

Assembly Bill No. 405—Assemblymen Brooks, Watkins, Frierson, Yeager, McCurdy II; Araujo, Bilbray-Axelrod, Carrillo, Cohen, Diaz, Fumo, Jauregui, Joiner, Miller, Monroe-Moreno, Neal, Swank and Thompson

Joint Sponsors: Senators Atkinson, Ford,
Manendo, Segerblom and Spearman

CHAPTER.....

AN ACT relating to renewable energy; creating the contractual requirements for an agreement for the lease or purchase of a distributed generation system and a power purchase agreement; describing utility rates; establishing the minimum warranty requirements for an agreement concerning a distributed generation system; creating the Renewable Energy Bill of Rights; requiring certain electric utilities to file a request with the Public Utilities Commission of Nevada to establish an optional time-variant rate schedule for customers; requiring a utility to provide a credit to certain customer-generators for excess electricity generated by the net metering systems of such customer-generators; revising provisions governing the eligibility of certain customers of electric utilities in this State to participate in net metering; revising various other provisions relating to net metering; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Sections 9-11 of this bill set forth the requirements for the cover page, provisions and summary disclosure statement of agreements for the lease of a distributed generation system. **Sections 12-14** of this bill set forth the requirements for the cover page, provisions and summary disclosure statement of agreements for the purchase of a distributed generation system. **Sections 15-17** of this bill set forth the requirements for the cover page, provisions and summary disclosure statement of agreements for the sale of the output of a distributed generation system, known as a power purchase agreement.

Section 18 of this bill sets forth the disclosure relating to utility rates that must be included with an agreement created pursuant to **sections 9-17** if the agreement makes a written reference to the price of electricity that is provided by an electric utility. **Section 19** of this bill sets forth the minimum warranty requirements for an agreement created pursuant to **sections 9-17** concerning a distributed generation system.

Section 20 of this bill: (1) establishes that it is a deceptive trade practice if a person fails to comply with **sections 2-20** of this bill; and (2) authorizes the Public Utilities Commission of Nevada to direct a customer to the appropriate person or agency to resolve a complaint concerning a solar installation company. **Section 20** additionally establishes that it is consumer fraud if a person violates any provision



of **sections 2-20**. **Section 20** further requires that any document described in **sections 9-19** be provided in: (1) English; or (2) Spanish, if any person so requests.

Sections 22-25 of this bill create the Renewable Energy Bill of Rights that applies to each natural person who is a resident of this State.

Existing law defines “net metering” as the measure of the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator that is fed back to the utility. (NRS 704.769) **Section 27** of this bill requires electric utilities to file a request with the Commission to establish an optional time-variant rate schedule for customers, including customer-generators that acquire an energy storage system. **Section 27** further requires that such a request be designed to expand and accelerate the development and use of energy storage systems in this State. **Section 27** additionally authorizes the Commission to approve any such request that the Commission finds to be in the public interest.

Section 28.3 of this bill provides that if a customer-generator accepts the offer of a utility for net metering and has a net metering system with a capacity of 25 kilowatts or less, the utility is required to provide the customer-generator a credit for certain excess electricity that is generated by the customer-generator. **Section 28.3** requires that this credit: (1) apply to each kilowatt-hour of excess electricity that is generated by a customer-generator; and (2) equals a percentage of the rate the customer-generator would have paid for a kilowatt-hour of electricity supplied by the utility at the time the customer-generator fed the kilowatt-hour of excess electricity back to the utility. **Section 28.3** further provides that this percentage be tiered based on the amount of cumulative installed capacity in this State of net metering systems with a capacity of not more than 25 kilowatts.

Section 28.5 of this bill requires the Commission to open an investigatory docket to establish a methodology for determining the effect of net metering on rates charged by a utility to its customers. On or before June 30, 2020, and biennially thereafter, the Commission is required to submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report concerning the impact of net metering on such rates.

Section 28.7 of this bill enacts provisions relating to net metering that would become effective on the date that the Legislature provides by law for an open, competitive electric energy market in a service territory. Under **section 28.7**, if the Legislature provides by law for such a market: (1) each person providing electric service in the service territory under such a law would be required to offer net metering to its customers; (2) the Commission or any other agency designated by such a law to regulate electric service in this State must prohibit any person providing electric service in the service territory from impeding or interrupting the operation or performance or otherwise restricting the output of an existing net metering system; and (3) a customer-generator must be required to pay any costs charged to other customers of the customer-generator’s provider of electric service who are in the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system.

Existing law requires each electric utility in this State to offer net metering to customer-generators operating in the service area of the utility until the date on which the cumulative capacity of all net metering systems in this State for which electric utilities have accepted completed applications is 235 megawatts. (NRS 704.773)

Section 31 of this bill amends existing law to require each electric utility to offer net metering to customer-generators operating within the service area of the utility. **Section 31** further requires the utility to not: (1) charge the customer-generator any fee or charge that is different than that charged to other customers of the utility to which the customer-generator would belong if he or she did not have a



net metering system; and (2) reduce the amount of the minimum monthly charge of the customer-generator based on the electricity the customer-generator feeds back to the utility. **Section 31** additionally requires the Commission and a utility to allow the customer-generator to continue net metering at the location at which the system is originally installed for 20 years.

