



BRIAN SANDOVAL
Governor

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION

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ANN C. PONGRACZ
Commissioner
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Commissioner
STEPHANIE MULLEN
Executive Director

January 22, 2018

VIA ELECTRONIC MAIL

ATTN: Brenda Erdoes
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701-4747
bjerdoes@lcb.state.nv.us

RE: Public Utilities Commission of Nevada
Docket No. 17-08021

Dear Ms. Erdoes,

Pursuant to NRS 233B.063, I have enclosed an electronic copy of the Public Utility Commission of Nevada's proposed regulation in the above-referenced matter for pre-adoption review by the Legislative Counsel Bureau ("LCB"). Please let me know when it has been assigned an LCB file number.

Should you have any questions or concerns, please contact me at 775-684-6188.

Sincerely,

Cameron Dyer
Administrative Attorney
cdyer@puc.nv.gov

Enclosures: Proposed Regulations pursuant to Senate Bill 145 (2017)

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**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

Docket No. 17-08021

January 22, 2018

Explanation – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted

Section 1. As used in Sections 2 to 20, inclusive, unless the context otherwise requires, the words and terms defined in Sections 3 to 8, and in NAC Sections 701B.055, 701B.065, 701B.070, 701B.075, 701B.087, 701B.100, 701B.105, 701B.110, and 701B.120 have the meanings ascribed to them in those sections.

Sec. 2. In accordance with the requirements of Sections 1.2, 1.3, and 1.4 of chapter 239, Statutes of Nevada 2017, 79th Session, at pp. 1267-68, the Commission hereby:

- 1. Establishes the Energy Storage Program for use by public utilities that supply electric energy in this State, and*
- 2. Allocates up to \$15,000,000 from the fund established under NRS 701B.005(2) for the Electric Vehicle Infrastructure Demonstration Program.*

Sec. 3. “Applicant” means:

- 1. A customer who applies to participate in the Program;*
- 2. An eligible contractor who applies on behalf of a customer to participate in the Electric Vehicle Program; or*
- 3. Any other person who applies on behalf of a customer to participate in the Electric Vehicle Program if:*
 - (a) The person is designated and authorized by the customer to apply on behalf of the customer to participate in the Program; and*
 - (b) The designation and authorization are set forth in a letter from the customer to the utility which sets forth the relationship between the customer and the person.*

Sec. 4. “Energy Storage System” has the meaning ascribed to it in Section 1.1 of chapter 239, Statutes of Nevada 2017, 79th Session, at p. 1265.

Sec. 5. “Electric Vehicle Infrastructure” has the meaning ascribed to it in Section 1.4 of chapter 239, Statutes of Nevada 2017, 79th Session, at p. 1268, and includes, without limitation, make-ready infrastructure, time-variant electricity rates, education initiatives, advisory services for fleet operations, and partnerships to promote the development of electric vehicle programs. Charging stations include those owned by both the utility and others.

Sec. 6. “Make-ready infrastructure” means panels, conduits, wiring, cabling, and other components located behind the customer’s meter necessary to support electric vehicle charging stations.

Sec. 7. “Storage Program” means the Energy Storage Programs established by Sections 1.2 and 1.3 of chapter 239, Statutes of Nevada 2017, 79th Session, at pp. 1265-67.

Sec. 8. "Electric Vehicle Program" means the Electric Vehicle Infrastructure Demonstration Program established by Section 1.4 of Senate Bill 145, 79th Session.

Sec. 9.

- 1. In accordance with the requirements of Section 1.2 of chapter 239, Statutes of Nevada 2017, 79th Session, at pp. 1265-67, the Commission hereby establishes the Energy Storage Program for use by public utilities that supply electric energy in this State.*
- 2. The Energy Storage Program consists of the following categories of participants:*
 - (a) Customers of utilities in the following categories with priority given to those customers who install storage systems with a nameplate capacity of less than 100 kilowatts:*
 - (1) Residential and small commercial;*
 - (2) New construction; and*
 - (3) Public entities.*
 - (b) Large commercial and industrial customers of utilities who install energy storage systems with nameplate capacities of at least 100 kilowatts but not more than 1,000 kilowatts.*

Sec. 10.

