BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to implement the provisions of Senate Bill 145 (2017). ) Docket No. 17-08021

At a special session of the Public Utilities Commission of Nevada, held at its offices on May 9, 2018.

PRESENT: Chairman Joseph C. Reynolds
Commissioner Ann C. Pongracz
Commissioner Bruce H. Breslow
Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following findings of fact and conclusions of law:

I. INTRODUCTION

The Commission opened a Rulemaking Docket, designated as Docket No. 17-08021, to implement the provisions of Senate Bill 145 (2017) (“SB 145”) by amending Chapter 701B of the Nevada Administrative Code (“NAC”) to expand regulations incentivizing energy storage systems as part of the Solar Energy Systems Incentive Program, creating the Electric Vehicle Infrastructure Demonstration Program, and allocating funds for the installation of solar energy systems and distributed energy generation systems benefiting low-income customers.

II. SUMMARY

The proposed regulation, attached as Attachment 1, is adopted as a permanent regulation.

III. PROCEDURAL HISTORY

- On August 25, 2017, the Commission opened an investigation and rulemaking to implement the provisions of SB 145 in accordance with Chapters 703 and 704 of the Nevada Revised Statutes (“NRS”) and the NAC, including, but not limited to, NRS 703.025 and 704.210.

- On September 22, 2017, the Commission issued a Notice of Investigation and Rulemaking, Notice of Request for Comments, and Notice of Workshop.

the National Resource Defense Council ("NRDC"), the Attorney General's Bureau of Consumer Protection ("BCP"), and the Union of Concerned Scientists ("UCS") filed comments.

- On October 25, 2017, Tesla, Staff, the Southwest Energy Efficiency Project ("SWEEP"). ESA, UCS, BCP, NV Energy, and BYD America filed reply comments.

- On October 26, 2017, Greenlots and the Nevada Housing Division ("NHD") filed reply comments.

- On October 30, 2017, the Sierra Club filed reply comments.

- On November 6, 2017, ESA filed corrected reply comments.

- On November 13, 2017, the Commission issued Procedural Order No. 1.

- On November 17, 2017, the Governor's Office of Energy ("GOE") filed reply comments.

- On November 20, 2017, the Commission held a Workshop. Staff, BCP, GOE, NHD, the Nevada Department of Transportation ("NDOT"), NV Energy, ChargePoint, Tesla, UCS, Greenlots, SWEEP, Nevada HAND, and Robert Balzar, an individual, made appearances. The participants discussed the comments.

- On November 22, 2017, the Commission issued Procedural Order No. 2.


- On December 18, 2017, the Nevada Division of Environmental Protection ("NDEP"), GOE, Tesla, NV Energy, UCS, NRDC, Staff, BCP, and Greenlots filed comments in response to Procedural Order No. 2.

- On January 11, 2018, the Commission held a Workshop. Staff, BCP, GOE, NHD, NV Energy, ChargePoint, Tesla, UCS, Greenlots, Nevada HAND, Sierra Club, and the Regional Transportation Committee of Washoe County made appearances. The participants discussed the comments filed in response to Procedural Order No. 2.

- On January 12, 2018, the Commission issued Procedural Order No. 3.

- On January 18, 2018, Staff, GOE, NV Energy, ChargePoint, Greenlots, Tesla, and BCP filed comments in response to Procedural Order No. 3.

- On January 19, 2018, Sierra Club filed comments in response to Procedural Order No. 3.

- On January 22, 2018, the Commission submitted draft proposed regulations to the Legislative Counsel Bureau for pre-adoption review.
• On January 29, 2018, the Commission issued Procedural Order No. 4. Staff was directed to conduct an investigation pursuant to NRS 233B.0608(1) to determine whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business (collectively, “Small Business Impact Report”).

• On February 20, 2018, Staff filed its Small Business Impact Report.

• On February 27, 2018, the Commission issued an Order determining that the proposed regulation does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business.

• On March 15, 2018, LCB returned the proposed regulation in revised form.

• On March 16, 2018, the Commission issued a Notice of Intent to Act Upon a Regulation, Notice of Workshop, and Notice of Hearing for the Adoption, Amendment, and Repeal of Regulations of the Public Utilities Commission of Nevada.

• On April 12, 2018, Tesla, Staff, BCP, NV Energy, and Greenlots each filed comments.

• On April 16, 2018, the Commission held a workshop pursuant to NRS 233B.061(2). BCP, NV Energy, Staff, GOE, and Greenlots made appearances.

• On April 17, 2018, ChargePoint filed late-filed reply comments.

• On April 18, 2018, the Commission held a hearing pursuant to NRS 233B.061(3). BCP, NV Energy, Staff, GOE, ChargePoint, and Tesla made appearances.

IV. BACKGROUND

SB 145 Overview

1. Nevada continues to lead the United States as a frontier of renewable energy and progressive policies that seek to stimulate economic growth, create vital industries, and adopt the most advanced technology.1 The Legislature took numerous strides to advance these goals by crafting an unprecedented number of bills aimed at renewable energy development during the 2017 Legislative session.2 One such bill is SB 145. (Attachment 2.) This bill expands the programs eligible for incentives under the Solar Energy Systems Incentive Program (“Solar

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1 For example, see http://energy.nv.gov/Programs/Nevada_Electric_Vehicle_Programs_and_Resources/
2 See, for example: Assembly Bill (“AB”) 5, AB 206, AB 223, AB 270, AB 405, AB 452, SB 65, SB 145, SB 146, SB 150, SB 204, SB314, SB 347, SB 392, SB 407, SB 507, and SCR4.
Program") and creates two new programs: the Energy Storage Program and the Electric Vehicle Infrastructure Demonstration Program ("EV Program"). (Attachment 2, secs. 1.2-1.5.) The policy goals of the energy storage programs in SB 145 are as follows:

a) Reduce peak demand for electricity;

b) Avoid or defer investment by the utility in assets for the generation, transmission or distribution of electricity; and,

c) Improve the reliability of the operation of the transmission or distribution grid.
(Attachment 2, secs. 1.2(b), 1.3(b))

2. The regulations proposed pursuant to SB 145 were developed with the following additional policy goals in mind:

a) Increase access to residential and commercial-scale energy storage systems;

b) Develop an electric vehicle infrastructure program to incentivize consumer adoption of electric vehicles by reducing or removing "range anxiety"; and,

c) Provide broader access to energy storage systems and solar energy generation systems (a/k/a distributed generation systems) to low income customers.

3. Currently, renewable energy programs, such as the Solar Energy Systems Incentive Program, are mostly funded through a line-item charge to electric retail customers of NV Energy called the "renewable energy program rate" ("REPR")\(^3\). This charge fluctuates over time depending on the incentives paid by the utility under Chapters 701B of the NRS and NAC.\(^4\) Currently, only bundled retail customers of NV Energy pay into the REPR. (Tr. at 236, lines 19-21.) As such, any incentives paid under SB 145 and NRS Chapter 701B will be limited to only bundled customers who pay into the REPR, thus excluding any user who has exited bundled retail service pursuant to NRS 704B. (Tr. at 236-41.)

\(^3\) The REPR is comprised of several components, including the Solar Program rate (NAC 701B.110 and 140), the Solar Thermal Program rate (NAC 701B.225 and 245), the Wind Demonstration Program rate (NAC 701B.470 and 505), and the Waterpower Demonstration Program rate (NAC 701B.650 and 685). Other renewable energy costs related to fulfilling the portfolio energy standards are funded through the Base Tariff Energy Rate, along with other fuel and purchased power expenses.