Existing law sets forth that after the date on which the cumulative capacity is 235 megawatts, electric utilities are to offer net metering to customer-generators in accordance with a tariff filed by the utility and approved by the Commission. (NRS 704.7735) **Section 33** of this bill repeals this provision.

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

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

Section 1. The Legislature hereby finds and declares that the provisions of this act are necessary to provide for the immediate reestablishment of the rooftop solar market in this State for the purposes of:

1. Encouraging the creation of new jobs opportunities in this State;
2. Advancing the development of renewable energy using the natural solar resources of this State; and
3. Ensuring that this State maintains flexibility considering the possibility that the ballot question known as the “Energy Choice Initiative” may be approved by the voters at the 2018 general election and alter the structure of the electricity market in this State.

Sec. 1.5. Chapter 598 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 20, inclusive, of this act.

Sec. 2. *As used in sections 2 to 20, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Commission” means the Public Utilities Commission of Nevada.*

Sec. 3.5. *“Disclosure” means a written statement.*

Sec. 4. *“Distributed generation system” means a system or facility for the generation of electricity:*

1. *That uses solar energy to generate electricity;*
2. *That is located on the property of a customer of an electric utility;*
3. *That is connected on the customer’s side of the electricity meter;*



4. That provides electricity primarily to offset customer load on that property; and

5. The excess generation from which is periodically exported to the grid in accordance with the provisions governing net metering systems used by customer-generators pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act.

Sec. 5. "Host customer" means either:

1. The customer of record of an electric utility at the location where an energy system that uses photovoltaic cells and solar energy to generate electricity will be located; or

2. A person who has been designated by the customer of record of an electric utility in a letter to the utility explaining the relationship between that person and the customer of record.

Sec. 6. "Portfolio energy credit" has the meaning ascribed to it in NRS 704.7803.

Sec. 7. "Power purchase agreement" means an agreement in which a solar installation company:

1. Arranges for the design, installation, maintenance and energy output of a distributed generation system; and

2. Sells the electricity generated from a distributed generation system to the host customer.

Sec. 8. 1. "Solar installation company" means any form of business organization or any other nongovernmental legal entity, including, without limitation, a corporation, partnership, association, trust or unincorporated organization, that transacts business directly with a residential customer of an electric utility to:

(a) Sell and install a distributed generation system; or

(b) Install a distributed generation system owned by a third party from whom the customer:

(1) Leases a distributed generation system; or

(2) Purchases electricity generated by a distributed generation system.

2. The term does not include entities that are third party:

(a) Owners of a distributed generation system; or

(b) Financiers of a distributed generation system who do not sell or install the distributed generation system.

Sec. 9. An agreement for the lease of a distributed generation system must include a cover page that provides the following information in at least 10-point font:



1. *The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.*
2. *An estimated timeline for the installation of the distributed generation system.*
3. *The estimated amount of the monthly payments due under the lease in the first year of operation of the distributed generation system.*
4. *The length of the term of the lease.*
5. *A description of any warranties.*
6. *The rate of any payment increases.*
7. *The identification of any state or federal tax incentives that are included in calculating the amount of the monthly payments due under the lease.*
8. *The estimated production of the distributed generation system in the first year of operation.*
9. *A description of the terms for renewal or any other options available at the end of the term of the lease.*
10. *A description of any option to purchase the distributed generation system before the end of the term of the lease.*
11. *Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.*
12. *Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.*
13. *Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.*
14. *Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.*

Sec. 10. *An agreement for the lease of a distributed generation system must include, without limitation, the following information in at least 10-point font:*

1. *The name, mailing address, telephone number and number of the contractor's license of the solar installation company.*
2. *The name, mailing address and telephone number of:*
 - (a) *The lessor of the distributed generation system; and*
 - (b) *The name, mailing address and telephone number of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.*



3. *An estimated timeline for the installation of the distributed generation system.*
4. *The length of the term of the lease.*
5. *A general description of the distributed generation system.*
6. *The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.*
7. *A description of any warranties.*
8. *The amount of the:*
 - (a) *Monthly payments due under the lease; and*
 - (b) *Total payments due under the lease, excluding taxes.*
9. *A description of any other one-time or recurring charges, including, without limitation, a description of the circumstances that trigger any late fees.*
10. *A description of any obligation the lessor has regarding the installation, repair or removal of the distributed generation system.*
11. *A description of any obligation the lessor has regarding construction of and insurance for the distributed generation system.*
12. *A description of any:*
 - (a) *Taxes due at the commencement of the lease; and*
 - (b) *Estimation of taxes known to be applicable during the term of the lease, subject to any change in the state or local tax rate or tax structure.*
13. *A copy of the warranty for the distributed generation system.*
14. *A disclosure notifying the lessee of the transferability of the obligations under the warranty to a subsequent lessee.*
15. *The identification of any state or federal tax incentives that are included in calculating the amount of the monthly payments due under the lease.*
16. *A description of the ownership of any tax credits, tax rebates, tax incentives or portfolio energy credits in connection with the distributed generation system.*
17. *Any terms for renewal of the lease.*
18. *A description of any option to purchase the distributed generation system before the end of the term of the lease.*
19. *A description of all options available to the host customer in connection with the continuation, termination or transfer of the lease in the event of the:*
 - (a) *Sale of the property to which the distributed generation system is affixed; or*



(b) Death of the lessee.

