Senate Bill No. 440–Committee on Commerce and Labor

CHAPTER.....

AN ACT relating to electricity; establishing a process by which a unit's owner in certain unit-owners' associations may submit a request to install a distributed generation system; establishing certain powers and duties of certain unit-owners' associations with respect to the installation of distributed generation systems; establishing and revising certain requirements for the contents of an agreement for the purchase or lease of a distributed generation system and a power purchase agreement; imposing certain requirements upon a solar installation company; revising provisions relating to net metering systems; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes certain requirements on solar installation companies that sell and install distributed generation systems in this State. Existing law prescribes certain contractual requirements for an agreement for the purchase or lease of a distributed generation system and a power purchase agreement. (NRS 598.9801-598.9822) **Sections 14.1-14.3 and 14.5** of this bill define certain terms for the purposes of these provisions governing such agreements. **Section 14.4** of this bill makes a power purchase agreement voidable by the host customer for a certain period if the solar installation company that is a party to the agreement does not hold the proper contractor's license or is not acting within the monetary limit of that license. **Section 21.5** of this bill makes a conforming change so that the provisions of **sections 14.1-14.4** are enforced in the same manner as other provisions governing solar installation companies and distributed generation systems.

Sections 15-20 of this bill require an agreement for the lease or purchase of a distributed generation system, a power purchase agreement and the cover page for such agreements to: (1) contain certain disclosures concerning the solar installation company; (2) provide certain information about the parts of the distributed generation system; and (3) impose certain duties and liabilities on lessees, purchasers and host customers.

Existing law requires a solar installation company to maintain a recording of certain communications with a purchaser, lessee or host customer for not less than 4 years after the final inspection of the distributed generation system of the purchaser, lessee or host customer. (NRS 598.98213) **Section 21** of this bill requires the solar installation company to provide a copy of that recording within 10 business days after receipt of a request from the purchaser, lessee, host customer, distributed generation system financier, Attorney General, Division of Financial Institutions of the Department of Business and Industry, State Contractors' Board, Housing Division of the Department of Business and Industry or a law enforcement agency. If the solar installation company fails to do so, the lease or purchase agreement or power purchase agreement is voidable by the purchaser, lessee or host customer. **Section 21** also requires a solar installation company to submit proof to the purchaser, lessee or host customer that the solar installation company is properly licensed before the commencement of the installation of a distributed generation system.

Existing law sets forth a prohibition against covenants, restrictions or conditions contained in deeds, contracts or other legal instruments which prohibit or unreasonably restrict an owner of a property from using a system for obtaining solar energy on his or her property. (NRS 111.239, 278.0208) **Section 13.3** of this bill sets forth a process by which a unit's owner in a unit-owners' association whose governing documents authorize the association to impose restrictions on architectural improvements may submit a request to install a distributed generation system. **Section 13.3** prohibits such a unit's owner from installing a distributed generation system unless the association approves the request.

Section 13.7 of this bill authorizes an association whose governing documents authorize the association to impose restrictions on architectural improvements to adopt rules and regulations concerning the installation of a distributed generation system and sets forth the required and authorized contents of such rules and regulations. Under **section 13.3**, if such an association has not adopted such rules and regulations, the association is prohibited from denying the request of a unit's owner to install a distributed generation system or imposing conditions upon the installation. **Section 13.7** additionally prohibits certain activities of an association with respect to certain accessories for a distributed generation system.

Existing law sets forth various requirements for: (1) net metering, which is defined under existing law to mean the measure of the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator that is fed back to the utility; and (2) a net metering system, which is defined under existing law to mean, in general, certain facilities or systems for the generation of electricity, including a facility or energy system installed on the premises of a customer-generator that uses solar energy to generate electricity and meets certain other requirements. (NRS 704.766-704.776) **Section 25** of this bill imposes certain timing requirements upon a public utility for the carrying out of certain requests relating to a net metering system submitted by a customer-generator. **Section 28** of this bill requires the regulations adopted by the Public Utilities Commission of Nevada relating to net metering tariffs and standard net metering contracts to set forth procedures and requirements concerning the process for applying for and installing a net metering system, which must include: (1) reasonable and appropriate timelines for the process; and (2) the requirement for a utility that denies the application of a net metering applicant to provide to the net metering applicant a notice detailing the reasons for the denial.

Existing law: (1) requires a net metering system to meet certain safety and quality standards; and (2) if the net metering system meets those standards, prohibits a utility from requiring the customer-generator to comply with additional standards or requirements or take certain other actions solely because of his or her status as a customer-generator. (NRS 704.774) **Section 29** of this bill additionally requires a customer-generator to obtain all necessary permits and approvals required by any governmental entity for the installation of his or her net metering system and install the net metering system in compliance with the permits and approvals. Under **section 29**, a utility is prohibited from imposing various additional requirements if the customer-generator satisfies such requirements and the net metering system complies with the safety standards set forth under existing law.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

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

Sections 1-12. (Deleted by amendment.)

