

SENATE BILL NO. 329—SENATOR KIHUEN

MARCH 18, 2013

JOINT SPONSOR: ASSEMBLYMAN BOBZIEN

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-861)

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 Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (NRS 701.545-701.595) This bill generally authorizes a qualified natural person to receive a loan from the Account for the construction of a clean energy improvement upon his or her residential property. **Section 7** of this bill requires the Director of the Office of Energy to adopt certain regulations concerning a loan for a clean energy improvement. **Section 7.5** of this bill requires the Director to submit an annual report to the Legislature regarding loans from the Account for the construction of clean energy improvements. **Section 8.75** of this bill creates a subaccount within the Account for the purpose of providing such loans. **Section 8.9** of this bill makes an appropriation from the State General Fund to the subaccount.



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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 the provisions set forth as sections 2 to 8.5, inclusive, of this
3 act.

4 **Sec. 2.** (Deleted by amendment.)

5 **Sec. 3.** *“Clean energy improvement” means any repair of or
6 addition or improvement to residential real property which reduces
7 the consumption of energy at the property or which uses energy
8 generated from renewable energy to meet all or a portion of the
9 demand for energy at the property.*

10 **Sec. 4.** (Deleted by amendment.)

11 **Sec. 4.5.** (Deleted by amendment.)

12 **Sec. 5.** (Deleted by amendment.)

13 **Sec. 5.5.** (Deleted by amendment.)

14 **Sec. 6.** (Deleted by amendment.)

15 **Sec. 7.** *The Director shall, for the purpose of approving a
16 loan from the Account for Renewable Energy, Energy Efficiency
17 and Energy Conservation Loans to a qualified applicant for the
18 construction of a clean energy improvement upon the residential
19 property of the qualified applicant, adopt regulations establishing:*

20 *1. The eligibility requirements of a qualified applicant to
21 apply for and receive a loan from the Account;*

22 *2. One or more maximum annual rates of interest, which
23 must be below-market rates but which must not be lower than 3
24 percent, applicable to loans of money for the construction of clean
25 energy improvements; and*

26 *3. Such other terms and conditions applicable to a loan for
27 the construction of a clean energy improvement as the Director
28 determines are necessary.*

29 **Sec. 7.5.** *The Director shall, on or before December 31,
30 2015, and on or before December 31 of each year thereafter:*

31 *1. Prepare a report:*

32 *(a) Describing the activities of the Director with respect to
33 loans from the Account for Renewable Energy, Energy Efficiency
34 and Energy Conservation Loans to qualified applicants for the
35 construction of clean energy improvements.*

36 *(b) Evaluating the impact of such loans on clean energy
37 improvements in this State.*

38 *2. Submit the report prepared pursuant to subsection 1 to the
39 Director of the Legislative Counsel Bureau for transmittal to:*

40 *(a) If the report is prepared during an even-numbered year,
41 the next session of the Legislature.*



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1 **(b) If the report is prepared during an odd-numbered year, the**
2 **Legislative Commission and the Interim Finance Committee.**

3 **Sec. 8.** (Deleted by amendment.)

4 **Sec. 8.5.** (Deleted by amendment.)

5 **Sec. 8.55.** NRS 701.545 is hereby amended to read as follows:

6 701.545 As used in NRS 701.545 to 701.595, inclusive, **and**
7 **sections 3 to 7.5, inclusive, of this act,** the words and terms defined
8 in NRS 701.550 to 701.570, inclusive, **and section 3 of this act** have
9 the meanings ascribed to them in those sections.

10 **Sec. 8.6.** NRS 701.555 is hereby amended to read as follows:

11 701.555 “Construction” means the erection, building,
12 acquisition, alteration, remodeling, improvement or extension of a
13 project **or clean energy improvement** and the inspection and
14 supervision of such activities and includes, without limitation:

15 1. Any preliminary planning to determine the feasibility of a
16 project;

17 2. Engineering, architectural, legal, environmental, fiscal or
18 economic investigations or studies, surveys, designs, plans, working
19 drawings, specifications or procedures that comply with the
20 provisions of the American Recovery and Reinvestment Act and any
21 regulations adopted pursuant thereto; and

22 3. Any other activities reasonably necessary to the completion
23 of a project **or clean energy improvement.**

24 **Sec. 8.65.** NRS 701.560 is hereby amended to read as follows:

25 701.560 “Federal grant” means money authorized by the
26 American Recovery and Reinvestment Act to:

27 1. Create a revolving loan fund to assist in the financing of the
28 construction of renewable energy projects **and clean energy**
improvements; or

29 2. Fund set-aside programs authorized by the American
30 Recovery and Reinvestment Act.

