

SENATE BILL NO. 282—SENATORS SPEARMAN, FORD, PARKS;
DENIS, KIHUEN, MANENDO, SEGERBLOM AND WOODHOUSE

MARCH 13, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to energy.
(BDR 58-259)

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 payment of incentives to participants in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; repealing provisions requiring each electric utility to create a Lower Income Solar Energy Pilot Program; 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. Existing law further establishes the amount of incentives that may be authorized for payment by the Public Utilities Commission of Nevada to each Program. (NRS 701B.005, 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) **Section 1** of this bill combines the amount of existing incentives available for payment to each Program into a single pool of money from which the Commission may authorize the payment of an incentive to a Program. **Section 1** further requires the Commission, for the period beginning on January 1, 2016, and ending on December 31, 2021, to authorize the payment of incentives in an amount of not more than \$2 million per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of electric utilities in this State which benefit low-income customers. **Section 2** of this bill provides that incentives available to a participant that is a public entity or nonprofit organization must not exceed 75 percent of the installed cost of the solar energy system or distributed generation system based on the average installed cost of a system, as applicable, in the immediately preceding year.



Section 15.5 of this bill repeals the provisions of existing law that require each electric utility in this State to create a Lower Income Solar Energy Pilot Program, which are duplicative of the amendatory provisions of **section 1**.

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

Section 1. NRS 701B.005 is hereby amended to read as follows:

701B.005 1. For the purposes of carrying out the Solar Energy Systems Incentive Program created by NRS 701B.240, and subject to the limitations prescribed by ~~subsection 2,~~ **subsections 2 and 3**, the Public Utilities Commission of Nevada shall set incentive levels and schedules, with a goal of approving solar energy systems totaling at least 250,000 kilowatts of capacity in this State for the period beginning on July 1, 2010, and ending on December 31, 2021.

2. ~~{The}~~ **Except as otherwise provided in subsection 3, the** Commission ~~{shall not}~~ **may** authorize the payment of an incentive pursuant to ~~1:~~

~~(a) The~~ **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** if the payment of the incentive would **not** 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 , **wind energy systems and waterpower energy systems** to exceed ~~[\$255,270,000]~~ **\$295,270,000** for the period beginning on July 1, 2010, and ending on December 31, 2025.

~~{(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 \$40,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2025. The Commission shall by regulation determine the allocation of incentives for each Program.}~~

3. **For the period beginning on January 1, 2016, and ending on December 31, 2021, the Commission shall, from the money allocated for the payment of an incentive pursuant to subsection 2, authorize the payment of incentives in an amount of not more than \$2 million per year for the installation of solar energy systems and distributed generation systems at locations**



1 *throughout the service territories of utilities in this State which*
2 *benefit low-income customers, including, without limitation,*
3 *homeless shelters, low-income housing developments and public*
4 *entities, other than municipalities, that serve significant*
5 *populations of low-income residents.*

6 4. The Commission may, subject to the limitations prescribed
7 by ~~subsection 2,~~ *subsections 2 and 3,* authorize the payment of
8 performance-based incentives for the period ending on
9 December 31, 2025.

10 ~~4.~~ 5. A utility may file with the Commission one combined
11 annual plan which meets the requirements set forth in NRS
12 701B.230, 701B.610 and 701B.850. The Commission shall review
13 and approve any plan submitted pursuant to this subsection in
14 accordance with the requirements of NRS 701B.230, 701B.610 and
15 701B.850, as applicable.

16 ~~5.~~ 6. As used in this section:

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

19 (b) *"Municipality" means any county or city in this State.*

20 (c) "Utility" means a public utility that supplies electricity in
21 this State.

22 **Sec. 2.** NRS 701B.200 is hereby amended to read as follows:

23 701B.200 The Commission shall adopt regulations necessary
24 to carry out the provisions of NRS 701B.010 to 701B.290, inclusive,
25 including, without limitation, regulations that:

26 1. Establish the type of incentives available to participants in
27 the Solar Program and the level or amount of those incentives. The
28 incentives must be market-based incentives that:

29 (a) Do not exceed ~~50~~ :

30 (1) *Seventy-five percent of the installed cost of a solar*
31 *energy system or distributed generation system to a public entity or*
32 *nonprofit organization, excluding the cost of labor, as determined*
33 *by using the average installed cost of solar energy systems or*
34 *distributed generation systems, as applicable, in the immediately*
35 *preceding year; or*

36 (2) *Fifty percent of the installed cost of a solar energy system*
37 *or distributed generation system* ~~to a person other than a public~~
38 *entity or nonprofit organization,* as determined by using the
39 average installed cost of ~~the~~ solar energy systems or distributed
40 generation systems, as applicable, *to such persons* installed in the
41 immediately preceding year;

42 (b) Are designed to maximize the number of customer
43 categories participating in the Solar Program based on
44 demographics and location, including, without limitation, categories
45 for public entities, customers of lower socioeconomic status,



1 nonprofit organizations and commercial, industrial and residential
2 customers; and

3 (c) Provide for a sustainable Solar Program that maintains
4 sufficient customer participation and that provides for the measured
5 award of incentives to as many participants as possible on or before
6 December 31, 2021.

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

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

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

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

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

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

23 (f) Any other information that the Commission requires from the
24 utility as part of the administration of the Solar Program; and

25 (g) Any other information required by the Commission.

26 3. Authorize a utility to recover the reasonable costs incurred in
27 carrying out and administering the installation of distributed
28 generation systems.

29 **Sec. 3.** (Deleted by amendment.)

30 **Sec. 4.** (Deleted by amendment.)

31 **Sec. 5.** (Deleted by amendment.)

32 **Sec. 6.** (Deleted by amendment.)

33 **Sec. 7.** (Deleted by amendment.)

34 **Sec. 8.** (Deleted by amendment.)

35 **Sec. 9.** (Deleted by amendment.)

36 **Sec. 10.** (Deleted by amendment.)

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

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

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

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

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

42 **Sec. 15.5.** NRS 704.786 is hereby repealed.

43 **Sec. 16.** 1. This act becomes effective:



1 (a) Upon passage and approval for the purpose of performing
2 any preparatory administrative tasks necessary to carry out the
3 provisions of this act; and

4 (b) On July 1, 2015, for all other purposes.

5 2. This act expires by limitation on December 31, 2025.

TEXT OF REPEALED SECTION

**704.786 Lower Income Solar Energy Pilot Program:
Creation required by each electric utility in State.**

1. Each electric utility in this State shall create a Lower Income Solar Energy Pilot Program for the purpose of installing, before January 1, 2017, distributed generation systems with a cumulative capacity of at least 1 megawatt at locations throughout its service territory which benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and schools with significant populations of low-income pupils. Each electric utility shall submit the Program as part of its annual plan submitted pursuant to NRS 701B.230. The Commission shall approve the Program with such modifications and upon such terms and conditions as the Commission deems necessary or appropriate to enable the Program to meet the purposes set forth in this subsection.

2. The Office of Energy shall advise the Commission and each electric utility regarding grants and other sources of money available to defray the costs of the Program.

3. As used in this section, “distributed generation system” has the meaning ascribed to it in NRS 701B.055.

