

ASSEMBLY BILL NO. 206—ASSEMBLYMEN BROOKS, FRIERSON,
YEAGER, MCCURDY II, WATKINS; AND FUMO

PREFILED FEBRUARY 13, 2017

JOINT SPONSORS: SENATORS CANCELA, PARKS AND SPEARMAN

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to the renewable
portfolio standard. (BDR 58-746)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to renewable energy; declaring the policy of this State concerning renewable energy; revising the portfolio standard for providers of electric service in this State; revising the manner in which providers of electric service may comply with the portfolio standard; expanding the definition of “provider of electric service” for the purposes of the portfolio standard; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 2** of this bill sets forth findings and declarations of the Legislature that
2 it is the policy of this State to: (1) encourage and accelerate the development of new
3 renewable energy projects for the economic, health and environmental benefits
4 provided to the people of this State; and (2) become a leading producer and
5 consumer of clean and renewable energy, with a goal of achieving by 2040 an
6 amount of renewable energy production of at least 80 percent of the electricity sold
7 by providers of electric service in this State.
8 Existing law requires the Public Utilities Commission of Nevada to establish a
9 portfolio standard which requires each provider of electric service in this State to
10 generate, acquire or save electricity from renewable energy systems or efficiency
11 measures a certain percentage of the total amount of electricity sold by the provider



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12 to its retail customers in this State during a calendar year. (NRS 704.7821) **Section**
13 **3** of this bill revises the portfolio standard for calendar year 2018 and each calendar
14 year thereafter so that by calendar year 2030 and for each calendar year thereafter,
15 each provider of electric service will be required to generate, acquire or save
16 electricity from renewable energy systems or efficiency measures not less than 50
17 percent of the total amount of electricity sold by the provider to its retail customers
18 in this State during that calendar year. **Section 3** also: (1) eliminates the
19 requirement that a minimum percentage of the amount of electricity that the
20 provider is required to generate, acquire or save be generated or acquired from solar
21 renewable energy systems; and (2) revises, for the purposes of compliance with the
22 portfolio standard, the provisions governing the calculation of the total amount of
23 electricity sold by a provider to its retail customers in this State.

24 **Sections 1.5, 1.7, 2.2 and 2.7** of this bill provide for qualified energy storage
25 systems to be used for compliance with the portfolio standard. **Section 3** limits the
26 use of such qualified energy storage systems to not more than 10 percent of the
27 total amount of electricity that the provider is required to generate, acquire or save
28 from portfolio energy systems.

29 **Sections 2.1 and 2.9** of this bill limit the facilities or energy systems that
30 qualify as a renewable energy system for the purposes of the portfolio standard.

31 **Section 2.3 and 4.3** of this bill revise provisions governing the use of
32 geothermal energy to comply with the portfolio standard.

33 **Section 2.8** of this bill expands the definition of “provider of electric service”
34 for the purposes of compliance with the portfolio standard. **Sections 2.5 and 4.7** of
35 this bill provide that these additional entities which are providers of electric service
36 for the purposes of the portfolio standard are not subject to the jurisdiction of the
37 Commission and are not required to provide certain reports to the Commission.
38 **Sections 2.4 and 7** of this bill provide that these additional entities must, beginning
39 on July 1, 2020, and each year thereafter, provide reports to the Director of the
40 Office of Energy.

41 **Sections 3 and 4** of this bill provide that the portfolio standard established by
42 NRS 704.7821 is applicable to providers of new electric resources, and also revises
43 the limits on energy efficiency measures used to comply with the portfolio
44 standard. **Section 5** of this bill requires the Commission to revise certain portfolio
45 standards established for a provider of new electric resources to comply with the
46 revised portfolio standard established by **section 3**.

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

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

2 **Sec. 1.3.** Chapter 704 of NRS is hereby amended by adding
3 thereto the provisions set forth as sections 1.5 to 2.5, inclusive, of
4 this act.

5 **Sec. 1.5.** *“Energy storage system” means commercially*
6 *available technology that is capable of retaining energy, storing*
7 *the energy for a period of time and delivering the energy after*
8 *storage, including, without limitation, by chemical, thermal or*
9 *mechanical means.*

10 **Sec. 1.7.** *“Qualified energy storage system” means an energy*
11 *storage system that is used to:*



1 1. Store electricity which is generated by renewable energy
2 and which is delivered during a peak load period; or

3 2. Provide ancillary services for integrating electricity which
4 is generated by renewable energy into the electricity grid. Such
5 ancillary services include, without limitation, providing reserve
6 electricity, reserve capacity, frequency regulation, reactive power
7 and voltage support.

