

ASSEMBLY BILL NO. 270—ASSEMBLYMEN WATKINS, BROOKS,
YEAGER, FUMO; MCCURDY II AND MILLER

MARCH 8, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing net metering.
(BDR 58-686)

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 energy; revising provisions governing the eligibility of certain customers of electric utilities in this State to participate in net metering; revising provisions governing the billing of customers of electric utilities in this State who participate in net metering; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 “Net metering” is the measure of the difference between the electricity supplied
2 by an electric utility and the electricity generated by a customer-generator that is
3 fed back to the utility. (NRS 704.769) Senate Bill No. 374 of the 2015 Legislative
4 Session (S.B. 374) enacted several revisions to Nevada law governing net metering.
5 Existing law, as amended by S.B. 374, requires each electric utility in this State to
6 offer net metering to customer-generators operating in the service territory of the
7 utility until the date on which the cumulative capacity of all net metering systems in
8 this State for which electric utilities have accepted completed applications is 235
9 megawatts. (NRS 704.773) After the date on which that cumulative capacity is met,
10 existing law requires electric utilities to offer net metering to customer-generators
11 in accordance with a tariff filed by the utility and approved by the Public Utilities
12 Commission of Nevada. (NRS 704.773, 704.7735) Each electric utility in this
13 State was required to file with the Commission the new tariff and a cost-of-service
14 study on or before July 31, 2015. The Commission was required, not later than
15 December 31, 2015, to review each tariff filed by a utility and issue a written order
16 approving or disapproving the proposed tariff. (Section 4.5 of chapter 379, Statutes
17 of Nevada 2015, p. 2154)

18 Generally, this bill provides that each electric utility is required to offer net
19 metering to customer-generators operating in the service territory of the utility
20 under the tariffs, rates and charges in effect before the passage of S.B. 374, except
21 that **section 2** of this bill provides that if the customer-generator is billed pursuant
22 to a time-of-use rate schedule, any excess electricity carried forward is added first



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23 to the time-of-use period with the highest rate before the excess electricity is added
24 to any remaining time-of-use periods with lower rates.

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

1 **Section 1.** NRS 704.773 is hereby amended to read as follows:

2 704.773 1. A utility shall offer net metering ~~†~~:

3 ~~—(a) In~~ *in* accordance with the provisions of this section ~~†~~ *and*
4 NRS 704.774 and 704.775, to the customer-generators operating
5 within its service area . ~~†until the date on which the cumulative~~
6 ~~capacity of all net metering systems for which all utilities in this~~
7 ~~State have accepted or approved completed applications for net~~
8 ~~metering is equal to 235 megawatts.~~

9 ~~—(b) After the date on which the cumulative capacity requirement~~
10 ~~described in paragraph (a) is met, in accordance with a tariff filed by~~
11 ~~the utility and approved by the Commission pursuant to~~
12 ~~NRS 704.7735.†~~

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

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

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

22 (c) Except as otherwise provided in subsection 5, shall not
23 charge a customer-generator any fee or charge that would increase
24 the customer-generator's minimum monthly charge to an amount
25 greater than that of other customers of the utility in the same rate
26 class as the customer-generator. *The electricity generated by a*
27 *customer-generator and fed back to the utility must not be used to*
28 *reduce the minimum monthly charge of the customer-generator.*

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

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

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

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



1 (b) Except as otherwise provided in paragraph (c) and
2 subsection 5, may charge the customer-generator any applicable fee
3 or charge charged to other customers of the utility in the same rate
4 class as the customer-generator, including, without limitation,
5 customer, demand and facility charges.

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

7 ↪ At the time of installation or upgrade of any portion of a net
8 metering system, the utility must allow a customer-generator
9 governed by this subsection to pay the entire cost of the installation
10 or upgrade of the portion of the net metering system.

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

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

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

20 ↪ the net metering system ceases to be eligible to participate in net
21 metering.

22 5. A utility shall assess against a customer-generator:

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

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

28 ~~—(c) The charges or rates, if any, which the Commission~~
29 ~~determines must be assessed against the customer-generator~~
30 ~~pursuant to any tariff submitted to and approved by the Commission~~
31 ~~pursuant to NRS 704.7735.†~~

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

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

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

- 42 (1) Metering equipment;
- 43 (2) Net energy metering and billing; and
- 44 (3) Interconnection,

45 ↪ based on the allowable size of the net metering system.



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

4 (c) A timeline for processing applications and contracts for net
5 metering applicants.