20. A description of any restrictions that the lease imposes on the modification or transfer of the property to which the distributed generation system is affixed.

21. The granting to the lessee of the right to rescind the lease for a period ending not less than 3 business days after the lease is signed.

22. An estimate of the amount of electricity that could be generated by the distributed generation system in the first year of operation.

23. A signature block that is signed and dated by the lessor and the lessee of the distributed generation system.

Sec. 11. *1. An agreement for the lease of a distributed generation system must include a disclosure that is not more than 3 pages in length and is in at least 10-point font.*

2. The disclosure described in subsection 1 must be separate from the cover page and agreement described in sections 9 and 10 of this act.

3. The disclosure described in subsection 1 must include, without limitation:

(a) The name, mailing address, telephone number and electronic mail address of the lessor;

(b) The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the person who installed the distributed generation system, if different from the solar installation company;

(c) The name, mailing address, telephone number, electronic mail address and the number of the contractor's license of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company;

(d) The length of the term of the lease;

(e) The amount of the monthly payments due under the lease in the first year of operation;

(f) The amounts due at the signing for and at the completion of the installation of the distributed generation system;

(g) The estimated amount of the total payments due under the lease, including, without limitation, any incentives that are included in the estimated lease payments;

(h) A description of any one-time or recurring fees, including, without limitation, a description of the circumstances that trigger:

(1) Any late fees;



(2) Estimated fees for the removal of the distributed generation system;

(3) Fees for a notice of removal and refileing pursuant to the Uniform Commercial Code;

(4) Fees for connecting to the Internet; and

(5) Fees for not enrolling in a program in which payments are made through an electronic transfer of money cleared through an automated clearinghouse;

(i) The total number of payments to be made under the lease;

(j) The due date of any payment and the manner in which the consumer will receive an invoice for such payments;

(k) The rate of any payment increases and the date on which the first increase in the rate may occur, if applicable;

(l) Assumptions concerning the design of the distributed generation system, including, without limitation:

(1) The size of the distributed generation system;

(2) The estimated amount of production for the distributed generation system in the first year of operation;

(3) The estimated annual degradation to the distributed generation system; and

(4) As specified by the lease at the time of installation, whether or not an electric utility must credit a customer of the electric utility for any excess energy that is generated by the distributed generation system;

(m) A disclosure notifying the lessee of the intent of the lessor to file a fixture filing, as defined in NRS 104A.2309, on the distributed generation system;

(n) A disclosure notifying the lessee if maintenance and repairs of the distributed generation system are included in the lease;

(o) A disclosure describing any warranty for the repair of any damage to the roof of the property owned by the lessee in connection with the installation or removal of the distributed generation system;

(p) A disclosure describing:

(1) The transferability of the lease; and

(2) Any conditions on transferring the lease in connection with the lessee selling his or her property;

(q) A description of any guarantees of the performance of the distributed generation system;

(r) A description of the basis for any estimates of savings that were provided to the lessee, if applicable; and



(s) A disclosure concerning the retention of any portfolio energy credits, if applicable.

Sec. 12. *An agreement for the purchase of a distributed generation system must include a cover page that provides the following information in at least 10-point font:*

- 1. The size of the distributed generation system.*
- 2. The length of the term of the warranty for the distributed generation system.*
- 3. An estimated timeline for the installation of the distributed generation system.*
- 4. A description of any warranties.*
- 5. The total cost of the distributed generation system.*
- 6. The estimated value of any portfolio energy credits and rebates of any incentives included in the calculation of the total cost of the distributed generation system.*
- 7. The amounts due at the signing for and at the completion of the installation of the distributed generation system.*
- 8. The estimated production of the distributed generation system in the first year of operation.*
- 9. Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.*
- 10. Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.*
- 11. Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.*
- 12. Contact information for the State Contractors' Board and Public Utilities Commission of Nevada, including, without limitation, a telephone number.*

Sec. 13. *An agreement for the purchase of a distributed generation system must include, without limitation, the following information in at least 10-point font:*

- 1. The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the solar installation company.*
- 2. The name, mailing address, telephone number and electronic mail address of:*
 - (a) The purchaser of the distributed generation system; and*
 - (b) The name, mailing address, telephone number and electronic mail address of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.*



3. *A description, which includes, without limitation, any assumptions, concerning the design and installation of the distributed generation system. Such a description must include, without limitation:*

- (a) The size of the distributed generation system;*
- (b) The estimated amount of production for the distributed generation system in the first year of operation; and*
- (c) The estimated annual degradation to the distributed generation system.*

4. *The total cost of the distributed generation system.*

5. *An estimated timeline for the installation of the distributed generation system.*

6. *A payment schedule, including, without limitation:*

- (a) The due dates for any deposit; and*
- (b) Any subsequent payments that are not to exceed the total system cost stated on the cover page pursuant to section 12 of this act.*

7. *The granting to the purchaser the right to rescind the agreement for a period ending not less than 3 business days after the agreement is signed.*