\(^4\) See, for example, Docket Nos. 18-03002, 18-03003, 18-03004.
4. During the 2013 Legislative session, the Legislature authorized NV Energy to pay $255,270,000 in incentives to the Solar Energy Systems Incentive Program, pursuant to NRS 701B.005(2)(a). (Assembly Bill 428 (2013).) An additional $40,000,000 was allocated to the Wind Energy Systems Demonstration Program and Waterpower Energy Systems Demonstration Program, pursuant to NRS 701B.005(2)(b). (Ibid.) Section 1.5 of SB 145 combined the amounts allocated under sections (a) and (b) of NRS 701B.005, setting the total amount available under the REPR for all programs to $295,270,000. (Attachment 2, sec. 1.5) As this amount is a cap, not a floor, NV Energy may not collect the money until after the incentives are awarded. (Tr. at 199-203; BCP Comments, 10/25/17 at 3.) Just like the Solar, Wind, and Waterpower renewable energy programs, the new and expanded programs under SB 145 will be implemented and maintained through the Annual Renewable Plan (“Annual Plan”), filed by NV Energy pursuant to Chapter 701B of the NRS and NAC. (Attachment 1, secs. 9-12 and 24-27.)

5. NV Energy reported that as of December 31, 2017, $241,283,828 of the authorized cap has been paid. At that time, additional reservations for incentives totaled $11,250,059. Therefore, as of December 31, 2017, only $42,736,113 in incentives were available under the current statute.5

6. The Energy Storage and Low Income Solar Programs created by SB 145 authorize NV Energy to award incentives totaling up to $16,000,000. (Attachment 2, secs. 1.2(4), 1.3(4), and 1.5(3).) The EV Program has no cap. (Ibid. at 1.4.) In its recently-filed Annual Plan, NV Energy forecasts that the impact of the new and expanded program coupled with existing incentives will exhaust the cap sometime between November 2018 and February 2019.

Energy Storage Systems

7. As defined by SB 145, an “energy storage system” applies to any “commercially available technology that is capable of retaining energy, storing energy for a period of time and

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5 According to NV Energy’s latest Annual Plan filing, Docket 18-02002, $213,672,620 has been paid out to the SolarGenerations Project, $26,163,708 to the WindGenerations Project, and $1,447,500 to the HydroGenerations Project, for a total of $241,283,828.
delivering the energy after storage, including, without limitation, by chemical, thermal or mechanical means.” (Attachment 2, sec. 1.1.) Throughout the proceedings in this Docket, the participants agreed that battery electric storage is the dominate storage medium.

8. SB 145 contemplates two categories of energy storage systems:
   a) Energy storage systems for residential and small commercial customers, new construction, public entities, and any other category determined by the Commission (collectively, “small-scale systems”); and
   b) Large-scale energy storage systems capable of discharging energy at rates between 100 and 1,000 kilowatts (“large-scale systems”).
      (Attachment 2, secs. 1.2 and 1.3.)

9. The nameplate capacity of the energy storage system determines whether the system is categorized as a small-scale or large-scale system. To ensure that the purpose of SB 145 is realized, the first category focuses on small-scale energy storage systems with a nameplate capacity of 100 kilowatts. (Tr. at 205-06.) During one of the workshops, the participants discussed that the Annual Plan only awards incentives based on the energy storage capacity (kilowatt-hours) of the battery installed, as opposed to the discharge rate (kilowatts). (Tr. at 217-219; Tesla Comments, 10/25/17 at 5; Staff Comments, 10/25/17 at 2.) As such, NV Energy crafted their incentive award to focus on systems for small-scale systems with energy storage capacities of greater than 8 kilowatt-hours. (Tr. at 217-19; Docket No. 18-02002, Annual Plan at 62.) Therefore, by limiting the systems to those with capacities of up to 100 kilowatts, the $5,000,000 allocation under SB 145 to small-scale systems should result in several systems being installed. (Tr. at 248, lines 5-13.)

10. SB 145 also requires that, to be eligible for an incentive, small-scale energy storage systems must also install a solar system. (Attachment 2, sec. 1.2(2)(b); Tr. at 244.)

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6 As a result, SB 145 likely includes batteries (such as lithium ion technology), as well as any other form of energy storage using chemical (e.g. vanadium redox flow batteries), thermal (e.g. solar thermal), or mechanical (e.g. flywheel) means.
11. Additionally, the proposed regulation limits the maximum incentive for any project to 50% of the final installed cost of the system. (Attachment 1, sec. 9(h).) NV Energy may adjust the incentives in its Annual Plan. (*Id.*)

12. The funding allocated to large-scale systems is expected to limit the number of installed systems due to the expense involved with installing such large battery storage systems. (Tr. at 241, lines 5-8.) Therefore, the proposed regulation directs NV Energy to prioritize incentives for critical infrastructure systems, such as hospitals, medical facilities, airports, public safety facilities, public infrastructure, dams, or other systems determined by a working group, to provide the most impact to Nevada residents. (Attachment 1, sec. 8(3)(b).) NV Energy, BCP, and the Commission are required under the proposed regulation to develop a working group to decide which entities receive large-scale system incentives. (Attachment 1, sec. 15.)

13. Due to competition for incentive money from other renewable programs, NV Energy should set aside $5,000,000 for each of the categories of storage systems listed in 8(a) and 8(b) from the other programs to ensure that the purpose of SB 145 is realized.

14. In order to receive any storage system incentive, applicants must be customers of NV Energy, the system must be with NV Energy’s service territory, the system must be installed at a location where it can be connected to NV Energy’s existing distribution system, the system must be comprised of new and unused components, and provide the stated benefits. (Attachment 1, sec. 14.). NV Energy is also required to develop application and claim forms for applicants to receive incentives; these forms will be approved by the Commission in NV Energy’s Annual Plan. (*Id. at sec. 9(d)(2); Docket No. 18-02002.*) To qualify for an incentive, applicants must meet certain, explicit milestones set by NV Energy; otherwise, applicants could reserve incentive money indefinitely, seeking to take advantage of reduced, future costs of system components and tying up incentives that could be otherwise put to use. (Attachment 1, sec. 13(4); Staff Comments, 10/25/17 at 2.) Currently, the milestones included in the regulations are as follows:
A small-scale system must be fully operational within 12 months of receiving the incentive reservation; however, the Applicant may request up to two 6-month extensions and

A large-scale system must be fully operational within 18 months of receiving the incentive reservation; however, the Applicant may request up to three 6-month extensions.

(Attachment 1 at sec. 5.)

15. Failure to meet these milestones will result in NV Energy cancelling the applicant’s incentive reservation. (Id. at sec. 6.) The applicant may re-apply for an incentive, subject to available money and applicable incentive rates. (Id.)

