

REFERENDUM ON CERTAIN PROVISIONS RELATED TO NET METERING
SET FORTH IN 2015 STATUTES OF NEVADA, CHAPTER 379

Explanation – The following provisions are existing Nevada law. Matters that have been **[Bolded, Bracketed, and Underlined]** are parts of Chapter 379, Statutes of Nevada (2015) that are referred to the voters for their approval or disapproval.

Sec. 2.3. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

1. **[Except as otherwise provided in subsection 3,] each utility shall, [in accordance with a tariff filed by the utility and approved by the Commission,] offer net metering to customer-generators who submit applications to install net metering systems within its service territory [after the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met].**

[2. For the purposes of evaluating and approving any tariff filed with the Commission pursuant to subsection 1 and otherwise carrying out the provisions of this section, the Commission:

(a) May establish one or more rate classes for customer-generators.

(b) May establish terms and conditions for the participation by customer-generators in net metering, including, without limitation, limitations on enrollment in net metering which the Commission determines are appropriate to further the public interest.

(c) May close to new customer-generators a tariff filed pursuant to subsection 1 and approved by the Commission if the Commission determines that closing the tariff to new customer-generators is in the public interest.

(d) May authorize a utility to establish just and reasonable rates and charges to avoid, reduce or eliminate an unreasonable shifting of costs from customer-generators to other customers of the utility.

(e) Shall not approve a tariff filed pursuant to subsection 1 or authorize any rates or charges for net metering that unreasonably shift costs from customer-generators to other customers of the utility.

3. In approving any tariff submitted pursuant to subsection 1, the Commission shall determine whether and the extent to which any tariff approved or rates or charges authorized pursuant to this section are applicable to customer-generators who, on or before the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met, submitted a complete application to install a net metering system within the service territory of a utility.]

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Sec. 2.5. NRS 704.085 is hereby amended to read as follows:

704.085 1. **[Except as otherwise provided in subsection 2,]** an electric utility shall not make changes in any schedule or impose any rate, and the Commission shall not approve any changes in any schedule or authorize the imposition of any rate by an electric utility, which requires a residential customer to purchase electric service at a rate which is based on the time of day, day of the week or time of year during which the electricity is used or which otherwise varies based upon the time during which the electricity is used, except that the Commission may approve such a change in a schedule or authorize the imposition of such a rate if the approval or authorization is conditioned upon an election by a residential customer to purchase electric service at such a rate.

[2. The provisions of subsection 1 do not apply to any changes in a schedule or rates imposed on a customer-generator.]

3. As used in this section:

(a) "Customer-generator" has the meaning ascribed to it in NRS 704.768.

(b) "Electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 2.7. NRS 704.741 is hereby amended to read as follows:

704.741 1. A utility which supplies electricity in this State shall, on or before July 1 of every third year, in the manner specified by the Commission, submit a plan to increase its supply of electricity or decrease the demands made on its system by its customers to the Commission.

2. The Commission shall, by regulation:

(a) Prescribe the contents of such a plan, including, but not limited to, the methods or formulas which are used by the utility to:

(1) Forecast the future demands; and

(2) Determine the best combination of sources of supply to meet the demands or the best method to reduce them; and

(b) Designate renewable energy zones and revise the designated renewable energy zones as the Commission deems necessary.

3. The Commission shall require the utility to include in its plan:

(a) An energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel and which includes, without limitation, the use of new solar thermal energy sources.

(b) A comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands or the best methods to reduce the demands, which must include at least one scenario of low carbon intensity that includes the deployment of distributed generation.

[(c) An analysis of the effects of the requirements of NRS 704.766 to 704.775, inclusive, and section 2.3 of this act on the reliability of the distribution system of

the utility and the costs to the utility to provide electric service to all customers. The analysis must include an evaluation of the costs and benefits of addressing issues of reliability through investment in the distribution system.]

4. The Commission shall require the utility to include in its plan a plan for construction or expansion of transmission facilities to serve renewable energy zones and to facilitate the utility in meeting the portfolio standard established by NRS 704.7821.

5. As used in this section:

(a) "Carbon intensity" means the amount of carbon by weight emitted per unit of energy consumed.

(b) "Renewable energy zones" means specific geographic zones where renewable energy resources are sufficient to develop generation capacity and where transmission constrains the delivery of electricity from those resources to customers.

Sec. 2.95. 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, 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 section 2.3 of this act].

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, shall not charge a customer-generator any fee or charge that would increase the customer-generator's minimum monthly charge to an amount greater than that of other customers of the utility in the same rate class as the customer-generator.

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 (c) and subsection 5, may charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer, demand and facility charges.

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

↪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 to pay the entire cost of the installation or upgrade of the portion of the net metering system.

4. 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.

5. A utility shall assess against a customer-generator:

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

(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[; 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 section 2.3 of this act].

↪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.

6. 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, and section 2.3 of this act.

