

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.

~

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 provisions governing the Wind Energy Systems Demonstration Program; revising provisions governing the payment of incentives to participants in the Solar Program and the Wind Program; removing the prospective expiration of the Wind Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 4 of this bill revises provisions governing the incentives for participation in the Solar Energy Systems Incentive Program, requires the Public Utilities Commission of Nevada to review the incentives and authorizes the Commission to adjust the incentives not less frequently than annually. **Section 4** provides that the total amount of the incentive paid to a participant in the Solar Program in the category of private residential property must be paid upon proof that the participant has installed and energized the solar energy system, while the amount of the incentive paid to a participant in a category other than the category of private residential property 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.

Section 10 of this bill revises the capacity goals for the Wind Energy Systems Demonstration 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**



* A B 4 1 6 R 1 *

15 further provides that the total amount of the incentive paid to a participant in the
16 Wind Program in the category of private residential property must be paid upon
17 proof that the participant has installed and energized the wind energy system, while
18 the amount of the incentive paid to a participant in a category other than the
19 category of private residential property must be paid over time and based on the
20 performance of and amount of electricity generated by the wind energy system.
21 **Sections 20-22** of this bill remove the prospective expiration of the Wind Program.

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

1 **Section 1.** (Deleted by amendment.)
2 **Sec. 2.** (Deleted by amendment.)
3 **Sec. 3.** NRS 701B.210 is hereby amended to read as follows:
4 701B.210 The Commission shall adopt regulations that
5 establish:
6 1. The qualifications and requirements an applicant must meet
7 to be eligible to participate in each applicable category of:
8 (a) School property;
9 (b) Public and other property; ~~and~~
10 (c) Private residential property ; and ~~small~~
11 (d) *Small* business property; and
12 2. The form and content of the master application.
13 **Sec. 4.** NRS 701B.220 is hereby amended to read as follows:
14 701B.220 *1.* In adopting regulations for the Solar Program,
15 the Commission shall adopt regulations establishing an incentive for
16 participation in the Solar Program. *The regulations must:*
17 (a) *Provide that the total amount of the incentive paid to a*
18 *participant in the category of private residential property must be*
19 *paid upon proof that the participant has installed and energized*
20 *the solar energy system;*
21 (b) *Provide that the amount of the incentive paid to a*
22 *participant in a category other than the category of private*
23 *residential property must be paid over time and be based on the*
24 *performance of the solar energy system and the amount of*
25 *electricity generated by the solar energy system;*
26 (c) *Provide for a contract to be entered into between a*
27 *participant and a utility, which must include, without limitation,*
28 *provisions specifying:*
29 (1) *The amount of the incentive the participant will receive*
30 *from the utility;*
31 (2) *For a participant in a category other than the category*
32 *of private residential property, the period in which the participant*
33 *will receive an incentive from the utility, which must not exceed 5*
34 *years;*



* A B 4 1 6 R 1 *

(3) *For a participant in a category other than the category of private residential property, the frequency of payments of an incentive to the participant, which must be not more frequently than monthly and not less frequently than quarterly; 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;*

(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 Solar Program and the effect of the Solar Program on the rates paid by the customers of the utility; and*

(e) *Provide for a decline over time in the amount of the incentives for participation in the Solar Program as the cost of installing solar energy systems decreases.*

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

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

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

2. The Solar Program must have ~~three~~ *four* categories as follows:

(a) School property;

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

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

(d) Small business property.

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

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

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

(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



* A B 4 1 6 R 1 *

1 system and for hands-on experience of the solar energy system by
2 the public.

3 **Sec. 6.** (Deleted by amendment.)

4 **Sec. 7.** (Deleted by amendment.)

5 **Sec. 8.** (Deleted by amendment.)

6 **Sec. 9.** NRS 701B.580 is hereby amended to read as follows:

7 701B.580 1. The Wind Energy Systems Demonstration
8 Program is hereby created.

9 2. The Program must have ~~four~~ *five* categories as follows:

10 (a) School property;

11 (b) Other public property;

12 (c) Private residential property ~~and small~~ ;

13 *(d) Small* business property; and

14 ~~((d))~~ *(e)* Agricultural property.