8. *A copy of the warranty for the distributed generation system.*

9. *A disclosure notifying the purchaser of the transferability of the obligations under the warranty to a subsequent purchaser.*

10. *The identification of any incentives included in the calculation of the total cost of the distributed generation system.*

11. *A description of any guarantee of the performance of the distributed generation system.*

12. *A signature block that is signed and dated by the purchaser of the distributed generation system and the solar installation company.*

13. *A description of the basis for any estimates of savings that were provided to the purchaser, if applicable.*

14. *A disclosure concerning the retention of any portfolio energy credits, if applicable.*

Sec. 14. 1. *An agreement for the purchase of a distributed generation system must include a disclosure that is not more than 3 pages in length and is in at least 10-point font.*

2. *The disclosure described in subsection 1 must be separate from the cover page and agreement described in sections 12 and 13 of this act.*

3. *The disclosure described in subsection 1 must include, without limitation:*



(a) The name, mailing address, telephone number and electronic mail address of the solar installation company;

(b) The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the person who installed the distributed generation system, if different from the solar installation company;

(c) The name, mailing address, telephone number, electronic mail address and the number of the contractor's license of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company;

(d) The purchase price of the distributed generation system;

(e) The payment schedule for the distributed generation system;

(f) The approximate start and completion dates for the installation of the distributed generation system;

(g) A disclosure notifying the purchaser of the responsible party for obtaining approval for connecting the distributed generation system to the electricity meter on the host customer's side;

(h) Assumptions concerning the design of the distributed generation system, including, without limitation:

(1) The size of the distributed generation system;

(2) The estimated amount of production for the distributed generation system in the first year of operation;

(3) The estimated annual degradation to the distributed generation system; and

(4) As specified by the agreement at the time of installation, whether or not an electric utility must credit a customer of the electric utility for any excess energy that is generated by the distributed generation system;

(i) A disclosure notifying the purchaser if maintenance and repairs of the distributed generation system are included in the purchase;

(j) A disclosure describing any warranty for the repair of any damage to the roof of the property owned by the purchaser in connection with the installation or removal of the distributed generation system;

(k) A description of any guarantees of the performance of the distributed generation system;

(l) A description of the basis for any estimates of savings that were provided to the purchaser, if applicable; and



(m) A disclosure concerning the retention of any portfolio energy credits, if applicable.

Sec. 15. *A power purchase agreement for the sale of the output of a distributed generation system must include a cover page that provides the following information in at least 10-point font:*

1. The rate of any increase in the payments to be made during the term of the agreement and, if applicable, the date of the first such increase.

2. An estimated timeline for the installation of the distributed generation system.

3. The rate of electricity per kilowatt-hour of electricity for the first year of the agreement.

4. The length of the term of the agreement.

5. The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

6. The estimated production of the distributed generation system in the first year of operation.

7. A description of the options available at the end of the term of the agreement.

8. A description of any option to purchase the distributed generation system before the end of the term of the agreement.

9. Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

10. Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

11. Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

12. Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

Sec. 16. *A power purchase agreement for the sale of the output of a distributed generation system must include, without limitation, the following information in at least 10-point font:*

1. The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the solar installation company.

2. The name, mailing address, telephone number and electronic mail address of:

(a) The provider of the distributed generation system; and



(b) The name, mailing address, telephone number and electronic mail address of the person responsible for all maintenance of the distributed generation system, if different from the solar installation company.

3. The length of the term of the agreement.

4. An estimated timeline for the installation of the distributed generation system.

5. The payments made during the first year of the agreement for the price of electricity, which includes, without limitation, the price per kilowatt-hour of electricity and the price per monthly system electrical output.

6. The estimated annual electrical output of the distributed generation system.

7. The rate of any increase in the payments to be made during the term of the agreement and, if applicable, the date of the first such increase.

8. A description of any obligation the solar installation company has regarding construction and repair of and insurance for the distributed generation system.

9. A description of any one-time or recurring fees, including, without limitation, a description of the circumstances that trigger any late fees.

10. A description of any:

(a) Taxes due at the commencement of the agreement; and

(b) Estimation of taxes known to be applicable during the term of the agreement, subject to a change in the state or local tax rate or tax structure.

11. A copy of the warranty for the distributed generation system.

12. A description of the ownership of any tax credits, tax rebates, tax incentives or portfolio energy credits in connection with the distributed generation system.

13. Any terms for renewal of the agreement.

14. A description of any option to purchase the distributed generation system before the end of the term of the agreement.

15. A description of all options available to the host customer in connection with the continuation, termination or transfer of the agreement in the event of the:

(a) Sale of the property to which the distributed generation system is affixed; or

(b) Death of the purchaser.



