

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.

~

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; revising certain provisions governing certain energy-related tax incentives; revising certain provisions relating to plans filed by certain utilities; authorizing a utility to recover certain costs under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law establishes the Solar Energy Systems Incentive Program, the Wind
- 2 Energy Systems Demonstration Program and the Waterpower Energy Systems
- 3 Demonstration Program. (NRS 701B.010-701B.290, 701B.400-701B.650,
- 4 701B.700-701B.880) **Section 2.1** of this bill establishes the statewide capacity
- 5 goals for all energy systems which receive incentives pursuant to these programs



* A B 4 1 6 R 3 *

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 18.75 of this bill makes certain information relating to a contract lease or agreement between a utility and another person for the purchase of power confidential and prohibits the disclosure of such information.

Existing law requires each utility which supplies electricity in this State to submit to the Commission every third year a plan to increase its supply of electricity or decrease the demands made on its system by its customers (NRS 704.741) **Section 18.8** of this bill revises the content of those plans and requires the Commission to allow the utility to recover certain costs for siting, developing and permitting associated with transmission facilities and transmission corridor activities under certain circumstances.

Existing law requires a person who wishes to obtain a permit for a utility facility to file certain applications with the Commission if a federal agency is required to conduct an environmental analysis of the proposed utility facility. (NRS 704.870) **Sections 18.95 and 18.97** of this bill require such a person to file a notice with the Commission not later than the date on which the person files with the appropriate federal agency.



Sections 1.7 and 1.9 of this bill revise provisions governing certain energy-related tax incentives to provide that certain facilities that generate electricity from geothermal energy are eligible for certain partial abatements of taxes.

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. 1.7. NRS 701A.340 is hereby amended to read as follows:

701A.340 1. "Renewable energy" means:

(a) Biomass;

(b) Fuel cells;

(c) *Geothermal energy*;

(d) Solar energy;

~~(d)~~ (e) Waterpower; or

~~(e)~~ (f) Wind.



2. The term does not include coal, natural gas, oil, propane or any other fossil fuel ~~[, geothermal energy]~~ or nuclear energy.

Sec. 1.9. NRS 701A.365 is hereby amended to read as follows:

701A.365 1. Except as otherwise provided in subsection 2, the Commissioner shall approve an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the Commissioner makes the following determinations:

(a) The applicant has executed an agreement with the Commissioner which must:

(1) State that the facility will, after the date on which a certificate of eligibility for the abatement is issued pursuant to NRS 701A.370, continue in operation in this State for a period specified by the Commissioner, which must be at least 10 years, and will continue to meet the eligibility requirements for the abatement; and

(2) Bind the successors in interest in the facility for the specified period.

(b) The facility is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the facility operates.

(c) No funding is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facility or for the acquisition of any land therefor, except any private activity bonds as defined in 26 U.S.C. § 141.

(d) If the facility will be located in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the facility meets the following requirements:

(1) There will be 75 or more full-time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Commissioner for good cause, at least 30 percent who are residents of Nevada;

(2) Establishing the facility will require the facility to make a capital investment of at least \$10,000,000 in this State;

(3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) The average hourly wage of the employees working on the construction of the facility will be at least 150 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment



1 Security Division of the Department of Employment, Training and
2 Rehabilitation on July 1 of each fiscal year and:

3 (I) The employees working on the construction of the
4 facility must be provided a health insurance plan that includes an
5 option for health insurance coverage for dependents of the
6 employees; and

7 (II) The cost of the benefits provided to the employees
8 working on the construction of the facility will meet the minimum
9 requirements for benefits established by the Commissioner by
10 regulation pursuant to NRS 701A.390.

