

ASSEMBLY BILL NO. 315—ASSEMBLYWOMAN HARDY

MARCH 16, 2023

Referred to Committee on Growth and Infrastructure

SUMMARY—Establishes various provisions relating to geothermal energy. (BDR 58-947)

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 the Director of the Office of Energy to coordinate with certain entities to recommend best practices for issuing a permit for geothermal energy; temporarily creating the Geothermal Energy Systems Demonstration Program; prohibiting certain restrictions on the use of a system for obtaining geothermal energy by the owners of real property; requiring the Office of Energy to conduct an interim study relating to geothermal energy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates various renewable energy programs, including the Solar Energy Systems Incentive Program, Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (Chapter 701B of NRS) **Sections 3-18** of this bill establish provisions for a similar program for geothermal energy to provide incentives to certain participants and utilities for energy generated by various geothermal energy systems.

Sections 4-10 of this bill define certain terms relating to the Geothermal Energy Systems Demonstration Program.

Section 11 of this bill: (1) creates the Geothermal Energy Systems Demonstration Program; (2) requires the Public Utilities Commission of Nevada to establish categories for participation in the Program; and (3) provides certain eligibility requirements to participate in the Program. **Section 12** of this bill requires the Commission to adopt certain regulations to carry out the Program. **Section 13** of this bill: (1) requires each utility to carry out and administer the Program within its service area; and (2) authorizes a utility to recover its reasonable and prudent costs that are associated with carrying out and administering the Program. **Section 14** of this bill requires each utility to file with the Commission for review its annual plan for carrying out and administering the Program.



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Section 15 of this bill: (1) requires an applicant who wishes to participate in the Program to submit an application to a utility; (2) authorizes the utility to approve a geothermal energy system proposed by the applicant; and (3) upon completion of the installation and energizing of the geothermal energy system, requires the utility to issue an incentive payment to the participant.

Section 16 of this bill provides that the installation of a geothermal energy system on property owned or occupied by a public body is a public work.

Section 17 of this bill requires the Commission to issue portfolio energy credits after a participant installs a geothermal energy system included in the Program.

Section 18 of this bill requires a geothermal energy system to meet the requirements for participating in net metering to be eligible for an incentive through the Program.

Existing law provides that the Commission may authorize the payment of an incentive to the Solar Energy Systems Incentive Program, Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program 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 certain renewable energy systems to exceed \$295,270,000 for the period beginning on July 1, 2010, and ending on December 31, 2025. Existing law further authorizes a utility to file a combined annual plan which meets the requirements for the annual plan required for the Solar Energy Systems Incentive Program, Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. (NRS 701B.005) **Section 20** of this bill authorizes: (1) the Commission to pay an incentive for the Geothermal Energy Systems Demonstration Program; and (2) a utility to include an annual plan for the Geothermal Energy Systems Demonstration Program in its combined annual plan. **Section 19** of this bill makes a conforming change to certain definitions to include a geothermal energy system.

Existing law requires the governing body of each local government and the State Public Works Board to develop a plan to retrofit public buildings, facilities and structures, which must include a list of specific projects and whether the project has qualified for participation in certain renewable energy programs. (NRS 338.1908, 701B.924) **Sections 21 and 25** of this bill make conforming changes to include the Geothermal Energy Systems Demonstration Program in these provisions.

Existing law requires certain eligible customers of a provider of new electric resources to pay certain costs incurred by an electric utility to implement provisions governing various renewable energy programs. (NRS 704B.310) **Section 22** of this bill makes a conforming change to include the Geothermal Energy Systems Demonstration Program in this provision.

Section 28 of this bill expires the Geothermal Energy Systems Demonstration Program on December 31, 2027.

Existing law requires the Director of the Office of Energy to perform certain duties relating to energy resources and energy conservation. (NRS 701.180) **Section 1** of this bill requires the Director to coordinate with local governments and representatives of the geothermal energy industry to recommend best practices for issuing a permit for the use or development of geothermal energy to streamline the process for such permits.

