

MINUTES

New Energy Industry Task Force Technical Advisory Committee on Clean Energy Source

April 15, 2016

The Technical Advisory Committee (TAC) held a public meeting on April 15, 2016
at the following locations:

Legislative Building
401 S. Carson Street, Room 2134
Carson City, NV 89701

Videoconference
Grant Sawyer State Building
555 East Washington, Suite 4412
Las Vegas, NV 89101

1. Call to order and Roll Call: Chairman Kyle Davis called the meeting to order at 12:00 pm, confirming a quorum.

Technical Advisory Members Present

Technical Advisory Members Absent

Anne-Marie Cuneo, Member
Bob Johnston, Member
David Emme, Member
Dennis Laybourn, Member
Jennifer Taylor, Member
Joe Johnson, Member
Josh Nordquist (via teleconference)
Kathryn Arbeit (via teleconference)
Kyle Davis, Chair
Lisa Briggs, Member
Starla Lacey, Member
Tom Polikalas, Member

2. Introductions: Everyone having stated their name for roll call, Chairman Davis moved to the next agenda item.

3. Public comments and discussion: Joanne Leovy, Family Physician with Health Center in Las Vegas stated she strongly supports Nevada's transition to energy efficiency and renewable locally generated clean energy. Moving to comply with and exceed the requirements of the Clean Power Plan, CPP will

benefit Nevada's population and economy in both the short term and the long term. She hopes our state will withdraw its counterproductive entry into the legal challenge to the CPP and she urges the task force to think boldly of a few more solar projects and develop goals that will truly change the trajectory of our contribution to the climate crisis. She cited an updated report released last month by the US Global Change Research Program that details numerous expected health effects of climate change which may make 50 years of public health advances and set back life expectancy. She hopes the committee will consider the health and human costs of climate change when considering the goals and priorities.

Annette Magnus, Executive Director of Battle Born Progress in southern Nevada stated that they are a statewide organization that works on progressive issues. Recently they had a Town Hall meeting to discuss the current clean energy issues facing Nevada. She said they asked survey questions and found that 96% would like to see elected leaders in Nevada adopt more renewable energy policies in Nevada. Another question showed that 96% of the folks would like to see Nevada exceed the CPP goals. Battle Born Progress and our partners will continue to conduct Town Hall meetings across the state to educate and encourage continued engagement in the Task Force process.

Fred Voltz of Carson City brought up to the committee a front page article from the Wall Street Journal, titled, "Clean Energy Darling Falls Back to Earth", the subtitle is "Financial engineering fueled SunEdison's ambitions until funds dried up" He stated there's a very detailed accounting of everything that has happened to this particular company, its missed steps and statements. It does suggest another ENRON, TYCO, Bernie Ebber's type of financial sleight of hand. He encouraged the committee to read the article.

Zoe Berkery, Manager of Federal Policy with the Business Council for Sustainable Energy, BCSE from Washington DC stated BCSE is a coalition of companies and trade associations from the energy efficiency of renewable energy and natural gas sectors. This also includes independent electric power producers and investor on utilities, equipment and product manufacturers, project developers, energy and environmental service providers. BCSE commends the creation of this New Energy Industry Task Force and its Technical Advisory Committees for giving focus of the importance of clean energy sources in the state of Nevada. BCSE urges the state to continue to consider energy policies that can expand its use of energy efficiency, renewable energy and natural gas. Further BSCE encourages Nevada to continue compliance planning under the Environmental Protection Agency's Clean Power Plan. BSCE recently submitted comments to the Governor's Energy Director, Angela Dykema and NDEP Administrator, David Emme with several preliminary recommendations on design elements of the Nevada State Compliance Plan. She understands the issues discussed in the BSCE comments may not be considered at this meeting, but the council wanted to encourage this committee to consider agenda items on the Clean Power Plan over the course of its tenure.

Full accounts of the comment were captured in the audio recording, available on the Governor's Office of Energy's website.

4. Discussion of goals for the Task Force: Chairman Davis commented that because we have a deadline coming up the end of May beginning of June for any kind of legislative proposals he believes the focus should be on the Legislative Policy. Once the committee gets beyond that, there would be an opportunity to discuss the Clean Power Plan since the state started down the path of putting together a state plan. Although we know there is legal uncertainty right now, there are decisions that we need to make as a state

so that we're ready to go when these legal avenues have exhausted themselves. Chairman opened comments up to the committee for discussion.

Tom Polikalas asked the members if this Technical Advisory Committee is looking for a consensus or more brain storming whereby a menu of ideas could be given to the Governor's Office of Energy.

Chairman Davis welcomed input by other members. He said we need to make some sort of solid recommendations to the Governor's Office of Energy. He believes that is what this committee is asked to do.

Tom Polikalas made a suggestion that they look at transportation policies, particularly policies that could accelerate the market penetration of electrical vehicles, several analyses have determined that electricity is the cleanest fuel available to Nevadans for transportation.

Jennifer Taylor stated that she agrees with Chairman Davis that the focus needs to be on Legislative policy that encourages development of clean energy sources and integrates renewable energy technologies into Nevada's energy sector. She believes the State should look to go beyond the Clean Power Plan requirements.

Bob Johnston commented that he agreed that the immediate focus has to be on coming up with policy recommendations by June so he agrees with the priorities.

5. Review of existing energy statutes: Ms. Anne-Marie Cuneo, Director of Regulatory Operations at the Public Utilities Commission of Nevada (PUCN) reviewed select statutory charges for the PUCN (**Attachment I**). Select citations were color coded to indicate year of adoption. She noted much of the statute hasn't changed very much since 1977. The grey area was implemented in 1983; yellow area 1995; blue area 2001; and green area 2007.

NRS 701.010 and 701B.005

Ms. Cuneo pointed to the Legislative findings in NRS 701.010 and noted changes over time. She then described the mandates in NRS 701.005. The goals of the renewable energy incentives programs are very specific, for example for solar energy the goal is 250,000 kilowatts for the period between July 1, 2010 and Dec. 31, 2021. A specific budget cap is also set to implement the solar program at \$255,270,000 and the wind energy and water programs at \$40,000,000. She suggested that the more specific the legislation is about the goal, and the dollar amount appropriate for that goal, the easier it is to implement, leaving the details of implementation to the Commission.

NRS 701B.300 Solar Thermal Systems Demonstration Program: This is one of the statutes on the books where there's no goal and no money associated with it. It's been hard to make that work in the regulatory framework.

NRS 704.7801 – Portfolio Standard: Ms. Cuneo noted that the portfolio standard includes an energy efficiency component that is being phased out.

NRS 704.7821 Establishment of the portfolio standard: Ms. Cuneo noted Nevada has been at the forefront of renewable energy and we're expecting to comply with the renewable portfolio standard from now and in the future. In fact the renewable portfolio standard is likely no longer a limiting factor. She indicated it's not necessarily a driver anymore because Nevada is on track to do far greater than that.

NRS 704.78213 Establishment of portfolio standard providers of new electric resources: Ms. Cuneo said that companies that exit from service provided by the utility are held to an RPS standard that existed at the time of their exit. For example, Barrick departed the system and the RPS in place at the time of their departure had a maximum of 18%. So while the rest of Nevada is going to comply with 25%, Barrick is going to comply with 18%.

NRS 704.736 Resource Planning: Ms. Cuneo commented that Nevada has some of the best resource planning statutes in the nation. Many states copy Nevada with respect to resource planning.

Discussion ensued regarding NRS704.746, Subsection 4 and 5, regarding factors to consider when considering giving preference to various sources of supply and measures in a resource plan. Ms. Cuneo commented that the statute provides no ranking of factors therefore the Commission gives equal consideration.

Josh Nordquist expressed that this is an important area for consideration since the Commission doesn't have much information on the economic benefits of other qualities of different technologies.

Jennifer Taylor asked if there were any past Legislative committee hearings that provided additional information in terms of the proper weight and analysis is for each of those categories. Also would it be as simple as adding in language that prescribes order of priority.

Ms. Cuneo stated the Commission and staff often go back and review all of the legislative history. If they are equally preferred, then an equal ranking is fine, but if there's a preference for economic development over something else, then it probably should be said, either in the legislation or in floor statements. If there is a criteria ranking in the statute, then that's what the commission will implement.

Senator Spearman stated Ms. Cuneo's remarks punctuate the need for a comprehensive energy plan. What are the best practices; who else has done this; and how do we develop that comprehensive strategy? Not just policies, but a comprehensive plan that affords an opportunity to subsequently develop a template that will help us prioritize things that we may be pursuing at a particular time without diminishing the overall interest of the state's policies.

Ms. Cuneo stated the PUCN like any corporation has a mission statement, vision statement and strategies to accomplish all of that. She said it seemed the task was to form a policy that gives us a goal to go forward, but is nimble enough to change with the time, prices and economic considerations as well.

Senator Spearman said she believes this is something we could put on a category of stretch goals. She doesn't see this as a task for the PUC alone and that requires some collaboration on the part of all the

energy industries in Nevada to identify a nimble template so that any given time, we may be able to rank them, in terms of what our focus is for a particular given time.

Dave Emme asked whether the factors subsection 5 could be clarified in regulation more easily than changing the statute.

Ms. Cuneo stated yes they do have regulations but the regulations are infrequently changed and it is a lengthy process to revise regulations.

Josh Nordquist asked if the Office of Energy had done studies on the general benefits of various renewable energy sources.

Angie Dykema commented the Governor's Office of Energy has not conducted any economic benefit studies. If that is something that the committee would like to consider, then it may be a good idea, if funded.

Ms. Cuneo stated to be clear, the Commission does consider information provided, for example, if it is presented with a resource Option A which is a geothermal plant located in this county with an expected construction of 250 people and tax revenue of X and Y, versus a solar plant located in this county with Z construction and X many employees. They do look at that if it's provided, but all else being equal, the Commission generally go with which one is cheaper, or which was going to get built faster, or fit our resource needs better.

Joe Johnson stated at the distributed generation committee workshop there was a discussion citing a pre-filed request from the Chairman of PUC, and that he would like Ms. Cuneo to respond to the criteria requested in that document. He believed it well fits on what is being asked for here.

Ms. Cuneo stated the criteria that was requested by Chairman Thomsen was for the IRP, and it was specifically to assist the Commission with the determination of a more holistic value for distributed generation solar. That was the purpose of that procedural order. It was specifically for distributed generation solar, but it could be more broadly applied in any resource planning docket. There may be a slight difference, but it doesn't mean you couldn't do it for something else.

Josh Nordquist stated that docket didn't account for economic benefits which weren't part of that list.

Chairman Davis asked if staff have the ability under the law to ask NV Energy for that same information when you're evaluating their IRP?

Ms. Cuneo stated they often do and they issue data requests and the utility has a certain amount of time to respond to them. We have often asked the utility to do a PROMOD run with different assumptions and they'll do that for us on our behalf.

Bob Johnston stated with respect to section 5 he believes that it may be a good idea for the NGOE to do the studies, since he's seen in the resource planning process the company will come in and make a case

with respect to economic and environmental benefits for a certain project, that is subject to attack by others in the IRP context. There might be some value to having an independent entity do that analysis that is incorporated by reference in the resource planning process.

Senator Spearman suggested we consult with and collaborate with experts in the University system.

Chairman Davis stated that's a good option to look at in future committee meetings.

He then mentioned that we do have a lot of things in our RPS that are a little different from other states. He asked whether since we're phasing out energy efficiency right now, at that point does our RPS look substantially similar to other states, or are there still a number of things in Nevada's that are unique?

Ms. Cuneo stated that it looks substantially similar, but the statute calling for an end to the 2.4 multiplier is for new installations, so old installations keep that 2.4 multiplier in perpetuity. Nevada's RPS will look a little different, simply because we have those multipliers. She noted many western states don't have an RPS.

6. Review of efforts to date relating to Clean Power Plan: Mr. David Emme, Administrator, Nevada Division of Environmental Protection, gave a power point presentation regarding clean energy policy and carbon emissions ([Attachment II](#)). He discussed the status of the Clean Power Plan, a regulation from EPA to limit carbon emissions from existing power plants. The Supreme Court has issued a Stay on implementation of the rule pending resolution of legal challenges to the rule. He indicated Nevada was well positioned to comply with the rule if it were upheld. However, noted that given the uncertain future, rather than discuss compliance pathways, we should focus more broadly on Clean Energy policies since that is what put us in a good position to comply. He referred to the charter for the Task Force and Committees in the Governor's Executive Order that provide this direction.

7. Review of carbon output of Nevada's existing and planned energy generation: Mr. Robert Johnston with Western Resources Advocates (WRA) discussed a base projection of carbon emission from the electric generation sector in the state of Nevada. Mr. Johnson stated that the resource planning process projects pollinates by unit, by year for the term of the time being studied. Relying on that analysis and through a data request from NV Energy, WRA prepared an analysis of how Nevada is positioned for compliance with the Clean Power Plan. Because Nevada only has one industrial utility company this was easy to compile, using the CO2 emission that were projected from NV Energy in its modeling and then made reasonable assumption with respect to future CO2 emissions. WRA's conclusions are consistent with the analysis that Mr. Emme just presented. Nevada is well positioned for compliance with the Clean Power Plan. Mr. Johnson felt there would be value in a consensus on the current projection of CO2 emissions based on NV Energy's integrative resource planning. This would be a good starting point for future energy trading if the Clean Power Plan goes forward. WRC would like to see this as part of the committee's work.

Ms. Lacy wondered if it might be easier if NV Energy put together this information and agreed that it would be valuable to have a consensus.

Mr. Johnson would like for NV Energy to do that, that they have the best resources to compile that data.

8. Review of Nevada's Renewable Portfolio Standard and history of compliance: Ms. Starla Lacy, Environmental Director at NV Energy, used a power point presentation to update the members on Renewable Portfolio Standards (RPS) and NV Energy's compliance. (Attachment III). Nevada legislation first enacted RPS in 1997 and several revisions have been made since. The RPS was originally set at 6 percent, now at 20 percent, it grows to 25 percent in 2025. Ms. Lacy stated that in 2015, at the required 20 percent, NV Energy South was at 21.2 percent and NV Energy North was at 31.3 percent. NV Energy has exceeded RPS requirements since 2010. Ms. Lacy also discussed how diverse the renewable portfolio is consisting of geothermal, solar, hydro, biomass, waste heat recovery and wind.

9. Discussion and call for policy ideas: Chairman Davis stated if people have ideas from the general public and committee members for potential polices that could help us maximize our clean energy opportunities in the state to please send them to him and he'll get them placed on the agenda.

Joe Johnson asked how many of bill drafts they anticipated from either the working group or the committee at the end of this process.

Angie Dykema stated the committee is not limited to however many proposals you would like to bring back to the Task Force on May 26th. She expects at least three from the Task Force, but that's not to say there couldn't be additional policy recommendations that don't require legislation going forward beyond the June 1st deadline.

10. Set time and date for next meeting: Chairman Davis proposed meetings on May 2, 2016 from 1:00 to 4:00 PM and May 16, 2016 from 9:00 AM to 12:00 PM. There was discussion regarding where to hold the meetings. Location would be determined later.

Ms. Jennifer Taylor moved to approve the meeting dates and times, Ms. Lisa Briggs seconded. The motion passed unanimously.