11 (e) If the facility will be located in a county whose population is
12 less than 100,000 or a city whose population is less than 60,000, the
13 facility meets the following requirements:

14 (1) There will be 50 or more full-time employees working on
15 the construction of the facility during the second quarter of
16 construction, including, unless waived by the Commissioner for
17 good cause, at least 30 percent who are residents of Nevada;

18 (2) Establishing the facility will require the facility to make a
19 capital investment of at least \$3,000,000 in this State;

20 (3) The average hourly wage that will be paid by the facility
21 to its employees in this State is at least 110 percent of the average
22 statewide hourly wage, excluding management and administrative
23 employees, as established by the Employment Security Division of
24 the Department of Employment, Training and Rehabilitation on
25 July 1 of each fiscal year; and

26 (4) The average hourly wage of the employees working on
27 the construction of the facility will be at least 150 percent of the
28 average statewide hourly wage, excluding management and
29 administrative employees, as established by the Employment
30 Security Division of the Department of Employment, Training and
31 Rehabilitation on July 1 of each fiscal year and:

32 (I) The employees working on the construction of the
33 facility must be provided a health insurance plan that includes an
34 option for health insurance coverage for dependents of the
35 employees; and

36 (II) The cost of the benefits provided to the employees
37 working on the construction of the facility will meet the minimum
38 requirements for benefits established by the Commissioner by
39 regulation pursuant to NRS 701A.390.

40 (f) The financial benefits that will result to this State from the
41 employment by the facility of the residents of this State and from
42 capital investments by the facility in this State will exceed the loss
43 of tax revenue that will result from the abatement.

44 2. ~~{The Commissioner shall not approve an application for a~~
45 ~~partial abatement of the taxes imposed pursuant to chapter 361 of~~



~~NRS submitted pursuant to NRS 701A.360 by a facility for the generation of electricity from geothermal resources unless the application is approved pursuant to this subsection. The board of county commissioners of a county must approve or deny the application not later than 30 days after the board receives a copy of the application. The board of county commissioners must not condition the approval of the application on a requirement that the facility for the generation of electricity from geothermal resources agree to purchase, lease or otherwise acquire in its own name or on behalf of the county any infrastructure, equipment, facilities or other property in the county that is not directly related to or otherwise necessary for the construction and operation of the facility. If the board of county commissioners does not approve or deny the application within 30 days after the board receives the application, the application shall be deemed denied.~~

~~—3.1~~ Notwithstanding the provisions of subsection 1, the Commissioner may, if the Commissioner determines that such action is necessary:

(a) Approve an application for a partial abatement for a facility that does not meet the requirements set forth in paragraph (d) or (e) of subsection 1; or

(b) Add additional requirements that a facility must meet to qualify for a partial abatement.

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.



* A B 4 1 6 R 3 *

(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;



* A B 4 1 6 R 3 *

(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.]~~

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) Private residential property and small business property; and]~~
the Solar Program.

2. The form and content of the master application.

3. 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 solar energy system within the time allowed by NRS 701B.255.

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 total amount of the incentive paid to a participant for 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;

(b) Provide that the amount of the incentive paid to a participant for a solar energy system with a nameplate capacity of more than 30 kilowatts but 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;



* A B 4 1 6 R 3 *

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

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

(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 the systems, 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]~~ 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



1 applicant forfeits eligibility for that amount of incentive if the
2 applicant withdraws from participation in the Solar Program or does
3 not complete the installation of the solar energy system within 12
4 months after the date on which the applicant is selected for
5 participation in the Solar Program. ~~[An applicant who forfeits~~
6 ~~eligibility for the incentive for which the applicant was originally~~
7 ~~determined to be eligible may become eligible for an incentive only~~
8 ~~on the date on which the applicant completes the installation of the~~
9 ~~solar energy system, and the amount of the incentive for which such~~
10 ~~an applicant is eligible must be determined on the date on which the~~
11 ~~applicant completes the installation of the solar energy system.]~~

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

13 701B.280 ~~[[~~ *To be eligible for an incentive through the*
14 *Solar Program*, a solar energy system ~~[used by a participant in the~~
15 ~~Solar Program meets]~~ *must meet* the requirements ~~[of NRS 704.766~~
16 ~~to 704.775, inclusive, the participant is entitled to participate]~~ *for*
17 *participation* in net metering pursuant to the provisions of NRS
18 704.766 to 704.775, inclusive.

