
SENATE BILL NO. 313—SENATOR SCHNEIDER

MARCH 21, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises certain provisions relating to energy.
(BDR 58-236)

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 Nevada Energy Commissioner to prescribe minimum standards of energy efficiency for certain electrical devices; authorizing the Commissioner to charge and collect a fee from manufacturers of certain electrical devices for the costs of any tests to confirm that such electrical devices comply with the minimum standards of energy efficiency prescribed by the Commissioner; authorizing the Commissioner to impose administrative fines; requiring the Public Utilities Commission of Nevada, in evaluating a 3-year plan submitted by an electric utility, to give preference to certain measures and sources of electricity; requiring an electric utility to include in its 3-year plan at least one scenario of supply and demand which maximizes the achievable net benefits from energy efficiency and conservation measures and programs; requiring the Commission to adopt regulations which include the opportunity for an electric utility to earn a return on investment from the implementation of energy efficiency and conservation programs equal to the return on investment earned by the utility from investment in alternative supply-side resources; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law requires the Nevada Energy Commissioner to prepare a
2 comprehensive state energy plan which includes the promotion of the use of
3 measures which conserve or reduce the demand for energy or which result in more
4 efficient use of energy. (NRS 701.190) Existing law also requires the
5 Commissioner to adopt regulations for the conservation of energy in buildings and
6 to adopt regulations establishing a minimum standard of energy efficiency for
7 general purposes lights. (NRS 701.220, 701.260) **Section 1** of this bill requires the
8 Commissioner to adopt regulations prescribing a minimum standard of energy
9 efficiency for portable light fixtures and televisions and authorizes the
10 Commissioner to prescribe a minimum standard of energy efficiency for any other
11 electrical devices. In addition, **section 1** requires the Commissioner to adopt
12 regulations establishing the procedures by which a manufacturer of an electrical
13 device is required to: (1) demonstrate that the electrical device complies with the
14 minimum standard of energy efficiency; (2) identify that the device complies with
15 the minimum standard of energy efficiency; and (3) make available to the
16 Commissioner samples of the device for the purpose of conducting tests to confirm
17 that the device complies with the minimum standard of energy efficiency. **Section 1**
18 authorizes the Commissioner to charge and collect a fee from the manufacturer of
19 an electrical device for the cost of conducting tests to confirm that the device
20 complies with the minimum standard of energy efficiency. **Section 1** also
21 authorizes the Commissioner to impose an administrative fine on any manufacturer
22 of an electrical device who does not comply with **section 1** or the regulations
23 adopted pursuant thereto. Finally, **section 1** requires the Commissioner to make
24 available to the public information concerning the minimum standards of energy
25 efficiency prescribed by the Commissioner. **Section 5** of this bill requires the
26 Commissioner to adopt the regulations prescribing the minimum standards of
27 energy efficiency on or before October 1, 2012.

28 **Section 2** of this bill requires an electric utility to include as part of its 3-year
29 plan submitted to the Public Utilities Commission of Nevada a comparison of
30 scenarios of the best combinations of supply to meet demands or the best methods
31 to reduce demands, at least one of which must be a scenario in which the
32 achievable net benefits from energy efficiency and energy conservation measures
33 and programs are maximized. **Section 3** of this bill requires, rather than authorizes,
34 the Commission, in evaluating the adequacy of a 3-year plan submitted by an
35 electric utility, to give preference to those energy efficiency measures, purchasing
36 decisions and sources of energy identified in the plan which provide the greatest
37 economic and environmental benefits to the State and which provide levels of
38 service that are adequate and reliable. **Section 4** of this bill requires that the
39 regulations adopted by the Commission relating to energy efficiency and
40 conservation programs include an opportunity for the electric utility to earn a return
41 on investment from the implementation of such programs that is equal to the return
42 on investment the electric utility could otherwise earn from investing in alternative
43 supply-side resources. **Section 4** provides that the return on investment which may
44 be earned by the electric utility must be based upon the performance of the energy
45 efficiency and conservation programs.



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

1 **Section 1.** Chapter 701 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *Except as otherwise provided in subsection 7, the*
4 *Commissioner:*

5 (a) *Shall adopt regulations prescribing a minimum standard of*
6 *energy efficiency for:*

7 (1) *Portable light fixtures; and*

8 (2) *Televisions.*

9 (b) *May adopt regulations prescribing a minimum standard of*
10 *energy efficiency for any electrical device other than the electrical*
11 *devices set forth in paragraph (a).*

12 2. *In adopting regulations pursuant to subsection 1, the*
13 *Commissioner shall prescribe the minimum standard of energy*
14 *efficiency for an electrical device based upon a determination that*
15 *the standard of energy efficiency will serve to promote energy*
16 *conservation in this State and will be cost-effective for consumers*
17 *who purchase and use such electrical devices.*

