

SENATE BILL NO. 281—SENATOR SCHNEIDER

MARCH 21, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Requires the Public Utilities Commission of Nevada to establish the Electric Vehicle Demonstration Program. (BDR 58-1019)

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; requiring the Public Utilities Commission of Nevada to establish the Electric Vehicle Demonstration Program; requiring the Commission to adopt regulations to carry out the Demonstration Program; requiring electric utilities to administer the Demonstration Program in their service areas; exempting from regulation as a public utility a person who owns or operates a charging station that provides electricity for recharging an electric vehicle; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 12** of this bill requires the Public Utilities Commission of Nevada to
2 establish the Electric Vehicle Demonstration Program to carry out the intent of the
3 Legislature of the registration of at least 1,500 electric vehicles in this State before
4 January 1, 2016. **Section 13** of this bill requires the Commission to adopt
5 regulations to carry out the Demonstration Program. **Section 13** also provides that
6 incentives paid to participants in the Demonstration Program: (1) must not exceed
7 \$3,000; (2) must be designed to decline over time; and (3) must be structured to
8 reduce the cost of electric vehicles. **Section 14** of this bill requires each electric
9 utility to carry out the Demonstration Program in its service area and authorizes an
10 electric utility to recover its costs incurred in carrying out the Demonstration
11 Program. **Section 15** of this bill requires an electric utility annually to file for
12 approval by the Commission a plan to carry out the Demonstration Program.
13 **Section 16** of this bill requires an electric utility to withdraw a participant from the
14 Demonstration Program under certain circumstances.
15 **Section 19** of this bill exempts from regulation as a public utility a person who
16 owns or operates a charging station for the recharging of an electric vehicle.



1 WHEREAS, Energy and clean air are essential to the health,
2 welfare and security of Nevada residents and businesses; and

3 WHEREAS, New electrical vehicle propulsion technologies are
4 emerging, and their adoption should be encouraged; and

5 WHEREAS, Nevada public utilities should be encouraged to
6 prepare for large-scale use of electric powered motor vehicles; and

7 WHEREAS, The efficiency and cost effectiveness of electric
8 generation facilities can be enhanced by spreading the fixed cost of
9 operation over a greater number of hours per day and by introducing
10 a new customer base, namely vehicles; and

11 WHEREAS, Nevada has been a leader in energy efficiency and
12 should continue to adopt public policies that foster energy
13 innovation; and

14 WHEREAS, Transportation fuel costs have risen dramatically,
15 and such costs impact the price of goods and services in Nevada as
16 well as the strength of Nevada's tourism industry; and

17 WHEREAS, Fossil fuel use in vehicles has a detrimental impact
18 on air quality and the health of Nevada's residents, and the
19 reduction in the use of such fuels will benefit Nevada's
20 environment; now, therefore,

21
22 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
23 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
24

25 **Section 1.** Chapter 701B of NRS is hereby amended by adding
26 thereto the provisions set forth as sections 2 to 16, inclusive, of this
27 act.

28 **Sec. 2.** *Sections 2 to 16, inclusive, of this act may be cited as*
29 *the Electric Vehicle Demonstration Program.*

30 **Sec. 3.** *As used in sections 2 to 16, inclusive, of this act,*
31 *unless the context otherwise requires, the words and terms defined*
32 *in sections 4 to 11, inclusive, of this act have the meanings*
33 *ascribed to them in those sections.*

34 **Sec. 4.** *"Applicant" means a customer of a utility who is*
35 *applying to participate in the Demonstration Program.*

36 **Sec. 5.** *"Commission" means the Public Utilities*
37 *Commission of Nevada.*

38 **Sec. 6.** *"Demonstration Program" means the Electric*
39 *Vehicle Demonstration Program established by the Commission*
40 *pursuant to section 12 of this act.*

41 **Sec. 7.** *"Electric vehicle" has the meaning ascribed to it in*
42 *section 17 of this act.*

43 **Sec. 8.** *"Participant" means a person who has been approved*
44 *by a utility to participate in the Demonstration Program.*



1 **Sec. 9.** *“Person” includes, without limitation, a*
2 *governmental entity.*

3 **Sec. 10.** *“Program year” means a calendar year.*

4 **Sec. 11.** *“Utility” means a public utility that supplies*
5 *electricity in this State.*