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

20 701B.440 "Category" means one of the categories of
21 participation in the Wind Demonstration Program as ~~[set forth in~~
22 ~~NRS 701B.580.]~~ *established in regulation by the Commission.*

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

24 701B.580 1. The Wind Energy Systems Demonstration
25 Program is hereby created.

26 2. The ~~[Program must have four]~~ *Commission shall establish*
27 categories ~~[as follows:~~

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

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

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

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

39 (c) If the person will be participating in the Program in the
40 category of school property or other public property, provide for the
41 public display of the wind energy system, including, without
42 limitation, providing for public demonstrations of the wind energy
43 system and for hands-on experience of the wind energy system by
44 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.*



1 **Sec. 10.1.** NRS 701B.615 is hereby amended to read as
2 follows:

3 701B.615 1. An applicant who wishes to participate in the
4 Wind Demonstration Program must submit an application to a
5 utility.

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

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

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

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

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

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

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

30 7. The amount of the incentive for which an applicant is
31 eligible must be determined on the date on which the applicant is
32 selected for participation in the Wind Demonstration Program,
33 except that an applicant forfeits eligibility for that amount of
34 incentive if the applicant withdraws from participation in the
35 Program or does not complete the installation of the wind energy
36 system within 12 months after the date on which the applicant is
37 selected for participation in the Program. ~~[An applicant who forfeits~~
38 ~~eligibility for the incentive for which the applicant was originally~~
39 ~~determined to be eligible may become eligible for an incentive only~~
40 ~~on the date on which the applicant completes the installation of the~~
41 ~~wind energy system, and the amount of the incentive for which such~~
42 ~~an applicant is eligible must be determined on the date on which the~~
43 ~~applicant completes the installation of the wind energy system.]~~



* A B 4 1 6 R 3 *

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

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

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

11 701B.840 The Commission shall adopt regulations that
12 establish:

13 1. The capacity goals for the Program, which must be designed
14 to ~~[meet]~~ :

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

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

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

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

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

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

34 701B.850 1. ~~{On or before February 21, 2008, and on or~~
35 ~~before February 1 of each subsequent year,}~~ *Each year on or before*
36 *a date established by the Commission*, each utility shall file with
37 the Commission ~~[for approval and]~~ *its* annual plan for ~~[the~~
38 ~~administration and delivery of]~~ *carrying out and administering*
39 the Waterpower Demonstration Program *in its service area* for the
40 ~~[program year beginning July 1, 2008, and each subsequent year~~
41 ~~thereafter.]~~ *immediately following 12-month period prescribed by*
42 *the Commission.*

43 2. ~~{On or before July 1, 2008, and on or before each July 1 of~~
44 ~~each subsequent year, the}~~ *The* Commission shall ~~[review]~~ :



(a) *Review* the annual plan for compliance with the requirements ~~set forth~~ *established* by regulation of the Commission ~~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. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

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

701B.865 1. An applicant who wishes to participate in the Waterpower 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 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



* A B 4 1 6 R 3 *

1 of incentive if the applicant withdraws from participation in the
2 Program or does not complete the construction of the waterpower
3 energy system within 12 months after the date on which the
4 applicant is selected for participation in the Program. ~~[An applicant
5 who forfeits eligibility for the incentive for which the applicant was
6 originally determined to be eligible may become eligible for an
7 incentive only on the date on which the applicant completes the
8 construction of the waterpower energy system, and the amount of
9 the incentive for which such an applicant is eligible must be
10 determined on the date on which the applicant completes the
11 construction of the waterpower energy system.]~~

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

14 701B.880 ~~[[~~ *To be eligible for an incentive through the*
15 *Waterpower Demonstration Program*, the waterpower energy
16 system ~~[used by a participant in the Waterpower Demonstration~~
17 ~~Program meets]~~ *must meet* the requirements ~~[of NRS 704.766 to~~
18 ~~704.775, inclusive, the participant is entitled to participate]~~ *for*
19 *participation* in net metering pursuant to the provisions of NRS
20 704.766 to 704.775, inclusive.