Sec. 13. Chapter 116 of NRS is hereby amended by adding thereto the provisions set forth as sections 13.3 and 13.7 of this act.

Sec. 13.3. ***1. A unit's owner in an association whose governing documents authorize the association to impose restrictions on architectural improvements who wishes to install a distributed generation system within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively may submit a request to the association in accordance with any applicable procedures set forth in the governing documents of the association. The unit's owner shall not install the distributed generation system unless the association has approved the request.***

2. An association that has adopted rules and regulations governing the installation of a distributed generation system pursuant to section 13.7 of this act shall approve or deny the request within 35 days after the receipt of the request. If the association denies the request, the association shall provide the unit's owner a notice that details the reasons for the denial, which must be based on the rules and regulations adopted by the association pursuant to section 13.7 of this act. If the association fails to approve or deny the request within 35 days after the receipt of the request, the request shall be deemed to be approved.

3. If a unit's owner whose request to install a distributed generation system was denied pursuant to subsection 2 subsequently resubmits the request and addresses the reasons for the denial of the initial request, the association shall approve or deny the request within 15 days after the receipt of the request. If the association denies the request, the association shall provide the unit's owner notice that details the reasons for the denial, which must be based on the rules and regulations adopted by the association pursuant to section 13.7 of this act. If the association fails to approve or deny the request within 15 days after the receipt of the request, the request shall be deemed to be approved.

4. An association that has not adopted rules and regulations governing the installation of a distributed generation system pursuant to section 13.7 of this act that receives a request submitted pursuant to subsection 1 shall approve the request

within 15 days after the receipt of the request. The association shall not deny the request or impose any conditions upon the installation of the distributed generation system.

5. If an association has adopted rules and regulations governing the installation of a distributed generation system pursuant to section 13.7 of this act, the association and each unit's owner shall comply with the rules and regulations.

6. As used in this section, "distributed generation system" has the meaning ascribed to it in NRS 598.9804.

Sec. 13.7. ***1. An association whose governing documents authorize the association to impose restrictions on architectural improvements may adopt rules and regulations governing the installation of distributed generation systems that comply with the provisions of this section.***

2. If an association adopts rules and regulations governing the installation of distributed generation systems pursuant to subsection 1, the rules and regulations must:

(a) Not conflict with the provisions of the National Electric Code, any local ordinance or any state law or regulation. The provisions of the rules and regulations do not apply to the extent of any such conflict.

(b) Require the solar installation company that will install the distributed generation system to be properly licensed.

(c) Not require a unit's owner to comply with any provision of the rules and regulations adopted pursuant to paragraphs (a) and (b) of subsection 3 if the costs of complying with the provision exceeds 3 percent of the cash cost of the installation of the distributed generation system. A unit's owner may demonstrate that the costs of complying with the provision exceed 3 percent of the cash cost of the installation of the distributed generation system by delivering to the association a written estimate that:

(1) Is prepared by a solar installation company that is properly licensed pursuant to chapter 624 of NRS and is not affiliated with either the unit's owner or the association;

(2) Is dated not more than 60 days before delivery of the written estimate to the association;

(3) Itemizes all costs of complying with the provision, including, without limitation, labor, materials, professional fees, permit fees, inspection fees, financing charges and the costs of change orders; and

(4) Shows that the costs of complying with the provision exceed 3 percent of the contract price for the installation of the distributed generation system.

3. Except as otherwise provided in paragraphs (a) and (c) of subsection 2, in addition to the requirements set forth in subsection 2, if an association adopts rules and regulations governing the installation of a distributed generation system pursuant to subsection 1, the rules and regulations may require a unit's owner to:

(a) Install the solar panels of the distributed generation system in a manner so that they do not face a street, so long as complying with this requirement does not result in a decrease in the production of the distributed generation system of more than 10 percent, as determined using the PVWatts Calculator maintained by the National Renewable Energy Laboratory of the United States Department of Energy.

(b) Paint all conduits of the distributed generation system to match the exterior of the unit to which the system is affixed.

(c) Store all batteries for the distributed generation system in a garage.

(d) Place all inverters of the distributed generation system outside of any street and reasonably out of view of other unit's owners.

(e) If the distributed generation system will be installed on a roof or other exterior portion of a unit for which the association is responsible for the maintenance, repair or replacement, enter into an agreement with the association setting forth the respective rights and obligations of the unit's owner and the association with respect to the distributed generation system. The association may require the agreement to be recorded and to include provisions in the agreement which:

(1) Provide that the unit's owner is solely responsible for any damage caused to the roof or exterior portion that is caused by the installation, maintenance, repair or replacement of the distributed generation system.