6 **Sec. 12.** 1. *The Commission shall establish the Electric*
7 *Vehicle Demonstration Program to carry out the intent of the*
8 *Legislature of the registration of at least 1,500 electric vehicles in*
9 *this State before January 1, 2016.*

10 2. *To be eligible to participate in the Demonstration Program,*
11 *a person must:*

12 (a) *Apply to a utility on a form prescribed by the Commission;*

13 (b) *Meet the qualifications established by the Commission*
14 *pursuant to section 13 of this act; and*

15 (c) *Be approved by a utility for inclusion in the Demonstration*
16 *Program.*

17 **Sec. 13.** 1. *The Commission shall adopt regulations*
18 *necessary to carry out the Demonstration Program, including,*
19 *without limitation, regulations which establish:*

20 (a) *The qualifications and requirements an applicant must*
21 *meet to be eligible to participate in the Demonstration Program.*

22 (b) *The type of incentives available to participants in the*
23 *Demonstration Program and the level or amount of those*
24 *incentives. The incentives authorized by the Commission must:*

25 (1) *Not exceed \$3,000 for any participant;*

26 (2) *Decline over time; and*

27 (3) *Be structured to reduce the cost of electric vehicles.*

28 (c) *The requirements for a utility’s annual plan for carrying*
29 *out and administering the Demonstration Program. A utility’s*
30 *annual plan must include, without limitation:*

31 (1) *A detailed plan for advertising the Demonstration*
32 *Program;*

33 (2) *A detailed budget and schedule for carrying out and*
34 *administering the Demonstration Program;*

35 (3) *A detailed account of administrative processes and*
36 *forms that will be used to carry out and administer the*
37 *Demonstration Program, including, without limitation, a*
38 *description of the application process and copies of all*
39 *applications and any other forms that are necessary to apply for*
40 *and participate in the Demonstration Program;*

41 (4) *A detailed account of the procedures that will be used*
42 *for inspection and verification of a participant’s electric vehicle*
43 *and any system for recharging plug-in electric vehicles installed or*
44 *operated by the participant;*



1 (5) *A detailed account of training and educational activities*
2 *that will be used to carry out and administer the Demonstration*
3 *Program; and*

4 (6) *Any other information required by the Commission.*

5 2. *In determining the level or amount of incentives provided*
6 *through the Demonstration Program, the Commission shall*
7 *consider any federal tax credits and other incentives available to*
8 *participants.*

9 **Sec. 14.** 1. *Each utility shall carry out and administer the*
10 *Demonstration Program within its service area in accordance with*
11 *its annual plan approved by the Commission pursuant to section*
12 *15 of this act.*

13 2. *A utility may recover its reasonable and prudent costs,*
14 *including, without limitation, customer incentives, that are*
15 *associated with carrying out and administering the Demonstration*
16 *Program within its service area by seeking recovery of those costs*
17 *in an appropriate proceeding before the Commission pursuant to*
18 *NRS 704.110.*

19 **Sec. 15.** 1. *On or before October 1, 2011, and on or before*
20 *October 1 of each year thereafter, each utility shall file with the*
21 *Commission its annual plan for carrying out and administering*
22 *the Demonstration Program within its service area for the*
23 *following program year.*

24 2. *On or before November 1, 2011, and on or before*
25 *November 1 of each year thereafter, the Commission shall:*

26 (a) *Review the annual plan filed by each utility for compliance*
27 *with the requirements established by regulation pursuant to*
28 *section 13 of this act; and*

29 (b) *Approve the annual plan with such modifications and upon*
30 *such terms and conditions as the Commission finds necessary or*
31 *appropriate to facilitate the Demonstration Program.*

32 **Sec. 16.** 1. *A utility shall withdraw a participant from the*
33 *Demonstration Program if the utility determines that the*
34 *participant has not:*

35 (a) *Complied with the requirements for participation in the*
36 *Demonstration Program; or*

37 (b) *Purchased an electric vehicle within 90 days after the date*
38 *the participant receives written notice of his or her selection to*
39 *participate in the Demonstration Program.*

40 2. *A participant who is withdrawn from the Demonstration*
41 *Program pursuant to this section forfeits any incentives.*

42 **Sec. 17.** Chapter 704 of NRS is hereby amended by adding
43 thereto a new section to read as follows:

44 *“Electric vehicle” means any vehicle that is self-propelled,*
45 *powered in whole or in part by electrical power and used upon a*