**Electric Vehicle Infrastructure Demonstration Program**

16. Electric vehicles ("EVs") are the way of the future. (Michael Coren, *When will self-driving electric cars make conventional cars worthless?*, Quartz (2017), at https://bit.ly/2fdDJjV.) EVs rely on economies of scale for power production, are the forerunners in automated driving systems, and take advantage of grid synergies not available to existing technologies. (NRDC Comments, 10/11/17, Attachment “Driving Out Pollution”.) Most major automobile manufacturers have announced plans to release many all-electric models over the next few years. (Coren, *supra.*) General Motors, for instance, recently announced that it will offer twenty new all-electric models to the public by 2023. (Kristen Korosec, *GM’s Future: 20 All-Electric Vehicles by 2023*, Fortune (2017), at https://for.tn/2ysvt4T.) In making the announcement, GM Executive Vice President Mark Reuss stated that “General Motors believes in an all-electric future.” (Id.) Great Britain, France, India, and Norway have already set deadlines to stop selling gas vehicles. (Alanna Petroff, *These countries want to ditch gas and diesel cars*, CNN Money (2017), at https://cnnmon.ie/2uZAO4p.) China has announced that it will soon set a deadline for automakers to end sales of fossil-fuel-powered vehicles. (Bloomberg News, *China Fossil Fuel Deadline Shifts Focus to Electric Car Race*, Bloomberg News (2017), https://bloom.bg/2ePVR9h.) While the U.S. has yet to set a deadline, 43 U.S. states took
legislative action in 2017 promoting electric vehicle technology. (Charles Morris, 43 of 50 US State Governments Addressed Electric Vehicles in 2017, Evannex (2018), at https://bit.ly/2rgch88.) Public transportation services are developing electric bus fleets and Transportation Network Companies ("TNCs"), such as Uber, Lyft, Waymo, and others, are planning to convert to self-driving electric vehicles in the near future and are currently testing their technology on public roads. (Tr. at 229-40; UCSs Comments, 10/25/17 at 4; Arianne Cohen, Lyft’s Strategist Wants Self-Driving Electric Cars to Save the World, Bloomberg (2018). https://bloom.bg/2H85ze2.) Once EVs become the norm and reach a tipping point in the grid, they could serve as distributed energy resources to balance grid voltage and power requirements when not in use. (NRDC Comments, 10/11/17, Attachment "Driving Out Pollution").

17. As EV technology evolves, the range of EVs continues to be extended; however, overcoming "range anxiety" is still a perceived hurdle that must be accounted for. (NRDC Comments, 10/11/17 at 4, 6-7; NRDC, et al Comments, 12/18/17 at 3-4.) Governor Sandoval set a goal to complete the Nevada Electric Highway by the end of 2020. (Tr. at 128, lines 3-7: Tr. at 282, lines 9-14; Nevada’s Strategic Planning Framework, pub. Apr. 11, 2016 at https://bit.ly/2JPMURa.) In October of 2017, Governor Sandoval also signed a Memorandum of Understanding between Nevada and seven other western states to provide the framework for creating an Intermountain West Electric Vehicle Corridor that will make it possible to seamlessly drive an electric vehicle across the signatory states’ major transportation corridors. (GOE comments, 11/17/17, Appendix A.) Overcoming range anxiety is a key to accomplishing this electric corridor. (Tr. at 102-03; Tr. at 143-44.)

18. An additional major and imperative benefit of EVs is reducing the production of green-house gases and harmful emissions produced by internal combustion vehicles, especially diesel engines. (UCS comments, 10/25/17 at 2; BYD Comments, 10/25/17 at 1.)/17/17. at 3-5.) NDEP and GOE were tasked with the administration of those funds. (Id.)

19. The Electric Vehicle Infrastructure Demonstration Program ("EV Program") was developed in collaboration with several other programs, with the specific goal of completing the
Nevada Electric Highway. (GOE comments, submitted on 11/17/18, 12/18/17, 1/18/18.) The regulations developed for the EV Program were done so in combination with the Nevada Electric Highway plan, the Regional Vehicle Electric West Plan, the Fixing America’s Surface Transportation Act, the ZEV Investment Plan - Electrify America, and the Environmental Mitigation trust Fund. (GOE comments, 11/17/17.) Many of these programs receive funding from other sources, such as the Volkswagen settlement, and are managed by multiple state agencies. (Id.) However, as NV Energy will be taking the lead on providing EV charging stations in remote areas, much discussion focused on how to bring money from each of these programs together to offset costs placed on NV Energy’s customer base. (Tr. at 126-55.)

20. Nevada approved self-driving vehicles for testing and has been a long-term participant in bringing this technology to our roads. (Tr. at 42, lines 10-16; Mary Slosson, Google gets first self-driven car license in Nevada, Reuters (2012) at https://reut.rs/2FFXasP.) Nationally, TNCs and other EV commuter fleets, some owned by car manufacturers, are contemplating plans to sell miles to users much like phone plans. (Coren, supra.) As such, Nevada must continue to be a key player in self-driving EVs to ensure the continued flow of economic benefits and to remain a national leader in this technology.

21. The proposed regulation sets aside $15,000,000 of incentives for the EV Program. (Attachment 1, sec. 24(i); Tr. at 375-76.) Without setting aside these funds, the EV Program

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7 A program developed by the Nevada Governor’s Office of Energy, Nevada Department of Transportation, NVE, and Valley Electric Association to install EV charging stations along U.S. 95 between Reno and Las Vegas. Phase I involves installing two Level 2 chargers and a single Level 3 (DC Fast Charger) at each location. Phase II involves similar charging stations every 70-100 miles along I-15, I-80, U.S. 50, U.S. 93, and S.H. 318. (GOE comments, 11/17/17, pp. 1-2.)

8 Represented by a memorandum of understanding signed by the Governors of seven western states in an effort to provide electric vehicle infrastructure throughout Nevada, Utah, Colorado, Idaho, Wyoming, New Mexico, and Arizona. (GOE comments, 11/17/17, pp. 2-3.)

9 The “FAST” act is a federal law creating electric vehicle corridors that include having publicly available charging stations at least every 50 miles, within 5 miles of the corridor, and have DC fast charging capabilities. Currently, I-15, I-80, U.S. 50, and U.S. 93 qualify under the FAST act as electric vehicle corridors. (GOE comments, 11/17/17, p. 3.)

10 Part of Volkswagen’s consent decree to invest over $2B in US electric vehicle infrastructure, which the GOE intends to use for DC fast charging stations in Nevada. (GOE comments, 11/17/17, p. 4.)

11 Also part of Volkswagen’s consent decree; to be managed by NDEP and implemented to reduce diesel engine emissions, via GOE efforts to use the money on charging stations. (GOE comments, 11/17/17, pp. 4-5.)

12 The participants submitted briefing on the Commission’s statutory authority to create the EV Program allocation.
would likely have insufficient funds for a meaningful implementation. (Staff Comments, 1/18/18 at 4; NV Energy Comments, 1/18/18 at 4; ChargePoint Comments, 1/18/18 at 4-5; BCP Comments, 1/18/18 at 6.) This $15,000,000 set-aside prioritizes programs that:

a) Help complete the Nevada Electric Highway Corridor;

b) Incentivize EV charging stations for the workplace, for multi-family dwellings, and for public and private vehicle fleets; and,

c) Convert diesel vehicles, buses, and fleets to electric.

(Attachment 1, secs. 24(h)(1) and 30.)

22. The EV Program regulations prioritize charging stations along the Nevada Electric Highway at locations determined by the GOE, high voltage charging systems, public use charging stations, and converting public bus and heavy duty diesel fleets to electric operation. (Id., secs. 24(h)(1) and 30.)

