

ASSEMBLY BILL NO. 465—COMMITTEE
ON GROWTH AND INFRASTRUCTURE

MARCH 25, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Establishes provisions relating to solar energy.
(BDR 58-872)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; requiring electric utilities to offer an affordable solar access program to certain customers and to submit a plan to the Public Utilities Commission of Nevada for such a program; requiring the Commission to approve a plan for an affordable solar access program if certain requirements are met; authorizing the Commission to adopt regulations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 This bill enacts provisions for the implementation of an affordable solar access
2 program by certain electric utilities in this State. This bill requires such electric
3 utilities to offer an affordable solar access program to low-income residential
4 customers and to certain nonresidential customers who consume less than 10,000
5 kilowatt-hours of electricity per month. This bill requires an electric utility to
6 submit a plan for an affordable solar access program to the Public Utilities
7 Commission of Nevada on or before April 1, 2020, and requires the Commission to
8 approve such a plan if it meets certain requirements. Among the requirements for
9 the plan submitted by an electric utility is that the capacity of the affordable solar
10 access program be below a certain amount, that the program broaden access to solar
11 energy in an equitable manner and that the program provide participating customers
12 with bill stability and predictability and the opportunity for electric bill savings.
13 This bill requires an electric utility, in implementing the affordable solar access
14 program, to make use of a certain number of new community-based solar resources
15 and utility scale solar resources. This bill authorizes the Commission to adopt
16 regulations necessary to carry out the provisions of this bill.



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

Section 1. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An electric utility shall offer an affordable solar access program to eligible customers within its service area in accordance with the provisions of this section. The size of the affordable solar access program shall not exceed:

(a) For an electric utility that primarily serves densely populated counties, a total capacity of 240,000 megawatt-hours per year; and

(b) For an electric utility that primarily serves less densely populated counties, a total capacity of 160,000 megawatt-hours per year.

2. On or before April 1, 2020, each electric utility shall submit to the Commission a plan for the implementation of an affordable solar access program that:

(a) Advances the energy policy goals of this State, including, without limitation, the development of solar energy resources in this State in a cost-effective manner;

(b) Contains a reasonable mixture of community-based solar resources and utility scale solar resources;

(c) Contains a plan for community participation in the siting and naming of community-based solar resources;

(d) Provides, to the extent practicable, for programs of education and workforce training related to the construction, maintenance and operation of community-based solar resources;

(e) Provides for equitably broadened access to solar energy, as provided in subsection 5; and

(f) Provides participating customers with bill stability and predictability and the opportunity for electric bill savings, as provided in subsection 6.

3. A plan submitted pursuant to subsection 2 shall:

(a) Designate at least two but not more than five geographic areas within the service territory of the electric utility for participation in the program;

(b) Provide for the use of at least one but not more than three community-based solar resources within each geographic area designated pursuant to paragraph (a); and

(c) Provide for the use of at least one utility scale solar resource within the service territory of the electric utility.

4. The community-based solar resources and utility scale solar resources which the electric utility proposes to use pursuant



1 to subsection 3 must be new solar resources which were not placed
2 into operation before April 1, 2020.

3 5. A plan submitted pursuant to subsection 2 provides for
4 equitably broadened access to solar energy if the plan:

5 (a) Ensures reasonable and equitable participation of
6 customers based on geographic areas within the electric utility's
7 service area designated pursuant to subsection 3;

8 (b) Ensures that customers are able to participate in the
9 program regardless of whether the customer owns, leases or rents
10 the customer's premises;

11 (c) Ensures that at least 10 percent of the residential customers
12 participating in the program are low-income customers who would
13 be unable to participate in net metering pursuant to NRS 704.766
14 to 704.777, inclusive, because of financial or locational restraints;

15 (d) Ensures that at least 10 percent of the general service
16 customers participating in the program are nonprofit
17 organizations or businesses owned by women, racial and ethnic
18 minorities and other traditionally underrepresented groups; and

19 (e) Provides for workforce training, apprenticeships or other
20 job opportunities at community-based solar projects.

21 6. A plan submitted pursuant to subsection 2 provides
22 participating customers with bill stability and predictability and
23 the opportunity for energy bill savings if the plan eliminates the
24 base tariff energy rate and deferred accounting adjustment
25 charged by the electric utility for participating customers and
26 provides for participating customers to be charged a fixed,
27 kilowatt-hour rate, which rate is adjusted not more frequently than
28 once annually.

29 7. The Commission shall review the plan for an affordable
30 solar access program submitted pursuant to subsection 2 and issue
31 an order approving or denying the plan within 210 days. The
32 Commission shall approve the plan if it finds that the proposed
33 affordable solar access program meets the requirements of
34 subsections 1 to 4, inclusive.

35 8. In administering the provisions of this section, the electric
36 utility and the Commission shall establish as the preferred sites for
37 large scale development of solar energy resources pursuant to this
38 section brownfield sites and land designated by the Secretary of
39 the Interior as Solar Energy Zones and held by the Bureau of
40 Land Management.

41 9. The Commission shall adopt any regulations necessary to
42 carry out the provisions of this section.

43 10. As used in this section:

44 (a) "Brownfield site" has the meaning ascribed to it in
45 U.S.C. § 9601.



