

ASSEMBLY BILL NO. 321—ASSEMBLYWOMAN TOLLES

MARCH 18, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to renewable energy systems. (BDR 58-313)

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

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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; requiring an electric utility to submit to the Public Utilities Commission a tariff authorizing the use of a qualified contractor to design, install and construct a line extension; requiring the Commission to approve the tariff if the tariff satisfies certain requirements; requiring a lender to consider the energy cost savings provided by a net metering system when determining whether a borrower has the ability to repay a home loan; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Existing law requires electric utilities to offer net metering to the customer-
- 2 generators operating within the service area of the utility and requires the Public
- 3 Utilities Commission of Nevada to adopt regulations prescribing the form and
- 4 substance for a net metering tariff. (NRS 704.773) **Section 1** of this bill requires
- 5 certain electric utilities to submit to the Commission a tariff that contains
- 6 provisions authorizing a contractor other than the electric utility to design, install
- 7 and construct a line extension to interconnect a net metering system for residential
- 8 property to the electrical grid. **Section 1** also requires the tariff to include
- 9 provisions relating to the qualification of such contractors, the standards for
- 10 performance of the work and the acceptance of the work by the electric utility.
- 11 Under **section 1**, the Commission is required to approve the tariff unless the
- 12 Commission finds that the tariff would not ensure public safety or reliable electric
- 13 service.
- 14 Existing law makes it an unfair lending practice for a lender to make a home
- 15 loan to a borrower without determining, using any commercially reasonable means,
- 16 that the borrow has the ability to repay the home loan. (NRS 598D.100) **Section 3**
- 17 of this bill requires a lender, when determining whether a borrower has the ability
- 18 to repay a home loan, to consider the reasonably expected energy cost savings



19 which a borrower will receive from a solar energy system which is attached to or  
20 located on the same premises as the home which secures the loan.

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

1       **Section 1.** Chapter 704 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       1. *An electric utility shall submit to the Commission a tariff*  
4 *that contains provisions authorizing a contractor other than the*  
5 *electric utility to design, install and construct a line extension for*  
6 *the interconnection of a net metering system for residential*  
7 *property. The tariff must include, without limitation, the*  
8 *following:*

9       (a) *A procedure by which a contractor applies to the electric*  
10 *utility to become qualified to design, install and construct a line*  
11 *extension for the interconnection of a net metering system for*  
12 *residential property. To be qualified pursuant to the procedure*  
13 *described in this paragraph, the contractor must hold a*  
14 *classification of license issued by the State Contractors' Board*  
15 *that authorizes the contractor to design, install and construct a*  
16 *line extension for the interconnection of a net metering system for*  
17 *residential property.*

18       (b) *A requirement for a contractor who qualifies with the*  
19 *electric utility pursuant to the procedure described in paragraph*  
20 *(a) to enter into a contract with the electric utility that sets forth*  
21 *the functions the contractor is authorized to perform, the rate*  
22 *which the electric utility will pay the contractor to perform those*  
23 *functions, and a requirement that the contractor maintain all*  
24 *qualifications necessary to design, install and construct a line*  
25 *extension for the interconnection of a net metering system for*  
26 *residential property.*

27       (c) *A requirement for a person who wishes to have constructed*  
28 *a line extension for the interconnection of a net metering system*  
29 *located for residential property and the electric utility to enter into*  
30 *a contract that sets forth the responsibilities concerning the use of*  
31 *a contractor other than the electric utility to design, install and*  
32 *construct a line extension for the interconnection of a net*  
33 *metering system for residential property.*

34       (d) *Provisions authorizing a person who wishes to have*  
35 *constructed a line extension for the interconnection of a net*  
36 *metering system for residential property to enter into a contract*  
37 *with a contractor qualified pursuant to the procedure described in*  
38 *paragraph (a) that sets forth the terms and conditions for the*  
39 *design, installation and construction of the line extension.*



1 (e) *Standards and specifications for the design, installation*  
2 *and construction of a line extension for the interconnection of a*  
3 *net metering system for residential property.*

4 (f) *A procedure for the approval by the electric utility of work*  
5 *performed by a contractor qualified pursuant to the procedure*  
6 *described in paragraph (a) to design, install and construct a line*  
7 *extension for the interconnection of a net metering system for*  
8 *residential property.*

9 2. *The Commission shall approve a tariff submitted by an*  
10 *electric utility pursuant to subsection 1 that satisfies the*  
11 *requirements of that subsection unless the Commission finds that*  
12 *the tariff would not ensure public safety and reliable electric*  
13 *service.*

14 3. *The Commission may adopt regulations to carry out the*  
15 *provisions of this section.*

16 4. *As used in this section, "electric utility" has the meaning*  
17 *ascribed to it in NRS 704.187.*

18 **Sec. 2.** NRS 704.773 is hereby amended to read as follows:

19 704.773 1. A utility shall offer net metering in accordance  
20 with the provisions of NRS 704.766 to 704.777, inclusive, *and*  
21 *section 1 of this act* to the customer-generators operating within its  
22 service area.