11. Public comments and discussion: Mike Baughman, Executive Director of the Lincoln County Regional Development Authority stated that this falls more in the category of your suggestion of soliciting policy ideas, but he would like the Task Force to consider looking at new energy industry. He attended the International Biomass conference in Charlotte, North Carolina and that we have a very small biomass sector here in Nevada, but interesting enough there's a lot of biomass. We have several million acres of biomass in our state in the way of pinion juniper woodlands that are required to be thinned to cast off wildfire hazard, provide for watershed and wildlife enhancement, including provision for sage grouse habit. We have spent hundreds of millions of dollars landscape restoration initiatives to provide for the sage grouse in our state. In Lincoln County we recently did an analysis by a group out of Portland, Oregon that identified approximately a million acres of accessible pinion juniper in Lincoln County to be thinned that results in about 4.8 million dried tons of biomass. Literally we have a tremendous resource

here in Nevada and we're a very small biomass industry and we're exporting approximately 4 million tons a year of biomass, primarily Europe where they're using wood pellets for a drop-in substitute for coal in power plants to achieve significant emissions reductions. That's from as small as 10% make up to a 100% conversion. We have that opportunity to do this in our own state as a fuel substitute and the opportunity to provide fuel to other states as a substitute. This is a new opportunity for a new energy industry that will help us solve some significant environmental problems in our state, or help finance those. If we can come up with an industrial demand or industrial users for this biomass material we can help solve this problem in our state and include some economic activity. He read about this and thought this would be the opportunity to brief the committee.

Chairman Davis stated that he's interested in exploring this and Mr. Baughman could send him an email. We've worked on biomass ideas before, but there is the opportunity to both provide renewable energy resources along with dealing with some landscape issues that are ongoing as well. Mr. Baughman could send him an email.

Chairman Davis stated that he's interested in exploring this and that Mr. Baughman could send him an email. There's an opportunity to provide renewable energy resources along with dealing with landscape issues.

12. Adjournment: Meeting was adjourned at 2:25 PM.

A full account of the meeting was captured in an audio recording, available on the Governor's Office of Energy's website.

ATTACHMENT I:

Energy Policy:

NRS 701.010 Legislative findings; state policy.

1. The Legislature finds that:

(a) Energy is essential to the economy of the State and to the health, safety and welfare of the people of the State.

(b) The State has a responsibility to encourage the maintenance of a reliable and economical supply of energy at a level which is consistent with the protection of environmental quality.

(c) The State has a responsibility to encourage the utilization of a wide range of measures which reduce wasteful uses of energy resources.

(d) The State and the public have an interest in encouraging public utilities to promote and take actions toward energy conservation.

(e) Planning for energy conservation and future energy requirements should include consideration of state, regional and local plans for land use, urban expansion, transportation systems, environmental protection and economic development.

(f) Government and private enterprise need to accelerate research and development of sources of renewable energy and to improve technology related to the research and development of existing sources of energy.

(g) While government and private enterprise are seeking to accelerate research and development of sources of renewable energy, they must also prepare for and respond to the advent of competition within the electrical energy industry and are, therefore, encouraged to maximize the use of indigenous energy resources to the extent competitively and economically feasible.

(h) Prevention of delays and interruptions in providing energy, protecting environmental values and conserving energy require expanded authority and capability within State Government.

2. It is the policy of this State to encourage participation with all levels of government and private enterprise in cooperative state, regional and national programs to assure adequate supplies of energy resources and markets for such energy resources.

3. It is the policy of this State to assign the responsibility for managing and conserving energy and its sources to agencies whose other programs are similar, to avoid duplication of effort in developing policies and programs for energy.

(Added to NRS by [1977, 1163](#); A [1983, 2092](#); [1995, 311](#); [2001, 3263](#); [2007, 2973](#))

Policy for encouraging solar, wind and water development:

NRS 701B.005 Minimum capacity for Solar Program; limitations on incentives paid to renewable energy programs; performance-based incentives; filing of combined annual plan. [Effective through December 31, 2025.]

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 subsection 2, 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. The Commission shall not authorize the payment of an incentive pursuant to:

(a) The Solar Energy Systems Incentive Program if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of solar energy systems and solar distributed generation systems to exceed \$255,270,000 for the period beginning on July 1, 2010, and ending on **December 31, 2025**.

(b) 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 cause the total amount of incentives paid by all utilities in this State for the installation of wind energy systems and waterpower energy systems to exceed \$40,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2025. The Commission shall by regulation determine the allocation of incentives for each Program.

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

4. 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](#). 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](#), as applicable.

5. As used in this section:

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

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

(Added to NRS by [2013, 3331](#))

NRS 701B.190 Legislative findings and declaration. [Effective through December 31, 2025.] The Legislature hereby finds and declares that it is the policy of this State to:

1. Expand and accelerate the development of solar distributed generation systems in this State; and

2. Establish a sustainable and self-sufficient solar renewable energy industry in this State in which solar energy systems are a viable mainstream alternative for homes, businesses and other public entities.

(Added to NRS by [2013, 3331](#))

NRS 701B.200 Regulations: Establishment of incentives and requirements for utility’s annual plan; recovery of costs by utility. [Effective through December 31, 2025.] The Commission shall adopt regulations necessary to carry out the provisions of [NRS 701B.010](#) to [701B.290](#), inclusive, including, without limitation, regulations that:

1. Establish the type of incentives available to participants in the Solar Program and the level or amount of those incentives. The incentives must be market-based incentives that:

(a) Do not exceed 50 percent of the installed cost of a solar energy system or distributed generation system, as determined by using the average installed cost of the solar energy systems or distributed generation systems, as applicable, installed in the immediately preceding year;

(b) Are designed to maximize the number of customer categories participating in the Solar Program based on demographics and location, including, without limitation, categories for public entities, customers of lower socioeconomic status, nonprofit organizations and commercial, industrial and residential customers; and

(c) Provide for a sustainable Solar Program that maintains sufficient customer participation and that provides for the measured award of incentives to as many participants as possible on or before December 31, 2021.

2. Establish the requirements for a utility's annual plan for carrying out and administering the Solar Program. A utility's annual plan must include, without limitation:

- (a) A detailed plan for advertising the Solar Program;
- (b) A detailed budget and schedule for carrying out and administering the Solar Program;
- (c) A detailed account of administrative processes and forms that will be used to carry out and administer the Solar Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Solar Program;
- (d) A detailed account of the procedures that will be used for inspection and verification of a participant's solar energy system and compliance with the Solar Program;
- (e) A detailed account of training and educational activities that will be used to carry out and administer the Solar Program;
- (f) Any other information that the Commission requires from the utility as part of the administration of the Solar Program; and
- (g) Any other information required by the Commission.

3. Authorize a utility to recover the reasonable costs incurred in carrying out and administering the installation of distributed generation systems.

(Added to NRS by [2007, 2969](#); A [2009, 1383](#); R [2011, 2563](#); A [2013, 3332](#); R [2013, 3347](#), effective January 1, 2026)

NRS 701B.220 Regulations: Establishment of incentives for participation; reporting requirements and decline over time of incentives; Commission authorized to adjust amount of incentives; continued payment of incentive. [Effective through December 31, 2025.]

1. In adopting regulations for the Solar Program, the Commission shall adopt regulations establishing the incentives for participation in the Solar Program, shall consider whether such regulations ensure, to the extent practicable, the cost-effective use of such incentives and predictability for participants, rate payers and utilities and shall maximize to the extent practicable the number of customer categories participating in the Solar Program based on demographics and location, including, without limitation, categories for public entities, customers of lower socioeconomic status, nonprofit organizations and commercial, industrial and residential customers. The regulations must:

- (a) For a solar energy system that has a generating capacity of not more than 25 kilowatts, provide for an incentive that must be paid in one installment to a participant for a solar energy system upon proof that the participant has installed and energized the solar energy system;
- (b) For a solar energy system that has a generating capacity of more than 25 kilowatts, provide for an incentive that must be paid to a participant over time and be based on the performance of the solar energy system and the amount of electricity generated by the solar energy system;
- (c) For a solar energy system that has a generating capacity of more than 25 kilowatts, provide 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 5 years;
 - (3) That the payments of an incentive to the participant must be made not more frequently than quarterly; and

(4) That a utility must not be required to issue any new incentive on or after January 1, 2021, or make an incentive payment after December 31, 2025;

(d) Establish reporting requirements for each utility that participates in the Solar Program, which must include, without limitation, periodic reports of the average installed cost of the systems, the cost to the utility of carrying out the Solar Program, the effect of the Solar Program on the rates paid by customers of the utility and the annual statistical data related to the amount of incentives granted and the number of participants;

(e) Provide for a decline over time in the amount of the incentives for participation in the Solar Program as the installed costs of solar energy systems decrease and as variables, including, without limitation, system size, installation costs, market conditions and access to federal, state and other financial incentives, may require;

(f) Provide that the rate at which incentives decline over time will be published by the Commission, including publication on the Internet website maintained by the Commission, annually or on such other schedule as necessary to reflect changes in the market; and

(g) Provide that incentives must be made available only to solar energy systems with a nameplate capacity of not more than 500 kilowatts.

2. The Commission shall review the incentives for participation in the Solar Program and may adjust the amount of the incentives not more frequently than annually, as determined necessary by the Commission to reflect changes in the market for solar energy systems and demand for incentives.

3. A contract that is executed between a utility and a participant on or before December 31, 2021, providing for the payment to the participant of an incentive pursuant to paragraph (b) of subsection 1 may provide for the continued payment of such an incentive after December 31, 2021, in accordance with regulations adopted by the Commission.

(Added to NRS by [2007, 2972](#); R [2011, 2563](#); A [2013, 3333](#); R [2013, 3347](#), effective January 1, 2026)

SOLAR THERMAL SYSTEMS DEMONSTRATION PROGRAM

General Provisions

NRS 701B.300 Definitions. As used in [NRS 701B.300](#) to [701B.345](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 701B.303](#) to [701B.333](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2009, 2263](#))

NRS 701B.303 “Category” defined. “Category” means one of the categories of participants in the Demonstration Program as set forth in [NRS 701B.336](#).

(Added to NRS by [2009, 2263](#))

NRS 701B.306 “Commission” defined. “Commission” means the Public Utilities Commission of Nevada.

(Added to NRS by [2009, 2263](#))

NRS 701B.309 “Demonstration Program” defined. “Demonstration Program” means the Solar Thermal Systems Demonstration Program established by the Commission pursuant to [NRS 701B.336](#).

(Added to NRS by [2009, 2263](#))

NRS 701B.312 “Institution of higher education” defined. “Institution of higher education” means:

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in [NRS 394.099](#), or any other institution of higher education.

(Added to NRS by [2009, 2263](#))

NRS 701B.315 “Participant” defined. “Participant” means a person who has been approved by a utility pursuant to [NRS 701B.336](#) to participate in the Demonstration Program.

(Added to NRS by [2009, 2263](#))

NRS 701B.318 “Person” defined. “Person” includes a government, governmental agency or political subdivision of a government.

(Added to NRS by [2009, 2263](#))

NRS 701B.321 “Public and other property” defined.

1. “Public and other property” means any real property, building or facility which is owned, leased or occupied by:

(a) A public entity;

(b) A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended; or

(c) A corporation for public benefit as defined in [NRS 82.021](#).

2. The term includes, without limitation, any real property, building or facility which is owned, leased or occupied by:

(a) A church; or

(b) A benevolent, fraternal or charitable lodge, society or organization.

3. The term does not include school property.

(Added to NRS by [2009, 2263](#))

NRS 701B.324 “School property” defined. “School property” means any real property, building or facility which is owned, leased or occupied by:

1. A public school as defined in [NRS 385.007](#);

2. A private school as defined in [NRS 394.103](#); or

3. An institution of higher education.

(Added to NRS by [2009, 2263](#))

NRS 701B.327 “Small business” defined. “Small business” means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

(Added to NRS by [2009, 2263](#))

NRS 701B.330 “Solar thermal system” defined. “Solar thermal system” means a system of related components that uses solar energy to heat water or air and is designed to work as an integral package such that the system is not complete without one of its related components.

(Added to NRS by [2009, 2263](#))

NRS 701B.333 “Utility” defined. “Utility” means a public utility that supplies natural gas in this State.

(Added to NRS by [2009, 2264](#))

RENEWABLE ENERGY SCHOOL PILOT PROGRAM

NRS 701B.350 Creation; regulations; conditions and limitations; reports.

1. The Renewable Energy School Pilot Program is hereby created. The goal of the Program is to encourage the development of and determine the feasibility for the integration of renewable energy systems on school properties.

2. The Commission shall adopt regulations for the Program. Such regulations shall include, but not be limited to:

(a) A time frame for implementation of the Program;

(b) The allowed renewable energy systems and combinations of such renewable energy systems on school property;

(c) The amount of capacity that may be installed at each school property that participates in the Program;

(d) A process by which a school district may apply for participation in the Program;

(e) Requirements for participation by a school district;

(f) The type of transactions allowed between a renewable energy system generator, a school district and a utility;

(g) Incentives which may be provided to a school district or school property to encourage participation; and

(h) Such other parameters as determined by the Commission and are consistent with the development of renewable energy systems at school properties.

3. The Program shall be limited to 10 school properties. Not more than 6 school properties from any one school district may participate in the Program.

4. The Commission shall adopt the regulations necessary to implement the Program not later than March 1, 2008.

5. The Commission shall prepare a report detailing the results of the Program and shall submit the report to the Legislature by December 1, 2008.

6. As used in this section:

(a) "Commission" means the Public Utilities Commission of Nevada.

(b) "Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.

(c) "Renewable energy system" has the meaning ascribed to it in [NRS 704.7815](#).

(d) "School district" has the meaning ascribed to it in [NRS 395.0075](#).

(e) "School property" means any real property, building or facilities which are owned, leased or occupied by a public school as defined in [NRS 385.007](#).

(f) "Utility" has the meaning ascribed to it in [NRS 701B.180](#).

(Added to NRS by [2007, 2972](#))

Policy regarding residential customer rate design:

NRS 704.085 Electric utility prohibited from making change in schedule or rate which requires residential customer to purchase electric service based on time of usage; exception.

1. An electric utility shall not make changes in any schedule or impose any rate, and the Commission shall not approve any changes in any schedule or authorize the imposition of any rate by an electric utility, which requires a residential customer to purchase electric service at a rate which is based on the time of day, day of the week or time of year during which the

electricity is used or which otherwise varies based upon the time during which the electricity is used, except that the Commission may approve such a change in a schedule or authorize the imposition of such a rate if the approval or authorization is conditioned upon an election by a residential customer to purchase electric service at such a rate.

2. As used in this section, “electric utility” has the meaning ascribed to it in [NRS 704.187](#).
(Added to NRS by [2013, 740](#))

Policy regarding changing rates:

NRS 704.110 Procedure for changing schedule: Investigation by Commission; parties; time within which Commission must act; general rate application; other applications and rate adjustments; deferred energy accounting adjustments; recovery of costs to plan, construct, retire or eliminate certain facilities. Except as otherwise provided in [NRS 704.075](#) and [704.68861](#) to [704.68887](#), inclusive, or as may otherwise be provided by the Commission pursuant to [NRS 704.095](#) or [704.097](#):

1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an annual deferred energy accounting adjustment application, the Consumer’s Advocate shall be deemed a party of record.

2. Except as otherwise provided in subsection 3, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall, not later than 210 days after the date on which the application is filed, issue a written order approving or disapproving, in whole or in part, the proposed changes.

3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility’s plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. The following public utilities shall each file a general rate application pursuant to this subsection based on the following schedule:

(a) An electric utility that primarily serves less densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2010, and at least once every 36 months thereafter.