(2) Require the unit's owner, at his or her expense, to remove the distributed generation system from the roof or exterior portion if the association determines such action to be necessary for the maintenance, repair or replacement of the roof or exterior portion.

(3) Authorize the association to cause the distributed generation system to be removed from the roof or exterior portion if, after reasonable notice has been provided to the unit's owner, the unit's owner fails to remove the distributed generation system as required pursuant to subparagraph (2) and assess the costs of

the removal, relocation, storage and replacement against the unit's owner.

(4) Require the unit's owner to install the distributed generation system in accordance with the terms of the request submitted by the unit's owner to the association and approved by the association.

(5) Require the unit's owner to maintain a policy of insurance that names the association as an additional insured and provides coverage for any losses or damages caused by the installation, maintenance, repair or replacement of the distributed generation system.

(6) Require the unit's owner to indemnify the association and its agents from any and all liability, claims, damages and costs, including, without limitation, attorney's fees, resulting from the installation, maintenance, repair or replacement of the distributed generation system.

(7) Provide the association the right to inspect the condition of the distributed generation system.

(8) Require the unit's owner to disclose to potential purchasers of the unit all rights and responsibilities concerning the distributed generation system.

4. An association may not:

(a) Unreasonably restrict, prohibit or withhold approval for a unit's owner to install any type of physical barrier around the distributed generation system to deter the intrusion of animals or to hide components of the system for aesthetic purposes; or

(b) Except as otherwise provided in this paragraph, require the installation of a particular type of physical barrier described in paragraph (a). The association may require such a physical barrier to be a particular color if the color is commercially available as a stock item, rather than an item requiring specialization or customization. If the color is not so available, the association may require the physical barrier to be black or a color complementary to the solar panels or racking system of the distributed generation system.

5. As used in this section, "distributed generation system" has the meaning ascribed to it in NRS 598.9804.

Sec. 14. Chapter 598 of NRS is hereby amended by adding thereto the provisions set forth as sections 14.1 to 14.4, inclusive, of this act.

Sec. 14.1. ***"Borrower" means a person who receives a distributed generation system loan from a distributed generation system financier.***

Sec. 14.2. ***"Distributed generation system financier" means a person who:***

1. Provides a distributed generation system loan to a borrower in this State;

2. Leases a distributed generation system or any part thereof to a lessee in this State; or

3. Contracts for a power purchase agreement with a host customer in this State.

➥ The term does not include a third party who is a passive investor or a tax equity partner of a distributed generation system financier that provides money to the distributed generation system financier and who is not directly involved in the sale or lease of or the contracting for a distributed generation system.

Sec. 14.3. ***"Distributed generation system loan" means a loan made for the express purpose of financing the purchase of a distributed generation system or any part thereof.***

Sec. 14.4. ***If a host customer enters into a power purchase agreement and, at the time the agreement is signed, the solar installation company that is a party to the agreement is not properly licensed pursuant to chapter 624 of NRS or acting within the monetary limit of the license, the power purchase agreement is voidable by the host customer for 3 years after the date on which the power purchase agreement is signed.***

Sec. 14.5. NRS 598.9801 is hereby amended to read as follows:

598.9801 As used in NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act,*** unless the context otherwise requires, the words and terms defined in NRS 598.9802 to 598.9808, inclusive, ***and sections 14.1, 14.2 and 14.3 of this act*** have the meanings ascribed to them in those sections.

Sec. 15. NRS 598.9809 is hereby amended to read as follows:

598.9809 An agreement for the lease of a distributed generation system must include a cover page that:

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

(a) Notice of the right to rescind or cancel the agreement, without any penalty or obligation, within 3 business days after the execution of the agreement, as provided in NRS 598.98216.

(b) An electronic mail address to which a notice of rescission or cancellation may be sent pursuant to NRS 598.98216 and notice that the lessee may send such a notice to that electronic mail address.

(c) Notice of the requirement to make and maintain a recording pursuant to NRS 598.98213.

(d) Notice that, before the installation of the distributed generation system, the lessee will have the opportunity to confirm that no representations, offers or promises were made at any time concerning the lease of the distributed generation system other than what is contained in the agreement.

2. Provides the following information in at least 10-point font:

(a) The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

(b) An estimated timeline for the installation of the distributed generation system.

(c) The estimated amount of the monthly payments due under the lease in the first year of operation of the distributed generation system.

(d) The length of the term of the lease.

(e) A description of any warranties.

(f) The rate of any payment increases.

(g) The identification of any state or federal tax incentives that are included in calculating the amount of the monthly payments due under the lease.

(h) The estimated production of the distributed generation system in the first year of operation and an explanation that:

(1) The lessee will always receive a power bill if the premises of the lessee are connected to the power grid;

(2) The estimated production or offset is based on available data on prior consumption; and

(3) Any change in consumption by the lessee will impact the estimated offset, or savings, in relation to the production.

