
ASSEMBLY BILL NO. 5—JOINT RULES COMMITTEE

PREFILED JUNE 13, 2001

Referred to Committee of the Whole

SUMMARY—Revises and repeals various provisions concerning utilities and energy.
(BDR 58-21)

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 energy; authorizing certain eligible customers to purchase electrical energy, capacity and certain ancillary services from providers of new electric resources; establishing the universal energy charge to fund low-income energy assistance and conservation; requiring certain retail customers to pay the universal energy charge; requiring certain public utilities and municipal utilities to perform certain functions related to the universal energy charge; creating the fund for energy assistance and conservation and setting forth the criteria to determine the eligibility of a household to receive assistance from money in the fund; authorizing certain agencies to render emergency assistance to households in certain circumstances; revising and repealing various provisions concerning the regulation of public utilities and the process of establishing and changing rates; expanding the public utilities commission of Nevada from three to five members; revising the authority of the commission to regulate mergers, acquisitions and certain other transactions involving public utilities and other entities; making various changes with respect to net metering; authorizing the director of the department of business and industry to issue industrial development revenue bonds for certain renewable energy generation projects; creating the task force for renewable energy and energy conservation and prescribing its membership and duties; creating the trust fund for renewable energy and energy conservation; creating the office of energy within the office of the governor; transferring control of the Nevada state energy office from the director of the department of business and industry to the office of energy within the office of the governor; requiring certain lodging establishments to include certain information concerning energy costs on their statement of rates; and providing other matters properly relating thereto.

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



1 **Section 1.** For the purposes of sections 3 to 26, inclusive, of this act,
2 the legislature hereby finds and declares that:

3 1. A reliable and reasonably priced supply of electricity is critical to
4 the economy of this state and to the health, safety and welfare of the
5 residents of this state;

6 2. The electric utilities in this state depend on regional energy markets
7 to purchase approximately 50 percent of the electricity needed to serve
8 their customers in this state, and such purchases are often made pursuant to
9 agreements with terms of 1 year or less;

10 3. The energy markets in the western United States currently are
11 characterized by critical shortages in the supply of electricity and
12 extremely high prices for electricity, both of which are damaging to the
13 strength of the economy of this state and to the well-being of the residents
14 of this state;

15 4. The residents of this state would benefit from construction of new
16 generation assets in this state and from access to other new electric
17 resources, wherever located, that provide lower-priced electricity;

18 5. The economic development that would result from construction in
19 this state of new generation assets, supporting gas pipelines and additional
20 infrastructure would be of special benefit to the rural areas of this state
21 where the new generation assets are most likely to be located;

22 6. During the 71st session of the Nevada Legislature, the legislature
23 considered a number of different but complementary approaches to
24 developing and using new generation assets and other new electric
25 resources and to increasing the supply of reasonably priced electricity in
26 this state;

27 7. The development and use of new generation assets and other new
28 electric resources by eligible customers would permit the electric utilities
29 in this state to reduce their dependence on purchases of excessively priced
30 electricity from dysfunctional, short-term energy markets and would
31 thereby reduce the average system costs for such electric utilities;

32 8. The development and use of new generation assets and other new
33 electric resources can be encouraged by allowing eligible customers to use
34 their own resources, initiative, expertise and credit to develop, access and
35 enter into agreements for the purchase of electricity from new generation
36 assets and other new electric resources; and

37 9. To protect the electric utilities in this state and their remaining
38 customers, all transactions proposed by eligible customers pursuant to
39 sections 3 to 26, inclusive, of this act must be carefully reviewed by the
40 public utilities commission of Nevada to ensure that the electric utilities in
41 this state and their remaining customers are not subject to increased costs
42 as a result of the proposed transactions and that the proposed transactions
43 are not otherwise contrary to the public interest.

44 **Sec. 2.** Title 58 of NRS is hereby amended by adding thereto a new
45 chapter to consist of the provisions set forth as sections 3 to 26, inclusive,
46 of this act.

47 **Sec. 3.** *As used in this chapter, unless the context otherwise*
48 *requires, the words and terms defined in sections 4 to 16, inclusive, of*
49 *this act have the meanings ascribed to them in those sections.*



- 1 **Sec. 4.** *“Ancillary services” means those generation services that:*
2 1. *Are necessary to support the transmission of energy and capacity*
3 *from resources to loads while maintaining reliable operation of the*
4 *transmission system of the electric utility; and*
5 2. *Are defined and established in applicable transmission tariffs on*
6 *file with the Federal Energy Regulatory Commission.*
7 **Sec. 5.** *“Calendar quarter” means each period of 3 consecutive*
8 *calendar months ending on March 31, June 30, September 30 and*
9 *December 31 in each calendar year.*
10 **Sec. 6.** *“Commission” means the public utilities commission of*
11 *Nevada.*
12 **Sec. 7.** 1. *“Electric utility” means any public utility or successor in*
13 *interest that:*
14 (a) *Is in the business of providing electric service to customers;*
15 (b) *Holds a certificate of public convenience and necessity issued or*
16 *transferred pursuant to chapter 704 of NRS; and*
17 (c) *In the most recently completed calendar year or in any other*
18 *calendar year within the 7 calendar years immediately preceding the*
19 *most recently completed calendar year, had a gross operating revenue of*
20 *\$250,000,000 or more in this state.*
21 2. *The term does not include a cooperative association, nonprofit*
22 *corporation, nonprofit association or provider of electric service which is*
23 *declared to be a public utility pursuant to NRS 704.673 and which*
24 *provides service only to its members.*
25 **Sec. 8.** *“Electric utility that primarily serves densely populated*
26 *counties” means an electric utility that, with regard to the provision of*
27 *electric service, derives more of its annual gross operating revenue in*
28 *this state from customers located in counties whose population is 400,000*
29 *or more than it does from customers located in counties whose*
30 *population is less than 400,000.*
31 **Sec. 9.** *“Electric utility that primarily serves less densely populated*
32 *counties” means an electric utility that, with regard to the provision of*
33 *electric service, derives more of its annual gross operating revenue in*
34 *this state from customers located in counties whose population is less*
35 *than 400,000 than it does from customers located in counties whose*
36 *population is 400,000 or more.*
37 **Sec. 10.** *“Eligible customer” means an end-use customer which is:*
38 1. *A nongovernmental commercial or industrial end-use customer*
39 *that has an average annual load of 1 megawatt or more in the service*
40 *territory of an electric utility.*
41 2. *A governmental entity, including, without limitation, a*
42 *governmental entity providing educational or health care services, that:*
43 (a) *Performs its functions using one or more facilities which are*
44 *operated under a common budget and common control; and*
45 (b) *Has an average annual load of 1 megawatt or more in the service*
46 *territory of an electric utility.*
47 **Sec. 11.** *“Energy” means electrical energy.*



- 1 **Sec. 12.** *“Generation asset” means any plant, facility, equipment or*
2 *system which is located within or outside this state and which converts*
3 *nonelectrical energy into electrical energy or otherwise produces*
4 *electrical energy.*
- 5 **Sec. 13.** *“New electric resource” means:*
6 1. *The energy, capacity or ancillary services and any increased or*
7 *additional energy, capacity or ancillary services which are:*
8 (a) *Made available from a generation asset that is not owned by an*
9 *electric utility or is not subject to contractual commitments to an electric*
10 *utility that make the energy, capacity or ancillary services from the*
11 *generation asset unavailable for purchase by an eligible customer; and*
12 (b) *Able to be delivered to an eligible customer.*
- 13 2. *Any increased energy, capacity or ancillary services made*
14 *available from a generation asset pursuant to an agreement described in*
15 *section 18 of this act.*
- 16 **Sec. 14.** *“Person” means:*
17 1. *A natural person.*
18 2. *Any form of business or social organization and any other*
19 *nongovernmental legal entity, including, without limitation, a*
20 *corporation, partnership, association, trust or unincorporated*
21 *organization.*
22 3. *A governmental entity other than:*
23 (a) *This state or an agency or instrumentality of this state; or*
24 (b) *A political subdivision of this state or an agency or instrumentality*
25 *of a political subdivision of this state.*
- 26 **Sec. 15.** *“Provider of new electric resources” and “provider” mean a*
27 *person who makes energy, capacity or ancillary services from a new*
28 *electric resource available to an eligible customer.*
- 29 **Sec. 16.** *“Time-of-use meter” means a meter that:*
30 1. *Measures and records the electric demand, energy and power*
31 *factor on 15-minute intervals; and*
32 2. *Is suitable for use with an electric demand of 1 megawatt or more.*
- 33 **Sec. 17.** 1. *The provisions of this chapter do not alter, diminish or*
34 *otherwise affect any rights or obligations arising under any contract*
35 *which requires an electric utility to purchase energy, capacity or*
36 *ancillary services from another party and which exists on the effective*
37 *date of this act.*
38 2. *Each electric utility or its assignee shall comply with the terms of*
39 *any contract which requires the electric utility or its assignee to purchase*
40 *energy, capacity or ancillary services from another party and which*
41 *exists on the effective date of this act.*
- 42 **Sec. 18.** 1. *Except as otherwise provided in this section, an electric*
43 *utility may, at its discretion, enter into agreements relating to its*
44 *generation assets and the energy, capacity or ancillary services provided*
45 *by its generation assets with one or more other persons who are not*
46 *electric utilities. Such agreements, without limitation:*
47 (a) *May include agreements to construct or install a new generation*
48 *asset on real property that is adjacent to an existing generation asset*
49 *owned by the electric utility; and*



- 1 **(b) May provide for the sharing of available common facilities with**
2 **the existing generation asset or the reengineering, repowering or**
3 **expansion of the existing generation asset to generate energy more**
4 **efficiently and at a lower cost and to make more energy available to**
5 **customers in this state.**
- 6 **2. Any increased energy, capacity or ancillary services made**
7 **available from a new generation asset or an existing generation asset**
8 **pursuant to an agreement described in subsection 1 shall be deemed to be**
9 **a new electric resource that may be:**
- 10 **(a) Owned by the parties to the agreement who are not electric**
11 **utilities; and**
- 12 **(b) Used or consumed by such parties for their own purposes, sold at**
13 **wholesale by such parties or sold by such parties to one or more eligible**
14 **customers pursuant to the provisions of this chapter.**
- 15 **3. A transaction undertaken pursuant to an agreement described in**
16 **subsection 1:**
- 17 **(a) Must not impair system reliability or the ability of the electric**
18 **utility to provide electric service to its customers; and**
- 19 **(b) Must not violate the provisions of sections 8 to 18, inclusive, of**
20 **chapter 16, Statutes of Nevada 2001.**
- 21 **4. The provisions of this section do not exempt any party to an**
22 **agreement described in subsection 1 from any applicable statutory or**
23 **regulatory requirements relating to siting, construction and operation of**
24 **a generation asset.**
- 25 **5. The commission shall encourage the development of new electric**
26 **resources and shall not exercise its regulatory authority in a manner that**
27 **unnecessarily or unreasonably restricts, conditions or discourages any**
28 **agreement described in subsection 1 that is likely to result in increased**
29 **energy, capacity or ancillary services from a generation asset or**
30 **improved or more efficient operation or management of a generation**
31 **asset.**
- 32 **Sec. 19. 1. Except as otherwise provided in this section, a provider**
33 **of new electric resources may sell energy, capacity or ancillary services to**
34 **one or more eligible customers if the eligible customers have been**
35 **approved to purchase energy, capacity and ancillary services from the**
36 **provider pursuant to the provisions of sections 20 and 21 of this act.**
- 37 **2. A provider of new electric resources shall not sell energy, capacity**
38 **or ancillary services to an eligible customer:**
- 39 **(a) Before April 1, 2002, if the eligible customer's load is in the**
40 **service territory of an electric utility that primarily serves less densely**
41 **populated counties;**
- 42 **(b) Before June 1, 2002, if the eligible customer's load is in the**
43 **service territory of an electric utility that primarily serves densely**
44 **populated counties; or**
- 45 **(c) If the transaction violates the provisions of this chapter.**
- 46 **3. A provider of new electric resources that sells energy, capacity or**
47 **ancillary services to an eligible customer pursuant to the provisions of**
48 **this chapter:**



1 (a) Does not become and shall not be deemed to be a public utility
2 solely because of that transaction; and

3 (b) Does not become and shall not be deemed to be subject to the
4 jurisdiction of the commission except as otherwise provided in this
5 chapter or by specific statute.

6 4. If a provider of new electric resources is not a public utility in this
7 state and is not otherwise authorized by the provisions of a specific
8 statute to sell energy, capacity or ancillary services at retail in this state,
9 the provider shall not sell energy, capacity or ancillary services at retail
10 in this state to a person or entity that is not an eligible customer.

11 Sec. 20. 1. An eligible customer that is purchasing electric service
12 from an electric utility shall not purchase energy, capacity or ancillary
13 services from a provider of new electric resources and an eligible
14 customer that is purchasing energy, capacity or ancillary services from a
15 provider of new electric resources shall not purchase energy, capacity or
16 ancillary services from another provider unless:

17 (a) The eligible customer files an application with the commission not
18 later than 180 days before the date on which the eligible customer
19 intends to begin purchasing energy, capacity or ancillary services from
20 the provider; and

21 (b) The commission approves the application by a written order issued
22 in accordance with the provisions of this section and section 21 of this
23 act.

24 The date on which the eligible customer intends to begin purchasing
25 energy, capacity or ancillary services from the provider must not be
26 sooner than the date on which the provider is authorized by section 19 of
27 this act to begin selling energy, capacity or ancillary services to the
28 eligible customer.

29 2. Except as otherwise provided in subsection 3, each application
30 filed pursuant to this section must include:

31 (a) Information demonstrating that the person filing the application is
32 an eligible customer;

33 (b) Information demonstrating that the proposed provider will provide
34 energy, capacity or ancillary services from a new electric resource;

35 (c) Information concerning the terms and conditions of the proposed
36 transaction that is necessary for the commission to evaluate the impact of
37 the proposed transaction on customers and the public interest, including,
38 without limitation, information concerning the duration of the proposed
39 transaction and the amount of energy and capacity to be purchased from
40 the provider; and

41 (d) Any other information required pursuant to the regulations
42 adopted by the commission.

43 3. Except as otherwise provided in section 21 of this act, the
44 commission shall not require the eligible customer or provider to
45 disclose:

46 (a) The price that is being paid by the eligible customer to purchase
47 energy, capacity or ancillary services from the provider; or

48 (b) Any other terms or conditions of the proposed transaction that the
49 commission determines are commercially sensitive.



- 1 4. The commission shall provide public notice of the application of
2 the eligible customer and an opportunity for a hearing on the application
3 in a manner that is consistent with the provisions of NRS 703.320 and
4 the regulations adopted by the commission.
- 5 5. The commission shall approve the application of the eligible
6 customer unless the commission finds that the proposed transaction:
7 (a) Will be contrary to the public interest; or
8 (b) Does not comply with the provisions of section 21 of this act, if
9 those provisions apply to the proposed transaction.
- 10 6. In determining whether the proposed transaction will be contrary
11 to the public interest, the commission shall consider, without limitation:
12 (a) Whether the electric utility that has been providing electric service
13 to the eligible customer will be burdened by increased costs as a result of
14 the proposed transaction or whether any remaining customer of the
15 electric utility will pay increased costs for electric service as a result of
16 the proposed transaction;
17 (b) Whether the proposed transaction will impair system reliability or
18 the ability of the electric utility to provide electric service to its remaining
19 customers; and
20 (c) Whether the proposed transaction will add energy, capacity or
21 ancillary services to the supply in this state.
- 22 7. If the commission approves the application of the eligible
23 customer:
24 (a) The eligible customer shall not begin purchasing energy, capacity
25 or ancillary services from the provider pursuant to the proposed
26 transaction sooner than 180 days after the date on which the application
27 was filed; and
28 (b) The commission shall order such terms, conditions and payments
29 as the commission deems necessary and appropriate to ensure that the
30 proposed transaction will not be contrary to the public interest. Such
31 terms, conditions and payments:
32 (1) Must be fair and nondiscriminatory as between the eligible
33 customer and the remaining customers of the electric utility; and
34 (2) Must include, without limitation, payment by the eligible
35 customer to the electric utility of the eligible customer's load-share
36 portion of any unrecovered balance in the deferred accounts of the
37 electric utility.
- 38 8. If the commission does not enter a final order on the application
39 of the eligible customer within 90 days after the date on which the
40 application was filed with the commission:
41 (a) The application shall be deemed to be approved by the
42 commission; and
43 (b) The eligible customer shall not begin purchasing energy, capacity
44 or ancillary services from the provider pursuant to the proposed
45 transaction sooner than 180 days after the date on which the application
46 was filed.
- 47 **Sec. 21.** 1. For eligible customers whose loads are in the service
48 territory of an electric utility that primarily serves densely populated
49 counties, the aggregate amount of energy that all such eligible customers



1 *purchase from providers of new electric resources before July 1, 2003,*
2 *must not exceed 50 percent of the difference between the existing supply*
3 *of energy generated in this state that is available to the electric utility and*
4 *the existing demand for energy in this state that is consumed by the*
5 *customers of the electric utility, as determined by the commission.*

6 *2. An eligible customer that is a nongovernmental commercial or*
7 *industrial end-use customer whose load is in the service territory of an*
8 *electric utility that primarily serves densely populated counties shall not*
9 *purchase energy, capacity or ancillary services from a provider of new*
10 *electric resources unless, as part of the proposed transaction, the eligible*
11 *customer agrees to:*

12 *(a) Contract with the provider to purchase:*

13 *(1) An additional amount of energy which is equal to 10 percent of*
14 *the total amount of energy that the eligible customer is purchasing for its*
15 *own use under the proposed transaction and which is purchased at the*
16 *same price, terms and conditions as the energy purchased by the eligible*
17 *customer for its own use; and*

18 *(2) The capacity and ancillary services associated with the*
19 *additional amount of energy at the same price, terms and conditions as*
20 *the capacity and ancillary services purchased by the eligible customer for*
21 *its own use; and*

22 *(b) Offers to assign the rights to the contract to the electric utility for*
23 *use by the remaining customers of the electric utility.*

24 *3. If an eligible customer is subject to the provisions of subsection 2,*
25 *the eligible customer shall include with its application filed pursuant to*
26 *section 20 of this act all information concerning the contract offered to*
27 *the electric utility that is necessary for the commission to determine*
28 *whether it is in the best interest of the remaining customers of the electric*
29 *utility for the electric utility to accept the rights to the contract. Such*
30 *information must include, without limitation, the amount of the energy*
31 *and capacity to be purchased under the contract, the price of the energy,*
32 *capacity and ancillary services and the duration of the contract.*

33 *4. Notwithstanding any specific statute to the contrary, information*
34 *concerning the price of the energy, capacity and ancillary services and*
35 *any other terms or conditions of the contract that the commission*
36 *determines are commercially sensitive:*

37 *(a) Must not be disclosed by the commission except to the regulatory*
38 *operations staff of the commission, the consumer's advocate and his staff*
39 *and the electric utility for the purposes of carrying out the provisions of*
40 *this section; and*

41 *(b) Shall be deemed to be confidential for all other purposes, and the*
42 *commission shall take such actions as are necessary to protect the*
43 *confidentiality of such information.*

44 *5. If the commission determines that the contract:*

45 *(a) Is not in the best interest of the remaining customers of the electric*
46 *utility, the electric utility shall not accept the rights to the contract, and*
47 *the eligible customer is entitled to all rights to the contract.*

48 *(b) Is in the best interest of the remaining customers of the electric*
49 *utility, the electric utility shall accept the rights to the contract and the*



1 eligible customer shall assign all rights to the contract to the electric
2 utility. A contract that is assigned to the electric utility pursuant to this
3 paragraph shall be deemed to be an approved part of the resource plan of
4 the electric utility and a prudent investment, and the electric utility may
5 recover all costs for the energy, capacity and ancillary services acquired
6 pursuant to the contract. To the extent practicable, the commission shall
7 take actions to ensure that the electric utility uses the energy, capacity
8 and ancillary services acquired pursuant to each such contract only for
9 the benefit of the remaining customers of the electric utility that are not
10 eligible customers, with a preference for the remaining customers of the
11 electric utility that are residential customers with small loads.

