

Amendment No. 922

Assembly Amendment to Assembly Bill No. 428

(BDR 58-797)

Proposed by: Assemblyman Bobzien**Amendment Box:** Consistent with Amendment No. 904.**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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

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

JMM/MSN



Date: 5/31/2013

A.B. No. 428—Revises provisions relating to energy. (BDR 58-797)



ASSEMBLY BILL NO. 428—COMMITTEE
ON COMMERCE AND LABOR

MARCH 25, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to energy. (BDR 58-797)

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

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

AN ACT relating to energy; revising provisions relating to the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; revising provisions governing the payment of incentives to participants in the Solar Program and the Wind Program; requiring the Public Utilities Commission of Nevada to adopt certain regulations; revising certain provisions relating to the portfolio standard for renewable energy; providing for aggregate net metering on low-income residential property; establishing the Legislative Committee on Energy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (NRS 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) **Section 3** of this bill establishes the statewide capacity floor for the Solar Program and the limits on incentives paid for each renewable energy program. **Section 3** further authorizes a utility to file with the Public Utilities Commission of Nevada the annual plan required for each of these programs as a single plan. **Sections 5, 19 and 26** of this bill remove the concept of a “program year” with respect to the renewable energy programs.

Section 7 of this bill revises provisions governing the incentives for participation in the Solar Program, requires the Commission to review the incentives and authorizes the Commission to adjust the incentives not more frequently than annually. **Section 7** also provides for an incentive to be paid to a participant in the Solar Program in one installment upon proof that the participant has installed and energized the solar energy system and for an incentive to be paid to a participant over time which must be based on the performance of the solar energy system and the amount of electricity generated by the solar energy system. **Section 7** also provides for the payment of performance-based incentives to a qualified participant in the Solar Program after December 31, 2021. **Section 9** of this bill requires the Commission to establish the categories for participation in the Solar Program which must, at a minimum, distinguish between residential property, nonresidential property and low-income residential property. **Section 9** further requires the Commission to establish the capacity limitations for each category. **Section 11** of this bill requires a participant in the Solar Program to participate in net metering.

Section 13 of this bill requires the Commission to establish the categories for participation in the Wind Program. **Section 14** of this bill requires the Commission to adopt regulations establishing a system of incentives for participation in the Wind Program. **Section 14** 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 be based on the performance and amount of electricity generated by the wind energy system. **Section 14** also provides for the payment of performance-based incentives to a qualified participant in the Wind Program after December 31, 2021. **Section 17** of this bill requires a participant in the Wind Program to participate in net metering.

Section 18 of this bill requires the Commission to adopt regulations to provide a system of incentives for waterpower energy systems with a nameplate capacity of not more than 500 kilowatts. **Section 21** of this bill requires a participant in the Waterpower Program to participate in net metering.

Existing law authorizes certain qualified customers of a utility to participate in net metering. (NRS 704.766-704.775) **Sections 23 and 24** of this bill authorize certain persons who reside in a residential housing complex located on low-income residential property to participate in aggregate net metering through the use of a net metering system which operates on multiple residential units. **Section 23** prescribes the requirements for such an aggregate net metering system, and **section 24** requires the Commission to adopt regulations setting forth the conditions under and manner in which qualified residents and tenants may participate.

Existing law provides that a provider of electric service 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 installed on the premises of retail customers. (NRS 704.7822) **Section 25** of this bill provides the same calculation for solar photovoltaic systems installed on the premises of the provider if certain conditions are met.

Sections 25.1-25.45 and 25.55 of this bill establish the Legislative Committee on Energy and set forth the membership, duties, powers and responsibilities of the Committee.

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

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

Sec. 2. *The Legislature hereby finds and declares that it is the policy of this State to:*

1. Expand and accelerate the development of solar distributed generation systems in this State; and

2. Establish a sustainable and self-sufficient solar renewable energy industry in this State in which solar energy systems are a viable mainstream alternative for homes, businesses and other public entities.

