

Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Senate Committee on Commerce, Labor, and Energy

This measure may be considered for action during today's work session.

April 12, 2013

SENATE BILL 252

**Revises provisions relating to the portfolio standard for providers of electric service.
(BDR 58-775)**

Sponsored by: Senate Committee on Commerce, Labor, and Energy

Date Heard: April 5, 2013

Fiscal Impact: Effect on Local Government: No.

Effect on the State: Yes.

Senate Bill 252 revises provisions relating to the portfolio standard for providers of electric service.

Amendments:

Following are proposed amendments (mock-up attached, which was prepared by the Legal Division):

1. Amend the bill to delete Sections 1, 2, 3, 5, 10, and 13 to add efficiency back into the Renewable Portfolio Standard (RPS) statute.
2. Amend Section 4 of the bill on lines 21 through 29 to clarify that any renewable system that was built before 1997 only counts in the RPS if it was used to satisfy the portfolio standard as of July 1, 2009.
3. Amend the bill to delete Section 6 to retain the current RPS requirements for each calendar year.
4. Amend subsections 1 and 2 of Section 7 of the bill to reflect changes to retain energy efficiency in the portfolio standard through 2025 and to maintain the current portfolio standard, but phased out with new efficiency systems not allowed after December 31, 2019.
5. Amend Section 8 of the bill to limit station use prospectively to provide that for energy systems placed into operation after July 1, 2015, the calculation of kWh generated or acquired shall be net of any kWh used by the energy system for its basic operations that reduce the amount of renewable energy delivered to the grid.
6. Amend subsection 2 of Section 9 of the bill to clarify that small distributed generation systems continue to qualify for the 2.4 multiplier only if installed before July 1, 2014.

7. Amend subsection 2 of Section 11 of the bill, which maintains the value of the credits but will reduce the amount of excess credits in future years if a market is available. It includes both a permissive limit if the provider exceeds the RPS by 10 percent but less than 25 percent and a mandatory sales effort if the provider exceeds the RPS by 25 percent.
8. Amend Section 11 of the bill regarding boundaries around which the sales of portfolio energy credits will be reasonable and when the utility is able to undertake the transaction without risk of disallowance or fine.
9. Amend the bill to add a requirement for the Public Utilities Commission of Nevada to open an investigatory docket to study, examine, and review the process for the sale of portfolio energy credits.

Josh Griffin, representing Barrick Gold of North America, proposes the following amendment:

10. Amend the bill to provide that any changes to the Renewable Portfolio Standard will not apply to eligible customers as defined in Chapter 704B of the *Nevada Revised Statutes*.

MOCK-UP

PROPOSED AMENDMENT 8208 TO
SENATE BILL NO. 252

PREPARED FOR SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY
APRIL 11, 2013

PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE
OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

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

1 **Section 1.** ~~[NRS 701B.290 is hereby amended to read as follows:~~
2 ~~701B.290 1. After a participant installs a solar energy system~~
3 ~~included in the Solar Program, the Commission shall issue portfolio energy~~
4 ~~credits for use within the system of portfolio energy credits adopted by the~~
5 ~~Commission pursuant to NRS 704.7821 and 704.78213.~~
6 ~~2. The Commission shall designate the portfolio energy credits issued~~
7 ~~pursuant to this section as portfolio energy credits generated [,] or acquired~~
8 ~~for saved] from solar renewable energy systems for the purposes of the~~
9 ~~portfolio standard.~~
10 ~~3. All portfolio energy credits issued for a solar energy system~~
11 ~~installed pursuant to the Solar Program must be assigned to and become~~
12 ~~the property of the utility administering the Program.]~~ **(Deleted by**
13 ~~amendment.)~~
14 **Sec. 2.** ~~[NRS 704.7801 is hereby amended to read as follows:~~
15 ~~704.7801 As used in NRS 704.7801 to 704.7828, inclusive, unless the~~
16 ~~context otherwise requires, the words and terms defined in NRS~~

1 ~~[704.7802] 704.7803 to 704.7819, inclusive, have the meanings ascribed to~~
2 ~~them in those sections.] (Deleted by amendment.)~~

