

SENATE BILL NO. 329—SENATOR KIHUEN

MARCH 18, 2013

JOINT SPONSOR: ASSEMBLYMAN BOBZIEN

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-861)

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

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

AN ACT relating to energy; revising provisions governing the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law establishes the Account for Renewable Energy, Energy Efficiency
2 and Energy Conservation Loans. (NRS 701.545-701.595) This bill generally
3 authorizes a qualified natural person to receive a loan from the Account for the
4 construction of a clean energy improvement upon his or her residential property.
5 **Section 7** of this bill requires the Director of the Office of Energy to adopt certain
6 regulations concerning a loan for a clean energy improvement. **Section 7.5** of this
7 bill requires the Director to submit an annual report to the Legislature regarding
8 loans from the Account for the construction of clean energy improvements. **Section**
9 **8.75** of this bill creates a subaccount within the Account for the purpose of
10 providing such loans. **Section 8.9** of this bill makes an appropriation from the State
11 General Fund to the subaccount.



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

Section 1. Chapter 701 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8.5, inclusive, of this act.

Sec. 2. (Deleted by amendment.)

Sec. 3. *“Clean energy improvement” means any repair of or addition or improvement to residential real property which reduces the consumption of energy at the property or which uses energy generated from renewable energy to meet all or a portion of the demand for energy at the property.*

Sec. 4. (Deleted by amendment.)

Sec. 4.5. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 5.5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. *The Director shall, for the purpose of approving a loan from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans to a qualified applicant for the construction of a clean energy improvement upon the residential property of the qualified applicant, adopt regulations establishing:*

1. The eligibility requirements or a qualified applicant to apply for and receive a loan from the Account;

2. One or more maximum annual rates of interest, which must be below-market rates but which must not be lower than 3 percent, applicable to loans of money for the construction of clean energy improvements; and

3. Such other terms and conditions applicable to a loan for the construction of a clean energy improvement as the Director determines are necessary.

Sec. 7.5. *The Director shall, on or before December 31, 2015, and on or before December 31 of each year thereafter:*

1. Prepare a report:

(a) Describing the activities of the Director with respect to loans from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans to qualified applicants for the construction of clean energy improvements.

(b) Evaluating the impact of such loans on clean energy improvements in this State.

2. Submit the report prepared pursuant to subsection 1 to the Director of the Legislative Counsel Bureau for transmittal to:

(a) If the report is prepared during an even-numbered year, the next session of the Legislature.



(b) If the report is prepared during an odd-numbered year, the Legislative Commission and the Interim Finance Committee.

Sec. 8. (Deleted by amendment.)

Sec. 8.5. (Deleted by amendment.)

Sec. 8.55. NRS 701.545 is hereby amended to read as follows:

701.545 As used in NRS 701.545 to 701.595, inclusive, *and sections 3 to 7.5, inclusive, of this act*, the words and terms defined in NRS 701.550 to 701.570, inclusive, *and section 3 of this act* have the meanings ascribed to them in those sections.

Sec. 8.6. NRS 701.555 is hereby amended to read as follows:

701.555 "Construction" means the erection, building, acquisition, alteration, remodeling, improvement or extension of a project *or clean energy improvement* and the inspection and supervision of such activities and includes, without limitation:

1. Any preliminary planning to determine the feasibility of a project;

2. Engineering, architectural, legal, environmental, fiscal or economic investigations or studies, surveys, designs, plans, working drawings, specifications or procedures that comply with the provisions of the American Recovery and Reinvestment Act and any regulations adopted pursuant thereto; and

3. Any other activities reasonably necessary to the completion of a project *or clean energy improvement*.

Sec. 8.65. NRS 701.560 is hereby amended to read as follows:

701.560 "Federal grant" means money authorized by the American Recovery and Reinvestment Act to:

1. Create a revolving loan fund to assist in the financing of the construction of renewable energy projects *or and clean energy improvements*; or

2. Fund set-aside programs authorized by the American Recovery and Reinvestment Act.

Sec. 8.7. NRS 701.568 is hereby amended to read as follows:

701.568 "Qualified applicant" means *or*:

1. A person or governmental entity engaged in:

or (a) The construction or operation of an energy conservation project;

or (b) The construction or operation of an energy efficiency project;

or (c) The construction, expansion or operation of a renewable energy system; or

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

2. A natural person engaged in the construction of a clean energy improvement upon his or her residential property.



Sec. 8.75. NRS 701.575 is hereby amended to read as follows:

701.575 1. The Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans is hereby created in the State General Fund. The Director shall administer the Account.

2. *A subaccount in the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans is hereby created to provide loans for the construction of clean energy improvements upon the residential property of qualified applicants.*

3. The account to fund activities, other than projects, authorized by the American Recovery and Reinvestment Act, to be known as the Account for Set-Aside Programs, is hereby created in the Fund for the Municipal Bond Bank.

~~13-1~~ 4. The money in the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans and the Account for Set-Aside Programs may be used only for the purposes set forth in the American Recovery and Reinvestment Act.

