as follows:

35 701B.255 1. After reviewing an application submitted
36 pursuant to NRS 701B.250 and ensuring that the applicant meets the
37 qualifications and requirements to be eligible to participate in the
38 Solar Program, a utility may select the applicant for participation in
39 the Solar Program.

40 2. Not later than 30 days after the date on which the utility
41 selects an applicant, the utility shall provide written notice of the
42 selection to the applicant.

43 3. After the utility selects an applicant to participate in the
44 Solar Program, the utility may approve the solar energy system



~~proposed by~~ of the applicant. Upon the utility's approval of the solar energy system ~~;~~

~~—(a) The~~, the utility shall provide to the applicant notice of the approval and the amount of incentive for which the solar energy system is eligible. ~~;~~ and

~~—(b) The applicant may install and energize the solar energy system.~~

4. Upon the completion of the installation and energizing of the solar energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the cost of the project and a calculation of the expected system output.

5. Upon receipt of the incentive claim form and verification that the solar energy system is properly connected, the utility shall issue an incentive payment to the participant.

6. The amount of the incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Solar Program, except that an applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Solar Program or does not complete the installation of the solar energy system within 12 months after the date on which the applicant is selected for participation in the Solar Program. An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the installation of the solar energy system, and the amount of the incentive for which such an applicant is eligible must be determined on the date on which the applicant completes the installation of the solar energy system.

Sec. 7. 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) The program year beginning ~~July 1, 2009;~~ *January 1, 2011*, solar energy systems:

(1) Totaling ~~2,000~~ *752* kilowatts of capacity for ~~school property;~~

~~(2) Totaling 760 kilowatts of capacity for~~ public and other property; ~~and~~

~~(3)~~ (2) Totaling ~~1,000~~ *1,500* kilowatts of capacity for private residential property ; and ~~small business~~

(3) *Totaling 1,500 kilowatts of capacity for commercial* property; and

(b) Each program year for the period beginning ~~July 1, 2010;~~ *January 1, 2012*, and ending on ~~June 30, 2021;~~ *December 31, 2019*, 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) Reallocate~~ , *reallocate* any of the unused capacity in that category to any of the other categories . ~~;~~ *or*

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

~~—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.]~~ 3. The Commission shall not authorize the payment of an incentive for the installation of a solar energy system or distributed generation system 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 by a utility for the installation of solar energy systems and distributed generation systems 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 by a utility for the installation of solar energy systems and distributed generation systems to exceed \$255,270,000.

Sec. 8. NRS 701B.265 is hereby amended to read as follows:

701B.265 1. ~~[The]~~ *If a public body enters into a contract for the* installation of a solar energy system on property owned or occupied by ~~[a]~~ *the* public body pursuant to NRS 701B.010 to 701B.290, inclusive, *the installation of the solar energy system shall be deemed to be a public work [for the purposes of] and is subject to the applicable requirements of* chapters 338 and 341 of NRS, regardless of whether the installation of the solar energy system is financed in whole or in part by public money.

2. The amount of any incentive issued by a utility relating to the installation of a solar energy system on property owned or occupied by a public body may not be used to reduce the cost of the project to an amount which would exempt the project from the requirements of NRS 338.020 to 338.090, inclusive.

3. *An applicant who submits an application for participation in the Solar Program for a solar energy system installed on*



property owned or occupied by a public body shall include with the application the identifying number assigned to the project pursuant to NRS 338.013.

4. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions.

Sec. 9. NRS 701B.580 is hereby amended to read as follows:
701B.580 1. The Wind Energy Systems Demonstration Program is hereby created.

2. ~~[The Program must have four categories as follows:~~

~~—(a) School property;~~

~~—(b) Other public property;~~

~~—(c) Private residential property and small business property; and~~

~~—(d) Agricultural property.~~

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

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

(b) When installing the wind 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*

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

Sec. 10. NRS 701B.590 is hereby amended to read as follows:
701B.590 The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

1. *The categories of participation in the Program.*

2. The capacity goals for the Program, which must be designed ~~[to meet the goal of the Legislature of the installation of not less than 5 megawatts of wind energy systems in this State by 2012]~~ *so that the total cost of the Program does not exceed \$30,000,000 per year through June 30, 2017, and the capacity goals for each category of the Program.*

~~[2.]~~ 3. A system of incentives that are based on rebates that decline as the ~~[capacity goals for the Program and the goals for each category of the Program are met. The rebates must be based on predicted energy savings.~~



~~3.] cost of installing wind energy systems declines. The rebates must be based on the performance of and amount of electricity generated by a wind energy system.~~

4. The procedure for claiming incentives, including, without limitation, the form and content of the incentive claim form.