(b) An electric utility that primarily serves densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2011, and at least once every 36 months thereafter....

Policy regarding just and reasonable rates, regulations, etc.

NRS 704.120 Commission may substitute just and reasonable rates, regulations, practices or services after investigation and hearing; exceptions.

1. If, upon any hearing and after due investigation, the rates, tolls, charges, schedules or joint rates shall be found to be unjust, unreasonable or unjustly discriminatory, or to be preferential, or otherwise in violation of any of the provisions of this chapter, the Commission shall have the power to fix and order substituted therefor such rate or rates, tolls, charges or schedules as shall be just and reasonable.

2. If it shall in like manner be found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, insufficient, preferential, unjustly discriminatory or otherwise in violation of the provisions of this chapter, or if it be found that the service is inadequate, or that any reasonable service cannot be obtained, the Commission shall have the power to substitute therefor such other regulations, measurements, practices, service or acts and make such order relating thereto as may be just and reasonable.

3. When complaint is made of more than one rate, charge or practice, the Commission may, in its discretion, order separate hearings upon the several matters complained of and at such times and places as it may prescribe.

4. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

5. The Commission may at any time, upon its own motion, investigate any of the rates, tolls, charges, rules, regulations, practices and service, and, after a full hearing as above provided, by order, make such changes as may be just and reasonable, the same as if a formal complaint had been made.

6. The provisions of this section do not apply to a competitive supplier, except that a competitive supplier that is an incumbent local exchange carrier is subject to the provisions of this section with regard to:

(a) The provision of basic network service until January 1, 2012; and

(b) Any general rate application filed by the competitive supplier pursuant to paragraph (b) of subsection 2 of [NRS 704.68877](#). If the competitive supplier files such a general rate application, the general rate case proceeding must be conducted by the Commission in accordance with this section and [NRS 704.110](#).

7. Nothing in this chapter shall be construed to prohibit the Commission from authorizing an electric utility to provide reduced rates to low-income customers upon a hearing and after due investigation.

[27:109:1919; 1919 RL p. 3163; NCL § 6127]—(NRS A [2007, 701](#); [2009, 616](#))

NRS 704.120 Commission may substitute just and reasonable rates, regulations, practices or services after investigation and hearing; exceptions.

1. If, upon any hearing and after due investigation, the rates, tolls, charges, schedules or joint rates shall be found to be unjust, unreasonable or unjustly discriminatory, or to be preferential, or otherwise in violation of any of the provisions of this chapter, the Commission shall have the power to fix and order substituted therefor such rate or rates, tolls, charges or schedules as shall be just and reasonable.

2. If it shall in like manner be found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, insufficient, preferential, unjustly discriminatory or otherwise in violation of the provisions of this chapter, or if it be found that the service is inadequate, or that any reasonable service cannot be obtained, the Commission shall have the power to substitute therefor such other regulations, measurements, practices, service or acts and make such order relating thereto as may be just and reasonable.

3. When complaint is made of more than one rate, charge or practice, the Commission may, in its discretion, order separate hearings upon the several matters complained of and at such times and places as it may prescribe.

4. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

5. The Commission may at any time, upon its own motion, investigate any of the rates, tolls, charges, rules, regulations, practices and service, and, after a full hearing as above provided, by order, make such changes as may be just and reasonable, the same as if a formal complaint had been made.

6. The provisions of this section do not apply to a competitive supplier, except that a competitive supplier that is an incumbent local exchange carrier is subject to the provisions of this section with regard to:

(a) The provision of basic network service until January 1, 2012; and

(b) Any general rate application filed by the competitive supplier pursuant to paragraph (b) of subsection 2 of [NRS 704.68877](#). If the competitive supplier files such a general rate application, the general rate case proceeding must be conducted by the Commission in accordance with this section and [NRS 704.110](#).

7. Nothing in this chapter shall be construed to prohibit the Commission from authorizing an electric utility to provide reduced rates to low-income customers upon a hearing and after due investigation.

[27:109:1919; 1919 RL p. 3163; NCL § 6127]—(NRS A [2007.701](#); [2009.616](#))

NRS 704.210 Powers of Commission: Adoption of regulations; supervision and regulation of public utilities; exceptions.

1. Except as otherwise provided in subsection 2, the Commission may:

(a) Adopt necessary and reasonable regulations governing the procedure, administration and enforcement of the provisions of this chapter, subject to the provisions of [NRS 416.060](#).

(b) Prescribe classifications of the service of all public utilities and, except as otherwise provided in [NRS 704.075](#), fix and regulate the rates therefor.

(c) Fix just and reasonable charges for transportation of all intrastate freight and passengers and the rates and tolls for the use of telephone lines within the State.

(d) Adopt just and reasonable regulations for the apportionment of all joint rates and charges between public utilities.

(e) Consider the need for the **conservation of energy** when acting pursuant to the provisions of this subsection.

2. The provisions of subsection 1 do not apply to a competitive supplier.

[17:109:1919; 1919 RL p. 3159; NCL § 6116]—(NRS A 1969, 1158; [1977, 552, 884](#); [1985, 1129](#); [1997, 1910](#); [2007, 702](#))

Policy to provide different rates for Nevada farmers:

NRS 704.225 Regulations requiring lower rates for electricity for irrigation pumps: Interruptible service.

1. The Commission shall by regulation require each public utility which furnishes electricity to provide lower rates for electricity for irrigation pumps under a schedule which:

(a) Will be applied:

(1) From March 1 to October 31, inclusive; and

(2) If the customer concedes to the utility a right to interrupt services to the customer's irrigation pumps under conditions established by the utility and approved by the Commission.

(b) Provides for a maximum rate for interruptible service per kilowatt-hour of electricity used. The rate must be determined by dividing the sum of the lowest charge per kilowatt-hour offered by each public utility and each cooperative association under any of its rate schedules applicable to its residential, commercial or industrial customers or members in Nevada by the total number of public utilities and cooperative associations which furnish electricity in this State. No charges may be included for minimum billings or costs relating to standby, customers or demand. A public utility or cooperative association shall provide such information as is necessary for the Commission to determine the maximum rate for interruptible service pursuant to this section.

2. As used in this section:

(a) "Cooperative association" means a cooperative association, nonprofit cooperation or association or any other provider of services described in this chapter that supplies those services for the use of its members; and

(b) "Public utility" includes a municipal utility as defined in [NRS 702.060](#).

(Added to NRS by [1981, 1152](#); A [1987, 22](#); [2007, 2867](#))

NRS 704.310 Sale of surplus light, heat or power by person not public utility; approval by Commission.

1. Whenever any person, company, corporation or association which is not engaged in business as a public utility as defined by this chapter, and which does not furnish, sell, produce or deliver to others light, heat or power, under a franchise received from this State or from any county or municipality within this State, is able, from any surplus beyond the needs or requirements of its own business, and desires to sell, produce, furnish and deliver to any other person, company, association or corporation any light, heat or power, the person, company, association or corporation shall apply to the Commission for authority to sell, produce, furnish or deliver any such surplus light, heat or power, and shall submit to the Commission the proposed contract by which such light, heat or power is to be sold, furnished, produced or delivered.

2. The Commission shall thereupon ascertain whether it is advisable in the public interest that the contract be executed and, if the Commission approves the contract, then the person, company, corporation or association has the right to furnish, sell, produce and deliver such light,

heat or power in accordance with the terms of the contract, and does not thereby become a public utility within the meaning of this chapter, nor is it subject to the jurisdiction of the Commission.

[37:109:1919; 1919 RL p. 3166; NCL § 6138]—(NRS A [1997, 1911](#))

Policy to reduce coal plant emissions:

Reduction of Emissions From Coal-Fired Electric Generating Plants

NRS 704.7311 Definitions. As used in [NRS 704.7311](#) to [704.7322](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 704.7312](#) to [704.7315](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2013, 3074](#))

NRS 704.7312 “Coal-fired electric generating plant” defined. “Coal-fired electric generating plant” means an electric generating plant which burns coal to produce electricity and which is owned, in whole or in part, by an electric utility.

(Added to NRS by [2013, 3074](#))

NRS 704.7313 “Electric utility” defined. “Electric utility” means an electric utility that primarily serves densely populated counties, as that term is defined in paragraph (c) of subsection 17 of [NRS 704.110](#).

(Added to NRS by [2013, 3074](#))

NRS 704.7314 “Emissions reduction and capacity replacement plan” defined. “Emissions reduction and capacity replacement plan” means a plan filed by an electric utility with the Commission pursuant to [NRS 704.7316](#).

(Added to NRS by [2013, 3074](#))

NRS 704.7315 “Renewable energy facility” defined. “Renewable energy facility” means an electric generating facility that uses renewable energy to produce electricity. As used in this section, “renewable energy” has the meaning ascribed to it in [NRS 704.7811](#).

(Added to NRS by [2013, 3074](#))

NRS 704.7316 Comprehensive plan for reduction of emissions from coal-fired electric generating plants and increased capacity from renewable energy facilities and other electric generating plants; contents and requirements.

1. An electric utility shall file with the Commission, as part of the plan required to be submitted pursuant to [NRS 704.741](#), a comprehensive plan for the reduction of emissions from coal-fired electric generating plants and the replacement of the capacity of such plants with increased capacity from renewable energy facilities and other electric generating plants.

2. The emissions reduction and capacity replacement plan must provide:

(a) For the retirement or elimination of:

(1) Not less than 300 megawatts of coal-fired electric generating capacity on or before December 31, 2014;

(2) In addition to the generating capacity retired or eliminated pursuant to subparagraph (1), not less than 250 megawatts of coal-fired electric generating capacity on or before December 31, 2017; and

(3) In addition to the generating capacity retired or eliminated pursuant to subparagraphs (1) and (2), not less than 250 megawatts of coal-fired electric generating capacity on or before December 31, 2019.

↪ For the purposes of this paragraph, the generating capacity of a coal-fired electric generating plant must be determined by reference to the most recent resource plan filed by the electric utility pursuant to [NRS 704.741](#) and accepted by the Commission pursuant to [NRS 704.751](#).

(b) For the construction or acquisition of, or contracting for, 350 megawatts of electric generating capacity from renewable energy facilities. The electric utility shall:

(1) Issue a request for proposals for 100 megawatts of electric generating capacity from new renewable energy facilities on or before December 31, 2014;

(2) In addition to the request for proposals issued pursuant to subparagraph (1), issue a request for proposals for 100 megawatts of electric generating capacity from new renewable energy facilities on or before December 31, 2015;

(3) In addition to the requests for proposals issued pursuant to subparagraphs (1) and (2), issue a request for proposals for 100 megawatts of electric generating capacity from new renewable energy facilities on or before December 31, 2016;

(4) Review each proposal received pursuant to subparagraphs (1), (2) and (3) and identify those renewable energy facilities that will provide:

(I) The greatest economic benefit to this State;

(II) The greatest opportunity for the creation of new jobs in this State; and

(III) The best value to customers of the electric utility;

(5) Negotiate, in good faith, to construct, acquire or contract with the renewable energy facilities identified pursuant to subparagraph (4), and file with the Commission an amendment to the plan each time the utility wishes to construct, acquire or contract with such facilities; and

(6) Begin, on or before December 31, 2017, the construction or acquisition of a portion of new renewable energy facilities with a generating capacity of 50 megawatts to be owned and operated by the electric utility, and complete construction of such facilities on or before December 31, 2021.

↪ For the purposes of this paragraph, the generating capacity of a renewable energy facility must be determined by the nameplate capacity of the facility.

(c) For the electric utility to construct or acquire and own electric generating plants with an electric generating capacity of 550 megawatts, which must be constructed or acquired to replace, in an orderly and structured manner, the coal-fired electric generating capacity retired or eliminated pursuant to paragraph (a).

(d) If the plan includes the construction or acquisition of one or more natural gas-fired electric generating plants, a strategy for the commercially reasonable physical procurement of fixed-price natural gas by the electric utility.

(e) A plan for tracking and specifying the accounting treatment for all costs associated with the decommissioning of the coal-fired electric generating plants identified for retirement or elimination.

↪ For the purposes of this subsection, an electric utility shall be deemed to own, acquire, retire or eliminate only its pro rata portion of any electric generating facility that is not wholly owned by the electric utility and, except as otherwise provided in paragraph (b), “capacity” means an amount of firm electric generating capacity used by the electric utility for the purpose of preparing a plan filed with the Commission pursuant to [NRS 704.736](#) to [704.754](#), inclusive.

3. In addition to the requirements for an emissions reduction and capacity replacement plan set forth in subsection 2, the plan may include additional utility facilities, electric generating plants, elements or programs necessary to carry out the plan, including, without limitation:

(a) The construction of natural gas pipelines necessary for the operation of any new natural gas-fired electric generating plants included in the plan;

(b) Entering into contracts for the transportation of natural gas necessary for the operation of any natural gas-fired electric generating plants included in the plan; and

(c) The construction of transmission lines and related infrastructure necessary for the operation or interconnection of any electric generating plants included in the plan.

(Added to NRS by [2013, 3074](#))

NRS 704.7317 Electric utility required to record certain amounts in regulatory asset.

An electric utility shall, upon the completion of construction or acquisition of any electric generating plant or other facility constructed or acquired pursuant to an emissions reduction and capacity replacement plan accepted by the Commission pursuant to [NRS 704.751](#), begin recording in a regulatory asset, with carrying charges, an amount that reflects a return on the electric utility's investment in the facility, depreciation of the utility's investment in the facility and the cost of operating and maintaining the facility.

(Added to NRS by [2013, 3076](#))

NRS 704.7318 Sites used for production of electricity from coal-fired electric generating plant: Remediation or reuse; regulation of emissions from electric generating plants constructed on sites.

1. To ensure the remediation and, when possible, the reuse of any site used for the production of electricity from a coal-fired electric generating plant in this State, the Division of Environmental Protection of the State Department of Conservation and Natural Resources has exclusive jurisdiction to supervise and regulate the remediation of such sites, including, without limitation, exclusive authority to regulate and supervise the remediation of surface water and groundwater and solid-waste disposal operations located at such a site.

2. The Division of Environmental Protection has exclusive authority to regulate emissions from any electric generating plant constructed on a site previously used for the production of electricity from a coal-fired electric generating plant.

(Added to NRS by [2013, 3076](#))

NRS 704.7319 General rate proceedings filed before June 1, 2018, which include request to recover certain costs. If, in any general rate proceeding filed by an electric utility before June 1, 2018, the utility includes a request for recovery of any amount related to the implementation of an emissions reduction and capacity replacement plan and recovery of such an amount would result in an increase in the electric utility's total revenue requirement of more than 5 percent, the utility must propose a method or mechanism by which such excess may be mitigated. The Commission may accept or reject such a rate method or mechanism. If the mitigation method or mechanism is approved by the Commission, the utility shall record any deferred revenue in a regulatory asset account and may calculate carrying charges on the unamortized balance of the regulatory asset.

(Added to NRS by [2013, 3076](#))

NRS 704.732 Amendment to utility’s emissions reduction and capacity replacement plan required when utility requests approval and acceptance by Commission of contract with new renewable energy facility.

1. An electric utility shall file with the Commission an amendment to the utility’s emissions reduction and capacity replacement plan each time the utility requests approval and acceptance by the Commission of any contract with a new renewable energy facility as the result of a request for proposals pursuant to the current emissions reduction and capacity replacement plan. The Commission may approve and accept the renewable energy facility if the Commission determines that:

- (a) The facility is a renewable energy system as defined in [NRS 704.7815](#); and
- (b) The terms and conditions of the contract are just and reasonable and satisfy the capacity requirements set forth in subsection 2 of [NRS 704.7316](#).