Existing law sets forth a prohibition against covenants, restrictions or conditions contained in deeds, contracts or other legal documents which prohibit or unreasonably restrict or have the effect of prohibiting or unreasonably restricting an owner of property from using a system for obtaining solar energy on his or her property. (NRS 111.239, 278.0208) **Sections 23 and 24** of this bill prohibit such covenants, restrictions or conditions from prohibiting or unreasonably restricting or having the effect of prohibiting or unreasonably restricting an owner of property from using a system for obtaining geothermal energy on his or her property.



Section 27 of this bill requires the Office of Energy to conduct a study during the 2023-2024 interim concerning the use of geothermal energy in this State and submit a report of its findings to the Director of the Legislative Counsel Bureau for transmittal to the 83rd Session of the Legislature.

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

Section 1. NRS 701.180 is hereby amended to read as follows:
701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources, including, without limitation:

(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240 and the Wind Energy Systems Demonstration Program created pursuant to 701B.580, including, without limitation, information relating to:

(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;

(2) The use of carbon-based energy in residential and commercial applications due to participation in the Programs; and

(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the Programs; and

(b) Information relating to any money distributed pursuant to NRS 702.270.

2. Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

4. Solicit and serve as the point of contact for grants and other money from the Federal Government, including, without limitation, any grants and other money available pursuant to any program



administered by the United States Department of Energy, and other sources:

(a) To promote energy projects that enhance the economic development of the State;

(b) To promote the use of renewable energy in this State;

(c) To promote the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Director determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive program for retrofitting public buildings in this State developed pursuant to paragraph (d).

5. Coordinate the activities and programs of the Office of Energy with the activities and programs of the Consumer's Advocate and the Public Utilities Commission of Nevada, and with other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

6. If requested to make a determination pursuant to NRS 111.239 or 278.0208, make the determination within 30 days after receiving the request. If the Director needs additional information to make the determination, the Director may request the information from the person making the request for a determination. Within 15 days after receiving the additional information, the Director shall make a determination on the request.

7. Cooperate with the Department of Wildlife in carrying out the provisions of NRS 701.600 to 701.640, inclusive.

8. Upon request by a developer of an energy development project or a local government in a county in which an energy development project is proposed to be located, coordinate discussions, not otherwise required by any existing regulatory agency, with interested parties concerning any potential effect of the energy development project.

9. *Coordinate with local governments and representatives of the geothermal energy industry to recommend best practices for issuing a permit for the use or development of geothermal energy to streamline the process for such permits.*

10. Carry out all other directives concerning energy that are prescribed by the Governor.



1 **Sec. 2.** Chapter 701B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 3 to 18, inclusive, of this
3 act.

4 **Sec. 3.** *As used in sections 3 to 18, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 4 to 10, inclusive, of this act have the meanings*
7 *ascribed to them in those sections.*

8 **Sec. 4.** *“Applicant” means a person who is applying to*
9 *participate in the Geothermal Demonstration Program.*

10 **Sec. 5.** *“Commission” means the Public Utilities*
11 *Commission of Nevada.*

12 **Sec. 6.** *“Participant” means a person who has been selected*
13 *by a utility to participate in the Geothermal Demonstration*
14 *Program.*

15 **Sec. 7.** *“Person” includes, without limitation, a*
16 *governmental entity.*

17 **Sec. 8.** *“Utility” means a public utility that supplies*
18 *electricity in this State.*

19 **Sec. 9.** *“Geothermal Demonstration Program” or*
20 *“Program” means the Geothermal Energy Systems Demonstration*
21 *Program created by section 11 of this act.*

22 **Sec. 10.** *“Geothermal energy system” means a facility or*
23 *energy system for the generation of electricity that uses*
24 *geothermal energy to generate electricity.*

25 **Sec. 11.** 1. *The Geothermal Energy Systems Demonstration*
26 *Program is hereby created.*

27 2. *The Commission shall establish categories for*
28 *participation in the Program.*

29 3. *To be eligible to participate in the Program, a person must:*
30 *(a) Meet the requirements established by the Commission*
31 *pursuant to section 12 of this act; and*

32 *(b) When installing the geothermal energy system, use an*
33 *installer who has been issued a classification C-2 license with the*
34 *appropriate subclassification by the State Contractors’ Board*
35 *pursuant to the regulations adopted by the Board.*