- 1. Not later than February 1 of each calendar year and annually thereafter, each utility in this State shall include in the annual plan filed with the Commission required under NAC 701B.125 the following information:*
 - (a) A schedule describing major program milestones of the Storage Program.*
 - (b) A budget which includes information relating to:*
 - (1) Incentives, including proposed incentive levels or payments;*
 - (2) Contractor costs;*
 - (3) Marketing costs;*
 - (4) Training costs; and*
 - (5) Utility administrative costs.*
 - (c) Following the first plan year, a report on the productivity of the Storage Program for the previous year and a status report on the current year, including, without limitation:*
 - (1) The number of applications received by the utility in each category of the Storage Program(s);*
 - (2) The number of participants in the Storage Program and the number of participants who have withdrawn from the Storage Program;*
 - (3) The annual budget and expenditures of the Storage Program;*
 - (4) A list of completed installations;*
 - (5) A summary of marketing efforts; and*
 - (6) A description of training for inspectors, certifiers and eligible contractors, and educational activities.*
 - (d) A description of the application process, including, without limitation:*
 - (1) The procedures to be followed by the applicant and the utility; and*
 - (2) Copies of current or proposed applications and forms.*
 - (e) A customer outreach and engagement plan.*
 - (f) An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.*
 - (g) An inspection and verification plan.*
 - (h) A proposed schedule of incentives such that residential, small commercial, new construction, and public entities shall not receive incentives greater than 50% of the installed cost of the energy storage system.*

2. *Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate.*

Sec. 11.

1. *All reasonable and prudent costs associated with carrying out and administering the Storage Program must be accounted for in the books and records of a utility separately from amounts attributable to any other activity. The utility must account for such costs and revenues pursuant to Section 12.*
2. *The costs that may be recoverable include, without limitation, costs for labor, materials, rebates, contractors, training, advertising, marketing, measurement, verification, evaluation and overhead, and utility administrative costs.*

Sec. 12.

1. *The utility must account for the costs and revenues in the following manner:*
 - (a) *Calculate, on a monthly basis, the costs incurred and revenues received in the Storage Program since the end of the test period in its last proceeding to change the Storage Program rate;*
 - (b) *Record the cost of the Storage Program in a separate subaccount of FERC Account No. 182.3 and record an offset in the appropriate subaccount of other FERC accounts;*
 - (c) *Maintain subsidiary records of the subaccount of FERC Account No. 182.3 which must clearly delineate, without limitation, the incentives, contractor costs, marketing costs, training costs, and utility administrative costs associated with the Storage Program;*
 - (d) *Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the rate established pursuant to Section 7 to recover the Storage Program cost; and*
 - (e) *Apply a carrying charge at the rate of 1/12 of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.*
2. *A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 11 of NRS 704.110 a revised Storage Program rate. The rate must be calculated by adding the following two components:*
 - (a) *A prospective rate determined by dividing not more than the total costs in the Storage Program annual plan by the projected kilowatt-hours for the calendar year; and*
 - (b) *A clearing rate determined by dividing the cumulative balance in the Solar Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in NAC 704.063 by the test period kilowatt-hour sales.*
3. *The Commission will allow recovery of all prudent Storage Program costs included in the subaccount of FERC Account No. 182.3 at the end of the test period as defined in NAC 704.063 and adjust the Storage Program rate accordingly.*

Sec. 13.

1. *An applicant must submit an application for reservation of an incentive to the utility using forms provided by the utility and approved by the Commission.*
2. *If the application is determined by the utility to be incomplete or to require clarification, the utility shall request additional information from the applicant. If the applicant fails to submit the requested information within 20 calendar days after receipt of the request, the utility shall cancel the application. If an application is cancelled by the utility, the applicant may resubmit an application for the project to the utility. All resubmitted applications must be treated as new applications and be processed in sequence with other new applications. Rebate money must not*