(b) *“Community-based solar resource” means a solar resource which has a nameplate capacity of not more than 20 kilowatts and is owned or operated by the electric utility as a component of its distribution system.*

(c) *“Deferred energy accounting adjustment” means the rate of an electric utility that is calculated by dividing the balance of a deferred account during a specified period by the total kilowatt-hours which have been sold in the geographical area to which the rate applies during the specified period.*

(d) *“Electric utility” has the meaning ascribed to it in NRS 704.187.*

(e) *“Electric utility that primarily serves densely populated counties” has the meaning ascribed to it in NRS 704.110.*

(f) *“Electric utility that primarily serves less densely populated counties” has the meaning ascribed to it in NRS 704.110.*

(g) *“Eligible customer” means:*

(1) *A general service customer; or*

(2) *A person or household who is a residential customer of a utility and has an income of not more than 80 percent of the area median income based on the guidelines published by the United States Department of Housing and Urban Development.*

(h) *“General service customer” means a nonresidential customer with a kilowatt-hour consumption that does not exceed 10,000 kilowatt-hours per month.*

(i) *“Solar resource” means a facility or energy system that uses a solar photovoltaic device to generate electricity.*

(j) *“Utility scale solar resource” means a solar resource which has a nameplate capacity of at least 50 megawatts and is interconnected directly to a substation of the electric utility through a generation step-up transformer.*

Sec. 2. NRS 704.100 is hereby amended to read as follows:

704.100 1. Except as otherwise provided in NRS 704.075 and 704.68861 to 704.68887, inclusive, **and section 1 of this act** or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097:

(a) A public utility shall not make changes in any schedule, unless the public utility:

(1) Files with the Commission an application to make the proposed changes and the Commission approves the proposed changes pursuant to NRS 704.110; or

(2) Files the proposed changes with the Commission using a letter of advice in accordance with the provisions of paragraph (f) or (g).

(b) A public utility shall adjust its rates on a quarterly basis between annual rate adjustment applications pursuant to



subsection 8 of NRS 704.110 based on changes in the public utility's recorded costs of natural gas purchased for resale.

(c) An electric utility shall, between annual deferred energy accounting adjustment applications filed pursuant to NRS 704.187, adjust its rates on a quarterly basis pursuant to subsection 10 of NRS 704.110.

(d) A public utility shall post copies of all proposed schedules and all new or amended schedules in the same offices and in substantially the same form, manner and places as required by NRS 704.070 for the posting of copies of schedules that are currently in force.

(e) A public utility may not set forth as justification for a rate increase any items of expense or rate base that previously have been considered and disallowed by the Commission, unless those items are clearly identified in the application and new facts or considerations of policy for each item are advanced in the application to justify a reversal of the prior decision of the Commission.

(f) Except as otherwise provided in paragraph (g), if the proposed change in any schedule does not change any rate or will result in an increase in annual gross operating revenue in an amount that does not exceed \$15,000:

(1) The public utility may file the proposed change with the Commission using a letter of advice in lieu of filing an application; and

(2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

➤ A letter of advice filed pursuant to this paragraph must include a certification by the attorney for the public utility or an affidavit by an authorized representative of the public utility that to the best of the signatory's knowledge, information and belief, formed after a reasonable inquiry, the proposed change in schedule does not change any rate or result in an increase in the annual gross operating revenue of the public utility in an amount that exceeds \$15,000.

(g) If the applicant is a small-scale provider of last resort and the proposed change in any schedule will result in an increase in annual gross operating revenue in an amount that does not exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less:

(1) The small-scale provider of last resort may file the proposed change with the Commission using a letter of advice in lieu of filing an application if the small-scale provider of last resort:

(I) Includes with the letter of advice a certification by the attorney for the small-scale provider of last resort or an affidavit by an authorized representative of the small-scale provider of last resort



that to the best of the signatory's knowledge, information and belief, formed after a reasonable inquiry, the proposed change in schedule does not change any rate or result in an increase in the annual gross operating revenue of the small-scale provider of last resort in an amount that exceeds \$50,000 or 10 percent, whichever is less;

(II) Demonstrates that the proposed change in schedule is required by or directly related to a regulation or order of the Federal Communications Commission; and

(III) Except as otherwise provided in subsection 2, files the letter of advice not later than 5 years after the Commission has issued a final order on a general rate application filed by the applicant in accordance with subsection 3 of NRS 704.110; and

(2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

Not later than 10 business days after the filing of a letter of advice pursuant to subparagraph (1), the Regulatory Operations Staff of the Commission or any other interested party may file with the Commission a request that the Commission order an applicant to file a general rate application in accordance with subsection 3 of NRS 704.110. The Commission may hold a hearing to consider such a request.

(h) In making the determination pursuant to paragraph (f) or (g), the Commission shall first consider all timely written protests, any presentation that the Regulatory Operations Staff of the Commission may desire to present, the application of the public utility and any other matters deemed relevant by the Commission.

2. An applicant that is a small-scale provider of last resort may submit to the Commission a written request for a waiver of the 5-year period specified in sub-subparagraph (III) of subparagraph (1) of paragraph (g) of subsection 1. The Commission shall, not later than 90 days after receipt of such a request, issue an order approving or denying the request. The Commission may approve the request if the applicant provides proof satisfactory to the Commission that the applicant is not earning more than the rate of return authorized by the Commission and that it is in the public interest for the Commission to grant the request for a waiver. The Commission shall not approve a request for a waiver if the request is submitted later than 7 years after the issuance by the Commission of a final order on a general rate application filed by the applicant in accordance with subsection 3 of NRS 704.110. If the Commission approves a request for a waiver submitted pursuant to this subsection, the applicant shall file the letter of advice pursuant to subparagraph (1) of paragraph (g) of subsection 1 not earlier than 120 days after the date on which the applicant submitted the request for a waiver pursuant to this subsection, unless the order issued by



- 1 the Commission approving the request for a waiver specifies a
- 2 different period for the filing of the letter of advice.
- 3 3. As used in this section, “electric utility” has the meaning
- 4 ascribed to it in NRS 704.187.

