

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 expanded 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 adopt regulations establishing standards for the program; requiring the Commission to approve a plan for an expanded solar access program if certain requirements are met; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill enacts provisions for the implementation of an expanded solar access program by certain electric utilities in this State. This bill requires such electric utilities to offer an expanded solar access program to residential customers and to certain nonresidential customers who consume less than 10,000 kilowatt-hours of electricity per month. This bill requires the Public Utilities Commission of Nevada to adopt certain regulations for the implementation of the expanded solar access program and requires an electric utility to submit a plan for the implementation of the expanded solar access program. Among the requirements for the plan submitted by an electric utility to implement the expanded solar access program is that the capacity of the expanded solar access program be below a certain amount, that the program broaden access to solar energy in an equitable manner and that the program provide participating low-income residential customers with electric bill savings. This bill requires an electric utility, in implementing the expanded solar access program, to make use of a certain number of community-based solar resources and utility scale solar resources.



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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 expanded solar access program to eligible customers within its service area in accordance with the provisions of this section. The size of the expanded 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; and

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

2. The Commission shall adopt regulations establishing standards for the expanded solar access program. The regulations must:

(a) Advance the development of solar energy resources in this State, including, without limitation, utility scale and community-based solar resources;

(b) Provide for the expanded solar access program to include a reasonable mixture of community-based solar resources and utility scale solar resources;

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

(d) Provide for solar workforce innovations and opportunity programs related to the construction, maintenance and operation of solar resources, including opportunities for workforce training, apprenticeships or other job opportunities at community-based solar resources;

(e) Provide for equitably broadened access to solar energy;

(f) Provide for the creation of an expanded solar access program rate for participating eligible customers that:

(1) Is based, among other factors, on a new utility scale solar resource accepted by the Commission in an order issued pursuant to NRS 704.751, as approved by the Commission;

(2) Is a fixed rate that replaces the base tariff energy rate and deferred accounting adjustment charged by the electric utility for participating customers and which is adjusted in accordance with the Commission's quarterly calculations;

(3) For low-income eligible customers, provides for bill savings, the cost of which must be allocated equitably across all of the rate classes of the utility;



(4) For eligible customers who are not low-income eligible customers, provides stability and predictability and the opportunity for bill savings; and

(5) Includes for all participating customers any other applicable charges including, without limitation, the universal energy charge, franchise fees, the renewable energy program rate and base tariff general rates, except that the Commission may reduce one or more of these charges for low-income eligible customers to ensure that such customers receive bill savings pursuant to subparagraph (3);

(g) Establish a process for identifying noncontiguous geographic locations for community-based solar resources which, to the extent practicable, must be located in communities with higher levels of low-income eligible customers;

(h) Provide for the use of at least one utility scale solar resource and at least three but not more than ten community-based solar resources within the service territory of the electric utility;

(i) Require not less than 50 percent of the employees engaged or anticipated to be engaged in construction of community-based solar resources to be residents of this State, which residency may be demonstrated, without limitation, by a notarized statement of the employee that he or she is a resident of this State;

(j) Provide for a mechanism for the host sites of community-based solar resources to receive compensation from the utility for the use of such site;

(k) Provide for the use of a combination of new and other renewable energy facilities, which may be either utility scale or community-based solar resources, that were submitted to the Commission for approval after May 1, 2018, and that were not placed into operation before April 1, 2020;

(l) Provide for an application and selection process for eligible customers to participate in the program;

(m) Ensure reasonable and equitable participation by eligible customers within the service area of the electric utility;

(n) Ensure that eligible customers are able to participate in the program regardless of whether the customer owns, rents or leases the customer's premises;

(o) Require that:

(1) Twenty-five percent of the capacity of the program, as provided in subsection 1, be reserved for low-income eligible customers;

(2) Twenty-five percent of the capacity of the program, as provided in subsection 1, be reserved for disadvantaged businesses and nonprofit organizations; and



(3) *Fifty percent of the capacity of the program, as provided in subsection 1, be reserved for eligible customers who are fully bundled residential customers who own, rent or lease their residence and cannot install solar resources on their premises, as determined by the Commission; and*

(p) *Establish standards for the form, content and manner of submission of an electric utility's plan for implementing the expanded solar access program.*

3. *An electric utility shall file a plan for implementing the expanded solar access program in accordance with the regulations adopted by the Commission pursuant to subsection 2.*

4. *The Commission shall review the plan for the implementation of the expanded solar access program submitted pursuant to subsection 3 and issue an order approving or denying the plan within 210 days. The Commission shall approve the plan if it finds that the proposed expanded solar access program complies with the regulations adopted by the Commission pursuant to subsection 2.*

5. *In administering the provisions of this section, the electric utility and the Commission shall establish as the preferred sites for utility scale development of solar energy resources pursuant to this section brownfield sites and land designated by the Secretary of the Interior as Solar Energy Zones and held by the Bureau of Land Management.*

6. *As used in this section:*

(a) *"Brownfield site" has the meaning ascribed to it in 42 U.S.C. § 9601.*

(b) *"Community-based solar resource" means a solar resource which has a nameplate capacity of not more than 1 megawatt and is owned and operated by the electric utility and connected to and used as a component of the distribution system of the electric utility.*

(c) *"Disadvantaged business" means a business for which:*

(1) *Fifty-one percent or more of the owners are women, veterans, members of a racial or ethnic minority group or otherwise part of a traditionally underrepresented group; and*

(2) *None of the owners has a net worth of more than \$250,000, not including the equity held in the business or in a primary residence.*

(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 fully bundled general service customer; or*

(2) *A fully bundled residential customer of a utility.*

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

(i) *“Fully bundled residential customer” means a fully bundled single-family customer or a multifamily residential customer.*

(j) *“Low-income eligible customer” means a natural 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.*

(k) *“Solar Energy Zone” means an area identified and designated by the Bureau of Land Management as an area well-suited for utility-scale production of solar energy, and where the Bureau of Land Management will prioritize solar energy and associated transmission infrastructure development.*

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

(m) *“Solar workforce innovations and opportunity program” means a workforce education, training and job placement program developed by the Department of Employment, Training and Rehabilitation and its appropriate industry sector council in conjunction with potential employers and community stakeholders.*

(n) *“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:



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(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



1 subparagraph (1) of paragraph (g) of subsection 1 not earlier than
2 120 days after the date on which the applicant submitted the request
3 for a waiver pursuant to this subsection, unless the order issued by
4 the Commission approving the request for a waiver specifies a
5 different period for the filing of the letter of advice.
6 3. As used in this section, “electric utility” has the meaning
7 ascribed to it in NRS 704.187.

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