8 **Sec. 2.** *The Legislature finds and declares that it is the policy*
9 *of this State to:*

10 1. Encourage and accelerate the development of new
11 renewable energy projects for the economic, health and
12 environmental benefits provided to the people of this State; and

13 2. Become a leading producer and consumer of clean and
14 renewable energy, with a goal of achieving by 2040 an amount of
15 renewable energy production equal to at least 80 percent of the
16 total amount of electricity sold by providers of electric service in
17 this State.

18 **Sec. 2.1.** 1. *The Legislature finds and declares that the*
19 *requirements set forth in this section are necessary to ensure that*
20 *the benefits of the increased use of renewable energy systems are*
21 *received by the residents of this State. Such benefits include,*
22 *without limitation, improved air quality, reduced water use, a more*
23 *diverse portfolio of resources for generating electricity, reduced*
24 *fossil fuel consumption and more stable rates for retail customers*
25 *of electricity.*

26 2. *To qualify as a renewable energy system for the purposes*
27 *of paragraph (b) of subsection 1 of NRS 704.7815, a facility or*
28 *energy system must:*

29 (a) *Have its first point of interconnection with:*

30 (1) *A Nevada balancing authority;*

31 (2) *A distribution facility which serves retail customers*
32 *located within an area controlled by a Nevada balancing*
33 *authority; or*

34 (3) *An entity described in paragraph (a), (b), (c), (d) or (e)*
35 *of subsection 3 of NRS 704.7808;*

36 (b) *Subject to the limitations set forth in subsection 3, generate*
37 *electricity that is scheduled for transmission or distribution into a*
38 *Nevada balancing authority without substitution of electricity*
39 *from another source; or*

40 (c) *Generate electricity that is dynamically transferred into a*
41 *Nevada balancing authority.*

42 3. *For the purpose of determining whether a facility or*
43 *energy system qualifies as a renewable energy system pursuant to*
44 *paragraph (b) of subsection 2, electricity may be substituted from*
45 *another source if:*



1 (a) Both:

2 (1) The substitution is limited to the amount of electricity
3 from another source which is required to provide ancillary
4 services necessary to maintain the scheduled transmission or
5 distribution of electricity into the Nevada balancing authority; and

6 (2) The amount of electricity substituted pursuant to
7 paragraph (a) is not included in the amount of electricity
8 generated by the facility or energy system; or

9 (b) Both:

10 (1) The substitution is limited to the amount of electricity
11 from another source which is required for firming and shaping
12 the electricity that is scheduled for transmission or distribution
13 into the Nevada balancing authority; and

14 (2) The electricity which is substituted is incremental
15 electricity.

16 4. As used in this section, "Nevada balancing authority"
17 means an entity:

18 (a) With control over the electricity loads and electricity
19 resources for an area which includes the majority of the territory
20 of this State;

21 (b) Which maintains in real time the balance between
22 electricity loads and electricity resources within the area the entity
23 controls; and

24 (c) Is responsible for keeping the actual interchange of
25 electricity equal to the scheduled interchange of electricity for the
26 area the entity controls.

27 **Sec. 2.2.** 1. Subject to the limitations set forth in this
28 section and paragraph (b) of subsection 2 of NRS 704.7821, for
29 the purpose of complying with a portfolio standard established
30 pursuant to NRS 704.7821 or 704.78213, a provider shall be
31 deemed to have generated or acquired 2.0 kilowatt-hours of
32 electricity from a renewable energy system for each 1.0 kilowatt-
33 hour of actual electricity delivered by or acquired from a qualified
34 energy storage system, if the owner or operator of the qualified
35 energy storage system demonstrates to the Commission:

36 (a) For the purposes of subsection 1 of section 1.7 of this act,
37 that the electricity:

38 (1) Stored in the qualified energy storage system was
39 generated by renewable energy; and

40 (2) Delivered by the qualified energy storage system was
41 delivered during a peak load period.

42 (b) For the purposes of subsection 2 of section 1.7 of this act,
43 that the ancillary services provided by the qualified energy storage
44 system were used to integrate into the grid electricity which was
45 generated by renewable energy.