16. *The granting to the purchaser of the right to rescind the agreement for a period ending not less than 3 business days after the agreement is signed.*

17. *A description of any restrictions that the agreement imposes on the modification or transfer of the property to which the distributed generation system is affixed.*

18. *A description of any guarantees of the performance of the distributed generation system.*

19. *A disclosure notifying the host customer of the transferability of the obligations under the warranty to a subsequent purchaser.*

20. *A signature block that is signed and dated by the purchaser and the solar installation company.*

21. *A statement describing the due dates of any payments.*

Sec. 17. 1. *A power purchase agreement for the sale of output of a distributed generation system must include a disclosure that is not more than 3 pages in length and is in at least 10-point font.*

2. *The disclosure described in subsection 1 must be separate from the cover page and agreement described in sections 15 and 16 of this act.*

3. *The disclosure described in subsection 1 must include, without limitation:*

(a) *The name, mailing address, telephone number and electronic mail address of the solar installation company;*

(b) *The name, mailing address, telephone number, electronic mail address and number of the contractor's license of the person who installed the distributed generation system, if different from the solar installation company;*

(c) *The name, mailing address, telephone number, electronic mail address and the number of the contractor's license of the person responsible for all maintenance of the distributed generation system if different from the solar installation company;*

(d) *The payment schedule for the distributed generation system, including, without limitation, any payments that are due, if applicable, at:*

(1) *Signing for the distributed generation system;*

(2) *Commencement of installation of the distributed generation system; and*

(3) *Completion of installation of the distributed generation system;*

(e) *A description of any one-time or recurring fees, including, without limitation, a description of the circumstances that trigger:*



- (1) Any late fees;*
- (2) Estimated fees for the removal of the distributed generation system;*
- (3) Fees for a notice of removal and refileing pursuant to the Uniform Commercial Code;*
- (4) Fees for connecting to the Internet; and*
- (5) Fees for not enrolling in a program in which payments are made through an electronic transfer of money cleared through an automated clearinghouse;*
- (f) A statement that describes when payments are due;*
- (g) The rate of any payment increases and the date on which the first increase in the rate may occur, if applicable;*
- (h) Assumptions concerning the design of the distributed generation system, including, without limitation:
 - (1) The size of the distributed generation system;*
 - (2) The estimated amount of production for the distributed generation system in the first year of operation;*
 - (3) The estimated annual degradation to the distributed generation system; and*
 - (4) As specified by the agreement at the time of installation, whether or not an electric utility must credit a customer of the electric utility for any excess energy that is generated by the distributed generation system;**
- (i) A disclosure notifying the purchaser of the intent of the owner of the distributed generation system to file a fixture filing, as defined in NRS 104A.2309, on the distributed generation system;*
- (j) A disclosure notifying the purchaser if maintenance and repairs of the distributed generation system are included in the agreement;*
- (k) A disclosure describing any warranty for the repair of any damage to the roof of the property owned by the purchaser in connection with the installation or removal of the distributed generation system;*
- (l) A disclosure describing the transferability of the distributed generation system in connection with the purchaser selling his or her property;*
- (m) A description of any guarantees of the performance of the distributed generation system;*
- (n) A description of the basis for any estimates of savings that were provided to the purchaser, if applicable; and*
- (o) A disclosure concerning the retention of any portfolio energy credits, if applicable.*



Sec. 18. *If an agreement for the lease or purchase of a distributed generation system or if a power purchase agreement makes a written reference to the price of electricity that is provided by an electric utility, the agreement or power purchase agreement, as applicable, must also provide, in 12-point font, a disclosure in substantially the following form:*

Actual utility rates may go up or down and actual savings may vary. For further information regarding rates, you may contact your local utility or the Public Utilities Commission of Nevada.

Sec. 19. *1. An agreement for the lease or purchase of a distributed generation system and a power purchase agreement must include an express warranty for the installation of the distributed generation system and the penetration into the roof by the distributed generation system. Such warranties must:*

(a) Be express and in writing; and

(b) Expire not earlier than 10 years after the installation of the distributed generation system.

2. An agreement for the lease of a distributed generation system and a power purchase agreement must include an express warranty that:

(a) Is in writing; and

(b) Does not expire earlier than 10 years after the installation of the distributed generation system.

3. An agreement for the purchase of a distributed generation system must include the following express warranties in writing for the component parts, including parts and labor, of the distributed generation system, either directly from the solar installation company or passed through from the manufacturer of the component parts:

(a) For collectors and storage units, not less than a 10-year warranty; and

(b) For inverters, not less than a 7-year warranty.

4. The provisions of this section that relate to a person who installs a distributed generation system do not apply to a person who installs a system on his or her own property.

Sec. 20. *1. A host customer may file a complaint concerning a solar installation company with the Public Utilities Commission of Nevada. Upon receipt of a complaint, the Commission may direct the host customer to the appropriate agency or person to resolve the complaint.*



2. The failure of a person to comply with sections 2 to 20, inclusive, of this act constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

3. A violation of any provision of sections 2 to 20, inclusive, of this act constitutes consumer fraud for the purposes of NRS 41.600.

4. Any document described in sections 9 to 19, inclusive, of this act must be provided in:

(a) English; or

(b) Spanish, if any person so requests.

Sec. 21. Chapter 701 of NRS is hereby amended by adding thereto the provisions set forth as sections 22 to 25, inclusive, of this act.

Sec. 22. (Deleted by amendment.)

Sec. 23. *Sections 22 to 25, inclusive, of this act may be cited as the Renewable Energy Bill of Rights.*

Sec. 24. *The Legislature hereby declares that each natural person who is a resident of this State has the right to:*

1. Generate, consume and export renewable energy and reduce his or her use of electricity that is obtained from the grid.