23. Applicant eligibility will be established by NV Energy in its Annual Plan and reviewed upon submission of an application by an Applicant. (Id., sec. 28.) Much like the energy storage systems, applicants may apply for incentives to offset the cost of electric vehicle infrastructure and systems, which includes:

- Electric vehicles;
- Charging stations for recharging electric vehicles;
- “Make-ready” infrastructure (panels, conduits, wires, cables, and other components necessary to support an EV charging station);
- Time-variant electricity rates;
- Education initiatives;
- Advisory services for fleet operations; and,
- Partnerships to promote the EV Program.

(Id. at sec. 18.)

24. Applicants have 12 months to install the approved EV infrastructure from the time that the incentive is approved to prevent applicants from reserving incentive money indefinitely.
seeking to take advantage of reduced, future costs of system components and tying up incentives that could be otherwise put to use. *(Id.* at sec. 28.) To qualify for an incentive, the EV infrastructure and systems must be located within NV Energy’s service territory, connected to NV Energy’s grid, and comprised of new and unused components. *(Id.)*

25. While the EV infrastructure is not limited to high voltage systems, the regulations prioritize high voltage systems because Level 2 and Direct Current fast chargers operate at or above 240 volts. *(Id.* at 30(1).) Level 2 or greater charging systems are desirable because lower voltage systems charge significant slower; however, even Level 2 chargers can take four hours to fully charge an EV battery. *(NRDC Comments, 10/11/17 at 7-8; Tesla Comments, 10/25/17 at 9.) From a practical perspective, drivers attempting to drive across Nevada will not want to purchase an electric vehicle if, instead of taking a few minutes to refuel with gasoline, it takes a long time to recharge an EV battery. *(Tr. at 143-45; Tr. at 285, lines 12-16.)*

26. The proposed regulation allows NV Energy to own and operate charging stations along the Nevada Electric Highway Corridor at sites designated by GOE and recover those costs. *(Attachment 1 at 30.)* NV Energy acknowledged that it would likely utilize private sector companies through a RFP process to install such equipment. *(Tr. at 294, lines 6-10; Tr. at 297-98.)*

27. The proposed regulation also allows NV Energy to own and operate charging stations elsewhere in their service territory. *(Attachment 1, sec. 30.)* However, any investment in those charging stations will be reviewed for prudence in a future rate filing. *(Id.)* Furthermore, NV Energy agrees that any rates related to NV Energy operating EV infrastructure and systems would be subject to Commission approval; systems owned, but not operated by NV Energy would not be subject to approval. *(Tr. at 388-89.)*

28. Finally, the Legislature specifically excluded from the definition of “public utility” or “utility,” “[p]ersons who own, control, operate or manage a facility that supplies electricity only for use to charge electric vehicles.” *(Id., sec. 2.5(11).)* This was necessary as NRS 704.020 defines a utility as any “plant or equipment, or any part of a plant or equipment,
within this State for the production, delivery or furnishing for or to other persons heat, gas, coal slurry, light, power in any form...or sewage services.” In the context of SB 145, this provision excludes EV charging station operators from being regulated as a utility, much like gasoline stations are not regulated, even though gasoline stations furnish gasoline to other persons. (Staff Comments, 1/18/18 at 2-3; NV Energy Comments, 1/18/18 at 1-3; Greenlots Comments, 1/18/18; Tesla Comments, 1/18/18 at 1; ChargePoint Comments, 1/18/18 at 2-5; Sierra Club, et al, Comments, 1/18/18 at 2-6.) This does not suggest that any currently-regulated utility would cease being regulated as a utility simply because it owns and/or operates charging stations for EVs. (Id.)

**Low Income Solar Program**

29. In addition to creating the Energy Storage and EV Programs discussed above, SB 145 also allocates $1,000,000 per year over the next six years to develop solar generation systems at “locations that benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and public entities, other than municipalities, that serve significant populations of low-income residents.” (Attachment 2, sec. 1.5(3).) To implement this portion of SB 145, the proposed regulation memorializes the results of a collaboration between NV Energy and the NHD to ensure that the benefits are used appropriately and timely. (Attachment 1, sec. 31(3).)

**Annual Plan for 2018**

30. NV Energy is required by NRS 701B.230 to submit an Annual Plan every year on or before February 1. To ensure that the EV and Energy Storage Programs are implemented before the next legislative session in 2019, the Presiding Officer directed NV Energy to submit its Annual Plan, including the EV and Energy Storage Programs, by February 1, 2018, before the Commission had fully promulgated regulations. (Tr. at 234-235.) NV Energy assented to the aggressive schedule and submitted their 2018 Annual Plan on February 2, 2018. (Id. at 235, line 2.) Two main reasons exist for the aggressive schedule: first, the importance of the programs to Nevada as both a leader in energy storage and EVs; and second, the incentives available under
NRS 701B.005 may not be available if the current pace of rooftop solar installations continues unchecked. (Tr. at 42-43.) The Annual Plan is currently pending in Docket No. 18-02002.

V. REGULATION

31. The Commission finds that the proposed regulation, attached hereto as Attachment 1, accomplishes the legislative intent of SB 145, as discussed above.

32. Based on the foregoing, the Commission finds that it is in the public interest to adopt as permanent the proposed regulation attached hereto as Attachment 1.

THEREFORE, it is ORDERED:

1. The proposed regulation, attached hereto as Attachment 1, is ADOPTED AS PERMANENT.

By the Commission,

JOSEPH L. REYNOLDS, Chairman

ANN C. PONGRACE, Commissioner

BRUCE H. BRESLOW, Commissioner and
Presiding Officer

Attest: TRISHA OSBORNE
Assistant Commission Secretary

Dated: Carson City, Nevada
5/11/18
(SEAL)
ATTACHMENT 1
PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA

LCB File No. R022-18

May 9, 2018

EXPLANATION - Matter in italics is new; material in italics and underlined by the Commission recently; matter in brackets [omitted material] is material to be omitted.

AUTHORITY: §§1-15, NRS 703.025 and sections 1.2 and 1.3 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1265 (NRS 701B.223 and 701B.226, respectively); §§16-30, NRS 703.025 and section 1.4 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1267 (NRS 701B.670); §31, NRS 701B.005, 701B.200, 701B.220 and 703.025.

A REGULATION relating to energy; establishing the Energy Storage Program for use by public utilities that supply electric energy in this State; establishing terms and conditions for participation in the Energy Storage Program; establishing incentives for the installation of certain energy storage systems; providing for the recovery by utilities of certain costs relating to the Energy Storage Program; establishing terms and conditions for participation in the Electric Vehicle Infrastructure Demonstration Program; establishing incentives for the installation of certain electric vehicle infrastructure and systems; providing for the recovery by utilities of certain costs relating to the Electric Vehicle Program; revising provisions relating to the filing of certain annual plans by a utility; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Public Utilities Commission of Nevada to establish, as part of the Solar Energy Systems Incentive Program, incentives for: (1) the installation of energy storage systems by customers of an electric utility; and (2) the installation of energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts by certain customers of an electric utility. (Sections 1.2 and 1.3 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1265-66 (NRS 701B.223 and 701B.226, respectively)) Section 8 of this regulation establishes the Energy Storage Program for use by public utilities that supply electric energy in this State. Section 9 of this regulation requires each utility that supplies electric energy in this State to file an annual plan with the Commission relating to the Energy Storage Program and sets forth certain information that must be included in such a plan. Section 10 of this
regulation requires a utility to separately account for all costs and revenues associated with the administration of the Energy Storage Program. **Section 10** also authorizes a utility to recover certain costs associated with the Energy Storage Program.