1 2. *For the purposes of subsection 1, a provider shall not be*
2 *deemed to have generated or acquired more than 2.0 kilowatt-*
3 *hours of electricity from a renewable energy system per day for*
4 *each 1.0 kilowatt-hour of installed capacity of the qualified energy*
5 *storage system.*

6 3. *For the purposes of subsection 1, the owner or operator of*
7 *the qualified energy storage system must make his or her*
8 *demonstration to the Commission using the operating algorithms,*
9 *rules and schedules and market participation of the qualified*
10 *energy storage system, to the extent applicable.*

11 **Sec. 2.3.** *For the purpose of complying with a portfolio*
12 *standard established pursuant to NRS 704.7821 or 704.78213, a*
13 *provider shall be deemed to have generated or acquired 1.5*
14 *kilowatt-hours of electricity from a renewable energy system for*
15 *each 1.0 kilowatt-hour of actual electricity generated or acquired*
16 *from a portfolio energy system that generates electricity from*
17 *geothermal energy, if the system was placed into operation on or*
18 *after January 1, 2018.*

19 **Sec. 2.4.** *A provider of electric service described in*
20 *subsection 3 of NRS 704.7808 shall, on or before July 1 of each*
21 *year, submit to the Director of the Office of Energy appointed*
22 *pursuant to NRS 701.150 a report which contains the information*
23 *described in subsection 4 of NRS 704.7825.*

24 **Sec. 2.5.** *Notwithstanding any provision of law to the*
25 *contrary, a provider of electric service described in subsection 3 of*
26 *NRS 704.7808 is not subject to the jurisdiction of the Commission.*

27 **Sec. 2.6.** NRS 704.7801 is hereby amended to read as follows:
28 704.7801 As used in NRS 704.7801 to 704.7828, inclusive,
29 *and sections 1.5 to 2.5, inclusive, of this act* unless the context
30 otherwise requires, the words and terms defined in NRS 704.7802 to
31 704.7819, inclusive, *and sections 1.5 and 1.7 of this act* have the
32 meanings ascribed to them in those sections.

33 **Sec. 2.7.** NRS 704.7804 is hereby amended to read as follows:
34 704.7804 “Portfolio energy system or efficiency measure”
35 means:

36 1. Any renewable energy system:

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

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

42 2. Any energy efficiency measure installed on or before
43 December 31, 2019 ~~††~~; or

44 3. *Any qualified energy storage system.*



1 **Sec. 2.8.** NRS 704.7808 is hereby amended to read as follows:
2 704.7808 1. “Provider of electric service” and “provider”
3 mean any person or entity that is in the business of selling electricity
4 to retail customers for consumption in this State, regardless of
5 whether the person or entity is otherwise subject to regulation by the
6 Commission.

7 2. The term includes, without limitation, a provider of new
8 electric resources that is selling electricity to an eligible customer
9 for consumption in this State pursuant to the provisions of chapter
10 704B of NRS.

11 3. ~~¶(e)~~ *Except as otherwise provided in this subsection, the*
12 *term does not include:*

- 13 (a) This State or an agency or instrumentality of this State.
14 (b) A rural electric cooperative established pursuant to chapter
15 81 of NRS.
16 (c) A general improvement district established pursuant to
17 chapter 318 of NRS.
18 (d) A utility established pursuant to chapter 709 or 710 of NRS.
19 (e) A cooperative association, nonprofit corporation, nonprofit
20 association or provider of electric service which is declared to be a
21 public utility pursuant to NRS 704.673 and which provides service
22 only to its members.

23 ~~¶(f)~~

24 ↪ *For calendar year 2018 and for each calendar year thereafter,*
25 *the term includes an entity identified in this subsection during the*
26 *entirety of any calendar year in which the total amount of*
27 *electricity sold by the entity to its retail customers in this State*
28 *during that calendar year equals or exceeds 1,000,000 megawatt-*
29 *hours.*

30 4. *The term does not include:*

31 (a) A landlord of a manufactured home park or mobile home
32 park or owner of a company town who is subject to any of the
33 provisions of NRS 704.905 to 704.960, inclusive.

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

37 **Sec. 2.9.** NRS 704.7815 is hereby amended to read as follows:
38 704.7815 “Renewable energy system” means:

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

- 42 (a) Uses the electricity that it generates from renewable energy
43 or energy from a qualified recovery process in this State; or
44 (b) ~~¶(Transmits)~~ *Satisfies the requirements of section 2.1 of this*
45 *act and transmits* or distributes the electricity that it generates from



1 renewable energy or energy from a qualified energy recovery
2 process to a provider of electric service for delivery into and use in
3 this State.

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

6 3. A net metering system used by a customer-generator
7 pursuant to NRS 704.766 to 704.775, inclusive.