36 **Sec. 12.** *The Commission shall adopt regulations necessary*
37 *to carry out the provisions of the Geothermal Demonstration*
38 *Program, including, without limitation, regulations that establish:*

39 1. *The capacity goals for the Program.*

40 2. *A system of incentives that are based on rebates that*
41 *decline as the installed cost of geothermal energy systems declines*
42 *and as variables, including, without limitation, system size,*
43 *installation costs, market conditions and access to federal, state*
44 *and other financial incentives, may require. The system of*
45 *incentives must provide:*



(a) Incentives for geothermal energy systems with a nameplate capacity of not more than 500 kilowatts;

(b) That the amount of the incentive for a participant must be paid over time and be based on the performance of the geothermal energy system and the amount of electricity generated by the geothermal energy system; and

(c) For a contract to be entered into between a participant and a utility, which must include, without limitation, provisions specifying:

(1) The amount of the incentive the participant will receive from the utility;

(2) The period in which the participant will receive an incentive from the utility, which must not exceed 4 years;

(3) That the payments of an incentive to the participant must not be made more frequently than quarterly; and

(4) That a utility is not required to issue any new incentive on or after January 1, 2027, or make an incentive payment after December 31, 2027.

3. Reporting requirements for each utility that participates in the Program, which must include, without limitation, periodic reports of the average installed cost of the geothermal energy system, the cost to the utility of carrying out the Program and the effect of the Program on the rates paid by customers of the utility.

4. The procedure for claiming incentives, including, without limitation, the form and content of the incentive claim form.

5. The period for accepting applications, which must include a period during which a utility must accept additional applicants if a previously approved applicant fails to install and energize a geothermal energy system within the time allowed by section 15 of this act.

6. The total incentive paid to a participant in the Program, which must not exceed 50 percent of the total installed cost of the geothermal energy system of the participant.

7. A requirement that an authorized representative of any public entity participating in the Program, including, without limitation, participation through a third-party ownership structure, must provide the identifying number described in NRS 338.013 for such project and certify in the application and upon final completion of the geothermal energy system that the public entity has complied with all applicable requirements of this chapter and chapter 338 of NRS.

8. A process pursuant to which the utility shall transmit to the Commission for inclusion in the public records of the Commission a copy of any application by a public entity or any related material



1 requested by the Commission which includes any redacted
2 personal identifying information of a customer.

3 **Sec. 13.** 1. Each utility shall carry out and administer the
4 Geothermal Demonstration Program within its service area in
5 accordance with its annual plan as approved by the Commission
6 pursuant to section 14 of this act.

7 2. A utility may recover its reasonable and prudent costs,
8 including, without limitation, customer incentives, that are
9 associated with carrying out and administering the Program
10 within its service area by seeking recovery of those costs in an
11 appropriate proceeding before the Commission pursuant to
12 NRS 704.110.

13 **Sec. 14.** 1. On or before February 1, 2024, and on or
14 before February 1 of each year thereafter, each utility shall file
15 with the Commission its annual plan for carrying out and
16 administering the Geothermal Demonstration Program within its
17 service area.

18 2. On or before July 1, 2024, and on or before July 1 of each
19 year thereafter, the Commission shall:

20 (a) Review the annual plan filed by each utility for compliance
21 with the requirements established by regulation; and

22 (b) Approve the annual plan with such modifications and upon
23 such terms and conditions as the Commission finds necessary or
24 appropriate to facilitate the Program.

25 **Sec. 15.** 1. An applicant who wishes to participate in the
26 Geothermal Demonstration Program must submit an application
27 to a utility.

28 2. After reviewing an application submitted pursuant to
29 subsection 1 and ensuring that the applicant meets the
30 qualifications and requirements to be eligible to participate in
31 the Program, a utility may select the applicant for participation in
32 the Program.

33 3. Not later than 30 days after the date on which the utility
34 selects an applicant, the utility shall provide written notice of the
35 selection to the applicant.

