

Amendment No. 975

Senate Amendment to Assembly Bill No. 416 Second Reprint (BDR 58-849)

Proposed by: Senate Committee on Finance

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

MSN/TMC



Date: 6/6/2011

A.B. No. 416—Revises provisions governing certain programs for renewable energy. (BDR 58-849)



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

MARCH 21, 2011

JOINT SPONSORS: SENATORS LESLIE, HORSFORD AND SCHNEIDER

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 provisions governing the Wind Energy Systems Demonstration Program; revising provisions governing the Waterpower Energy Systems Demonstration Program; revising provisions governing the payment of incentives to participants in the Solar Program and the Wind Program; revising the prospective expiration of the Wind Program and the Waterpower Program; providing for the prospective expiration of 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:

Existing law establishes the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (NRS 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) **Section 2.1** of this bill establishes the statewide capacity goals for all energy systems which receive incentives pursuant to these programs and authorizes a utility to file the annual plan required for each of these programs as a single plan.

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 with a solar energy system with a nameplate capacity of not more than 30 kilowatts 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 with a solar energy system with a nameplate capacity of more than 30 kilowatts and not more than 500 kilowatts 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 8.7** of this bill requires a participant in the Solar Program to participate in net metering.

Section 10 of this bill requires the Commission to adopt regulations relating to the Wind Program and to establish a system of incentives for participation in the Wind Program. **Section 10** further provides that the total amount of the incentive paid to a participant in the Wind Program with a nameplate capacity of not more than 500 kilowatts must be paid over time and based on the performance of and amount of electricity generated by the wind energy system. **Section 10.5** of this bill requires a participant in the Wind Program to participate in net metering.

Section 10.7 of this bill requires the Commission to provide a system of incentives for waterpower energy systems with a nameplate capacity of not more than 500 kilowatts. **Section 18.5** of this bill requires a participant in the Waterpower Program to participate in net metering.

Existing law deems a provider of electric service to have generated or acquired 2.4 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a solar photovoltaic system on certain retail customers. (NRS 704.4822) **Section 18.9** of this bill provides the same calculation for solar photovoltaic systems installed on the premises of the provider if certain conditions are met.

Existing law provides that the Wind Program and the Waterpower Program will expire on June 30, 2011. (Chapter 509, Statutes of Nevada 2007, p. 2999) This bill revises the prospective expiration date of these programs and provides that the Wind Program, the Waterpower Program and the Solar Program will expire on December 31, 2021.

Section 23.7 of this bill requires the Commission to open an investigatory docket to study the feasibility and advisability of establishing a feed-in tariff program for renewable energy systems and to submit a report of its findings from the investigatory docket to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature.

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

Section 1. (Deleted by amendment.)

Sec. 1.5. NRS 701.180 is hereby amended to read as follows:

701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources, including, without limitation ~~the~~:

~~(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240 including, without limitation, information relating to:~~

~~(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;~~

~~(2) The use of carbon-based energy in residential and commercial applications due to participation in the Program; and~~

~~(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the Program; and~~

~~(b) Information~~, **information** relating to any money distributed pursuant to NRS 702.270.

2. Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

4. Solicit and serve as the point of contact for grants and other money from the Federal Government, including, without limitation, any grants and other money available pursuant to any program administered by the United States Department of Energy, and other sources to cooperate with the Commissioner and the Authority:

(a) To promote energy projects that enhance the economic development of the State;

(b) To promote the use of renewable energy in this State;

(c) To promote the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Commissioner determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive program for retrofitting public buildings in this State developed pursuant to paragraph (d).

5. Coordinate the activities and programs of the Office of Energy with the activities and programs of the Authority, the Consumer's Advocate and the Public Utilities Commission of Nevada, and with other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

6. If requested to make a determination pursuant to NRS 111.239 or 278.0208, make the determination within 30 days after receiving the request. If the Director needs additional information to make the determination, the Director may request the information from the person making the request for a determination. Within 15 days after receiving the additional information, the Director shall make a determination on the request.