2. Use technology to store energy at his or her residence.

3. If the person generates renewable energy pursuant to subsection 1, or stores energy pursuant to subsection 2, or any combination thereof, be allowed to connect his or her system that generates renewable energy or stores energy, or any combination thereof, with the electricity meter on the customer's side that is provided by an electric utility or any other person named and defined in chapters 704, 704A and 704B of NRS:

(a) In a timely manner;

(b) In accordance with requirements established by the electric utility to ensure the safety of utility workers; and

(c) After providing written notice to the electric utility providing service in the service territory and installing a nomenclature plate on the electrical meter panel indicating that a system that generates renewable energy or stores energy, or any combination thereof, is present if the system:

(1) Is not used for exporting renewable energy past the electric utility meter on the customer's side; and

(2) Meets all applicable state and local safety and electrical code requirements.

4. Fair credit for any energy exported to the grid.

5. Consumer protections in contracts for renewable energy pursuant to sections 2 to 20, inclusive, of this act.



6. *Have his or her generation of renewable energy given priority in planning and acquisition of energy resources by an electric utility.*

7. *Except as otherwise provided in section 27 or 28.3 of this act, remain within the existing broad rate class to which the resident would belong in the absence of a net metering system or a system that generates renewable energy or stores energy, or any combination thereof, without any fees or charges that are different than the fees and charges assessed to customers of the same rate class, regardless of the technologies on the customer's side of the electricity meter, including, without limitation, energy production, energy savings, energy consumption, energy storage or energy shifting technologies, provided that such technologies do not compromise the safety and reliability of the utility grid.*

Sec. 25. (Deleted by amendment.)

Sec. 26. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 27 to 29, inclusive, of this act.

Sec. 27. 1. *An electric utility that primarily serves densely populated counties shall, on or before August 1, 2017, file with the Commission in a manner authorized by NRS 704.110 a request that the Commission establish an optional time-variant rate schedule for customers, including, without limitation, customer-generators who acquire an energy storage system.*

2. *An electric utility that primarily serves less densely populated counties shall, on or before January 16, 2018, file with the Commission in a manner authorized by NRS 704.100 a request that the Commission establish an optional time-variant rate schedule for customers, including, without limitation, customer-generators who acquire an energy storage system.*

3. *A request filed pursuant to subsection 1 or 2 must be designed to expand and accelerate the development and use of energy storage systems in this State.*

4. *The Commission:*

(a) *Shall review each request filed pursuant to subsection 1 or 2;*

(b) *May approve each request that the Commission finds to be in the public interest; and*

(c) *Not later than March 15, 2018, shall issue a written order approving or denying each request filed pursuant to subsection 1 or 2.*

5. *As used in this section:*



(a) “Electric utility that primarily serves densely populated counties” has the meaning ascribed to it in NRS 704.110.

(b) “Electric utility that primarily serves less densely populated counties” has the meaning ascribed to it in NRS 704.110.

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

(d) “Time-variant rate schedule” means a rate schedule that incorporates different rates for different times of day during which electricity may be used by a customer or fed back to the utility by the customer.

Sec. 28. (Deleted by amendment.)

Sec. 28.3. 1. *If a customer-generator accepts the offer of a utility for net metering on or after the effective date of this act and the net metering system of the customer-generator has a capacity of not more than 25 kilowatts, the utility must, in accordance with this section, provide to the customer-generator a credit for each kilowatt-hour of excess electricity governed by paragraph (c) of subsection 2 of NRS 704.775 that is generated by the customer-generator.*

2. *The credit for each kilowatt-hour of excess electricity described in subsection 1 must equal a percentage, as set forth in subsection 3, of the rate the customer-generator would have paid for a kilowatt-hour of electricity supplied by the utility at the time the customer-generator fed the kilowatt-hour of excess electricity back to the utility.*

3. *The percentage to be used to determine the credit pursuant to subsection 2 for each kilowatt-hour of excess electricity must equal:*

(a) *Ninety-five percent, if the customer-generator accepts the offer of the utility for net metering:*

(1) *On or after the effective date of this section; and*

(2) *Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a capacity of not more than 25 kilowatts for customer-generators who accepted the offer of the utility for net metering on or after the effective date of this section is equal to 80 megawatts;*

(b) *Eighty-eight percent, if the customer-generator accepts the offer of the utility for net metering:*



(1) On or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (a) has been met; and

(2) Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a generating capacity of not more than 25 kilowatts for customer generators who accepted the offer of the utility for net metering on or after the date described in subparagraph (1) is equal to 80 megawatts;

(c) Eighty-one percent, if the customer-generator accepts the offer of the utility for net metering:

(1) On or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (b) has been met; and

(2) Before the date on which the Commission determines and posts on its Internet website its determination that the cumulative installed capacity of all net metering systems in this State with a generating capacity of not more than 25 kilowatts for customer generators who accepted the offer of the utility for net metering on or after the date described in subparagraph (1) is equal to 80 megawatts;

(d) Seventy-five percent, if the customer-generator accepts the offer of the utility for net metering on or after the date that the Commission determines that the condition set forth in subparagraph (2) of paragraph (c) has been met.