36 4. After the utility selects an applicant to participate in the
37 Program, the utility may approve the geothermal energy system
38 proposed by the applicant. Upon the utility's approval of the
39 geothermal energy system:

40 (a) The utility shall provide to the applicant notice of the
41 approval and the amount of incentive for which the geothermal
42 energy system is eligible; and

43 (b) The applicant may install and energize the geothermal
44 energy system.



5. Upon the completion of the installation and energizing of the geothermal energy system, the participant must submit to the utility an incentive claim form and any supporting information, including, without limitation, a verification of the installed cost of the project and a calculation of the expected system output.

6. Upon receipt of the incentive claim form and verification that the geothermal energy system is properly connected, the utility shall issue an incentive payment to the participant.

7. The amount of the incentive for which an applicant is eligible must be determined on the date on which the applicant is selected for participation in the Geothermal Demonstration Program, except that an applicant forfeits eligibility for that amount of incentive if the applicant withdraws from participation in the Program or does not complete the installation of the geothermal energy system within 12 months after the date on which the applicant is selected for participation in the Program.

Sec. 16. 1. The installation of a geothermal energy system on property owned or occupied by a public body pursuant to sections 3 to 18, inclusive, of this act shall be deemed to be a public work for the purposes of chapters 338 and 341 of NRS, regardless of whether the installation of the geothermal energy system is financed in whole or in part by public money. The public body, the utility, any contractor who is awarded a contract or entered into an agreement to perform the installation and any subcontractor who performs any portion of the installation shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the public body had undertaken the installation or had awarded the contract.

2. The amount of any incentive issued by a utility relating to the installation of a geothermal energy system on property owned or occupied by a public body may not be used to reduce the cost of the project to an amount which would exempt the project from the requirements of NRS 338.013 to 338.090, inclusive.

3. As used in this section, “public body” means the State or a county, city, town, school district or any public agency of this State or its political subdivisions.

Sec. 17. 1. After a participant installs a geothermal energy system included in the Geothermal Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 and 704.78213 equal to the actual or estimated kilowatt-hour production of the geothermal energy system.

2. All portfolio energy credits issued for a geothermal energy system installed pursuant to the Geothermal Demonstration



Program must be assigned to and become the property of the utility administering the Program.

Sec. 18. *To be eligible for an incentive through the Geothermal Demonstration Program, a geothermal energy system must meet the requirements for participation in net metering pursuant to the provisions of NRS 704.766 to 704.776, inclusive.*

Sec. 19. NRS 701B.003 is hereby amended to read as follows:

701B.003 1. As used in this chapter, unless the context otherwise requires, "installed cost" means the actual, documented cost of tangible materials and labor for the installation of a solar energy system, distributed generation system, *geothermal energy system*, wind energy system or waterpower energy system.

2. As used in this section:

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

(b) *"Geothermal energy system" has the meaning ascribed to it in section 10 of this act.*

(c) "Solar energy system" has the meaning ascribed to it in NRS 701B.150.

~~((e))~~ (d) "Waterpower energy system" has the meaning ascribed to it in NRS 701B.800.

~~((d))~~ (e) "Wind energy system" has the meaning ascribed to it in NRS 701B.560.

Sec. 20. 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 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. Subject to the limitation prescribed by subsection 3, the Commission may authorize the payment of an incentive pursuant to the Solar Energy Systems Incentive Program created by NRS 701B.240, *the Geothermal Energy Systems Demonstration Program created pursuant to section 11 of this act*, 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, solar distributed generation systems, energy storage systems, *geothermal energy systems*, wind energy systems and waterpower energy systems to exceed \$295,270,000 for the period beginning on July 1, 2010, and ending on December 31, 2025.



3. For the period beginning on January 1, 2018, and ending on December 31, 2023, 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 \$1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of utilities in this State that benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and public entities, other than municipalities, that serve significant populations of low-income residents.

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

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

6. As used in this section:

(a) “Distributed generation system” has the meaning ascribed to it in NRS 701B.055.

(b) “Energy storage system” has the meaning ascribed to it in NRS 701B.057.

(c) “Municipality” means any county or city in this State.

(d) “Utility” means a public utility that supplies electricity in this State.

Sec. 21. NRS 701B.924 is hereby amended to read as follows:

701B.924 1. The State Public Works Board shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

(a) The length of time necessary to commence the project.