Sec. 3. *1. For the purposes of carrying out the Solar Energy Systems Incentive Program created by NRS 701B.240, the Public Utilities Commission of Nevada shall approve solar energy systems totaling at least 76,478 kilowatts of capacity in this State for the period beginning on July 1, 2013, and ending on December 31, 2021.*

2. The Commission 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 solar distributed generation systems to exceed \$333,530,000 for the period beginning on July 1, 2013, and ending on December 31, 2021.

(b) The Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820 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, 2013, 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 with the Commission one combined annual plan which meets the requirements set forth in NRS 701B.230, 701B.610 and 701B.850. The Commission shall review and approve any plan submitted pursuant to this subsection in accordance with the requirements of NRS 701B.230, 701B.610 and 701B.850, as applicable.

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. 4. 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. 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 ~~1, 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 period required to fully subscribe each step in capacity or the same period covered by a utility's annual plan for carrying out and administering the Solar Program, for a utility to account for those incentives.*

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

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

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

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

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

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

(f) Any other information required by the Commission.

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

1 **Sec. 6.** NRS 701B.210 is hereby amended to read as follows:

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

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

5 ~~—(a) School property;~~

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

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

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

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

14 **Sec. 7.** NRS 701B.220 is hereby amended to read as follows:

15 701B.220 1. In adopting regulations for the Solar Program, the Commission
16 shall adopt regulations establishing ~~an incentive~~ *the incentives* for participation in
17 the Solar Program ~~and shall consider whether such regulations ensure, to the~~
18 *extent practicable, the cost-effective use of such incentives and predictability for*
19 *participants, rate payers and utilities. The regulations must:*

20 (a) *Provide for an incentive that must be paid in one installment to a*
21 *participant for a solar energy system upon proof that the participant has installed*
22 *and energized the solar energy system;*

23 (b) *Provide for an incentive that must be paid to a participant over time and*
24 *be based on the performance of the solar energy system and the amount of*
25 *electricity generated by the solar energy system;*

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

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

30 (2) *The period in which the participant will receive an incentive from the*
31 *utility, which must not exceed 7 years;*

32 (3) *That the payments of an incentive to the participant must be made not*
33 *more frequently than quarterly; and*

34 (4) *Except as otherwise provided in subsection 3, that a utility must not*
35 *be required to make an incentive payment after December 31, 2021;*

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

41 (e) *Provide for a decline over time in the amount of the incentives for*
42 *participation in the Solar Program as the cost of installing solar energy systems*
43 *decreases and as variables, including, without limitation, system size, installation*
44 *costs, market conditions and access to federal, state and other financial*
45 *incentives, may require.*

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

49 3. *A contract that is executed between a utility and a participant on or*
50 *before December 31, 2021, providing for the payment to the participant of an*
51 *incentive pursuant to paragraph (b) of subsection 1 may provide for the*
52 *continued payment of such an incentive after December 31, 2021, in accordance*
53 *with regulations adopted by the Commission.*

Sec. 8. NRS 701B.230 is hereby amended to read as follows:

701B.230 1. Each year on or before the date established by the Commission, a utility shall file with the Commission its annual plan for carrying out and administering the Solar Program within its service area . ~~for a program year.~~

2. The Commission shall:

(a) Review each annual plan filed by a utility for compliance with the requirements established by regulation of the Commission; and

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

3. A utility shall carry out and administer the Solar Program within its service area in accordance with the utility's annual plan as approved by the Commission.

4. A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Solar Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 9. 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:*

(a) Residential property;

(b) Nonresidential property; and

(c) Low-income residential property.

3. *For the purpose of establishing categories pursuant to subsection 2, the Commission shall additionally establish:*

(a) Subcategories, which must include, without limitation, school property, public property and property owned by a nonprofit corporation;

(b) The criteria for qualifying as a participant under each category and subcategory; and

(c) The capacity limitations for each category and subcategory.

4. 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.~~

1 **Sec. 10.** NRS 701B.255 is hereby amended to read as follows:

2 701B.255 1. After reviewing an application submitted pursuant to NRS
3 701B.250 and ensuring that the applicant meets the qualifications and requirements
4 to be eligible to participate in the Solar Program, a utility may select the applicant
5 for participation in the Solar Program.