3 **Sec. 3.** ~~[NRS 704.7803 is hereby amended to read as follows:~~

4 ~~704.7803 "Portfolio energy credit" means any credit which a provider~~
5 ~~has earned from a portfolio energy system [or efficiency measure] and~~
6 ~~which the provider is entitled to use to comply with its portfolio standard,~~
7 ~~as determined by the Commission.] (Deleted by amendment.)~~

8 **Sec. 4.** NRS 704.7804 is hereby amended to read as follows:

9 704.7804 "Portfolio energy system ~~f1~~ or efficiency measure" means :

10 1. Any ~~fat~~ renewable energy system ~~f; or~~

11 ~~— 2. Any energy efficiency measure.] :~~

12 ~~f1 (a) Placed into operation before July 1, 1997, if a provider of~~
13 ~~electric service used electricity generated or acquired from the renewable~~
14 ~~energy system to satisfy its portfolio standard before July 1, 1997; or~~

15 ~~f2 (b) Placed into operation on or after July 1, 1997 ~~f1~~ ; or~~

16 2. Any energy efficiency measure installed on or before December
17 31, 2019.

18 **Sec. 5.** ~~[NRS 704.7805 is hereby amended to read as follows:~~

19 ~~704.7805 "Portfolio standard" means the amount of electricity that a~~
20 ~~provider must generate [,] ~~or~~ acquire [or save] from portfolio energy~~
21 ~~systems, [or efficiency measures,] as established by the Commission~~
22 ~~pursuant to NRS 704.7821 and 704.78213.] (Deleted by amendment.)~~

23 **Sec. 6.** ~~[NRS 704.7821 is hereby amended to read as follows:~~

24 ~~704.7821 1. For each provider of electric service, the Commission~~
25 ~~shall establish a portfolio standard. The portfolio standard must require~~
26 ~~each provider to generate [,] ~~or~~ acquire [or save] electricity from portfolio~~
27 ~~energy systems [or efficiency measures] in an amount that is:~~

28 ~~— (a) For calendar years 2005 and 2006, not less than 6 percent of the~~
29 ~~total amount of electricity sold by the provider to its retail customers in~~
30 ~~this State during that calendar year.~~

31 ~~— (b) For calendar years 2007 and 2008, not less than 9 percent of the~~
32 ~~total amount of electricity sold by the provider to its retail customers in~~
33 ~~this State during that calendar year.~~

34 ~~— (c) For calendar years 2009 and 2010, not less than 12 percent of the~~
35 ~~total amount of electricity sold by the provider to its retail customers in~~
36 ~~this State during that calendar year.~~

37 ~~— (d) For calendar years 2011 and 2012, not less than 15 percent of the~~
38 ~~total amount of electricity sold by the provider to its retail customers in~~
39 ~~this State during that calendar year.~~

40 ~~— (e) For calendar [years] ~~year~~ 2013, [and 2014,] not less than 18~~
41 ~~percent of the total amount of electricity sold by the provider to its retail~~
42 ~~customers in this State during that calendar year.~~

43 ~~— (f) For calendar year 2014, not less than 21 percent of the total~~
44 ~~amount of electricity sold by the provider to its retail customers in this~~
45 ~~State during that calendar year.~~