(b) The number of workers estimated to be employed on the project.

(c) The effectiveness of the project in reducing energy consumption.

(d) The estimated cost of the project.



(e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.

(f) Whether the project has qualified for participation in one or more of the following programs:

(1) The Solar Energy Systems Incentive Program created by NRS 701B.240;

(2) The Renewable Energy School Pilot Program created by NRS 701B.350;

(3) *The Geothermal Energy Systems Demonstration Program created by section 11 of this act;*

(4) The Wind Energy Systems Demonstration Program created by NRS 701B.580;

~~[(4)]~~ (5) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or

~~[(5)]~~ (6) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

2. The board of trustees of each school district shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

(a) The length of time necessary to commence the project.

(b) The number of workers estimated to be employed on the project.

(c) The effectiveness of the project in reducing energy consumption.

(d) The estimated cost of the project.

(e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.

(f) Whether the project has qualified for participation in one or more of the following programs:

(1) The Solar Energy Systems Incentive Program created by NRS 701B.240;

(2) The Renewable Energy School Pilot Program created by NRS 701B.350;

(3) *The Geothermal Energy Systems Demonstration Program created by section 11 of this act;*

(4) The Wind Energy Systems Demonstration Program created by NRS 701B.580;



~~[(4)]~~ (5) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or

~~[(5)]~~ (6) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

3. The Board of Regents of the University of Nevada shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:

(a) The length of time necessary to commence the project.

(b) The number of workers estimated to be employed on the project.

(c) The effectiveness of the project in reducing energy consumption.

(d) The estimated cost of the project.

(e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.

(f) Whether the project has qualified for participation in one or more of the following programs:

(1) The Solar Energy Systems Incentive Program created by NRS 701B.240;

(2) The Renewable Energy School Pilot Program created by NRS 701B.350;

(3) *The Geothermal Energy Systems Demonstration Program created by section 11 of this act;*

(4) The Wind Energy Systems Demonstration Program created by NRS 701B.580;

~~[(4)]~~ (5) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or

~~[(5)]~~ (6) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.

4. As soon as practicable after an entity described in subsections 1, 2 and 3 selects a project, the entity shall proceed to enter into a contract with one or more contractors to perform the work on the project. The request for proposals and all contracts for each project must include, without limitation:



(a) Provisions stipulating that all employees of the contractors and subcontractors who work on the project must be paid prevailing wages pursuant to the requirements of chapter 338 of NRS;

(b) Provisions requiring that each contractor and subcontractor employed on each such project:

(1) Employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project; or

(2) If the Director of the Department determines in writing, pursuant to a request submitted by the contractor or subcontractor, that the contractor or subcontractor cannot reasonably comply with the provisions of subparagraph (1) because there are not available a sufficient number of such trained persons, employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 or trained through any apprenticeship program that is registered and approved by the State Apprenticeship Council pursuant to chapter 610 of NRS that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project;

(c) A component pursuant to which persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 must be classified and paid prevailing wages depending upon the classification of the skill in which they are trained; and

(d) A component that requires each contractor or subcontractor to offer to employees working on the project, and to their dependents, health care in the same manner as a policy of insurance pursuant to chapters 689A and 689B of NRS or the Employee Retirement Income Security Act of 1974.

5. The State Public Works Board, each of the school districts and the Board of Regents of the University of Nevada shall each provide a report to the Interim Finance Committee which describes the projects selected pursuant to this section and a report of the dates on which those projects are scheduled to be completed.

Sec. 22. NRS 704B.310 is hereby amended to read as follows:

704B.310 1. An eligible customer shall not purchase energy, capacity or ancillary services from a provider of new electric resources unless:

(a) The eligible customer files an application with the Commission between January 2 and February 1 of any year and not later than 280 days before the date on which the eligible customer intends to begin purchasing energy, capacity or ancillary services from the provider;

(b) The Commission approves the application by a written order issued in accordance with the provisions of this section; and



(c) The provider holds a valid license.