7. Carry out all other directives concerning energy that are prescribed by the Governor.

Sec. 2. (Deleted by amendment.)

Sec. 2.1. Chapter 701B of NRS is hereby amended by adding thereto a new section to read as follows:

1. For purposes of carrying out the Solar Energy Systems Incentive Program created by NRS 701B.240, the Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820, the Public Utilities Commission of Nevada may approve solar energy systems, wind energy systems and waterpower energy systems totaling not more than 150 megawatts of capacity for all systems in this State for the period beginning on July 1, 2009, and ending on December 31, 2021. The Commission shall by regulation prescribe the capacity goals for each program.

2. The Public Utilities Commission of Nevada shall not authorize the payment of an incentive pursuant to:

(a) The Solar Energy Systems Incentive Program if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of solar energy systems and distributed generation systems to exceed \$255,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2021.

(b) The Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of wind energy systems and waterpower energy systems to exceed \$60,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2021. The Commission shall by regulation determine the total amount of incentives for each program.

3. A utility may file one combined annual plan which meets the requirements set forth in NRS 701B.230, 701B.610 and 701B.850. The Public Utilities Commission of Nevada shall review and approve any plans submitted pursuant to this subsection in accordance with the requirements of NRS 701B.230, 701B.610 and 701B.850.

4. As used in this section:

(a) "Distributed generation system" has the meaning ascribed to it in NRS 701B.055.

(b) "Utility" means a public utility that supplies electricity in this State.

Sec. 2.3. NRS 701B.040 is hereby amended to read as follows:

701B.040 "Category" means one of the categories of participation in the Solar Program as set forth in ~~[NRS 701B.240.] regulations adopted by the Commission.~~

Sec. 2.5. NRS 701B.200 is hereby amended to read as follows:

701B.200 The Commission shall adopt regulations necessary to carry out the provisions of NRS 701B.010 to 701B.290, inclusive, including, without limitation, regulations that:

1. Establish the type of incentives available to participants in the Solar Program and the level or amount of those incentives, ~~[except that the level or amount of an incentive available in a particular program year must not be based upon whether the incentive is for unused capacity reallocated from a past program year pursuant to paragraph (b) of subsection 2 of NRS 701B.260. The regulations must provide that the level or amount of the incentives must decline over time as the cost of solar energy systems and distributed generation systems decline.] and prescribe the period, which may be the same period covered for a utility's annual plan for carrying out and administering the Solar Program, for a utility to account for those incentives.~~

2. Establish the requirements for a utility's annual plan for carrying out and administering the Solar Program. A utility's annual plan must include, without limitation:

(a) A detailed plan for advertising the Solar Program;

(b) A detailed budget and schedule for carrying out and administering the Solar Program;

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

(d) A detailed account of the procedures that will be used for inspection and verification of a participant's solar energy system and compliance with the Solar Program;

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

(f) Any other information required by the Commission.

3. Authorize a utility to recover the reasonable costs incurred in carrying out and administering the installation of distributed generation systems. ~~[pursuant to paragraph (b) of subsection 1 of NRS 701B.260.]~~

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

2 701B.210 The Commission shall adopt regulations that establish:

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

5 ~~(a) School property;~~

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

7 ~~(c) Private residential property and small business property; and~~ *the Solar*
8 *Program.*

9 2. The form and content of the master application.

10 3. *The timeframe for accepting applications, including a period in which a*
11 *utility must accept additional applications if a previously approved applicant fails*
12 *to install and energize a solar energy system within the time allowed by NRS*
13 *701B.255.*

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

15 701B.220 1. In adopting regulations for the Solar Program, the Commission
16 shall adopt regulations establishing an incentive for participation in the Solar
17 Program. *The regulations must:*

18 (a) *Provide that the total amount of the incentive paid to a participant for a*
19 *solar energy system with a nameplate capacity of not more than 30 kilowatts but not more*
20 *than 500 kilowatts must be paid upon proof that the participant has installed and energized the solar*
21 *energy system;*