1 ~~—(g) For calendar years 2015 [through 2019, inclusive,] and 2016, not~~
2 ~~less than [20] 24 percent of the total amount of electricity sold by the~~
3 ~~provider to its retail customers in this State during that calendar year.~~
4 ~~—[(g)] (h) For calendar years [2020 through 2024, inclusive,] 2017 and~~
5 ~~2018, not less than [22] 26 percent of the total amount of electricity sold~~
6 ~~by the provider to its retail customers in this State during that calendar~~
7 ~~year.~~
8 ~~—[(h)] (i) For calendar years 2019 and 2020, not less than 30 percent~~
9 ~~of the total amount of electricity sold by the provider to its retail~~
10 ~~customers in this State during that calendar year.~~
11 ~~—(j) For calendar years 2021 through 2024, inclusive, not less than 32~~
12 ~~percent of the total amount of electricity sold by the provider to its retail~~
13 ~~customers in this State during that calendar year.~~
14 ~~—(k) For calendar year 2025 and for each calendar year thereafter, not~~
15 ~~less than [25] 35 percent of the total amount of electricity sold by the~~
16 ~~provider to its retail customers in this State during that calendar year.~~
17 ~~2. In addition to the requirements set forth in subsection 1, the~~
18 ~~portfolio standard for each provider must require that:~~
19 ~~—(a) Of the total amount of electricity that the provider is required to~~
20 ~~generate [,] or acquire [or save] from portfolio energy systems [or~~
21 ~~efficiency measures] during each calendar year, not less than:~~
22 ~~—(1) For calendar years 2009 through 2015, inclusive, 5 percent of~~
23 ~~that amount must be generated or acquired from **portfolio energy systems**~~
24 ~~**which are** solar renewable energy systems.~~
25 ~~—(2) For calendar year 2016 and for each calendar year thereafter, 6~~
26 ~~percent of that amount must be generated or acquired from **portfolio**~~
27 ~~**energy systems which are** solar renewable energy systems.~~
28 ~~—(b) [Of the total amount of electricity that the provider is required to~~
29 ~~generate, acquire or save from portfolio energy systems or efficiency~~
30 ~~measures during each calendar year, not more than 25 percent of that~~
31 ~~amount may be based on energy efficiency measures. If the provider~~
32 ~~intends to use energy efficiency measures to comply with its portfolio~~
33 ~~standard during any calendar year, of the total amount of electricity saved~~
34 ~~from energy efficiency measures for which the provider seeks to obtain~~
35 ~~portfolio energy credits pursuant to this paragraph, at least 50 percent of~~
36 ~~that amount must be saved from energy efficiency measures installed at~~
37 ~~service locations of residential customers of the provider, unless a different~~
38 ~~percentage is approved by the Commission.~~
39 ~~—(c) If the provider acquires [or saves] electricity from a portfolio~~
40 ~~energy system [or efficiency measure] pursuant to a renewable energy~~
41 ~~contract [or energy efficiency contract] with another party:~~
42 ~~—(1) The term of the contract must be not less than 10 years, unless~~
43 ~~the other party agrees to a contract with a shorter term; [and]~~
44 ~~—(2) **The contract must be for the net amount of energy that is**~~
45 ~~**delivered to the provider; and**~~

1 ~~(3) The terms and conditions of the contract must be just and~~
2 ~~reasonable, as determined by the Commission. If the provider is a utility~~
3 ~~provider and the Commission approves the terms and conditions of the~~
4 ~~contract between the utility provider and the other party, the contract and~~
5 ~~its terms and conditions shall be deemed to be a prudent investment and~~
6 ~~the utility provider may recover all just and reasonable costs associated~~
7 ~~with the contract.~~

8 ~~3. If, for the benefit of one or more retail customers in this State, the~~
9 ~~provider has paid for or directly reimbursed, in whole or in part, the costs~~
10 ~~of the acquisition or installation of a solar energy system which qualifies as~~
11 ~~a [renewable] portfolio energy system and which reduces the consumption~~
12 ~~of electricity, the total reduction in the consumption of electricity during~~
13 ~~each calendar year that results from the solar energy system shall be~~
14 ~~deemed to be electricity that the provider generated or acquired from a~~
15 ~~[renewable] portfolio energy system for the purposes of complying with its~~
16 ~~portfolio standard.~~

17 ~~4. The Commission shall adopt regulations that establish a system of~~
18 ~~portfolio energy credits that may be used by a provider to comply with its~~
19 ~~portfolio standard.~~

20 ~~5. Except as otherwise provided in subsection 6, each provider shall~~
21 ~~comply with its portfolio standard during each calendar year.~~

22 ~~6. If, for any calendar year, a provider is unable to comply with its~~
23 ~~portfolio standard through the generation of electricity from its own~~
24 ~~[renewable] portfolio energy systems or, if applicable, through the use of~~
25 ~~portfolio energy credits, the provider shall take actions to acquire [or save]~~
26 ~~electricity pursuant to one or more renewable energy [contracts or energy~~
27 ~~efficiency] contracts. If the Commission determines that, for a calendar~~
28 ~~year, there is not or will not be a sufficient supply of electricity [or a~~
29 ~~sufficient amount of energy savings] made available to the provider~~
30 ~~pursuant to renewable energy contracts [and energy efficiency contracts]~~
31 ~~with just and reasonable terms and conditions, the Commission shall~~
32 ~~exempt the provider, for that calendar year, from the remaining~~
33 ~~requirements of its portfolio standard or from any appropriate portion~~
34 ~~thereof, as determined by the Commission.~~