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

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

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

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

28 **Sec. 10.** NRS 701B.590 is hereby amended to read as follows:

29 701B.590 The Commission shall adopt regulations necessary
30 to carry out the provisions of the Wind Energy Systems
31 Demonstration Program Act, including, without limitation,
32 regulations that establish:

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

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

43 ~~—3.]~~ *cost of installing wind energy systems declines. The system*
44 *must provide:*



1 (a) That the total amount of the incentive for a participant in
2 the category of private residential property must be paid upon
3 proof that the participant has installed and energized the wind
4 energy system;

5 (b) That the amount of the incentive for a participant in a
6 category other than the category of private residential property
7 must be paid over time and be based on the performance of the
8 wind energy system and the amount of electricity generated by the
9 wind energy system; and

10 (c) For a contract to be entered into between a participant and
11 a utility, which must include, without limitation, provisions
12 specifying:

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

15 (2) For a participant in a category other than the category
16 of private residential property, the period in which the participant
17 will receive an incentive from the utility, which must not exceed 5
18 years;

19 (3) For a participant in a category other than the category
20 of private residential property, the frequency of payments of an
21 incentive to the participant, which must be not more frequently
22 than monthly and not less frequently than quarterly; and

23 (4) That any portfolio energy credits issued to the
24 participant and attributable to the wind energy system during
25 the period in which the participant will receive an incentive from
26 the utility must be assigned to and become the property of the
27 utility in the manner prescribed by NRS 701B.640.

28 3. Reporting requirements for each utility that participates in
29 the Program, which must include, without limitation, periodic
30 reports of the average cost of systems in each category, the cost to
31 the utility of carrying out the Program and the effect of the
32 Program on the rates paid by the customers of the utility.

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

35 Sec. 11. (Deleted by amendment.)

36 Sec. 12. (Deleted by amendment.)

37 Sec. 13. (Deleted by amendment.)

38 Sec. 14. (Deleted by amendment.)

39 Sec. 15. (Deleted by amendment.)

40 Sec. 16. (Deleted by amendment.)

41 Sec. 17. (Deleted by amendment.)

42 Sec. 18. (Deleted by amendment.)

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

44 338.1908 1. The governing body of each local government
45 shall, by July 28, 2009, develop a plan to retrofit public buildings,



* A B 4 1 6 R 1 *

1 facilities and structures, including, without limitation, traffic-control
2 systems, and to otherwise use sources of renewable energy to serve
3 those buildings, facilities and structures. Such a plan must:

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

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

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

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

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

13 (4) The estimated cost of the project.

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

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

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

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

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

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

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

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

36 3. As used in this section:

37 (a) "Local government" means each city or county that meets
38 the definition of "eligible unit of local government" as set forth in
39 42 U.S.C. § 17151 and each unit of local government, as defined in
40 subsection 11 of NRS 338.010, that does not meet the definition of
41 "eligible entity" as set forth in 42 U.S.C. § 17151.

42 (b) "Renewable energy" means a source of energy that occurs
43 naturally or is regenerated naturally, including, without limitation:

44 (1) Biomass;

45 (2) Fuel cells;



* A B 4 1 6 R 1 *

- (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.]~~



* A B 4 1 6 R 1 *

1 **Sec. 23.** (Deleted by amendment.)

2 **Sec. 23.5.** The Public Utilities Commission of Nevada shall
3 adopt regulations to carry out the amendatory provisions of this act
4 on or before July 1, 2012. The regulations must provide for the
5 transition to the performance-based incentive required by NRS
6 701B.220, as amended by section 4 of this act and NRS 701B.590,
7 as amended by section 10 of this act for participants in categories
8 other than the category of private residential property in the Solar
9 Energy Systems Incentive Program and the Wind Energy Systems
10 Demonstration Program.

11 **Sec. 24.** (Deleted by amendment.)

12 **Sec. 25.** 1. This section and sections 20 to 23.5, inclusive, of
13 this act become effective upon passage and approval.

14 2. Sections 1 to 18, inclusive, and 24 of this act become
15 effective upon passage and approval for the purpose of adopting
16 regulations, and on January 1, 2013, for all other purposes.

17 3. Section 19 of this act becomes effective on July 1, 2011.

