

Senate Bill No. 314–Senator Lange

Joint Sponsor: Assemblyman Carter

CHAPTER.....

AN ACT relating to energy; revising a definition relating to certain renewable energy facilities; revising provisions governing the establishment by the Public Utilities Commission of Nevada of biennial targets for the procurement of energy storage systems by certain electric utilities; requiring the Commission to reevaluate the existing biennial targets; eliminating an obsolete provision relating to the establishment of such targets; establishing requirements for the installation of electrochemical energy storage systems; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Public Utilities Commission of Nevada to: (1) determine, on or before October 1, 2018, whether it is in the public interest to establish by regulation biennial targets for the procurement of energy storage systems by certain electric utilities; and (2) if the Commission determines that it is in the public interest to establish such targets, adopt regulations establishing biennial targets for the procurement of energy storage systems by certain electric utilities. (NRS 704.795, 704.796) Existing regulations, with certain exceptions, establish progressively larger targets for the procurement of energy storage systems by certain electric utilities, culminating in a requirement that certain electric utilities procure energy storage systems capable of storing not less than 1,000 megawatts of electric power by December 31, 2030. Existing regulations also require the Commission to review the existing biennial energy storage targets when it reviews the resource plan submitted by an electric utility and determine whether the targets should be altered. (Section 10 of LCB File No. R106-19) **Section 1.5** of this bill requires that the Commission establish biennial targets that deliver the greatest benefits to the customers of the electric utility in relation to the costs of the procurement of energy storage systems. **Section 6** of this bill repeals the obsolete provision that requires the Commission to determine whether to adopt regulations to establish the biennial targets by October 1, 2018, given that those regulations have been adopted. **Section 2** of this bill makes a conforming change relating to the repeal of this obsolete provision.

Section 3 of this bill prohibits a person from installing an electrochemical energy storage system unless the person holds a valid license in the classification required to perform such work and, except under certain limited circumstances, for installations occurring on property other than a residential property after July 1, 2025, ensures that the installation: (1) is performed by or under the direct supervision of a person who holds a certificate demonstrating the successful completion of the Energy Storage and Microgrid Training and Certification program; and (2) conforms to certain standards regarding the installation of signage in connection with such systems. **Section 4** of this bill provides that a violation of the provisions of **section 3** is grounds for disciplinary action by the State Contractors’ Board.

Section 1 of this bill revises the definition of “facility for the storage of energy from renewable generation.”



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

Section 1. NRS 701A.327 is hereby amended to read as follows:

701A.327 1. “Facility for the storage of energy from renewable generation” means a facility that is constructed or installed for the ~~[sole]~~ purpose of storing electric energy received from a facility for the generation of electricity from renewable energy for release at a later time, including, without limitation, a facility that is designed to use energy storage technology.

2. The term does not include a facility that is located on a residential property.

Sec. 1.5. NRS 704.796 is hereby amended to read as follows:

704.796 ~~[If, pursuant to NRS 704.795, the Commission determines that it is in the public interest to establish by regulation targets for the procurement of energy storage systems by an electric utility, the]~~

1. *The* Commission shall adopt regulations:

~~[1.]~~ **(a)** Establishing biennial targets for the procurement of energy storage systems by ~~[the]~~ ***an*** electric utility;

~~[2.]~~ **(b)** Setting forth the points of interconnection on the electric grid for the implementation of energy storage systems;

~~[3.]~~ **(c)** Establishing that an energy storage system may be owned by the electric utility or any other person;

~~[4.]~~ **(d)** Establishing requirements for the filing by the electric utility of annual or biennial plans to meet biennial targets for the procurement and implementation of energy storage systems;

~~[5.]~~ **(e)** Prescribing a procedure by which the Commission must, at least once every 3 years, reevaluate the biennial targets for the procurement of energy storage systems by the electric utility;

~~[6.]~~ **(f)** Establishing a procedure by which an electric utility may obtain a waiver or deferral of the biennial targets for the procurement of energy storage systems if the electric utility is not able to identify energy storage systems that provide benefits to customers of the utility that exceed the costs of energy storage systems; and

~~[7.]~~ **(g)** Requiring the electric utility to include such information as the Commission may require in each plan submitted by the electric utility pursuant to NRS 704.741.