- be reserved until the utility receives all required information and documentation and approves the project.*
3. *The utility shall, within 30 days after receipt of a complete application, review the application and determine eligibility for a rebate. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed reservation notice must specify:*
 - (a) The dollar amount of the rebate reserved for the project;*
 - (b) An expiration date for the reservation of the rebate, which must be 12 months after the date of issuance of the notice;*
 - (c) That any contractor involved in the installation of an energy storage system must have an active license with the State Contractor's Board; and,*
 - (d) That the energy storage system must be purchased, installed, and put into operation not later than the expiration date specified in the confirmed reservation notice, subject to the allowances detailed in subsection 4.*
 4. *After approval, the utility and applicants shall agree to certain milestones that adequately ensure the projects will be complete within following time allowances:*
 - (a) Residential and small commercial, new construction, and public entities must complete approved projects within 12 months and may apply to the utility for up to two (2) six-month extensions for completion; and*
 - (b) Large commercial and industrial applicants must complete approved projects within 18 months and may apply to the utility for up to three (3) six-month extensions for completion.*
 5. *Host customers that fail to achieve the milestones agreed to or to install an energy storage system within the time prescribed by this section may lose their reservation.*
 - (a) Host customers who fail to meet milestones may reapply for a reservation once. Host customer who fail to meet milestones two times will become ineligible for incentives under the Storage Program.*
 - (b) Host customers who fail to install an energy storage system within the time prescribed by this section, including extensions, will become ineligible for incentives under the Storage Program.*
 6. *After the energy storage system has been purchased, installed, and put into operation, the applicant must submit to the utility a rebate claim package that includes a rebate claim form and all supporting documentation required by the utility. The rebate claim form must be signed by both the eligible contractor and the customer.*
 7. *To receive the rebate, all requirements of the Storage Program must be met, and a complete rebate claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.*
 8. *If a rebate claim package is incomplete or requires clarification, the utility shall request the required information from the applicant. If the applicant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the rebate claim form. If a rebate claim package is not received on or before the expiration date specified in the confirmed reservation notice or the information in the rebate claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is rejected and not eligible for a rebate. The applicant may resubmit a rebate claim package but will be subject to the eligibility requirements, rebate levels and funding available at the time of the resubmission.*
 9. *The utility providing the rebate shall not issue the rebate until the storage system has been verified as fully operational.*

Sec. 14.

To qualify for the Storage Program, in addition to the requirements under Section 1.2(2) of chapter 239, Statutes of Nevada 2017, 79th Session, at p. 1266, NRS 701B.210, and NAC 701B.150, an energy storage system must:

- 1. Be located on property within the Nevada service territory of a participating utility;*
- 2. Be installed in a location where it can be connected to an existing distribution system of a participating utility; and*
- 3. Consist of components that are new and unused.*

Sec. 15.

- 1. A stakeholder group shall be formed consisting of representatives of NV Energy, the Bureau of Consumer Protection, the Regulatory Operations Staff, and two non-governmental parties appointed by the Commission. Any member appointed by the Commission may be replaced at the Commission's discretion.*
- 2. The stakeholder group shall meet prior to applications under Section 1.3 of chapter 239, Statutes of Nevada 2017, 79th Session, at pp. 1266-67, being accepted and at least annually thereafter to select and refine the criteria an applicant must meet to receive an incentive. Those criteria selected by the stakeholder group will be presented to the Commission for review and approval during the utility's annual plan docket.*
- 3. The following types of customers will be prioritized for receipt of an incentive under the large commercial and industrial customer Storage Program:*
 - (a) Hospitals and medical facilities;*
 - (b) Airports;*
 - (c) Public safety facilities;*
 - (d) Public infrastructure and dams; or*
 - (e) Other categories of entities that support critical infrastructure needs, as determined by the stakeholder group.*
- 4. The storage systems must provide one or more of the following benefits to be eligible for an incentive:*
 - (a) Reduce applicant's peak demand;*
 - (b) Ability to provide backup/emergency power to the grid; or*
 - (c) Other categories of benefits that support critical infrastructure needs, as determined by the Stakeholder group.*

Sec. 16.

- 1. Not later than February 1 of each calendar year and annually thereafter, each utility in this State shall include in the annual plan filed with the Commission required under NAC 701B.125 the following information:*
 - (a) A schedule describing major program milestones of the Electric Vehicle Program.*
 - (b) A budget which includes information relating to:*
 - (1) Incentives, including proposed incentive levels or payments;*
 - (2) Contractor costs;*
 - (3) Marketing costs;*
 - (4) Training costs;*
 - (5) Utility administrative costs;*
 - (6) Capital costs; and*
 - (7) Coordination with federal, state, local, or private efforts.*