2. In considering a contract pursuant to subsection 1, the Commission shall, in addition to considering the cost to customers of the electric utility, give consideration to those contracts or renewable energy facilities that will provide:

- (a) The greatest economic benefit to this State;
- (b) The greatest opportunity for the creation of new jobs in this State; and
- (c) The best value to customers of the electric utility.

(Added to NRS by [2013, 3077](#))

NRS 704.7321 Commission may recommend to electric utility modification of or amendment to emissions reduction and capacity replacement plan. If the Commission deems inadequate any portion of an emissions reduction and capacity replacement plan or any amendment to the plan, the Commission may recommend to the electric utility a modification of that portion of the plan or amendment, and the electric utility may:

- 1. Accept the modification; or
- 2. Withdraw the proposed plan or amendment.

(Added to NRS by [2013, 3077](#))

NRS 704.7322 Regulations. The Commission shall adopt any regulations necessary to carry out the provisions of [NRS 704.7311](#) to [704.7322](#), inclusive.

(Added to NRS by [2013, 3077](#))

Policy to encourage the purchase of renewable energy and reduce energy consumption:

Portfolio Standard

NRS 704.7801 Definitions. As used in [NRS 704.7801](#) to [704.7828](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 704.7802](#) to [704.7819](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2001, 2526](#); A [2003, 806, 1874](#); [2005, 22nd Special Session, 82](#); [2009, 996](#))

NRS 704.7802 “Energy efficiency measure” defined.

1. “Energy efficiency measure” means any measure designed, intended or used to improve energy efficiency:

- (a) If:
 - (1) The measure is installed or implemented on or after January 1, 2005, at the service location of or for a retail customer of a provider of electric service in this State;

(2) The measure reduces the consumption of energy by one or more retail customers;
and

(3) The costs of the acquisition, installation or implementation of the measure are directly reimbursed, in whole or in part, by the provider of electric service, or by a customer of a provider of new electric resources pursuant to [chapter 704B](#) of NRS; or

(b) Which is a geothermal energy system for the provision of heated water to one or more customers and which reduces the consumption of electricity or any fossil fuel, regardless of when constructed.

2. The term does not include any demand response measure or load limiting measure that shifts the consumption of energy by a retail customer from one period to another period.

(Added to NRS by [2005, 22nd Special Session, 80](#); A [2007, 413, 2986](#); [2011, 230](#))

NRS 704.7803 “Portfolio energy credit” defined. “Portfolio energy credit” means any credit which a provider has earned from a portfolio energy system or efficiency measure and which the provider is entitled to use to comply with its portfolio standard, as determined by the Commission.

(Added to NRS by [2005, 22nd Special Session, 80](#))

NRS 704.7804 “Portfolio energy system or efficiency measure” defined. “Portfolio energy system or efficiency measure” means:

1. Any renewable energy system:

(a) Placed into operation before July 1, 1997, if a provider of electric service used electricity generated or acquired from the renewable energy system to satisfy its portfolio standard before July 1, 2009; or

(b) Placed into operation on or after July 1, 1997; or

2. Any energy efficiency measure installed on or before December 31, 2019.

(Added to NRS by [2005, 22nd Special Session, 80](#); A [2013, 2318](#))

NRS 704.7805 “Portfolio standard” defined. “Portfolio standard” means the amount of electricity that a provider must generate, acquire or save from portfolio energy systems or efficiency measures, as established by the Commission pursuant to [NRS 704.7821](#) and [704.78213](#).

(Added to NRS by [2001, 2527](#); A [2003, 1875](#); [2005, 22nd Special Session, 82](#); [2009, 996](#))

NRS 704.7808 “Provider of electric service” and “provider” defined.

1. “Provider of electric service” and “provider” mean any person or entity that is in the business of selling electricity to retail customers for consumption in this State, regardless of whether the person or entity is otherwise subject to regulation by the Commission.

2. The term includes, without limitation, a provider of new electric resources that is selling electricity to an eligible customer for consumption in this State pursuant to the provisions of [chapter 704B](#) of NRS.

3. The term does not include:

(a) This State or an agency or instrumentality of this State.

(b) A rural electric cooperative established pursuant to [chapter 81](#) of NRS.

(c) A general improvement district established pursuant to [chapter 318](#) of NRS.

(d) A utility established pursuant to [chapter 709](#) or [710](#) of NRS.

(e) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to [NRS 704.673](#) and which provides service only to its members.

(f) A landlord of a mobile home park or owner of a company town who is subject to any of the provisions of [NRS 704.905](#) to [704.960](#), inclusive.

(g) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this State.

(Added to NRS by [2001, 2527](#); A [2001, 3273](#))

NRS 704.7809 “Qualified energy recovery process” defined.

1. “Qualified energy recovery process” means a system with a nameplate capacity of not more than 15 megawatts that converts the otherwise lost energy from:

(a) The heat from exhaust stacks or pipes used for engines or manufacturing or industrial processes; or

(b) The reduction of high pressure in water or gas pipelines before the distribution of the water or gas,

↳ to generate electricity if the system does not use additional fossil fuel or require a combustion process to generate such electricity.

2. The term does not include any system that uses energy, lost or otherwise, from a process whose primary purpose is the generation of electricity, including, without limitation, any process involving engine-driven generation or pumped hydrogeneration.

(Added to NRS by [2003, 1874](#))

NRS 704.7811 “Renewable energy” defined.

1. “Renewable energy” means:

(a) Biomass;

(b) Geothermal energy;

(c) Solar energy;

(d) Waterpower; and

(e) Wind.

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

3. As used in this section, “waterpower” means power derived from standing, running or falling water which is used for any plant, facility, equipment or system to generate electricity if the generating capacity of the plant, facility, equipment or system is not more than 30 megawatts. Except as otherwise provided in this subsection, the term includes, without limitation, power derived from water that has been pumped from a lower to a higher elevation if the generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts. The term does not include power:

(a) Derived from water stored in a reservoir by a dam or similar device, unless:

(1) The water is used exclusively for irrigation;

(2) The dam or similar device was in existence on January 1, 2003; and

(3) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts;

(b) That requires a new or increased appropriation or diversion of water for its creation; or

(c) That requires the use of any fossil fuel for its creation, unless:

(1) The primary purpose of the use of the fossil fuel is not the creation of the power; and

(2) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts.

(Added to NRS by [2001, 2527](#); A [2003, 1875](#))

NRS 704.7815 “Renewable energy system” defined. “Renewable energy system” means:

1. A facility or energy system that uses renewable energy or energy from a qualified energy recovery process to generate electricity and:

(a) Uses the electricity that it generates from renewable energy or energy from a qualified recovery process in this State; or

(b) Transmits or distributes the electricity that it generates from renewable energy or energy from a qualified energy recovery process to a provider of electric service for delivery into and use in this State.

2. A solar energy system that reduces the consumption of electricity or any fossil fuel.

3. A net metering system used by a customer-generator pursuant to [NRS 704.766](#) to [704.775](#), inclusive.

(Added to NRS by [2001, 2527](#); A [2001, 3274](#); [2003, 1866, 1875](#); [2005, 22nd Special Session, 82](#); [2009, 996, 1399](#); [2011, 1943](#))

NRS 704.7818 “Retail customer” defined.

1. “Retail customer” means an end-use customer that purchases electricity for consumption in this state.

2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of [chapter 704B](#) of NRS.

(b) A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of [chapter 704B](#) of NRS.

(c) A landlord of a mobile home park or owner of a company town who is subject to any of the provisions of [NRS 704.905](#) to [704.960](#), inclusive.

(d) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.

(Added to NRS by [2001, 2527](#); A [2001, 3274](#))

NRS 704.7819 “Utility provider” defined. “Utility provider” means a provider of electric service that is a public utility.

(Added to NRS by [2005, 22nd Special Session, 80](#))

NRS 704.7821 Establishment of portfolio standard; requirements; treatment of certain solar energy systems; portfolio energy credits; renewable energy contracts and energy efficiency contracts; exemptions; regulations.

1. For each provider of electric service, the Commission shall establish a portfolio standard. The portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:

(a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(f) For calendar years 2015 through 2019, inclusive, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(g) For calendar years 2020 through 2024, inclusive, not less than 22 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(h) For calendar year 2025 and for each calendar year thereafter, not less than 25 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:

(a) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than:

(1) For calendar years 2009 through 2015, inclusive, 5 percent of that amount must be generated or acquired from solar renewable energy systems.

(2) For calendar year 2016 and for each calendar year thereafter, 6 percent of that amount must be generated or acquired from solar renewable energy systems.

(b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures:

(1) During calendar years 2013 and 2014, not more than 25 percent of that amount may be based on energy efficiency measures;

(2) During each calendar year 2015 to 2019, inclusive, not more than 20 percent of that amount may be based on energy efficiency measures;

(3) During each calendar year 2020 to 2024, inclusive, not more than 10 percent of that amount may be based on energy efficiency measures; and

(4) For calendar year 2025 and each calendar year thereafter, no portion of that amount may be based on energy efficiency measures.

↪ If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

(c) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. If, for the benefit of one or more retail customers in this State, the provider has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

5. Except as otherwise provided in subsection 6, each provider shall comply with its portfolio standard during each calendar year.

6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.

7. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

8. Except as otherwise provided in [NRS 704.78213](#), the provisions of this section do not apply to a provider of new electric resources as defined in [NRS 704B.130](#).

9. As used in this section:

(a) “Energy efficiency contract” means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) “Renewable energy contract” means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) “Terms and conditions” includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

(Added to NRS by [2001, 2528](#); A [2003, 1866, 1876](#); [2005, 22nd Special Session, 82](#); [2007, 414](#); [2009, 996, 1399](#); [2013, 2318](#))

NRS 704.78213 Establishment of portfolio standard for providers of new electric resources; requirements; treatment of certain solar energy systems.

1. If the Commission issues an order approving an application that is filed pursuant to [NRS 704B.310](#) or a request that is filed pursuant to [NRS 704B.325](#) regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, acquire or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in [NRS 704.7821](#) which is effective on the date on which the order approving the application or request is approved.

2. Of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures.

3. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. As used in this section:

(a) “Eligible customer” has the meaning ascribed to it in [NRS 704B.080](#).

(b) “Provider of new electric resources” has the meaning ascribed to it in [NRS 704B.130](#).

(Added to NRS by [2009, 992](#))

NRS 704.78215 Calculation of portfolio energy credits.

1. Except as otherwise provided in this section or by specific statute, a provider is entitled to one portfolio energy credit for each kilowatt-hour of electricity that the provider generates, acquires or saves from a portfolio energy system or efficiency measure.

2. The Commission may adopt regulations that give a provider more than one portfolio energy credit for each kilowatt-hour of electricity saved by the provider during its peak load period from energy efficiency measures.

3. Except as otherwise provided in this subsection, for portfolio energy systems placed into operation on or after January 1, 2016, the amount of electricity generated or acquired from a portfolio energy system does not include the amount of any electricity used by the portfolio energy system for its basic operations that reduce the amount of renewable energy delivered to the transmission grid for distribution and sale to customers of the provider. The provisions of this subsection do not apply to a portfolio energy system placed into operation on or after January 1, 2016, if a provider entered into a contract for the purchase of electricity generated by the

portfolio energy system on or before December 31, 2012. For the purposes of this subsection, the amount of any electricity used by a portfolio energy system for its basic operations:

(a) Except as otherwise provided in paragraph (b), includes electricity used for the heating, lighting, air-conditioning and equipment of a building located on the site of the portfolio energy system, and for operating any other equipment located on such site.

(b) Does not include the electricity used by a portfolio energy system that generates electricity from geothermal energy for the extraction and transportation of geothermal brine or used to pump or compress geothermal brine.

(Added to NRS by [2005, 22nd Special Session, 80](#); A [2013, 2320, 3503](#))

NRS 704.7822 Calculation of electricity generated or acquired from certain solar photovoltaic systems. For the purpose of complying with a portfolio standard established pursuant to [NRS 704.7821](#) or [704.78213](#), a provider shall be deemed to have generated or acquired 2.4 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a solar photovoltaic system, if:

1. The system is installed on the premises of a retail customer;
2. The system was placed into operation on or before December 31, 2015; and
3. On an annual basis, at least 50 percent of the electricity generated by the system is utilized by the retail customer on that premises.

(Added to NRS by [2003, 805](#); A [2009, 999](#); [2013, 2321](#))

NRS 704.7823 System that draws or creates electricity from tires deemed not to be renewable energy system; exception; calculation of electricity generated or acquired from certain systems that utilize reverse polymerization process.

1. Except as otherwise provided in subsection 2, any electricity generated by a provider using any system that involves drawing or creating electricity from tires must be deemed to have not come from a renewable energy system for the purpose of complying with a portfolio standard established pursuant to [NRS 704.7821](#) or [704.78213](#).

2. For the purpose of complying with a portfolio standard established pursuant to [NRS 704.7821](#) or [704.78213](#), a provider shall be deemed to have generated or acquired 0.7 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a system that utilizes a reverse polymerization process, if:

(a) The system is installed on the premises of a retail customer; and

(b) On an annual basis, at least 50 percent of the electricity generated by the system is utilized by the retail customer on that premises.

3. As used in this section:

(a) “Reverse polymerization process” means a process that generates electricity from a tire that:

(1) Uses microwave reduction; and

(2) Does not involve combustion of the tire.

(b) “Tire” includes any tire for any vehicle or device in, upon or by which any person or property is or may be transported or drawn upon land.

(Added to NRS by [2003, 805](#); A [2009, 999](#))

NRS 704.7825 Reports.

1. Each provider of electric service shall submit to the Commission an annual report that provides information relating to the actions taken by the provider to comply with its portfolio standard.

2. Each provider shall submit the annual report to the Commission after the end of each calendar year and within the time prescribed by the Commission. The report must be submitted in a format approved by the Commission.

3. The Commission may adopt regulations that require providers to submit to the Commission additional reports during each calendar year.

4. Each annual report and each additional report must include clear and concise information that sets forth:

(a) The amount of electricity which the provider generated, acquired or saved from portfolio energy systems or efficiency measures during the reporting period and, if applicable, the amount of portfolio energy credits that the provider acquired, sold or traded during the reporting period to comply with its portfolio standard;

(b) The capacity of each renewable energy system owned, operated or controlled by the provider, the total amount of electricity generated by each such system during the reporting period and the percentage of that total amount which was generated directly from renewable energy;

(c) Whether, during the reporting period, the provider began construction on, acquired or placed into operation any renewable energy system and, if so, the date of any such event;

(d) Whether, during the reporting period, the provider participated in the acquisition or installation of any energy efficiency measures and, if so, the date of any such event; and

(e) Any other information that the Commission by regulation may deem relevant.

5. Based on the reports submitted by providers pursuant to this section, the Commission shall compile information that sets forth whether any provider has used energy efficiency measures to comply with its portfolio standard and, if so, the type of energy efficiency measures used and the amount of energy savings attributable to each such energy efficiency measure. The Commission shall report such information to:

(a) The Legislature, not later than the first day of each regular session; and

(b) The Legislative Commission, if requested by the Chair of the Commission.