12 6. The provisions of this section do not exempt the electric utility, in
13 whole or in part, from the requirements imposed on the electric utility
14 pursuant to sections 3 to 12, inclusive, of chapter 519, Statutes of Nevada
15 2001, to comply with its portfolio standard for renewable energy. The
16 commission shall not take any actions pursuant to this section that
17 conflict with or diminish those requirements.

18 7. As used in this section, "consumer's advocate" means the
19 consumer's advocate of the bureau of consumer protection in the office
20 of the attorney general.

21 **Sec. 22.** 1. If an eligible customer is purchasing energy, capacity
22 or ancillary services from a provider of new electric resources, the
23 eligible customer may, pursuant to tariffs approved by the commission,
24 replace some or all, but not less than all at a single time-of-use meter, of
25 the energy, capacity or ancillary services purchased from the provider of
26 new electric resources with energy, capacity or ancillary services
27 purchased from an electric utility.

28 2. The tariffs approved by the commission pursuant to this section
29 must include, without limitation:

30 (a) Provisions requiring the eligible customer to pay any incremental
31 costs that are incurred by the electric utility to provide energy to the
32 eligible customer;

33 (b) Provisions requiring the eligible customer to provide reasonable
34 and adequate notice to the electric utility;

35 (c) Provisions establishing minimum terms during which the eligible
36 customer must continue to purchase energy from the electric utility; and

37 (d) Any other provisions that the commission determines are
38 necessary and reasonable to carry out and enforce the provisions of this
39 section.

40 **Sec. 23.** 1. A provider of new electric resources shall not sell
41 energy, capacity or ancillary services to an eligible customer unless the
42 customer has a time-of-use meter installed at the point of delivery of
43 energy to the eligible customer.

44 2. An electric utility shall install a time-of-use meter at each point of
45 delivery of energy to the eligible customer if the eligible customer does
46 not have a time-of-use meter at that point of delivery. If the eligible
47 customer is:

48 (a) A nongovernmental commercial or industrial end-use customer,
49 the eligible customer or the provider shall pay all costs for the time-of-



1 use meter and for installation of the time-of-use meter by the electric
2 utility.

3 (b) A governmental entity, the provider shall pay all costs for the time-
4 of-use meter and for installation of the time-of-use meter by the electric
5 utility.

6 3. Not more than one person or entity may sell the energy that is
7 delivered to an eligible customer through any one time-of-use meter.

8 4. The provisions of this section do not prohibit:

9 (a) An eligible customer from having more than one time-of-use meter
10 installed for the same service location; or

11 (b) An eligible customer from installing any other meter or equipment
12 that is necessary or appropriate to the transaction with the provider, if
13 such a meter or equipment is otherwise consistent with system reliability.

14 **Sec. 24.** 1. An electric utility shall provide all transmission,
15 distribution, metering and other components of electric service that are
16 necessary for a provider of new electric resources to sell energy, capacity
17 and ancillary services to an eligible customer pursuant to the provisions
18 of this chapter. An electric utility shall provide each such component of
19 electric service pursuant to the tariffs and service agreements filed with
20 and approved by the appropriate regulatory authorities having
21 jurisdiction over each such component of electric service.

22 2. For each such component of electric service that is within the
23 jurisdiction of the commission, the commission shall establish just,
24 reasonable and nondiscriminatory rates.

25 3. The provisions of this chapter do not enlarge or expand any
26 existing rights under federal law or create any other rights with regard to
27 the transmission system of the electric utility.

28 4. When providing service pursuant to this chapter, an electric utility
29 is subject to all applicable statutes and regulations of this state and the
30 United States.

31 **Sec. 25.** Not later than 30 days after the end of each calendar
32 quarter, the commission shall submit to the legislative commission a
33 written report which summarizes for that calendar quarter:

34 1. Each application which was filed with the commission pursuant to
35 the provisions of this chapter and which requested approval of a
36 proposed transaction between an eligible customer and a provider of new
37 electric resources;

38 2. The information that the eligible customer included with the
39 application;

40 3. The findings of the commission concerning the effect of the
41 proposed transaction on the public interest; and

42 4. Whether the commission approved the application and, if so, the
43 effective date of the proposed transaction, the terms and conditions of the
44 proposed transaction, and the terms, conditions and payments ordered by
45 the commission.

46 **Sec. 26.** The commission shall adopt regulations to carry out and
47 enforce the provisions of this chapter.



1 **Sec. 27.** Title 58 of NRS is hereby amended by adding thereto a new
2 chapter to consist of the provisions set forth as sections 28 to 45, inclusive,
3 of this act.

4 **Sec. 28.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 29 to 38, inclusive, of*
6 *this act have the meanings ascribed to them in those sections.*

7 **Sec. 29.** *“Calendar quarter” means each period of 3 consecutive*
8 *calendar months ending on March 31, June 30, September 30 and*
9 *December 31 in each calendar year.*

10 **Sec. 30.** *“Commission” means the public utilities commission of*
11 *Nevada.*

12 **Sec. 31.** *“Fund” means the fund for energy assistance and*
13 *conservation created by section 42 of this act.*

14 **Sec. 32.** *“Housing division” means the housing division of the*
15 *department of business and industry.*

16 **Sec. 33.** *“Municipal utility” includes, without limitation:*

17 1. *A utility established pursuant to chapter 709 or 710 of NRS.*

18 2. *Any other utility that is owned, operated or controlled by a county,*
19 *city or other local governmental entity.*

20 **Sec. 34.** *“Person” means:*

21 1. *A natural person;*

22 2. *Any form of business or social organization and any other*
23 *nongovernmental legal entity, including, without limitation, a*
24 *corporation, partnership, association, trust or unincorporated*
25 *organization;*

26 3. *A government or an agency or instrumentality of a government,*
27 *including, without limitation, this state or an agency or instrumentality*
28 *of this state; and*

29 4. *A political subdivision of this state or of any other government or*
30 *an agency or instrumentality of a political subdivision of this state or of*
31 *any other government.*

32 **Sec. 35.** *“Public utility” has the meaning ascribed to it in NRS*
33 *704.020 and 704.030.*

34 **Sec. 36.** 1. *“Retail customer” means an end-use customer that*
35 *purchases natural gas or electricity for consumption in this state.*

36 2. *The term includes, without limitation:*

37 (a) *A residential, commercial or industrial end-use customer that*
38 *purchases natural gas or electricity for consumption in this state,*
39 *including, without limitation, an eligible customer that purchases*
40 *electricity for consumption in this state from a provider of new electric*
41 *resources pursuant to the provisions of sections 3 to 26, inclusive, of this*
42 *act.*

43 (b) *A landlord of a mobile home park or owner of a company town*
44 *who is subject to any of the provisions of NRS 704.905 to 704.960,*
45 *inclusive.*

46 (c) *A landlord who pays for natural gas or electricity that is delivered*
47 *through a master meter and who distributes or resells the natural gas or*
48 *electricity to one or more tenants for consumption in this state.*



1 3. *The term does not include this state, a political subdivision of this*
2 *state or an agency or instrumentality of this state or political subdivision*
3 *of this state when it is an end-use customer that purchases natural gas or*
4 *electricity for consumption in this state, including, without limitation,*
5 *when it is an eligible customer that purchases electricity for consumption*
6 *in this state from a provider of new electric resources pursuant to the*
7 *provisions of sections 3 to 26, inclusive, of this act.*
8 Sec. 37. *"Universal energy charge" means the charge imposed*
9 *pursuant to section 40 of this act.*
10 Sec. 38. *"Welfare division" means the welfare division of the*
11 *department of human resources.*
12 Sec. 39. 1. *The provisions of section 40 of this act do not apply to*
13 *any therm of natural gas or any kilowatt-hour of electricity that a retail*
14 *customer purchases from:*
15 (a) *A rural electric cooperative established pursuant to chapter 81 of*
16 *NRS.*
17 (b) *A general improvement district established pursuant to chapter*
18 *318 of NRS.*
19 (c) *A cooperative association, nonprofit corporation, nonprofit*
20 *association or provider of service which is declared to be a public utility*
21 *pursuant to NRS 704.673 and which provides service only to its members.*
22 2. *If a retail customer is exempted from paying the universal energy*
23 *charge pursuant to subsection 1, the retail customer may not receive*
24 *money or other assistance from:*
25 (a) *The welfare division pursuant to section 43 of this act for any*
26 *utility service for which the retail customer is exempted from paying the*
27 *universal energy charge; or*
28 (b) *The housing division pursuant to section 44 of this act.*
29 Sec. 40. 1. *Except as otherwise provided in this section and section*
30 *39 of this act, each retail customer shall pay:*
31 (a) *A universal energy charge of 3.30 mills on each therm of natural*
32 *gas that the retail customer purchases from another person for*
33 *consumption in this state; and*
34 (b) *A universal energy charge of 0.39 mills on each kilowatt-hour of*
35 *electricity that the retail customer purchases from another person for*
36 *consumption in this state.*
37 2. *The provisions of subsection 1 do not apply to:*
38 (a) *Any therm of natural gas used as a source of energy to generate*
39 *electricity.*
40 (b) *Any kilowatt-hour of electricity used in industries utilizing*
41 *electrolytic-manufacturing processes.*
42 3. *If a retail customer uses the distribution services of a public utility*
43 *or municipal utility to acquire natural gas or electricity that is subject to*
44 *the universal energy charge, the public utility or municipal utility*
45 *providing the distribution services shall:*
46 (a) *Collect the universal energy charge from each such retail*
47 *customer;*
48 (b) *Ensure that the universal energy charge is set forth as a separate*
49 *item or entry on the bill of each such retail customer; and*



1 (c) Not later than 30 days after the end of each calendar quarter,
2 remit to the commission the total amount of money collected by the
3 public utility or municipal utility for the universal energy charge for the
4 immediately preceding calendar quarter.

5 4. If a retail customer does not use the distribution services of a
6 public utility or municipal utility to acquire natural gas or electricity that
7 is subject to the universal energy charge, not later than 30 days after the
8 end of each calendar quarter, the retail customer shall remit to the
9 commission the total amount of money owed by the retail customer for
10 the universal energy charge for the immediately preceding calendar
11 quarter.

12 5. If, for any calendar quarter, a single retail customer or multiple
13 retail customers under common ownership and control pay, in the
14 aggregate, a universal energy charge of more than \$25,000 for all
15 consumption of natural gas and electricity during the calendar quarter,
16 such retail customers are entitled to a refund, for that calendar quarter,
17 of the amount of the universal energy charge that exceeds \$25,000. To
18 receive a refund pursuant to this section, not later than 90 days after the
19 end of the calendar quarter for which the refund is requested, such retail
20 customers must file with the commission a request for a refund. If a
21 request for a refund is filed with the commission:

22 (a) The commission shall determine and certify the amount of the
23 refund; and

24 (b) The refund must be paid as other claims against the state are paid
25 from money in the fund.

26 **Sec. 41. 1.** The commission shall adopt regulations to carry out
27 and enforce the provisions of section 40 of this act. Such regulations may
28 require public utilities, municipal utilities and retail customers that are
29 required to collect or remit money for the universal energy charge to file
30 reports and to provide the commission with information relating to
31 compliance with the requirements of the universal energy charge.

32 2. In carrying out the provisions of section 40 of this act, the
33 commission shall solicit advice from the consumer's advocate of the
34 bureau of consumer protection in the office of the attorney general,
35 public utilities and municipal utilities and other knowledgeable persons.

36 3. The commission may conduct audits and investigations of public
37 utilities, municipal utilities and retail customers that are required to
38 collect or remit money for the universal energy charge, if the commission
39 determines that such audits and investigations are necessary to verify
40 compliance with the requirements of the universal energy charge. In
41 conducting such audits and investigations, the commission may exercise
42 any of the investigative powers granted to the commission pursuant to
43 chapter 703 of NRS, including, without limitation, the power to issue
44 orders to compel the appearance of witnesses and the production of
45 books, accounts, papers and records.

46 4. To carry out its powers and duties pursuant to this chapter, the
47 commission is entitled to an administrative charge of not more than 3
48 percent of the money collected for the universal energy charge. After
49 deduction of its administrative charge, the commission shall deposit the



1 remaining money collected for the universal energy charge in the state
2 treasury for credit to the fund.

3 5. The commission may bring an appropriate action in its own name
4 for recovery of any money that a person fails to pay, collect or remit in
5 violation of the requirements of the universal energy charge.

6 **Sec. 42.** 1. There is hereby created as a special revenue fund in the
7 state treasury the fund for energy assistance and conservation. The
8 welfare division shall administer the fund.

9 2. In addition to the money that must be credited to the fund from the
10 universal energy charge, all money received from private or public
11 sources to carry out the purposes of this chapter must be deposited in the
12 state treasury for credit to the fund.

13 3. The welfare division shall, to the extent practicable, ensure that
14 the money in the fund is administered in a manner which is coordinated
15 with all other sources of money that are available for energy assistance
16 and conservation, including, without limitation, money contributed from
17 private sources, money obtained from the Federal Government and
18 money obtained from any agency or instrumentality of this state or
19 political subdivision of this state.

20 4. The interest and income earned on the money in the fund, after
21 deducting any applicable charges, must be credited to the fund. All
22 claims against the fund must be paid as other claims against the state are
23 paid.

24 5. After deduction of any refunds paid from the fund pursuant to
25 section 40 of this act, the money in the fund must be distributed pursuant
26 to sections 43 and 44 of this act.

27 **Sec. 43.** 1. Seventy-five percent of the money in the fund must be
28 distributed to the welfare division for programs to assist eligible
29 households in paying for natural gas and electricity. The welfare division
30 may use not more than 3 percent of the money distributed to it pursuant
31 to this section for its administrative expenses.

32 2. Except as otherwise provided in section 39 of this act, after
33 deduction for its administrative expenses, the welfare division may use
34 the money distributed to it pursuant to this section only to:

- 35 (a) Assist eligible households in paying for natural gas and electricity.
36 (b) Carry out activities related to consumer outreach.
37 (c) Pay for program design.
38 (d) Pay for the annual evaluations conducted pursuant to section 45
39 of this act.

40 3. Except as otherwise provided in subsection 4, to be eligible to
41 receive assistance from the welfare division pursuant to this section, a
42 household must have a household income that is not more than 150
43 percent of the federally designated level signifying poverty, as determined
44 by the welfare division.

45 4. The welfare division is authorized to render emergency assistance
46 to a household if an emergency related to the cost or availability of
47 natural gas or electricity threatens the health or safety of one or more of
48 the members of the household. Such emergency assistance may be



1 rendered upon the good faith belief that the household is otherwise
2 eligible to receive assistance pursuant to this section.

3 5. Before July 1, 2002, if a household is eligible to receive assistance
4 pursuant to this section, the welfare division shall determine the amount
5 of assistance that the household will receive by using the existing
6 formulas set forth in the state plan for low-income home energy
7 assistance.

8 6. On or after July 1, 2002, if a household is eligible to receive
9 assistance pursuant to this section, the welfare division:

10 (a) Shall, to the extent practicable, determine the amount of assistance
11 that the household will receive by determining the amount of assistance
12 that is sufficient to reduce the percentage of the household's income that
13 is spent on natural gas and electricity to the median percentage of
14 household income spent on natural gas and electricity statewide.

15 (b) May adjust the amount of assistance that the household will
16 receive based upon such factors as:

17 (1) The income of the household;

18 (2) The size of the household;

19 (3) The type of energy that the household uses; and

20 (4) Any other factor which, in the determination of the welfare
21 division, may make the household particularly vulnerable to increases in
22 the cost of natural gas or electricity.

23 7. The welfare division shall adopt regulations to carry out and
24 enforce the provisions of this section and section 42 of this act.

25 8. In carrying out the provisions of this section, the welfare division
26 shall:

27 (a) Solicit advice from the housing division and from other
28 knowledgeable persons;

29 (b) Identify and implement appropriate delivery systems to distribute
30 money from the fund and to provide other assistance pursuant to this
31 section;

32 (c) Coordinate with other federal, state and local agencies that provide
33 energy assistance or conservation services to low-income persons and, to
34 the extent allowed by federal law and to the extent practicable, use the
35 same simplified application forms as those other agencies;

36 (d) Establish a process for evaluating the programs conducted
37 pursuant to this section;

38 (e) Develop a process for making changes to such programs; and

39 (f) Engage in annual planning and evaluation processes with the
40 housing division as required by section 45 of this act.

41 **Sec. 44. 1.** Twenty-five percent of the money in the fund must be
42 distributed to the housing division for programs of energy conservation,
43 weatherization and energy efficiency for eligible households. The
44 housing division may use not more than 6 percent of the money
45 distributed to it pursuant to this section for its administrative expenses.

46 2. Except as otherwise provided in section 39 of this act, after
47 deduction for its administrative expenses, the housing division may use
48 the money distributed to it pursuant to this section only to:



- 1 (a) Provide an eligible household with services of basic home energy
2 conservation and home energy efficiency or to assist an eligible
3 household to acquire such services, including, without limitation,
4 services of load management.
- 5 (b) Pay for appropriate improvements associated with energy
6 conservation, weatherization and energy efficiency.
- 7 (c) Carry out activities related to consumer outreach.
- 8 (d) Pay for program design.
- 9 (e) Pay for the annual evaluations conducted pursuant to section 45
10 of this act.
- 11 3. Except as otherwise provided in subsection 4, to be eligible to
12 receive assistance from the housing division pursuant to this section, a
13 household must have a household income that is not more than 150
14 percent of the federally designated level signifying poverty, as determined
15 by the housing division.
- 16 4. The housing division is authorized to render emergency assistance
17 to a household if the health or safety of one or more of the members of
18 the household is threatened because of the structural, mechanical or
19 other failure of:
- 20 (a) The unit of housing in which the household dwells; or
- 21 (b) A component or system of the unit of housing in which the
22 household dwells.
- 23 Such emergency assistance may be rendered upon the good faith belief
24 that the household is otherwise eligible to receive assistance pursuant to
25 this section.
- 26 5. The housing division shall adopt regulations to carry out and
27 enforce the provisions of this section.
- 28 6. In carrying out the provisions of this section, the housing division
29 shall:
- 30 (a) Solicit advice from the welfare division and from other
31 knowledgeable persons;
- 32 (b) Identify and implement appropriate delivery systems to distribute
33 money from the fund and to provide other assistance pursuant to this
34 section;
- 35 (c) Coordinate with other federal, state and local agencies that provide
36 energy assistance or conservation services to low-income persons and, to
37 the extent allowed by federal law and to the extent practicable, use the
38 same simplified application forms as those other agencies;
- 39 (d) Encourage other persons to provide resources and services,
40 including, to the extent practicable, schools and programs that provide
41 training in the building trades and apprenticeship programs;
- 42 (e) Establish a process for evaluating the programs conducted
43 pursuant to this section;
- 44 (f) Develop a process for making changes to such programs; and
- 45 (g) Engage in annual planning and evaluation processes with the
46 welfare division as required by section 45 of this act.
- 47 Sec. 45. 1. The welfare division and the housing division jointly
48 shall establish an annual plan to coordinate their activities and programs
49 pursuant to this chapter. In preparing the annual plan, the divisions



1 shall solicit advice from knowledgeable persons. The annual plan must
2 include, without limitation, a description of:

3 (a) The resources and services being used by each program and the
4 efforts that will be undertaken to increase or improve those resources
5 and services;

6 (b) The efforts that will be undertaken to improve administrative
7 efficiency;

8 (c) The efforts that will be undertaken to coordinate with other
9 federal, state and local agencies, nonprofit organizations and any private
10 business or trade organizations that provide energy assistance or
11 conservation services to low-income persons;

12 (d) The measures concerning program design that will be undertaken
13 to improve program effectiveness; and

14 (e) The efforts that will be taken to address issues identified during the
15 most recently completed annual evaluation conducted pursuant to
16 subsection 2.