Sec. 11. 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.

Sec. 12. NRS 701B.615 is hereby amended to read as follows:

701B.615 1. An applicant who wishes to participate in the Wind Demonstration Program must submit an application to a utility.

2. After reviewing an application submitted pursuant to subsection 1 and ensuring that the applicant meets the qualifications and requirements to be eligible to participate in the Program, a utility may select the applicant for participation in the Program.

3. Not later than 30 days after the date on which the utility selects an applicant, the utility shall provide written notice of the selection to the applicant.

4. After the utility selects an applicant to participate in the Program, the utility may approve the wind energy system proposed by the applicant. Upon the utility's approval of the wind energy system:

(a) The utility shall provide to the applicant notice of the approval and the amount of incentive for which the wind energy system is eligible; and

(b) The applicant may install and energize the wind energy system.

5. Upon the completion of the installation and energizing of the wind energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the cost of the project and a calculation of the expected system output.



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6. Upon receipt of the incentive claim form and verification that the wind energy system is properly connected, the utility shall issue an incentive payment to the participant.

7. The ~~[amount of the]~~ incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Wind Demonstration Program, except that an applicant forfeits eligibility for that ~~[amount of]~~ incentive if the applicant withdraws from participation in the Program or, *except as otherwise provided in subsection 8*, does not complete the installation of the wind energy system within 12 months after the date on which the applicant is selected for participation in the Program. An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the installation of the wind energy system, and the amount of the incentive for which such an applicant is eligible must be determined on the date on which the applicant completes the installation of the wind energy system.

8. An applicant may request from the utility not more than two extensions of the period in which he or she must complete installation of the wind energy system prescribed by subsection 7 if the applicant demonstrates that an extension is necessary because of unforeseen delays in obtaining any necessary permits or the unavailability of equipment or supplies necessary to complete the installation of the wind energy system. The period of any extension granted pursuant to this subsection must not exceed 6 months.

Sec. 13. NRS 701B.625 is hereby amended to read as follows:

701B.625 1. ~~[The]~~ *If a public body enters into a contract for the* installation of a wind energy system on property owned or occupied by ~~[a]~~ *the* public body pursuant to NRS 701B.400 to 701B.650, inclusive, *the installation of the wind energy system* shall be deemed to be a public work ~~[for the purposes]~~ *and is subject to the applicable requirements* of chapters 338 and 341 of NRS, regardless of whether the installation of the wind energy system is financed in whole or in part by public money.

2. The amount of any incentive issued by a utility relating to the installation of a wind energy system on property owned or occupied by a public body may not be used to reduce the cost of the project to an amount which would exempt the project from the requirements of NRS 338.020 to 338.090, inclusive.

3. *An applicant who submits an application for participation in the Program for a wind energy system installed on property owned or occupied by a public body shall include with the*



application the identifying number assigned to the project pursuant to NRS 338.013.

4. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions.

Sec. 14. NRS 701B.924 is hereby amended to read as follows:

701B.924 1. The State Public Works Board shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and 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 pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

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

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

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

(d) The estimated cost of the project.

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

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

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

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

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

~~(4) [The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or~~

~~(5)]~~ An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

2. The board of trustees of each school district shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and 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 pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

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



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

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

(d) The estimated cost of the project.

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

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

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

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

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

~~(4) [The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or~~

~~(5)]~~ An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

3. The Board of Regents of the University of Nevada shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and 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 pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

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

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

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

(d) The estimated cost of the project.