(Added to NRS by [2001, 2529](#); A [2005, 22nd Special Session, 85](#))

NRS 704.7827 Temporary renewable energy development program.

1. The Commission may adopt regulations to establish a temporary renewable energy development program that is designed to assist with the completion of new renewable energy projects.

2. The Commission may require a utility provider to participate in a temporary renewable energy development program.

3. If the Commission adopts regulations establishing a temporary renewable energy development program, the program may include, without limitation:

(a) The establishment of a private trust administered by an independent trustee; and

(b) The payment of money from the private trust to carry out the terms and conditions of renewable energy contracts approved by the Commission between a utility provider and one or more new renewable energy projects.

4. If a utility provider is participating in a temporary renewable energy development program, the utility provider may apply to the Commission for authority to close the program to new renewable energy projects if the utility provider has achieved an investment grade credit

rating as determined by either Moody's Investors Service, Inc., or Standard and Poor's Rating Services and has maintained that credit rating for 24 consecutive months.

5. The Commission may grant an application to close a temporary renewable energy development program only after finding that the creditworthiness of the utility provider is sufficiently restored so that closure of the program to new renewable energy projects is in the public interest.

6. An order issued by the Commission closing a temporary renewable energy development program to new renewable energy projects is not effective as to any new renewable energy project which has previously been accepted into the program and which is receiving money from a private trust established under the program until the earlier of:

(a) The expiration or termination of the original renewable energy contract approved by the Commission between the utility provider and the new renewable energy project; or

(b) The original financing, including debt, equity, or both debt and equity, as applicable, entered into by the new renewable energy project upon completion of construction of the project has been fully satisfied pursuant to its original terms.

7. As used in this section, "new renewable energy project" means a project to construct a renewable energy system if:

(a) The project is associated with one or more renewable energy contracts approved by the Commission pursuant to [NRS 704.7821](#); and

(b) Construction on the project commenced on or after July 1, 2001.

(Added to NRS by [2005, 22nd Special Session, 81](#))

NRS 704.7828 Regulations; authority to carry forward or sell excess electricity; enforcement; administrative fines.

1. The Commission shall adopt regulations to carry out and enforce the provisions of [NRS 704.7801](#) to [704.7828](#), inclusive. The regulations adopted by the Commission may include any enforcement mechanisms which are necessary and reasonable to ensure that each provider of electric service complies with its portfolio standard. Such enforcement mechanisms may include, without limitation, the imposition of administrative fines.

2. If a provider exceeds the portfolio standard for any calendar year:

(a) The Commission shall authorize the provider to carry forward to subsequent calendar years for the purpose of complying with the portfolio standard for those subsequent calendar years any excess kilowatt-hours of electricity that the provider generates, acquires or saves from portfolio energy systems or efficiency measures;

(b) By more than 10 percent but less than 25 percent of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year, the provider may sell any portfolio energy credits which are in excess of 10 percent of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year; and

(c) By 25 percent or more of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year, the provider shall use reasonable efforts to sell any portfolio energy credits which are in excess of 25 percent of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year.

↪ Any money received by a provider from the sale of portfolio energy credits pursuant to paragraphs (b) and (c) must be credited against the provider's costs for purchased fuel and purchased power pursuant to [NRS 704.187](#) in the same calendar year in which the money is

received, less any verified administrative costs incurred by the provider to make the sale, including any costs incurred to qualify the portfolio energy credits for potential sale regardless of whether such sales are made.

3. If a provider does not comply with its portfolio standard for any calendar year and the Commission has not exempted the provider from the requirements of its portfolio standard pursuant to [NRS 704.7821](#) or [704.78213](#), the Commission:

(a) Shall require the provider to carry forward to subsequent calendar years the amount of the deficiency in kilowatt-hours of electricity that the provider does not generate, acquire or save from portfolio energy systems or efficiency measures during a calendar year in violation of its portfolio standard; and

(b) May impose an administrative fine against the provider or take other administrative action against the provider, or do both.

4. Except as otherwise provided in subsection 5, the Commission may impose an administrative fine against a provider based upon:

(a) Each kilowatt-hour of electricity that the provider does not generate, acquire or save from portfolio energy systems or efficiency measures during a calendar year in violation of its portfolio standard; or

(b) Any other reasonable formula adopted by the Commission.

5. If a provider sells any portfolio energy credits pursuant to paragraph (b) or (c) of subsection 2 in any calendar year in which the Commission determines that the provider did not comply with its portfolio standard, the Commission shall not make any adjustment to the provider's expenses or revenues and shall not impose on the provider any administrative fine authorized by this section for that calendar year if:

(a) In the calendar year immediately preceding the calendar year in which the portfolio energy credits were sold, the amount of portfolio energy credits held by the provider and attributable to electricity generated, acquired or saved from portfolio energy systems or efficiency measures by the provider exceeded the amount of portfolio energy credits necessary to comply with the provider's portfolio standard by more than 10 percent;

(b) The price received for any portfolio energy credits sold by the provider was not lower than the most recent value of portfolio energy credits, net of any energy value if the price was for bundled energy and credits, as determined by reference to the last long-term renewable purchased power agreements approved by the Commission in the most recent proceeding that included such agreements; and

(c) The provider would have complied with the portfolio standard in the relevant year even after the sale of portfolio energy credits based on the load forecast of the provider at the time of the sale.

6. In the aggregate, the administrative fines imposed against a provider for all violations of its portfolio standard for a single calendar year must not exceed the amount which is necessary and reasonable to ensure that the provider complies with its portfolio standard, as determined by the Commission.

7. If the Commission imposes an administrative fine against a utility provider:

(a) The administrative fine is not a cost of service of the utility provider;

(b) The utility provider shall not include any portion of the administrative fine in any application for a rate adjustment or rate increase; and

(c) The Commission shall not allow the utility provider to recover any portion of the administrative fine from its retail customers.

8. All administrative fines imposed and collected pursuant to this section must be deposited in the State General Fund.

(Added to NRS by [2001, 2530](#); A [2005, 22nd Special Session, 85](#); [2009, 999](#); [2013, 2321](#))

Energy Efficiency and Conservation Programs

NRS 704.785 Adoption of regulations authorizing electric utility to recover amount based on effects of implementing energy efficiency and conservation programs; limitations.

1. The Commission shall adopt regulations authorizing an electric utility to recover an amount based on the measurable and verifiable effects of the implementation by the electric utility of energy efficiency and conservation programs approved by the Commission, which:

(a) Must include:

(1) The costs reasonably incurred by the electric utility in implementing and administering the energy efficiency and conservation programs; and

(2) Any financial disincentives relating to other supply alternatives caused or created by the reasonable implementation of the energy efficiency and conservation programs; and

(b) May include any financial incentives to support the promotion of the participation of the customers of the electric utility in the energy efficiency and conservation programs.

2. When considering whether to approve an energy efficiency or conservation program proposed by an electric utility as part of a plan filed pursuant to [NRS 704.741](#), the Commission shall consider the effect of any recovery by the electric utility pursuant to this section on the rates of the customers of the electric utility.

3. The regulations adopted pursuant to this section must not:

(a) Affect the electric utility's incentives and allowed returns in areas not affected by the implementation of energy efficiency and conservation programs; or

(b) Authorize the electric utility to earn more than the rate of return authorized by the Commission in the most recently completed rate case of the electric utility.

4. As used in this section, "electric utility" has the meaning ascribed to it in [NRS 704.187](#).

(Added to NRS by [2009, 1391](#))

NRS 704.786 Lower Income Solar Energy Pilot Program: Creation required by each electric utility in State. [Effective through December 31, 2025.]

1. Each electric utility in this State shall create a Lower Income Solar Energy Pilot Program for the purpose of installing, before January 1, 2017, distributed generation systems with a cumulative capacity of at least 1 megawatt at locations throughout its service territory which benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and schools with significant populations of low-income pupils. Each electric utility shall submit the Program as part of its annual plan submitted pursuant to [NRS 701B.230](#). The Commission shall approve the Program with such modifications and upon such terms and conditions as the Commission deems necessary or appropriate to enable the Program to meet the purposes set forth in this subsection.

2. The Office of Energy shall advise the Commission and each electric utility regarding grants and other sources of money available to defray the costs of the Program.

3. As used in this section, "distributed generation system" has the meaning ascribed to it in [NRS 701B.055](#).

(Added to NRS by [2013, 3341](#))

Policy to streamline/coordinate permitting of utility facilities, exemption of some renewable generation:

CONSTRUCTION OF UTILITY FACILITIES: UTILITY ENVIRONMENTAL PROTECTION ACT

NRS 704.820 Short title. [NRS 704.820](#) to [704.900](#), inclusive, shall be known and may be cited as the Utility Environmental Protection Act.

(Added to NRS by 1971, 554)

NRS 704.825 Declaration of legislative findings and purpose.

1. The Legislature hereby finds and declares that:

(a) There is at present and will continue to be a growing need for electric, gas and water services which will require the construction of new facilities. It is recognized that such facilities cannot be built without in some way affecting the physical environment where such facilities are located.

(b) It is essential in the public interest to minimize any adverse effect upon the environment and upon the quality of life of the people of the State which such new facilities might cause.

(c) Present laws and practices relating to the location of such utility facilities should be strengthened to protect environmental values and to take into account the total cost to society of such facilities.

(d) Existing provisions of law may not provide adequate opportunity for natural persons, groups interested in conservation and the protection of the environment, state and regional agencies, local governments and other public bodies to participate in proceedings regarding the location and construction of major facilities.

2. The Legislature, therefore, hereby declares that it is the purpose of [NRS 704.820](#) to [704.900](#), inclusive, to provide a forum for the expeditious resolution of all matters concerning the location and construction of electric, gas and water transmission lines and associated facilities.

(Added to NRS by 1971, 554; A [1985, 2051](#); [1997, 489, 1914](#))

NRS 704.830 Definitions. As used in [NRS 704.820](#) to [704.900](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 704.834](#) to [704.860](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 1971, 554; A 1973, 1263; [1985, 2298](#); [2001, 2986](#))

NRS 704.834 “Appropriate federal agency” defined. “Appropriate federal agency” means a federal agency responsible for the enforcement of environmental laws whose approval is required for the construction of a utility facility.

(Added to NRS by [2001, 2984](#))

NRS 704.840 “Commence to construct” defined. “Commence to construct” means any clearing of land, excavation or other action which would adversely affect the natural environment of the site or route of a utility facility, but does not include changes needed for temporary use of sites or routes for nonutility purposes, or uses in securing geological data, including necessary borings to ascertain foundation conditions.

(Added to NRS by 1971, 555)

NRS 704.842 “Environmental review” defined. “Environmental review” includes, without limitation, an environmental assessment and environmental impact statement.

(Added to NRS by [2001, 2984](#))

NRS 704.845 “Local government” defined. “Local government” means any county, municipality, district, agency or other unit of local government in Nevada.

(Added to NRS by 1971, 555; A [1991, 376](#))

NRS 704.848 “Other permitting entity” defined.

1. “Other permitting entity” means any state or local entity:

(a) That is responsible for the enforcement of environmental laws and whose approval is required for the construction of a utility facility, including, without limitation, the State Environmental Commission, the State Department of Conservation and Natural Resources and a local air pollution control board; or

(b) Whose approval is required for granting any variance, special use permit, conditional use permit or other special exception under [NRS 278.010](#) to [278.319](#), inclusive, or [278.640](#) to [278.675](#), inclusive, or any regulation or ordinance adopted pursuant thereto, that is required for the construction of a utility facility.

2. The term does not include the Commission or the State Engineer.

(Added to NRS by [2001, 2984](#); A [2013, 3211](#))

NRS 704.850 “Person” defined. “Person” includes a natural person, corporation, partnership, public utility, government, governmental agency, political subdivision of a government and any other entity that seeks to construct a utility facility.

(Added to NRS by 1971, 555; A [1985, 539](#); [1997, 1914](#))

NRS 704.855 “Public utility” and “utility” defined.

1. “Public utility” or “utility” includes those public utilities defined in [NRS 704.020](#) and not excluded by [NRS 704.021](#) and any oil pipeline carrier described and regulated under [chapter 708](#) of NRS.

2. “Public utility” does not include plants or equipment used to generate electrical energy that is wholly consumed on the premises of and by the producer thereof.

(Added to NRS by 1971, 555; A 1973, 1035; [1983, 2003](#); [1985, 2051, 2298](#); [1987, 288](#); [1997, 1914](#))

NRS 704.860 “Utility facility” defined. “Utility facility” means:

1. Electric generating plants and their associated facilities, except electric generating plants and their associated facilities which use or will use renewable energy, as defined in [NRS 704.7811](#), as their primary source of energy to generate electricity and which have or will have a nameplate capacity of not more than 70 megawatts, including, without limitation, a net metering system, as defined in [NRS 704.771](#). As used in this subsection, “associated facilities” includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.

2. Electric transmission lines and transmission substations that:

(a) Are designed to operate at 200 kilovolts or more;

(b) Are not required by local ordinance to be placed underground; and

(c) Are constructed outside any incorporated city.

3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside any incorporated city.

4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.

5. Sewer transmission and treatment facilities.

(Added to NRS by 1971, 555; A [1979, 671](#); [1985, 2051](#); [1991, 376](#); [1997, 489](#), [1915](#); [2001, 2986](#); [2005, 1818](#); [2007, 1774](#), [3007](#); [2009, 2752](#))

NRS 704.863 Applicability.

1. Notwithstanding any specific statute, regulation or ordinance to the contrary, the process for the issuance by the Commission or any other permitting entity of a permit, license or other approval for the construction of a utility facility which is subject to the provisions of [NRS 704.820](#) to [704.900](#), inclusive, must be conducted in accordance with those provisions.

2. No provision of [NRS 704.820](#) to [704.900](#), inclusive, exempts or is intended to exempt the construction of a utility facility from any requirements that are or may be imposed on the construction of the utility facility by the Federal Government.

(Added to NRS by [2001, 2985](#))

NRS 704.865 Permit required to construct utility facility; transfer of permit; exemptions; waiver of exemption.

1. A person, other than a local government, shall not commence to construct a utility facility in the State without first having obtained a permit therefor from the Commission. The replacement of an existing facility with a like facility, as determined by the Commission, does not constitute construction of a utility facility. Any facility, with respect to which a permit is required, must thereafter be constructed, operated and maintained in conformity with the permit and any terms, conditions and modifications contained therein. A permit may only be issued pursuant to [NRS 704.820](#) to [704.900](#), inclusive. Any authorization relating to a utility facility granted under other laws administered by the Commission constitutes a permit under those sections if the requirements of those sections have been complied with in the proceedings leading to the granting of the authorization.

2. A permit may be transferred, subject to the approval of the Commission, to a person who agrees to comply with the terms, conditions and modifications contained therein.

3. [NRS 704.820](#) to [704.900](#), inclusive, do not apply to any utility facility:

(a) For which, before July 1, 1971, an application for the approval of the facility has been made to any federal, state, regional or local governmental agency which possesses the jurisdiction to consider the matters prescribed for finding and determination in [NRS 704.890](#);

(b) For which, before July 1, 1971, a governmental agency has approved the construction of the facility and the person has incurred indebtedness to finance all or part of the cost of the construction;

(c) Over which an agency of the Federal Government has exclusive jurisdiction; or

(d) Owned by a supplier of services described in [NRS 704.673](#) or [704.675](#) that:

(1) Is not jointly owned by or with an entity that is not such a supplier of services; and

(2) Is subject to the provisions of the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321 et seq.