22 (b) *Provide that the amount of the incentive paid to a participant for a solar*
23 *energy system with a nameplate capacity of more than 30 kilowatts but not more*
24 *than 500 kilowatts must be paid over time and be based on the performance of the*
25 *solar energy system and the amount of electricity generated by the solar energy*
26 *system;*

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

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

31 (2) *For a participant with a solar energy system with a nameplate*
32 *capacity of more than 30 kilowatts but not more than 500 kilowatts, the period in*
33 *which the participant will receive an incentive from the utility, which must not*
34 *exceed 5 years and must not require a utility to make an incentive payment after*
35 *December 31, 2021; and*

36 (3) *For a participant with a solar energy system with a nameplate*
37 *capacity of more than 30 kilowatts but not more than 500 kilowatts, that the*
38 *payments of an incentive to the participant must be quarterly;*

39 (d) *Establish reporting requirements for each utility that participates in the*
40 *Solar Program, which must include, without limitation, periodic reports of the*
41 *average cost of the systems, the cost to the utility of carrying out the Solar*
42 *Program and the effect of the Solar Program on the rates paid by the customers*
43 *of the utility; and*

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

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

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

51 701B.240 1. The Solar Energy Systems Incentive Program is hereby
52 created.

2. The ~~{Solar Program must have three}~~ *Commission shall establish categories ~~as follows:~~*

~~(a) School property;~~

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

~~(c) Private residential property and small business property.}~~ *for participation in the Solar Program, which must, at a minimum, distinguish between participants with a solar energy system with:*

(a) A nameplate capacity of not more than 30 kilowatts; and

(b) A nameplate capacity of more than 30 kilowatts but not more than 500 kilowatts.

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}~~ *utility* for inclusion in the Solar Program pursuant to NRS 701B.250 and 701B.255; *and*

(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 system and for hands-on experience of the solar energy system by the public.}~~

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 8.3. NRS 701B.255 is hereby amended to read as follows:

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

2. 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.

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

(a) 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. ~~{A}~~

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. 8.7. NRS 701B.280 is hereby amended to read as follows:

701B.280 ~~[(H)] To be eligible for an incentive through the Solar Program, a solar energy system [used by a participant in the Solar Program meets] must meet the requirements [of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate]~~ *for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 8.9. NRS 701B.440 is hereby amended to read as follows:

701B.440 "Category" means one of the categories of participation in the Wind Demonstration Program as ~~[set forth in NRS 701B.580.]~~ *established in regulation by the Commission.*

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]~~ *Commission shall establish* categories ~~[as follows:~~

- ~~—(a) School property;~~
- ~~—(b) Other public property;~~
- ~~—(c) Private residential property and small business property; and~~
- ~~—(d) Agricultural property.]~~ *for participation in the program.*

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;

(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 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 and the goals for each category of the Program.]~~ *as prescribed in section 2.1 of this act.*

2. 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 system must provide:~~

(a) *Incentives for wind energy systems with a nameplate capacity of not more than 500 kilowatts;*

(b) *That the amount of the incentive for a participant must be paid over time and be based on the performance of the wind energy system and the amount of electricity generated by the wind energy system; and*

(c) 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, which must not exceed 5 years and that the utility is not required to make an incentive payment after December 31, 2021; and

(3) That the payments of an incentive to the participant must be made quarterly.

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

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

5. The timeframe for accepting applications, including a period in which a utility must accept additional applications if a previously approved applicant fails to install and energize a wind energy system within the time allowed by NRS 701B.615.

Sec. 10.1. 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.

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 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.]~~

1 **Sec. 10.5.** NRS 701B.650 is hereby amended to read as follows:

2 701B.650 ~~[[*To be eligible for an incentive through the Wind Program*, a~~
3 wind energy system ~~used by a participant in the Wind Demonstration Program~~
4 ~~meets]] must meet~~ the requirements ~~[of NRS 704.766 to 704.775, inclusive, the~~
5 ~~participant is entitled to participate] for participation~~ in net metering pursuant to
6 the provisions of NRS 704.766 to 704.775, inclusive.