4. On or before the 15th day of each calendar month, a utility shall post on its Internet website and report to the Commission the cumulative installed capacity of the net metering systems with a capacity of not more than 25 kilowatts for which a customer-generator has accepted the offer of that utility as of the close of business of the utility on the last business day of the immediately preceding calendar month.

5. Except as otherwise provided in this subsection, for the purposes of this section, a customer-generator shall be deemed to accept the offer of the utility for net metering on the date the customer-generator submits to the utility a complete application to install a net metering system within the service area of the utility. A customer-generator who accepted the offer of the utility for net metering before the effective date of this section and whose net metering system has a capacity of not more than 25 kilowatts may, but is not required to, submit a request to be treated for all purposes, including, without limitation, for the purposes of



subsection 3, as a customer-generator who accepted the offer of the utility for net metering on the date of submitting the request.

Sec. 28.5. *1. The Commission shall open an investigatory docket to establish a methodology to determine the impact, if any, of net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act on rates charged by a utility to its customers in this State.*

2. On or before June 30, 2020, and biennially thereafter, the Commission shall submit to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a report concerning the impact of net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, on rates charged by a utility to its customers in this State. The report must contain:

(a) Based on the methodology established pursuant to subsection 1, calculations of:

(1) Whether net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act has an impact on rates charged by a utility to its customers in this State; and

(2) The amount of any increase or decrease in such rates as a result of net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act;

(b) An explanation of the methodology used to make the calculations required by paragraph (a);

(c) The data used to make the calculations required by paragraph (a), including, without limitation, avoided generation capacity, avoided transmission and generation capacity and avoided system upgrades;

(d) A comparison of the impact on rates of net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act and the impact on rates of capital expenditures by the utility;

(e) A description of the process for obtaining input from stakeholders in developing the methodology required by subsection 1; and

(f) A summary of comments on the written report from interested persons.

Sec. 28.7. *If the Legislature provides by law for an open, competitive retail electric energy market for all electricity customers within a service territory:*

1. Each person providing electric service in that service territory shall be deemed to be a utility for the purposes of



NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act;

2. The Commission or any other agency designated by law to regulate electric service in this State shall prohibit any person providing electric service in the service territory from impeding or interrupting the operation or performance or otherwise restrict the output of an existing net metering system; and

3. A customer-generator must be required to pay any costs charged to other customers of the person providing electric service to the customer-generator in the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system.

Sec. 29. (Deleted by amendment.)

Sec. 30. NRS 704.767 is hereby amended to read as follows:

704.767 As used in NRS 704.766 to 704.775, inclusive, *and sections 27 to 29, inclusive, of this act*, unless the context otherwise requires, the words and terms defined in NRS 704.7675 to 704.772, inclusive, have the meanings ascribed to them in those sections.

Sec. 31. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering ~~;~~

~~—(a) In accordance with the provisions of this section, NRS 704.774 and 704.775, NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act to the customer-generators operating within its service area . until the date on which the cumulative capacity of all net metering systems for which all utilities in this State have accepted or approved completed applications for net metering is equal to 235 megawatts.~~

~~—(b) After the date on which the cumulative capacity requirement described in paragraph (a) is met, in accordance with a tariff filed by the utility and approved by the Commission pursuant to NRS 704.7735.~~

2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than 25 kilowatts, the utility:

(a) Shall offer to make available to the customer-generator an energy meter that is capable of registering the flow of electricity in two directions.

(b) May, at its own expense and with the written consent of the customer-generator, install one or more additional meters to monitor the flow of electricity in each direction.

(c) Except as otherwise provided in subsection ~~5,~~ 7, shall not charge ~~the~~ *the* customer-generator any fee or charge that ~~would increase the customer-generator's minimum monthly charge to an~~



~~amount greater~~ *is different* than that ~~to~~ *charged to* other customers of the utility in the ~~same~~ *rate class as to which* the customer-generator ~~it~~ *would belong if the customer-generator did not have a net metering system.*

(d) Shall not reduce the minimum monthly charge of the customer-generator based on the electricity generated by the customer-generator and fed back to the utility.

3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than 25 kilowatts, the utility:

(a) May require the customer-generator to install at its own cost:

(1) An energy meter that is capable of measuring generation output and customer load; and

(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility.

(b) Except as otherwise provided in paragraph ~~(e) and~~ *(d) and* subsection ~~5, may~~ *7, shall not* charge the customer-generator any ~~applicable~~ *fee or charge that is different than that* charged to other customers of the utility in the ~~same~~ *rate class as to which* the customer-generator ~~it~~ *would belong if the customer-generator did not have a net metering system*, including, without limitation, customer, demand and facility charges.

(c) Shall not reduce the minimum monthly charge of the customer-generator based on the electricity generated by the customer-generator and fed back to the utility.

(d) Shall not charge the customer-generator any standby charge.

~~it~~

4. At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by ~~this~~ *subsection 3* to pay the entire cost of the installation or upgrade of the portion of the net metering system.