4. Any person intending to construct a utility facility excluded from [NRS 704.820](#) to [704.900](#), inclusive, pursuant to paragraph (a) or (b) of subsection 3 may elect to waive the exclusion by delivering notice of its waiver to the Commission. [NRS 704.820](#) to [704.900](#), inclusive, thereafter apply to each utility facility identified in the notice from the date of its receipt by the Commission.

(Added to NRS by 1971, 555; A [1985, 2299](#); [1991, 376](#); [2007, 832](#))

NRS 704.870 Requirements for filing application: Form and contents; procedure when federal agency is required to conduct environmental analysis; time for filing application; service; public notice.

1. Except as otherwise provided in subsection 2, a person who wishes to obtain a permit for a utility facility must file with the Commission an application, in such form as the Commission prescribes, containing:

(a) A description of the location and of the utility facility to be built thereon;
(b) A summary of any studies which have been made of the environmental impact of the facility; and

(c) A description of any reasonable alternate location or locations for the proposed facility, a description of the comparative merits or detriments of each location submitted, and a statement of the reasons why the primary proposed location is best suited for the facility.

↪ A copy or copies of the studies referred to in paragraph (b) must be filed with the Commission and be available for public inspection.

2. If a person wishes to obtain a permit for a utility facility and a federal agency is required to conduct an environmental analysis of the proposed utility facility, the person must:

(a) Not later than the date on which the person files with the appropriate federal agency an application for approval for the construction of the utility facility, file with the Commission and each other permitting entity a notice, in such a form as the Commission or other permitting entity prescribes; and

(b) Not later than 30 days after the issuance by the appropriate federal agency of either the final environmental assessment or final environmental impact statement, but not the record of decision or similar document, relating to the construction of the utility facility:

(1) File with the Commission an application that complies with the provisions of subsection 1; and

(2) File with each other permitting entity an application for a permit, license or other approval for the construction of the utility facility.

3. A copy of each application filed with the Commission must be filed with the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

4. Each application filed with the Commission must be accompanied by:

(a) Proof of service of a copy of the application on the clerk of each local government in the area in which any portion of the facility is to be located, both as primarily and as alternatively proposed; and

(b) Proof that public notice thereof was given to persons residing in the municipalities entitled to receive notice pursuant to paragraph (a) by the publication of a summary of the application in newspapers published and distributed in the area in which the utility facility is proposed to be located.

5. Not later than 5 business days after the Commission receives an application pursuant to this section, the Commission shall issue a notice concerning the application. Any person who wishes to become a party to a permit proceeding pursuant to [NRS 704.885](#) must file with the Commission the appropriate document required by [NRS 704.885](#) within the time frame set forth in the notice issued by the Commission pursuant to this subsection.

(Added to NRS by 1971, 556; A 1973, 1263; [1981, 662](#); [1985, 2299](#); [1997, 5](#), [1915](#); [2001, 2987](#); [2003, 1258](#); [2013, 3211](#))

NRS 704.871 Approval of application for utility facility not intended to serve customers in State. If the Commission approves an application submitted by a public utility pursuant to [NRS 704.820](#) to [704.900](#), inclusive, for a utility facility which is not intended to serve customers in this State and the cost of which will not be included in the rates of that public utility, the public utility is not required to include the utility facility in any plan filed pursuant to [NRS 704.741](#).

(Added to NRS by [2013, 3210](#))

NRS 704.873 Commission has exclusive jurisdiction to determine need for utility facilities of certain public utilities; other permitting entities precluded from considering need. If a public utility that is subject to the provisions of [NRS 704.736](#) to [704.754](#), inclusive, applies to the Commission for a permit for the construction of a utility facility:

1. The Commission has exclusive jurisdiction with regard to the determination of whether a need exists for the utility facility; and

2. No other permitting entity may consider, in its review of any application for a permit, license or other approval for the construction of the utility facility, whether a need exists for the utility facility.

(Added to NRS by [2001, 2985](#); A [2009, 1000](#))

NRS 704.875 Review of application by Division of Environmental Protection of State Department of Conservation and Natural Resources. The Division of Environmental Protection of the State Department of Conservation and Natural Resources shall review each application filed and may participate in any proceeding held pursuant to [NRS 704.880](#).

(Added to NRS by 1971, 556; A 1973, 1264; [1997, 6](#))

NRS 704.877 Duty to accept and incorporate findings and conclusions of environmental review that already has been conducted; duplicative review prohibited; exception; duty to cooperate and coordinate to avoid duplication of activities.

1. Except as otherwise provided in this subsection, if an environmental review relating to the construction of a utility facility in its entirety, or to the construction of any portion of a utility facility, has already been conducted by an appropriate federal agency or by a state, regional or local agency, the Commission and each other permitting entity:

(a) Shall accept and incorporate the findings and conclusions made in that review into any application for a permit, license or other approval for the construction of the utility facility which is filed with the Commission or other permitting entity; and

(b) Shall not conduct any duplicative environmental review on the application.

↪ The Commission or other permitting entity need not comply with the provisions of this subsection if the Commission or other permitting entity has already completed its own environmental review.

2. The Commission and other permitting entities shall cooperate with each other and the appropriate federal agencies on applications for permits, licenses and other approvals to construct a utility facility and coordinate their activities, including, without limitation, conducting hearings or environmental reviews, to avoid duplication of activities.

(Added to NRS by [2001, 2985](#))

NRS 704.880 Power of Commission to dispense with hearing for certain applications; practice and procedure at hearings. The Commission, in its discretion, may dispense with the hearing on the application if, upon the expiration of the time fixed in the notice thereof, no

protest against the granting of the permit has been filed by or in behalf of any interested party. The conduct of the hearing shall be the same as set forth in the applicable Rules of Practice and Procedure before the Commission.

(Added to NRS by 1971, 556)

NRS 704.885 Parties to proceeding for permit; limited appearance; intervention.

1. The parties to a permit proceeding include:

(a) The applicant.

(b) The Division of Environmental Protection of the State Department of Conservation and Natural Resources.

(c) Each local government entitled to receive service of a copy of the application pursuant to subsection 4 of [NRS 704.870](#), if it has filed with the Commission a notice of intervention as a party, within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#).

(d) Any natural person residing in a local government entitled to receive service of a copy of the application pursuant to subsection 4 of [NRS 704.870](#), if such a person has petitioned the Commission for leave to intervene as a party within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#) and if the petition has been granted by the Commission for good cause shown.

(e) Any domestic nonprofit corporation or association, formed in whole or in part to promote conservation of natural beauty, to protect the environment, personal health or other biological values, to preserve historical sites, to promote consumer interests, to represent commercial and industrial groups, or to promote the orderly development of the areas in which the facility is to be located, if it has filed with the Commission a notice of intent to be a party within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#).

2. Any person may make a limited appearance in the proceeding by filing a statement of position within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#). A statement filed by a person making a limited appearance becomes part of the record. No person making a limited appearance has the right to present oral testimony or cross-examine witnesses.

3. The Commission may, for good cause shown, grant a petition for leave to intervene as a party to participate in subsequent phases of the proceeding, filed by a municipality, government agency, person or organization who is identified in paragraph (c), (d) or (e) of subsection 1, but who failed to file in a timely manner a notice of intervention, a petition for leave to intervene or a notice of intent to be a party, as the case may be.

(Added to NRS by 1971, 556; A 1973, 910, 1265, 1837; [1977, 215](#); [1985, 2300](#); [1997, 6, 1916](#); [2001, 2987](#); [2003, 1259](#))

NRS 704.890 Grant or denial of application: Required findings; conditions and modifications.

1. Except as otherwise provided in subsection 3, the Commission may not grant a permit for the construction, operation and maintenance of a utility facility, either as proposed or as modified by the Commission, to a person unless it finds and determines:

(a) The nature of the probable effect on the environment;

(b) If the utility facility emits greenhouse gases and does not use renewable energy as its primary source of energy to generate electricity, the extent to which the facility is needed to ensure reliable utility service to customers in this State;

(c) That the need for the facility balances any adverse effect on the environment;

(d) That the facility represents the minimum adverse effect on the environment, considering the state of available technology and the nature and economics of the various alternatives;

(e) That the location of the facility as proposed conforms to applicable state and local laws and regulations issued thereunder and the applicant has obtained, or is in the process of obtaining, all other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances; and

(f) That the facility will serve the public interest.

2. If the Commission determines that the location of all or a part of the proposed facility should be modified, it may condition its permit upon such a modification. If the applicant has not obtained all the other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances as of the date on which the Commission decides to issue a permit, the Commission shall condition its permit upon the applicant obtaining those permits and approvals.

3. The requirements set forth in paragraph (f) of subsection 1 do not apply to any application for a permit which is filed by a state government or political subdivision thereof.

4. As used in this section, "renewable energy" has the meaning ascribed to it in [NRS 704.7811](#).

(Added to NRS by 1971, 557; A [1983, 887](#); [1985, 2301](#); [1997, 1916](#); [2001, 2988](#); [2009, 2753](#))

NRS 704.8905 Grant or denial of application: Time within which Commission and other permitting entities must act; determination upon record; terms, conditions and modifications; service of Commission order.

1. Except as otherwise required to comply with federal law:

(a) Not later than 150 days after a person has filed an application regarding a utility facility pursuant to subsection 1 of [NRS 704.870](#):

(1) The Commission shall grant or deny approval of that application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed the application pursuant to subsection 1 of [NRS 704.870](#), grant or deny the application filed with the other permitting entity.

(b) Not later than 120 days after a person has filed an application regarding a utility facility pursuant to subsection 2 of [NRS 704.870](#):

(1) The Commission shall grant or deny approval of the application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed with the appropriate federal agency an application for approval for the construction of the utility facility, grant or deny the application filed with the other permitting entity.

2. The Commission or other permitting entity shall make its determination upon the record and may grant or deny the application as filed, or grant the application upon such terms, conditions or modifications of the construction, operation or maintenance of the utility facility as the Commission or other permitting entity deems appropriate.

3. The Commission shall serve a copy of its order and any opinion issued with it upon each party to the proceeding before the Commission.

(Added to NRS by [2001, 2985](#); A [2013, 3212](#))

NRS 704.891 Reports to be filed with Commission by person holding permit who is not public utility.

1. Any person other than a public utility who receives a permit issued by the Commission pursuant to [NRS 704.820](#) to [704.900](#), inclusive, shall, as provided in subsection 2, file with the Commission reports which contain:

- (a) The location, nature and capacity of that facility;
- (b) The anticipated date for commercial operation of that facility;
- (c) Information regarding whether any public utility in this state has contracted for the purchase of the capacity or other services of that facility; and
- (d) Information regarding whether any capacity or other services of that facility is available for purchase by public utilities in this state.

2. The reports required by subsection 1 must be filed:

- (a) On or before the date on which construction of a utility facility is commenced; and
- (b) On a date not later than:
 - (1) Twelve months before the scheduled date of commercial operation of that facility; or
 - (2) Thirty days before the actual date of commercial operation of that facility,

↳ whichever is earlier.

(Added to NRS by [1985, 2297](#); A [1997, 1917](#); [2001, 2989](#))

NRS 704.893 Limitations on purchase of capacity of utility facility by certain public utilities. No public utility which has a parent or an affiliated corporation or a subsidiary of that parent or affiliated corporation with an interest in the ownership of a utility facility, may purchase or contract for the capacity of that facility unless the purchase or the contract has been reviewed and approved by the Commission in a manner consistent with the provisions of [NRS 704.736](#) to [704.754](#), inclusive.

(Added to NRS by [1985, 2297](#))

NRS 704.895 Rehearing; judicial review.

1. Any party aggrieved by any order issued by the Commission on an application for a permit may apply for a rehearing within 15 days after issuance of the order. Any party aggrieved by the final order of the Commission on rehearing may obtain judicial review thereof by filing a complaint in a district court within 30 days after the issuance of such final order. Upon receipt of such complaint, the Commission shall forthwith deliver to the court a copy of the written transcript of the record of the proceeding before it and a copy of its decision and opinion entered therein, which constitutes the record on judicial review.

2. The grounds for and the scope for review of the court are limited to whether the opinion and order of the Commission are:

- (a) In conformity with the Constitution and the laws of the State of Nevada and of the United States;
- (b) Supported by substantial evidence in the record;
- (c) Made in accordance with the procedures set forth in [NRS 704.820](#) to [704.900](#), inclusive, or established order, rule or regulation of the Commission; and
- (d) Arbitrary, capricious or an abuse of discretion.

(Added to NRS by 1971, 558; A [2001, 2989](#))

NRS 704.897 Effect of provisions on jurisdiction of Commission over public utilities serving retail customers in State. Nothing in the provisions of [NRS 704.820](#) to [704.900](#), inclusive, may be construed as limiting the jurisdiction of the Commission over public utilities which serve retail customers in this state.

(Added to NRS by [1985, 2297](#))

NRS 704.900 Cooperation with other states and Federal Government. The Commission, in the discharge of its duties under [NRS 704.820](#) to [704.900](#), inclusive, or any other law, shall, to the extent practicable, make joint investigations, hold joint hearings within or without the State, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States, whether in the holding of such investigations or hearings, or in the making of such orders, the Commission functions under agreements or compacts between states or under the concurrent power of states to regulate interstate commerce, or as an agency of the United States, or otherwise. The Commission may, in the discharge of its duties under [NRS 704.820](#) to [704.900](#), inclusive, negotiate and enter into agreements or compacts with agencies of other states, pursuant to any consent of the Congress, for cooperative efforts in permitting the construction, operation and maintenance of utility facilities in accord with the purposes of [NRS 704.820](#) to [704.900](#), inclusive, and for the enforcement of the respective state laws regarding them.

(Added to NRS by 1971, 558; A [2001, 2990](#))

Policy to encourage forward-looking planning:

RESOURCE PLANNING

NRS 704.736 Applicability. The application of [NRS 704.736](#) to [704.754](#), inclusive, is limited to any public utility in the business of supplying electricity which has an annual operating revenue in this state of \$2,500,000 or more.

(Added to NRS by [1983, 886](#); A [1995, 1105](#); [2009, 993](#))

NRS 704.738 Program of optional pricing for electricity generated from renewable energy: Authorization of Commission required; Commission may authorize higher rates.

1. A utility which supplies electricity in this state may apply to the Commission for authority to charge, as part of a program of optional pricing, a higher rate for electricity that is generated from renewable energy.

2. The program may provide the customers of the utility with the option of paying a higher rate for electricity to support the increased use by the utility of renewable energy in the generation of electricity.

3. As used in this section, “renewable energy” has the meaning ascribed to it in [NRS 704.7811](#).

(Added to NRS by [1995, 1104](#); A [2001, 2530, 3253](#))

NRS 704.741 Plan to increase supply or decrease demands: Triennial submission required; contents prescribed by regulation; requirements.

1. A utility which supplies electricity in this State shall, on or before July 1 of every third year, in the manner specified by the Commission, submit a plan to increase its supply of electricity or decrease the demands made on its system by its customers to the Commission.

2. The Commission shall, by regulation:

(a) Prescribe the contents of such a plan, including, but not limited to, the methods or formulas which are used by the utility to:

(1) Forecast the future demands; and

(2) Determine the best combination of sources of supply to meet the demands or the best method to reduce them; and

(b) Designate renewable energy zones and revise the designated renewable energy zones as the Commission deems necessary.