8 **Sec. 3.** NRS 704.7821 is hereby amended to read as follows:

9 704.7821 1. For each provider of electric service, the
10 Commission shall establish a portfolio standard. ~~The~~ *Except as*
11 *otherwise provided in subsection 8, the* portfolio standard must
12 require each provider to generate, acquire or save electricity from
13 portfolio energy systems or efficiency measures in an amount that
14 is:

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

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

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

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

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

30 (f) For calendar years 2015 through ~~2019,~~ *2017*, inclusive, not
31 less than 20 percent of the total amount of electricity sold by the
32 provider to its retail customers in this State during that calendar
33 year.

34 (g) For calendar years ~~2020 through 2024, inclusive,~~ *2018 and*
35 *2019*, not less than ~~22~~ *24* percent of the total amount of electricity
36 sold by the provider to its retail customers in this State during that
37 calendar year.

38 (h) *For calendar years 2020 and 2021, not less than 28 percent*
39 *of the total amount of electricity sold by the provider to its retail*
40 *customers in this State during that calendar year.*

41 (i) *For calendar years 2022 and 2023, not less than 32 percent*
42 *of the total amount of electricity sold by the provider to its retail*
43 *customers in this State during that calendar year.*



1 (j) For calendar years 2024 and 2025, not less than 36 percent
2 of the total amount of electricity sold by the provider to its retail
3 customers in this State during that calendar year.

4 (k) For calendar years 2026 and 2027, not less than 40 percent
5 of the total amount of electricity sold by the provider to its retail
6 customers in this State during that calendar year.

7 (l) For calendar years 2028 and 2029, not less than 46 percent
8 of the total amount of electricity sold by the provider to its retail
9 customers in this State during that calendar year.

10 (m) For calendar year ~~2025~~ 2030 and for each calendar year
11 thereafter, not less than ~~25~~ 50 percent of the total amount of
12 electricity sold by the provider to its retail customers in this State
13 during that calendar year.

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

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

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

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

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

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

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

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

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

39 ↪ If the provider intends to use energy efficiency measures to
40 comply with its portfolio standard during any calendar year, of the
41 total amount of electricity saved from energy efficiency measures
42 for which the provider seeks to obtain portfolio energy credits
43 pursuant to this paragraph, at least 50 percent of that amount must
44 be saved from energy efficiency measures installed at service



1 locations of residential customers of the provider, unless a different
2 percentage is approved by the Commission.

3 ~~(e)~~ *(b) Of the total amount of electricity that the provider is*
4 *required to generate, acquire or save from portfolio energy*
5 *systems or efficiency measures, for calendar year 2018 and each*
6 *calendar year thereafter, not more than 10 percent of that amount*
7 *may be based on qualified energy storage systems.*

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

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

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

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

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

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

34 6. If, for any calendar year, a provider is unable to comply with
35 its portfolio standard through the generation of electricity from its
36 own renewable energy systems or, if applicable, through the use of
37 portfolio energy credits, the provider shall take actions to acquire or
38 save electricity pursuant to one or more renewable energy contracts
39 or energy efficiency contracts. If the Commission determines that,
40 for a calendar year, there is not or will not be a sufficient supply of
41 electricity or a sufficient amount of energy savings made available
42 to the provider pursuant to renewable energy contracts and energy
43 efficiency contracts with just and reasonable terms and conditions,
44 the Commission shall exempt the provider, for that calendar year,



1 from the remaining requirements of its portfolio standard or from
2 any appropriate portion thereof, as determined by the Commission.

3 7. The Commission shall adopt regulations that establish:

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

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

18 8. ~~Except as otherwise provided in NRS 704.78213, the~~
19 ~~provisions of this section do not apply to a provider of new electric~~
20 ~~resources as defined in NRS 704B.130.]~~ *For the purposes of*
21 *subsection 1, for calendar year 2018 and for each calendar year*
22 *thereafter, the total amount of electricity sold by a provider:*

23 (a) *Described in subsection 3 of NRS 704.7808 to its retail*
24 *customers in this State during a calendar year does not include the*
25 *first 1,000,000 megawatt-hours of electricity sold by the provider*
26 *to such customers during that calendar year.*

27 (b) *To its retail customers in this State during a calendar year*
28 *does not include the amount of electricity sold by the provider as*
29 *part of a program of optional pricing authorized by the*
30 *Commission pursuant to NRS 704.738.*

31 9. As used in this section:

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

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

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

42 **Sec. 4.** NRS 704.78213 is hereby amended to read as follows:

43 704.78213 1. If the Commission issues an order approving an
44 application that is filed pursuant to NRS 704B.310 or a request that
45 is filed pursuant to NRS 704B.325 regarding a provider of new



