

SENATE BILL NO. 328—SENATOR LANGE

MARCH 22, 2021

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to energy storage systems. (BDR 58-658)

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; establishing qualifications for persons who install electrochemical energy storage systems; revising provisions governing the establishment by the Public Utilities Commission of Nevada of biennial targets for the procurement of energy storage systems by certain electric utilities; requiring the Commission to reevaluate the existing biennial targets; eliminating an obsolete provision relating to the establishment of such targets; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Public Utilities Commission of Nevada to: (1) determine, on or before October 1, 2018, whether it is in the public interest to establish by regulation biennial targets for the procurement of energy storage systems by certain electric utilities; and (2) if the Commission determines that it is in the public interest to establish such targets, adopt regulations establishing biennial targets for the procurement of energy storage systems by certain electric utilities. (NRS 704.795, 704.796) Existing regulations, with certain exceptions, establish progressively larger targets for the procurement of energy storage systems by certain electric utilities, culminating in a requirement that certain electric utilities procure energy storage systems capable of storing not less than 1,000 megawatts of electric power by December 31, 2030. Existing regulations also require the Commission to review the existing biennial energy storage targets when it reviews the resource plan submitted by an electric utility and determine whether the targets should be altered. (Section 10 of LCB File No. R106-19) **Section 3** of this bill requires that the Commission establish biennial targets that deliver the greatest benefits to the customers of the electric utility in relation to the costs of the procurement of the energy storage systems. **Section 7.5** of this bill requires the Commission, not later than November 1, 2022, to: (1) reevaluate the existing biennial targets for the procurement of energy storage systems by certain electric



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utilities in regulations and to make any revisions to the targets which the Commission determines to be in the public interest; and (2) submit a report to the Legislative Commission concerning the reevaluation. **Section 9** of this bill removes the obsolete provision that requires the Commission to determine whether to adopt regulations to establish the biennial targets by October 1, 2018, given that those regulations have been adopted. **Section 3.5** of this bill makes a conforming change relating to the removal of this obsolete provision.

**Section 5** of this bill prohibits a person from installing an electrochemical energy storage system unless the person holds a valid license in the classification required to perform such work and, for installations occurring on property other than a residential property after July 1, 2022, ensures that the installation is performed by or under the direct supervision of a person who holds a certificate demonstrating the successful completion of the Energy Storage and Microgrid Training and Certification program. **Section 6** of this bill provides that a violation of the provisions of **section 5** is grounds for disciplinary action by the State Contractors' Board.

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

**Section 1.** (Deleted by amendment.)

**Sec. 2.** (Deleted by amendment.)

**Sec. 3.** NRS 704.796 is hereby amended to read as follows:

704.796 ~~{If, pursuant to NRS 704.795, the Commission determines that it is in the public interest to establish by regulation targets for the procurement of energy storage systems by an electric utility, the}~~

**1. The** Commission shall adopt regulations:

~~{1-}~~ **(a)** Establishing biennial targets for the procurement of energy storage systems by ~~{the}~~ **an** electric utility;

~~{2-}~~ **(b)** Setting forth the points of interconnection on the electric grid for the implementation of energy storage systems;

~~{3-}~~ **(c)** Establishing that an energy storage system may be owned by the electric utility or any other person;

~~{4-}~~ **(d)** Establishing requirements for the filing by the electric utility of annual or biennial plans to meet biennial targets for the procurement and implementation of energy storage systems;

~~{5-}~~ **(e)** Prescribing a procedure by which the Commission must, at least once every 3 years, reevaluate the biennial targets for the procurement of energy storage systems by the electric utility;

~~{6-}~~ **(f)** Establishing a procedure by which an electric utility may obtain a waiver or deferral of the biennial targets for the procurement of energy storage systems if the electric utility is not able to identify energy storage systems that provide benefits to customers of the utility that exceed the costs of energy storage systems; and



~~[7.]~~ (g) Requiring the electric utility to include such information as the Commission may require in each plan submitted by the electric utility pursuant to NRS 704.741.