35 ~~7. The Commission shall adopt regulations that establish:~~

36 ~~(a) Standards for the determination of just and reasonable terms and~~
37 ~~conditions for the renewable energy contracts [and energy efficiency~~
38 ~~contracts] that a provider must enter into to comply with its portfolio~~
39 ~~standard.~~

40 ~~(b) Methods to classify the financial impact of each long-term~~
41 ~~renewable energy contract [and energy efficiency contract] as an additional~~
42 ~~imputed debt of a utility provider. The regulations must allow the utility~~
43 ~~provider to propose an amount to be added to the cost of the contract, at~~
44 ~~the time the contract is approved by the Commission, equal to a~~
45 ~~compensating component in the capital structure of the utility provider. In~~

~~evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider [.] and on the economy and the environment of the State.~~

~~8. Except as otherwise provided in NRS 704.78213, the provisions of this section do not apply to a provider of new electric resources as defined in NRS 704B.130.~~

~~9. As used in this section:~~

~~(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.~~

~~(b) "Renewable energy contract" means a contract to acquire electricity from one or more [renewable] portfolio energy systems owned, operated or controlled by other parties.~~

~~(c) (b) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy [contract or to attain energy savings pursuant to an energy efficiency] contract. (Deleted by amendment.)~~

Sec. 7. NRS 704.78213 is hereby amended to read as follows:

704.78213 1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, ~~for~~ or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821 which is effective on the date on which the order approving the application or request is approved.

2. Of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures [during each calendar year].:

(a) During calendar years 2013 and 2014, not more than 25 percent of that amount may be based on energy efficiency measures;

(b) During each calendar year 2015 through 2019, inclusive, not more than 20 percent of that amount may be based on energy efficiency measures;

(c) During each calendar year 2020 through 2024, inclusive, not more than 10 percent of that amount may be based on energy efficiency measures; and

(d) For calendar 2025 and each calendar thereafter, no portion of that amount may be based on energy efficiency measures.

3. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly

1 reimbursed, in whole or in part, the costs of the acquisition or installation
2 of a solar energy system which qualifies as a renewable ~~portfolio~~ energy
3 system and which reduces the consumption of electricity, ~~the~~ ~~for~~
4 ~~(a) The~~ total reduction in the consumption of electricity during each
5 calendar year that results from the solar energy system shall be deemed to
6 be electricity that the provider of new electric resources generated or
7 acquired from a renewable ~~portfolio~~ energy system for the purposes of
8 complying with its portfolio standard.

9 ~~4. ~~for~~ and~~
10 ~~(b) For the purpose of complying with its portfolio standard, the new~~
11 ~~provider of electric service shall be deemed to have generated or~~
12 ~~acquired 2.4 kilowatt-hours of electricity from the solar energy system~~
13 ~~for each 1.0 kilowatt-hour of actual electricity generated or acquired if:~~

14 ~~(1) The system is installed on the premises of a retail customer;~~
15 ~~and~~
16 ~~(2) On an annual basis, at least 50 percent of the electricity~~
17 ~~generated by the system is utilized by the retail customer on that~~
18 ~~premises.~~

19 ~~3.1~~ As used in this section:
20 (a) "Eligible customer" has the meaning ascribed to it in
21 NRS 704B.080.
22 (b) "Provider of new electric resources" has the meaning ascribed to it
23 in NRS 704B.130.

24 **Sec. 8.** NRS 704.78215 is hereby amended to read as follows:
25 704.78215 1. Except as otherwise provided in this section or by
26 specific statute, a provider is entitled to one portfolio energy credit for
27 each kilowatt-hour of electricity that the provider generates, ~~for~~ acquires
28 or saves from a portfolio energy system or efficiency measure.

29 2. The Commission may adopt regulations that give a provider more
30 than one portfolio energy credit for each kilowatt-hour of electricity saved
31 by the provider during its peak load period from energy efficiency
32 measures.

33 3. For portfolio energy systems placed into operation on or after
34 July 1, 2015, the amount of electricity generated or acquired from a
35 portfolio energy system does not include the amount of any electricity
36 used by the portfolio energy system or any amount of electricity
37 generated or acquired from the portfolio energy system which is not
38 delivered to the grid for distribution and sale to customers of the
39 provider.