1 electric resources and an eligible customer, the Commission must
2 establish in the order a portfolio standard applicable to the
3 electricity sold by the provider of new electric resources to the
4 eligible customer in accordance with the order. The portfolio
5 standard must require the provider of new electric resources to
6 generate, acquire or save electricity from portfolio energy systems
7 or efficiency measures in the amounts described in the portfolio
8 standard set forth in NRS 704.7821 . ~~which is effective on the date~~
9 ~~on which the order approving the application or request is~~
10 ~~approved.~~

11 2. ~~Of~~ *Except as otherwise provided in this subsection, of* the
12 total amount of electricity that a provider of new electric resources
13 is required to generate, acquire or save from portfolio energy
14 systems or efficiency measures during each calendar year, not more
15 than 25 percent of that amount may be based on energy efficiency
16 measures. *Subject to the provisions of paragraphs (a) and (b), the*
17 *provisions of this subsection apply to an order of the Commission*
18 *approving an application that is filed pursuant to NRS 704B.310*
19 *or a request that is filed pursuant to NRS 704B.325 regarding a*
20 *provider of new electric resources and an eligible customer only if*
21 *the order is issued by the Commission before July 1, 2017. If such*
22 *an order was issued by the Commission:*

23 (a) *Before July 1, 2012, the provisions of this subsection apply*
24 *for all calendar years.*

25 (b) *On or after July 1, 2012, and before July 1, 2017, the*
26 *provisions of this subsection apply only for calendar years before*
27 *calendar year 2025.*

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

38 4. As used in this section:

39 (a) "Eligible customer" has the meaning ascribed to it in
40 NRS 704B.080.

41 (b) "Provider of new electric resources" has the meaning
42 ascribed to it in NRS 704B.130.



1 **Sec. 4.3.** NRS 704.78215 is hereby amended to read as
2 follows:

3 704.78215 1. Except as otherwise provided in this section or
4 by specific statute, a provider is entitled to one portfolio energy
5 credit for each kilowatt-hour of electricity that the provider
6 generates, acquires or saves from a portfolio energy system or
7 efficiency measure.

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

12 3. Except as otherwise provided in this subsection, for portfolio
13 energy systems placed into operation on or after January 1, 2016,
14 the amount of electricity generated or acquired from a portfolio
15 energy system does not include the amount of any electricity used
16 by the portfolio energy system for its basic operations that reduce
17 the amount of renewable energy delivered to the transmission grid
18 for distribution and sale to customers of the provider. The provisions
19 of this subsection do not apply to a portfolio energy system placed
20 into operation on or after January 1, 2016, if a provider entered into
21 a contract for the purchase of electricity generated by the portfolio
22 energy system on or before December 31, 2012. For the purposes of
23 this subsection, the amount of any electricity used by a portfolio
24 energy system for its basic operations:

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

29 (b) ~~Does~~ *If the portfolio energy system is placed into*
30 *operation on or before December 31, 2017, does* not include the
31 electricity used by a portfolio energy system that generates
32 electricity from geothermal energy for the extraction and
33 transportation of geothermal brine or used to pump or compress
34 geothermal brine.

35 **Sec. 4.7.** NRS 704.7825 is hereby amended to read as follows:

36 704.7825 1. Each provider of electric service shall submit to
37 the Commission an annual report that provides information relating
38 to the actions taken by the provider to comply with its portfolio
39 standard.

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



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

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

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

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

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

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

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

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

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

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

35 ***6. The provisions of this section do not apply to a provider of***
36 ***electric service described in subsection 3 of NRS 704.7808.***

37 **Sec. 5.** Notwithstanding the provisions of any other law or any
38 ruling or order issued by or portfolio standard established by the
39 Public Utilities Commission of Nevada to the contrary, for any
40 portfolio standard established by the Commission pursuant to the
41 provisions of subsection 1 of NRS 704.78213, as that section existed
42 before July 1, 2017, on or after July 1, 2012, and before July 1,
43 2017, the Commission shall, for calendar year 2018 and for each
44 calendar year thereafter, revise the portfolio standard to require the
45 provider of new electric resources as defined in NRS 704B.130 to



1 generate, acquire or save electricity from portfolio energy systems
2 or energy efficiency measures in the amounts described in the
3 portfolio standard set forth in NRS 704.7821, as amended by section
4 3 of this act.

5 **Sec. 6.** (Deleted by amendment.)

6 **Sec. 7.** 1. This section and sections 1 to 2.3, inclusive, and
7 2.5 to 6, inclusive, of this act become effective on July 1, 2017.

8 2. Section 2.4 of this act becomes effective on July 1, 2020.