Sec. 4.5. 1. [Each utility shall, on or before July 31, 2015, file with the Public Utilities Commission of Nevada a tariff required by section 2.3 of this act and a cost-of-service study.]

2. The tariff filed pursuant to subsection 1 must establish the terms and conditions for net metering service for customer-generators who submit an application to the utility to install net metering systems within the service territory of the utility after the date on which the tariff takes effect. The terms and conditions of service must include, without limitation, the rates the utility must charge for providing electric service to customer-generators.

3. The rates included in the terms and conditions of service established pursuant to subsection 2 may include, without limitation:

(a) A basic service charge that reflects marginal fixed costs incurred by the utility to provide service to customer-generators;

(b) A demand charge that reflects the marginal demand costs incurred by the utility to provide service to customer-generators; and

(c) An energy charge that reflects the marginal energy costs incurred by the utility to provide service to customer-generators.

↪The charges included pursuant to this subsection must adequately reflect the marginal costs of providing service to customer-generators.

4. The Public Utilities Commission of Nevada shall, in accordance with the provisions of section 2.3 of this act, conduct a review of each tariff filed by a utility pursuant to subsection 1 and issue a written order approving or disapproving, in whole or in part, the proposed tariff not later than December 31, 2015. The Commission may make modifications to the tariff, including modifications to the rate design and the terms and conditions of net metering services to customer-generators. A tariff approved pursuant to this section must not take effect until after the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met.

5. Except as otherwise provided in subsection 6, if for any reason the Commission does not approve a tariff as required by subsection 4 on or before December 31, 2015, and notwithstanding the amendatory provisions of this act to the contrary, for the period beginning January 1, 2016, and ending on the date on which the Commission approves a tariff pursuant to section 2.3 of this act, a utility shall offer net metering to customer-generators in a manner consistent with the provisions of NRS 704.773, 704.774 and 704.775 as those sections existed before the

effective date of this act.

6. If a court of competent jurisdiction issues an order prohibiting the Commission from issuing a written order or approving a tariff as required by subsection 4, or staying or prohibiting the enforcement of a written order or tariff issued or approved pursuant thereto, an electric utility is not required to offer net metering after the date on which the cumulative capacity requirement described in paragraph (a) of subsection 1 of NRS 704.773 is met until after the date on which the order of the court has been lifted.

7. As used in this section:]

(a) "Customer-generator" has the meaning ascribed to it in NRS 704.768.

[(b) "Demand costs" means those costs associated with the maximum load requirement of a customer, such as kilowatt or kilo- volt amperes, and which are typically represented by the electric utility's investment in generating units, transmission facilities and the distribution system.

(c) "Energy costs" means those costs associated with a customer's requirement for a volume of energy, such as fuel and purchased power costs.

(d) "Fixed costs" means those investments and expenses that do not vary with output and which typically reflect the electric utility's investment in back office systems, customer facilities, customer- related expenses and labor costs.]

(e) "Net metering" has the meaning ascribed to it in NRS 704.769.

(f) "Net metering system" has the meaning ascribed to it in NRS 704.771.

(g) "Utility" has the meaning ascribed to it in NRS 704.772.

DESCRIPTION OF EFFECT

This referendum asks voters to approve or disapprove portions of Chapter 379, Statutes of Nevada (2015), that relate to net metering customers (solar, wind, and hydro-electric customers, collectively "green energy customers"), such as homeowners with rooftop solar panels. Previously, the Public Utilities Commission was required to treat green energy customers the same as standard residential customers and ensure that they received a credit for the excess electricity they produced at the retail rate. Recently, the Commission imposed substantially increased fixed charges on green energy customers, reduced the value of the energy they generate, and made green energy less affordable and even cost prohibitive for some residential customers.

Signing this petition is a statement that you support repealing the new green energy rates and charges and preserving net metering as the program has historically been implemented.

If a majority of voters disapprove of the new rates and charges imposed on green energy, the bolded, bracketed, and underlined provisions of this referendum will be repealed. This means net metering systems, which produce renewable energy, will continue to be available to energy customers at reasonable rates.

County of _____

(Only registered voters of this county may sign below)

Petition District: _____

(Only registered voters of this petition district may sign below)

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AFFIDAVIT OF CIRCULATOR

(To be signed by circulator in the presence of a notary public)

STATE OF NEVADA)

)

County of _____)

I, _____, (print name), being first duly sworn under penalty of perjury, depose and say: (1) that I reside at _____ (print street, city and state); (2) that I am 18 years of age or older; (3) that I personally circulated this document; (4) that all signatures were affixed in my presence; (5) that the number of signatures affixed thereon is _____; and (6) that each person who signed had an opportunity before signing to read the full text of the act or resolution on which the initiative or referendum is demanded.

Signature of Circulator

Subscribed and sworn to or affirmed before me this

_____ day of _____, 2016, by _____.

Notary Public