40 **Sec. 9.** NRS 704.7822 is hereby amended to read as follows:
41 704.7822 For the purpose of complying with a portfolio standard
42 established pursuant to NRS 704.7821 or 704.78213, a provider shall be
43 deemed to have generated or acquired 2.4 kilowatt-hours of electricity
44 from a renewable energy system for each 1.0 kilowatt-hour of actual
45 electricity generated or acquired from a solar photovoltaic system, if:

1 1. The system is installed on the premises of a retail customer; ~~and~~
2 2. *The system was placed into operation before July 1, ~~2013,~~ 2014;*
3 *and*
4 3. On an annual basis, at least 50 percent of the electricity generated
5 by the system is utilized by the retail customer on that premises.
6 **Sec. 10.** ~~NRS 704.7825 is hereby amended to read as follows:~~
7 ~~704.7825 1. Each provider of electric service shall submit to the~~
8 ~~Commission an annual report that provides information relating to the~~
9 ~~actions taken by the provider to comply with its portfolio standard.~~
10 ~~2. Each provider shall submit the annual report to the Commission~~
11 ~~after the end of each calendar year and within the time prescribed by the~~
12 ~~Commission. The report must be submitted in a format approved by the~~
13 ~~Commission.~~
14 ~~3. The Commission may adopt regulations that require providers to~~
15 ~~submit to the Commission additional reports during each calendar year.~~
16 ~~4. Each annual report and each additional report must include clear~~
17 ~~and concise information that sets forth:~~
18 ~~(a) The amount of electricity which the provider generated [,] or~~
19 ~~acquired [or saved] from portfolio energy systems [or efficiency measures]~~
20 ~~during the reporting period and, if applicable, the amount of portfolio~~
21 ~~energy credits that the provider acquired, sold or traded during the~~
22 ~~reporting period to comply with its portfolio standard;~~
23 ~~(b) The capacity of each renewable energy system owned, operated or~~
24 ~~controlled by the provider, the total amount of electricity generated by~~
25 ~~each such system during the reporting period and the percentage of that~~
26 ~~total amount which was generated directly from renewable energy;~~
27 ~~(c) Whether, during the reporting period, the provider began~~
28 ~~construction on, acquired or placed into operation any renewable energy~~
29 ~~system and, if so, the date of any such event; and~~
30 ~~(d) [Whether, during the reporting period, the provider participated in~~
31 ~~the acquisition or installation of any energy efficiency measures and, if so,~~
32 ~~the date of any such event; and~~
33 ~~(e)] Any other information that the Commission by regulation may~~
34 ~~deem relevant.~~
35 ~~5. [Based on the reports submitted by providers pursuant to this~~
36 ~~section, the Commission shall compile information that sets forth whether~~
37 ~~any provider has used energy efficiency measures to comply with its~~
38 ~~portfolio standard and, if so, the type of energy efficiency measures used~~
39 ~~and the amount of energy savings attributable to each such energy~~
40 ~~efficiency measure.] The Commission *shall compile the information*~~
41 ~~*contained in the reports submitted by providers pursuant to this section*~~
42 ~~*and shall report such information to:*~~
43 ~~(a) The Legislature, not later than the first day of each regular session;~~
44 ~~and~~

1 ~~(b) The Legislative Commission, if requested by the Chair of the~~
2 ~~Commission, (Deleted by amendment.)~~

3 **Sec. 11.** NRS 704.7828 is hereby amended to read as follows:

4 704.7828 1. The Commission shall adopt regulations to carry out
5 and enforce the provisions of NRS 704.7801 to 704.7828, inclusive. The
6 regulations adopted by the Commission may include any enforcement
7 mechanisms which are necessary and reasonable to ensure that each
8 provider of electric service complies with its portfolio standard. Such
9 enforcement mechanisms may include, without limitation, the imposition
10 of administrative fines.