- (c) *Following the first plan year, a report on the productivity of the Electric Vehicle Program for the previous period and a status report on the current year, including, without limitation:*
 - (1) *The number of applications received by the utility in each category of the Electric Vehicle Program(s);*
 - (2) *The number of participants in the Electric Vehicle Program and the number of participants who have withdrawn from the Electric Vehicle Program;*
 - (3) *The annual budget and expenditures of the Electric Vehicle Program;*
 - (4) *A list of completed installations;*
 - (5) *A summary of marketing efforts;*
 - (6) *A description of training for inspectors, certifiers and eligible contractors and educational activities;*
 - (7) *If applicable, a summary of the third party vendors and equipment providers; and*
 - (8) *Data collected from the Electric Vehicle Program, including, but not limited to, utilization of the utility-owned charging stations, load profiles, prices paid by customers for charging services, and outage information of the charging stations.*
 - (d) *A description of the application process, including, without limitation:*
 - (1) *The procedures to be followed by the applicant and the utility; and*
 - (2) *Copies of current or proposed applications and forms.*
 - (e) *A customer outreach and engagement plan.*
 - (f) *An education and training plan, including, without limitation, a tentative schedule of training to be offered by the utility.*
 - (g) *An inspection and verification plan.*
 - (h) *The prioritization of the development of the Electric Highway Corridor and installation of charging stations as described under Section 21, and the conversion of public bus fleets and heavy duty diesel vehicle fleets to electric vehicle technology.*
 - (i) *A proposed schedule of incentives or any recommendations or modifications to the existing schedule of incentives previously approved.*
2. *Within 150 days after a utility has filed an annual plan, the Commission will issue an order approving the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate.*

Sec. 17.

- 1. *All reasonable and prudent costs associated with carrying out and administering the Electric Vehicle Program must be accounted for in the books and records of a utility separately from amounts attributable to any other activity. The utility must account for such costs and revenues pursuant to Section 6.*
- 2. *The costs that may be recoverable include, without limitation, costs for labor, materials, rebates, contractors, training, advertising, marketing, measurement, verification, data collection, evaluation and overhead, and utility administrative costs.*
- 3. *If the utility chooses to own and operate charging stations, the only costs that the utility may recover related to the installation and operation of charging stations are those costs incurred installing charging stations along the Nevada Electric Highway Corridor at sites specifically designated by the Nevada Governor's Office of Energy.*

Sec. 18.

- 1. *The utility must account for the costs and revenues in the following manner:*

- (a) Calculate, on a monthly basis, the costs incurred and revenues received from the Electric Vehicle Program since the end of the test period in its last proceeding to change the Electric Vehicle Program rate;
 - (b) Record the cost of the Electric Vehicle Program in a separate subaccount of FERC Account No. 182.3 and record an offset in the appropriate subaccount of other FERC accounts;
 - (c) Maintain subsidiary records of the subaccount of FERC Account No. 182.3 which must clearly delineate, without limitation, the incentives, contractor costs, marketing costs, training costs, and utility administrative costs associated with the Electric Vehicle Program;
 - (d) Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the rate established pursuant to Section 18, subsection 2, to recover the Electric Vehicle Program cost; and
 - (e) Apply a carrying charge at the rate of 1/12 of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.
2. A utility shall include with its annual deferred energy accounting adjustment application filed pursuant to subsection 11 of NRS 704.110 a revised Electric Vehicle Program rate. The rate must be calculated by adding the following two components:
 - (a) A prospective rate determined by dividing not more than the total costs in the Electric Vehicle Program annual plan by the projected kilowatt-hours sales for the calendar year; and
 - (b) A clearing rate determined by dividing the cumulative balance in the Electric Vehicle Program subaccount of FERC Account No. 182.3 at the end of the deferred energy test period as defined in NAC 704.063 by the test period kilowatt-hour sales.
 3. The Commission will allow recovery of all prudent Electric Vehicle Program costs included in the subaccount of FERC Account No. 182.3 at the end of the test period as defined in NAC 704.063 and adjust the Electric Vehicle Program rate accordingly.

Sec. 19.

1. An applicant must submit to the utility an application for reservation of an incentive using forms provided by the utility and approved by the Commission.
2. If the application is determined by the utility to be incomplete or to require clarification, the utility shall request additional information from the applicant. If the applicant fails to submit the requested information within 20 calendar days after receipt of the request, the utility shall cancel the application. If an application is cancelled by the utility, the applicant may resubmit an application for the project. All resubmitted applications must be treated as new applications and be processed in sequence with other new applications. Rebate money must not be reserved until the utility receives all required information and documentation and approves the project.
3. The utility shall, within 30 days after receipt of a complete application, review the application and determine eligibility for a rebate. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed reservation notice must specify:
 - (a) The dollar amount of the rebate reserved for the project;
 - (b) An expiration date for the reservation of the rebate, which must be 12 months after the date of issuance of the notice; and
 - (c) That the electric vehicle infrastructure must be purchased, installed, and put into operation not later than the expiration date specified in the confirmed reservation notice.
4. After the electric vehicle infrastructure has been purchased, installed, and put into operation, the applicant must submit to the utility a rebate claim package which includes a rebate claim

form and all supporting documentation required by the utility. The rebate claim form must be signed by both the eligible contractor and the customer.