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

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

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

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

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

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

21 6. The amount of the incentive for which an applicant is eligible must be
22 determined on the date on which the applicant is selected for participation in the
23 Solar Program, except that an applicant forfeits eligibility for that amount of
24 incentive if the applicant withdraws from participation in the Solar Program or does
25 not complete the installation of the solar energy system within 12 months after the
26 date on which the applicant is selected for participation in the Solar Program. ~~An~~
27 ~~applicant who forfeits eligibility for the incentive for which the applicant was~~
28 ~~originally determined to be eligible may become eligible for an incentive only on~~
29 ~~the date on which the applicant completes the installation of the solar energy~~
30 ~~system, and the amount of the incentive for which such an applicant is eligible must~~
31 ~~be determined on the date on which the applicant completes the installation of the~~
32 ~~solar energy system.]~~

33 **Sec. 11.** NRS 701B.280 is hereby amended to read as follows:

34 701B.280 ~~[[A]]~~ *To be eligible for an incentive through the Solar Program*, a
35 solar energy system ~~used by a participant in the Solar Program meets] must meet~~
36 the requirements ~~of NRS 704.766 to 704.775, inclusive, the participant is entitled~~
37 ~~to participate] for participation~~ in net metering pursuant to the provisions of NRS
38 704.766 to 704.775, inclusive.

39 **Sec. 12.** NRS 701B.440 is hereby amended to read as follows:

40 701B.440 "Category" means one of the categories of participation in the
41 Wind Demonstration Program ~~as set forth in] established by the Commission~~
42 *pursuant to subsection 2 of NRS 701B.580.*

43 **Sec. 13.** NRS 701B.580 is hereby amended to read as follows:

44 701B.580 1. The Wind Energy Systems Demonstration Program is hereby
45 created.

46 2. The ~~[Program must have four] Commission shall establish~~ categories ~~as~~
47 ~~follows:~~

48 —(a) School property;

49 —(b) Other public property;

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

51 —(d) Agricultural property.] *for participation in the Program.*

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

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

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

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

Sec. 14. NRS 701B.590 is hereby amended to read as follows:

701B.590 *1.* 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:

~~†† (a) 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.~~

~~—2† (b) 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 and as variables, including, without limitation, system size, installation costs, market conditions and access to federal, state and other financial incentives, may require. The system of incentives must provide:~~

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

(2) 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

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

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

(II) The period in which the participant will receive an incentive from the utility, which must not exceed 7 years;

(III) That the payments of an incentive to the participant must be made not more frequently than quarterly; and

(IV) Except as otherwise provided in subsection 2, that a utility is not required to make an incentive payment after December 31, 2021.

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

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

(e) The period for accepting applications, which must include a period during 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.

2. A contract that is executed between a utility and a participant on or before December 31, 2021, providing for the payment to the participant of an incentive pursuant to subparagraph (2) of paragraph (b) of subsection 1 may

provide for the continued payment of such an incentive after December 31, 2021, in accordance with regulations adopted by the Commission.

Sec. 15. NRS 701B.610 is hereby amended to read as follows:

701B.610 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area. ~~for the following program year.~~

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

(a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and

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

Sec. 16. NRS 701B.615 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

Sec. 17. NRS 701B.650 is hereby amended to read as follows:

701B.650 ~~##~~ *To be eligible for an incentive through the Wind Demonstration Program,* a wind energy system ~~used by a participant in the Wind Demonstration Program meets~~ *must meet* the requirements ~~for NRS 704.766 to~~

~~704.775, inclusive, the participant is entitled to participate}~~ *for participation* in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 18. NRS 701B.840 is hereby amended to read as follows:

701B.840 The Commission shall adopt 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 waterpower energy systems in this State by 2016 and the goals for each category of the Program. The regulations must}~~ provide that not less than 1 megawatt of capacity ~~{must}~~ be set aside for the installation of waterpower energy systems with a nameplate capacity of 100 kilowatts or less.

2. *A system of incentives for waterpower energy systems with a nameplate capacity of not more than 500 kilowatts.*

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

~~{3-}~~ 4. The procedure for claiming incentives, including, without limitation, the form and content of the incentive claim form.