Existing law authorizes an electric utility that is required to make quarterly adjustments based on the fluctuating price of fuel or power to request approval from the Commission to make quarterly adjustments to its deferred energy accounting adjustment. (NRS 704.110) **Section 12** of this regulation requires such a utility to include in its adjustment application an Energy Storage Program rate.

**Section 13** of this regulation requires a customer seeking to participate in the Energy Storage Program to submit an application for reservation of an incentive to the utility and sets forth the timeline for review of the application and issuance of such a reservation. **Section 14** of this regulation sets forth the criteria that an energy storage system must meet to qualify for participation in the Energy Storage Program. **Section 15** of this regulation provides that the Commission will establish a working group comprised of representatives from certain governmental entities and private industry stakeholders that will meet annually to establish the criteria an applicant must meet to participate in the portion of the Energy Storage Program for customers who install energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts.

Existing law also: (1) creates the Electric Vehicle Infrastructure Demonstration Program; (2) requires the Commission to adopt regulations concerning the Program; and (3) authorizes each utility to recover the costs of carrying out the Program. (Section 1.4 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1268 (NRS 701B.670)) **Section 24** of this regulation requires each utility in this State to file an annual plan with the Commission relating to the Electric Vehicle Program and sets forth certain information that must be included in such a plan. **Section 25** of this regulation requires a utility to separately account for all costs and revenues associated with the administration of the Program. **Section 25** also authorizes a utility to recover certain costs associated with the Program. **Section 27** of this regulation requires a utility that is required to make quarterly adjustments based on the fluctuating price of fuel or power with approval from the Commission to include in its adjustment application an Electric Vehicle Program rate.

**Section 28** of this regulation requires a customer seeking to participate in the Electric Vehicle Program to submit an application for reservation of an incentive to the utility and sets forth the timeline for review of the application and issuance of such a reservation. **Section 29** of this regulation sets forth the criteria that electric vehicle infrastructure and systems must meet to qualify for participation in the Program. **Section 30** of this regulation requires a utility participating in the Electric Vehicle Program to prioritize incentives for certain types of electric vehicle infrastructure.
Existing law requires the Commission, for the period beginning on January 1, 2018, and ending on December 31, 2023, to authorize the payment of incentives in an amount of not more than $1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of electric utilities in this State that benefit low-income customers. (NRS 701B.005) Existing regulation sets forth the information that must be included in a utility's annual plan for the Solar Energy Systems Incentive Program. (NAC 701B.125) Section 31 of this regulation requires a utility, beginning with the annual plan submitted on or before February 1, 2018, to include its plan to partner with the Housing Division of the Department of Business and Industry to allocate such incentives for the installation of such systems that benefit low-income customers.

Section 1. Chapter 701B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 30, inclusive, of this regulation.

Sec. 2. As used in sections 2 to 15, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 3. “Applicant” means:

1. A customer of a utility who applies to participate in the Storage Program;

2. A licensed contractor who applies on behalf of a customer of a utility to participate in the Storage Program; or

3. Any other person who applies on behalf of a customer of a utility to participate in the Storage Program if:

   (a) The person is designated and authorized by the customer to apply on behalf of the customer to participate in the Storage Program; and

   (b) The designation and authorization are set forth in a letter from the customer to the utility which sets forth the relationships between the customer and the person.
Sec. 4. "Participant" means a person who has been selected by a utility to participate in the Storage Program.

Sec. 5. "Storage Program" means the Energy Storage Program established by section 8 of this regulation.

Sec. 6. "Storage Program rate" means the rate established pursuant to section 12 of this regulation.

Sec. 7. "Utility" has the meaning ascribed to it in NRS 701B.180.

Sec. 8. 1. In accordance with the requirements of sections 1.2 and 1.3 of Senate Bill No. 145, chapter 239, Statutes of Nevada 2017, at page 1265 (NRS 701B.223 and 701B.226, respectively), the Commission hereby establishes the Energy Storage Program for use by utilities that supply electric energy in this State.

2. The Energy Storage Program consists of the following categories of participants:

(a) Residential and small commercial;

(b) New construction;

(c) Public entities; and

(d) Large commercial and industrial customers of utilities who install energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts.

3. In selecting participants in the categories described in:

(a) Paragraphs (a), (b) and (c) of subsection 2, a utility shall give priority to applicants who install storage systems that have a nameplate capacity of less than 100 kilowatts.
(b) Paragraph (d) of subsection 2, a utility shall give priority to customers of the utility that own or operate:

(1) Hospitals or medical facilities;

(2) Airports;

(3) Public safety facilities;

(4) Public infrastructure facilities or dams; or

(5) Other facilities that support critical infrastructure needs, as determined by the working group established pursuant to section 15 of this regulation.

Sec. 9. 1. Not later than February 1, 2018, and annually thereafter, a utility shall include in the annual plan filed with the Commission pursuant to NAC 701B.125 an annual plan for the Storage Program which must contain the following:

(a) A schedule describing major milestones of the Storage Program.

(b) A budget which includes information relating to:

(1) Incentives, including, without limitation, 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;

(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 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 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 that limits the incentives received by residential, small commercial, new construction and public entity participants to not more than 50 percent 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 to facilitate the Storage Program.

Sec. 10. 1. All reasonable and prudent costs associated with carrying out and administering the Storage Program must be accounted for in 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 11 of this regulation.

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. 11. A utility shall account for costs and revenues in the following manner:

1. 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;

2. Record the cost of the Storage Program in a separate subaccount of FERC Account No. 182.3 and make an appropriate offset to other subaccounts;

3. Maintain subsidiary records of the subaccount of FERC Account 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;

4. Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the Storage Program rate to recover the costs of the Storage Program; and

5. Apply a carrying charge at the rate of one-twelfth of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.
Sec. 12. 1. 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 Storage 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.

2. 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. An incentive 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 an incentive. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed notice must specify:

(a) The dollar amount of the incentive reserved for the project;

(b) An expiration date for the reservation of the incentive, which must be 12 months after the date of issuance of the notice if the project is categorized as residential and small commercial, new construction or a public entity or 18 months after the date of issuance of the notice if the project is categorized as large commercial and industrial;

(c) That each contractor involved in the installation of an energy storage system must hold an active license issued by the State Contractors’ 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 or the date of any extension approved pursuant to subsection 5.

4. If the utility approves the project, the utility and the participant must enter into an agreement which must include, without limitation, milestones that ensure the participant completes the project on or before the expiration date listed on the notice issued pursuant to subsection 3 or the date of any extension of that expiration date approved pursuant to subsection 5.

5. A participant who has been issued a confirmed reservation notice may apply to the utility for an extension of the expiration date for the reservation of the incentive. Upon finding good cause for such an extension, the utility may approve not more than:

(a) Two 6-month extensions for a project categorized as residential and small commercial, new construction or a public entity.
(b) Three 6-month extensions for a project categorized as large commercial and industrial.

6. The utility may cancel the reservation of a participant who fails to meet a milestone to which the participant and utility have agreed pursuant to subsection 4. If the utility cancels the reservation of a participant pursuant to this subsection, the participant may resubmit an application for the project to the utility. The resubmitted application must be treated as a new application and be processed in sequence with other new applications. If the utility approves the resubmitted application and the participant fails to meet a milestone to which the participant and the utility have agreed pursuant to subsection 4, the utility must cancel the reservation of the participant and the participant may not apply for a reservation for an incentive for that project.