*2. The Commission shall establish biennial targets pursuant to subsection 1 that deliver the greatest benefits to the customers of the electric utility in relation to the costs of the procurement of the energy storage systems. In calculating the benefits and costs of the procurement of energy storage systems, the Commission shall consider all known and measurable benefits and costs, including, without limitation:*

*(a) A reduction in the need for the additional generation of electricity by the electric utility during periods of peak demand;*

*(b) A reduction in line losses of the electric utility;*

*(c) The benefits and costs related to ancillary services of the electric utility;*

*(d) Avoided costs to the electric utility for additional generation, transmission and generation capacity;*

*(e) The benefits arising from a reduction of greenhouse gas emissions and the emission of other air pollutants;*

*(f) The benefits and costs to the electric utility related to voltage support;*

*(g) The benefits of diversifying the types of resources used for the generation of electricity;*

*(h) The administrative costs incurred by the electric utility;*

*(i) The cost to the electric utility of the integration of energy storage systems into the transmission and distribution grid; and*

*(j) The cost of the energy storage systems.*

**Sec. 3.5.** NRS 704.797 is hereby amended to read as follows:

704.797 1. ~~If the Commission adopts regulations pursuant to NRS 704.796 to establish biennial targets for the procurement of energy storage systems by an electric utility, to~~ To meet the targets set forth in ~~those~~ the regulations ~~the~~ adopted pursuant to NRS 704.796, an electric utility may procure energy storage systems that are either centralized or distributed and either owned by the utility or by any other person, as prescribed by regulation of the Commission.

2. Electric energy storage systems procured by an electric utility to meet ~~any~~ the biennial targets for the procurement of energy storage systems established by regulation pursuant to NRS 704.796 must:

(a) Reduce peak demand for electricity;

(b) Avoid or defer investment by the electric utility in assets for the generation, transmission and distribution of electricity;

(c) Improve the reliability of the operation of the transmission or distribution grid;



(d) Reduce the emission of greenhouse gases or other air pollutants; or

(e) Integrate renewable energy into the electric grid.

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

**Sec. 5.** Chapter 624 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A person shall not install an electrochemical energy storage system in this State unless he or she:*

*(a) Holds a valid license in the classification required to perform such work issued pursuant to this chapter and the regulations of the Board; and*

*(b) If the installation is for a property other than a residential property and is performed on or after July 1, 2022, ensures that the installation is performed by or under the direct supervision of a person who holds a certificate demonstrating the successful completion of the Energy Storage and Microgrid Training and Certification program (ESAMTAC).*

*2. As used in this section:*

*(a) “Electrochemical energy storage system” means a commercially available technology that is capable of receiving electric energy and storing that energy by electrochemical means in order to produce and deliver electricity at a later time.*

*(b) “Residential property” means:*

*(1) Improved real estate that consists of not more than four residential units; or*

*(2) A single-family residential unit, including, without limitation, a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.*

**Sec. 6.** NRS 624.3016 is hereby amended to read as follows:

624.3016 The following acts or omissions, among others, constitute cause for disciplinary action under NRS 624.300:

1. Any fraudulent or deceitful act committed in the capacity of a contractor, including, without limitation, misrepresentation or the omission of a material fact.

2. A conviction of a violation of NRS 624.730, or a conviction in this State or any other jurisdiction of a felony relating to the practice of a contractor or a crime involving moral turpitude.

3. Knowingly making a false statement in or relating to the recording of a notice of lien pursuant to the provisions of NRS 108.226.

4. Failure to give a notice required by NRS 108.227, 108.245, 108.246 or 624.520.



1 5. Failure to comply with NRS 624.920, 624.930, 624.935 or  
2 624.940 or any regulations of the Board governing contracts for  
3 work concerning residential pools and spas.

4 6. Failure to comply with NRS 624.600.

5 7. Misrepresentation or the omission of a material fact, or the  
6 commission of any other fraudulent or deceitful act, to obtain a  
7 license.

8 8. Failure to pay an assessment required pursuant to  
9 NRS 624.470.

10 9. Failure to file a certified payroll report that is required for a  
11 contract for a public work.

12 10. Knowingly submitting false information in an application  
13 for qualification or a certified payroll report that is required for a  
14 contract for a public work.

15 11. Failure to notify the Board of a conviction or entry of a  
16 plea of guilty, guilty but mentally ill or nolo contendere pursuant to  
17 NRS 624.266.

18 12. Failure to provide a builder's warranty as required by NRS  
19 624.602 or to respond reasonably to a claim made under a builder's  
20 warranty.