2. Except as otherwise provided in subsection 3, each application filed pursuant to this section must include:

(a) Specific information demonstrating that the person filing the application is an eligible customer;

(b) Information demonstrating that the proposed provider will provide energy, capacity or ancillary services from a new electric resource;

(c) Specific information concerning the terms and conditions of the proposed transaction that is necessary for the Commission to evaluate the impact of the proposed transaction on customers and the public interest, including, without limitation, information concerning the duration of the proposed transaction, the point of receipt of the energy, capacity or ancillary services and the amount of energy, capacity or ancillary services to be purchased from the provider;

(d) Specific information identifying transmission requirements associated with the proposed transaction and the extent to which the proposed transaction requires transmission import capacity; and

(e) Any other information required pursuant to the regulations adopted by the Commission.

3. The Commission shall not require the eligible customer or provider to disclose:

(a) The price that is being paid by the eligible customer to purchase energy, capacity or ancillary services from the provider; or

(b) Any other terms or conditions of the proposed transaction that the Commission determines are commercially sensitive.

4. The Commission shall provide public notice of the application of the eligible customer and an opportunity for a hearing on the application in a manner that is consistent with the provisions of NRS 703.320 and the regulations adopted by the Commission.

5. The Commission shall not approve the application of the eligible customer unless the Commission finds that the proposed transaction:

(a) Will be in the public interest; and

(b) Will not cause the total amount of energy and capacity that eligible customers purchase from providers of new electric resources through transactions approved by the Commission pursuant to an application submitted pursuant to this section on or after May 16, 2019, to exceed an annual limit set forth in a plan filed with the Commission pursuant to NRS 704.741 and accepted by the Commission pursuant to NRS 704.751.

6. In determining whether the proposed transaction will be in the public interest, the Commission shall consider, without limitation:



(a) Whether the electric utility that has been providing electric service to the eligible customer will experience increased costs as a result of the proposed transaction;

(b) Whether any remaining customer of the electric utility will pay increased costs for electric service or forgo the benefit of a reduction of costs for electric service as a result of the proposed transaction; and

(c) Whether the proposed transaction will impair system reliability or the ability of the electric utility to provide electric service to its remaining customers.

7. If the Commission approves the application of the eligible customer:

(a) The eligible customer shall not begin purchasing energy, capacity or ancillary services from the provider pursuant to the proposed transaction sooner than 280 days after the date on which the application was filed, unless the Commission allows the eligible customer to begin purchasing energy, capacity or ancillary services from the provider at an earlier date; and

(b) The Commission shall order such terms, conditions and payments as the Commission deems necessary and appropriate to ensure that the proposed transaction will be in the public interest. Except as otherwise provided in subsection 8, such terms, conditions and payments:

(1) Must be fair and nondiscriminatory as between the eligible customer and the remaining customers of the electric utility, except that the terms, conditions and payments must assign all identifiable but unquantifiable risk to the eligible customer;

(2) Must include, without limitation:

(I) Payment by the eligible customer to the electric utility of the eligible customer's load-share portion of any unrecovered balance in the deferred accounts of the electric utility; and

(II) Payment by the eligible customer, or the provider of new electric resources, as applicable, of the annual assessment and any other tax, fee or assessment required by NRS 704B.360;

(3) Must establish payments calculated in a manner that provides the eligible customer with only its load-ratio share of the benefits associated with forecasted load growth if load growth is utilized to mitigate the impact of the eligible customer's proposed transaction; and

(4) Must ensure that the eligible customer pays its load-ratio share of the costs associated with the electric utility's obligations that were incurred as deviations from least-cost resource planning pursuant to the laws of this State including, without limitation, costs incurred to satisfy the requirements of NRS 704.7821 and implement the provisions of NRS 701B.240, 701B.336, 701B.580,



701B.670, 701B.820, 702.160, 704.773, 704.7827, 704.7836,
704.785, 704.7865, 704.7983 and 704.7985 ~~§~~ and section 11 of
this act.

8. An eligible customer who:

(a) Was not an end-use customer of the electric utility at any
time before June 12, 2019; and

(b) Would have a peak load of 10 megawatts or more in the
service territory of an electric utility within 2 years of initially
taking electric service,

is required to pay only those costs, fees, charges or rates which
apply to current and ongoing legislatively mandated public policy
programs, as determined by the Commission.

