

The New Energy Industry Task Force recommends that the 2017 Legislature consider a bill to create a new and separate net metering rate class for new solar-home communities. The bill would require an investor-owned utility to offer new net metering to customer-generators within a new solar-home community in a manner consistent with systems under NRS Chapter 704 as it existed before the enactment of Senate Bill 374 by the 78th Session of the Nevada Legislature and notwithstanding any statute, rule, or determination of any kind by the PUCN to the contrary for a period of five consecutive years for new solar home communities. New solar home communities are comprised of twenty solar-homes or more, and, the solar technology is incorporated into the building envelope shortly after the construction of the home. The utility is allowed to petition the PUCN for loss of revenue by the utility that directly correlates and caused by the increase of net metering customer-generators using transferable tax correlates to use of residential solar through regulatory cost recovery that decouples the utility's revenue from the sale of electricity and makes the utility financially whole. The PUCN shall open a docket on an annual basis, and determine the appropriate level, if any, of utility revenues lost from net metering customer-generators within one hundred twenty days (120) of the utility's filing.

At the conclusion of five consecutive years, the PUCN shall establish a rate for net metering customers in a new solar-home community, in consultation with Nevada's Governor's Office of Economic Development, and relevant stakeholders. The PUCN's analysis shall continue to promote net metering customer-generators and take into account the value of solar and include, but not be limited to:

- (1) Value of new load and new revenue for the utility associated with new solar-home communities;
- (2) Value of the avoided cost of fuel used by the utility to meet electric loads and transmission and distribution losses;
- (3) Value of the utility's avoided generation, operations, and maintenance costs for all owned non-renewable generation facilities at peak load;
- (4) Value of avoided transmission and distribution costs resulting from reduction of peak load;
- (5) Environmental benefits and avoided costs to comply with environmental regulations;
- (6) Avoided generating costs for a customer installed storage system, device or technology that can redispatch electricity to the grid;
- (7) Fuel diversity;
- (8) Diversity of local generation;
- (9) Account for customer choice and furthering innovative energy platforms.

Anticipated Fiscal Impact: Per the presentation of the Regulatory Assistance Program, no recognizable cost impact at this time, because new-solar homes are bringing new revenue and new load.

Benefits of Proposal

- Add fuel and generation diversity to a state that is largely relying a single fuel, natural gas, for future generation;
- Continues to facilitate new platforms for new technologies and innovation;
- Reignites an industry that has largely been killed off (e.g., 15 applications for NEM); and
- Increases consumer choice and gets people back to work.