21 ***13. Failure to comply with section 5 of this act.***

22 **Sec. 7.** NRS 624.800 is hereby amended to read as follows:

23 624.800 For any violation of the provisions of NRS 624.005 to  
24 624.750, inclusive, ***and section 5 of this act*** that is punishable as a  
25 misdemeanor, an indictment must be found, or an information or  
26 complaint filed, within 2 years after the commission of the offense.

27 **Sec. 7.5.** 1. Not later than November 1, 2022, based upon the  
28 most recent plan filed by an electric utility pursuant to NRS 704.741  
29 on or before June 1, 2021, the Public Utilities Commission of  
30 Nevada shall reevaluate the biennial targets for the procurement of  
31 energy storage systems by an electric utility established by the  
32 Commission by regulation pursuant to NRS 704.796, as amended by  
33 section 3 of this act, and make any revisions to the targets that the  
34 Commission determines to be in the public interest. The  
35 reevaluation required by this subsection is in addition to any  
36 reevaluation of the biennial targets for the procurement of energy  
37 storage systems required by the regulations adopted by the  
38 Commission pursuant to paragraph (e) of subsection 1 of  
39 NRS 704.796, as amended by section 3 of this act.

40 2. On or before November 1, 2022, the Commission shall  
41 prepare and submit a report to the Legislative Commission  
42 concerning its reevaluation of the biennial targets for the  
43 procurement of energy storage systems by an electric utility  
44 pursuant to subsection 1. The report must state any revisions to the



1 targets that have been or will be adopted by the Commission as a  
2 result of the reevaluation.

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

4 **Sec. 9.** NRS 704.795 is hereby repealed.

5 **Sec. 10.** 1. This section and sections 1 to 4, inclusive, and  
6 7.5 to 9, inclusive, of this act become effective upon passage and  
7 approval.

8 2. Sections 5, 6 and 7 of this act become effective:

9 (a) Upon passage and approval for the purpose of adopting any  
10 regulations and performing any other preparatory administrative  
11 tasks that are necessary to carry out the provisions of this act; and

12 (b) On October 1, 2021, for all other purposes.

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### TEXT OF REPEALED SECTION

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**704.795 Commission required to determine whether targets for the procurement of energy storage systems by electric utility is in public interest; required factors to consider; calculation of benefits and costs.**

1. On or before October 1, 2018, the Commission shall determine whether it is in the public interest to establish by regulation biennial targets for the procurement of energy storage systems by an electric utility.

2. In making the determination required by subsection 1, the Commission shall consider:

(a) Whether the procurement of energy storage systems by an electric utility will achieve the following purposes:

(1) The integration of renewable energy resources which generate electricity on an intermittent basis into the transmission and distribution grid of the electric utility.

(2) The improvement of the reliability of the systems for the transmission and distribution of electricity.

(3) The increased use of renewable energy resources to generate electricity.

(4) The reduction of the need for the additional generation of electricity during periods of peak demand.

(5) The avoidance or deferral of investment by the electric utility in generation, transmission and distribution of electricity.

(6) The replacement of ancillary services provided by facilities using fossil fuels with ancillary services provided by the use of energy storage systems.

(7) The reduction of greenhouse gas emissions.



(b) The interconnection of energy storage systems at each point of the electric grid, including, without limitation, in the transmission and distribution of electricity and at the site of the customer.

3. For the purposes of subsection 1, the Commission shall determine that the establishment of targets for the procurement of energy storage systems by an electric utility is in the public interest if the benefits to customers of the electric utility exceed the costs of the procurement of energy storage systems. In calculating the benefits and costs of the procurement of energy storage systems, the Commission shall consider all known and measurable benefits and costs, including, without limitation:

(a) A reduction in the need for the additional generation of electricity during periods of peak demand;

(b) A reduction in line losses;

(c) The benefits and costs related to ancillary services;

(d) Avoided costs for additional generation, transmission and generation capacity;

(e) The benefits arising from a reduction of greenhouse gas emissions and the emission of other air pollutants;

(f) The benefits and costs related to voltage support;

(g) The benefits of diversifying the types of resources used for the generation of electricity;

(h) The administrative costs incurred by the electric utility;

(i) The cost to the electric utility of the integration of energy storage systems into the transmission and distribution grid; and

(j) The cost of energy storage systems.