18 3. *A regulation adopted pursuant to subsection 1 which*
19 *establishes or amends a minimum standard of energy efficiency*
20 *for an electrical device must not become effective until 1 year after*
21 *the date on which the regulation is adopted.*

22 4. *The Commissioner shall adopt regulations establishing the*
23 *procedures by which a manufacturer of an electrical device for*
24 *which the Commissioner has prescribed a minimum standard of*
25 *energy efficiency pursuant to subsection 1 shall:*

26 (a) *Demonstrate that the electrical device complies with the*
27 *minimum standard of energy efficiency prescribed by the*
28 *Commissioner;*

29 (b) *Identify conspicuously on the electrical device and on any*
30 *packaging for the electrical device that the device complies with*
31 *the minimum standard of energy efficiency prescribed by the*
32 *Commissioner; and*

33 (c) *Make available to the Commissioner samples of the*
34 *electrical device for the purpose of conducting tests to confirm that*
35 *the device complies with the minimum standard of energy*
36 *efficiency prescribed by the Commissioner.*

37 5. *The Commissioner may:*

38 (a) *Charge and collect a fee from the manufacturer of an*
39 *electrical device for the cost of any test conducted by the*
40 *Commissioner in accordance with the regulations adopted*
41 *pursuant to paragraph (c) of subsection 4; and*



1 (b) *Impose an administrative fine on any manufacturer of an*
2 *electrical device who does not comply with the provisions of this*
3 *section or any regulation adopted pursuant thereto.*

4 6. *The Commissioner shall make available to the public, free*
5 *of charge, information concerning the minimum standards of*
6 *energy efficiency for electrical devices prescribed by the*
7 *Commissioner pursuant to this section and shall publish the*
8 *information on the Internet website of the Commissioner.*

9 7. *The regulations adopted pursuant to this section do not*
10 *apply to:*

11 (a) *New electrical devices manufactured in this State and sold*
12 *outside of this State;*

13 (b) *New electrical devices manufactured outside of this State*
14 *and sold at wholesale in this State for final retail sale and use*
15 *outside of this State; or*

16 (c) *New electrical devices designed expressly for installation*
17 *and use in a recreational vehicle as that term is defined in*
18 *NRS 482.101.*

19 8. *As used in this section, "portable light fixture" means a*
20 *movable electric light fixture that uses a plug-in power cord.*

21 **Sec. 2.** NRS 704.741 is hereby amended to read as follows:

22 704.741 1. A utility which supplies electricity in this State
23 shall, on or before July 1 of every third year, in the manner specified
24 by the Commission, submit a plan to increase its supply of
25 electricity or decrease the demands made on its system by its
26 customers to the Commission.

27 2. The Commission shall, by regulation:

28 (a) Prescribe the contents of such a plan, including, but not
29 limited to, the methods or formulas which are used by the utility to:

30 (1) Forecast the future demands; and

31 (2) Determine the best combination of sources of supply to
32 meet the demands or the best method to reduce them; and

33 (b) Designate renewable energy zones and revise the designated
34 renewable energy zones as the Commission deems necessary.

35 3. The Commission shall require the utility to include in its
36 plan:

37 (a) An energy efficiency program for residential customers
38 which reduces the consumption of electricity or any fossil fuel and
39 which includes, without limitation, the use of new solar thermal
40 energy sources; and

41 (b) A comparison of a diverse set of scenarios of the best
42 combination of sources of supply to meet the demands or the best
43 methods to reduce the demands, which must include ~~fat~~ :

44 (1) *At* least one scenario of low carbon intensity ~~+~~ ; *and*



1 ***(2) At least one scenario that maximizes the achievable net***
2 ***benefits from energy efficiency and energy conservation measures***
3 ***and programs.***

4 4. The Commission shall require the utility to include in its
5 plan a plan for construction or expansion of transmission facilities to
6 serve renewable energy zones and to facilitate the utility in meeting
7 the portfolio standard established by NRS 704.7821.

8 5. As used in this section:

9 (a) "Carbon intensity" means the amount of carbon by weight
10 emitted per unit of energy consumed.

11 (b) "Renewable energy zones" means specific geographic zones
12 where renewable energy resources are sufficient to develop
13 generation capacity and where transmission constrains the delivery
14 of electricity from those resources to customers.

15 **Sec. 3.** NRS 704.746 is hereby amended to read as follows:

16 704.746 1. After a utility has filed its plan pursuant to NRS
17 704.741, the Commission shall convene a public hearing on the
18 adequacy of the plan.