17 2. The welfare division and the housing division jointly shall:

18 (a) Conduct an annual evaluation of the programs that each division
19 carries out pursuant to sections 43 and 44 of this act;

20 (b) Solicit advice from the commission as part of the annual
21 evaluation; and

22 (c) Prepare a report concerning the annual evaluation and submit the
23 report to the governor, the legislative commission and the interim finance
24 committee.

25 3. The report prepared pursuant to subsection 2 must include,
26 without limitation:

27 (a) A description of the objectives of each program;

28 (b) An analysis of the effectiveness and efficiency of each program in
29 meeting the objectives of the program;

30 (c) The amount of money distributed from the fund for each program
31 and a detailed description of the use of that money for each program;

32 (d) An analysis of the coordination between the divisions concerning
33 each program; and

34 (e) Any changes planned for each program.

35 **Sec. 46.** Chapter 703 of NRS is hereby amended by adding thereto a
36 new section to read as follows:

37 1. In any contested case pending before the commission, the
38 regulatory operations staff of the commission may, without filing a
39 petition for leave to intervene:

40 (a) Appear and participate in the contested case as an independent
41 party; and

42 (b) Be represented by legal counsel in the contested case.

43 2. A commissioner may not discuss with a member of the regulatory
44 operations staff of the commission any substantive issues of fact or law
45 concerning a contested case pending before the commission except upon
46 notice to all parties to the contested case and an opportunity for all such
47 parties to participate.

48 3. As used in this section, "contested case" has the meaning ascribed
49 to it in NRS 233B.032.



1 **Sec. 47.** NRS 703.030 is hereby amended to read as follows:
2 703.030 1. The commission consists of ~~three~~ *five* commissioners
3 appointed by the governor. ~~For terms of~~ *After the initial terms, the term*
4 *of each commissioner is* 4 years.

5 2. The governor shall appoint ~~as members of the commission~~
6 ~~persons~~ :

7 ~~(a)~~ *(a) One commissioner to represent the general public.*

8 ~~(b)~~ *(b) Four commissioners* who have at least 2 years of experience in one
9 or more of the following fields:

10 ~~(a)~~ *(1)* Accounting.

11 ~~(b)~~ *(2)* Business administration.

12 ~~(c)~~ *(3)* Finance or economics.

13 ~~(d)~~ *(4)* Administrative law.

14 ~~(e)~~ *(5)* Professional engineering.

15 *Not more than two of the commissioners appointed pursuant to this*
16 *paragraph may be from the same field of experience.*

17 3. Not more than ~~two~~ *three* of the commissioners may be ~~+~~

18 ~~—(a) Members~~ *members* of the same political party.

19 ~~—(b) From the same field of experience.~~

20 4. *A vacancy on the commission must be filled for the remainder of*
21 *the unexpired term in the same manner as the original appointment.*

22 **Sec. 48.** NRS 703.110 is hereby amended to read as follows:

23 703.110 1. ~~The~~ *Except as otherwise provided in subsection 2, a*
24 majority of the commissioners ~~have~~ *has* full power to act in all matters
25 within ~~their jurisdiction~~ *the jurisdiction of the commission and shall*
26 *exercise all the powers of the commission.*

27 2. If ~~two~~ *a majority of the* commissioners are disqualified or if there
28 are ~~two~~ vacancies within the ~~commission~~ *offices of a majority of the*
29 *commissioners, the remaining commissioners or, if only one*
30 *commissioner is remaining, the remaining* commissioner ~~to~~ *has full*
31 *power to act in all matters within the jurisdiction of the commission and*
32 shall exercise all the powers of the commission.

33 3. Except as otherwise provided in this chapter, all hearings and
34 meetings conducted by the commission must be open to the public.

35 **Sec. 49.** NRS 703.130 is hereby amended to read as follows:

36 703.130 1. The commission shall appoint a deputy commissioner
37 who shall serve in the unclassified service of the state.

38 2. The commission shall appoint a secretary who shall perform such
39 administrative and other duties as are prescribed by the commission. The
40 commission shall also appoint an assistant secretary.

41 3. The commission may employ such other clerks, experts or engineers
42 as may be necessary.

43 4. Except as otherwise provided in subsection 5, the commission:

44 (a) May appoint one or more hearing officers for a period specified by
45 the commission to conduct proceedings or hearings that may be conducted
46 by the commission pursuant to chapters 704, 704A, 705, 708 and 711 of
47 NRS ~~+~~ *and sections 3 to 26, inclusive, and sections 40 and 41 of this act.*

48 (b) Shall prescribe by regulation the procedure for appealing a decision
49 of a hearing officer to the commission.



1 5. The commission shall not appoint a hearing officer to conduct
2 proceedings or hearings :

3 *(a) In any matter pending before the commission pursuant to sections*
4 *8 to 18, inclusive, of ~~this act,~~ chapter 16, Statutes of Nevada 2001; or*

5 *(b) In any matter pending before the commission pursuant to NRS*
6 *704.070 to 704.110, inclusive, and sections 63 to 68, inclusive, of this act*
7 *in which an electric utility has filed a general rate application or an*
8 *application to clear its deferred accounts.*

9 6. As used in this section, "electric utility" has the meaning ascribed
10 to it in section 19 of chapter 16, Statutes of Nevada 2001.

11 **Sec. 50.** NRS 703.147 is hereby amended to read as follows:

12 703.147 1. The public utilities commission regulatory fund is hereby
13 created as a special revenue fund. Except as otherwise provided in section
14 12 of ~~this act,~~ chapter 519, Statutes of Nevada 2001, and section 41 of
15 *this act*, all money collected by the commission pursuant to law must be
16 deposited in the state treasury for credit to the fund. Money collected for
17 the use of the consumer's advocate of the bureau of consumer protection in
18 the office of the attorney general must be transferred pursuant to the
19 provisions of subsection 8 of NRS 704.035.

20 2. Money in the fund which belongs to the commission may be used
21 only to defray the costs of:

22 (a) Maintaining staff and equipment to regulate adequately public
23 utilities and other persons subject to the jurisdiction of the commission.

24 (b) Participating in all rate cases involving those persons.

25 (c) Audits, inspections, investigations, publication of notices, reports
26 and retaining consultants connected with that regulation and participation.

27 (d) The salaries, travel expenses and subsistence allowances of the
28 members of the commission.

29 3. All claims against the fund must be paid as other claims against the
30 state are paid.

31 4. The commission must furnish upon request a statement showing the
32 balance remaining in the fund as of the close of the preceding fiscal year.

33 **Sec. 51.** NRS 703.164 is hereby amended to read as follows:

34 703.164 1. The commission may employ, or retain on a contract
35 basis, legal counsel who shall:

36 (a) Except as otherwise provided in subsection 2, be counsel and
37 attorney for the commission in all actions, proceedings and hearings.

38 (b) Prosecute in the name of the ~~public utilities commission of Nevada~~
39 *commission* all civil actions for the enforcement of chapters 704, 704A,
40 705 and 708 of NRS *and sections 3 to 26, inclusive, and sections 40 and*
41 *41 of this act* and for the recovery of any penalty or forfeiture provided for
42 therein.

43 (c) Generally aid the commission in the performance of its duties and
44 the enforcement of chapters 704, 704A, 705 and 708 of NRS ~~§~~ *and*
45 *sections 3 to 26, inclusive, and sections 40 and 41 of this act.*

46 2. Each district attorney shall:

47 (a) Prosecute any violation of chapter 704, 704A, 705, 708 or 711 of
48 NRS for which a criminal penalty is provided and which occurs in his
49 county.



1 (b) Aid in any investigation, prosecution, hearing or trial held under the
2 provisions of chapter 704, 704A, 705, 708 or 711 of NRS and, at the
3 request of the commission or its legal counsel, act as counsel and attorney
4 for the commission.

5 3. The attorney general shall, if the district attorney fails or refuses to
6 do so, prosecute all violations of the laws of this state by public utilities
7 under the jurisdiction of the commission and their officers, agents and
8 employees.

9 4. The attorney general is not precluded from appearing in or moving
10 to intervene in any action and representing the interest of the State of
11 Nevada in any action in which the commission is a party and is represented
12 by independent counsel.

13 **Sec. 52.** NRS 703.196 is hereby amended to read as follows:

14 703.196 1. Any books, accounts, records, minutes, papers and
15 property of any public utility that are subject to examination pursuant to
16 NRS 703.190 or 703.195 and are made available to the commission, any
17 officer or employee of the commission, the bureau of consumer protection
18 in the office of the attorney general or any other person under the condition
19 that the disclosure of such information to the public be withheld or
20 otherwise limited, must not be disclosed to the public unless the
21 commission first determines that the disclosure is justified.

22 2. The commission shall take such actions as are necessary to protect
23 the confidentiality of such information, including, without limitation:

24 (a) Granting such protective orders as it deems necessary; and

25 (b) Holding closed hearings to receive or examine such information.

26 3. If the commission closes a hearing to receive or examine such
27 information, it shall:

28 (a) Restrict access to the records and transcripts of such hearings
29 without the prior approval of the commission or an order of a court of
30 competent jurisdiction authorizing access to the records or transcripts; and

31 (b) Prohibit any participant at such a hearing from disclosing such
32 information without the prior authorization of the commission.

33 4. A representative of the *regulatory operations* staff of the
34 commission and the bureau of consumer protection:

35 (a) May attend any closed hearing held pursuant to this section; and

36 (b) Have access to any records or other information determined to be
37 confidential pursuant to this section.

38 5. The commission shall consider in an open meeting whether the
39 information reviewed or examined in a closed hearing may be disclosed
40 without revealing the confidential subject matter of the information. To the
41 extent the commission determines the information may be disclosed, the
42 information must become a part of the records available to the public.
43 Information which the commission determines may not be disclosed must
44 be kept under seal.

45 **Sec. 53.** NRS 703.197 is hereby amended to read as follows:

46 703.197 1. The commission may collect fees for the filing of any
47 official document required by this chapter and chapters 704, 704A, 705 and
48 708 of NRS *and sections 3 to 26, inclusive, of this act* or by a regulation
49 of the commission.



- 1 2. Filing fees may not exceed:
2 (a) For applications, \$200.
3 (b) For petitions seeking affirmative relief, \$200.
4 (c) For each tariff page which requires public notice and is not attached
5 to an application, \$10. If more than one page is filed at one time, the total
6 fee may not exceed the cost of notice and publication.
7 (d) For all other documents which require public notice, \$10.
8 3. If an application or other document is rejected by the commission
9 because it is inadequate or inappropriate, the filing fee must be returned.
10 4. The commission may not charge any fee for filing ~~tariff~~ :
11 (a) A complaint.
12 (b) *A request for a refund pursuant to section 40 of this act.*
13 **Sec. 54.** NRS 703.320 is hereby amended to read as follows:
14 703.320 1. In any matter pending before the commission, if a hearing
15 is required by a specific statute or is otherwise required by the commission,
16 the commission shall give notice of the pendency of the matter to all
17 persons entitled to notice of the hearing. The commission shall by
18 regulation specify:
19 (a) The manner of giving notice in each type of proceeding; and
20 (b) The persons entitled to notice in each type of proceeding.
21 2. The commission shall not dispense with a hearing ~~tariff~~ :
22 (a) *In any matter pending before the commission pursuant to sections 8*
23 *to 18, inclusive, of ~~this act~~ chapter 16, Statutes of Nevada 2001; or*
24 (b) *Except as otherwise provided in subsection 4 of NRS 704.100, in*
25 *any matter pending before the commission pursuant to NRS 704.070 to*
26 *704.110, inclusive, and sections 63 to 68, inclusive, of this act in which*
27 *an electric utility has filed a general rate application or an application to*
28 *clear its deferred accounts.*
29 3. In any other matter pending before the commission, the commission
30 may dispense with a hearing and act upon the matter pending unless,
31 within 10 days after the date of the notice of pendency, a person entitled to
32 notice of the hearing files with the commission a request that the hearing
33 be held. If such a request for a hearing is filed, the commission shall give at
34 least 10 days' notice of the hearing.
35 4. *As used in this section, "electric utility" has the meaning ascribed*
36 *to it in section 19 of chapter 16, Statutes of Nevada 2001.*
37 **Sec. 55.** NRS 703.330 is hereby amended to read as follows:
38 703.330 1. A complete record must be kept of all hearings before the
39 commission . ~~tariff and all~~ *All testimony at such hearings* must be taken
40 down by the stenographer appointed by the commission, or, under the
41 direction of any competent person appointed by the commission, *must be*
42 reported by sound recording equipment in the manner authorized for
43 reporting testimony in district courts. The testimony reported by a
44 stenographer must be transcribed, and the transcript filed with the record in
45 the matter. The commission may by regulation provide for the transcription
46 or safekeeping of sound recordings. Cost of recording and transcribing
47 testimony at any hearing, except those hearings ordered pursuant to NRS
48 703.310 , must be paid by the applicant. If a complaint is made pursuant to
49 NRS 703.310 by a customer or by a political subdivision of the state or



1 municipal organization, the complainant is not liable for any costs.
2 Otherwise, if there are several applicants or parties to any hearing, the
3 commission may apportion the costs among them in its discretion.

4 2. ~~{Whenever any complaint}~~ *If a petition* is served upon the
5 commission as provided in NRS 703.373 for the bringing of an action
6 against the commission, before the action is reached for trial, the
7 commission shall file a certified copy of all proceedings and testimony
8 taken with the clerk of the court in which the action is pending.

9 3. A copy of the proceedings and testimony must be furnished to any
10 party, on payment of a reasonable amount, to be fixed by the commission,
11 and the amount must be the same for all parties.

12 4. The provisions of this section do not prohibit the commission from
13 ~~{restricting}~~ :

14 (a) *Restricting* access to the records and transcripts of a hearing
15 pursuant to paragraph (a) of subsection 3 of NRS 703.196.

16 (b) *Protecting the confidentiality of information pursuant to section*
17 *20 or 21 of this act.*

18 **Sec. 56.** NRS 703.374 is hereby amended to read as follows:

19 703.374 1. A court of competent jurisdiction, after hearing, may
20 issue an injunction suspending or staying any final order of the commission
21 if:

22 (a) The applicant has filed a motion for a preliminary injunction;
23 (b) The applicant has served the motion on the commission and other
24 interested parties within 20 days after the rendition of the order on which
25 the complaint is based;

26 (c) The court finds there is a reasonable likelihood that the applicant
27 will prevail on the merits of the matter and will suffer irreparable injury if
28 injunctive relief is not granted; and

29 (d) The applicant files a bond or other undertaking to secure the adverse
30 parties in such manner as the court finds sufficient.

31 2. The decision of the commission on each matter considered shall be
32 deemed reasonable and just until set aside by the court . ~~{, and in}~~ *In* all
33 actions for *an* injunction or ~~{otherwise}~~ *for any other relief*, the burden of
34 proof is upon the party attacking or resisting the order of the commission to
35 show by clear and satisfactory evidence that the order is unlawful ~~{,}~~ or
36 unreasonable . ~~{, as the case may be,}~~

37 3. If an injunction is granted by the court and the order complained of
38 is one which ~~{permanently suspends}~~ :

39 (a) *Disapproves a public utility's proposed changes in* a schedule of
40 rates ~~{and charges or a}~~ , *or any* part thereof , ~~{filed by any public utility}~~
41 pursuant to NRS 704.070 to 704.110, inclusive, ~~{or which otherwise}~~ *and*
42 *sections 63 to 68, inclusive, of this act; or*

43 (b) *Otherwise* prevents the *proposed changes in the* schedule , or any
44 part thereof , from taking effect,
45 the public utility complaining may ~~{keep in effect or put}~~ *place* into
46 effect ~~{, as the case may be, the suspended}~~ *the proposed changes in the*
47 schedule , or any part thereof , pending final determination by the court
48 having jurisdiction, by filing a bond with the court in such an amount as
49 the court may fix, conditioned upon the refund to persons entitled to the



1 excess amount if the ~~rate or rates so suspended~~ *proposed changes in the*
2 *schedule, or any part thereof*, are finally determined by the court to be
3 excessive.

4 **Sec. 57.** NRS 703.377 is hereby amended to read as follows:

5 703.377 1. ~~No~~ *Any* certificate of public convenience and necessity,
6 permit or license issued *or transferred* in accordance with the ~~terms~~
7 *provisions* of NRS ~~704.005~~ *704.001* to 704.751, inclusive, is ~~either~~ *not*
8 a franchise or irrevocable.

9 2. Upon receipt of a written complaint or on its own motion, the
10 commission may, after investigation and hearing, revoke any certificate,
11 permit or license, ~~but as to~~ *except that the commission may not revoke*
12 *the certificate of* a public utility ~~only if~~ *unless* the commission has
13 arranged for another public utility to provide the service for which the
14 certificate was granted.

15 3. ~~The proceedings thereafter are governed by~~ *If the commission*
16 *revokes any certificate, permit or license, the person who held the*
17 *certificate, permit or license may seek judicial review pursuant to* the
18 provisions of NRS 703.373 to 703.376, inclusive.

19 **Sec. 58.** Chapter 704 of NRS is hereby amended by adding thereto the
20 provisions set forth as sections 59 to 68, inclusive, of this act.