1 *highway for the purpose of transporting persons or property. The*
2 *term does not include:*

3 1. *A device moved by human power or used exclusively upon*
4 *stationary rails or tracks;*

5 2. *A mobile home or commercial coach as defined in chapter*
6 *489 of NRS;*

7 3. *An electric personal assistive mobility device as defined in*
8 *NRS 482.029;*

9 4. *An electric bicycle as defined in NRS 483.067;*

10 5. *A farm tractor as defined in NRS 482.035; or*

11 6. *A moped as defined in NRS 482.069.*

12 **Sec. 18.** NRS 704.005 is hereby amended to read as follows:

13 704.005 As used in this chapter, unless the context otherwise
14 requires, the words and terms defined in NRS 704.006 to 704.028,
15 inclusive, *and section 17 of this act* have the meanings ascribed to
16 them in those sections.

17 **Sec. 19.** NRS 704.021 is hereby amended to read as follows:

18 704.021 "Public utility" or "utility" does not include:

19 1. Persons engaged in the production and sale of natural gas,
20 other than sales to the public, or engaged in the transmission of
21 natural gas other than as a common carrier transmission or
22 distribution line or system.

23 2. Persons engaged in the business of furnishing, for
24 compensation, water or services for the disposal of sewage, or both,
25 to persons within this State if:

26 (a) They serve 25 persons or less; and

27 (b) Their gross sales for water or services for the disposal of
28 sewage, or both, amounted to \$25,000 or less during the
29 immediately preceding 12 months.

30 3. Persons not otherwise engaged in the business of furnishing,
31 producing or selling water or services for the disposal of sewage, or
32 both, but who sell or furnish water or services for the disposal of
33 sewage, or both, as an accommodation in an area where water or
34 services for the disposal of sewage, or both, are not available from a
35 public utility, cooperative corporations and associations or political
36 subdivisions engaged in the business of furnishing water or services
37 for the disposal of sewage, or both, for compensation, to persons
38 within the political subdivision.

39 4. Persons who are engaged in the production and sale of
40 energy, including electricity, to public utilities, cities, counties or
41 other entities which are reselling the energy to the public.

42 5. Persons who are subject to the provisions of NRS 590.465 to
43 590.645, inclusive.

44 6. Persons who are engaged in the sale or use of special fuel as
45 defined in NRS 366.060.



1 7. Persons who provide water from water storage, transmission
2 and treatment facilities if those facilities are for the storage,
3 transmission or treatment of water from mining operations.

4 8. Persons who are video service providers, as defined in NRS
5 711.151, except for those operations of the video service provider
6 which consist of providing a telecommunication service to the
7 public, in which case the video service provider is a public utility
8 only with regard to those operations of the video service provider
9 which consist of providing a telecommunication service to the
10 public.

11 9. *Persons who own or operate charging stations that supply*
12 *electricity for the recharging of an electric vehicle.*

13 10. Persons who for compensation own or operate individual
14 systems which use renewable energy to generate electricity and sell
15 the electricity generated from those systems to not more than one
16 customer of the public utility per individual system if each
17 individual system is:

18 (a) Located on the premises of another person;

19 (b) Used to produce not more than 150 percent of that other
20 person's requirements for electricity on an annual basis for the
21 premises on which the individual system is located; and

22 (c) Not part of a larger system that aggregates electricity
23 generated from renewable energy for resale or use on premises other
24 than the premises on which the individual system is located.

25 ➤ As used in this subsection, "renewable energy" has the meaning
26 ascribed to it in NRS 704.7811.

27 **Sec. 20.** On or before July 1, 2012, the Public Utilities
28 Commission of Nevada shall submit to the Director of the
29 Legislative Counsel Bureau for transmittal to the Legislature a
30 report concerning the Electric Vehicle Demonstration Program
31 which must include, without limitation:

32 1. An explanation of the criteria used by the Commission to
33 determine the level and amount of incentives provided to
34 participants in the Demonstration Program;

35 2. A statement of the anticipated benefits of the Demonstration
36 Program; and

37 3. Any recommendations concerning the Demonstration
38 Program.

39 **Sec. 21.** 1. This act becomes effective on July 1, 2011.

40 2. Sections 1 to 16, inclusive, and 20 of this act expire by
41 limitation on December 31, 2015.