3. The Commission shall require the utility to include in its plan:

(a) An energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel and which includes, without limitation, the use of new solar thermal energy sources; and

(b) A comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands or the best methods to reduce the demands, which must include at least one scenario of low carbon intensity.

4. The Commission shall require the utility to include in its plan a plan for construction or expansion of transmission facilities to serve renewable energy zones and to facilitate the utility in meeting the portfolio standard established by [NRS 704.7821](#).

5. As used in this section:

(a) “Carbon intensity” means the amount of carbon by weight emitted per unit of energy consumed.

(b) “Renewable energy zones” means specific geographic zones where renewable energy resources are sufficient to develop generation capacity and where transmission constrains the delivery of electricity from those resources to customers.

(Added to NRS by [1983, 886](#); A [1987, 961](#); [2007, 2986](#); [2009, 993, 1075](#))

NRS 704.746 Public hearing on adequacy of plan; determination by Commission.

1. After a utility has filed its plan pursuant to [NRS 704.741](#), the Commission shall convene a public hearing on the adequacy of the plan.

2. The Commission shall determine the parties to the public hearing on the adequacy of the plan. A person or governmental entity may petition the Commission for leave to intervene as a party. The Commission must grant a petition to intervene as a party in the hearing if the person or entity has relevant material evidence to provide concerning the adequacy of the plan. The Commission may limit participation of an intervener in the hearing to avoid duplication and may prohibit continued participation in the hearing by an intervener if the Commission determines that continued participation will unduly broaden the issues, will not provide additional relevant material evidence or is not necessary to further the public interest.

3. In addition to any party to the hearing, any interested person may make comments to the Commission regarding the contents and adequacy of the plan.

4. After the hearing, the Commission shall determine whether:

(a) The forecast requirements of the utility are based on substantially accurate data and an adequate method of forecasting.

(b) The plan identifies and takes into account any present and projected reductions in the demand for energy that may result from measures to improve energy efficiency in the industrial, commercial, residential and energy producing sectors of the area being served.

(c) The plan adequately demonstrates the economic, environmental and other benefits to this State and to the customers of the utility, associated with the following possible measures and sources of supply:

(1) Improvements in energy efficiency;

(2) Pooling of power;

(3) Purchases of power from neighboring states or countries;

(4) Facilities that operate on solar or geothermal energy or wind;

(5) Facilities that operate on the principle of cogeneration or hydrogenation;

- (6) Other generation facilities; and
- (7) Other transmission facilities.

5. The Commission may give preference to the measures and sources of supply set forth in paragraph (c) of subsection 4 that:

- (a) Provide the greatest economic and environmental benefits to the State;
- (b) Are consistent with the provisions of this section;
- (c) Provide levels of service that are adequate and reliable; and
- (d) Provide the greatest opportunity for the creation of new jobs in this State.

6. The Commission shall:

(a) Adopt regulations which determine the level of preference to be given to those measures and sources of supply; and

(b) Consider the value to the public of using water efficiently when it is determining those preferences.

7. The Commission shall:

(a) Consider the level of financial commitment from developers of renewable energy projects in each renewable energy zone, as designated pursuant to subsection 2 of [NRS 704.741](#); and

(b) Adopt regulations establishing a process for considering such commitments including, without limitation, contracts for the sale of energy, leases of land and mineral rights, cash deposits and letters of credit.

8. The Commission shall, after a hearing, review and accept or modify an emissions reduction and capacity replacement plan which includes each element required by [NRS 704.7316](#). In considering whether to accept or modify an emissions reduction and capacity replacement plan, the Commission shall consider:

- (a) The cost to the customers of the electric utility to implement the plan;
- (b) Whether the plan provides the greatest economic benefit to this State;
- (c) Whether the plan provides the greatest opportunities for the creation of new jobs in this State; and
- (d) Whether the plan represents the best value to the customers of the electric utility.

(Added to NRS by [1983, 887](#); A [1989, 1607](#); [1991, 524](#); [2007, 1773](#); [2009, 993, 1323](#); [2013, 3084](#))

NRS 704.751 Order accepting plan or amendment to plan or specifying inadequacies; recovery of costs from customers; criteria for accepting transmission plan.

1. After a utility has filed the plan required pursuant to [NRS 704.741](#), the Commission shall issue an order accepting the plan as filed or specifying any portions of the plan it deems to be inadequate:

- (a) Within 135 days for any portion of the plan relating to the energy supply plan for the utility for the 3 years covered by the plan; and
- (b) Within 180 days for all portions of the plan not described in paragraph (a).

2. If a utility files an amendment to a plan, the Commission shall issue an order accepting the amendment as filed or specifying any portions of the amendment it deems to be inadequate:

- (a) Within 135 days after the filing of the amendment; or
- (b) Within 180 days after the filing of the amendment for all portions of the amendment which contain an element of the emissions reduction and capacity replacement plan.

3. All prudent and reasonable expenditures made to develop the utility's plan, including environmental, engineering and other studies, must be recovered from the rates charged to the utility's customers.

4. The Commission may accept a transmission plan submitted pursuant to subsection 4 of [NRS 704.741](#) for a renewable energy zone if the Commission determines that the construction or expansion of transmission facilities would facilitate the utility meeting the portfolio standard, as defined in [NRS 704.7805](#).

5. The Commission shall adopt regulations establishing the criteria for determining the adequacy of a transmission plan submitted pursuant to subsection 4 of [NRS 704.741](#).

6. Any order issued by the Commission accepting an element of an emissions reduction and capacity replacement plan must include provisions authorizing the electric utility to construct or acquire and own electric generating plants necessary to meet the capacity amounts approved in, and carry out the provisions of, the plan. As used in this subsection, “capacity” means an amount of firm electric generating capacity used by the electric utility for the purpose of preparing a plan filed with the Commission pursuant to [NRS 704.736](#) to [704.754](#), inclusive.

(Added to NRS by [1983, 887](#); A [1989, 1014](#); [2007, 1774](#); [2009, 994](#); [2013, 3085](#))

NRS 704.754 Reports regarding transmission plan. On or before February 15 of each odd-numbered year, the Commission shall review, approve and submit to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report compiling all information about any transmission plan proposed by, adopted by or made known to the Commission since the last report.

(Added to NRS by [2009, 992](#))

Topics for possible discussion:

- **Encourage ranking of legislative preferences, floor statements to explain intent**
- **Explicit amounts for subsidies**
- **Statutes that hinder or restrict innovation unnecessarily?**
- **Statutory time frames – adequacy?**
- **Discussion of different RPS for 704B customers -compliance with CPP**

ATTACHMENT II:

Clean Energy Policy and Carbon Emissions

Dave Emme, Administrator

Division of Environmental Protection

Clean Energy and Carbon Emissions

Status of the Clean Power Plan regulation:

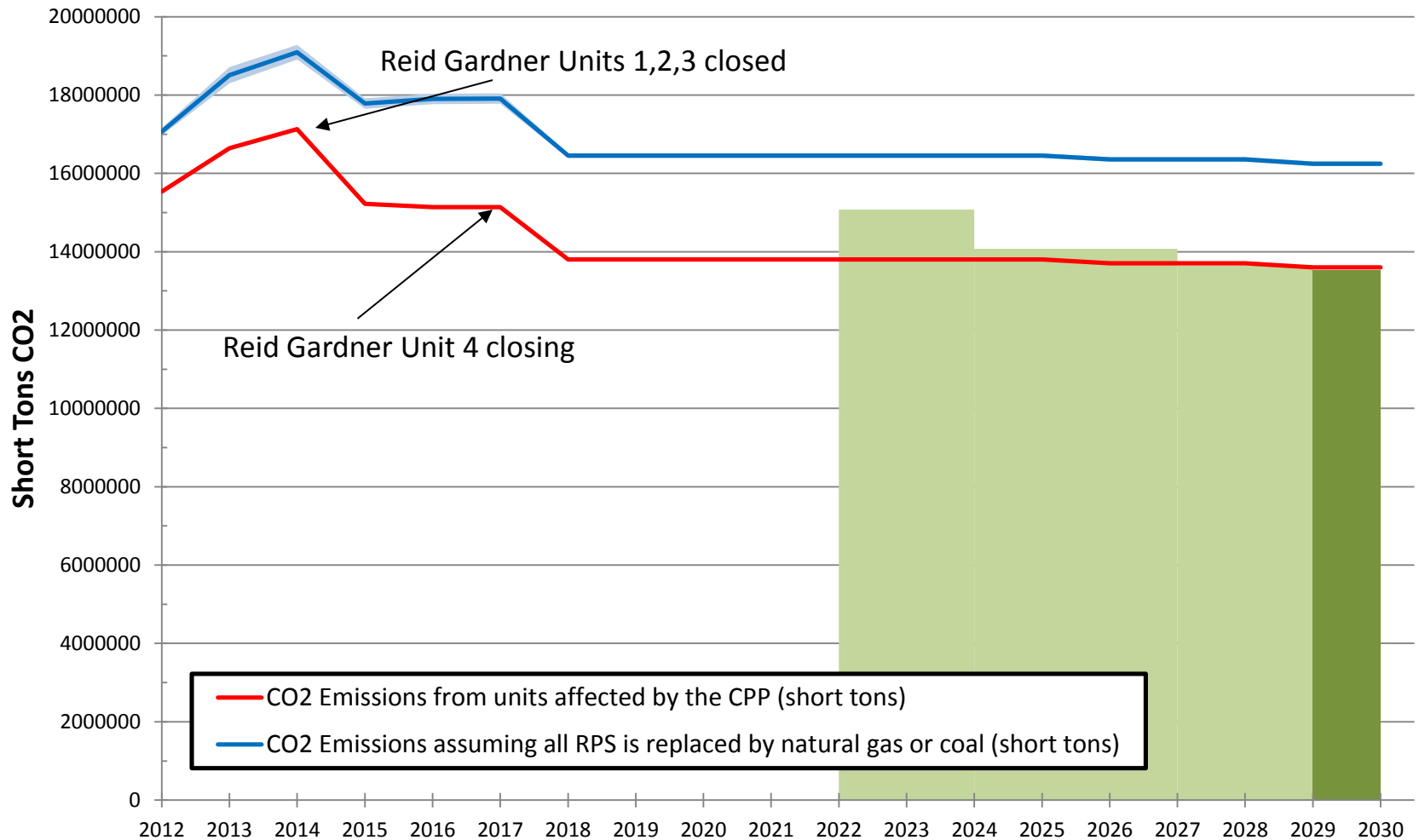
- February 9, 2016 the Supreme Court issued a Stay on implementation pending the outcome of litigation.
- DC Circuit decision is expected later this year; an appeal to the Supreme Court is expected.
- Supreme Court decision not likely until late 2017 or 2018.

Clean Energy and Carbon Emissions

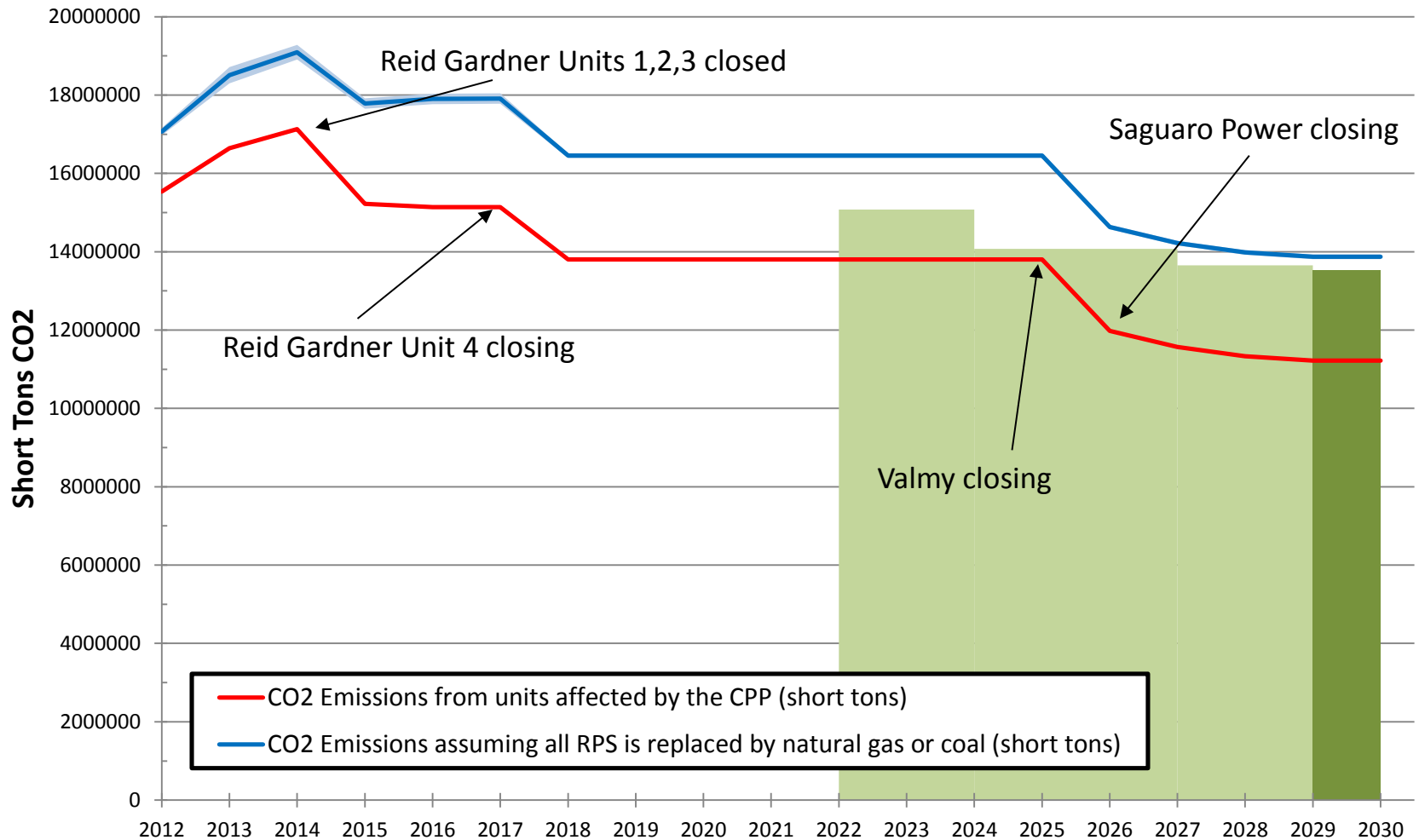
Nevada is well positioned to comply with the Clean Power Plan, if upheld, due to:

- Renewable Portfolio Standard
- SB123 mandated retirement of Reid Gardner
- Planned retirement of Valmy

Assumes North Valmy open past 2030 and natural gas plants have a min. 40-year plant life



Assumes North Valmy closes in 2025 and that natural gas plants have a min. 35-year plant life



Clean Energy and Carbon Emissions

If upheld, Nevada has broad authority to adopt regulations necessary to implement the Clean Power Plan:

- **NRS 445B.210 Powers of Commission. The Commission may:**
 1. Subject to the provisions of [NRS 445B.215](#), adopt regulations consistent with the general intent and purposes of [NRS 445B.100](#) to [445B.640](#), inclusive, to prevent, abate and control air pollution.
 2. Establish standards for air quality.
- **NRS 445B.235 Additional powers of Department; deposit of money collected from sale of emission credits or allocations; Department to develop regulations concerning public participation in determination of amount of emission credits or allocations available for sale.**
 1. In carrying out the purposes of [NRS 445B.100](#) to [445B.640](#), inclusive, the Department may:
 - (a) Collect money from the sale of emission credits or allocations.
 - (b) Cooperate with appropriate federal officers and agencies of the Federal Government, other states, interstate agencies, local governmental agencies and other interested parties in all matters relating to air pollution control in preventing or controlling the pollution of the air in any area.