19 2. The Commission shall determine the parties to the public
20 hearing on the adequacy of the plan. A person or governmental
21 entity may petition the Commission for leave to intervene as a party.
22 The Commission must grant a petition to intervene as a party in the
23 hearing if the person or entity has relevant material evidence to
24 provide concerning the adequacy of the plan. The Commission may
25 limit participation of an intervener in the hearing to avoid
26 duplication and may prohibit continued participation in the hearing
27 by an intervener if the Commission determines that continued
28 participation will unduly broaden the issues, will not provide
29 additional relevant material evidence or is not necessary to further
30 the public interest.

31 3. In addition to any party to the hearing, any interested person
32 may make comments to the Commission regarding the contents and
33 adequacy of the plan.

34 4. After the hearing, the Commission shall determine whether:

35 (a) The forecast requirements of the utility are based on
36 substantially accurate data and an adequate method of forecasting.

37 (b) The plan identifies and takes into account any present and
38 projected reductions in the demand for energy that may result from
39 measures to improve energy efficiency in the industrial,
40 commercial, residential and energy producing sectors of the area
41 being served.

42 (c) The plan adequately demonstrates the economic,
43 environmental and other benefits to this State and to the customers
44 of the utility, associated with the following possible measures and
45 sources of supply:



- 1 (1) Improvements in energy efficiency;
- 2 (2) Pooling of power;
- 3 (3) Purchases of power from neighboring states or countries;
- 4 (4) Facilities that operate on solar or geothermal energy or
- 5 wind;
- 6 (5) Facilities that operate on the principle of cogeneration or
- 7 hydrogeneration;
- 8 (6) Other generation facilities; and
- 9 (7) Other transmission facilities.

10 5. The Commission ~~may~~ *shall* give preference to the
11 measures and sources of supply set forth in paragraph (c) of
12 subsection 4 that:

13 (a) Provide the greatest economic and environmental benefits to
14 the State;

15 (b) Are consistent with the provisions of this section; and

16 (c) Provide levels of service that are adequate and reliable.

17 6. The Commission shall:

18 (a) Adopt regulations which determine the level of preference to
19 be given to those measures and sources of supply; and

20 (b) Consider the value to the public of using water efficiently
21 when it is determining those preferences.

22 7. The Commission shall:

23 (a) Consider the level of financial commitment from developers
24 of renewable energy projects in each renewable energy zone, as
25 designated pursuant to subsection 2 of NRS 704.741; and

26 (b) Adopt regulations establishing a process for considering
27 such commitments, including, without limitation, contracts for the
28 sale of energy, leases of land and mineral rights, cash deposits and
29 letters of credit.

30 **Sec. 4.** NRS 704.785 is hereby amended to read as follows:

31 704.785 1. The Commission shall adopt regulations
32 authorizing an electric utility to recover an amount based on the
33 measurable and verifiable effects of the implementation by the
34 electric utility of energy efficiency and conservation programs
35 approved by the Commission, which ~~is~~

36 ~~—(a) Must~~ *must* include:

37 ~~[(1)]~~ (a) The costs reasonably incurred by the electric utility
38 in implementing and administering the energy efficiency and
39 conservation programs; ~~and~~

40 ~~—(2)]~~ (b) Any financial disincentives relating to other supply
41 alternatives caused or created by the reasonable implementation of
42 the energy efficiency and conservation programs; and

43 ~~[(b) May include any financial incentives to support the~~
44 ~~promotion of the participation of the customers of]~~



1 (c) *An opportunity for the electric utility ~~[in the]~~ to earn a*
2 *return on investment from the implementation of energy efficiency*
3 *and conservation programs that is equal to the return on*
4 *investment the electric utility could otherwise earn from investing*
5 *in alternative supply-side resources. The return on investment*
6 *which may be earned by the electric utility pursuant to this*
7 *paragraph must be based upon the performance of the energy*
8 *efficiency and conservation programs.*

9 2. When considering whether to approve an energy efficiency
10 or conservation program proposed by an electric utility as part of a
11 plan filed pursuant to NRS 704.741, the Commission shall consider
12 the effect of any recovery by the electric utility pursuant to this
13 section on the rates of the customers of the electric utility.

14 3. The regulations adopted pursuant to this section must not:

15 (a) Affect the electric utility's incentives and allowed returns in
16 areas not affected by the implementation of energy efficiency and
17 conservation programs; or

18 (b) Authorize the electric utility to earn more than the rate of
19 return authorized by the Commission in the most recently completed
20 rate case of the electric utility.

21 4. As used in this section, "electric utility" has the meaning
22 ascribed to it in NRS 704.187.

23 **Sec. 5.** The Nevada Energy Commissioner shall adopt the
24 regulations required by section 1 of this act on or before October 1,
25 2012.

26 **Sec. 6.** 1. This section and sections 1 and 5 of this act
27 becomes effective upon passage and approval for the purpose of
28 adopting regulations and on January 1, 2012, for all other purposes.

29 2. Sections 2, 3 and 4 of this act become effective on
30 January 1, 2012.