5. *The period for accepting applications, which must include a period during which a utility must accept additional applications if a previously approved applicant fails to install and energize a waterpower energy system within the time allowed by NRS 701B.865.*

Sec. 19. NRS 701B.850 is hereby amended to read as follows:

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

2. ~~{On or before July 1, 2008, and on or before each July 1 of 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}~~ ; 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. 20. 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 of incentive if the applicant withdraws from participation in the Program or does not complete the construction of the waterpower energy system within 12 months after the date on which the applicant is selected for participation in the Program. ~~{An applicant who forfeits eligibility for the incentive for which the applicant was originally determined to be eligible may become eligible for an incentive only on the date on which the applicant completes the construction of the waterpower energy system, and the amount of the incentive for which such an applicant is eligible must be determined on the date on which the applicant completes the construction of the waterpower energy system.}~~

Sec. 21. NRS 701B.880 is hereby amended to read as follows:

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

Sec. 22. NRS 704.021 is hereby amended to read as follows:

704.021 “Public utility” or “utility” does not include:

1. Persons engaged in the production and sale of natural gas, other than sales to the public, or engaged in the transmission of natural gas other than as a common carrier transmission or distribution line or system.

2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:

(a) They serve 25 persons or less; and

(b) Their gross sales for water or services for the disposal of sewage, or both, amounted to \$25,000 or less during the immediately preceding 12 months.

3. Persons not otherwise engaged in the business of furnishing, producing or selling water or services for the disposal of sewage, or both, but who sell or furnish water or services for the disposal of sewage, or both, as an accommodation in an area where water or services for the disposal of sewage, or both, are not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water or services for the disposal of sewage, or both, for compensation, to persons within the political subdivision.

4. Persons who are engaged in the production and sale of energy, including electricity, to public utilities, cities, counties or other entities which are reselling the energy to the public.

5. Persons who are subject to the provisions of NRS 590.465 to 590.645, inclusive.

6. Persons who are engaged in the sale or use of special fuel as defined in NRS 366.060.

7. Persons who provide water from water storage, transmission and treatment facilities if those facilities are for the storage, transmission or treatment of water from mining operations.

8. Persons who are video service providers, as defined in NRS 711.151, except for those operations of the video service provider which consist of providing

1 a telecommunication service to the public, in which case the video service provider
2 is a public utility only with regard to those operations of the video service provider
3 which consist of providing a telecommunication service to the public.

4 9. Persons who own or operate a net metering system described in paragraph
5 (c) of subsection 1 of NRS 704.771.

6 10. Persons who for compensation own or operate individual systems which
7 use renewable energy to generate electricity and sell the electricity generated from
8 those systems to not more than one customer of the public utility per individual
9 system if each individual system is:

10 (a) Located on the premises of another person;

11 (b) Used to produce not more than 150 percent of that other person's
12 requirements for electricity on an annual basis for the premises on which the
13 individual system is located; and

14 (c) Not part of a larger system that aggregates electricity generated from
15 renewable energy for resale or use on premises other than the premises on which
16 the individual system is located.

17 ➤ As used in this subsection, "renewable energy" has the meaning ascribed to it in
18 NRS 704.7811.

19 ***11. Persons whose requirements for electricity are offset in whole or in part***
20 ***by a net metering system described in paragraph (d) of subsection 1 of NRS***
21 ***704.771.***

22 **Sec. 23.** NRS 704.771 is hereby amended to read as follows:

23 704.771 1. "Net metering system" means:

24 (a) A facility or energy system for the generation of electricity that:

25 (1) Uses renewable energy as its primary source of energy to generate
26 electricity;

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

28 (3) Is located on the customer-generator's premises;

29 (4) Operates in parallel with the utility's transmission and distribution
30 facilities; and

31 (5) Is intended primarily to offset part or all of the customer-generator's
32 requirements for electricity;

33 (b) A facility or energy system for the generation of electricity that:

34 (1) Uses waterpower as its primary source of energy to generate electricity;

35 (2) Is located on property owned by the customer-generator;

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

37 (4) Generates electricity that is delivered to the transmission and
38 distribution facilities of the utility; and

