

SENATE BILL NO. 60—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE GOVERNOR)

PREFILED DECEMBER 15, 2010

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to the Fund for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-410)

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 certain provisions governing the administration of the Fund for Renewable Energy, Energy Efficiency and Energy Conservation Loans; authorizing the Director of the Office of Energy to enter into agreements and cooperate with third parties for certain purposes; authorizing the Director to make loans from the Fund to qualified applicants for the construction of an energy efficiency project or an energy conservation project, the construction, expansion or operation of a renewable energy system or the manufacturing of components of a renewable energy system; authorizing the Director to use the interest earned from money in loans from the Fund and interest earned on loans made from the Fund to defray certain costs and expenses; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law establishes the Fund for Renewable Energy, Energy Efficiency
- 2 and Energy Conservation Loans and authorizes the Director of the Office of Energy
- 3 to make loans from the Fund for the construction of certain renewable energy
- 4 projects. (NRS 701.545-701.595) **Section 7** of this bill authorizes the Director to
- 5 enter into agreements or cooperate with third parties to provide for enhanced
- 6 leveraging, additional financing mechanisms or certain programs for the purpose of
- 7 expanding the scope of financial assistance available from the Fund. **Section 8** of



8 this bill expands the scope of financial assistance available from the Fund to
9 include loans to qualified applicants for the construction of energy conservation
10 projects, the construction of energy efficiency projects and the manufacturing of
11 components of a renewable energy system, in addition to loans that are currently
12 available to owners or operators of renewable energy systems for the construction
13 of renewable energy projects. **Section 8** additionally requires the Director, before
14 approving an applicant for financial assistance from the Fund, to consider any other
15 funding sources available to the applicant if the applicant received money for the
16 energy efficiency or energy conservation project from another governmental entity
17 and further authorizes the Director to use the interest earned from money in the
18 Fund and interest earned on loans made from the Fund to defray certain costs and
19 expenses. **Section 4** of this bill expands the scope of financial assistance available
20 from the Fund to include loans to qualified governmental entities and other
21 applicants for the construction, expansion or operation of renewable energy systems
22 or for the manufacturing of components of a renewable energy system.

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

1 **Section 1.** Chapter 701 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2.** *“Energy conservation project” means a project*
4 *designed, intended or used to improve energy conservation or to*
5 *reduce the wasteful, inefficient, unnecessary or uneconomical use*
6 *of energy.*

7 **Sec. 3.** *“Energy efficiency project” means a project designed,*
8 *intended or used to improve energy efficiency or to reduce the*
9 *consumption of energy that is necessary to provide a certain*
10 *product, function or service.*

11 **Sec. 4.** *“Qualified applicant” means a person or*
12 *governmental entity engaged in:*

13 1. *The construction or operation of an energy conservation*
14 *project;*

15 2. *The construction or operation of an energy efficiency*
16 *project;*

17 3. *The construction, expansion or operation of a renewable*
18 *energy system; or*

19 4. *The manufacturing of components of a renewable energy*
20 *system.*

21 **Sec. 5.** NRS 701.545 is hereby amended to read as follows:

22 701.545 As used in NRS 701.545 to 701.595, inclusive, *and*
23 *sections 2, 3 and 4 of this act*, the words and terms defined in NRS
24 701.550 to 701.570, inclusive, *and sections 2, 3 and 4 of this act*
25 have the meanings ascribed to them in those sections.



Sec. 6. NRS 701.580 is hereby amended to read as follows:

701.580 1. The interest and income earned on money in the Fund and the Account for Set-Aside Programs must be credited to the Fund and the Account for Set-Aside Programs, respectively.

2. All payments of principal and interest on all loans made to a ~~{renewable energy system}~~ **qualified applicant** and all proceeds from the sale, refunding or prepayment of obligations of a ~~{renewable energy system}~~ **qualified applicant** acquired or loans made in carrying out the purposes of the Fund must be deposited in the State Treasury for credit to the Fund.

3. The Director may accept gifts, contributions, grants and bequests of money from any public or private source. The money so accepted must be deposited in the State Treasury for credit to the Fund, or the Account for Set-Aside Programs, and can be used to provide money from the State to match the federal grant, as required by the American Recovery and Reinvestment Act.

4. Only federal money deposited in a separate subaccount of the Fund, including repayments of principal and interest on loans made solely from federal money, and interest and income earned on federal money in the Fund, may be used to benefit ~~{renewable energy systems not governmentally owned.}~~ **a qualified applicant who is not a governmental entity.**

Sec. 7. NRS 701.585 is hereby amended to read as follows:

701.585 1. The Director shall:

(a) Use the money in the Fund and the Account for Set-Aside Programs for the purposes set forth in the American Recovery and Reinvestment Act.