31 **Sec. 8.7.** NRS 701.568 is hereby amended to read as follows:

32 701.568 “Qualified applicant” means **or** :

33 1. **A** person or governmental entity engaged in:

34 **or** (a) The construction or operation of an energy conservation
35 project;

36 **or** (b) The construction or operation of an energy efficiency
37 project;

38 **or** (c) The construction, expansion or operation of a renewable
39 energy system; or

40 **or** (d) The manufacturing of components of a renewable
41 energy system.

42 2. **A natural person engaged in the construction of a clean**
43 **energy improvement upon his or her residential property.**



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1 **Sec. 8.75.** NRS 701.575 is hereby amended to read as follows:
2 701.575 1. The Account for Renewable Energy, Energy
3 Efficiency and Energy Conservation Loans is hereby created in the
4 State General Fund. The Director shall administer the Account.

5 2. *A subaccount in the Account for Renewable Energy,
6 Energy Efficiency and Energy Conservation Loans is hereby
7 created to provide loans for the construction of clean energy
8 improvements upon the residential property of qualified
9 applicants.*

10 3. The account to fund activities, other than projects,
11 authorized by the American Recovery and Reinvestment Act, to be
12 known as the Account for Set-Aside Programs, is hereby created in
13 the Fund for the Municipal Bond Bank.

14 ~~13~~ 4. The money in the Account for Renewable Energy,
15 Energy Efficiency and Energy Conservation Loans and the Account
16 for Set-Aside Programs may be used only for the purposes set forth
17 in the American Recovery and Reinvestment Act.

18 ~~14~~ 5. All claims against the Account for Renewable Energy,
19 Energy Efficiency and Energy Conservation Loans and the Account
20 for Set-Aside Programs must be paid as other claims against the
21 State are paid.

22 ~~15~~ 6. The faith of the State is hereby pledged that the money
23 in the Account for Renewable Energy, Energy Efficiency and
24 Energy Conservation Loans and the Account for Set-Aside
25 Programs will not be used for purposes other than those authorized
26 by the American Recovery and Reinvestment Act.

27 **Sec. 8.8.** NRS 701.580 is hereby amended to read as follows:
28 701.580 1. The interest and income earned on money in the
29 Account for Renewable Energy, Energy Efficiency and Energy
30 Conservation Loans and the Account for Set-Aside Programs must
31 be credited to the Account for Renewable Energy, Energy
32 Efficiency and Energy Conservation Loans and the Account for Set-
33 Aside Programs, respectively.

34 2. All payments of principal and interest on all loans made to a
35 qualified applicant and all proceeds from the sale, refunding or
36 prepayment of obligations of a qualified applicant acquired or loans
37 made in carrying out the purposes of the Account for Renewable
38 Energy, Energy Efficiency and Energy Conservation Loans must be
39 deposited in the State Treasury for credit to the Account for
40 Renewable Energy, Energy Efficiency and Energy Conservation
41 Loans.

42 3. The Director may accept gifts, contributions, grants and
43 bequests of money from any public or private source. The money so
44 accepted must be deposited in the State Treasury for credit to the
45 Account for Renewable Energy, Energy Efficiency and Energy



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1 Conservation Loans, or the Account for Set-Aside Programs, and
2 can be used to provide money from the State to match the federal
3 grant, as required by the American Recovery and Reinvestment Act.

4 ~~4. Only Except for a loan for the construction of a clean~~
5 *energy improvement, only* federal money deposited in a separate
6 subaccount of the Account for Renewable Energy, Energy
7 Efficiency and Energy Conservation Loans, including repayments of
8 principal and interest on loans made solely from federal money, and
9 interest and income earned on federal money in the Account for
10 Renewable Energy, Energy Efficiency and Energy Conservation
11 Loans, may be used to benefit a qualified applicant who is not a
12 governmental entity.

