
SENATE BILL NO. 167—SENATORS BROOKS, DENIS, PARKS,
OHRENSCHALL, SPEARMAN; ATKINSON, CANCELA AND
WOODHOUSE

FEBRUARY 18, 2019

JOINT SPONSORS: ASSEMBLYMEN MONROE-
MORENO AND YEAGER

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to public utilities.
(BDR 58-911)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

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

AN ACT relating to electricity; excluding from regulation as a public utility certain persons who own or operate systems which use renewable energy to generate electricity and sell that electricity to other persons; revising provisions governing net metering for certain renewable energy systems; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law excludes from regulation as a public utility certain persons who
2 own or operate a renewable energy system located on the premises of a utility
3 customer if the electricity produced by the system is sold only to that utility
4 customer and the amount of electricity produced is not more than 150 percent of the
5 annual requirements for electricity of the utility customer. (NRS 704.021) **Section 1**
6 of this bill provides that a person who owns or operates a renewable energy system
7 which generates electricity which is sold only to the occupants of one or more
8 dwellings located on the same property as the renewable energy system is not a
9 public utility subject to the jurisdiction of the Public Utilities Commission of
10 Nevada and regulation as a public utility.

11 Existing law requires an electric utility to offer net metering to the customer-
12 generators operating within the service area of the utility under certain
13 circumstances. (NRS 704.773) **Section 2** of this bill authorizes participation in net
14 metering by a person who uses a facility or energy system for the generation of



15 electricity which: (1) uses renewable energy as its primary source of energy to
16 generate electricity; (2) has a generating capacity that is not more than 1 megawatt;
17 (3) operates in parallel with the transmission and distribution facilities of the utility;
18 (4) generates electricity which is sold to the occupants of one or more dwellings
19 located on the same property as the facility or energy system; and (5) is intended
20 primarily to offset all or part of the requirements for electricity of the occupants of
21 such dwellings on that property.

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

1 **Section 1.** NRS 704.021 is hereby amended to read as follows:
2 704.021 “Public utility” or “utility” does not include:

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

7 2. Persons engaged in the business of furnishing, for
8 compensation, water or services for the disposal of sewage, or both,
9 to persons within this State if:

10 (a) They serve 25 persons or less; and

11 (b) Their gross sales for water or services for the disposal of
12 sewage, or both, amounted to \$25,000 or less during the
13 immediately preceding 12 months.

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

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

26 5. Persons who are subject to the provisions of NRS 590.465 to
27 590.645, inclusive.

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

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

33 8. Persons who are video service providers, as defined in NRS
34 711.151, except for those operations of the video service provider



1 which consist of providing a telecommunication service to the
2 public, in which case the video service provider is a public utility
3 only with regard to those operations of the video service provider
4 which consist of providing a telecommunication service to the
5 public.

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

8 10. Persons who for compensation own or operate *an*
9 individual ~~[systems]~~ *system* which ~~[use]~~ *uses* renewable energy to
10 generate electricity and sell the electricity generated from ~~[those~~
11 ~~systems]~~ *such a system* to ~~[not more than one customer of the public~~
12 ~~utility per individual system if each individual system is:~~

13 ~~—(a) Located on the premises of another person;~~
14 ~~—(b) Used to produce not more than 150 percent of that other~~
15 ~~person's requirements for electricity on an annual basis for] *the*~~
16 ~~*occupants of one or more dwellings located on the [premises]*~~
17 ~~*property* on which the individual system is located ~~]; and~~~~

18 ~~—(c) Not] *if the individual system is not* part of a larger system~~
19 ~~that aggregates electricity generated from renewable energy for~~
20 ~~resale or use on [premises] *property* other than the [premises]~~
21 ~~*property* on which the individual system is located.~~

22 ↪ As used in this subsection, "renewable energy" has the meaning
23 ascribed to it in NRS 704.7811.

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

26 **Sec. 2.** NRS 704.771 is hereby amended to read as follows:

27 704.771 1. "Net metering system" means:

28 (a) A facility or energy system for the generation of electricity
29 that:

30 (1) Uses renewable energy as its primary source of energy to
31 generate electricity;

32 (2) Has a generating capacity of not more than 1 megawatt;

33 (3) Is located on the customer-generator's premises;

34 (4) Operates in parallel with the utility's transmission and
35 distribution facilities; and

36 (5) Is intended primarily to offset part or all of the customer-
37 generator's requirements for electricity;

38 (b) A facility or energy system for the generation of electricity
39 that:

40 (1) Uses waterpower as its primary source of energy to
41 generate electricity;

42 (2) Is located on property owned by the customer-generator;

43 (3) Has a generating capacity of not more than 1 megawatt;

44 (4) Generates electricity that is delivered to the transmission
45 and distribution facilities of the utility; and



1 (5) Is intended primarily to offset all or part of the customer-
2 generator's requirements for electricity on that property or
3 contiguous property owned by the customer-generator; ~~for~~

4 (c) A facility or energy system for the generation of electricity:

5 (1) Which uses wind power as its primary source of energy
6 to generate electricity;

7 (2) Which is located on property owned or leased by an
8 institution of higher education in this State;

9 (3) Which has a generating capacity of not more than 1
10 megawatt;

11 (4) Which operates in parallel with the utility's transmission
12 and distribution facilities;

13 (5) Which is intended primarily to offset all or part of the
14 customer-generator's requirements for electricity on that property or
15 on contiguous property owned or leased by the customer-generator;

16 (6) Which is used for research and workforce training; and

17 (7) The construction or installation of which is commenced
18 on or before December 31, 2011, and is completed on or before
19 December 31, 2012 ~~or~~; or

20 *(d) A facility or energy system for the generation of electricity*
21 *which:*

22 *(1) Uses renewable energy as its primary source of energy*
23 *to generate electricity;*

24 *(2) Has a generating capacity of not more than 1 megawatt;*

25 *(3) Operates in parallel with the utility's transmission and*
26 *distribution facilities;*

27 *(4) Generates electricity which is sold to the occupants of*
28 *one or more dwellings located on the same property as the facility*
29 *or energy system; and*

30 *(5) Is intended primarily to offset all or part of the*
31 *requirements for electricity of the occupants of such dwellings on*
32 *that property.*

33 2. The term does not include a facility or energy system for the
34 generation of electricity which has a generating capacity that
35 exceeds the greater of:

36 (a) The limit on the demand that the class of customer of the
37 customer-generator may place on the system of the utility; or

38 (b) One hundred percent of the customer-generator's annual
39 requirements for electricity.

40 **Sec. 3.** This act becomes effective on July 1, 2019.