11 2. If a provider exceeds the portfolio standard for any calendar year ~~+~~
12 ~~the~~ :

13 (a) The Commission shall authorize the provider to carry forward to
14 subsequent calendar years for the purpose of complying with the portfolio
15 standard for those subsequent calendar years ~~any~~ ~~not more than 10~~
16 ~~percent of the~~ excess kilowatt-hours of electricity that the provider
17 generates, ~~for~~ acquires or saves from portfolio energy systems or
18 efficiency measures ~~+~~;

19 (b) ~~By more than 10 percent but less than 25 percent of the amount~~
20 ~~of portfolio energy credits necessary to comply with its portfolio standard~~
21 ~~for the subsequent calendar year, the provider may sell any portfolio~~
22 ~~energy credits which are in excess of 10 percent of the amount of~~
23 ~~portfolio energy credits necessary to comply with its portfolio standard~~
24 ~~for the subsequent calendar year; and~~

25 (c) ~~By 25 percent or more of the amount of portfolio energy credits~~
26 ~~necessary to comply with its portfolio standard for the subsequent~~
27 ~~calendar year, the provider shall use reasonable efforts to sell any~~
28 ~~portfolio energy credits which are in excess of 25 percent of the amount~~
29 ~~of portfolio energy credits necessary to comply with its portfolio standard~~
30 ~~for the subsequent calendar year.~~

31 ↳ ~~Any money received by a provider from the sale of portfolio energy~~
32 ~~credits pursuant to paragraphs (b) and (c) must be credited against the~~
33 ~~provider's costs for purchased fuel and power pursuant to NRS 704.187~~
34 ~~in the same calendar year in which the money is received, less any~~
35 ~~verified administrative costs incurred by the provider to make the sale,~~
36 ~~including any costs incurred to qualify the portfolio energy credits for~~
37 ~~potential sale regardless of whether such sales are made.~~

38 3. If a provider does not comply with its portfolio standard for any
39 calendar year and the Commission has not exempted the provider from the
40 requirements of its portfolio standard pursuant to NRS 704.7821 or
41 704.78213, the Commission:

42 (a) Shall require the provider to carry forward to subsequent calendar
43 years the amount of the deficiency in kilowatt-hours of electricity that the
44 provider does not generate, ~~for~~ acquire or save from portfolio energy

1 systems or efficiency measures during a calendar year in violation of its
2 portfolio standard; and

3 (b) May impose an administrative fine against the provider or take
4 other administrative action against the provider, or do both.

5 4. ~~The~~ Except as otherwise provided in subsection 5, the
6 Commission may impose an administrative fine against a provider based
7 upon:

8 (a) Each kilowatt-hour of electricity that the provider does not generate
9 ~~for~~ or save from portfolio energy systems or efficiency measures
10 during a calendar year in violation of its portfolio standard; or

11 (b) Any other reasonable formula adopted by the Commission.

12 5. If a provider sells any portfolio energy credits pursuant to
13 paragraph (b) or (c) of subsection 2 in any calendar year in which the
14 Commission determines that the provider did not comply with its
15 portfolio standard, the Commission shall not make any adjustment to the
16 provider's expenses or revenues and shall not impose on the provider
17 any administrative fine authorized by this section for that calendar year
18 if:

19 (a) In the calendar year immediately preceding the calendar year in
20 which the portfolio energy credits were sold, the amount of portfolio
21 energy credits held by the provider and attributable to electricity
22 generated, acquired or saved from portfolio energy systems or efficiency
23 measures by the provider exceeded the amount of portfolio energy credits
24 necessary to comply with the provider's portfolio standard by more than
25 10 percent;

26 (b) The price received for any portfolio energy credits sold by the
27 provider was not lower than the most recent value of portfolio energy
28 credits, net of any energy value if the price was for bundled energy and
29 credits, as determined by reference to the last long-term renewable
30 purchased power agreements approved by the Commission in the most
31 recent proceeding that included such agreements; and

32 (c) The provider would have complied with the portfolio standard in
33 the relevant year even after the sale of portfolio energy credits based on
34 the load forecast of the provider at the time of the sale.

35
36 6. In the aggregate, the administrative fines imposed against a
37 provider for all violations of its portfolio standard for a single calendar
38 year must not exceed the amount which is necessary and reasonable to
39 ensure that the provider complies with its portfolio standard, as determined
40 by the Commission.