21 **Sec. 18.7.** NRS 701B.924 is hereby amended to read as
22 follows:

23 701B.924 1. The State Public Works Board shall, within 90
24 days after June 9, 2009, determine the specific projects to
25 weatherize and retrofit public buildings, facilities and structures,
26 including, without limitation, traffic-control systems, and to
27 otherwise use sources of renewable energy to serve those buildings,
28 facilities and structures pursuant to the provisions of this section and
29 NRS 701B.921. The projects must be prioritized and selected on the
30 basis of the following criteria:

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

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

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

36 (d) The estimated cost of the project.

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

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

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

43 ~~—— (2)] :~~

44 *(I)* The Renewable Energy School Pilot Program created by
45 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.



* A B 4 1 6 R 3 *

(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



1 pursuant to chapters 689A and 689B of NRS or the Employee
2 Retirement Income Security Act of 1974.

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

8 **Sec. 18.75.** NRS 703.190 is hereby amended to read as
9 follows:

10 703.190 1. Except as otherwise provided in this section, all
11 biennial reports, records, proceedings, papers and files of the
12 Commission must be open at all reasonable times to the public.

13 2. The Commission shall, upon receipt of a request from a
14 public utility, alternative seller, provider of discretionary natural gas
15 service or provider of new electric resources, prohibit the disclosure
16 of ~~any~~:

17 (a) *Any* applicable information in the possession of the
18 Commission or an affected governmental entity concerning the
19 public utility, alternative seller, provider of discretionary natural gas
20 service or provider of new electric resources, if the Commission
21 determines that the information would otherwise be entitled to
22 protection as a trade secret or confidential commercial information
23 pursuant to NRS 49.325 or 600A.070 or Rule 26(c)(7) of the
24 Nevada Rules of Civil Procedure. Upon making such a
25 determination, the Commission shall establish the period during
26 which the information must not be disclosed and a procedure for
27 protecting the information during and after that period.

28 (b) *Any information in the possession of the Commission or an*
29 *affected governmental entity concerning a contract, lease or*
30 *agreement between a public utility and another person for the*
31 *purchase of power. Such information is proprietary and*
32 *constitutes a trade secret. The Commission shall not disclose the*
33 *information except pursuant to an agreement between the public*
34 *utility and the other party to the contract, lease or agreement or as*
35 *ordered by a court of competent jurisdiction.*

36 **Sec. 18.77.** NRS 703.196 is hereby amended to read as
37 follows:

38 703.196 1. ~~Any~~ *Except as otherwise provided in*
39 *paragraph (b) of subsection 2 of NRS 703.190, any* books,
40 accounts, records, minutes, papers and property of any public utility,
41 alternative seller, provider of discretionary natural gas service or
42 provider of new electric resources that are subject to examination
43 pursuant to NRS 703.190 or 703.195 and are made available to the
44 Commission, any officer or employee of the Commission, an
45 affected governmental entity, any officer or employee of an affected



1 governmental entity, the Bureau of Consumer Protection in the
2 Office of the Attorney General or any other person under the
3 condition that the disclosure of such information to the public be
4 withheld or otherwise limited, must not be disclosed to the public
5 unless the Commission first determines that the disclosure is
6 justified.

7 2. The Commission shall take such actions as are necessary to
8 protect the confidentiality of such information, including, without
9 limitation:

10 (a) Granting such protective orders as it deems necessary; and

11 (b) Holding closed hearings to receive or examine such
12 information.