39 (5) Is intended primarily to offset all or part of the customer-generator's
40 requirements for electricity on that property or contiguous property owned by the
41 customer-generator; or

42 (c) A facility or energy system for the generation of electricity:

43 (1) Which uses wind power as its primary source of energy to generate
44 electricity;

45 (2) Which is located on property owned or leased by an institution of
46 higher education in this State;

47 (3) Which has a generating capacity of not more than 1 megawatt;

48 (4) Which operates in parallel with the utility's transmission and
49 distribution facilities;

50 (5) Which is intended primarily to offset all or part of the customer-
51 generator's requirements for electricity on that property or on contiguous property
52 owned or leased by the customer-generator;

53 (6) Which is used for research and workforce training; and

(7) The construction or installation of which is commenced on or before December 31, 2011, and is completed on or before December 31, 2012.

(d) A facility or energy system for the generation of electricity that:

(1) Uses solar power as its primary source of energy to generate electricity;

(2) Is a single system operating on two or more residential units located within the same residential housing complex on low-income residential property;

(3) Has an aggregate generating capacity of not more than 1 megawatt;

(4) Operates in parallel with the utility's transmission and distribution facilities; and

(5) Is intended primarily to offset all or part of the requirements for electricity of two or more residents or tenants of the residential housing complex on a pro rata basis.

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

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

(b) One hundred percent of the customer-generator's annual requirements for electricity.

Sec. 24. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area until the cumulative capacity of all net metering systems operating in this State is equal to 2 percent of the total peak capacity of all utilities in this State.

2. ~~##~~ *Except as otherwise provided in subsection 6, if* the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than 25 kilowatts, the utility:

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

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

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

3. ~~##~~ *Except as otherwise provided in subsection 6, if* the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than 25 kilowatts, the utility:

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

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

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

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

(c) Shall not charge the customer-generator any standby charge.

➤ At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.

4. If the net metering system of a customer-generator is a net metering system described in paragraph (b) or (c) of subsection 1 of NRS 704.771 and:

(a) The system is intended primarily to offset part or all of the customer-generator's requirements for electricity on property contiguous to the property on which the net metering system is located; and

(b) The customer-generator sells or transfers his or her interest in the contiguous property,

↳ the net metering system ceases to be eligible to participate in net metering.

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

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

(1) Metering equipment;

(2) Net energy metering and billing; and

(3) Interconnection,

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

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

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

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

6. The Commission shall adopt regulations prescribing the manner in which two or more residents or tenants of a residential housing complex located on low-income residential property may participate in net metering. The regulations must include, without limitation:

(a) The qualifications for participation in net metering as a resident or tenant of a residential housing complex located on low-income residential property.

(b) The manner in which consumption and generation of electricity are measured on a pro rata basis.

(c) The manner in which credit is issued to a resident or tenant on a pro rata basis.

(d) Any requirements for the allocation to a resident or tenant of any costs relating to the installation by a utility of metering equipment.

Sec. 25. NRS 704.7822 is hereby amended to read as follows:

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

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

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

Sec. 25.1. Chapter 218E of NRS is hereby amended by adding thereto the provisions set forth as sections 25.2 to 25.45, inclusive, of this act.

Sec. 25.2. As used in sections 25.2 to 25.45, inclusive, of this act, unless the context otherwise requires, "Committee" means the Legislative Committee on Energy.

Sec. 25.25. 1. The Legislative Committee on Energy, consisting of eight legislative members, is hereby created. The membership of the Committee consists of:

1 (a) Four members appointed by the Majority Leader of the Senate, at least
2 one of whom must be a member of the minority political party.

3 (b) Four members appointed by the Speaker of the Assembly, at least one of
4 whom must be a member of the minority political party.

5 2. The Legislative Commission shall review and approve the budget and
6 work program for the Committee and any changes to the budget or work
7 program.

8 3. The Legislative Commission shall select the Chair and Vice Chair of the
9 Committee from among the members of the Committee. Each Chair and Vice
10 Chair holds office for a term of 2 years commencing on July 1 of each odd-
11 numbered year. The office of Chair of the Committee must alternate each
12 biennium between the Houses. If a vacancy occurs in the office of Chair or Vice
13 Chair, the vacancy must be filled in the same manner as the original selection for
14 the remainder of the unexpired term.