7 **Sec. 10.7.** NRS 701B.840 is hereby amended to read as follows:

8 701B.840 The Commission shall adopt regulations that establish:

9 1. The capacity goals for the Program, which must be designed to ~~meet~~ :

10 (a) ~~Meet~~ the goal of the Legislature ~~[of the installation of not less than 500~~
11 ~~kilowatts of waterpower energy systems in this State by 2012 and the goals for each~~
12 ~~category of the Program.] as prescribed in section 2.1 of this act; and~~

13 (b) *Provide a system of incentives for waterpower energy systems with a*
14 *nameplate capacity of not more than 500 kilowatts.*

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

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

20 4. *The timeframe for accepting applications, including a period in which a*
21 *utility must accept additional applications if a previously approved applicant fails to*
22 *install and energize a waterpower energy system within the time allowed by*
23 *NRS 701B.865.*

24 **Sec. 10.9.** NRS 701B.850 is hereby amended to read as follows:

25 701B.850 1. ~~[On or before February 21, 2008, and on or before February 1~~
26 ~~of each subsequent year.] Each year on or before a date established by the~~
27 *Commission*, each utility shall file with the Commission ~~[for approval and] its~~
28 annual plan for ~~[the administration and delivery of] carrying out and administering~~
29 the Waterpower Demonstration Program *in its service area* for the ~~[program year~~
30 ~~beginning July 1, 2008, and each subsequent year thereafter.] immediately~~
31 *following 12-month period prescribed by the Commission.*

32 2. ~~[On or before July 1, 2008, and on or before each July 1 of each subsequent~~
33 ~~year, the] The~~ Commission shall ~~[review]~~ :

34 (a) *Review* the annual plan for compliance with the requirements ~~[set forth]~~
35 *established by regulation of the Commission* ~~[[~~; and

36 (b) *Approve the annual plan with such modifications and upon such terms*
37 *and conditions as the Commission finds necessary or appropriate to facilitate the*
38 *Program.*

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

40 **Sec. 12.** (Deleted by amendment.)

41 **Sec. 13.** (Deleted by amendment.)

42 **Sec. 14.** (Deleted by amendment.)

43 **Sec. 15.** (Deleted by amendment.)

44 **Sec. 16.** (Deleted by amendment.)

45 **Sec. 17.** (Deleted by amendment.)

46 **Sec. 18.** (Deleted by amendment.)

47 **Sec. 18.1.** NRS 701B.865 is hereby amended to read as follows:

48 701B.865 1. An applicant who wishes to participate in the Waterpower
49 Demonstration Program must submit an application to a utility.

50 2. After reviewing an application submitted pursuant to subsection 1 and
51 ensuring that the applicant meets the qualifications and requirements to be eligible
52 to participate in the Program, a utility may select the applicant for participation in
53 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 waterpower energy system proposed by the applicant. Upon the utility's approval of the waterpower energy system:

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

(b) The applicant may construct the waterpower energy system.

5. Upon the completion of the construction of a waterpower 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.

6. Upon receipt of the incentive claim form and verification that the waterpower 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 Waterpower Demonstration Program, except that an applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Program or does not complete the construction of the waterpower 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 construction of the waterpower 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 construction of the waterpower energy system.]~~

Sec. 18.5. NRS 701B.880 is hereby amended to read as follows:

701B.880 ~~[(H)]~~ *To be eligible for an incentive through the Waterpower Demonstration Program*, the waterpower energy system ~~[used by a participant in the Waterpower Demonstration Program meets]~~ *must meet* the requirements ~~[of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate]~~ *for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 18.7. 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) :~~

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

~~{(3)}~~ (2) 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) :~~

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

~~{(3)}~~ (2) 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) :~~

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

~~{(3)}~~ (2) 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.

Sec. 18.9. NRS 704.7822 is hereby amended to read as follows:

704.7822 For the purpose of complying with a portfolio standard established pursuant to NRS 704.7821 or 704.78213, a provider shall be deemed to have generated or acquired 2.4 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a solar photovoltaic system, if:

1. The system is installed on the premises of a retail customer ~~or~~ *or provider*; and

2. On an annual basis, at least 50 percent of the electricity generated by the system is utilized by the retail customer *or provider* on that premises.

