

ASSEMBLY BILL NO. 501—ASSEMBLYMEN MORTENSON, THOMAS, TIFFANY, FREEMAN, LEE, SEGERBLOM, GIBBONS, MANENDO, ANDERSON, KOIVISTO, WILLIAMS, VON TOBEL, HUMKE, PRICE, CLABORN, DE BRAGA, CHOWNING, CEGAVSKE, OHRENSCHALL, PARKS, GIUNCHIGLIANI, ARBERRY, MCCLAIN, BEERS, NOLAN, EVANS, GOLDWATER, CARPENTER AND BERMAN

MARCH 12, 1999

Referred to Committee on Government Affairs

SUMMARY—Authorizes formation by county or municipality of consumer group to obtain electric services at competitive prices for residents and small businesses. (BDR 58-1544)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to electric utilities; providing in skeleton form authorization for the formation of a consumer group by the governing body of a county or municipality to obtain electric services at competitive prices for residents and small businesses; providing in skeleton form a procedure for the exclusion of residents and small businesses from participation in such a consumer group; providing in skeleton form for cooperative agreements between governing bodies to form such a consumer group; 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.** Chapter 704 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 9, inclusive, of this act.
3 **Sec. 2.** *As used in sections 2 to 9, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 and*
5 *4 of this act have the meanings ascribed to them in those sections.*
6 **Sec. 3.** *“Consumer group” means a consumer group as designated*
7 *by the governing body of a county or municipality pursuant to sections 2*
8 *to 9, inclusive, of this act.*

1 **Sec. 4.** *“Governing body” means the governing body of a county or*
2 *municipality.*

3 **Sec. 5.** 1. *The governing body of a county or municipality may, by*
4 *resolution, designate the county or municipality to be a consumer group*
5 *for the purpose of obtaining electric services at a competitive price for the*
6 *residents and small businesses in the county or municipality, as*
7 *appropriate.*

8 2. *The governing body shall, on behalf of the consumer group, enter*
9 *into contracts with electric distribution utilities and alternative sellers to*
10 *procure generation, aggregation and other potentially competitive*
11 *services for the residents and small businesses participating in the*
12 *consumer group.*

13 3. *The governing body may aggregate or bundle such electric*
14 *services as it determines necessary for the consumer group, or may*
15 *employ or enter into a contract with a person to aggregate or bundle the*
16 *electric services for the consumer group.*

17 4. *A governing body that procures generation, aggregation and other*
18 *potentially competitive services for a consumer group pursuant to*
19 *sections 2 to 9, inclusive, of this act is not subject to the jurisdiction of the*
20 *commission as a utility or alternative seller.*

21 **Sec. 6.** *Each resident and small business in a county or municipality*
22 *that has been designated a consumer group pursuant to sections 2 to 9,*
23 *inclusive, of this act is a member of the consumer group unless the*
24 *resident or small business requests, in writing, to be excluded from*
25 *participation in the consumer group. If a resident or small business*
26 *chooses to be excluded from participation in a consumer group, the*
27 *resident or small business shall so notify the governing body and the*
28 *utility or alternative seller that is providing the electric services to the*
29 *consumer group.*

30 **Sec. 7.** *A resident who, or a small business that, is participating in a*
31 *consumer group is responsible for the payment of the electric services*
32 *provided in accordance with sections 2 to 9, inclusive, of this act to the*
33 *resident or small business, respectively.*

34 **Sec. 8.** *A governing body may enter into a cooperative agreement in*
35 *accordance with NRS 277.045 with another governing body to create a*
36 *consumer group consisting of the residents and small businesses located*
37 *within the combined jurisdiction of the governing bodies. The*
38 *cooperative agreement must include, without limitation, the designation*
39 *of the person, governing body or other entity that will act on behalf of the*
40 *consumer group to procure generation, aggregation and other potentially*
41 *competitive services for the residents and small businesses participating*
42 *in the combined consumer group.*

1 **Sec. 9.** *A governing body may, by resolution, dissolve the consumer*
2 *group if the governing body determines that the number of customers*
3 *participating in the consumer group has been reduced to such an extent*
4 *that the continuation of the consumer group would be economically*
5 *untenable. If the consumer group was created pursuant to a cooperative*
6 *agreement in accordance with section 8 of this act, the consumer group*
7 *may be dissolved only if each governing body subject to the cooperative*
8 *agreement agrees, by resolution, to the dissolution of the consumer*
9 *group.*

10 **Sec. 10.** NRS 704.965 is hereby amended to read as follows:
11 704.965 As used in NRS 704.965 to 704.990, inclusive, *and sections 2*
12 *to 9, inclusive, of this act,* unless the context otherwise requires, the words
13 and terms defined in NRS 704.966 to 704.975, inclusive, have the
14 meanings ascribed to them in those sections.

15 **Sec. 11.** This act becomes effective on July 1, 1999.

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