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

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

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

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

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



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

~~(5)]~~ An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

4. As soon as practicable after an entity described in subsections 1, 2 and 3 selects a project, the entity shall proceed to enter into a contract with one or more contractors to perform the work on the project. The request for proposals and all contracts for each project must include, without limitation:

(a) Provisions stipulating that all employees of the contractors and subcontractors who work on the project must be paid prevailing wages pursuant to the requirements of chapter 338 of NRS;

(b) Provisions requiring that each contractor and subcontractor employed on each such project:

(1) Employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project; or

(2) If the Director of the Department determines in writing, pursuant to a request submitted by the contractor or subcontractor, that the contractor or subcontractor cannot reasonably comply with the provisions of subparagraph (1) because there are not available a sufficient number of such trained persons, employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 or trained through any apprenticeship program that is registered and approved by the State Apprenticeship Council pursuant to chapter 610 of NRS that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project;

(c) A component pursuant to which persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 must be classified and paid prevailing wages depending upon the classification of the skill in which they are trained; and

(d) A component that requires each contractor or subcontractor to offer to employees working on the project, and to their dependents, health care in the same manner as a policy of insurance pursuant to chapters 689A and 689B of NRS or the Employee Retirement Income Security Act of 1974.

5. The State Public Works Board, each of the school districts and the Board of Regents of the University of Nevada shall each provide a report to the Interim Finance Committee which describes the projects selected pursuant to this section and a report of the dates on which those projects are scheduled to be completed.



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Sec. 15. NRS 704.771 is hereby amended to read as follows:

704.771 1. "Net metering system" means a facility or energy system for the generation of electricity that:

(a) Uses renewable energy as its primary source of energy to generate electricity;

(b) Has a generating capacity of not more than 1 megawatt;

(c) Is located on ~~the customer-generator's premises;~~ *property owned by the customer-generator;*

(d) ~~Operates in parallel~~ *Is interconnected* with the utility's transmission and distribution facilities; and

(e) Is intended primarily to offset part or all of the customer-generator's requirements for electricity ~~at the premises where the facility or energy system is located or on property contiguous with the premises and owned by the customer-generator.~~

2. The term does not include a facility or energy system for the generation of electricity which has a generating capacity that exceeds the greater of:

(a) The limit on the demand that the class of customer of the customer-generator may place on the system of the utility; or

(b) One hundred ~~fifty~~ *twenty* percent of the ~~peak demand of the customer;~~ *customer's anticipated annual consumption of electricity.*

Sec. 16. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area until the cumulative capacity of all such net metering systems is equal to ~~44~~ *5* percent of the utility's peak capacity.

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

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

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

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

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

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



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

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

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

(c) Shall not charge the customer-generator any standby charge.
➤ At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.

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

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

- (1) Metering equipment;
- (2) Net energy metering and billing; and
- (3) Interconnection,

➤ based on the allowable size of the net metering system.

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

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

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

Sec. 17. NRS 704.774 is hereby amended to read as follows:

704.774 1. A ~~{net metering system used by a}~~ customer-generator must ~~{meet}~~ *obtain a building permit issued by a local government or provide proof satisfactory to the utility that his or her net metering system meets* all applicable safety and power quality standards established by:

- (a) The National Electrical Code;
- (b) Underwriters Laboratories Inc.; and
- (c) The Institute of Electrical and Electronic Engineers.

2. A customer-generator *who obtains a building permit issued by a local government or* whose net metering system meets ~~{such}~~ *the* safety and quality standards *prescribed by subsection 1* must not be required by the utility to:



- (a) Comply with additional standards or requirements;
- (b) Perform additional tests;
- (c) Install additional controls; or
- (d) Purchase additional liability insurance,

➔ arising solely from the status as a customer-generator.

Sec. 18. NRS 704.775 is hereby amended to read as follows:

704.775 1. The billing period for net metering must be a monthly period.

2. The net energy measurement must be calculated in the following manner:

(a) The utility shall measure, in kilowatt-hours, the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(b) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the customer-generator must be billed for the net electricity supplied by the utility.

(c) If the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer-generator is entitled to compensation for the electricity provided to the other during the billing period.

(2) The excess electricity which is fed back to the utility during the billing period is carried forward to the next billing period as an addition to the kilowatt-hours generated by the customer-generator in that billing period. If the customer-generator is billed for electricity pursuant to a time-of-use rate schedule, the excess electricity carried forward must be added to the same time-of-use period as the time-of-use period in which it was generated unless the subsequent billing period lacks a corresponding time-of-use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time-of-use periods.