(b) Determine whether ~~{renewable energy systems which receive}~~ **a qualified applicant who receives** money or other assistance from the Fund or the Account for Set-Aside Programs ~~{comply}~~ **complies** with the American Recovery and Reinvestment Act and regulations adopted pursuant thereto.

2. The Director may:

(a) Prepare and enter into required agreements with the Federal Government for the acceptance of grants of money for the Fund and the Account for Set-Aside Programs.

(b) Bind the Office of Energy to terms of the required agreements.

(c) Accept grants made pursuant to the American Recovery and Reinvestment Act.

(d) Manage the Fund and the Account for Set-Aside Programs in accordance with the requirements and objectives of the American Recovery and Reinvestment Act.



(e) Provide services relating to management and administration of the Fund and the Account for Set-Aside Programs, including the preparation of any agreement, plan or report.

(f) Perform, or cause to be performed by agencies or organizations through interagency agreement, contract or memorandum of understanding, set-aside programs pursuant to the American Recovery and Reinvestment Act.

(g) Enter into agreements or cooperate with third parties to provide for enhanced leveraging of money in the Fund, additional financing mechanisms or any other program or combination of programs for the purpose of expanding the scope of financial assistance available from the Fund.

3. The Director shall not commit any money in the Fund for expenditure for the purposes set forth in NRS 701.590 without obtaining the prior approval of the Legislature or the Interim Finance Committee if the Legislature is not in session.

Sec. 8. NRS 701.590 is hereby amended to read as follows:

701.590 1. Except as otherwise provided in *subsection 6 and* NRS 701.580, money in the Fund, including repayments of principal and interest on loans, and interest and income earned on money in the Fund, may be used only to make loans at a rate of not more than 3 percent to ~~{renewable energy systems}~~ *a qualified applicant* for ~~{the}~~ :

(a) The construction of an energy conservation project;

(b) The construction of an energy efficiency project;

(c) The construction or expansion of a renewable energy ~~{projects.}~~ system; or

(d) The manufacturing of components of a renewable energy system.

2. Money in the Account for Set-Aside Programs may be used only to fund set-aside programs authorized by the American Recovery and Reinvestment Act. Money in the Account for Set-Aside Programs may be transferred to the Fund pursuant to the American Recovery and Reinvestment Act.

3. A ~~{renewable energy system which}~~ *qualified applicant who* requests a loan or other financial assistance must demonstrate that ~~{it}~~ *the qualified applicant* has:

(a) Complied with the American Recovery and Reinvestment Act and regulations adopted pursuant thereto; or

(b) Agreed to take actions that are needed to ensure that ~~{it}~~ *the qualified applicant* has the capability to comply with the American Recovery and Reinvestment Act and regulations adopted pursuant thereto.

4. Money from the Fund may not be given to *a qualified applicant for the expansion of* an existing renewable energy system



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1 unless ~~it~~ *the qualified applicant* has the technical, managerial and
2 financial capability to ensure compliance with the American
3 Recovery and Reinvestment Act and regulations adopted pursuant
4 thereto. ~~{A new renewable energy system, to}~~ *To* receive such
5 funding ~~it~~ *for the construction of a new renewable energy system,*
6 *a qualified applicant* must demonstrate that ~~it~~ *the qualified*
7 *applicant* has the technical, managerial and financial capability to
8 ensure compliance with the American Recovery and Reinvestment
9 Act and regulations adopted pursuant thereto.

10 *5. The Director shall, before approving an applicant for*
11 *financial assistance from the Fund, consider whether the*
12 *applicant has received or is eligible to receive from any other*
13 *governmental entity any money or other financial incentive,*
14 *including, without limitation, any grant, loan, tax credit or*
15 *abatement of any tax for the purpose of financing in whole or in*
16 *part the energy efficiency or energy conservation project of the*
17 *applicant.*

18 *6. The Director may use the interest earned on money in the*
19 *Fund and the interest earned on loans made from the Fund to*
20 *defray, in whole or in part, the costs and expenses of*
21 *administering the Fund and to carry out the purposes of NRS*
22 *701.545 to 701.595, inclusive, and sections 2, 3 and 4 of this act.*

23 *7. The Director shall give preference to qualified applicants*
24 *seeking funding or assistance from the Fund for larger energy*
25 *conservation projects, energy efficiency projects or renewable*
26 *energy systems. The Director shall, by regulation, define "larger*
27 *energy conservation projects, energy efficiency projects or*
28 *renewable energy systems" for purposes of this section.*

29 **Sec. 9.** NRS 701.595 is hereby amended to read as follows:

30 701.595 The Director may adopt such regulations as are
31 necessary to carry out the provisions of NRS 701.545 to 701.595,
32 inclusive ~~it~~, *and sections 2, 3 and 4 of this act.*

33 **Sec. 10.** This act becomes effective on July 1, 2011.