6 (d) Any other provisions the Commission finds necessary to
7 carry out the provisions of NRS 704.766 to 704.775, inclusive.

8 **Sec. 2.** NRS 704.775 is hereby amended to read as follows:

9 704.775 1. The billing period for net metering must be a
10 monthly period.

11 2. The net energy measurement must be calculated in the
12 following manner:

13 (a) The utility shall measure, in kilowatt-hours, the net
14 electricity produced or consumed during the billing period, in
15 accordance with normal metering practices.

16 (b) If the electricity supplied by the utility exceeds the electricity
17 generated by the customer-generator which is fed back to the utility
18 during the billing period, the customer-generator must be billed for
19 the net electricity supplied by the utility.

20 (c) If the electricity generated by the customer-generator which
21 is fed back to the utility exceeds the electricity supplied by the
22 utility during the billing period:

23 (1) Neither the utility nor the customer-generator is entitled
24 to compensation for the electricity provided to the other during the
25 billing period.

26 (2) The excess electricity which is fed back to the utility
27 during the billing period is carried forward to the next billing period
28 as an addition to the kilowatt-hours generated by the customer-
29 generator in that billing period. If the customer-generator is billed
30 for electricity pursuant to a time-of-use rate schedule, the excess
31 electricity carried forward must be added *first* to the ~~same~~ time-of-
32 use period ~~as the~~ *with the highest rate before the excess electricity*
33 *is added to any remaining* time-of-use period ~~in which it was~~
34 ~~generated unless the subsequent billing period lacks a corresponding~~
35 ~~time-of-use period. In that case, the excess electricity carried~~
36 ~~forward must be apportioned evenly among the available time-of-~~
37 ~~use periods.~~ *with a lower rate.*

38 (3) Excess electricity may be carried forward to subsequent
39 billing periods indefinitely, but a customer-generator is not entitled
40 to receive compensation for any excess electricity that remains if:

41 (I) The net metering system ceases to operate or is
42 disconnected from the utility's transmission and distribution
43 facilities;

44 (II) The customer-generator ceases to be a customer of
45 the utility at the premises served by the net metering system; or



1 (III) The customer-generator transfers the net metering
2 system to another person.

3 (4) The value of the excess electricity must not be used to
4 reduce any other fee or charge imposed by the utility.

5 3. If the cost of purchasing and installing a net metering system
6 was paid for:

7 (a) In whole or in part by a utility, the electricity generated by
8 the net metering system shall be deemed to be electricity that the
9 utility generated or acquired from a renewable energy system for the
10 purposes of complying with its portfolio standard pursuant to NRS
11 704.7801 to 704.7828, inclusive.

12 (b) Entirely by a customer-generator, the Commission shall
13 issue to the customer-generator portfolio energy credits for use
14 within the system of portfolio energy credits adopted by the
15 Commission pursuant to NRS 704.7821 and 704.78213 equal to the
16 electricity generated by the net metering system.

17 4. A bill for electrical service is due at the time established
18 pursuant to the terms of the contract between the utility and the
19 customer-generator.

20 **Sec. 3.** NRS 704.7735 is hereby repealed.

21 **Sec. 4.** This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTION

704.7735 Utility required to offer net metering in accordance with tariff after certain cumulative capacity requirements are met.

1. Except as otherwise provided in subsection 3, each utility shall, in accordance with a tariff filed by the utility and approved by the Commission, offer net metering to customer-generators who submit applications to install net metering systems within its service territory after the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met.

2. For the purposes of evaluating and approving any tariff filed with the Commission pursuant to subsection 1 and otherwise carrying out the provisions of this section, the Commission:

(a) May establish one or more rate classes for customer-generators.

(b) May establish terms and conditions for the participation by customer-generators in net metering, including, without limitation, limitations on enrollment in net metering which the Commission determines are appropriate to further the public interest.



(c) May close to new customer-generators a tariff filed pursuant to subsection 1 and approved by the Commission if the Commission determines that closing the tariff to new customer-generators is in the public interest.

(d) May authorize a utility to establish just and reasonable rates and charges to avoid, reduce or eliminate an unreasonable shifting of costs from customer-generators to other customers of the utility.

(e) Shall not approve a tariff filed pursuant to subsection 1 or authorize any rates or charges for net metering that unreasonably shift costs from customer-generators to other customers of the utility.

3. In approving any tariff submitted pursuant to subsection 1, the Commission shall determine whether and the extent to which any tariff approved or rates or charges authorized pursuant to this section are applicable to customer-generators who, on or before the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met, submitted a complete application to install a net metering system within the service territory of a utility.