(i) A description of the terms for renewal or any other options available at the end of the term of the lease.

(j) A description of any option to purchase the distributed generation system before the end of the term of the lease.

(k) Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

(l) Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

(m) Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

(n) Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(o) Notice that the lessee, before the execution of the agreement, may request any document used in the solicitation, offer or transaction for the agreement in any language.

(p) The following disclosures:

(1) Whether the solar installation company:

(I) Maintains a physical office in this State at which employees, as defined in subsection 6 of NRS 624.020, of the solar installation company conduct business; and

(II) Has at least one motor vehicle registered in this State;

(2) Whether the solar installation company is in compliance with all applicable federal, state and local laws and regulations; and

(3) Whether the person who initially presented the lessee with the lease agreement is an employee, as defined in subsection 6 of NRS 624.020, of the solar installation company.

Sec. 16. NRS 598.9811 is hereby amended to read as follows:

598.9811 An agreement for the lease of a distributed generation system must include, without limitation, the following information in at least 10-point font:

1. The name, mailing address, telephone number and number of the contractor's license of the solar installation company.

2. The name, mailing address and telephone number of:

(a) The lessor of the distributed generation system; and

(b) The name, mailing address and telephone number of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.

3. An estimated timeline for the installation of the distributed generation system.

4. The length of the term of the lease.

5. A general description of the distributed generation system.

6. The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

7. A description of any warranties.

8. The amount of the:

(a) Monthly payments due under the lease; and

(b) Total payments due under the lease, excluding taxes.

9. A description of any other one-time or recurring charges, including, without limitation, a description of the circumstances that trigger any late fees.

10. A description of any obligation the lessor has regarding the installation, repair or removal of the distributed generation system.

11. A description of any obligation the lessor has regarding construction of and insurance for the distributed generation system.

12. A description of any:

(a) Taxes due at the commencement of the lease; and

(b) Estimation of taxes known to be applicable during the term of the lease, subject to any change in the state or local tax rate or tax structure.

13. A copy of the warranty for the distributed generation system.

14. A disclosure notifying the lessee of the transferability of the obligations under the warranty to a subsequent lessee.

15. The identification of any state or federal tax incentives that are included in calculating the amount of the monthly payments due under the lease.

16. A description of the ownership of any tax credits, tax rebates, tax incentives or portfolio energy credits in connection with the distributed generation system.

17. Any terms for renewal of the lease.

18. A description of any option to purchase the distributed generation system before the end of the term of the lease.

19. A description of all options available to the host customer in connection with the continuation, termination or transfer of the lease in the event of the:

(a) Sale of the property to which the distributed generation system is affixed; or

(b) Death of the lessee.

20. A description of any restrictions that the lease imposes on the modification or transfer of the property to which the distributed generation system is affixed.

21. The granting to the lessee of the right to rescind the lease for a period ending not less than 3 business days after the lease is signed.

22. An estimate of the amount of electricity that could be generated by the distributed generation system in the first year of operation.

23. ***The following information concerning the parts of the distributed generation system:***

(a) The make and model of all inverters of the distributed generation system;

(b) The make, model and power class of all solar modules of the distributed generation system; and

(c) The manufacturer of any racking system of the distributed generation system.

24. A provision requiring the lessee to fully and accurately disclose all material information relating to the property to which the distributed generation system will be affixed that may affect the installation of the distributed generation system, including, without limitation, any relevant modifications to the electrical service of the property.

25. A provision requiring the lessee to promptly execute any agreements with a public utility that are necessary and provide to the solar installation company any information that is necessary for the completion of the installation of the distributed generation system.

26. A provision that provides that the lessee is liable for any damages caused by the failure of the purchaser to comply with the provisions of any agreement set forth in subsection 25.

27. A signature block that is signed and dated by the lessor and the lessee of the distributed generation system.

Sec. 17. NRS 598.9813 is hereby amended to read as follows:

598.9813 An agreement for the purchase of a distributed generation system must include a cover page that:

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

(a) Notice of the right to rescind or cancel the agreement, without any penalty or obligation, within 3 business days after the execution of the agreement, as provided in NRS 598.98216.

(b) An electronic mail address to which a notice of rescission or cancellation may be sent pursuant to NRS 598.98216 and notice that the purchaser may send such a notice to that electronic mail address.

(c) Notice of the requirement to make and maintain a recording pursuant to NRS 598.98213.

(d) Notice that, before the installation of the distributed generation system, the purchaser will have the opportunity to confirm that no representations, offers or promises were made at any time concerning the purchase of the distributed generation system other than what is contained in the agreement.

2. Provide the following information in at least 10-point font:

(a) The size of the distributed generation system.