9. If the Commission does not enter a final order on the
application of the eligible customer within 210 days after the date on
which the application was filed with the Commission, the
application shall be deemed to be denied by the Commission.

Sec. 23. NRS 111.239 is hereby amended to read as follows:

111.239 1. Any covenant, restriction or condition contained
in a deed, contract or other legal instrument which affects the
transfer or sale of, or any other interest in, real property and which
prohibits or unreasonably restricts or has the effect of prohibiting or
unreasonably restricting the owner of the property from using a
system for obtaining solar *or geothermal* energy on his or her
property is void and unenforceable.

2. For the purposes of this section, the following shall be
deemed to be unreasonable restrictions:

(a) The placing of a restriction or requirement on the use of a
system for obtaining solar *or geothermal* energy which decreases
the efficiency or performance of the system by more than 10 percent
of the amount that was originally specified for the system, as
determined by the Director of the Office of Energy, and which does
not allow for the use of an alternative system at a substantially
comparable cost and with substantially comparable efficiency and
performance.

(b) The prohibition of a system for obtaining solar energy that
uses components painted with black solar glazing.

Sec. 24. NRS 278.0208 is hereby amended to read as follows:

278.0208 1. A governing body shall not adopt an ordinance,
regulation or plan or take any other action that prohibits or
unreasonably restricts or has the effect of prohibiting or
unreasonably restricting the owner of real property from using a
system for obtaining solar *or geothermal* energy on his or her
property.

2. Any covenant, restriction or condition contained in a deed,
contract or other legal instrument which affects the transfer or sale



1 of, or any other interest in, real property and which prohibits or
2 unreasonably restricts or has the effect of prohibiting or
3 unreasonably restricting the owner of the property from using a
4 system for obtaining solar *or geothermal* energy on his or her
5 property is void and unenforceable.

6 3. For the purposes of this section, the following shall be
7 deemed to be unreasonable restrictions:

8 (a) The placing of a restriction or requirement on the use of a
9 system for obtaining solar *or geothermal* energy which decreases
10 the efficiency or performance of the system by more than 10 percent
11 of the amount that was originally specified for the system, as
12 determined by the Director of the Office of Energy, and which does
13 not allow for the use of an alternative system at a substantially
14 comparable cost and with substantially comparable efficiency and
15 performance.

16 (b) The prohibition of a system for obtaining solar energy that
17 uses components painted with black solar glazing.

18 **Sec. 25.** NRS 338.1908 is hereby amended to read as follows:

19 338.1908 1. The governing body of each local government
20 shall, by July 28, 2009, develop a plan to retrofit public buildings,
21 facilities and structures, including, without limitation, traffic-control
22 systems, and to otherwise use sources of renewable energy to serve
23 those buildings, facilities and structures. Such a plan must:

24 (a) Include a list of specific projects. The projects must be
25 prioritized and selected on the basis of the following criteria:

26 (1) The length of time necessary to commence the project.

27 (2) The number of workers estimated to be employed on the
28 project.

29 (3) The effectiveness of the project in reducing energy
30 consumption.

31 (4) The estimated cost of the project.

32 (5) Whether the project is able to be powered by or otherwise
33 use sources of renewable energy.

34 (6) Whether the project has qualified for participation in one
35 or more of the following programs:

36 (I) The Solar Energy Systems Incentive Program created
37 by NRS 701B.240;

38 (II) The Renewable Energy School Pilot Program created
39 by NRS 701B.350;

40 (III) *The Geothermal Energy Systems Demonstration*
41 *Program created by section 11 of this act;*

42 (IV) The Wind Energy Systems Demonstration Program
43 created by NRS 701B.580; or

44 ~~(IV)~~ (V) The Waterpower Energy Systems
45 Demonstration Program created by NRS 701B.820.



(b) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts, donations or other sources of money from public and private sources.

2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Director of the Office of Energy and to any other entity designated for that purpose by the Legislature.

3. As used in this section:

(a) "Local government" means each city or county that meets the definition of "eligible unit of local government" as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in NRS 338.010, that does not meet the definition of "eligible entity" as set forth in 42 U.S.C. § 17151.