15 4. A member of the Committee who is not a candidate for reelection or who
16 is defeated for reelection continues to serve after the general election until the
17 next regular or special session convenes.

18 5. A vacancy on the Committee must be filled in the same manner as the
19 original appointment for the remainder of the unexpired term.

20 Sec. 25.3. 1. Except as otherwise ordered by the Legislative Commission,
21 the members of the Committee shall meet not earlier than November 1 of each
22 odd-numbered year and not later than August 31 of the following even-numbered
23 year at the times and places specified by a call of the Chair or a majority of the
24 Committee.

25 2. The Director or the Director's designee shall act as the nonvoting
26 recording Secretary of the Committee.

27 3. Five members of the Committee constitute a quorum, and a quorum may
28 exercise all the power and authority conferred on the Committee.

29 4. Except during a regular or special session, for each day or portion of a
30 day during which a member of the Committee attends a meeting of the Committee
31 or is otherwise engaged in the business of the Committee, the member is entitled
32 to receive the:

33 (a) Compensation provided for a majority of the Legislators during the first
34 60 days of the preceding regular session;

35 (b) Per diem allowance provided for state officers and employees generally;
36 and

37 (c) Travel expenses provided pursuant to NRS 218A.655.

38 5. All such compensation, per diem allowances and travel expenses must be
39 paid from the Legislative Fund.

40 Sec. 25.4. 1. The Committee may:

41 (a) Evaluate, review and comment upon matters related to energy policy
42 within this State, including, without limitation:

43 (1) Policies, plans or programs relating to the production, consumption
44 or use of energy in this State;

45 (2) Legislative measures regarding energy policy;

46 (3) The effect of any policy, plan, program or legislation on rates or rate
47 payers;

48 (4) The effect of any policy, plan, program or legislation on economic
49 development in this State;

50 (5) The effect of any policy, plan, program or legislation on the
51 environment;

52 (6) Any contracts or requests for proposals relating to the purchase of
53 capacity;

(7) The effect of any policy, plan, program or legislation which provides for the construction or acquisition of facilities for the generation of electricity;

(8) The effect of any policy, plan, program or legislation on the development of a market in this State for electricity generated from renewable energy;

(9) The infrastructure and transmission requirements of any policy, plan, program or legislation; and

(10) Any other matters or topics that, in the determination of the Committee, affect energy policy in this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which energy policy may be implemented or improved.

2. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 701.070.

Sec. 25.45. 1. If the Committee conducts investigations or holds hearings pursuant to paragraph (b) of subsection 1 of section 25.4 of this act:

(a) The Secretary of the Committee or, in the Secretary's absence, a member designated by the Committee may administer oaths.

(b) The Secretary or Chair of the Committee may cause the deposition of witnesses, residing either within or without the State, to be taken in the manner prescribed by rule of court for taking depositions in civil actions in the district courts.

(c) The Chair of the Committee may issue subpoenas to compel the attendance and testimony of witnesses and the production of books, papers, accounts, department records and other documents.

2. If any witness fails or refuses to attend or testify or to produce the books, papers, accounts, department records or other documents required by the subpoena, the Chair of the Committee may report the failure or refusal to the district court by a petition which:

(a) Sets forth that:

(1) Due notice has been given of the time and place of the attendance of the witness or the production of the required books, papers, accounts, department records or other documents;

(2) The witness has been subpoenaed by the Committee pursuant to this section; and

(3) The witness has failed or refused to attend or testify or to produce the books, papers, accounts, department records or other documents required by the subpoena before the Committee named in the subpoena; and

(b) Asks for an order of the court compelling the witness to attend and testify or to produce the required books, papers, accounts, department records or other documents before the Committee.

3. Upon such a petition, the court shall:

(a) Enter an order directing the witness:

(1) To appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order; and

(2) To show cause why the witness has not attended or testified or produced the required books, papers, accounts, department records or other documents before the Committee; and

(b) Serve a certified copy of the order upon the witness.