~~14-1~~ 5. All claims against the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans and the Account for Set-Aside Programs must be paid as other claims against the State are paid.

~~15-1~~ 6. The faith of the State is hereby pledged that the money in the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans and the Account for Set-Aside Programs will not be used for purposes other than those authorized by the American Recovery and Reinvestment Act.

Sec. 8.8. NRS 701.580 is hereby amended to read as follows:

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

2. All payments of principal and interest on all loans made to a qualified applicant and all proceeds from the sale, refunding or prepayment of obligations of a qualified applicant acquired or loans made in carrying out the purposes of the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans must be deposited in the State Treasury for credit to the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans.

3. The Director may accept gifts, contributions, grants and bequests of money from any public or private source. The money so accepted must be deposited in the State Treasury for credit to the Account for Renewable Energy, Energy Efficiency and Energy



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1 Conservation Loans, or the Account for Set-Aside Programs, and
2 can be used to provide money from the State to match the federal
3 grant, as required by the American Recovery and Reinvestment Act.

4 4. ~~Only~~ *Except for a loan for the construction of a clean*
5 *energy improvement, only* federal money deposited in a separate
6 subaccount of the Account for Renewable Energy, Energy
7 Efficiency and Energy Conservation Loans, including repayments of
8 principal and interest on loans made solely from federal money, and
9 interest and income earned on federal money in the Account for
10 Renewable Energy, Energy Efficiency and Energy Conservation
11 Loans, may be used to benefit a qualified applicant who is not a
12 governmental entity.

13 **Sec. 8.85.** NRS 701.590 is hereby amended to read as follows:

14 701.590 1. Except as otherwise provided in ~~subsection 6~~
15 *subsections 2 and 7* and NRS 701.580, money in the Account for
16 Renewable Energy, Energy Efficiency and Energy Conservation
17 Loans, including repayments of principal and interest on loans, and
18 interest and income earned on money in the Account for Renewable
19 Energy, Energy Efficiency and Energy Conservation Loans, may be
20 used only to make loans at a rate of not more than 3 percent to a
21 qualified applicant for:

- 22 (a) The construction of an energy conservation project;
- 23 (b) The construction of an energy efficiency project;
- 24 (c) The construction or expansion of a renewable energy system;

25 ~~or~~
26 (d) The manufacturing of components of a renewable energy
27 system ~~H~~; *or*

28 (e) *The construction of a clean energy improvement.*

29 2. *Money in the subaccount created by subsection 2 of NRS*
30 *701.575, including interest and income earned on money in the*
31 *subaccount, may be used only to make below-market rate loans at*
32 *a rate not lower than 3 percent per annum to a qualified applicant*
33 *for the construction of a clean energy improvement upon his or*
34 *her residential property.*

35 3. Money in the Account for Set-Aside Programs may be used
36 only to fund set-aside programs authorized by the American
37 Recovery and Reinvestment Act. Money in the Account for Set-
38 Aside Programs may be transferred to the Account for Renewable
39 Energy, Energy Efficiency and Energy Conservation Loans pursuant
40 to the American Recovery and Reinvestment Act.

41 ~~B~~ 4. A qualified applicant who requests a loan or other
42 financial assistance must demonstrate that the qualified applicant
43 has:

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



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

~~14~~ **5.** Money from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans may not be given to a qualified applicant for the expansion of an existing renewable energy system unless the qualified applicant has the technical, managerial and financial capability to ensure compliance with the American Recovery and Reinvestment Act and regulations adopted pursuant thereto. To receive such funding for the construction of a new renewable energy system, a qualified applicant must demonstrate that the qualified applicant has the technical, managerial and financial capability to ensure compliance with the American Recovery and Reinvestment Act and regulations adopted pursuant thereto.

~~15~~ **6.** The Director shall, before approving an applicant for financial assistance from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans, consider whether the applicant has received or is eligible to receive from any other governmental entity any money or other financial incentive, including, without limitation, any grant, loan, tax credit or abatement of any tax for the purpose of financing in whole or in part the energy efficiency or energy conservation project *or clean energy improvement* of the applicant.

~~16~~ **7.** The Director may use the interest earned on money in the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans and the interest earned on loans made from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans to defray, in whole or in part, the costs and expenses of administering the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans and to carry out the purposes of NRS 701.545 to 701.595, inclusive.

~~17~~ **8.** The Director shall give preference to qualified applicants seeking funding or assistance from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans for larger energy conservation projects, energy efficiency projects or renewable energy systems. The Director shall, by regulation, define "larger energy conservation projects, energy efficiency projects or renewable energy systems" for purposes of this section.

Sec. 8.9. There is hereby appropriated from the State General Fund to the subaccount created within the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans by



1 subsection 2 of NRS 701.575, as amended by section 8.75 of this
2 act, the sum of \$100,000.

3 **Sec. 9.** This act becomes effective:

4 1. Upon passage and approval for the purpose of adopting
5 regulations and performing any preparatory administrative tasks that
6 are necessary to carry out the provisions of this act; and

7 2. On July 1, 2013, for all other purposes.