21 **Sec. 59.** *"Biomass" means any organic matter that is available on a*
22 *renewable basis, including, without limitation:*

- 23 1. *Agricultural crops and agricultural wastes and residues;*
24 2. *Wood and wood wastes and residues;*
25 3. *Animal wastes;*
26 4. *Municipal wastes; and*
27 5. *Aquatic plants.*

28 **Sec. 60.** *"Consumer's advocate" means the consumer's advocate of*
29 *the bureau of consumer protection in the office of the attorney general.*

30 **Sec. 61.** *"Renewable energy" has the meaning ascribed to it in*
31 *section 7 of chapter 519, Statutes of Nevada 2001.*

32 **Sec. 62.** 1. *For the purposes of protecting the health of residential*
33 *customers who receive gas, water or electricity from public utilities, the*
34 *commission shall adopt or amend regulations that:*

35 (a) *Establish the criteria that will be used to determine when a public*
36 *utility is required to postpone its termination of utility service to the*
37 *residence of a residential customer who has failed to pay for such*
38 *service. Such criteria may be based in part upon the residential*
39 *customer's ability to pay.*

40 (b) *Require a public utility to postpone its termination of utility service*
41 *to the residence of a residential customer who has failed to pay for such*
42 *service if the residential customer satisfies the criteria established by the*
43 *commission and termination of the utility service is reasonably likely to*
44 *threaten the health of an occupant of the residence of the residential*
45 *customer.*

46 2. *In addition to the regulations adopted or amended pursuant to*
47 *subsection 1, for the purposes of regulating public utilities that provide*
48 *gas, water or electricity to landlords who pay for the utility service and*
49 *who distribute or resell the gas, water or electricity to one or more*



1 *residential tenants, the commission shall adopt or amend regulations to*
2 *require a public utility to use its best efforts to post, in a conspicuous*
3 *location, notice of the intent of the public utility to terminate utility*
4 *service because the landlord has failed to pay for such service. Such*
5 *notice must provide sufficient information to allow residential tenants or*
6 *their occupants to contact the public utility if termination of the utility*
7 *service is reasonably likely to threaten the health of an occupant of the*
8 *residence of a residential tenant.*
9 3. *A public utility shall not terminate utility service for gas, water or*
10 *electricity without complying with the regulations adopted by the*
11 *commission pursuant to this section.*
12 4. *As used in this section:*
13 (a) *“Gas” includes, without limitation, liquefied petroleum gas and*
14 *natural gas.*
15 (b) *“Landlord” means a landlord who is subject, in whole or in part,*
16 *to the provisions of chapter 118A or 118B of NRS.*
17 Sec. 63. *As used in NRS 704.070 to 704.110, inclusive, and sections*
18 *63 to 68, inclusive, of this act, unless the context otherwise requires, the*
19 *words and terms defined in sections 64, 65 and 66 of this act have the*
20 *meanings ascribed to them in those sections.*
21 Sec. 64. *“Application to make changes in any schedule” and*
22 *“application” include, without limitation:*
23 1. *A general rate application;*
24 2. *An application to recover the increased cost of purchased fuel,*
25 *purchased power, or natural gas purchased for resale; and*
26 3. *An application to clear deferred accounts.*
27 Sec. 65. *“Rate” means any individual or joint rate, toll or charge*
28 *imposed by a public utility for a service performed or product furnished*
29 *by the public utility.*
30 Sec. 66. *“Schedule” means any schedule that establishes or*
31 *otherwise sets the rates for a public utility and any individual or joint*
32 *rule, regulation, practice, classification or measurement that in any*
33 *manner affects those rates.*
34 Sec. 67. *For the purposes of NRS 704.070 to 704.110, inclusive, and*
35 *sections 63 to 68, inclusive, of this act, a public utility shall be deemed to*
36 *make changes in a schedule if the public utility implements a new*
37 *schedule or amends an existing schedule.*
38 Sec. 68. 1. *The commission shall conduct a consumer session to*
39 *solicit comments from the public in any matter pending before the*
40 *commission pursuant to NRS 704.070 to 704.110, inclusive, and sections*
41 *63 to 68, inclusive, of this act in which:*
42 (a) *A public utility has filed a general rate application, an application*
43 *to recover the increased cost of purchased fuel, purchased power, or*
44 *natural gas purchased for resale or an application to clear its deferred*
45 *accounts; and*
46 (b) *The changes proposed in the application will result in an increase*
47 *in annual gross operating revenue, as certified by the applicant, in an*
48 *amount that will exceed \$50,000 or 10 percent of the applicant’s annual*
49 *gross operating revenue, whichever is less.*



1 2. *In addition to the case-specific consumer sessions required by*
2 *subsection 1, the commission shall, during each calendar year, conduct*
3 *at least one general consumer session in the county with the largest*
4 *population in this state and at least one general consumer session in the*
5 *county with the second largest population in this state. At each general*
6 *consumer session, the commission shall solicit comments from the public*
7 *on issues concerning public utilities. Not later than 60 days after each*
8 *general consumer session, the commission shall submit the record from*
9 *the general consumer session to the legislative commission.*

10 **Sec. 69.** NRS 704.005 is hereby amended to read as follows:

11 704.005 As used in this chapter, unless the context otherwise requires,
12 the words and terms defined in NRS 704.010 to 704.030, inclusive, *and*
13 *sections 59 and 60 of this act* have the meanings ascribed to them in those
14 sections.

15 **Sec. 70.** NRS 704.033 is hereby amended to read as follows:

16 704.033 1. The commission shall levy and collect an annual
17 assessment from all public utilities subject to the jurisdiction of the
18 commission.

19 2. Except as otherwise provided in subsection 3, the annual assessment
20 must be:

21 (a) For the use of the commission, not more than 3.50 mills; and

22 (b) For the use of the consumer's advocate, ~~for the bureau of consumer~~
23 ~~protection in the office of the attorney general,~~ not more than
24 0.75 mills,

25 on each dollar of gross operating revenue derived from the intrastate
26 operations of such utilities in the State of Nevada, except that the minimum
27 assessment in any 1 year must be \$10. The total annual assessment must be
28 not more than 4.25 mills.

29 3. For railroads the total annual assessment must be the amount levied
30 for the use of the commission pursuant to paragraph (a) of subsection 2.
31 The levy for the use of the consumer's advocate must not be assessed
32 against railroads.

33 4. The gross operating revenue of the utilities must be determined for
34 the preceding calendar year. In the case of:

35 (a) Telephone utilities, except as *otherwise* provided in paragraph (c),
36 the revenue shall be deemed to be all intrastate revenues that are
37 considered by the commission for the purpose of establishing rates.

38 (b) Railroads, the revenue shall be deemed to be the revenue received
39 only from freight and passenger intrastate movements.

40 (c) All public utilities, the revenue does not include the proceeds of any
41 commodity, energy or service furnished to another public utility for resale.

42 **Sec. 71.** NRS 704.035 is hereby amended to read as follows:

43 704.035 1. On or before June 1 of each year, the commission shall
44 mail revenue report forms to all public utilities under its jurisdiction, to the
45 address of those utilities on file with the commission. The revenue report
46 form serves as notice of the commission's intent to assess the utilities, but
47 failure to notify any utility does not invalidate the assessment with respect
48 thereto.



1 2. Each public utility subject to the provisions of NRS 704.033 shall
2 complete the revenue report referred to in subsection 1, compute the
3 assessment and return the completed revenue report to the commission
4 accompanied by payment of the assessment and any penalty due, pursuant
5 to the provisions of subsection 5.

6 3. The assessment is due on July 1 of each year, but may, at the option
7 of the public utility, be paid quarterly on July 1, October 1, January 1 and
8 April 1.

9 4. The assessment computed by the utility is subject to review and
10 audit by the commission, and the amount of the assessment may be
11 adjusted by the commission as a result of the audit and review.

12 5. Any public utility failing to pay the assessment provided for in NRS
13 704.033 on or before August 1, or if paying quarterly, on or before
14 August 1, October 1, January 1 or April 1, shall pay, in addition to such
15 assessment, a penalty of 1 percent of the total unpaid balance for each
16 month or portion thereof that the assessment is delinquent, or \$10,
17 whichever is greater, but no penalty may exceed \$1,000 for each
18 delinquent payment.

19 6. When a public utility sells, transfers or conveys substantially all of
20 its assets or certificate of public convenience and necessity, the
21 commission shall determine, levy and collect the accrued assessment for
22 the current year not later than 30 days after the sale, transfer or
23 conveyance, unless the transferee has assumed liability for the assessment.
24 For purposes of this subsection the jurisdiction of the commission over the
25 selling, transferring or conveying public utility continues until it has paid
26 the assessment.

27 7. The commission may bring an appropriate action in its own name
28 for the collection of any assessment and penalty which is not paid as
29 provided in this section.

30 8. The commission shall, on a quarterly basis, transfer to the account
31 for the consumer's advocate ~~{of the bureau of consumer protection in the~~
32 ~~office of the attorney general}~~ that portion of the assessments collected
33 which belongs to the consumer's advocate.

34 **Sec. 72.** NRS 704.070 is hereby amended to read as follows:

35 704.070 Unless exempt under the provisions of NRS 704.075 ,
36 ~~704.095~~ or 704.097:

37 1. ~~{Every}~~ *Each* public utility shall file with the commission, within a
38 time to be fixed by the commission, *a copy of all* schedules ~~{which}~~ *that*
39 *are currently in force for the public utility. Such schedules* must be open
40 to public inspection . ~~{, showing all rates, tolls and charges which it has~~
41 ~~established and which are in force at the time for any service performed or~~
42 ~~product furnished in connection therewith by any public utility controlled~~
43 ~~and operated by it.~~

44 ~~— 2. — All rules or regulations that in any manner affect the rates charged~~
45 ~~or to be charged for any service or product must be filed with that~~
46 ~~schedule.~~

47 2. *A copy of each schedule that is currently in force for the public*
48 *utility, or so much of the schedule as the commission deems necessary*
49 *for inspection by the public, must be:*



1 *(a) Printed in plain type and posted in each office of the public utility*
2 *where payments are made to the public utility by its customers; and*
3 *(b) Open to inspection by the public and in such form and place as to*
4 *be readily accessible to and conveniently inspected by the public.*

5 **Sec. 73.** NRS 704.075 is hereby amended to read as follows:

6 704.075 1. As used in this section, with respect to the sale of *natural*
7 gas:

8 (a) "Generating customer" means a customer who generates electricity
9 by burning natural gas.

10 (b) "Industrial customer" means a customer engaged primarily in
11 manufacturing or processing which changes raw or unfinished materials
12 into another form or creates another product.

13 (c) "Large commercial customer" means a customer whose
14 requirements equal or exceed ~~150 thousand~~ *50,000* cubic feet *of natural*
15 *gas* per day on any day and which is an institution, an agency of federal,
16 state or local government, or engaged primarily in renting out offices or
17 other commercial space, in providing lodging or in the sale of other goods
18 or services.

19 2. The commission shall establish standards for the setting, increase or
20 decrease of rates ~~and charges~~ for natural gas to generating, industrial and
21 large commercial customers. These standards must authorize increases or
22 decreases on less than 30 days' notice. Establishing different classes of
23 customers, and charging different rates to customers of the same class, for
24 these customers do not violate this chapter.

25 3. The commission may, for sales to generating, industrial and large
26 commercial customers:

27 (a) Exempt the ~~filing of~~ rates *for natural gas* from those provisions of
28 NRS ~~704.080, 704.090, 704.070,~~ 704.100 and 704.110 ~~which it~~ *that the*
29 *commission* determines are not needed to protect the public interest.

30 (b) Authorize the establishment of different classes of customer or the
31 charging of different rates for customers of the same class, based on value
32 of the service and on the customer's ability to change from one fuel to
33 another.

34 **Sec. 74.** NRS 704.100 is hereby amended to read as follows:

35 704.100 Except as otherwise provided in NRS 704.075 or as may
36 otherwise be provided by the commission pursuant to NRS 704.095 ~~+~~
37 ~~704.097 or 704.275:~~

38 ~~1. No changes may be made} or 704.097:~~

39 *1. A public utility shall not make changes* in any schedule, ~~including~~
40 ~~schedules of joint rates, or in the rules or regulations affecting any rates or~~
41 ~~charges, except upon 30 days' notice to the commission, and all changes~~
42 ~~must be plainly indicated, or by filing new schedules in lieu thereof 30~~
43 ~~days before the time the schedules are to take effect. The commission,~~
44 ~~upon application of any public utility, may prescribe a shorter time within~~
45 ~~which a reduction may be made.~~

46 ~~2. Copies} unless the public utility:~~

47 *(a) Files with the commission an application to make the proposed*
48 *changes and the commission approves the proposed changes pursuant to*
49 *NRS 704.110; or*



1 *(b) Files the proposed changes with the commission using a letter of*
2 *advice in accordance with the provisions of subsection 4.*

3 2. A public utility shall post copies of all proposed ~~the~~ schedules and
4 all new or amended schedules ~~that must be filed and posted in the offices of~~
5 ~~public utilities as required for original schedules.~~ in the same offices and
6 in substantially the same form, manner and places as required by NRS
7 704.070 for the posting of copies of schedules that are currently in force.

8 3. A public utility may not set forth as justification for a rate increase
9 any items of expense or rate base ~~which~~ that previously have been
10 considered and disallowed by the commission, ~~only if~~ unless those items
11 are clearly identified in the application and new facts or considerations of
12 policy for each item are advanced in the application to justify a reversal of
13 the ~~commission's~~ prior decision ~~the~~.

14 ~~4. The commission shall determine whether a hearing must be held~~
15 ~~when of the commission.~~

16 4. Except as otherwise provided in subsection 5, if the proposed
17 change in any schedule ~~stating a new or revised individual or joint rate,~~
18 ~~fare or charge, or any new or revised individual or joint regulation or~~
19 ~~practice affecting any rate, fare or charge,~~ does not change any rate or
20 will result in an increase in annual gross operating revenue, as certified by
21 the ~~applicant of \$2,500 or less.~~ public utility, in an amount that does not
22 exceed \$2,500:

23 (a) The public utility may file the proposed change with the
24 commission using a letter of advice in lieu of filing an application; and

25 (b) The commission shall determine whether it should dispense with a
26 hearing regarding the proposed change.

27 5. If the applicant is a public utility furnishing telephone service and
28 the proposed change in any schedule will result in an increase in annual
29 gross operating revenue, as certified by the applicant, in an amount that
30 does not exceed \$50,000 or 10 percent of the applicant's annual gross
31 operating revenue, whichever is less, the commission shall determine
32 whether it should dispense with a hearing regarding the proposed
33 change.

34 6. In making the determination pursuant to subsection 4 or 5, the
35 commission shall first consider all timely written protests, any presentation
36 that the regulatory operations staff of the commission may desire to
37 present, the application or letter of advice of the public utility and any
38 other matters deemed relevant by the commission.

39 Sec. 75. NRS 704.110 is hereby amended to read as follows:

40 704.110 Except as otherwise provided in NRS 704.075 or as may
41 otherwise be provided by the commission pursuant to NRS 704.095 or
42 704.097:

43 1. ~~Whenever there is filed~~ If a public utility files with the
44 commission an application to make changes in any schedule ~~stating a~~
45 ~~new or revised individual or joint rate or charge, or any new or revised~~
46 ~~individual or joint regulation or practice affecting any rate or charge, or~~
47 ~~any schedule resulting~~, including, without limitation, changes that will
48 result in a discontinuance, modification or restriction of service, the
49 commission ~~may, upon complaint or upon its own motion without~~



1 ~~complaint, at once, without answer or formal pleading by the interested~~
2 ~~utility, investigate or, upon reasonable notice, conduct a hearing~~
3 ~~concerning} shall investigate~~ the propriety of the ~~rate, charge,~~
4 ~~classification, regulation, discontinuance, modification, restriction or~~
5 ~~practice.~~

6 ~~—2. Pending the investigation or hearing and the decision thereon, the~~
7 ~~commission, upon delivering to the utility affected thereby a statement in~~
8 ~~writing of its reasons for the suspension, may suspend the operation of the~~
9 ~~schedule and defer the use of the rate, charge, classification, regulation,~~
10 ~~discontinuance, modification, restriction or practice. If the rate, charge,~~
11 ~~classification, regulation, discontinuance, modification, restriction or~~
12 ~~practice is part of:~~

13 ~~—(a) A filing made pursuant to subsection 7, the suspension must not be~~
14 ~~effective for more than 90 days beyond the time when the rate, charge,~~
15 ~~classification, regulation, discontinuance, modification, restriction or~~
16 ~~practice would otherwise go into effect.~~

17 ~~—(b) Any other filing made pursuant to this section, the suspension must~~
18 ~~not be effective for more than 150 days beyond the time when the rate,~~
19 ~~charge, classification, regulation, discontinuance, modification, restriction~~
20 ~~or practice would otherwise go into effect.~~

21 ~~—3. Whenever there is filed} proposed changes to determine whether to~~
22 ~~approve or disapprove the proposed changes. If an electric utility files~~
23 ~~such an application and the application is a general rate application or~~
24 ~~an application to clear its deferred accounts, the consumer's advocate~~
25 ~~shall be deemed a party of record.~~

26 *2. Except as otherwise provided in subsection 3, if a public utility*
27 *files with the commission an application to make changes in any*
28 *schedule, not later than 180 days after the date on which the application*
29 *is filed, the commission shall issue a written order approving or*
30 *disapproving, in whole or in part, the proposed changes.*

31 *3. If a public utility files with the commission ~~any schedule stating an~~*
32 *increased individual or joint rate or charge for service or equipment,} a*
33 *general rate application,* the public utility shall submit with its application
34 a statement showing the recorded results of revenues, expenses,
35 investments and costs of capital for its most recent 12 months for which
36 data were available when the application was prepared. ~~{During any~~
37 ~~hearing concerning the increased rates or charges determined by the~~
38 ~~commission to be necessary,} *In determining whether to approve or*~~
39 *disapprove any increased rates,* the commission shall consider evidence in
40 support of the increased rates ~~for charges}~~ based upon actual recorded
41 results of operations for the same 12 months, adjusted for increased
42 revenues, any increased investment in facilities, increased expenses for
43 depreciation, certain other operating expenses as approved by the
44 commission and changes in the costs of securities which are known and are
45 measurable with reasonable accuracy at the time of filing and which will
46 become effective within 6 months after the last month of those 12 months,
47 but ~~{no new rates or charges may be placed}~~ *the public utility shall not*
48 *place* into effect *any increased rates* until the changes have been
49 experienced and certified by the *public* utility to the commission ~~{ and~~



1 *the commission has approved the increased rates.* The commission shall
2 also consider evidence supporting expenses for depreciation, calculated on
3 an annual basis, applicable to major components of the public utility's
4 plant placed into service during the recorded test period or the period for
5 certification as set forth in the application. Adjustments to revenues,
6 operating expenses and costs of securities must be calculated on an annual
7 basis. Within 90 days after the ~~filing with the commission of~~ *date on*
8 *which* the certification required ~~in~~ *by* this subsection ~~, or before the~~
9 ~~expiration of any period of suspension ordered pursuant to subsection 2,~~ *is*
10 *filed with the commission, or within 180 days after the date on which the*
11 *general rate application is filed with the commission,* whichever time is
12 longer, the commission shall make such order in reference to ~~those rates~~
13 ~~or charges~~ *the increased rates* as is required by this chapter. An electric
14 utility shall file a general rate application pursuant to this subsection at
15 least once every 24 months.

16 4. ~~After full investigation or hearing, whether completed before or~~
17 ~~after the date upon which the rate, charge, classification, regulation,~~
18 ~~discontinuance, modification, restriction or practice is to go into effect, the~~
19 ~~commission may make such order in reference to the rate, charge,~~
20 ~~classification, regulation, discontinuance, modification, restriction or~~
21 ~~practice as would be proper in a proceeding initiated after the rate, charge,~~
22 ~~classification, regulation, discontinuance, modification, restriction or~~
23 ~~practice has become effective.~~

24 ~~5. Except as otherwise provided in subsection 6, whenever~~ *If a public*
25 *utility files with the commission an application to make changes in any*
26 *schedule and the commission does not issue a final written order*
27 *regarding the proposed changes within the time required by this section,*
28 *the proposed changes shall be deemed to be approved by the commission.*

29 5. *If a public utility files with the commission* a general rate
30 application ~~for an increased rate or charge for, or classification, regulation,~~
31 ~~discontinuance, modification, restriction or practice involving service or~~
32 ~~equipment has been filed with the commission, a~~ , the public utility shall
33 not ~~submit~~ *file with the commission* another general rate application until
34 all pending general rate applications ~~for increases in rates submitted~~ *filed*
35 by that public utility have been decided *by the commission* unless, after
36 application and hearing, the commission determines that a substantial
37 financial emergency would exist if the ~~other application~~ *public utility* is
38 not permitted to ~~be submitted~~ *file another general rate application*
39 sooner. *The provisions of this subsection do not prohibit the public utility*
40 *from filing with the commission, while a general rate application is*
41 *pending, an application to recover the increased cost of purchased fuel,*
42 *purchased power, or natural gas purchased for resale pursuant to*
43 *subsection 6 or an application to clear its deferred accounts pursuant to*
44 *subsection 7, if the public utility is otherwise authorized by those*
45 *provisions to file such an application.*

46 6. A public utility may file an application to recover the increased cost
47 of purchased fuel, purchased power, or natural gas purchased for resale
48 once every 30 days. The provisions of this subsection do not apply to an



1 electric utility using deferred accounting pursuant to section 19 of ~~this~~
2 ~~act~~ *chapter 16, Statutes of Nevada 2001*.

3 7. Except as otherwise provided in subsection 8 ~~Whenever~~ and
4 *subsection 4 of NRS 704.100, if* an electric utility using deferred
5 accounting pursuant to section 19 of ~~this act~~ *chapter 16, Statutes of*
6 *Nevada 2001*, files an application to clear its deferred accounts and to
7 change one or more of its rates ~~for charges~~ based upon changes in the
8 costs for purchased fuel or purchased power, the commission, after a public
9 hearing and by an appropriate order:

10 (a) Shall allow the electric utility to clear its deferred accounts by
11 refunding any credit balance or recovering any debit balance over a period
12 not to exceed 3 years, as determined by the commission.