(3) Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer-generator is not entitled to receive compensation for any excess electricity that remains if:

(I) The net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities;

(II) The customer-generator ceases to be a customer of the utility at the premises served by the net metering system; or

(III) The customer-generator transfers the net metering system to another person.

(4) The value of the excess electricity must not be used to reduce any other fee or charge imposed by the utility.



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3. If the cost of purchasing and installing a net metering system was paid for:

(a) In whole or in part by a utility, the electricity generated by the net metering system shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.

(b) Entirely by a customer-generator, the Commission shall issue to the customer-generator portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 and 704.78213 equal to the electricity generated by the net metering system.

4. A bill for electrical service is due at the time established pursuant to the terms of the contract between the utility and the customer-generator.

5. The Commission shall adopt regulations specifying the information that must be included in a bill for electrical service for a customer-generator, which must include, without limitation:

(a) The amount of energy generated by the net metering system.

(b) The amount of excess electricity fed back to the utility during the billing period.

(c) The amount of any excess electricity to be carried forward to the next billing period, if any.

(d) The rate the customer-generator received from the utility for electricity generated by the net metering system during the billing period.

Sec. 19. NRS 338.1908 is hereby amended to read as follows:

338.1908 1. The governing body of each local government shall, by July 28, 2009, 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.



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(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; *or*

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

~~(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. 20. Section 113 of chapter 509, Statutes of Nevada 2007, at page 2999, is hereby amended to read as follows:

Sec. 113. 1. This act becomes effective:

(a) Upon passage and approval for the purposes of adopting regulations and taking such other actions as are necessary to carry out the provisions of this act; and



(b) For all other purposes besides those described in paragraph (a):

(1) For this section and sections 1, 30, 32, 36 to 46, inclusive, 49, 51 to 61, inclusive, 107, 109, 110 and 111 of this act, upon passage and approval.

(2) For sections 1.5 to 29, inclusive, 43.5, 47, 51.3, 51.7, 108, 112 and 112.5 of this act, on July 1, 2007.

(3) For sections 62 to 106, inclusive, of this act, on October 1, 2007.

(4) For sections 31, 32.3, 32.5, 32.7, 33, 34 and 35 of this act, on January 1, 2009.

(5) For section 48 of this act, on January 1, 2010.

(6) For section 50 of this act, on January 1, 2011.

2. Sections ~~62~~ 87 to 106, inclusive, of this act expire by limitation on June 30, 2011.

Sec. 21. Section 13 of chapter 246, Statutes of Nevada 2009, at page 1002, is hereby amended to read as follows:

Sec. 13. 1. This act becomes effective on July 1, 2009.

2. ~~Sections 2 and~~ Section 3 of this act ~~expire~~ expires by limitation on June 30, 2011.

Sec. 22. Section 21 of chapter 321, Statutes of Nevada 2009, at page 1410, is hereby amended to read as follows:

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, 1.92, 1.93, 1.95, 4.3~~ 1.95 and 7.1 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.]~~

Sec. 23. Notwithstanding the provisions of NRS 701B.010 to 701B.290, inclusive:

1. Any capacity allocated to and any incentive authorized for an applicant for participation in the Solar Energy Systems Incentive Program created by NRS 701B.240 whose application was approved on or before April 26, 2010, and whose solar energy system was not installed and energized within 1 year after the date of approval of the application shall be deemed withdrawn.

2. Any capacity withdrawn pursuant to subsection 1 must be reallocated on May 1, 2011, and any incentives withdrawn pursuant to subsection 1 must be made available for such reallocated capacity at the levels that were available to participants in the Solar Program on April 26, 2010.

Sec. 24. NRS 701B.140 and 701B.490 are hereby repealed.



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- 1 **Sec. 25.** 1. This section and sections 20 to 23, inclusive, of
2 this act become effective upon passage and approval.
3 2. Sections 1 to 19, inclusive, and 24 of this act become
4 effective on July 1, 2011.

TEXT OF REPEALED SECTIONS

701B.140 “Small business” defined. “Small business” means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

701B.490 “Program year” defined. [Effective through June 30, 2011.] “Program year” means the period of July 1 to June 30 of the following year.