13 **Sec. 8.85.** NRS 701.590 is hereby amended to read as follows:

14 701.590 1. Except as otherwise provided in ~~subsection 6~~
15 *subsections 2 and 7* and NRS 701.580, money in the Account for
16 Renewable Energy, Energy Efficiency and Energy Conservation
17 Loans, including repayments of principal and interest on loans, and
18 interest and income earned on money in the Account for Renewable
19 Energy, Energy Efficiency and Energy Conservation Loans, may be
20 used only to make loans at a rate of not more than 3 percent to a
21 qualified applicant for:

22 (a) The construction of an energy conservation project;
23 (b) The construction of an energy efficiency project;
24 (c) The construction or expansion of a renewable energy system;
25 ~~for~~
26 (d) The manufacturing of components of a renewable energy
27 system ~~for~~; or

28 (e) *The construction of a clean energy improvement.*
29 2. *Money in the subaccount created by subsection 2 of NRS*
30 *701.575, including interest and income earned on money in the*
31 *subaccount, may be used only to make below-market rate loans at*
32 *a rate not lower than 3 percent per annum to a qualified applicant*
33 *for the construction of a clean energy improvement upon his or*
34 *her residential property.*

35 3. Money in the Account for Set-Aside Programs may be used
36 only to fund set-aside programs authorized by the American
37 Recovery and Reinvestment Act. Money in the Account for Set-
38 Aside Programs may be transferred to the Account for Renewable
39 Energy, Energy Efficiency and Energy Conservation Loans pursuant
40 to the American Recovery and Reinvestment Act.

41 ~~4. A qualified applicant who requests a loan or other~~
42 financial assistance must demonstrate that the qualified applicant
43 has:

44 (a) Complied with the American Recovery and Reinvestment
45 Act and regulations adopted pursuant thereto; or



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1 (b) Agreed to take actions that are needed to ensure that the
2 qualified applicant has the capability to comply with the American
3 Recovery and Reinvestment Act and regulations adopted pursuant
4 thereto.

5 **14.5.** Money from the Account for Renewable Energy,
6 Energy Efficiency and Energy Conservation Loans may not be
7 given to a qualified applicant for the expansion of an existing
8 renewable energy system unless the qualified applicant has the
9 technical, managerial and financial capability to ensure compliance
10 with the American Recovery and Reinvestment Act and regulations
11 adopted pursuant thereto. To receive such funding for the
12 construction of a new renewable energy system, a qualified
13 applicant must demonstrate that the qualified applicant has the
14 technical, managerial and financial capability to ensure compliance
15 with the American Recovery and Reinvestment Act and regulations
16 adopted pursuant thereto.

17 **15.6.** The Director shall, before approving an applicant for
18 financial assistance from the Account for Renewable Energy,
19 Energy Efficiency and Energy Conservation Loans, consider
20 whether the applicant has received or is eligible to receive from any
21 other governmental entity any money or other financial incentive,
22 including, without limitation, any grant, loan, tax credit or
23 abatement of any tax for the purpose of financing in whole or in part
24 the energy efficiency or energy conservation project **or clean energy**
25 **improvement** of the applicant.

26 **16.7.** The Director may use the interest earned on money in
27 the Account for Renewable Energy, Energy Efficiency and Energy
28 Conservation Loans and the interest earned on loans made from the
29 Account for Renewable Energy, Energy Efficiency and Energy
30 Conservation Loans to defray, in whole or in part, the costs and
31 expenses of administering the Account for Renewable Energy,
32 Energy Efficiency and Energy Conservation Loans and to carry out
33 the purposes of NRS 701.545 to 701.595, inclusive.

34 **17.8.** The Director shall give preference to qualified
35 applicants seeking funding or assistance from the Account for
36 Renewable Energy, Energy Efficiency and Energy Conservation
37 Loans for larger energy conservation projects, energy efficiency
38 projects or renewable energy systems. The Director shall, by
39 regulation, define “larger energy conservation projects, energy
40 efficiency projects or renewable energy systems” for purposes of
41 this section.

42 **Sec. 8.9.** There is hereby appropriated from the State General
43 Fund to the subaccount created within the Account for Renewable
44 Energy, Energy Efficiency and Energy Conservation Loans by



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1 subsection 2 of NRS 701.575, as amended by section 8.75 of this
2 act, the sum of \$100,000.

3 **Sec. 9.** This act becomes effective:

4 1. Upon passage and approval for the purpose of adopting
5 regulations and performing any preparatory administrative tasks that
6 are necessary to carry out the provisions of this act; and

7 2. On July 1, 2013, for all other purposes.

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