13 3. If the Commission closes a hearing to receive or examine
14 such information, it shall:

15 (a) Restrict access to the records and transcripts of such hearings
16 without the prior approval of the Commission or an order of a court
17 of competent jurisdiction authorizing access to the records or
18 transcripts; and

19 (b) Prohibit any participant at such a hearing from disclosing
20 such information without the prior authorization of the Commission.

21 4. A representative of the Regulatory Operations Staff of the
22 Commission and the Bureau of Consumer Protection:

23 (a) May attend any closed hearing held pursuant to this section;
24 and

25 (b) Have access to any records or other information determined
26 to be confidential pursuant to this section.

27 5. The Commission shall consider in an open meeting whether
28 the information reviewed or examined in a closed hearing may be
29 disclosed without revealing the confidential subject matter of the
30 information. To the extent the Commission determines the
31 information may be disclosed, the information must become a part
32 of the records available to the public. Information which the
33 Commission determines may not be disclosed must be kept under
34 seal.

35 **Sec. 18.8.** NRS 704.741 is hereby amended to read as follows:

36 704.741 1. A utility which supplies electricity in this State
37 shall, on or before July 1 of every third year, in the manner specified
38 by the Commission, submit a plan to increase its supply of
39 electricity or decrease the demands made on its system by its
40 customers to the Commission.

41 2. The Commission shall, by regulation:

42 (a) Prescribe the contents of such a plan, including, but not
43 limited to, the methods or formulas which are used by the utility to:

44 (1) Forecast the future demands; and



* A B 4 1 6 R 3 *

(2) Determine the best combination of sources of supply to meet the demands or the best method to reduce them; and

(b) Designate renewable energy zones and revise the designated renewable energy zones as the Commission deems necessary.

3. The Commission shall require the utility to include in its plan:

(a) An energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel and which includes, without limitation, the use of new solar thermal energy sources; and

(b) A comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands or the best methods to reduce the demands, which must include at least one scenario of low carbon intensity.

4. The Commission shall require the utility to include in its plan a plan for construction or expansion of transmission facilities to serve renewable energy zones ~~and to~~ *that will* facilitate the utility in meeting the portfolio standard established by NRS 704.7821 ~~and~~ *or support the construction of renewable energy facilities without regard to the location of any purchaser of energy from any of those facilities.*

5. *The Commission shall require the utility to include in its plan a plan for transmission facilities that are anticipated to be necessary to serve either:*

(a) The transmission needs of the utility; or

(b) Any renewable energy facility that requests interconnection with the utility and delivers energy to purchasers located outside of this State or outside of the service area of the utility.

6. *The plan required by subsection 5 may propose the siting, permitting or construction of a transmission facility or corridor in phases, including, without limitation, components of siting, acquisition, permitting and construction.*

7. *Notwithstanding the provisions of this section, if the proposed facilities are not subject to a resource plan filing requirement or if the utility is required pursuant to federal law to commit to such facilities within a time that does not support a resource plan filing and decision of the Commission, the Commission shall allow a utility to recover reasonable and prudent expenses for siting, development and permitting of transmission facilities or transmission corridor activities that are conducted without inclusion in a plan submitted pursuant to this section. The prudence and reasonableness of these expenses must be determined by the Commission in a general rate case brought pursuant to NRS 704.110.*

8. As used in this section:



(a) "Carbon intensity" means the amount of carbon by weight emitted per unit of energy consumed.

(b) "Renewable energy zones" means specific geographic zones where renewable energy resources are sufficient to develop generation capacity and where transmission constrains the delivery of electricity from those resources to customers.

Sec. 18.85. NRS 704.751 is hereby amended to read as follows:

704.751 1. After a utility has filed the plan required pursuant to NRS 704.741, the Commission shall issue an order accepting the plan as filed or specifying any portions of the plan it deems to be inadequate:

(a) Within 135 days for any portion of the plan relating to the energy supply plan for the utility for the 3 years covered by the plan; and

(b) Within 180 days for all portions of the plan not described in paragraph (a).