13 (b) Shall not allow the electric utility to recover any debit balance, or
14 portion thereof, in an amount that would result in a rate of return during the
15 period of recovery that exceeds the rate of return authorized by the
16 commission in the most recently completed rate proceeding for the electric
17 utility.

18 8. Before allowing an electric utility to clear its deferred accounts
19 pursuant to subsection 7, the commission shall determine whether the costs
20 for purchased fuel and purchased power that the electric utility recorded in
21 its deferred accounts are recoverable and whether the revenues that the
22 electric utility collected from customers in this state for purchased fuel and
23 purchased power are properly recorded and credited in its deferred
24 accounts. The commission shall not allow the electric utility to recover any
25 costs for purchased fuel and purchased power that were the result of any
26 practice or transaction that was undertaken, managed or performed
27 imprudently by the electric utility.

28 9. ~~Whenever~~ *If* an electric utility files an application to clear its
29 deferred accounts pursuant to subsection 7 while a general rate application
30 is pending, the electric utility shall:

31 (a) Submit with its application to clear its deferred accounts information
32 relating to the cost of service and rate design; and

33 (b) Supplement its general rate application with the same information, if
34 such information was not submitted with the general rate application.

35 10. A utility facility identified in a 3-year plan submitted pursuant to
36 NRS 704.741 and accepted by the commission for acquisition or
37 construction pursuant to NRS 704.751 and the regulations adopted
38 pursuant thereto shall be deemed to be a prudent investment. The utility
39 may recover all just and reasonable costs of planning and constructing such
40 a facility.

41 11. As used in this section, "electric utility" has the meaning ascribed
42 to it in section 19 of ~~this act~~ *chapter 16, Statutes of Nevada 2001*.

43 **Sec. 76.** NRS 704.329 is hereby amended to read as follows:

44 704.329 1. Except as otherwise provided in ~~this section~~ *subsection*
45 *6*, a person shall not merge with, directly acquire, indirectly acquire
46 through a subsidiary or affiliate, or otherwise directly or indirectly obtain
47 control of a public utility doing business in this state or an entity that holds
48 a controlling interest in such a public utility without first submitting to the
49 commission an application for authorization of the proposed ~~merger~~.



1 ~~acquisition or other~~ transaction and obtaining authorization from the
2 commission.

3 2. Any ~~merger, acquisition or other~~ transaction that violates the
4 provisions of this section is void and unenforceable and is not valid for any
5 purpose.

6 3. Before authorizing a proposed ~~merger, acquisition or other~~
7 transaction pursuant to this section, the commission shall consider the
8 effect of the proposed ~~merger, acquisition or other~~ transaction on the
9 public interest and the customers in this state. The commission shall not
10 authorize the proposed ~~merger, acquisition or other~~ transaction unless the
11 commission finds that the proposed ~~merger, acquisition or other~~
12 transaction:

13 (a) Will be in the public interest; and

14 (b) Complies with the provisions of sections 8 to 18, inclusive, of ~~this~~
15 ~~act,~~ *chapter 16, Statutes of Nevada 2001*, if the proposed ~~merger,~~
16 ~~acquisition or other~~ transaction is subject to those provisions.

17 4. The commission may base its authorization of the proposed ~~merger,~~
18 ~~acquisition or other~~ transaction upon such terms, conditions or
19 modifications as the commission deems appropriate.

20 5. If the commission does not issue a final order regarding the
21 proposed ~~merger, acquisition or other~~ transaction within 180 days after
22 the date on which an application or amended application for authorization
23 of the proposed ~~merger, acquisition or other~~ transaction was filed with the
24 commission, and the proposed ~~merger, acquisition or other~~ transaction is
25 not subject to the provisions of sections 8 to 18, inclusive, of ~~this act,~~
26 *chapter 16, Statutes of Nevada 2001*, the proposed ~~merger, acquisition or~~
27 ~~other~~ transaction shall be deemed to be authorized by the commission.

28 6. The provisions of this section do not apply to ~~the~~ :

29 (a) *The* transfer of stock of a public utility doing business in this state or
30 to the transfer of the stock of an entity ~~holding~~ *that holds* a controlling
31 interest in such a public utility, if a transfer of not more than 25 percent of
32 the common stock of such a public utility or entity is proposed.

33 (b) *Except as otherwise provided in this paragraph, a proposed*
34 *transaction involving a public utility doing business in this state*
35 *providing telecommunication services or an entity that holds a*
36 *controlling interest in such a public utility if, in the most recently*
37 *completed calendar year, not more than 10 percent of the gross operating*
38 *revenue of the public utility or the entity that holds a controlling interest*
39 *in the public utility was derived from intrastate telecommunication*
40 *services provided to retail customers in this state by the public utility.*
41 *Such a proposed transaction is not exempted from the provisions of this*
42 *section if:*

43 (1) *Not later than 30 days after the date on which the person*
44 *undertaking the proposed transaction submits the notification required*
45 *by 15 U.S.C. § 18a, the regulatory operations staff of the commission or*
46 *the consumer's advocate requests an order from the commission*
47 *requiring the person to file an application for authorization of the*
48 *proposed transaction;*



1 (2) *The request alleges in sufficient detail that the proposed*
2 *transaction may materially affect retail customers of public utilities in*
3 *this state; and*

4 (3) *The commission issues an order requiring the person to file an*
5 *application for authorization of the proposed transaction.*

6 7. *As used in this section:*

7 (a) *“Person” means:*

8 (1) *A natural person;*

9 (2) *Any form of business or social organization and any other*
10 *nongovernmental legal entity, including, without limitation, a*
11 *corporation, partnership, association, trust or unincorporated*
12 *organization;*

13 (3) *A government or an agency or instrumentality of a government,*
14 *including, without limitation, this state or an agency or instrumentality*
15 *of this state; and*

16 (4) *A political subdivision of this state or of any other government*
17 *or an agency or instrumentality of a political subdivision of this state or*
18 *of any other government.*

19 (b) *“Transaction” means a merger, acquisition or change in control*
20 *described in subsection 1.*

21 **Sec. 77.** NRS 704.68964 is hereby amended to read as follows:

22 704.68964 1. An electing carrier may, pursuant to this section and in
23 accordance with NRS 704.68976, exercise flexibility in the pricing of:

24 (a) Competitive services and discretionary services. The commission
25 shall not specify a maximum rate for any competitive services or
26 discretionary services of the electing carrier. The electing carrier shall, with
27 regard to any competitive or discretionary service that it provides, set the
28 price of that service above the price floor of the service.

29 (b) A package of services, which may include basic network services,
30 competitive services, discretionary services and other essential services.

31 2. Except as otherwise provided in this subsection, an electing carrier
32 may, upon 30-days’ notice to the commission in writing, exercise
33 flexibility in the pricing of its services pursuant to subsection 1 and is
34 exempt, with respect to the pricing of its services, from the provisions of
35 NRS ~~704.100~~ and 704.110 and the regulations of the commission relating
36 thereto. The notice must include a description in reasonable detail of:

37 (a) The characteristics of the services that will be subject to flexibility in
38 pricing;

39 (b) The terms and conditions applicable to the services;

40 (c) The nature of any limitations on the duration or geographical
41 availability of the services;

42 (d) The price or prices of the services or packages of services; and

43 (e) A certificate which provides that the electing carrier has prepared a
44 cost study of the price floor to support the price or prices for each service
45 and that, on and after the date on which the notice is filed with the
46 commission, any affected person may, upon request, inspect and copy the
47 cost study, subject to reasonable terms and conditions of any applicable
48 confidentiality and nondisclosure agreement relating to the
49 services.



1 The notice requirements of this subsection do not apply to an electing
2 carrier with respect to the pricing of competitive services or for packages
3 comprised exclusively of competitive services.

4 3. The price for a package of services must not be lower than the lesser
5 of:

6 (a) The sum of the price floors for each of the services contained in the
7 package; or

8 (b) The sum of the prices of the basic network services, as set forth in
9 the tariffs of the electing carrier, and the price floors for each of the other
10 services contained in the package.

11 4. The commission shall not specify a maximum rate for a package of
12 services.

13 5. Each of the services included in a package pursuant to paragraph (b)
14 of subsection 1 must be made available on an individual basis.

15 *6. An electing carrier must provide 30-days' notice to the*
16 *commission in writing before the electing carrier may implement any*
17 *amendment or change to an existing service noticed pursuant to*
18 *subsection 2.*

19 **Sec. 78.** NRS 704.68972 is hereby amended to read as follows:

20 704.68972 1. An electing carrier may introduce new services upon
21 30-days' notice to the commission in writing. The notice must include a
22 description in reasonable detail of:

23 (a) The characteristics of each new service;

24 (b) The terms and conditions applicable to each new service;

25 (c) The nature of any limitations on the duration or geographical
26 availability of each new service;

27 (d) The price or prices of each new service; and

28 (e) A certificate that provides that the electing carrier has prepared a
29 cost study of the price floor to support the price or prices for each new
30 service and that, on and after the date on which the notice is filed with the
31 commission, any affected person may, upon request, inspect and copy the
32 cost study, subject to reasonable terms and conditions of any applicable
33 confidentiality and nondisclosure agreement.

34 2. Each new service is subject to the conditions set forth in NRS
35 704.68964.

36 3. Each new service is exempt from *the provisions of* NRS *704.100*
37 *and* 704.110 and the regulations of the commission relating thereto.

38 4. Unless otherwise classified by the commission as a competitive
39 service pursuant to its regulations, a new service must be classified as a
40 discretionary service for which the commission shall not specify a
41 maximum rate. The electing carrier shall set the price of the new service
42 above the price floor of the service.

43 5. As used in this section, a "new service" means a telecommunication
44 service:

45 (a) That provides a function, feature or capability which is materially
46 different from any service or services previously offered by the carrier; or

47 (b) Combines two or more previously provided new services.



1 **Sec. 79.** NRS 704.743 is hereby amended to read as follows:
2 704.743 1. A utility which supplies electricity in this state may apply
3 to the commission for authority to charge, as part of a program of optional
4 pricing, a higher rate for electricity that is generated from renewable
5 energy.
6 2. The program may provide the customers of the utility with the
7 option of paying a higher rate for electricity to support the increased use by
8 the utility of renewable energy in the generation of electricity.
9 3. As used in this section ~~:-~~
10 ~~— (a) “Biomass” has the meaning ascribed to it in section 4 of this act.~~
11 ~~— (b) “Renewable energy” means a source of energy that occurs naturally~~
12 ~~or is regenerated naturally, including, without limitation:~~
13 ~~— (1) Wind;~~
14 ~~— (2) Solar energy;~~
15 ~~— (3) Geothermal energy; and~~
16 ~~— (4) Biomass.~~
17 ~~The term does not include coal, natural gas, oil, propane or any other fossil~~
18 ~~fuel, or nuclear energy; , “renewable energy” has the meaning ascribed~~
19 ~~to it in section 7 of chapter 519, Statutes of Nevada 2001.~~
20 **Sec. 80.** NRS 704.767 is hereby amended to read as follows:
21 704.767 As used in NRS ~~704.767~~ 704.766 to 704.775, inclusive,
22 unless the context otherwise requires, the words and terms defined in NRS
23 704.768 to 704.772, inclusive, *and section 61 of this act* have the
24 meanings ascribed to them in those sections.
25 **Sec. 81.** NRS 704.771 is hereby amended to read as follows:
26 704.771 “Net metering system” means a facility *or energy system* for
27 the ~~production of electrical energy~~ *generation of electricity* that:
28 1. Uses ~~wind or solar~~ *renewable* energy as its primary source of
29 ~~fuel;~~ *energy to generate electricity;*
30 2. Has a generating capacity of not more than 10 kilowatts;
31 3. Is located on the customer-generator’s premises;
32 4. Operates in parallel with the utility’s transmission and distribution
33 facilities; and
34 5. Is intended primarily to offset part or all of the customer-generator’s
35 requirements for electricity.
36 **Sec. 82.** NRS 704.773 is hereby amended to read as follows:
37 704.773 1. A utility shall offer net metering, as set forth in NRS
38 704.775, to the customer-generators operating within its service area .
39 ~~until 100 of those customer generators have accepted the offer.~~
40 2. A utility:
41 (a) Shall offer to make available to each of its customer-generators who
42 has accepted its offer for net metering an energy meter that is capable of
43 registering the flow of electricity in two directions.
44 (b) May, at its own expense and with the written consent of the
45 customer-generator, install one or more additional meters to monitor the
46 flow of electricity in each direction.
47 (c) Shall not charge a customer-generator any fee or charge that would
48 increase the customer-generator’s minimum monthly charge to an amount



1 greater than that of other customers of the utility in the same rate class as
2 the customer-generator.

3 **Sec. 83.** NRS 704.775 is hereby amended to read as follows:

4 704.775 1. The billing period for net metering may be either a
5 monthly period or, with the written consent of the customer-generator, an
6 annual period.

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

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

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

15 (c) If the electricity generated by the customer-generator which is fed
16 back to the utility exceeds the electricity supplied by the utility during the
17 billing period ~~+, neither~~ :

18 (1) *Neither* the utility nor the customer-generator is entitled to
19 compensation for electricity provided to the other during the billing period
20 ~~+-~~; and

21 (2) *The excess electricity which is fed back to the utility shall be
22 deemed to be electricity that the utility generated or acquired from a
23 renewable energy system for the purposes of complying with its portfolio
24 standard pursuant to sections 3 to 12, inclusive, of chapter 519, Statutes
25 of Nevada 2001.*

26 **Sec. 84.** NRS 228.360 is hereby amended to read as follows:

27 228.360 The consumer's advocate:

28 1. Shall intervene in and represent the public interest in ~~the~~ :

29 (a) *All proceedings conducted pursuant to sections 8 to 18, inclusive, of*
30 ~~this act~~ *chapter 16, Statutes of Nevada 2001; and*

31 (b) *All proceedings conducted pursuant to NRS 704.070 to 704.110,*
32 *inclusive, and sections 63 to 68, inclusive, of this act in which an electric*
33 *utility has filed a general rate application or an application to clear its*
34 *deferred accounts.*

35 2. May, with respect to all public utilities except railroads and
36 cooperative utilities, and except as *otherwise* provided in NRS 228.380:

37 (a) Conduct or contract for studies, surveys, research or expert
38 testimony relating to matters affecting the public interest or the interests of
39 utility customers.

40 (b) Examine any books, accounts, minutes, records or other papers or
41 property of any public utility subject to the regulatory authority of the
42 public utilities commission of Nevada in the same manner and to the same
43 extent as authorized by law for members of the public utilities commission
44 of Nevada and its staff.

45 (c) Except as otherwise provided in subsection 1, petition for, request,
46 initiate, appear or intervene in any proceeding concerning rates, charges,
47 tariffs, modifications of service or any related matter before the public
48 utilities commission of Nevada or any court, regulatory body, board,
49 commission or agency having jurisdiction over any matter which the



1 consumer's advocate may bring before or has brought before the public
2 utilities commission of Nevada or in which the public interest or the
3 interests of any particular class of utility customers are involved. The
4 consumer's advocate may represent the public interest or the interests of
5 any particular class of utility customers in any such proceeding, and he is a
6 real party in interest in the proceeding.

7 *3. As used in this section, "electric utility" has the meaning ascribed*
8 *to it in section 19 of chapter 16, Statutes of Nevada 2001.*

9 **Sec. 85.** NRS 228.390 is hereby amended to read as follows:
10 228.390 Except as otherwise provided in *NRS 704.110 and* sections 8
11 to 18, inclusive, of ~~{this act-}~~ *chapter 16, Statutes of Nevada 2001:*

12 1. The consumer's advocate has sole discretion to represent or refrain
13 from representing the public interest and any class of customers in any
14 proceeding.

15 2. In exercising his discretion, the consumer's advocate shall consider
16 the importance and extent of the public interest or the customers' interests
17 involved and whether those interests would be adequately represented
18 without his participation.

19 3. If the consumer's advocate determines that there would be a conflict
20 between the public interest and any particular class of customers or any
21 inconsistent interests among the classes of customers involved in a
22 particular matter, he may choose to represent one of the interests, to
23 represent no interest, or to represent one interest through his office and
24 another or others through outside counsel engaged on a case basis.

25 **Sec. 86.** Chapter 349 of NRS is hereby amended by adding thereto the
26 provisions set forth as sections 87 to 90, inclusive, of this act.

27 **Sec. 87.** *"Biomass" means any organic matter that is available on a*
28 *renewable basis, including, without limitation:*

- 29 1. *Agricultural crops and agricultural wastes and residues;*
30 2. *Wood and wood wastes and residues;*
31 3. *Animal wastes;*
32 4. *Municipal wastes; and*
33 5. *Aquatic plants.*

34 **Sec. 88.** *"Fuel cell" means a device or contrivance that, through the*
35 *chemical process of combining ions of hydrogen and oxygen, produces*
36 *electricity and water.*

37 **Sec. 89.** 1. *"Renewable energy" means a source of energy that*
38 *occurs naturally or is regenerated naturally, including, without*
39 *limitation:*

- 40 (a) *Biomass;*
41 (b) *Fuel cells;*
42 (c) *Geothermal energy;*
43 (d) *Solar energy;*
44 (e) *Waterpower; and*
45 (f) *Wind.*

46 2. *The term does not include coal, natural gas, oil, propane or any*
47 *other fossil fuel, or nuclear energy.*



1 **Sec. 90. 1. “Renewable energy generation project” means a project**
2 **involving an electric generating facility or system that uses renewable**
3 **energy as its primary source of energy to generate electricity.**

4 **2. The term does not include a project involving an electric**
5 **generating facility or system that uses nuclear energy, in whole or in**
6 **part, to generate electricity.**

7 **Sec. 91.** NRS 349.400 is hereby amended to read as follows:
8 349.400 As used in NRS 349.400 to 349.670, inclusive, unless the
9 context otherwise requires, the words and terms defined in NRS 349.410 to
10 349.540, inclusive, **and sections 87 to 90, inclusive, of this act** have the
11 meanings ascribed to them in those sections.

12 **Sec. 92.** NRS 349.430 is hereby amended to read as follows:
13 349.430 “Cost of a project” means all or a designated part of the cost
14 of any project, including any incidental cost pertaining to the project. The
15 cost of a project may include, among other costs, the costs of:

16 1. Surveys, audits, preliminary plans, other plans, specifications,
17 estimates and other costs of preparations;

18 2. Appraising, printing, estimating, advice, services of engineers,
19 architects, financial consultants, attorneys, clerical personnel and other
20 agents and employees;

21 3. Publishing, posting, mailing and otherwise giving notice, filing or
22 recording instruments, taking options and fees to banks;

23 4. Establishment of a reserve for contingencies;

24 5. Interest on bonds for any time which does not exceed **the estimated**
25 **period of construction plus** 1 year, discounts on bonds, reserves for the
26 payment of the principal of and interest on bonds, replacement expenses
27 and other costs of issuing bonds;

28 6. Amending any resolution or other instrument authorizing the
29 issuance of, or otherwise relating to, bonds for the project; and

30 7. Short-term financing,
31 and the expense of operation and maintenance of the project.

32 **Sec. 93.** NRS 349.510 is hereby amended to read as follows:

33 349.510 “Project” means:

34 1. Any land, building or other improvement and all real and personal
35 properties necessary in connection therewith, excluding inventories, raw
36 materials and working capital, whether or not in existence, suitable for new
37 construction, improvement, rehabilitation or redevelopment for:

38 (a) Industrial uses, including assembling, fabricating, manufacturing,
39 processing or warehousing;

40 (b) Research and development relating to commerce or industry,
41 including professional, administrative and scientific offices and
42 laboratories;

43 (c) Commercial enterprises;

44 (d) Civic and cultural enterprises open to the general public, including
45 theaters, museums and exhibitions, together with buildings and other
46 structures, machinery, equipment, facilities and appurtenances thereto
47 which the director deems useful or desirable in connection with the
48 conduct of any such enterprise;



1 (e) An educational institution operated by a nonprofit organization not
2 otherwise directly funded by the state which is accredited by a nationally
3 recognized educational accrediting association;

4 (f) Health and care facilities and supplemental facilities for health and
5 care; ~~for~~

6 (g) The purposes of a corporation for public benefit ~~H~~; or

7 *(h) A renewable energy generation project.*

8 2. Any real or personal property appropriate for addition to a hotel,
9 motel, apartment building, casino or office building to protect it or its
10 occupants from fire.