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.

(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;~~

~~(H) The~~ **the** Renewable Energy School Pilot Program created by NRS 701B.350. ~~;~~

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

~~(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 69, 72 to 75, inclusive, and section 94 of this act expire by limitation on December 31, 2012.*

3. Sections 62 to ~~106,~~ 68, inclusive, 70, 71, 77 to 82, inclusive, 85 to 94, inclusive, and 95 to 105, inclusive, of this act expire by limitation on ~~June 30, 2011,~~ December 31, 2021.

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 3 of this act expire by limitation on ~~June 30, 2011,~~ December 31, 2021.

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 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,~~ December 31, 2021.

Sec. 23. (Deleted by amendment.)

Sec. 23.3. 1. NRS 701B.010, 701B.020, 701B.030, 701B.040, 701B.050, 701B.055, 701B.070, 701B.080, 701B.090, 701B.150, 701B.160, 701B.170, 701B.180, 701B.200, 701B.210, 701B.220, 701B.230, 701B.240, 701B.250, 701B.255, 701B.265, 701B.280 and 701B.290 are hereby repealed.

2. NRS 701B.060, 701B.100, 701B.110, 701B.120, 701B.130, 701B.140, 701B.260 and sections 1.53 and 19.8 of chapter 321, Statutes of Nevada 2009, at pages 1372 and 1408, respectively, are hereby repealed.

Sec. 23.5. The Public Utilities Commission of Nevada shall adopt regulations to carry out the amendatory provisions of this act on or before July 1, 2012. The regulations must:

1. Provide for the transition to the performance-based incentive required by NRS 701B.220, as amended by section 4 of this act, NRS 701B.590, as amended by section 10 of this act and NRS 701B.840, as amended by section 10.7 of this act, for the applicable participants in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program.

2. Require that the capacity allocated for a participant in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program or the Waterpower Energy Systems Demonstration Program who fails to install and energize the energy system within 12 months after the date on which the applicant is selected for participation in the respective program must be made available to applicants who apply for participation in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program or the Waterpower Energy Systems Demonstration Program on or after January 1, 2013.

Sec. 23.7. 1. As soon as practicable after the effective date of this section, the Public Utilities Commission of Nevada shall, to the extent money is available for this purpose, open an investigatory docket to study, examine and review the feasibility and advisability of establishing a feed-in tariff program for renewable energy systems in this State.

2. The investigatory docket must include, without limitation:
(a) An evaluation of existing feed-in tariff programs in other jurisdictions and whether such programs or components of such programs would be appropriate models for a feed-in tariff program in this State;

(b) An evaluation of different mechanisms for establishing prices for the purchase and sale of electricity pursuant to a feed-in tariff program;

(c) Consideration of issues relating to the integration of a feed-in tariff program with existing programs for renewable energy in this State, including, without limitation, the renewable energy programs established pursuant to chapter 701B of NRS;

(d) Consideration of the role of a feed-in tariff program in helping providers of electric service meet the portfolio standard established pursuant to NRS 704.7821; and

(e) Consideration of the short-term and long-term costs and savings associated with a feed-in tariff program for retail customers of providers of electric service in this State.

3. The following parties may participate in the investigatory docket:

(a) Each provider of electric service;

(b) The Regulatory Operations Staff of the Commission;

(c) The Consumer's Advocate and the Bureau of Consumer Protection in the Office of the Attorney General; and

(d) Any other interested parties.

4. On or before October 1, 2012, the Commission shall submit a written report of its findings and recommendations from the investigatory docket to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature.

5. If the Commission's report contains any recommendations for the establishment of a feed-in tariff program for renewable energy systems in this State, the report must include, without limitation, recommendations regarding:

(a) The legislation that would be necessary to establish the feed-in tariff program; and

(b) The procedures and mechanisms that would be necessary to implement the feed-in tariff program.

6. As used in this section, "provider of electric service" has the meaning ascribed to it in NRS 704.7808.

Sec. 24. (Deleted by amendment.)