2. If a utility files an amendment to a plan, the Commission shall issue an order accepting the amendment as filed or specifying any portions of the amendment it deems to be inadequate within 135 days of the filing of the amendment.

3. All prudent and reasonable expenditures made to develop the utility's plan, including environmental, engineering and other studies, must be recovered from the rates charged to the utility's customers.

4. The Commission may accept a transmission plan submitted pursuant to ~~subsection~~ *subsections 4 and 5* of NRS 704.741 for a renewable energy zone if the Commission determines that the construction or expansion of transmission facilities would facilitate the utility meeting the portfolio standard, as defined in NRS 704.7805.

5. The Commission shall adopt regulations establishing the criteria for determining the adequacy of a transmission plan submitted pursuant to ~~subsection~~ *subsections 4 and 5* of NRS 704.741.

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



* A B 4 1 6 R 3 *

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. 18.95. NRS 704.870 is hereby amended to read as follows:

704.870 1. Except as otherwise provided in subsection 2, a person who wishes to obtain a permit for a utility facility must file with the Commission an application, in such form as the Commission prescribes, containing:

(a) A description of the location and of the utility facility to be built thereon;

(b) A summary of any studies which have been made of the environmental impact of the facility; and

(c) A description of any reasonable alternate location or locations for the proposed facility, a description of the comparative merits or detriments of each location submitted, and a statement of the reasons why the primary proposed location is best suited for the facility.

➔ A copy or copies of the studies referred to in paragraph (b) must be filed with the Commission and be available for public inspection.

2. If a person wishes to obtain a permit for a utility facility and a federal agency is required to conduct an environmental analysis of the proposed utility facility, the person must:

(a) Not later than the date on which the person files with the appropriate federal agency an application for approval for the construction of the utility facility, file with the Commission and each other permitting entity ~~{an application,}~~ *a notice* in such a form as the Commission or other permitting entity prescribes ; ~~f~~ *containing:*

~~—— (1) A general description of the proposed utility facility; and~~
~~—— (2) A summary of any studies which the applicant anticipates will be made of the environmental impact of the facility;}~~ and

(b) Not later than 30 days after the issuance by the appropriate federal agency of ~~{a}~~ *either the* final environmental assessment or *final* environmental impact statement , *but not the record of decision or similar document,* relating to the construction of the utility facility:

(1) File with the Commission an ~~{amended}~~ application that complies with the provisions of subsection 1; and

(2) File with each other permitting entity an ~~{amended}~~ application for a permit, license or other approval for the construction of the utility facility.

3. A copy of each application ~~{and amended application}~~ filed with the Commission must be filed with the Administrator of the



1 Division of Environmental Protection of the State Department of
2 Conservation and Natural Resources.

3 4. Each application ~~[and amended application]~~ filed with the
4 Commission must be accompanied by:

5 (a) Proof of service of a copy of the application ~~[or amended~~
6 ~~application]~~ on the clerk of each local government in the area in
7 which any portion of the facility is to be located, both as primarily
8 and as alternatively proposed; and

9 (b) Proof that public notice thereof was given to persons
10 residing in the municipalities entitled to receive notice pursuant to
11 paragraph (a) by the publication of a summary of the application ~~[or~~
12 ~~amended application]~~ in newspapers published and distributed in the
13 area in which the utility facility is proposed to be located.

14 5. Not later than 5 business days after the Commission receives
15 an application ~~[or amended application]~~ pursuant to this section, the
16 Commission shall issue a notice concerning the application . ~~[or~~
17 ~~amended application.]~~ Any person who wishes to become a party to
18 a permit proceeding pursuant to NRS 704.885 must file with the
19 Commission the appropriate document required by NRS 704.885
20 within the time frame set forth in the notice issued by the
21 Commission pursuant to this subsection.