7. After the energy storage system has been purchased, installed and put into operation, the participant must submit to the utility an incentive claim package that includes an incentive claim form and all supporting documentation required by the utility. The incentive claim form must be signed by both the licensed contractor who installed the energy storage system and the participant.

8. To receive an incentive, all requirements of the Storage Program must be met, and a complete incentive claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice or the date of any extension approved pursuant to subsection 5.

9. If an incentive claim package is incomplete or requires clarification, the utility shall request the required information from the participant. If the participant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the incentive claim form. If an incentive claim package is not received on or before the expiration date listed on the notice issued pursuant to subsection 3 or the date of any extension of that expiration date approved
pursuant to subsection 5, or the information in the incentive claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the participant stating the reasons why the project is rejected and not eligible for an incentive. If a project is rejected, the participant may reapply for the reservation of an incentive, but will be subject to the eligibility requirements, incentive levels and funding available at the time of the resubmission.

10. The utility shall not make such an incentive payment to a participant until the utility has verified that the participant's energy storage system is fully operational.

Sec. 14. To qualify for the Storage Program, an energy storage system must:

1. Be located on property within the Nevada service territory of a participating utility;

2. Be installed at a location where the energy storage system can be connected to an existing distribution system of the utility;

3. Consist of components that are new and unused; and

4. Provide one or more of the following benefits to customers of the utility:
   (a) Reduce the participant's peak demand for electricity.
   (b) Provide backup or emergency power to the grid.
   (c) Any other benefits that support critical infrastructure needs.

Sec. 15. 1. The Commission will establish a working group consisting of the following members:

   (a) Representatives of a utility participating in the Storage Program;
   (b) Representatives of the Bureau of Consumer Protection in the Office of the Attorney General;
(c) Representatives of the Regulatory Operations Staff of the Commission; and

(d) Two members appointed by the Commission who are not public officers or employees and who serve at the pleasure of the Commission.

2. The working group:

(a) Shall meet at least once a year.

(b) Shall recommend to the Commission criteria for the selection of participants in the category of the Storage Program established by paragraph (d) of subsection 2 of section 8 of this regulation. The utility shall include the recommended criteria in the next annual plan filed with the Commission pursuant to NAC 701B.125.

(c) May recommend to the Commission modifications of the criteria for the selection of participants in the category of the Storage Program established by paragraph (d) of subsection 2 of section 8 of this regulation. The utility shall include the recommended modifications in the next annual plan filed with the Commission pursuant to NAC 701B.125.

Sec. 16. As used in sections 16 to 30, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 17 to 23, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 17. “Applicant” means:

1. A customer of a utility who applies to participate in the Electric Vehicle Program;

2. A licensed contractor who applies on behalf of a customer of a utility to participate in the Electric Vehicle Program; or
3. Any other person who applies on behalf of a customer of a utility 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 Electric Vehicle Program; and

(b) The designation and authorization are set forth in a letter from the customer to the utility which sets forth the relationships between the customer and the person.

Sec. 18. "Electric vehicle infrastructure and systems" means:

1. Electric vehicles, charging stations for the recharging of electric vehicles and makeready infrastructure; and

2. Time-variant electricity rates, education initiatives, advisory services for fleet operations and partnerships to promote the development of the Electric Vehicle Program.


Sec. 20. "Electric Vehicle Program rate" means the rate established pursuant to section 27 of this regulation.

Sec. 21. "Make-ready infrastructure" means panels, conduits, wiring, cabling or any other components located behind a customer's meter necessary to support an electric vehicle charging station.

Sec. 22. "Participant" means a person who has been selected by a utility to participate in the Electric Vehicle Program.

Sec. 23. "Utility" means a utility that supplies electricity in this State.
Sec. 24. 1. Not later than February 1, 2018, and annually thereafter, each utility in this State shall include in the annual plan filed with the Commission pursuant to NAC 701B.125 an annual plan for the Electric Vehicle Program which must contain the following:

(a) A schedule describing major milestones of the Electric Vehicle Program.

(b) A budget which includes information relating to:

(1) Incentives, including, without limitation, 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 and private efforts.

(c) Following the first plan year, a report on the productivity of the Electric Vehicle 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 for the Electric Vehicle Program;

(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 contractors and educational activities;

(7) A list of the third-party vendors and equipment providers, if applicable; and

(8) Data collected through the Electric Vehicle Program, including, without limitation, utilization of utility-owned charging stations, load profiles, rates paid by customers for charging services and outage information from each charging station.

(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 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:

(1) The installation and development of electric vehicle charging stations in this State at locations specifically designated by the Office of Energy within the Office of the Governor;

(2) The installation and development of electric vehicle charging stations as described in section 30 of this regulation; and
(3) 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 by the Commission.

(ii) An initial allocation of $15,000,000 shall be set aside for the Electric Vehicle Program from the incentives authorized by NRS 701B.005.

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 to facilitate the Electric Vehicle Program.

Sec. 25. 1. All reasonable and prudent costs associated with carrying out and administering the Electric Vehicle Program must be accounted for in 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 26 of this regulation.

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.

3. If a utility owns and operates electric vehicle charging stations, the only costs that the utility may recover related to the installation and operation of those electric vehicle charging stations are those costs incurred for installing and operating such charging stations at locations specifically designated by the Office of Energy within the Office of the Governor.

Sec. 26. A utility shall account for costs and revenues in the following manner:
1. Calculate, on a monthly basis, the costs incurred and revenues received in the Electric Vehicle Program since the end of the test period in its last proceeding to change the Electric Vehicle Program rate;

2. Record the cost of the Electric Vehicle Program in a separate subaccount of FERC Account No. 182.3 and make an appropriate offset to other subaccounts;

3. Maintain subsidiary records of the subaccount of FERC Account 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;

4. Record in the subaccount of FERC Account No. 182.3 the revenues attributable to the Electric Vehicle Program rate to recover the costs of the Electric Vehicle Program; and

5. Apply a carrying charge at the rate of one-twelveth of the authorized rate of return to the monthly ending balance in the subaccount of FERC Account No. 182.3.

Sec. 27. 1. 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 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.
2. 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. 28. 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. An incentive 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 an incentive. If the utility approves the project, the utility shall issue a confirmed reservation notice for the project. The confirmed notice must specify:

(a) The dollar amount of the incentive reserved for the project;

(b) An expiration date for the reservation of the incentive, which must be 12 months after the date of issuance of the notice; and

(c) That the electric vehicle infrastructure and systems must be purchased, developed, installed and put into operation not later than the expiration date specified in the confirmed reservation notice.
4. After the electric vehicle infrastructure and systems have been purchased, developed, installed and put into operation, the participant must submit to the utility an incentive claim package that includes an incentive claim form and all supporting documentation required by the utility. The incentive claim form must be signed by both the licensed contractor who installed the electric vehicle infrastructure and systems and the participant.

5. To receive an incentive, all requirements of the Electric Vehicle Program must be met, and a complete incentive claim package must be submitted to the utility before the expiration date specified in the confirmed reservation notice.

6. If an incentive claim package is incomplete or requires clarification, the utility shall request the required information from the participant. If the participant fails to provide the required information within 20 calendar days after receiving the request for information, the utility may reject the incentive claim form. If an incentive claim package is not received on or before the expiration date specified in the confirmed reservation notice, or the information in the incentive claim package indicates that the project is otherwise ineligible, the utility shall send a written notice to the participant stating the reasons why the project is rejected and not eligible for an incentive. The participant may resubmit an incentive claim package but will be subject to the eligibility requirements, incentive levels and funding available at the time of the resubmission.