11 3. The preservation of a historic structure or its restoration for its
12 original or another use, if the plan has been approved by the office of
13 historic preservation of the department of cultural affairs.

14 **Sec. 94.** NRS 349.560 is hereby amended to read as follows:

15 349.560 It is the intent of the legislature to authorize the director to
16 finance, acquire, own, lease, improve and dispose of properties to:

17 1. Promote industry and employment and develop trade by inducing
18 manufacturing, industrial, warehousing and commercial enterprises and
19 organizations for research and development to locate, remain or expand in
20 this state to further prosperity throughout the state and to further the use of
21 the agricultural products and the natural resources of this state.

22 2. Enhance public safety by protecting hotels, motels, apartment
23 buildings, casinos, office buildings and their occupants from fire.

24 3. Promote the public health by enabling the acquisition, development,
25 expansion and maintenance of health and care facilities and supplemental
26 facilities for health and care facilities which will provide services of high
27 quality at reasonable rates to the residents of the community in which the
28 facilities are situated.

29 4. Promote the educational, cultural, economic and general welfare of
30 the public by financing civic and cultural enterprises, certain educational
31 institutions and the preservation or restoration of historic structures.

32 5. Promote the social welfare of the residents of this state by enabling
33 a corporation for public benefit to acquire, develop, expand and maintain
34 facilities that provide services for those residents.

35 *6. Promote the generation of electricity in this state.*

36 **Sec. 95.** NRS 349.565 is hereby amended to read as follows:

37 349.565 1. The director may not, under NRS 349.400 to 349.670,
38 inclusive:

39 (a) Operate any manufacturing, industrial, warehousing or commercial
40 enterprise or an organization for research and development or any health
41 and care facility to which he provided assistance; or

42 (b) Except as otherwise provided in subsection 2, assist any
43 manufacturing, industrial, warehousing or commercial enterprise or an
44 organization for research and development to locate in a county or city
45 which would result in the abandonment or closure of an existing facility of
46 a like nature located within that county or city, unless the existing facility
47 is operated by the contemplated lessee, purchaser or other obligor or an
48 affiliate of such a person and the facility is to be abandoned or closed



- 1 because of obsolescence, lack of available labor or limitations at the site of
2 the facility.
- 3 2. The provisions of paragraph (b) of subsection 1 do not apply to:
- 4 (a) Health and care facilities and supplemental facilities for a health and
5 care facility;
- 6 (b) Civic and cultural enterprises open to the general public;
- 7 (c) Enterprises located in a redevelopment area created pursuant to NRS
8 279.382 to 279.685, inclusive;
- 9 (d) Enterprises located in an area designated as an empowerment zone
10 pursuant to sections 1391 to 1397, inclusive, of the Internal Revenue Code
11 of 1986, 26 U.S.C. §§ 1391-97, future amendments to those sections and
12 the corresponding provisions of future internal revenue laws;
- 13 (e) Facilities established by a corporation for public benefit; ~~land~~
- 14 (f) Enterprises whose products are substantially sold, used or distributed
15 outside this state ~~HH~~ ; and
- 16 *(g) Renewable energy generation projects.*
- 17 **Sec. 96.** NRS 349.580 is hereby amended to read as follows:
- 18 349.580 Except as otherwise provided in NRS 349.595 and 349.640,
19 the director shall not finance a project unless, before financing:
- 20 1. The director finds that:
- 21 (a) The project to be financed has been approved for financing pursuant
22 to the requirements of NRS 244A.669 to 244A.763, inclusive, or 268.512
23 to 268.568, inclusive; and
- 24 (b) There has been a request by a city or county to have the director
25 issue bonds to finance the project; or
- 26 2. The director finds and both the board and the governing body of the
27 city or county where the project is to be located approve the findings of the
28 director that:
- 29 (a) The project consists of any land, building or other improvement and
30 all real and personal properties necessary in connection therewith,
31 excluding inventories, raw materials and working capital, whether or not in
32 existence, which is suitable for new construction, improvement,
33 preservation, restoration, rehabilitation or redevelopment:
- 34 (1) For manufacturing, industrial, warehousing, civic, cultural or
35 other commercial enterprises, educational institutions, corporations for
36 public benefit or organizations for research and development;
- 37 (2) For a health and care facility or a supplemental facility for a
38 health and care facility;
- 39 (3) Of real or personal property appropriate for addition to a hotel,
40 motel, apartment building, casino or office building to protect it or its
41 occupants from fire; ~~for~~
- 42 (4) Of a historic structure; *or*
- 43 *(5) For a renewable energy generation project;*
- 44 (b) The project will provide a public benefit;
- 45 (c) The contemplated lessee, purchaser or other obligor has sufficient
46 financial resources to place the project in operation and to continue its
47 operation, meeting the obligations of the lease, purchase contract or
48 financing agreement;



1 (d) There are sufficient safeguards to assure that all money provided by
2 the department will be expended solely for the purposes of the project;

3 (e) The project would be compatible with existing facilities in the area
4 adjacent to the location of the project;

5 (f) The project ~~is~~ :

6 (1) *Is* compatible with the plan of the state for economic
7 diversification and development or for the marketing and development of
8 tourism in this state; *or*

9 (2) *Promotes the generation of electricity in this state;*

10 (g) Through the advice of counsel or other reliable source, the project
11 has received all approvals by the local, state and federal governments
12 which may be necessary to proceed with construction, improvement,
13 rehabilitation or redevelopment of the project; and

14 (h) There has been a request by a city, county, lessee, purchaser, other
15 obligor or other enterprise to have the director issue revenue bonds for
16 industrial development to finance the project.

17 **Sec. 97.** Chapter 523 of NRS is hereby amended by adding thereto the
18 provisions set forth as sections 98 to 109, inclusive, of this act.

19 **Sec. 98.** *“Biomass” means any organic matter that is available on a*
20 *renewable basis, including, without limitation:*

21 1. *Agricultural crops and agricultural wastes and residues;*

22 2. *Wood and wood wastes and residues;*

23 3. *Animal wastes;*

24 4. *Municipal wastes; and*

25 5. *Aquatic plants.*

26 **Sec. 99.** *“Consumer’s advocate” means the consumer’s advocate of*
27 *the bureau of consumer protection in the office of the attorney general.*

28 **Sec. 100.** *“Director” means the director of the office of energy*
29 *appointed pursuant to section 109 of this act.*

30 **Sec. 101.** *“Fuel cell” means a device or contrivance that, through*
31 *the chemical process of combining ions of hydrogen and oxygen,*
32 *produces electricity and water.*

33 **Sec. 102.** 1. *“Renewable energy” means a source of energy that*
34 *occurs naturally or is regenerated naturally, including, without*
35 *limitation:*

36 (a) *Biomass;*

37 (b) *Fuel cells;*

38 (c) *Geothermal energy;*

39 (d) *Solar energy;*

40 (e) *Waterpower; and*

41 (f) *Wind.*

42 2. *The term does not include coal, natural gas, oil, propane or any*
43 *other fossil fuel, or nuclear energy.*

44 **Sec. 103.** 1. *“Renewable energy generation project” means a*
45 *project involving an electric generating facility or system that uses*
46 *renewable energy as its primary source of energy to generate electricity.*

47 2. *The term does not include a project involving an electric*
48 *generating facility or system that uses nuclear energy, in whole or in*
49 *part, to generate electricity.*



1 **Sec. 104.** *“Task force” means the task force for renewable energy*
2 *and energy conservation created by section 106 of this act.*

3 **Sec. 105.** *1. The trust fund for renewable energy and energy*
4 *conservation is hereby created in the state treasury.*

5 *2. The task force shall administer the fund. As administrator of the*
6 *fund, the task force:*

7 *(a) Shall maintain the financial records of the fund;*

8 *(b) Shall invest the money in the fund as the money in other state*
9 *funds is invested;*

10 *(c) Shall manage any account associated with the fund;*

11 *(d) Shall maintain any instruments that evidence investments made*
12 *with the money in the fund;*

13 *(e) May contract with vendors for any good or service that is*
14 *necessary to carry out the provisions of this section; and*

15 *(f) May perform any other duties that are necessary to administer the*
16 *fund.*

17 *3. The interest and income earned on the money in the fund must,*
18 *after deducting any applicable charges, be credited to the fund. All*
19 *claims against the fund must be paid as other claims against the state are*
20 *paid.*

21 *4. Not more than 2 percent of the money in the fund may be used to*
22 *pay the costs of administering the fund.*

23 *5. The money in the fund remains in the fund and does not revert to*
24 *the state general fund at the end of any fiscal year.*

25 *6. All money that is deposited or paid into the fund may only be*
26 *expended pursuant to an allocation made by the task force. Money*
27 *expended from the fund must not be used to supplant existing methods of*
28 *funding that are available to public agencies.*

29 **Sec. 106.** *1. The task force for renewable energy and energy*
30 *conservation is hereby created. The task force consists of nine members*
31 *who are appointed as follows:*

32 *(a) Two members appointed by the majority leader of the senate, one*
33 *of whom represents the interests of the renewable energy industry in this*
34 *state with respect to biomass and the other of whom represents the*
35 *interests of the mining industry in this state.*

36 *(b) Two members appointed by the speaker of the assembly, one of*
37 *whom represents the interests of the renewable energy industry in this*
38 *state with respect to geothermal energy and the other of whom represents*
39 *the interests of a nonprofit organization dedicated to the protection of the*
40 *environment or to the conservation of energy or the efficient use of*
41 *energy.*

42 *(c) One member appointed by the minority leader of the senate to*
43 *represent the interests of the renewable energy industry in this state with*
44 *respect to solar energy.*

45 *(d) One member appointed by the minority leader of the assembly to*
46 *represent the interests of the public utilities in this state.*

47 *(e) Two members appointed by the governor, one of whom represents*
48 *the interests of the renewable energy industry in this state with respect to*



- 1 *wind and the other of whom represents the interests of the gaming*
2 *industry in this state.*
- 3 *(f) One member appointed by the consumer's advocate to represent*
4 *the interests of the consumers in this state.*
- 5 *2. A member of the task force:*
- 6 *(a) Must be a citizen of the United States and a resident of this state.*
7 *(b) Must have training, education, experience or knowledge*
8 *concerning:*
- 9 *(1) The development or use of renewable energy;*
10 *(2) Financing, planning or constructing renewable energy*
11 *generation projects;*
12 *(3) Measures which conserve or reduce the demand for energy or*
13 *which result in more efficient use of energy;*
14 *(4) Weatherization;*
15 *(5) Building and energy codes and standards;*
16 *(6) Grants or incentives concerning energy;*
17 *(7) Public education or community relations; or*
18 *(8) Any other matter within the duties of the task force.*
- 19 *(c) Must not be an officer or employee of the legislative or judicial*
20 *department of state government.*
- 21 *3. After the initial terms, the term of each member of the task force is*
22 *3 years. A vacancy on the task force must be filled for the remainder of*
23 *the unexpired term in the same manner as the original appointment. A*
24 *member may be reappointed to the task force.*
- 25 *4. A member of the task force who is an officer or employee of this*
26 *state or a political subdivision of this state must be relieved from his*
27 *duties without loss of his regular compensation so that he may prepare*
28 *for and attend meetings of the task force and perform any work that is*
29 *necessary to carry out the duties of the task force in the most timely*
30 *manner practicable. A state agency or political subdivision of this state*
31 *shall not require an officer or employee who is a member of the task*
32 *force to:*
- 33 *(a) Make up the time he is absent from work to carry out his duties as*
34 *a member of the task force; or*
35 *(b) Take annual leave or compensatory time for the absence.*
- 36 **Sec. 107.** *1. The members of the task force shall select a chairman*
37 *and vice chairman from among their membership. The vice chairman*
38 *shall perform the duties of the chairman during any absence of the*
39 *chairman.*
- 40 *2. The chairman and vice chairman serve in those positions for*
41 *terms of 1 year. If a vacancy occurs in the chairmanship or vice*
42 *chairmanship, the vacancy must be filled for the remainder of the*
43 *unexpired term in the same manner as the original selection.*
- 44 *3. A majority of the members of the task force constitutes a quorum.*
45 *A majority of the members present during a quorum may exercise all the*
46 *power and authority conferred on the task force.*
- 47 *4. The task force shall meet at least four times annually or more*
48 *frequently at the discretion of the chairman.*



1 5. *Except as otherwise provided in this subsection, the members of*
2 *the task force serve without compensation and are not entitled to the per*
3 *diem and travel expenses provided for state officers and employees*
4 *generally. For each day of attendance at a meeting of the task force and*
5 *while engaged in the business of the task force, a member of the task*
6 *force who:*

7 (a) *Is an officer or employee of this state or a political subdivision of*
8 *this state is entitled to receive the per diem and travel expenses provided*
9 *for state officers and employees generally, paid by his governmental*
10 *employer.*

11 (b) *Represents the interests of a nonprofit organization is entitled to*
12 *receive the per diem and travel expenses provided for state officers and*
13 *employees generally, paid from the trust fund for renewable energy and*
14 *energy conservation.*

15 6. *The consumer's advocate shall provide the task force with*
16 *administrative and clerical support and with such other assistance as*
17 *may be necessary for the task force to carry out its duties. Such support*
18 *and assistance must include, without limitation, making arrangements*
19 *for facilities, equipment and other services in preparation for and during*
20 *meetings.*

21 **Sec. 108. 1. The task force shall:**

22 (a) *Advise the office of energy in the development and periodic review*
23 *of the comprehensive state energy plan with regard to the use of*
24 *renewable energy and the use of measures which conserve or reduce the*
25 *demand for energy or which result in more efficient use of energy.*

26 (b) *Coordinate its activities and programs with the activities and*
27 *programs of the office of energy, the consumer's advocate and the public*
28 *utilities commission of Nevada and other federal, state and local officers*
29 *and agencies that promote, fund, administer or operate activities and*
30 *programs related to the use of renewable energy and the use of measures*
31 *which conserve or reduce the demand for energy or which result in more*
32 *efficient use of energy.*

33 (c) *Spend the money in the trust fund for renewable energy and*
34 *energy conservation to:*

35 (1) *Educate persons and entities concerning renewable energy and*
36 *measures which conserve or reduce the demand for energy or which*
37 *result in more efficient use of energy.*

38 (2) *Create incentives for investment in and the use of renewable*
39 *energy and measures which conserve or reduce the demand for energy or*
40 *which result in more efficient use of energy.*

41 (3) *Distribute grants and other money to establish programs and*
42 *projects which incorporate the use of renewable energy and measures*
43 *which conserve or reduce the demand for energy or which result in more*
44 *efficient use of energy.*

45 (4) *Conduct feasibility studies, including, without limitation, a*
46 *feasibility study concerning the establishment of an incentive fund,*
47 *grants or other programs to enable or assist residential, small*
48 *commercial and agricultural customers to reduce the cost of purchasing*



- 1 on-site generation systems, net metering systems and distributed
2 generation systems that use renewable energy.
- 3 (d) Take any other actions that the task force deems necessary to carry
4 out its duties, including, without limitation, contracting with consultants,
5 if necessary, for the purposes of program design or to assist the task
6 force in carrying out its duties.
- 7 2. The task force shall prepare an annual report concerning its
8 activities and programs and submit the report to the legislative
9 commission and the governor on or before January 30 of each year. The
10 annual report must include, without limitation:
- 11 (a) A description of the objectives of each activity and program;
12 (b) An analysis of the effectiveness and efficiency of each activity and
13 program in meeting the objectives of the activity or program;
14 (c) The amount of money distributed for each activity and program
15 from the trust fund for renewable energy and energy conservation and a
16 detailed description of the use of that money for each activity and
17 program;
18 (d) An analysis of the coordination between the task force and other
19 officers and agencies; and
20 (e) Any changes planned for each activity and program.
- 21 3. As used in this section:
- 22 (a) “Distributed generation system” means a facility or system for the
23 generation of electricity that is in close proximity to the place where the
24 electricity is consumed.
- 25 (b) “Net metering system” has the meaning ascribed to it in NRS
26 704.771.
- 27 **Sec. 109.** 1. The office of energy is hereby created within the office
28 of the governor.
- 29 2. The governor shall appoint the director. The director:
- 30 (a) Is in the unclassified service of the state; and
31 (b) Serves at the pleasure of the governor.
- 32 3. The director may, within the limits of available money, employ:
- 33 (a) Such persons in the unclassified service of the state as the director
34 determines to be necessary to carry out the duties of the office of energy
35 pursuant to this chapter; and
36 (b) Such additional personnel as may be required to carry out the
37 duties of the office of energy pursuant to this chapter, who must be in the
38 classified service of the state.
- 39 4. A person employed by the director pursuant to this section must be
40 qualified by training and experience to perform the duties for which the
41 director employs him.
- 42 5. The director and the persons employed by the director shall not
43 have any conflict of interest relating to the performance of their duties
44 pursuant to this chapter.
- 45 6. The provisions of NRS 223.085 do not apply to the director or to
46 any person employed by the director pursuant to this section.
- 47 **Sec. 110.** NRS 523.011 is hereby amended to read as follows:
48 523.011 1. The legislature finds that:



1 (a) Energy is essential to the economy of the state and to the health,
2 safety and welfare of the people of the state.

3 (b) The state has a responsibility to encourage the maintenance of a
4 reliable and economical supply of energy at a level which is consistent with
5 the protection of environmental quality.

6 (c) The state has a responsibility to encourage the utilization of a wide
7 range of measures which reduce wasteful uses of energy resources.

8 (d) Planning for energy conservation and future energy requirements
9 should include consideration of state, regional and local plans for land use,
10 urban expansion, transportation systems, environmental protection and
11 economic development.

12 (e) Government and private enterprise need to accelerate research and
13 development of ~~alternative~~ sources of *renewable* energy and to improve
14 technology related to the research and development of existing sources of
15 energy.

16 (f) While government and private enterprise are seeking to accelerate
17 research and development of ~~alternative~~ sources of *renewable* energy,
18 they must also prepare for and respond to the advent of competition within
19 the electrical energy industry and are, therefore, encouraged to maximize
20 the use of indigenous energy resources to the extent competitively and
21 economically feasible.

22 (g) Prevention of delays and interruptions in providing energy,
23 protecting environmental values and conserving energy require expanded
24 authority and capability within state government.

25 2. It is the policy of this state to encourage participation with all levels
26 of government and private enterprise in cooperative state, regional and
27 national programs to assure adequate supplies of energy resources and
28 markets for such energy resources.

29 3. It is the policy of this state to assign the responsibility for managing
30 and conserving energy and its sources to agencies whose other programs
31 are similar, to avoid duplication of effort in developing policies and
32 programs for energy.

33 **Sec. 111.** NRS 523.021 is hereby amended to read as follows:

34 523.021 As used in this chapter, unless the context otherwise
35 requires ~~:-~~

36 ~~1. "Department" means the department of business and industry.~~

37 ~~2. "Director" means the director of the department.] , the words and~~
38 *terms defined in sections 98 to 104, inclusive, of this act have the*
39 *meanings ascribed to them in those sections.*

40 **Sec. 112.** NRS 523.051 is hereby amended to read as follows:

41 523.051 The director may:

42 1. Administer any gifts or grants which the ~~department~~ *office of*
43 *energy* is authorized to accept for the purposes of this chapter.

44 2. Expend money received from those gifts or grants or from
45 legislative appropriations to contract with qualified persons or institutions
46 for research in the production and efficient use of energy resources.

47 3. Enter into any cooperative agreement with any federal or state
48 agency or political subdivision.