41 ~~6.1~~ 7. If the Commission imposes an administrative fine against a
42 utility provider:

1 (a) The administrative fine is not a cost of service of the utility
2 provider;

3 (b) The utility provider shall not include any portion of the
4 administrative fine in any application for a rate adjustment or rate increase;
5 and

6 (c) The Commission shall not allow the utility provider to recover any
7 portion of the administrative fine from its retail customers.

8 ~~7-1.8.~~ All administrative fines imposed and collected pursuant to this
9 section must be deposited in the State General Fund.

10 ~~Sec. 12. NRS 704.7802 is hereby repealed.~~ (Deleted by
11 amendment.)

12 ~~Sec. 13. Section 1 of this act expires by limitation on December 31,~~
13 ~~2021.~~ (Deleted by amendment.)

14 Sec. 14. 1. As soon as practicable after October 1, 2013,
15 the Public Utilities Commission of Nevada shall open an
16 investigatory docket to study, examine and review the process
17 for the sale of portfolio energy credits as defined in NRS
18 704.7803 to determine whether the process can be improved to:

19 (a) Better enable providers of electric service as that term is
20 defined in NRS 704.7808 to engage in the sale of portfolio energy
21 credits; and

22 (b) Provide the greatest economic benefit to customers of
23 providers of electric service in this State.

24 2. The following parties may participate in the investigatory
25 docket:

26 (a) Each provider of electric service operating in this State;

27 (b) The Regulatory Operations Staff of the Commission;

28 (c) The Consumer's Advocate and the Bureau of Consumer
29 Protection in the Office of the Attorney General; and

30 (d) Any other interested parties.

3. The Commission shall on or before January 31, 2015, submit a written report on the results of the investigatory docket and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmittal to the 78th session of the Nevada Legislature.

TEXT OF REPEALED SECTION

~~{704.7802 "Energy efficiency measure" defined:
1. "Energy efficiency measure" means any measure designed, intended or used to improve energy efficiency;
(a) If:
(1) The measure is installed or implemented on or after January 1, 2005, at the service location of or for a retail customer of a provider of electric service in this State;
(2) The measure reduces the consumption of energy by one or more retail customers; and
(3) The costs of the acquisition, installation or implementation of the measure are directly reimbursed, in whole or in part, by the provider of electric service, or by a customer of a provider of new electric resources pursuant to chapter 704B of NRS; or
(b) Which is a geothermal energy system for the provision of heated water to one or more customers and which reduces the consumption of electricity or any fossil fuel, regardless of when constructed.
2. The term does not include any demand response measure or load-limiting measure that shifts the consumption of energy by a retail customer from one period to another period.}~~

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Proposed Conceptual Amendment to SB 252
Presented by Josh Griffin on behalf of Barrick Gold of North America

Intent:

- Any future changes to the Renewable Portfolio Standard will not apply to 704B customers.

Proposed Amendment to SB 252

Presented by Josh Griffin on behalf of Barrick Gold of North America

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

Section 1. NRS Chapter 704 is hereby amended to read as follows:
704.78213 **Establishment of portfolio standard for providers of new electric resources; requirements; treatment of certain solar energy systems.**

1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to generate~~[,] or acquire [or save]~~ electricity from portfolio energy systems ~~[or efficiency measures]~~ in the amounts described in the portfolio standard set forth in NRS 704.7821 which is effective on the date on which the order approving the application or request is approved, ***which will remain the portfolio standard requirement for the provider of new electric resources with respect to the eligible customer regardless of subsequent changes to NRS 704.7821.***

2. ~~[Of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures:~~

3. ~~—]If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a [renewable] ***portfolio*** energy system and which reduces the consumption of electricity[, the]:~~

(a) The total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or acquired from a [renewable] portfolio energy system for the purposes of complying with its portfolio standard[.]; and

(b) For the purpose of complying with its portfolio standard, the new provider of electric service shall be deemed to have generated or acquired 2.4 kilowatt-hours of electricity from the solar energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired if:

(1) The system is installed on the premises of a retail customer; and

(2) On an annual basis, at least 50 percent of the electricity generated by the solar energy system is utilized by the retail customer for any use, including station use, on that premises.

{4}3. As used in this section:

(a) “Eligible customer” has the meaning ascribed to it in NRS 704B.080.

(b) “Provider of new electric resources” has the meaning ascribed to it in NRS 704B.130.