(b) The length of the term of the warranty for the distributed generation system.

(c) An estimated timeline for the installation of the distributed generation system.

(d) A description of any warranties.

(e) The total cost of the distributed generation system.

(f) The estimated value of any portfolio energy credits and rebates of any incentives included in the calculation of the total cost of the distributed generation system.

(g) The amounts due at the signing for and at the completion of the installation of the distributed generation system.

(h) The estimated production of the distributed generation system in the first year of operation and an explanation that:

(1) The purchaser will always receive a power bill if the premises of the purchaser are connected to the power grid;

(2) The estimated production or offset is based on available data on prior consumption; and

(3) Any change in consumption by the purchaser will impact the estimated offset, or savings, in relation to the production.

(i) Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

(j) Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

(k) Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

(l) Contact information for the State Contractors' Board and Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(m) Notice that the purchaser, before the execution of the agreement, may request any document used in the solicitation, offer or transaction for the agreement in any language.

(n) The following disclosures:

(1) Whether the solar installation company:

(I) Maintains a physical office in this State at which employees, as defined in subsection 6 of NRS 624.020, of the solar installation company conduct business; and

(II) Has at least one motor vehicle registered in this State;

(2) Whether the solar installation company is in compliance with all applicable federal, state and local laws and regulations; and

(3) Whether the person who initially presented the purchaser with the purchase agreement is an employee, as defined in subsection 6 of NRS 624.020, of the solar installation company.

Sec. 18. NRS 598.9814 is hereby amended to read as follows:

598.9814 An agreement for the purchase of a distributed generation system must include, without limitation, the following information in at least 10-point font:

1. The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the solar installation company.

2. The name, mailing address, telephone number and electronic mail address of:

(a) The purchaser of the distributed generation system; and

(b) The name, mailing address, telephone number and electronic mail address of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.

3. A description, which includes, without limitation, any assumptions, concerning the design and installation of the distributed generation system. Such a description must include, without limitation:

(a) The size of the distributed generation system;

(b) The estimated amount of production for the distributed generation system in the first year of operation; and

(c) The estimated annual degradation to the distributed generation system.

4. The total cost of the distributed generation system.

5. An estimated timeline for the installation of the distributed generation system.

6. A payment schedule, including, without limitation:

(a) The due dates for any deposit; and

(b) Any subsequent payments that are not to exceed the total system cost stated on the cover page pursuant to NRS 598.9813.

7. The granting to the purchaser the right to rescind the agreement for a period ending not less than 3 business days after the agreement is signed.

8. A copy of the warranty for the distributed generation system.

9. A disclosure notifying the purchaser of the transferability of the obligations under the warranty to a subsequent purchaser.

10. The identification of any incentives included in the calculation of the total cost of the distributed generation system.

11. A description of any guarantee of the performance of the distributed generation system.

12. ***The following information concerning the parts of the distributed generation system:***

(a) The make and model of all inverters of the distributed generation system;

(b) The make, model and power class of the solar modules of the distributed generation system; and

(c) The manufacturer of any racking system of the distributed generation system.

13. A provision requiring the purchaser to fully and accurately disclose all material information relating to the property to which the distributed generation system will be affixed that may affect the installation of the distributed generation system, including, without limitation, any relevant modifications to the electrical service of the property.

14. A provision requiring the purchaser to promptly execute any agreements with a public utility that are necessary and provide to the solar installation company any information that is necessary for the completion of the installation of the distributed generation system.

15. A provision that provides that the purchaser is liable for any damages caused by the failure of the purchaser to comply with the provisions of any agreement set forth in subsection 14.

16. A signature block that is signed and dated by the purchaser of the distributed generation system and the solar installation company.

~~[13.]~~ ***17.*** A description of the basis for any estimates of savings that were provided to the purchaser, if applicable.

~~[14.]~~ ***18.*** A disclosure concerning the retention of any portfolio energy credits, if applicable.

Sec. 19. NRS 598.9816 is hereby amended to read as follows:

598.9816 A power purchase agreement for the sale of the output of a distributed generation system must include a cover page that:

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

(a) Notice of the right to rescind or cancel the agreement, without any penalty or obligation, within 3 business days after the execution of the agreement, as provided in NRS 598.98216.

(b) An electronic mail address to which a notice of rescission or cancellation may be sent pursuant to NRS 598.98216 and notice that the host customer may send such a notice to that electronic mail address.

(c) Notice of the requirement to make and maintain a recording pursuant to NRS 598.98213.

(d) Notice that, before the installation of the distributed generation system, the host customer will have the opportunity to confirm that no representations, offers or promises were made at any time concerning the sale of the output of the distributed generation system other than what is contained in the agreement.

2. Provides the following information in at least 10-point font:

(a) The rate of any increase in the payments to be made during the term of the agreement and, if applicable, the date of the first such increase.