1 4. Participate in any program established by the Federal Government
2 relating to sources of energy and adopt regulations appropriate to that
3 program.

4 *5. Assist developers of renewable energy generation projects in*
5 *preparing and making requests to obtain money for development from*
6 *the issuance of industrial development revenue bonds pursuant to NRS*
7 *349.400 to 349.670, inclusive, and sections 87 to 90, inclusive, of this act.*

8 *6. Adopt any regulations that the director determines are necessary*
9 *to carry out the duties of the office of energy pursuant to this chapter.*

10 **Sec. 113.** NRS 523.131 is hereby amended to read as follows:

11 523.131 The director shall:

12 1. Acquire and analyze information relating to energy and to the
13 supply, demand and conservation of its sources.

14 2. Utilize all available public and private means to provide information
15 to the public about problems relating to energy and to explain how
16 conservation of energy and its sources may be accomplished.

17 3. Review and evaluate information which identifies trends and
18 permits forecasting of the energy available to the state. Such forecasts must
19 include estimates on:

20 (a) The level of demand for energy in the state for 5-, 10- and 20-year
21 periods;

22 (b) The amount of energy available to meet each level of demand;

23 (c) The probable implications of the forecast on the demand and supply
24 of energy; and

25 (d) The *sources of renewable energy and other* alternative sources of
26 energy which are available and their possible effects.

27 4. Study means of reducing wasteful, inefficient, unnecessary or
28 uneconomical uses of energy and encourage the maximum utilization of
29 existing sources of energy in the state.

30 5. Encourage the development of ~~any existing and alternative~~ :

31 *(a) Any sources of renewable energy and any other energy projects*
32 *which will benefit the state* ~~it~~ ; and

33 *(b) Any measures which conserve or reduce the demand for energy or*
34 *which result in more efficient use of energy.*

35 6. In conjunction with the desert research institute, review policies
36 relating to the research and development of the state's geothermal
37 resources and make recommendations to the appropriate state and federal
38 agencies for establishing methods of developing the geothermal resources
39 within the state.

40 *7. Solicit and serve as the point of contact for grants and other*
41 *money from the Federal Government and other sources to promote:*

42 *(a) Energy projects that enhance the economic development of the*
43 *state;*

44 *(b) The use of renewable energy; and*

45 *(c) The use of measures which conserve or reduce the demand for*
46 *energy or which result in more efficient use of energy.*

47 *8. Coordinate the activities and programs of the office of energy with*
48 *the activities and programs of the task force, the consumer's advocate*
49 *and the public utilities commission of Nevada and other federal, state*



* A B 5 *

1 *and local officers and agencies that promote, fund, administer or operate*
2 *activities and programs related to the use of renewable energy and the*
3 *use of measures which conserve or reduce the demand for energy or*
4 *which result in more efficient use of energy.*

5 *9. Carry out all other directives concerning energy that are*
6 *prescribed by the governor.*

7 **Sec. 114.** NRS 523.141 is hereby amended to read as follows:

8 523.141 1. The director shall prepare a *comprehensive* state energy
9 ~~{conservation}~~ plan which provides ~~{methods for conserving and improving~~
10 ~~efficiency in the use of energy resources and establishes procedures for~~
11 ~~reducing the rate of growth of energy demand and minimizing the adverse~~
12 ~~social, economic, political and environmental effects of increasing energy~~
13 ~~resource consumption.~~

14 ~~— 2. The plan must be presented to the governor, and upon approval by~~
15 ~~the governor, may be submitted by him in compliance with any program~~
16 ~~established by the Federal Government.] for the promotion of:~~

17 *(a) Energy projects that enhance the economic development of the*
18 *state;*

19 *(b) The use of renewable energy; and*

20 *(c) The use of measures which conserve or reduce the demand for*
21 *energy or which result in more efficient use of energy.*

22 *2. The comprehensive state energy plan must include provisions for:*

23 *(a) The assessment of the potential benefits of proposed energy*
24 *projects on the economic development of the state.*

25 *(b) The education of persons and entities concerning renewable*
26 *energy and measures which conserve or reduce the demand for energy or*
27 *which result in more efficient use of energy.*

28 *(c) The creation of incentives for investment in and the use of*
29 *renewable energy and measures which conserve or reduce the demand*
30 *for energy or which result in more efficient use of energy.*

31 *(d) Grants and other money to establish programs and conduct*
32 *activities which promote:*

33 *(1) Energy projects that enhance the economic development of the*
34 *state;*

35 *(2) The use of renewable energy; and*

36 *(3) The use of measures which conserve or reduce the demand for*
37 *energy or which result in more efficient use of energy.*

38 *(e) The development or incorporation by reference of model and*
39 *uniform building and energy codes and standards which are written in*
40 *language which is easy to understand and which include performance*
41 *standards for conservation of energy and efficient use of energy.*

42 *(f) Oversight and accountability with respect to all programs and*
43 *activities described in this subsection.*

44 *(g) Any other matter that the director determines to be relevant to the*
45 *issues of energy resources, energy use, energy conservation and energy*
46 *efficiency.*

47 **Sec. 115.** NRS 523.161 is hereby amended to read as follows:

48 523.161 1. ~~{Except for those energy resources for whose priorities of~~
49 ~~use are established by the public utilities commission of Nevada, the} *The*~~



* A B 5 *

1 director may recommend to state agencies, local governments and
2 appropriate private persons and entities ~~†~~ standards for conservation of
3 energy and its sources and for carrying out the state *comprehensive energy*
4 plan. ~~†for the conservation of energy†~~

5 2. In recommending such standards , the director shall consider the
6 usage of energy and its sources in the state and the methods available for
7 conservation of those sources.

8 **Sec. 116.** NRS 523.164 is hereby amended to read as follows:

9 523.164 1. The director shall adopt regulations for the conservation
10 of energy in buildings, including manufactured homes, which establish the
11 minimum standards for:

- 12 (a) The construction of floors, walls, ceilings and roofs;
- 13 (b) The equipment and systems for heating, ventilation and air-
14 conditioning;
- 15 (c) Electrical equipment and systems;
- 16 (d) Insulation; and
- 17 (e) Other factors which affect the use of energy in a building.

18 2. The director may exempt a building from a standard if he
19 determines that application of the standard to the building would not
20 accomplish the purpose of the regulations.

21 3. The regulations must authorize allowances in design and
22 construction for ~~†solar, wind or any other renewable source†~~ *sources* of
23 *renewable* energy used to supply all or a part of the energy required in a
24 building.

25 4. The standards adopted by the director are the minimum standards
26 for the conservation of energy which apply only to areas in which the
27 governing body of the local government has not adopted standards for the
28 conservation of energy in buildings. Such governing bodies shall assist the
29 director in the enforcement of the regulations adopted pursuant to this
30 section.

31 5. The director shall solicit comments regarding the adoption of
32 regulations pursuant to this section from:

- 33 (a) Persons in the business of constructing and selling homes;
- 34 (b) Contractors;
- 35 (c) Public utilities;
- 36 (d) Local building inspectors; and
- 37 (e) The general public,

38 before adopting any regulations. The director must conduct at least three
39 hearings in different locations in the state, after giving 30 days' notice of
40 each hearing, before he may adopt any regulations pursuant to this section.

41 **Sec. 117.** NRS 523.167 is hereby amended to read as follows:

42 523.167 1. In a county whose population is 100,000 or more, a
43 building whose construction began on or after October 1, 1983, must not
44 contain a system using electric resistance for heating spaces unless:

- 45 (a) The system is merely supplementary to another means of heating;
- 46 (b) Under the particular circumstances no other primary means of
47 heating the spaces is a feasible or economical alternative to heating by
48 electric resistance; or



1 (c) The ~~department~~ *director* determines that the present or future
2 availability of other sources of energy is so limited as to justify the use of
3 such a system.

4 2. This section does not prohibit the use of incandescent or fluorescent
5 lighting.

6 **Sec. 118.** NRS 651.040 is hereby amended to read as follows:

7 651.040 1. As used in this section, unless the context otherwise
8 requires:

9 (a) "Establishment" means any hotel, motel, inn or motor court.

10 (b) "Owner" or "keeper" means any person, firm, association or
11 corporation.

12 (c) "Rates" means the total charge levied at the establishment for rooms
13 or accommodations.

14 2. The rates listed on the printed statement required to be maintained
15 by an owner or keeper of an establishment pursuant to NRS 651.030 must
16 include ~~the~~ :

17 (a) *The* daily rate of the room for occupancy by one person ~~and~~ *and* for
18 occupancy by two persons ~~and the~~ ;

19 (b) *The* additional charge, if any, for *occupancy by* each *additional*
20 person over two persons ~~and the~~ ;

21 (c) *The* additional charge, if any, for each additional bed provided in the
22 room ~~and~~ ; *and*

23 (d) *The additional charge, if any, to offset energy costs incurred by the*
24 *establishment.*

25 3. Every establishment shall maintain a registration card for each room
26 and supply the person or persons registering for accommodations a receipt.
27 Both the registration card and the receipt must reflect the type of
28 accommodations supplied, the number of persons occupying the
29 accommodation and the rate charged each person therefor. An
30 establishment shall not charge more than the rates listed on the printed
31 statement required to be maintained by an owner or keeper of an
32 establishment pursuant to NRS 651.030

33 ~~3-4~~ 4. For any violation of this section, or any provision herein
34 contained, the offender shall forfeit to the injured party 3 times the amount
35 of the sum charged in excess of what he is entitled to charge.

36 ~~4-4~~ 5. Any owner or keeper of any establishment who violates any of
37 the provisions of this section is guilty of a misdemeanor.

38 **Sec. 119.** Chapter 16, Statutes of Nevada 2001, is hereby amended by
39 adding thereto a new section designated sec. 15.5, following sec. 15, to
40 read as follows:

41 Sec. 15.5. *The provisions of sections 8 to 18, inclusive, of this*
42 *act do not prohibit an electric utility from pledging, mortgaging,*
43 *granting a security interest in or otherwise encumbering any of its*
44 *generation assets or other property for the purpose of securing*
45 *indebtedness of the electric utility which exists on the effective date*
46 *of this act or which is issued or incurred by the electric utility after*
47 *the effective date of this act in financing transactions approved by*
48 *the commission.*



1 **Sec. 120.** Section 35 of chapter 16, Statutes of Nevada 2001, is hereby
2 amended to read as follows:

3 Sec. 35. Except as otherwise provided in section 36 of this act
4 and notwithstanding the provisions of any other specific statute to the
5 contrary:

6 1. An electric utility shall not file an application for a fuel and
7 purchased power rider on or after the effective date of this act.

8 2. Each application for a fuel and purchased power rider filed by
9 an electric utility which is pending with the commission on the
10 effective date of this act and which the electric utility did not place
11 into effect before or on April 1, 2001, is void and unenforceable and is
12 not valid for any purpose after April 1, 2001.

13 3. If, before March 1, 2001, an electric utility incurred any costs
14 for fuel or purchased power, including, without limitation, any costs
15 for fuel or purchased power recorded or carried on the books and
16 records of the electric utility, and those costs were not recovered or
17 could not be recovered pursuant to a fuel and purchased power rider
18 placed into effect by the electric utility before March 1, 2001, the
19 electric utility is not entitled, on or after March 1, 2001, to recover
20 any of those costs for fuel or purchased power from customers, and
21 the commission shall not allow the electric utility to recover any of
22 those costs for fuel or purchased power from customers.

23 4. Except as otherwise provided in this section, on and after the
24 effective date of this act:

25 (a) The commission shall not take any further action on the
26 comprehensive energy plan, and each electric utility that jointly filed
27 the comprehensive energy plan shall be deemed to have withdrawn
28 the comprehensive energy plan;

29 (b) The rates that each electric utility placed into effect on
30 March 1, 2001, pursuant to the comprehensive energy plan shall be
31 deemed to be a component of the electric utility's rates for fuel and
32 purchased power; and

33 (c) The revenues ~~collected~~ *for services provided* by each electric
34 utility ~~before April 1~~ *for the period of March 1, 2001, to March 31,*
35 *2001, inclusive,* from the rates that each electric utility placed into
36 effect on March 1, 2001, pursuant to the comprehensive energy plan
37 shall be deemed to be a credit in the electric utility's deferred
38 accounts.

39 5. On or before October 1, 2001, each electric utility that
40 primarily serves densely populated counties shall file a general rate
41 application pursuant to subsection 3 of NRS 704.110, as amended by
42 this act ~~H~~ *and Assembly Bill No. 5 of the 17th special session of the*
43 *Nevada Legislature.* On or before December 1, 2001, each electric
44 utility that primarily serves densely populated counties shall file an
45 application to clear its deferred accounts pursuant to subsection 7 of
46 NRS 704.110, as amended by this act ~~H~~ *and Assembly Bill No. 5 of*
47 *the 17th special session of the Nevada Legislature.* After such an
48 electric utility files the application to clear its deferred accounts, the
49 commission shall investigate and determine whether the rates that the



1 electric utility placed into effect on March 1, 2001, pursuant to the
2 comprehensive energy plan are just and reasonable and reflect prudent
3 business practices. On the date on which the commission issues a final
4 order on the general rate application, the commission shall issue a
5 final order on the electric utility's application to clear its deferred
6 accounts. The total rates to provide electric service that were in effect
7 on April 1, 2001, for the electric utility must remain in effect until the
8 date on which the commission issues a final order on the general rate
9 application. The commission shall not adjust the rates of the electric
10 utility during this period unless such an adjustment is absolutely
11 necessary to avoid rates that are confiscatory under the Constitution of
12 the United States or the constitution of this state. The commission:

13 (a) May make such an adjustment only to the extent that it is
14 absolutely necessary to avoid an unconstitutional result; and

15 (b) Shall not, in any proceedings concerning such an adjustment,
16 approve any rate or grant any relief that is not absolutely necessary to
17 avoid an unconstitutional result.

18 After the electric utility files the general rate application that is
19 required by this subsection, the electric utility shall file general rate
20 applications in accordance with subsection 3 of NRS 704.110, as
21 amended by this act **H and Assembly Bill No. 5 of the 17th special**
22 **session of the Nevada Legislature.** After the electric utility files the
23 application to clear its deferred accounts that is required by this
24 subsection, the electric utility shall file applications to clear its
25 deferred accounts in accordance with section 19 of this act and
26 subsection 7 of NRS 704.110, as amended by this act **H and**
27 **Assembly Bill No. 5 of the 17th special session of the Nevada**
28 **Legislature.**

29 6. On or before December 1, 2001, each electric utility that
30 primarily serves less densely populated counties shall file a general
31 rate application pursuant to subsection 3 of NRS 704.110, as amended
32 by this act **H and Assembly Bill No. 5 of the 17th special session of**
33 **the Nevada Legislature.** On or before February 1, 2002, each electric
34 utility that primarily serves less densely populated counties shall file
35 an application to clear its deferred accounts pursuant to subsection 7
36 of NRS 704.110, as amended by this act **H and Assembly Bill No. 5**
37 **of the 17th special session of the Nevada Legislature.** After such an
38 electric utility files the application to clear its deferred accounts, the
39 commission shall investigate and determine whether the rates that the
40 electric utility placed into effect on March 1, 2001, pursuant to the
41 comprehensive energy plan are just and reasonable and reflect prudent
42 business practices. On the date on which the commission issues a final
43 order on the general rate application, the commission shall issue a
44 final order on the electric utility's application to clear its deferred
45 accounts. The total rates to provide electric service that were in effect
46 on April 1, 2001, for the electric utility must remain in effect until the
47 date on which the commission issues a final order on the general rate
48 application. The commission shall not adjust the rates of the electric
49 utility during this period unless such an adjustment is absolutely



1 necessary to avoid rates that are confiscatory under the Constitution of
2 the United States or the constitution of this state. The commission:

3 (a) May make such an adjustment only to the extent that it is
4 absolutely necessary to avoid an unconstitutional result; and

5 (b) Shall not, in any proceedings concerning such an adjustment,
6 approve any rate or grant any relief that is not absolutely necessary to
7 avoid an unconstitutional result.

8 After the electric utility files the general rate application that is
9 required by this subsection, the electric utility shall file general rate
10 applications in accordance with subsection 3 of NRS 704.110, as
11 amended by this act *H and Assembly Bill No. 5 of the 17th special*
12 *session of the Nevada Legislature.* After the electric utility files the
13 application to clear its deferred accounts that is required by this
14 subsection, the electric utility shall file applications to clear its
15 deferred accounts in accordance with section 19 of this act and
16 subsection 7 of NRS 704.110, as amended by this act *H and*
17 *Assembly Bill No. 5 of the 17th special session of the Nevada*
18 *Legislature.*

19 **Sec. 121.** Section 36 of chapter 16, Statutes of Nevada 2001, is hereby
20 amended to read as follows:

21 Sec. 36. Notwithstanding the provisions of any other specific
22 statute to the contrary:

23 1. If, on or after January 1, 1999, and before the effective date of
24 this act, an electric utility holding company entered into any
25 transaction to acquire a controlling interest in a public utility that
26 provides electric service primarily to customers located outside of this
27 state, the electric utility holding company shall not carry out the
28 transaction unless, on or after the effective date of this act:

29 (a) The electric utility holding company files with the commission
30 an application for authorization of the transaction; and

31 (b) The commission issues a written order that authorizes the
32 transaction. The commission shall not authorize the transaction unless
33 the commission finds that the transaction will be in the public interest.
34 The commission may base its authorization of the transaction upon
35 such terms, conditions or modifications as the commission deems
36 appropriate.

37 2. If the commission authorizes a transaction described in
38 subsection 1 and, before July 1, 2003, the electric utility holding
39 company acquires a controlling interest in such a public utility, or any
40 affiliate thereof, pursuant to the transaction:

41 (a) Each electric utility in which the electric utility holding
42 company holds a controlling interest shall not use deferred accounting
43 pursuant to section 19 of this act on or after the date on which the
44 electric utility holding company acquires a controlling interest in the
45 public utility, or any affiliate thereof;

46 (b) Not later than 90 days after that date, each such electric utility
47 shall file one final application to clear the remaining balance in its
48 deferred accounts pursuant to subsection 7 of NRS 704.110, as



1 amended by this act ~~H~~ and Assembly Bill No. 5 of the 17th special
2 session of the Nevada Legislature;

3 (c) For each such electric utility, the commission shall not carry
4 out the provisions of section 35 of this act concerning deferred
5 accounting and deferred accounts; and

6 (d) The commission shall carry out the remaining provisions of
7 section 35 of this act, including, without limitation, the commission's
8 investigation and determination whether the rates that each electric
9 utility placed into effect on March 1, 2001, pursuant to the
10 comprehensive energy plan are just and reasonable and reflect prudent
11 business practices.

12 3. Any transaction that violates the provisions of this section is
13 void and unenforceable and is not valid for any purpose.

14 **Sec. 122.** Section 21 of chapter 275, Statutes of Nevada 2001, is
15 hereby amended to read as follows:

16 Sec. 21. NRS 523.164 is hereby amended to read as follows:

17 523.164 1. The director shall adopt regulations for the
18 conservation of energy in buildings, including manufactured homes,
19 which establish the minimum standards for:

- 20 (a) The construction of floors, walls, ceilings and roofs;
21 (b) The equipment and systems for heating, ventilation and air-
22 conditioning;
23 (c) Electrical equipment and systems;
24 (d) Insulation; and
25 (e) Other factors which affect the use of energy in a building.

26 2. The director may exempt a building from a standard if he
27 determines that application of the standard to the building would not
28 accomplish the purpose of the regulations.

29 3. The regulations must authorize allowances in design and
30 construction for sources of renewable energy used to supply all or a
31 part of the energy required in a building.

32 4. The standards adopted by the director are the minimum
33 standards for the conservation of energy which apply only to areas in
34 which the governing body of the local government has not adopted
35 standards for the conservation of energy in buildings. Such governing
36 bodies shall assist the director in the enforcement of the regulations
37 adopted pursuant to this section.