Clean Energy and Carbon Emissions

Given uncertainty, the task is to look more broadly at Clean Energy policy recommendations:

Governor's Executive Order 2016-04

- “2. The Task Force shall work with the Director to provide recommendations on the best energy policies for Nevada’s future and shall specifically address policies that achieve the following:
- a. Encourage development of Clean Energy sources and integrate renewable energy technologies into Nevada’s energy sector.”

ATTACHMENT III:



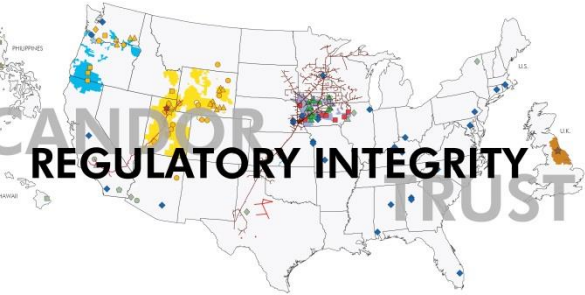
EMPLOYEE COMMITMENT



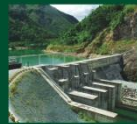
CUSTOMER SERVICE



OPERATIONAL EXCELLENCE



REGULATORY INTEGRITY



ENVIRONMENTAL RESPECT



**BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP**



Renewable Portfolio Standard

NV Energy's 2015 Compliance

General Background on Nevada RPS

- Nevada legislature first enacted a Renewable Portfolio Standard (RPS) in 1997, but has made several revisions.
- Requires NV Energy to acquire a specific number of portfolio energy credits, based on retail sales.
- RPS originally set at 6 percent in 2005; now at 20 percent.
- Because solar energy was once so expensive, it had a 5% solar carve-out (now 6%) to advantage solar energy.
- The RPS grows to 25 percent in 2025.



General Background on Nevada RPS

- Changes made in Nevada's 2015 Legislative Session moved closer to an “energy standard,” rather than a “portfolio energy credit” standard.
- For example:
 - Credits from efficiency measures dropped from 25% to 20% currently; 10% in 2020 and eliminated in 2025.
 - Enhanced credits (2.4 multiplier) eliminated after 2015.
 - Credits from “station usage” eliminated after 2015, except for certain energy used for geothermal thermal systems.



NVE's 2015 Renewable Portfolio Standard Results

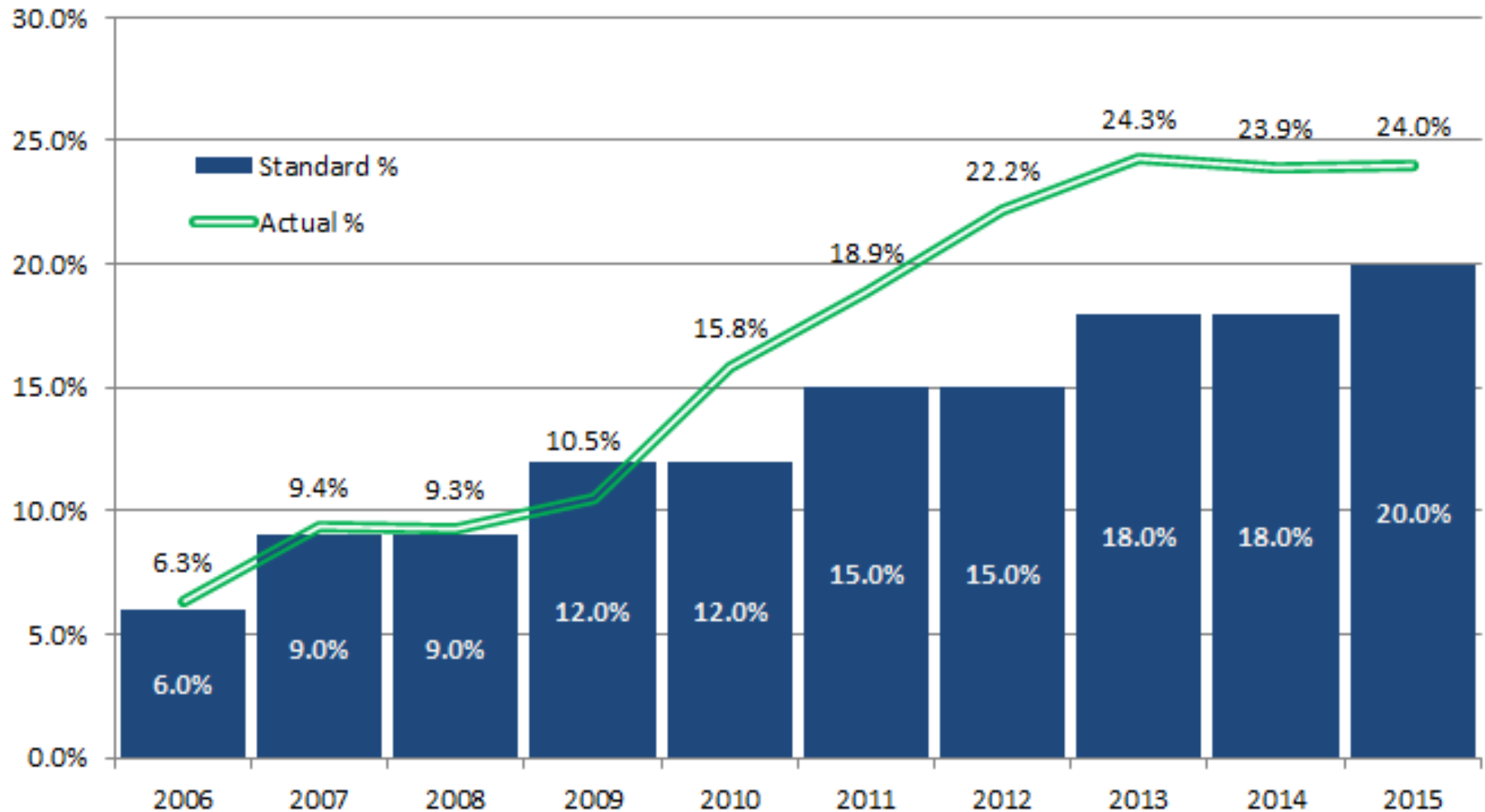
2015 Requirement was 20%

- NV Energy South – **21.2%**
- NV Energy North – **31.3%**

Note: *These values include credits for energy efficiency, renewable energy “station usage,” solar energy multiplier, and carry-forward credits from previous years.*

NV Energy has Exceeded RPS since 2010

RPS %



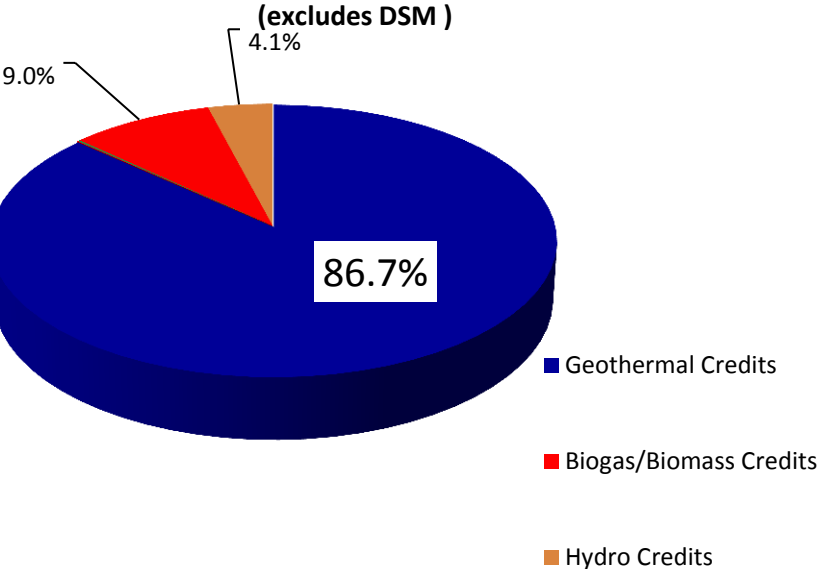
Customers benefitting from Renewable Energy

- 1,311 megawatts of universal-scale renewable energy producing in Nevada.
- Customers are benefitting from:
 - 20 Geothermal projects
 - 12 solar projects
 - 5 small hydros & Hoover Dam
 - 4 biomass/methane
 - 1 waste heat recovery
 - 1 wind farm

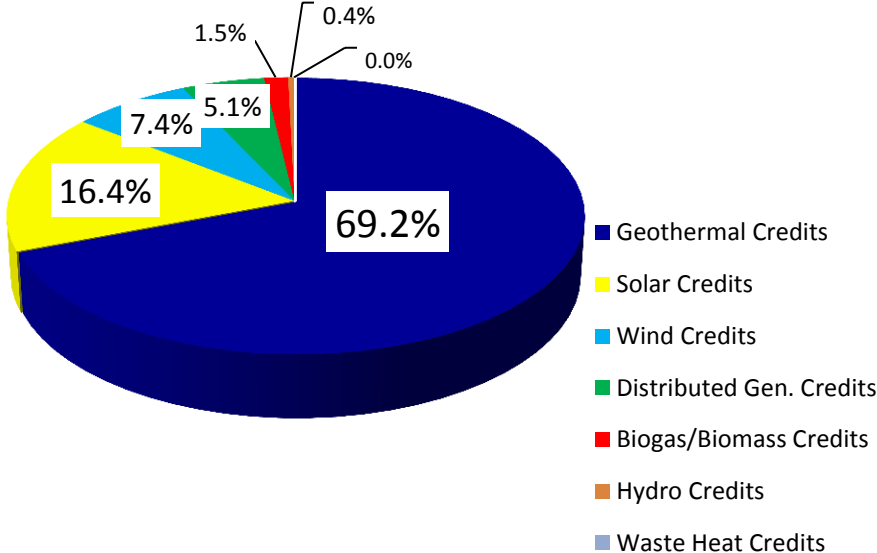


Renewable Portfolio Increasingly Diverse

2005 Portfolio Energy Credits by Type



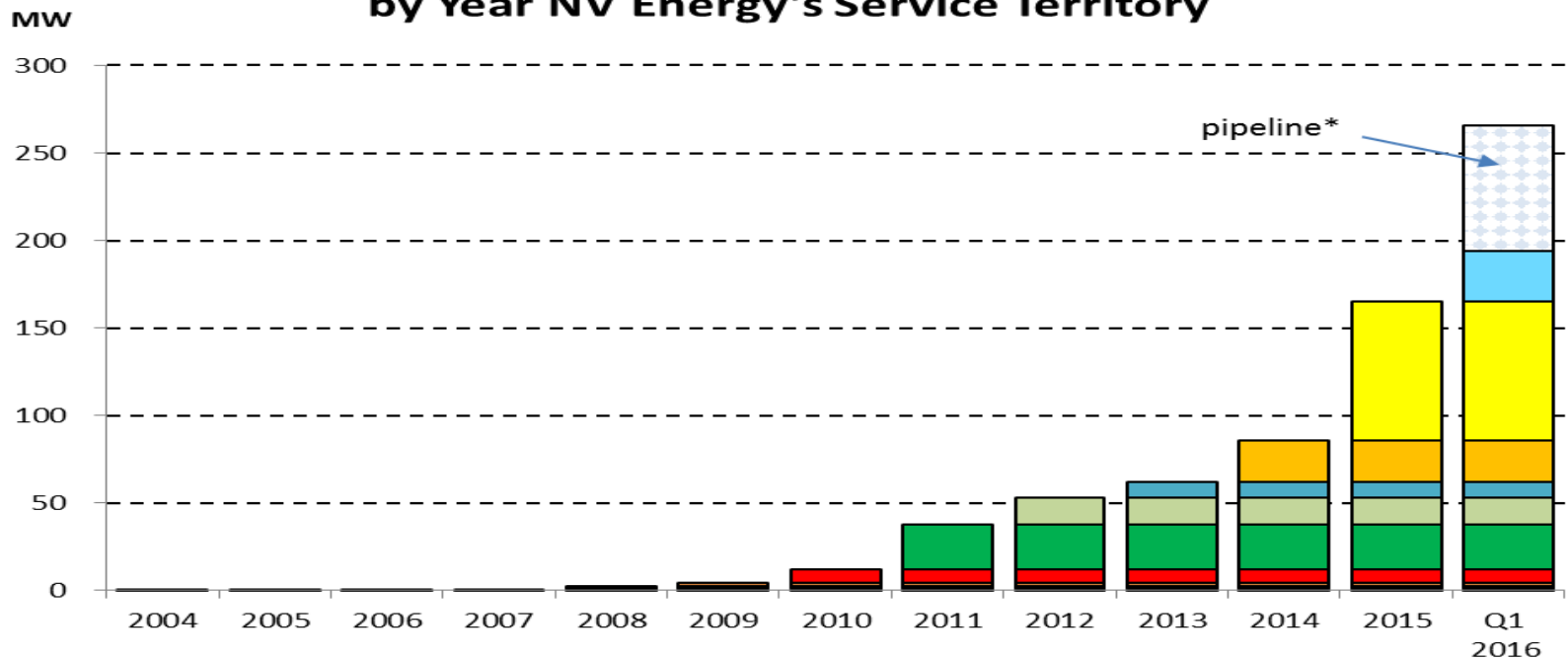
2015 Portfolio Energy Credits by Type
(excludes DSM & Banked)



	2005	2015
Geothermal Credits	835,568	2,945,332
Solar Credits	715	697,690
Wind Credits	0	315,772
Distributed Gen. Credits	1,227	218,604
Biogas/Biomass Credits	86,949	63,033
Hydro Credits	39,206	16,772
Waste Heat Credits	0	1

Distributed Generation

**Total Installed Distributed Generation
by Year NV Energy's Service Territory**



- NV Energy on track to achieve legislative goal of 250 megawatts of distributed generation opportunities for customers.
- For the 12-month period ended December 31, 2015, NV Energy customers were paid more than \$16 million in solar-installation incentives.
- NVE's RenewableGenerations program currently contributes ~\$35 for each installed rooftop panel.

Things you may not know ...

- 1. Smart Electric Power Alliance (SEPA)** just named NV Energy as **7th top energy company** in the nation for its solar energy installations in 2015.
- 2. 329 megawatts of additional new solar** are under construction today.
- 3. NV Energy** is currently evaluating bids for **135 megawatts of new renewable energy** resources.



Things you may not know ...

1. Coal-fueled generation was once a dominant source for energy in Nevada, but now **only represents 10 percent** of NV Energy's supply.
2. By **2019**, NV Energy will not own any coal-fueled generation in Southern Nevada.
3. By **2025**, NV Energy will not own any coal-fueled generation.



Things you may not know ...

1. Ten years ago universal-scale solar cost more than **15 cents** per kilowatt-hour.
2. The two new universal solar projects under construction (Switch Station & Boulder Solar) will roughly produce energy between **4 and 5 cents/kwh**.
3. NV Energy currently purchases excess energy from **private home solar systems for 9.2 cents/kwh**.
4. On April 1, 2016, southern Nevada customers experienced the **fourth rate decrease** since July 1, 2015.
5. NV Energy customer rates today are **lower than they were five years ago**.