(b) An estimated timeline for the installation of the distributed generation system.

(c) The rate of electricity per kilowatt-hour of electricity for the first year of the agreement.

(d) The length of the term of the agreement.

(e) The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

(f) The estimated production of the distributed generation system in the first year of operation and an explanation that:

(1) The host customer will always receive a power bill if the premises of the host customer are connected to the power grid;

(2) The estimated production or offset is based on available data on prior consumption; and

(3) Any change in consumption by the host customer will impact the estimated offset, or savings, in relation to the production.

(g) A description of the options available at the end of the term of the agreement.

(h) A description of any option to purchase the distributed generation system before the end of the term of the agreement.

(i) Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

(j) Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

(k) Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

(l) Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(m) Notice that the host customer, before execution of the agreement, may request any document used in the solicitation, offer or transaction for the power purchase agreement in any language.

(n) The following disclosures:

(1) Whether the solar installation company:

(I) Maintains a physical office in this State at which employees, as defined in subsection 6 of NRS 624.020, of the solar installation company conduct business; and

(II) Has at least one motor vehicle registered in this State;

(2) Whether the solar installation company is in compliance with all applicable federal, state and local laws and regulations; and

(3) Whether the person who initially presented the host customer with the power purchase agreement is an employee, as defined in subsection 6 of NRS 624.020, of the solar installation company.

Sec. 20. NRS 598.9817 is hereby amended to read as follows:

598.9817 A power purchase agreement for the sale of the output of a distributed generation system must include, without limitation, the following information in at least 10-point font:

1. The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the solar installation company.

2. The name, mailing address, telephone number and electronic mail address of:

(a) The provider of the distributed generation system; and

(b) The name, mailing address, telephone number and electronic mail address of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.

3. The length of the term of the agreement.

4. An estimated timeline for the installation of the distributed generation system.

5. The payments made during the first year of the agreement for the price of electricity, which includes, without limitation, the price per kilowatt-hour of electricity and the price per monthly system electrical output.

6. The estimated annual electrical output of the distributed generation system.

7. The rate of any increase in the payments to be made during the term of the agreement and, if applicable, the date of the first such increase.

8. A description of any obligation the solar installation company has regarding construction and repair of and insurance for the distributed generation system.

9. A description of any one-time or recurring fees, including, without limitation, a description of the circumstances that trigger any late fees.

10. A description of any:

(a) Taxes due at the commencement of the agreement; and

(b) Estimation of taxes known to be applicable during the term of the agreement, subject to a change in the state or local tax rate or tax structure.

11. A copy of the warranty for the distributed generation system.

12. A description of the ownership of any tax credits, tax rebates, tax incentives or portfolio energy credits in connection with the distributed generation system.

13. Any terms for renewal of the agreement.

14. A description of any option to purchase the distributed generation system before the end of the term of the agreement.

15. A description of all options available to the host customer in connection with the continuation, termination or transfer of the agreement in the event of the:

(a) Sale of the property to which the distributed generation system is affixed; or

(b) Death of the purchaser.

16. The granting to the purchaser of the right to rescind the agreement for a period ending not less than 3 business days after the agreement is signed.

17. A description of any restrictions that the agreement imposes on the modification or transfer of the property to which the distributed generation system is affixed.

18. A description of any guarantees of the performance of the distributed generation system.

19. A disclosure notifying the host customer of the transferability of the obligations under the warranty to a subsequent purchaser.

20. ***The following information concerning the parts of the distributed generation system:***

(a) The make and model of all inverters of the distributed generation system;

(b) The make, model and power class of the solar modules of the distributed generation system; and

(c) The manufacturer of any racking system of the distributed generation system.

21. A provision requiring the host customer to fully and accurately disclose all material information relating to the property to which the distributed generation system will be affixed that may affect the installation of the distributed generation system, including, without limitation, any relevant modifications to the electrical service of the property.

22. A provision requiring the host customer to promptly execute any agreements with a public utility that are necessary and provide to the solar installation company any information that is necessary for the completion of the installation of the distributed generation system.

23. A provision that provides that the host customer is liable for any damages caused by the failure of the purchaser to comply with the provisions of any agreement set forth in subsection 22.

24. A signature block that is signed and dated by the purchaser and the solar installation company.

~~[21.]~~ ***25.*** A statement describing the due dates of any payments.

Sec. 21. NRS 598.98213 is hereby amended to read as follows:

598.98213 1. A solar installation company shall, in person or by telephone or videoconference, verbally:

(a) Confirm the identity of a purchaser or lessee under an agreement for the purchase or lease of a distributed generation system or a host customer under a power purchase agreement;

(b) Communicate to the purchaser, lessee or host customer the information required to be included in a cover page pursuant to NRS 598.9809, 598.9813 or 598.9816, as applicable; and

(c) Confirm that the purchaser, lessee or host customer understands the information communicated pursuant to paragraph (b).