~~4~~ *5. Except as otherwise provided in subsections 2, 3 and 6 and section 28.3 of this act, the utility shall not for any purpose assign a customer-generator to a rate class other than the rate class to which the customer-generator would belong if the customer-generator did not have a net metering system, including, without limitation, for the purpose of any fee or charge.*

6. If the net metering system of a customer-generator is a net metering system described in paragraph (b) or (c) of subsection 1 of NRS 704.771 and:

(a) The system is intended primarily to offset part or all of the customer-generator's requirements for electricity on property



contiguous to the property on which the net metering system is located; and

(b) The customer-generator sells or transfers his or her interest in the contiguous property,

↳ the net metering system ceases to be eligible to participate in net metering.

~~15.1~~ 7. A utility shall assess against a customer-generator:

(a) If applicable, the universal energy charge imposed pursuant to NRS 702.160; *and*

(b) Any charges imposed pursuant to chapter 701B of NRS or NRS 704.7827 or 704.785 which are assessed against other customers in the same rate class as the customer-generator. ~~16.1~~ *and*

~~(c) The charges or rates, if any, which the Commission determines must be assessed against the customer generator pursuant to any tariff submitted to and approved by the Commission pursuant to NRS 704.7735.1~~

↳ For any such charges calculated on the basis of a kilowatt-hour rate, the customer-generator must only be charged with respect to kilowatt-hours of energy delivered by the utility to the customer-generator.

~~16.1~~ 8. *The Commission and the utility must allow a customer-generator who accepts the offer of the utility for net metering to continue net metering pursuant to NRS 704.766 to 704.775, inclusive, and sections 27 to 29, inclusive, of this act at the location at which the net metering system is originally installed for 20 years. For the purposes of this subsection, "to continue net metering" includes, without limitation:*

(a) Retaining the percentage set forth in subsection 3 of section 28.3 of this act to be used to determine the credit for electricity governed by paragraph (c) of subsection 2 of NRS 704.775, which is applicable to the customer-generator; and

(b) Replacing the originally installed net metering system, as needed, at any time before 20 years after the date of the installation of the originally installed net metering system.

9. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:

(a) The particular provisions, limitations and responsibilities of a customer-generator which must be included in a net metering tariff with regard to:

- (1) Metering equipment;
- (2) Net energy metering and billing; and



(3) Interconnection,

↳ based on the allowable size of the net metering system.

(b) The particular provisions, limitations and responsibilities of a customer-generator and the utility which must be included in a standard net metering contract.

(c) A timeline for processing applications and contracts for net metering applicants.

(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.775, inclusive ~~H~~, *and sections 27 to 29, inclusive, of this act.*

Sec. 31.5. NRS 704.775 is hereby amended to read as follows:

704.775 1. The billing period for net metering must be a monthly period.

2. The net energy measurement must be calculated in the following manner:

(a) The utility shall measure, in kilowatt-hours, the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(b) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the customer-generator must be billed for the net electricity supplied by the utility.

(c) ~~HH~~ *Except as otherwise provided in section 28.3 of this act, if* the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer-generator is entitled to compensation for the electricity provided to the other during the billing period.

(2) The excess electricity which is fed back to the utility during the billing period is carried forward to the next billing period as an addition to the kilowatt-hours generated by the customer-generator in that billing period. If the customer-generator is billed for electricity pursuant to a time-of-use rate schedule, the excess electricity carried forward must be added to the same time-of-use period as the time-of-use period in which it was generated unless the subsequent billing period lacks a corresponding time-of-use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time-of-use periods.

(3) Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer-generator is not entitled to receive compensation for any excess electricity that remains if:



(I) The net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities;

(II) The customer-generator ceases to be a customer of the utility at the premises served by the net metering system; or

(III) The customer-generator transfers the net metering system to another person.

(4) The value of the excess electricity must not be used to reduce any other fee or charge imposed by the utility.

3. If the cost of purchasing and installing a net metering system was paid for:

(a) In whole or in part by a utility, the electricity generated by the net metering system shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.

(b) Entirely by a customer-generator, the Commission shall issue to the customer-generator portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 and 704.78213 equal to the electricity generated by the net metering system.

4. A bill for electrical service is due at the time established pursuant to the terms of the contract between the utility and the customer-generator.

Sec. 32. (Deleted by amendment.)

Sec. 32.5. 1. Not later than 45 days after the effective date of this act, a utility shall file with the Public Utilities Commission of Nevada any amendments to its tariff or tariffs that are necessary to comply with the provisions of section 28.3 of this act.

2. As used in this section, "utility" has the meaning ascribed to it in NRS 704.772.

Sec. 32.7. The provisions of subsection 1 of NRS 318D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 33. NRS 704.7735 is hereby repealed.

Sec. 34. 1. This section and sections 25 to 28.5, inclusive, and 29 to 33, inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 24, inclusive, of this act become effective on September 1, 2017.

3. If the Legislature provides by law for an open, competitive retail electric energy market for all electricity customers within a service territory, including, without limitation, if the Legislature



does so as a result of the proposed state constitutional amendment known as the Energy Choice Initiative, section 28.7 of this act becomes effective with regard to the customers within that service territory on the date on which such customers have the right to choose the provider of their electric utility service pursuant to that law. As used in this section, “electricity customer” means every person, business, association of persons or businesses, state agency, political subdivision of this State or any other entity in this State that is a customer of a provider of electric service.