2. *The Commission shall establish biennial targets pursuant to subsection 1 that deliver the greatest benefits to the customers of the electric utility in relation to the costs of the procurement of energy storage systems. In calculating the benefits and costs of the procurement of energy storage systems, the Commission shall consider all known and measurable benefits and costs, including, without limitation:*

- (a) *A reduction in the need for the additional generation of electricity by the electric utility during periods of peak demand;*
- (b) *A reduction in line losses of the electric utility;*
- (c) *The benefits and costs related to ancillary services of the electric utility;*
- (d) *Avoided costs to the electric utility for additional generation, transmission and generation capacity;*
- (e) *The benefits arising from a reduction of greenhouse gas emissions and the emission of other air pollutants;*
- (f) *The benefits and costs to the electric utility related to voltage support;*
- (g) *The benefits of diversifying the types of resources used for the generation of electricity;*
- (h) *The administrative costs incurred by the electric utility;*
- (i) *The cost to the electric utility of the integration of energy storage systems into the transmission and distribution grid; and*
- (j) *The cost of the energy storage systems.*

Sec. 2. NRS 704.797 is hereby amended to read as follows:

704.797 1. ~~If the Commission adopts regulations pursuant to NRS 704.796 to establish biennial targets for the procurement of energy storage systems by an electric utility, to~~ *To* meet the targets set forth in ~~those~~ *the* regulations ~~[-, the]~~ *adopted pursuant to NRS 704.796, an* electric utility may procure energy storage systems that are either centralized or distributed and either owned by the utility or by any other person, as prescribed by regulation of the Commission.

2. Electric energy storage systems procured by an electric utility to meet ~~any~~ *the* biennial targets for the procurement of energy storage systems established by regulation pursuant to NRS 704.796 must:

- (a) Reduce peak demand for electricity;
- (b) Avoid or defer investment by the electric utility in assets for the generation, transmission and distribution of electricity;
- (c) Improve the reliability of the operation of the transmission or distribution grid;



(d) Reduce the emission of greenhouse gases or other air pollutants; or

(e) Integrate renewable energy into the electric grid.

Sec. 3. Chapter 624 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not install an electrochemical energy storage system in this State unless he or she:

(a) Holds a valid license in the classification required to perform such work issued pursuant to this chapter and the regulations of the Board;

(b) If the installation is for a property other than a residential property and is performed on or after July 1, 2025, and except as otherwise provided in subsection 2, ensures that the installation:

(1) Is performed by or under the direct supervision of a person who holds a certificate demonstrating the successful completion of the Energy Storage and Microgrid Training and Certification program (ESAMTAC); and

(2) Conforms to any standards regarding the installation of signage in connection with such systems as contained in the Standard for the Installation of Stationary Energy Storage Systems, NFPA 855, in the form most recently published by the National Fire Protection Association.

2. The provisions of paragraph (b) of subsection 1 do not apply to work on an electrochemical energy storage system which is performed under a warranty by an employee of the manufacturer of the electrochemical energy storage system.

3. As used in this section:

(a) “Electrochemical energy storage system” means a commercially available technology that is capable of receiving electric energy and storing that energy by electrochemical means in order to produce and deliver electricity at a later time.

(b) “Residential property” means:

(1) Improved real estate that consists of not more than four residential units; or

(2) A single-family residential unit, including, without limitation, a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.

Sec. 4. NRS 624.3016 is hereby amended to read as follows:

624.3016 The following acts or omissions, among others, constitute cause for disciplinary action under NRS 624.300:



1. Any fraudulent or deceitful act committed in the capacity of a contractor, including, without limitation, misrepresentation or the omission of a material fact.

2. A conviction of a violation of NRS 624.730, or a conviction in this State or any other jurisdiction of a felony relating to the practice of a contractor or a crime involving moral turpitude.

3. Knowingly making a false statement in or relating to the recording of a notice of lien pursuant to the provisions of NRS 108.226.

4. Failure to give a notice required by NRS 108.227, 108.245, 108.246 or 624.520.

5. Failure to comply with NRS 624.920, 624.930, 624.935 or 624.940 or any regulations of the Board governing contracts for work concerning residential pools and spas.

6. Failure to comply with NRS 624.860 to 624.875, inclusive, or any regulations of the Board governing contracts for work concerning residential photovoltaic systems used to produce electricity.

7. Failure to comply with NRS 624.600.

8. Misrepresentation or the omission of a material fact, or the commission of any other fraudulent or deceitful act, to obtain a license.

9. Failure to pay an assessment required pursuant to NRS 624.470.

10. Failure to file a certified payroll report that is required for a contract for a public work.

11. Knowingly submitting false information in an application for qualification or a certified payroll report that is required for a contract for a public work.

12. Failure to notify the Board of a conviction or entry of a plea of guilty, guilty but mentally ill or nolo contendere pursuant to NRS 624.266.

13. Failure to provide a builder's warranty as required by NRS 624.602 or to respond reasonably to a claim made under a builder's warranty.

14. *Failure to comply with section 3 of this act.*

Sec. 5. NRS 624.800 is hereby amended to read as follows:

624.800 For any violation of the provisions of NRS 624.005 to 624.750, inclusive, ***and section 3 of this act*** that is punishable as a misdemeanor, an indictment must be found, or an information or complaint filed, within 2 years after the commission of the offense.

Sec. 6. NRS 704.795 is hereby repealed.



Sec. 7. 1. This section and section 1 and 6 of this act become effective upon passage and approval.

2. Sections 3, 4 and 5 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On October 1, 2023, for all other purposes.

3. Sections 1.5 and 2 of this act become effective on July 1, 2024.

4. Section 1 of this act expires by limitation on June 30, 2049.