Sec. 25. 1. This section and sections 8.3, 10.1, 18.1, 20 to 23, inclusive, ~~and~~ 23.5 and 23.7 of this act become effective upon passage and approval.

2. Sections 1, 2 to 8, inclusive, 8.7 to 10, inclusive, 10.5 to 18, inclusive, 18.5, 18.9 and 24 of this act become effective upon passage and approval for the purpose of adopting regulations, and on January 1, 2013, for all other purposes.

3. Subsection 2 of section 23.3 of this act becomes effective on January 1, 2013.

4. Section 1.5, 18.7, 19 and subsection 1 of section 23.3 of this act become effective on January 1, 2022.

**LEADLINES OF REPEALED SECTIONS OF NRS AND TEXT OF
REPEALED SECTIONS OF STATUTES OF NEVADA**

- 701B.010 Applicability.
701B.020 Definitions.
701B.030 “Applicant” defined.
701B.040 “Category” defined.
701B.050 “Commission” defined.
701B.055 “Distributed generation system” defined.
701B.060 “Institution of higher education” defined.
701B.070 “Owned, leased or occupied” defined.
701B.080 “Participant” defined.
701B.090 “Person” defined.
701B.100 “Program year” means the period of July 1 to June 30 of the following year.
701B.110 “Public and other property” defined.
701B.120 “Public entity” defined.
701B.130 “School property” defined.
701B.140 “Small business” defined.
701B.150 “Solar energy system” defined.
701B.160 “Solar Program” defined.
701B.170 “Task Force” defined.
701B.180 “Utility” defined.
701B.200 Regulations: Establishment of incentives and requirements for utility’s annual plan; exceptions; recovery of costs by utility.
701B.210 Regulations: Establishment of qualifications and requirements for participation; form and content of utility’s master application.
701B.220 Regulations: Establishment of incentives for participation.
701B.230 Duty of utility to file annual plan; review and approval of annual plan by Commission; recovery of costs by utility.
701B.240 Creation of Solar Program; categories of participation; eligibility requirements.
701B.250 Application to participate; review of application by utility.
701B.255 Procedure for selection and notification of participants; authorization to install and energize solar energy system; submission of incentive claim form; determination of amount of incentive; withdrawal of participant; forfeiture of incentive.
701B.260 Capacity allocated to each category; reallocation of capacity; limitations on incentives.
701B.265 Installation of solar energy system deemed public work under certain circumstances.
701B.280 Participation in net metering.
701B.290 Issuance of portfolio energy credits.

Section 1.53 of chapter 321, Statutes of Nevada 2009, at page 1372:

Sec. 1.53. NRS 701.180 is hereby amended to read as follows:

701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources, including, without limitation:

(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240 ~~{and the Wind Energy Systems Demonstration Program created pursuant to 701B.580.}~~ including, without limitation, information relating to:

(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;

(2) The use of carbon-based energy in residential and commercial applications due to participation in the ~~{Programs.}~~ **Program;** and

(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the ~~{Programs.}~~ **Program;** and

(b) Information relating to any money distributed pursuant to NRS 702.270.

2. Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

4. Solicit and serve as the point of contact for grants and other money from the Federal Government, including, without limitation, any grants and other money available pursuant to any program administered by the United States Department of Energy, and other sources to cooperate with the Commissioner and the Authority:

(a) To promote energy projects that enhance the economic development of the State;

(b) To promote the use of renewable energy in this State;

(c) To promote the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Commissioner determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive program for retrofitting public buildings in this State developed pursuant to paragraph (d).

5. Coordinate the activities and programs of the Office of Energy with the activities and programs of the Authority, the Consumer's Advocate and the Public Utilities Commission of Nevada, and with other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

6. Carry out all other directives concerning energy that are prescribed by the Governor.

Section 19.8 of chapter 321, Statutes of Nevada 2009, at page 1408:

Sec. 19.8. Section 19.4 of this act is hereby amended to read as follows:

Sec. 19.4. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of each local government shall, within 60 days after the effective date of this section, 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.

(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; *or*

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

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

~~(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.