7. The utility providing an incentive shall not issue such an incentive payment to a participant until the participant's electric vehicle infrastructure and systems have been verified as fully operational.

Sec. 29. To qualify for the Electric Vehicle Program:
1. Electric vehicle infrastructure and systems must be located or implemented on property within the Nevada service territory of a participating utility.

2. If the electric vehicle infrastructure and systems involve the installation of any equipment, the equipment must be installed at a location where the electric vehicle infrastructure and systems can be connected to an existing distribution system of a participating utility.

3. If the electric vehicle infrastructure and systems involve the installation of components, the components must be new and unused.

Sec. 30. A utility participating in the Electric Vehicle Program:

1. Shall prioritize incentives for commercially available infrastructure equipment that operates at 240 volts or more.

2. May own and operate electric vehicle infrastructure and systems at public locations, workplaces, multi-family dwellings and fleet charging locations within the service territory of the utility, subject to approval of rates by the Commission.

Sec. 31. NAC 701B.125 is hereby amended to read as follows:

...  

3. The annual plan filed by the utility on or before February 1, 2018, must contain, in addition to items listed in subsection 1, the utility's plan to partner with the Housing Division of the Department of Business and Industry to allocate incentives to benefit low-income residents in this State pursuant to NRS 701B.005.
Senate Bill No. 145—Senator Spearman

CHAPTER.........

AN ACT relating to energy; establishing as part of the Solar Energy Systems Incentive Program a program for the payment of incentives for the installation of certain energy storage systems; creating the Electric Vehicle Infrastructure Demonstration Program; revising provisions relating to the payment of incentives to participants in the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program; repealing provisions requiring each electric utility to create a Lower Income Solar Energy Pilot Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:
Existing law establishes the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program. Existing law further establishes the amount of incentives that may be authorized for payment by the Public Utilities Commission of Nevada to each Program. (NRS 701B.005, 701B.010-701B.290, 701B.400-701B.650, 701B.700-701B.880) Section 1.5 of this bill combines the amount of existing incentives available for payment to each Program into a single pool of money from which the Commission may authorize the payment of an incentive to a Program. Section 1.5 further requires the Commission, for the period beginning on January 1, 2018, and ending on December 31, 2023, to authorize the payment of incentives in an amount of not more than $1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of electric utilities in this State that benefit low-income customers. Section 11 of this bill repeals the provisions of existing law that require each electric utility in this State to create a Lower Income Solar Energy Pilot Program, which are duplicative of the amendatory provisions of section 1.5.

Sections 1.2 and 1.3 of this bill require the Commission to establish, as part of the Solar Energy Systems Incentive Program, incentives for: (1) the installation of energy storage systems by a customer of an electric utility; and (2) the installation of energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts by certain customers of an electric utility.

Section 1.4 of this bill: (1) creates the Electric Vehicle Infrastructure Demonstration Program; (2) requires the Commission to adopt regulations concerning the Program; and (3) authorizes each utility to recover the costs of carrying out the Program.
THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 701B of NRS is hereby amended by adding
there to the provisions set forth as sections 1.1 to 1.4, inclusive, of
this act.

Sec. 1.1. “Energy storage system” means commercially
available technology that is capable of retaining energy, storing
energy for a period of time and delivering the energy after storage,
including, without limitation, by chemical, thermal or mechanical
means.

Sec. 1.2. 1. The Commission shall adopt regulations to
establish as part of the Solar Program a program for the payment
of incentives for the installation of energy storage systems by
customers of a utility. The regulations must include, without
limitation, regulations that:

(a) Establish a process to set and periodically review the level
of incentives available to customers of a utility.

(b) Require that each energy storage system for which an
incentive is awarded pursuant to this section provides a minimum
level of benefit to customers of the utility, including, without
limitation:

(1) Reducing peak demand for electricity;

(2) Avoiding or deferring investment by the utility in assets
for the generation, transmission or distribution of electricity; or

(3) Improving the reliability of the operation of the
transmission or distribution grid.

(c) Determine the allocation of incentives among customers in
the following categories:

(1) Residential and small commercial;

(2) New construction;

(3) Public entities; and

(4) Any other category determined by the Commission.

(d) Establish the:

(1) Qualifications and requirements an applicant must meet
to be eligible to be awarded an incentive pursuant to this section;

(2) Form and content of the application for an incentive
pursuant to this section;

(3) Process for accepting and approving applications,
which must provide that applications are approved based on the
order in which complete applications are submitted and not on a lottery process; and

(4) Requirements an applicant must meet to receive the payment of an incentive from the utility, including, without limitation, the form and content of a form to claim the incentive that must be submitted by the applicant.

c) Require a utility to include in its annual plan submitted pursuant to NRS 701B.230 information concerning the incentives available pursuant to this section.

2. To be eligible to receive an incentive pursuant to this section, a person must:

a) Be a customer of a utility;

b) Be a property owner, a participant or a person who has installed on the property of the person a solar energy system or energy storage system; and

c) Submit an application to a utility and be selected by the utility for inclusion in the Solar Program and the award of an incentive pursuant to this section.

3. A utility shall review each application submitted pursuant to subsection 2 to ensure that the applicant meets the qualifications and requirements to be eligible to be awarded an incentive pursuant to this section.

4. The Commission shall not authorize the payment of an incentive pursuant to this section as part of the Solar Program if the payment of the incentive would cause the total amount of incentives paid by all utilities pursuant to this section to exceed $5,000,000.

5. As used in this section, "residential or small commercial customer of a utility" means an existing residential or small commercial customer of a utility or a prospective residential or small commercial customer of a utility that affirms it will become an actual customer of the utility within 12 months after the date on which the application is filed.

Sec. 1.3. 1. The Commission shall adopt regulations to establish as part of the Solar Program a program for the payment of incentives for the installation of energy storage systems that have a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts. The regulations must include, without limitation, regulations that:

a) Establish the type and level of incentives available to a person who installs an energy storage system that has a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts. The Commission shall establish a level of incentives
that, to the extent possible, ensures that the benefits of the energy storage system exceed the costs of the energy storage system to a customer of a utility.

(b) Require that each energy storage system for which an incentive is awarded pursuant to this section provides a minimum level of benefit to customers of the utility, including, without limitation:

(1) Reducing peak demand for electricity;
(2) Avoiding or deferring investment by the utility in assets for the generation, transmission or distribution of electricity; or
(3) Improving the reliability of the operation of the transmission or distribution grid.

(c) Establish a collaborative process for a utility to select persons to participate in the program and receive an incentive pursuant to this section.

2. To be eligible to receive an incentive pursuant to this section, a person must:

(a) Be a property owner, a participant or a person who has installed on the property of the person a solar energy system;

(b) Install an energy storage system that has a nameplate capacity of at least 100 kilowatts but not more than 1,000 kilowatts; and

(c) Be selected by the utility for inclusion in the Solar Program and the award of an incentive pursuant to this section.

3. In collaboration with interested parties, a utility shall identify customers of the utility who have the potential to satisfy the requirements for an incentive pursuant to this section and locations on the utility's system at which energy storage systems that would qualify for an incentive pursuant to this section have the potential to be installed.