22 **Sec. 18.97.** NRS 704.8905 is hereby amended to read as
23 follows:

24 704.8905 1. Except as otherwise required to comply with
25 federal law:

26 (a) Not later than 150 days after a person has filed an application
27 regarding a utility facility pursuant to subsection 1 of NRS 704.870:

28 (1) The Commission shall grant or deny approval of that
29 application; and

30 (2) Each other permitting entity shall, if an application for a
31 permit, license or other approval for the construction of the utility
32 facility was filed with the other permitting entity on or before the
33 date on which the applicant filed the application pursuant to
34 subsection 1 of NRS 704.870, grant or deny the application filed
35 with the other permitting entity.

36 (b) Not later than 120 days after a person has filed an ~~[amended]~~
37 application regarding a utility facility pursuant to subsection 2 of
38 NRS 704.870:

39 (1) The Commission shall grant or deny approval of the
40 ~~[amended]~~ application; and

41 (2) Each other permitting entity shall, if an application for a
42 permit, license or other approval for the construction of the utility
43 facility was filed with the other permitting entity on or before the
44 date on which the applicant filed with the appropriate federal agency
45 an application for approval for the construction of the utility facility,



* A B 4 1 6 R 3 *

1 grant or deny the ~~amended~~ application filed with the other
2 permitting entity.

3 2. The Commission or other permitting entity shall make its
4 determination upon the record and may grant or deny the application
5 as filed, or grant the application upon such terms, conditions or
6 modifications of the construction, operation or maintenance of the
7 utility facility as the Commission or other permitting entity deems
8 appropriate.

9 3. The Commission shall serve a copy of its order and any
10 opinion issued with it upon each party to the proceeding before the
11 Commission.

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

13 338.1908 1. The governing body of each local government
14 shall, by July 28, 2009, develop a plan to retrofit public buildings,
15 facilities and structures, including, without limitation, traffic-control
16 systems, and to otherwise use sources of renewable energy to serve
17 those buildings, facilities and structures. Such a plan must:

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

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

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

23 (2) The number of workers estimated to be employed on the
24 project.

25 (3) The effectiveness of the project in reducing energy
26 consumption.

27 (4) The estimated cost of the project.

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

30 (6) Whether the project has qualified for participation in ~~one~~
31 ~~or more of the following programs:~~

32 ~~—(I) The Solar Energy Systems Incentive Program created~~
33 ~~by NRS 701B.240;~~

34 ~~—(II) The~~ *the* Renewable Energy School Pilot Program
35 created by NRS 701B.350. ~~;~~

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

38 ~~—(IV) The Waterpower Energy Systems Demonstration~~
39 ~~Program created by NRS 701B.820.]~~

40 (c) Include a list of potential funding sources for use in
41 implementing the projects, including, without limitation, money
42 available through the Energy Efficiency and Conservation Block
43 Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts,
44 donations or other sources of money from public and private
45 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.*



* A B 4 1 6 R 3 *

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



1 available to applicants who apply for participation in the Solar
2 Energy Systems Incentive Program, the Wind Energy Systems
3 Demonstration Program or the Waterpower Energy Systems
4 Demonstration Program on or after January 1, 2013.

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

11 2. The investigatory docket must include, without limitation:

12 (a) An evaluation of existing feed-in tariff programs in other
13 jurisdictions and whether such programs or components of such
14 programs would be appropriate models for a feed-in tariff program
15 in this State;

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

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

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

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

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

31 (a) Each provider of electric service;

32 (b) The Regulatory Operations Staff of the Commission;

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

35 (d) Any other interested parties.

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

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

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



* A B 4 1 6 R 3 *

(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 1.7, 1.9, 8.3, 10.1, 18.1, 18.75, 18.8, 18.85, 18.95, 18.97, 20 to 23, inclusive, 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.



* A B 4 1 6 R 3 *

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



* A B 4 1 6 R 3 *

(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



* A B 4 1 6 R 3 *

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.