(b) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:

- (1) Biomass;
- (2) Fuel cells;
- (3) Geothermal energy;
- (4) Solar energy;
- (5) Waterpower; and
- (6) Wind.

↪ The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.

(c) "Retrofit" means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.

Sec. 26. Section 1 of this act is hereby amended to read as follows:

Section 1. NRS 701.180 is hereby amended to read as follows:

701.180 The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources, including, without limitation:

(a) Information relating to the Solar Energy Systems Incentive Program created pursuant to NRS 701B.240, *the Geothermal Energy Systems Demonstration Program created by section 11 of this act* and the Wind Energy Systems Demonstration Program created pursuant to 701B.580, including, without limitation, information relating to:



(1) The development of distributed generation systems in this State pursuant to participation in the Solar Energy Systems Incentive Program;

(2) The use of carbon-based energy in residential and commercial applications due to participation in the Programs; and

(3) The average cost of generation on a kilowatt-hour basis for residential and commercial applications due to participation in the Programs; and

(b) Information relating to any money distributed pursuant to NRS 702.270.

2. Review and evaluate information which identifies trends and permits forecasting of the energy available to the State. Such forecasts must include estimates on:

(a) The level of demand for energy in the State for 5-, 10- and 20-year periods;

(b) The amount of energy available to meet each level of demand;

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The sources of renewable energy and other alternative sources of energy which are available and their possible effects.

3. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the State.

4. Solicit and serve as the point of contact for grants and other money from the Federal Government, including, without limitation, any grants and other money available pursuant to any program administered by the United States Department of Energy, and other sources:

(a) To promote energy projects that enhance the economic development of the State;

(b) To promote the use of renewable energy in this State;

(c) To promote the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(d) To develop a comprehensive program for retrofitting public buildings in this State with energy efficiency measures; and

(e) If the Director determines that it is feasible and cost-effective, to enter into contracts with researchers from the Nevada System of Higher Education for the design of energy efficiency and retrofit projects to carry out the comprehensive



program for retrofitting public buildings in this State developed pursuant to paragraph (d).

5. Coordinate the activities and programs of the Office of Energy with the activities and programs of the Consumer's Advocate and the Public Utilities Commission of Nevada, and with other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

6. If requested to make a determination pursuant to NRS 111.239 or 278.0208, make the determination within 30 days after receiving the request. If the Director needs additional information to make the determination, the Director may request the information from the person making the request for a determination. Within 15 days after receiving the additional information, the Director shall make a determination on the request.

7. Cooperate with the Department of Wildlife in carrying out the provisions of NRS 701.600 to 701.640, inclusive.

8. Upon request by a developer of an energy development project or a local government in a county in which an energy development project is proposed to be located, coordinate discussions, not otherwise required by any existing regulatory agency, with interested parties concerning any potential effect of the energy development project.

9. Coordinate with local governments and representatives of the geothermal energy industry to recommend best practices for issuing a permit for the use or development of geothermal energy to streamline the process for such permits.

10. Carry out all other directives concerning energy that are prescribed by the Governor.

Sec. 27. 1. During the 2023-2024 legislative interim, the Office of Energy shall conduct a study concerning the use of geothermal energy in this State. The study must include, without limitation:

(a) A compilation of the current mapping and resource assessments for geothermal energy in this State;

(b) An analysis of the locations and quality of geothermal resources in this State;

(c) An evaluation of the technological developments related to geothermal energy; and



(d) A review of the environmental, economic, regulatory and legal issues related to expanding the use of geothermal energy in this State.

2. On or before December 31, 2024, the Office of Energy shall submit a report of its findings, including, without limitation, any recommendations for legislation, to the Director of the Legislative Counsel Bureau for transmittal to the 83rd Session of the Legislature.

Sec. 28. 1. This section and sections 1 and 27 of this act become effective upon passage and approval.

2. Sections 2 to 26, inclusive, of this act become effective:

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

(b) On January 1, 2024, for all other purposes.

3. Sections 2 to 22, inclusive, 25 and 26 of this act expire by limitation on December 31, 2027.