2. The verbal communication required by subsection 1 must be:

(a) Recorded by the solar installation company; and

(b) Conducted at the time of the execution of the agreement or within 48 hours after the execution of the agreement.

3. A solar installation company shall not commence the installation of any distributed generation system under an agreement until the recording required pursuant to this section has been made.

4. A solar installation company shall maintain the recording required pursuant to this section for not less than 4 years after the date of the final inspection of the distributed generation system within the jurisdiction in which the distributed generation system is located. ***If, at any time during that period:***

(a) A purchaser, lessee, host customer or distributed generation system financier requests, in an electronic communication or in writing pursuant to the terms of the power purchase agreement, as applicable; or

(b) The Attorney General, the Division of Financial Institutions of the Department of Business and Industry, the State Contractors' Board, the Housing Division of the Department of Business and Industry or a law enforcement agency requests, in any manner,

➥ that a copy of the recording be provided to the requesting person or entity, as applicable, the solar installation company shall provide the copy within 10 business days after receipt of the request. If a solar installation company fails to provide the copy within that time, the purchase or lease agreement or power purchase agreement is voidable by the purchaser, lessee or host customer, as applicable.

5. A solar installation company shall, before the commencement of the installation of a distributed generation system, submit proof to the purchaser, lessee or host customer that the solar installation company is properly licensed.

Sec. 21.5. NRS 598.9822 is hereby amended to read as follows:

598.9822 1. A host customer may file a complaint concerning a solar installation company with the Public Utilities Commission of Nevada. Upon receipt of a complaint, the Commission may direct the host customer to the appropriate agency or person to resolve the complaint.

2. The failure of a person to comply with NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act*** constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

3. If a solar installation company executes with a purchaser or lessee an agreement for the purchase or lease of a distributed generation system or with a host customer a power purchase agreement and knowingly fails to comply with any requirement of NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act,*** including, without limitation, by failing to include any disclosure or information required by NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act,*** or knowingly failing to maintain a recording of a verbal communication as required by NRS 598.98213, the agreement is voidable by the purchaser, lessee or host customer. The actions of persons who solely conduct administrative duties or provide administrative services directly to and for the benefit of the solar installation company are not imputed to the solar installation company for the purposes of this subsection.

4. A violation of any provision of NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act*** constitutes consumer fraud for the purposes of NRS 41.600.

5. Any document described in NRS 598.9809 to 598.9821, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act*** must be provided in:

(a) English; or

(b) Any other language, if any person so requests before the execution of the relevant document.

6. If a solar installation company advertises its services or negotiates orally or in writing any of the requirements of NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act*** in a language other than English or permits an employee or agent of the solar installation company to so advertise or negotiate, the solar installation company must deliver a translation of any contract, agreement or notice described in NRS 598.9801 to 598.9822, inclusive, ***and sections 14.1 to 14.4, inclusive, of this act*** resulting from such advertising or negotiations in the language in which such advertising was made or such negotiations occurred to a person who is a party to such a contract or agreement, or who may sign the contract or agreement, or who is entitled to receive such notice. The translation of the contract, agreement or notice must be provided before the execution of the contract or agreement and include, without limitation, every term and condition in the contract, agreement or notice.

Sec. 22. (Deleted by amendment.)

Sec. 23. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 24 and 25 of this act.

Sec. 24. (Deleted by amendment.)

Sec. 25. ***1. If a customer-generator has received all the necessary inspections from any governmental entity required for the installation of a net metering system and submits to a utility a request for the completion of a final inspection by the utility, the utility shall complete the final inspection within a reasonable time after receipt of the request in accordance with the regulations adopted pursuant to NRS 704.773.***

2. If a customer-generator submits to a utility a request to temporarily disconnect and subsequently reconnect electric service in relation to the installation of a net metering system, the utility shall schedule the temporary disconnection and subsequent reconnection within a reasonable time after receiving the request in accordance with the regulations adopted pursuant to NRS 704.773.

Sec. 26. (Deleted by amendment.)

Sec. 27. NRS 704.767 is hereby amended to read as follows:

704.767 As used in NRS 704.766 to 704.776, inclusive, ***and section 25 of this act,*** unless the context otherwise requires, the words and terms defined in NRS 704.7675 to 704.772, inclusive, have the meanings ascribed to them in those sections.

Sec. 28. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering in accordance with the provisions of NRS 704.766 to 704.776, inclusive, ***and section 25 of this act*** to the customer-generators operating within its service area.

2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than 25 kilowatts, the utility:

(a) Shall offer to make available to the customer-generator an energy meter that is capable of registering the flow of electricity in two directions.

(b) May, at its own expense and with the written consent of the customer-generator, install one or more additional meters to monitor the flow of electricity in each direction.