4. The Commission shall not authorize the payment of an incentive pursuant to this section as part of the Solar Program if the payment of the incentive would cause the total amount of incentives paid by all utilities pursuant to this section to exceed $5,000,000.

Sec. 1.4. 1. The Legislature hereby finds and declares that it is the policy of this State to expand and accelerate the deployment of electric vehicles and supporting infrastructure throughout this State.

2. The Electric Vehicle Infrastructure Demonstration Program is hereby created.

3. The Commission shall adopt regulations to carry out the provisions of the Electric Vehicle Infrastructure Demonstration
Program, including, without limitation, regulations that require a utility to submit to the Commission an annual plan for carrying out the Program in its service area. The annual plan submitted by a utility may include any measure to promote or incentivize the deployment of electric vehicle infrastructure, including, without limitation:

(a) The payment of an incentive to a customer of the utility that installs or provides electric vehicle infrastructure;

(b) Qualifications and requirements an applicant must meet to be eligible to be awarded an incentive;

(c) The imposition of a rate by the utility to require the purchase of electric service for the charging of an electric vehicle at a rate which is based on the time of day, day of the week or time of year during which the electricity is used, or which otherwise varies based upon the time during which the electricity is used, if a customer of the utility participates in the Electric Vehicle Infrastructure Demonstration Program; and

(d) The establishment of programs directed by the utility to promote electric vehicle infrastructure, including, without limitation, education and awareness programs for customers of the utility, programs to provide technical assistance related to the charging of electric vehicles to governmental entities or the owners or operators of large fleets of motor vehicles and programs to create partnerships with private organizations to promote the development of electric vehicle infrastructure.

4. The Commission shall:

(a) Review each annual plan submitted by a utility pursuant to the regulations adopted pursuant to subsection 3 for compliance with the requirements established by the Commission; and

(b) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Electric Vehicle Infrastructure Demonstration Program.

5. Each utility:

(a) Shall carry out and administer the Electric Vehicle Infrastructure Demonstration Program within its service area in accordance with its annual plan as approved by the Commission pursuant to subsection 4; and

(b) May recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.
6. As used in this section:
   (a) "Electric vehicle" means a vehicle powered solely by one or more electric motors.
   (b) "Electric vehicle infrastructure" includes, without limitation, electric vehicles and the charging stations for the recharging of electric vehicles.

Sec. 1.5. NRS 701B.005 is hereby amended to read as follows:

701B.005 1. For the purposes of carrying out the Solar Energy Systems Incentive Program created by NRS 701B.240, and subject to the limitations prescribed by subsections 2 and 3, the Public Utilities Commission of Nevada shall set incentive levels and schedules, with a goal of approving solar energy systems totaling at least 250,000 kilowatts of capacity in this State for the period beginning on July 1, 2010, and ending on December 31, 2021.

2. [The] Subject to the limitation prescribed by subsection 3 the Commission may authorize the payment of an incentive pursuant to 1:
   (a) The Electric Vehicle Infrastructure Demonstration Program created by section 1.4 of this act, the Solar Energy Systems Incentive Program created by NRS 701B.240, the Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820 if the payment of the incentive would not cause the total amount of incentives paid by all utilities in this State for the installation of electric vehicle infrastructure, solar energy systems, [and] solar distributed generation systems, energy storage systems, wind energy systems and waterpower energy systems to exceed $295,270,000 for the period beginning on July 1, 2010, and ending on December 31, 2025.
   (b) The Wind Energy Systems Demonstration Program created by NRS 701B.580 and the Waterpower Energy Systems Demonstration Program created by NRS 701B.820 if the payment of the incentive would cause the total amount of incentives paid by all utilities in this State for the installation of wind energy systems and waterpower energy systems to exceed $40,000,000 for the period beginning on July 1, 2009, and ending on December 31, 2025. The Commission may, by regulation, determine the allocation of incentives for each Program.

3. For the period beginning on January 1, 2018, and ending on December 31, 2023, the Commission shall, from the money allocated for the payment of an incentive pursuant to subsection 2, authorize the payment of incentives in an amount of not more

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than $1,000,000 per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of utilities in this State that benefit low-income customers, including, without limitation, homeless shelters, low-income housing developments and public entities, other than municipalities, that serve significant populations of low-income residents.

4. The Commission may, subject to the limitations prescribed by subsections 2 and 3, authorize the payment of performance-based incentives for the period ending on December 31, 2025.

5. A utility may file with the Commission one combined annual plan which meets the requirements set forth in NRS 701B.230, 701B.610 and 701B.850. The Commission shall review and approve any plan submitted pursuant to this subsection in accordance with the requirements of NRS 701B.230, 701B.610 and 701B.850, as applicable.

6. As used in this section:
   (a) "Distributed generation system" has the meaning ascribed to it in NRS 701B.055.
   (b) "Electric vehicle infrastructure" has the meaning ascribed to it in section 1.4 of this act.
   (c) "Energy storage system" has the meaning ascribed to it in section 1.1 of this act.
   (d) "Municipality" means any county or city in this State.
   (e) "Utility" means a public utility that supplies electricity in this State.

Sec. 1.6. NRS 701B.010 is hereby amended to read as follows:
701B.010 The provisions of NRS 701B.010 to 701B.290, inclusive, and sections 1.1, 1.2 and 1.3 of this act apply to the Solar Energy Systems Incentive Program.

Sec. 1.7. NRS 701B.020 is hereby amended to read as follows:
701B.020 As used in NRS 701B.010 to 701B.290, inclusive, and sections 1.1, 1.2 and 1.3 of this act, unless the context otherwise requires, the words and terms defined in NRS 701B.030 to 701B.180, inclusive, and section 1.1 of this act have the meanings ascribed to them in those sections.

Sec. 1.8. NRS 701B.190 is hereby amended to read as follows:
701B.190 The Legislature hereby finds and declares that it is the policy of this State to:
   1. Expand and accelerate the development of solar distributed generation systems and energy storage systems in this State; and
2. Establish a sustainable and self-sufficient solar renewable energy industry in this State in which solar energy systems are a viable mainstream alternative for homes, businesses and other public entities.

Sec. 2. (Deleted by amendment.)

Sec. 2.5. NRS 704.021 is hereby amended to read as follows:

704.021 “Public utility” or “utility” does not include:

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

2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:
   (a) They serve 25 persons or less; and
   (b) Their gross sales for water or services for the disposal of sewage, or both, amounted to $25,000 or less during the immediately preceding 12 months.

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

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

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

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

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

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

9. Persons who own or operate a net metering system described in paragraph (c) of subsection 1 of NRS 704.771.

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

(a) Located on the premises of another person;
(b) Used to produce not more than 150 percent of that other person's requirements for electricity on an annual basis for the premises on which the individual system is located; and
(c) Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.

As used in this subsection, “renewable energy” has the meaning ascribed to it in NRS 704.7811.

11. Persons who own, control, operate or manage a facility that supplies electricity only for use to charge electric vehicles.

Secs. 3-10. (Deleted by amendment.)

Sec. 11. NRS 704.786 is hereby repealed.

Sec. 12. 1. This act becomes effective:

(a) Upon passage and approval for the purpose of performing any preparatory administrative tasks necessary to carry out the provisions of this act; and
(b) On July 1, 2017, for all other purposes.

2. Sections 1 to 2, inclusive, of this act expire by limitation on December 31, 2025.