5. *To receive the rebate, all requirements of the Electric Vehicle Program must be met and a complete rebate claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.*
6. *If a rebate claim package is incomplete or requires clarification, the utility shall request the required information from the applicant. If the applicant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the rebate claim form. If a rebate claim package is not received on or before the expiration date specified in the confirmed reservation notice or the information in the rebate claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the applicant stating the reasons why the project is rejected and not eligible for a rebate. The applicant may resubmit a rebate claim package but will be subject to the eligibility requirements, rebate levels and funding available at the time of the resubmission.*
7. *The utility providing the rebate shall not issue the rebate until the storage system has been verified as fully operational.*

Sec. 20.

To qualify for the Electric Vehicle Program, the electric vehicle infrastructure must:

1. *Be located on property within the Nevada service territory of a participating utility;*
2. *Be installed in a location where it can be connected to an existing distribution system of a participating utility; and*
3. *Consist of components that are new and unused.*

Sec. 21.

1. *Utilities participating in the Electric Vehicle Program shall prioritize incentives for commercially available infrastructure equipment that operates at 240 volts or more.*
2. *Utilities participating in the Electric Vehicle Program may own and operate electric vehicle infrastructure at public locations, workplaces, multi-family dwellings, and fleet charging locations within the utility's service territory, subject to rates being approved by the Commission.*

Sec. 22 NAC 701B.125 is hereby amended to read as follows:

1. Pursuant to NRS 701B.230, a utility shall file with the Commission on or before February 1 of each year an annual plan which must include the following:
 - (a) A schedule describing major program milestones;
 - (b) A budget with the following categories:
 - (1) Contractor costs;
 - (2) Marketing costs;
 - (3) Training costs; and
 - (4) Utility administrative costs;
 - (c) A report on the activity of the Solar Program during the immediately preceding calendar year and the current calendar year which includes, without limitation, the most up-to-date versions of the following information for each calendar year:
 - (1) The number of applications filed in each Solar Program category;
 - (2) The number of participants enrolled in the Solar Program and the number who have dropped out of the Solar Program;

- (3) The annual budget and expenditures;
 - (4) Any remaining financial obligations at the end of a calendar year;
 - (5) A list of completed installations;
 - (6) A summary of marketing efforts; and
 - (7) A description of training and educational activities;
 - (d) A description of the application process, including, without limitation:
 - (1) The procedures to be followed by the utility and the applicant, including, without limitation, the procedure by which a participant may claim an incentive upon the completion of a project;
 - (2) The criteria for the selection of applicants for the Solar Program;
 - (3) Copies of proposed applications and forms, including, without limitation, a copy of the form by which a participant may claim an incentive upon the completion of a project; and
 - (4) The proposed fee for the application;
 - (e) The average installed cost in Nevada of a solar energy system during the immediately preceding calendar year;
 - (f) The total of all incentives paid for the immediately preceding calendar year;
 - (g) The total of all incentives projected to be paid for the current calendar year, with subtotals for incentives paid for installed capacity, incentives projected to be paid for active reservations and incentives forecasted to be paid;
 - (h) A graph and table showing the cumulative committed capacity and incurred incentive liability, separated into installed capacity and active reservations, at the end of each year since the inception of the Solar Program;
 - (i) A detailed advertising plan;
 - (j) An education and training plan;
 - (k) An inspection and verification plan for solar energy systems which verifies all applicable requirements for applicants or participants, including, without limitation, any applicable requirements described in NAC 701B.180; and
 - (l) A table demonstrating the effects of the Solar Program on the rates paid by customers.
2. The annual plan filed by the utility on or before February 1, 2014, must contain, in addition to items listed in subsection 1, the utility's plan for implementing the Lower Income Solar Energy Pilot Program established pursuant to NRS 704.786. In each subsequent annual plan filed pursuant to this section, the utility shall report on the activities undertaken by the utility and the achievements of the Lower Income Solar Energy Pilot Program during the immediately preceding calendar year, and shall additionally provide the information listed in subsection 1 that is relevant to the Lower Income Solar Energy Pilot Program. *Beginning with the annual plan filed by the utility on February 1, 2018, the utility shall include a plan wherein the utility will partner with the Nevada Housing Division to allocate the money described in [SB 145, Section 1.5(3)] to benefit low-income residents throughout the State.*