(c) Except as otherwise provided in subsection 7, shall not charge the customer-generator any fee or charge that is different than that charged to other customers of the utility in the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system.

(d) Shall not reduce the minimum monthly charge of the customer-generator based on the electricity generated by the customer-generator and fed back to the utility.

3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than 25 kilowatts, the utility:

(a) May require the customer-generator to install at its own cost:

(1) An energy meter that is capable of measuring generation output and customer load; and

(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility.

(b) Except as otherwise provided in paragraph (d) and subsection 7, shall not charge the customer-generator any fee or charge that is different than that charged to other customers of the utility in the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system,

including, without limitation, customer, demand and facility charges.

(c) Shall not reduce the minimum monthly charge of the customer-generator based on the electricity generated by the customer-generator and fed back to the utility.

(d) Shall not charge the customer-generator any standby charge.

4. At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by subsection 3 to pay the entire cost of the installation or upgrade of the portion of the net metering system.

5. Except as otherwise provided in subsections 2, 3 and 6 and NRS 704.7732, the utility shall not for any purpose assign a customer-generator to a rate class other than the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system, including, without limitation, for the purpose of any fee or charge.

6. If the net metering system of a customer-generator is a net metering system described in paragraph (b) or (c) of subsection 1 of NRS 704.771 and:

(a) The system is intended primarily to offset part or all of the customer-generator's requirements for electricity on property contiguous to the property on which the net metering system is located; and

(b) The customer-generator sells or transfers his or her interest in the contiguous property,

➥ the net metering system ceases to be eligible to participate in net metering.

7. A utility shall assess against a customer-generator:

(a) If applicable, the universal energy charge imposed pursuant to NRS 702.160; and

(b) Any charges imposed pursuant to chapter 701B of NRS or NRS 704.7827 or 704.785 which are assessed against other customers in the same rate class as the customer-generator.

➥ For any such charges calculated on the basis of a kilowatt-hour rate, the customer-generator must only be charged with respect to kilowatt-hours of energy delivered by the utility to the customer-generator.

8. The Commission and the utility must allow a customer-generator who accepts the offer of the utility for net metering to continue net metering pursuant to NRS 704.766 to 704.776, inclusive, at the location at which the net metering system is originally installed for 20 years. For the purposes of this subsection, "to continue net metering" includes, without limitation:

(a) Retaining the percentage set forth in subsection 3 of NRS 704.7732 to be used to determine the credit for electricity governed by paragraph (c) of subsection 2 of NRS 704.775, which is applicable to the customer-generator; and

(b) Replacing the originally installed net metering system, as needed, at any time before 20 years after the date of the installation of the originally installed net metering system.

9. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:

(a) The particular provisions, limitations and responsibilities of a customer-generator which must be included in a net metering tariff with regard to:

(1) Metering equipment;

(2) Net energy metering and billing; and

(3) Interconnection,

➥ based on the allowable size of the net metering system.

(b) The particular provisions, limitations and responsibilities of a customer-generator and the utility which must be included in a standard net metering contract.

(c) ~~[A timeline for processing applications and contracts for net metering applicants.]~~ ***Procedures and requirements concerning the process for applying for and installing a net metering system, which must include, without limitation:***

(1) Reasonable and appropriate timelines for the process, including, without limitation, timelines for:

(I) The review of an application of a net metering applicant;

(II) Obtaining a final inspection of a net metering system;

(III) The processing of a request to temporarily disconnect and subsequently reconnect electric service in relation to the installation of a net metering system; and

(IV) Obtaining the permission of the utility to operate the net metering system.

(2) The requirement that a utility that denies the application of a net metering applicant provide to the net metering applicant a notice detailing the reasons for the denial.

(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.776, inclusive ~~[.]~~ ***, and section 25 of this act.***

Sec. 29. NRS 704.774 is hereby amended to read as follows:

704.774 1. ***A customer-generator must obtain all necessary permits and approvals required by any governmental entity for the installation of his or her net metering system and install the net metering system in compliance with the permits and approvals.***

2. A net metering system used by a customer-generator must meet all applicable safety and power quality standards established by:

(a) The National Electrical Code;

(b) Underwriters Laboratories Inc.; and

(c) The Institute of Electrical and Electronic Engineers.

~~[2.]~~ ***3.*** A customer-generator ***who satisfies the requirements in subsection 1 and*** whose net metering system meets ~~[such]~~ ***the*** safety and quality standards ***specified in subsection 2*** must not be required by the utility to:

(a) Comply with additional standards or requirements;

(b) Perform additional tests;

(c) Install additional controls; or

(d) Purchase additional liability insurance,

➥ arising solely from the status as a customer-generator.

Sec. 30. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 29, 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 October 1, 2025, for all other purposes.

20 ~~~~~ 25