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

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

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

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

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

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

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

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



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

4 (b) Except as otherwise provided in paragraph (d) and  
5 subsection 7, shall not charge the customer-generator any fee or  
6 charge that is different than that charged to other customers of the  
7 utility in the rate class to which the customer-generator would  
8 belong if the customer-generator did not have a net metering system,  
9 including, without limitation, customer, demand and facility  
10 charges.

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

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

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

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

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

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

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

34 ➤ the net metering system ceases to be eligible to participate in net  
35 metering.

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

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

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

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



1 8. The Commission and the utility must allow a customer-  
2 generator who accepts the offer of the utility for net metering to  
3 continue net metering pursuant to NRS 704.766 to 704.777,  
4 inclusive, *and section 1 of this act* at the location at which the net  
5 metering system is originally installed for 20 years. For the purposes  
6 of this subsection, “to continue net metering” includes, without  
7 limitation:

8 (a) Retaining the percentage set forth in subsection 3 of NRS  
9 704.7732 to be used to determine the credit for electricity governed  
10 by paragraph (c) of subsection 2 of NRS 704.775, which is  
11 applicable to the customer-generator; and

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

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

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

- 21 (1) Metering equipment;
- 22 (2) Net energy metering and billing; and
- 23 (3) Interconnection,

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

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

28 (c) A timeline for processing applications and contracts for net  
29 metering applicants.

30 (d) Any other provisions the Commission finds necessary to  
31 carry out the provisions of NRS 704.766 to 704.777, inclusive **H**,  
32 *and section 1 of this act*.

33 **Sec. 3.** NRS 598D.100 is hereby amended to read as follows:

34 598D.100 1. It is an unfair lending practice for a lender to:

35 (a) Require a borrower, as a condition of obtaining or  
36 maintaining a home loan secured by home property, to provide  
37 property insurance on improvements to home property in an amount  
38 that exceeds the reasonable replacement value of the improvements.

39 (b) Knowingly or intentionally make a home loan, other than a  
40 reverse mortgage, to a borrower, including, without limitation, a  
41 low-document home loan, no-document home loan or stated-  
42 document home loan, without determining, using any commercially  
43 reasonable means or mechanism, that the borrower has the ability to  
44 repay the home loan.



1 (c) Finance a prepayment fee or penalty in connection with the  
2 refinancing by the original borrower of a home loan owned by the  
3 lender or an affiliate of the lender.

4 (d) Finance, directly or indirectly in connection with a home  
5 loan, any credit insurance.

6 2. *In determining the ability of a borrower to repay a home  
7 loan, as required by paragraph (b) of subsection 1, a lender shall  
8 consider any energy cost savings which the borrower may  
9 reasonably be expected to receive due to a net metering system  
10 which is attached to or located on the same premises as the home  
11 property which secures the loan, but shall not consider the value  
12 of the net metering system itself.*

13 3. As used in this section:

14 (a) "Credit insurance" has the meaning ascribed to it in  
15 NRS 690A.015.

16 (b) "Low-document home loan" means a home loan:

17 (1) Whose terms allow a borrower to establish his or her  
18 ability to repay the home loan by providing only limited verification  
19 of his or her income and other assets; or

20 (2) Which is evidenced only by a deed transferring some or  
21 all of the interest of the borrower in the home property to the  
22 creditor.

23 (c) *"Net metering system" has the meaning ascribed to it in  
24 NRS 704.769.*

25 (d) "No-document home loan" means a home loan whose terms  
26 allow a borrower to establish his or her ability to repay the home  
27 loan without providing any verification of his or her income and  
28 other assets.

29 ~~(d)~~ (e) "Prepayment fee or penalty" means any fee or penalty  
30 imposed by a lender if a borrower repays the balance of a loan or  
31 otherwise makes a payment on a loan before the regularly scheduled  
32 time for repayment.

33 ~~(e)~~ (f) "Stated-document home loan" means a home loan  
34 whose terms allow a borrower to establish his or her ability to repay  
35 the home loan by providing only his or her own statement of  
36 verification of his or her income and other assets.

37 **Sec. 4.** This act becomes effective on July 1, 2019.