4. If it appears to the court that the subpoena was regularly issued by the Committee, the court shall enter an order that the witness:

(a) Must appear before the Committee at the time and place fixed in the order;

(b) Must testify or produce the required books, papers, accounts, department records or other documents; and

(c) Upon failure to obey the order, must be dealt with as for contempt of court.

Sec. 25.55. Section 25.4 of this act is hereby amended to read as follows:

Sec. 25.4. 1. The Committee may:

(a) Evaluate, review and comment upon matters related to energy policy within this State, including, without limitation:

(1) Policies, plans or programs relating to the production, consumption or use of energy in this State;

(2) Legislative measures regarding energy policy;

(3) The progress made by this State in satisfying the goals and objectives of Senate Bill No. 123 of the 77th Session of the Nevada Legislature;

(4) The effect of any policy, plan, program or legislation on rates or rate payers;

~~((4))~~ (5) The effect of any policy, plan, program or legislation on economic development in this State;

~~((5))~~ (6) The effect of any policy, plan, program or legislation on the environment;

~~((6))~~ (7) Any contracts or requests for proposals relating to the purchase of capacity;

~~((7))~~ (8) The effect of any policy, plan, program or legislation which provides for the construction or acquisition of facilities for the generation of electricity;

~~((8))~~ (9) The effect of any policy, plan, program or legislation on the development of a market in this State for electricity generated from renewable energy;

~~((9))~~ (10) The infrastructure and transmission requirements of any policy, plan, program or legislation; and

~~((10))~~ (11) Any other matters or topics that, in the determination of the Committee, affect energy policy in this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which energy policy may be implemented or improved.

2. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 701.070.

Sec. 26. NRS 701B.060, 701B.100, 701B.110, 701B.120, 701B.130, 701B.140, 701B.260, 701B.490 and 701B.760 are hereby repealed.

Sec. 27. The Public Utilities Commission of Nevada shall adopt regulations to carry out the amendatory provisions of this act on or before April 30, 2014. The regulations must:

1. Provide for the transition to the performance-based incentive required by NRS 701B.220, as amended by section 7 of this act, NRS 701B.590, as amended by section 14 of this act, and NRS 701B.840, as amended by section 18 of this act, for the applicable participants in the Solar Energy Systems Incentive Program, the

1 Wind Energy Systems Demonstration Program and the Waterpower Energy
2 Systems Demonstration Program.

3 2. Require that the capacity allocated for a participant in the Solar Energy
4 Systems Incentive Program, the Wind Energy Systems Demonstration Program or
5 the Waterpower Energy Systems Incentive Program who fails to install and
6 energize the energy system within 12 months after the date on which the applicant
7 is selected for participation in the respective program must be made available to
8 applicants who apply for participation in the Solar Energy Systems Incentive
9 Program, the Wind Energy Systems Demonstration Program or the Waterpower
10 Energy Systems Demonstration Program on or after January 1, 2015.

11 **Sec. 28. 1. This ~~act becomes~~ section and sections 1 to 25, inclusive, 26**
12 **and 27 of this act become** effective:

13 (a) Upon passage and approval for the purpose of adopting regulations or
14 performing any other preparatory administrative tasks necessary to carry out the
15 provisions of this act; and

16 (b) On January 1, 2015, for all other purposes.

17 2. **Sections 25.1 to 25.45, inclusive, of this act become effective on July 1,**
18 **2013.**

19 3. **Section 25.55 of this act becomes effective at 12:01 a.m. of July 1, 2013,**
20 **if, and only if, Senate Bill No. 123 of this session is enacted by the Legislature**
21 **and becomes effective.**

22 4. **Sections 1 to 23, inclusive, of this act expire by limitation on December 31,**
23 **2021.**

LEADLINES OF REPEALED SECTIONS

701B.060 "Institution of higher education" defined.

701B.100 "Program year" defined.

701B.110 "Public and other property" defined.

701B.120 "Public entity" defined.

701B.130 "School property" defined.

701B.140 "Small business" defined.

701B.260 Capacity allocated to each category; reallocation of capacity;
limitations on incentives.

701B.490 "Program year" defined.

701B.760 "Program year" defined.