38 5. The director shall solicit comments regarding the adoption of
39 regulations pursuant to this section from:

- 40 (a) Persons in the business of constructing and selling homes;
41 (b) Contractors;
42 (c) Public utilities;
43 (d) Local building ~~inspectors;~~ officials; and
44 (e) The general public,

45 before adopting any regulations. The director must conduct at least
46 three hearings in different locations in the state, after giving 30 days'
47 notice of each hearing, before he may adopt any regulations pursuant
48 to this section.



1 **Sec. 123.** Section 1 of chapter 349, Statutes of Nevada 2001, is hereby
2 amended to read as follows:

3 Section 1. Chapter 704 of NRS is hereby amended by adding
4 thereto a new section to read as follows:

5 *1. On and after October 1, 2001, each electric utility shall*
6 *disclose to its retail customers information about electric services,*
7 *and any products and services relating thereto, that are being*
8 *provided to or purchased for those retail customers by the electric*
9 *utility. The disclosure must:*

10 *(a) Be in a standard, uniform format established by the*
11 *commission by regulation;*

12 *(b) Be included:*

13 *(1) At least two times each calendar year, as an insert in the*
14 *bills that the electric utility sends to its retail customers; and*

15 *(2) If the electric utility maintains a website on the Internet or*
16 *any successor to the Internet, on that website; and*

17 *(c) Include adequate information so that a retail customer can*
18 *readily evaluate his options for obtaining electric services and any*
19 *products or services relating thereto.*

20 *2. A disclosure required by this section must include, if*
21 *applicable:*

22 *(a) The average mix of energy sources used to generate the*
23 *electricity sold by the electric utility to the retail customer. An*
24 *electric utility may, if available, use a regional average that has been*
25 *determined by the commission for that portion of electricity sold by*
26 *the electric utility to the retail customer for which the specific mix of*
27 *energy sources cannot be discerned.*

28 *(b) The average emissions, measured in pounds per megawatt-*
29 *hour, of:*

30 *(1) Any high-level radioactive waste, sulfur dioxide, carbon*
31 *dioxide, oxides of nitrogen and heavy metals released in this state*
32 *from the generation of the electricity sold by the electric utility to the*
33 *retail customer; and*

34 *(2) Any other substances released in this state from the*
35 *generation of the electricity sold by the electric utility to the retail*
36 *customer which the commission, in cooperation with the division of*
37 *environmental protection of the state department of conservation*
38 *and natural resources, determines may cause a significant health or*
39 *environmental impact and for which sufficiently accurate and*
40 *reliable data is available.*

41 *If an electric utility uses a regional average for the mix of energy*
42 *sources pursuant to paragraph (a), the electric utility shall, if*
43 *available, use for the average emissions pursuant to this paragraph*
44 *a regional calculation that has been determined by the commission.*

45 *(c) Information concerning customer service.*

46 *(d) Information concerning any energy programs that provide*
47 *assistance to retail customers with low incomes, including, without*
48 *limitation, information on the procedures to apply for such*
49 *programs.*



3. *An electric utility:*

(a) *Shall make the disclosures required pursuant to this section in accordance with the requirements adopted by the commission as to form and substance; and*

(b) *Shall ensure that it provides the information in compliance with all applicable state and federal law governing unfair advertising and labeling.*

4. *The commission shall adopt such regulations concerning form and substance for the disclosures required by this section as are necessary to ensure that retail customers are provided with sufficient information so that they can readily evaluate their options for obtaining electric services and any products and services relating thereto.*

5. *The provisions of this section do not require an electric utility to disclose to its retail customers any information about electric services, and any products and services relating thereto, that are subject to the provisions of sections 3 to 26, inclusive, of Assembly Bill No. 5 of the 17th special session of the Nevada Legislature.*

6. *As used in this section:*

(a) *"Electric utility" has the meaning ascribed to it in section 19 of chapter 16, Statutes of Nevada 2001.*

(b) *"Energy source" includes, without limitation:*

(1) *Coal, natural gas, oil, propane and any other fossil fuel;*

(2) *Geothermal energy, solar energy, nuclear energy, waterpower, wind, biofuel and biomass; and*

(3) *Any other specific energy source that is used to generate the electricity provided to the retail customer.*

Sec. 124. Section 1 of chapter 371, Statutes of Nevada 2001, is hereby amended to read as follows:

Section 1. NRS 704.033 is hereby amended to read as follows:

704.033 1. ~~The~~ *Except as otherwise provided in subsection 6, the commission shall levy and collect an annual assessment from all public utilities , providers of discretionary natural gas service and alternative sellers* subject to the jurisdiction of the commission.

2. Except as otherwise provided in ~~subsection 3,~~ *subsections 3 and 4,* the annual assessment must be:

(a) For the use of the commission, not more than 3.50 mills; and

(b) For the use of the consumer's advocate, not more than 0.75 mills,

on each dollar of gross operating revenue derived from the intrastate operations of such utilities , *providers of discretionary natural gas service and alternative sellers* in the State of Nevada . ~~, except that the minimum assessment in any 1 year must be \$10.~~ The total annual assessment must be not more than 4.25 mills.

3. ~~For railroads the total annual assessment must be the amount levied for the use of the commission pursuant to paragraph (a) of subsection 2.~~ The levy for the use of the consumer's advocate must not be assessed against railroads.

4. The minimum assessment in any 1 year must be \$100.



5. The gross operating revenue of the utilities must be determined for the preceding calendar year. In the case of:

(a) Telephone utilities, except as otherwise provided in paragraph (c), the revenue shall be deemed to be all intrastate revenues. ~~{that are considered by the commission for the purpose of establishing rates.}~~

(b) Railroads, the revenue shall be deemed to be the revenue received only from freight and passenger intrastate movements.

(c) All public utilities, *providers of discretionary natural gas service and alternative sellers*, the revenue does not include the proceeds of any commodity, energy or service furnished to another public utility, *provider of discretionary natural gas service or alternative seller* for resale.

6. *Providers of commercial mobile radio service are not subject to the annual assessment and, in lieu thereof, shall pay to the commission an annual licensing fee of \$200.*

Sec. 125. Section 2 of chapter 371, Statutes of Nevada 2001, is hereby amended to read as follows:

Sec. 2. NRS 704.035 is hereby amended to read as follows:

704.035 1. On or before June 1 of each year, the commission shall mail revenue report forms to all public utilities, *providers of discretionary natural gas service and alternative sellers* under its jurisdiction, to the address of those utilities, *providers of discretionary natural gas service and alternative sellers* on file with the commission. The revenue report form serves as notice of the commission's intent to assess ~~{the utilities.}~~ *such entities*, but failure to notify any ~~{utility}~~ *such entity* does not invalidate the assessment with respect thereto.

2. Each public utility, *provider of discretionary natural gas service and alternative seller* subject to the provisions of NRS 704.033 shall complete the revenue report referred to in subsection 1, compute the assessment and return the completed revenue report to the commission accompanied by payment of the assessment and any penalty due, pursuant to the provisions of subsection 5.

3. The assessment is due on July 1 of each year, but may, at the option of the public utility, *provider of discretionary natural gas service or alternative seller* be paid quarterly on July 1, October 1, January 1 and April 1.

4. The assessment computed by the utility, *provider of discretionary natural gas service or alternative seller* is subject to review and audit by the commission, and the amount of the assessment may be adjusted by the commission as a result of the audit and review.

5. Any public utility, *provider of discretionary natural gas service or alternative seller* failing to pay the assessment provided for in NRS 704.033 on or before August 1, or if paying quarterly, on or before August 1, October 1, January 1 or April 1, shall pay, in addition to such assessment, a penalty of 1 percent of the total unpaid balance for each month or portion thereof that the assessment is



* A B 5 *

delinquent, or \$10, whichever is greater, but no penalty may exceed \$1,000 for each delinquent payment.

6. When a public utility, *provider of discretionary natural gas service or alternative seller* sells, transfers or conveys substantially all of its assets or, *if applicable, its* certificate of public convenience and necessity, the commission shall determine, levy and collect the accrued assessment for the current year not later than 30 days after the sale, transfer or conveyance, unless the transferee has assumed liability for the assessment. For purposes of this subsection, the jurisdiction of the commission over the selling, transferring or conveying public utility, *provider of discretionary natural gas service or alternative seller* continues until it has paid the assessment.

7. The commission may bring an appropriate action in its own name for the collection of any assessment and penalty which is not paid as provided in this section.

8. The commission shall, on a quarterly basis, transfer to the account for the consumer's advocate that portion of the assessments collected which belongs to the consumer's advocate.

Sec. 126. Section 6 of chapter 519, Statutes of Nevada 2001, is hereby amended to read as follows:

Sec. 6. 1. "Provider of electric service" and "provider" mean any person or entity that is in the business of selling electricity to retail customers *for consumption* in this state, regardless of whether the person or entity is otherwise subject to regulation by the commission.

2. *The term includes, without limitation, a provider of new electric resources that is selling electricity to an eligible customer for consumption in this state pursuant to the provisions of sections 3 to 26, inclusive, of Assembly Bill No. 5 of the 17th special session of the Nevada Legislature.*

3. The term does not include:

(a) This state or an agency or instrumentality of this state.

(b) A rural electric cooperative established pursuant to chapter 81 of NRS.

(c) A general improvement district established pursuant to chapter 318 of NRS.

(d) A utility established pursuant to chapter 709 or 710 of NRS.

(e) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

(f) A landlord of a mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(g) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.

Sec. 127. Section 8 of chapter 519, Statutes of Nevada 2001, is hereby amended to read as follows:



Sec. 8. “Renewable energy system” means:

1. A facility or energy system that:

(a) Uses renewable energy to generate electricity; and

(b) Transmits or distributes the electricity that it generates from renewable energy via:

(1) A power line which is dedicated to the transmission or distribution of electricity generated from renewable energy and which is connected to a facility or system owned, operated or controlled by a provider of electric service; or

(2) A power line which is shared with not more than one facility or energy system generating electricity from nonrenewable energy and which is connected to a facility or system owned, operated or controlled by a provider of electric service.

2. A solar thermal energy system that reduces the consumption of electricity.

3. *A net metering system used by a customer-generator pursuant to NRS 704.766 to 704.775, inclusive.*

Sec. 128. Section 9 of chapter 519, Statutes of Nevada 2001, is hereby amended to read as follows:

Sec. 9. 1. “Retail customer” means ~~{a customer who}~~ *an end-use customer that purchases electricity* ~~{at retail;}~~ *for consumption in this state.*

2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it *is an end-use customer that purchases electricity* ~~{at retail; and}~~ *for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of sections 3 to 26, inclusive, of Assembly Bill No. 5 of the 17th special session of the Nevada Legislature.*

(b) *A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of sections 3 to 26, inclusive, of Assembly Bill No. 5 of the 17th special session of the Nevada Legislature.*

(c) A landlord of a mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(d) *A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.*

Sec. 129. 1. NRS 523.171, 704.080, 704.090 and 704.275 are hereby repealed.

2. Section 10 of chapter 16, Statutes of Nevada 2001, is hereby repealed.

3. Section 2 of chapter 349, Statutes of Nevada 2001, is hereby repealed.



1 4. Section 4 of chapter 519, Statutes of Nevada 2001, is hereby
2 repealed.

3 **Sec. 130.** 1. For the purposes of sections 3 to 26, inclusive, of this
4 act:

5 (a) An electric utility that provides distribution services to an eligible
6 customer who is purchasing energy, capacity or ancillary services from a
7 provider of new electric resources shall charge the eligible customer based
8 upon the rates for the electric utility's distribution services that were on file
9 with the commission on April 1, 2001, until the commission approves a
10 change in those rates and such a change becomes effective.

11 (b) Not later than March 1, 2002, the commission shall establish the
12 initial rates for all other components of electric service which are within
13 the jurisdiction of the commission and which are necessary for a provider
14 of new electric resources to sell energy, capacity and ancillary services to
15 an eligible customer pursuant to the provisions of sections 3 to 26,
16 inclusive, of this act. The commission may establish such initial rates as a
17 part of a general rate application that is pending or filed with the
18 commission on or after the effective date of this act.

19 2. The commission shall:

20 (a) Not later than November 1, 2001, adopt regulations to carry out and
21 enforce the provisions of sections 3 to 26, inclusive, of this act.

22 (b) Not later than March 1, 2002, approve tariffs to carry out and
23 enforce the provisions of section 22 of this act.

24 3. Notwithstanding the provisions of section 25 of this act, the
25 commission is not required to submit a report to the legislative commission
26 for any calendar quarter that ends before October 1, 2001.

27 4. As used in this section, the words and terms defined in sections 4 to
28 16, inclusive, of this act have the meanings ascribed to them in those
29 sections.

30 **Sec. 131.** 1. As soon as practicable after July 1, 2003, the governor
31 shall appoint two additional commissioners to the public utilities
32 commission of Nevada in accordance with the provisions of section 47 of
33 this act. For the initial terms of those commissioners, the governor shall
34 appoint:

35 (a) One commissioner whose term begins on October 1, 2003, and
36 expires on September 30, 2005; and

37 (b) One commissioner whose term begins on October 1, 2003, and
38 expires on September 30, 2006.

39 2. The provisions of this act do not abrogate or affect the term of office
40 of any other commissioner of the public utilities commission of Nevada.

41 **Sec. 132.** 1. The provisions of section 76 of this act do not apply
42 to any transaction entered into by a local governmental entity before
43 January 1, 2002, to acquire or otherwise obtain control of the assets of a
44 public utility providing water services.

45 2. As used in this section:

46 (a) "Assets" includes, without limitation, any hydroelectric plant,
47 facility, equipment or system which has a generating capacity of not more
48 than 15 megawatts and which is located on the Truckee River or on a
49 waterway that is appurtenant to or connected to the Truckee River.



1 (b) "Local governmental entity" means a political subdivision of this
2 state or an agency or instrumentality of one or more political subdivisions
3 of this state. The term includes, without limitation, a public water authority
4 created by or consisting of one or more political subdivisions of this state.

5 **Sec. 133.** 1. As soon as practicable after the effective date of this
6 act, the appointing authorities set forth in section 106 of this act shall
7 appoint members to the task force for renewable energy and energy
8 conservation which is created by section 106 of this act.

9 2. At the first meeting of the task force following the appointment of
10 the initial members of the task force, the initial members of the task force
11 shall draw lots to determine which:

12 (a) Five members of the task force will serve initial terms that expire on
13 June 30, 2004.

14 (b) Four members of the task force will serve initial terms that expire on
15 June 30, 2003.

16 3. Not later than 10 days after the first meeting of the task force
17 following the appointment of the initial members of the task force, the
18 public utilities commission of Nevada shall transfer the sum of \$250,000
19 from its reserve account in the public utilities commission regulatory fund,
20 created by NRS 703.147, to the trust fund for renewable energy and energy
21 conservation, created by section 105 of this act.

22 **Sec. 134.** 1. Notwithstanding the provisions of this act and except as
23 otherwise provided in subsection 2, the department of business and
24 industry and its director shall exercise all the power and perform all the
25 duties that are assigned to the office of energy and its director pursuant to
26 the provisions of chapter 523 of NRS, as amended by this act, until the date
27 on which the governor certifies that the office of energy and its director are
28 prepared to carry out those provisions, or until January 1, 2002, whichever
29 occurs earlier.

30 2. During the period described in subsection 1, the office of energy and
31 its director may exercise any power and perform any duty assigned to them
32 pursuant to the provisions of chapter 523 of NRS, as amended by this act,
33 if the exercise of the power or the performance of the duty is necessary as
34 an organizational, preparatory or preliminary measure to prepare the office
35 of energy and its director to carry out those provisions.

36 **Sec. 135.** 1. Any administrative regulations adopted by an officer or
37 an agency whose name has been changed or whose responsibilities have
38 been transferred pursuant to the provisions of this act to another officer or
39 agency remain in force until amended by the officer or agency to which the
40 responsibility for the adoption of the regulations has been transferred.

41 2. Any contracts or other agreements entered into by an officer or
42 agency whose name has been changed or whose responsibilities have been
43 transferred pursuant to the provisions of this act to another officer or
44 agency are binding upon the officer or agency to which the responsibility
45 for the administration of the provisions of the contract or other agreement
46 has been transferred. Such contracts and other agreements may be enforced
47 by the officer or agency to which the responsibility for the enforcement of
48 the provisions of the contract or other agreement has been transferred.



1 3. Any action taken by an officer or agency whose name has been
2 changed or whose responsibilities have been transferred pursuant to the
3 provisions of this act to another officer or agency remains in effect as if
4 taken by the officer or agency to which the responsibility for the
5 enforcement of such actions has been transferred.

6 **Sec. 136.** 1. This section and sections 1 to 46, inclusive, 49 to 117,
7 inclusive, 119 to 135, inclusive, and 137 of this act become effective upon
8 passage and approval.

9 2. Section 118 of this act becomes effective on July 1, 2001.

10 3. Sections 47 and 48 of this act become effective on October 1, 2003.

11 **Sec. 137.** 1. The legislative counsel shall:

12 (a) In preparing the reprint and supplements to the Nevada Revised
13 Statutes, appropriately change any references to an officer or agency whose
14 name is changed or whose responsibilities have been transferred pursuant
15 to the provisions of this act to refer to the appropriate officer or agency.

16 (b) In preparing supplements to the Nevada Administrative Code,
17 appropriately change any references to an officer or agency whose name is
18 changed or whose responsibilities have been transferred pursuant to the
19 provisions of this act to refer to the appropriate officer or agency.

20 2. Any reference in a bill or resolution passed by the 71st session of
21 the Nevada Legislature or the 17th special session of the Nevada
22 Legislature to an officer or agency whose name is changed or whose
23 responsibilities have been transferred pursuant to the provisions of this act
24 to another officer or agency shall be deemed to refer to the officer or
25 agency to which the responsibility is transferred.

TEXT OF REPEALED SECTIONS

523.171 Information and assistance to state agencies. The director, in cooperation with the chief of the buildings and grounds division of the department of administration, shall, upon request, provide information and assistance to any agency, bureau, board, commission, department or division which is engaged in the management, planning, utilization and distribution of energy.

704.080 Printing and posting of schedules. A copy, or so much of the schedule as the commission shall deem necessary for the use of the public, shall be printed in plain type and posted in every station or office of such public utility where payments are made by the consumers or users, open to the public, in such form and place as to be readily accessible to the public and conveniently inspected.

704.090 Schedule of joint rates: Filing; printing; posting. When a schedule of joint rates or charges is or may be in force between two or more public utilities, such schedule shall, in like manner, be printed and filed with the commission, and so much thereof as the commission may deem necessary for the use of the public shall be posted conspicuously in every station or office as provided in NRS 704.080.



* A B 5 *

704.275 Powers of commission: Standards for requiring hearing on telephone rates. The commission shall determine whether a hearing must be held when the proposed change by a public utility furnishing telephone service in any schedule stating a new or revised individual or joint rate or charge, or any new or revised individual or joint regulation or practice affecting any rate or charge, will result in an increase in annual gross revenue as certified by the applicant of \$50,000 or 10 percent of the applicant's gross revenue, whichever is less.

Section 10 of chapter 16, Statutes of Nevada 2001:

Sec. 10. *“Consumer’s advocate” means the consumer’s advocate of the bureau of consumer protection in the office of the attorney general.*

Section 2 of chapter 349, Statutes of Nevada 2001:

Sec. 2. NRS 704.965 is hereby amended to read as follows:

704.965 As used in NRS 704.965 to 704.990, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 704.966 to 704.975, inclusive, have the meanings ascribed to them in those sections.

Section 4 of chapter 519, Statutes of Nevada 2001:

Sec. 4. *“Biomass” means any organic matter that is available on a renewable basis, including, without limitation:*

- 1. Agricultural crops and agricultural wastes and residues;*
- 2. Wood and wood wastes and residues;*
- 3. Animal wastes;*
- 4. Municipal wastes; and*
- 5. Aquatic plants.*

