

ASSEMBLY BILL NO. 349—ASSEMBLYMEN GOLDWATER, PARNELL, GIBBONS, DE BRAGA, BACHE, ANDERSON, ARBERRY, BUCKLEY, CLABORN, COLLINS, DINI, FREEMAN, GIUNCHIGLIANI, LEE, LESLIE, MANENDO, MCCLAIN, MORTENSON, NEIGHBORS, OCEGUERA, PARKS, PERKINS, PRICE, SMITH AND WILLIAMS

MARCH 13, 2001

Referred to Select Committee on Energy

SUMMARY—Establishes universal energy charge to fund low-income energy assistance and conservation. (BDR 58-1264)

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

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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 energy; establishing the universal energy charge to fund low-income energy assistance and conservation; requiring certain energy providers to pay the universal energy charge; authorizing such providers to pass through the universal energy charge to retail customers; creating the fund for energy assistance and conservation to be administered by the welfare division of the department of human resources; setting forth the purposes for which money in the fund may be used; 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; 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.** Title 58 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 1 to 19,
3 inclusive, of this act.
4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 12, inclusive, of*
6 *this act have the meanings ascribed to them in those sections.*
7 **Sec. 3.** *“Affiliate” means a person who, directly or indirectly*
8 *through one or more intermediaries, controls, is controlled by or is under*
9 *common control with another person.*
10 **Sec. 4.** *“Calendar quarter” means each period of 3 consecutive*
11 *calendar months ending on March 31, June 30, September 30 and*
12 *December 31 in each calendar year.*



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1 Sec. 5. *"Commission" means the public utilities commission of*
2 *Nevada.*

3 Sec. 6. *"Energy provider" means a person who is in the business of*
4 *generating or selling energy and who is required to pay the universal*
5 *energy charge.*

6 Sec. 7. *"Facility" means any facility, plant, equipment or system*
7 *that converts other forms of energy into electricity or otherwise produces*
8 *electricity.*

9 Sec. 8. *"Fund" means the fund for energy assistance and*
10 *conservation created pursuant to section 17 of this act.*

11 Sec. 9. *"Housing division" means the housing division of the*
12 *department of business and industry.*

13 Sec. 10. *"Person" means:*

14 1. *A natural person;*

15 2. *Any form of business or social organization and any other*
16 *nongovernmental legal entity, including, without limitation, a*
17 *corporation, partnership, association, trust or unincorporated*
18 *organization;*

19 3. *A government or an agency or instrumentality of a government,*
20 *including, without limitation, this state or an agency or instrumentality*
21 *of this state; and*

22 4. *A political subdivision of this state or of any other government or*
23 *an agency or instrumentality of a political subdivision of this state or of*
24 *any other government.*

25 Sec. 11. *"Universal energy charge" means the charge imposed*
26 *pursuant to section 14 or 15 of this act.*

27 Sec. 12. *"Welfare division" means the welfare division of the*
28 *department of human resources.*

29 Sec. 13. *For the purposes of this chapter, a landlord of a mobile*
30 *home park or owner of a company town who is subject to any of the*
31 *provisions of NRS 704.905 to 704.960, inclusive:*

32 1. *Is not an energy provider; and*

33 2. *Is a person who purchases energy at retail.*

34 Sec. 14. 1. *Except as otherwise provided in this section, each*
35 *energy provider shall pay a universal energy charge of 3.3 mills on each*
36 *therm of natural gas that the energy provider, directly or indirectly*
37 *through one or more affiliates or subsidiaries, sells at retail for use by a*
38 *person within this state.*

39 2. *Each energy provider that is required to pay the universal energy*
40 *charge pursuant to this section shall, within 30 days after the end of each*
41 *calendar quarter, remit to the commission the total amount of money*
42 *owed by the energy provider for the universal energy charge for the*
43 *immediately preceding calendar quarter.*

44 3. *If an energy provider that is required to pay the universal energy*
45 *charge pursuant to this section is a public utility that is subject to the*
46 *jurisdiction of the commission pursuant to chapter 704 of NRS, the*
47 *commission shall allow the energy provider to recover from its ratepayers*
48 *as a cost of service the total amount of money paid by the energy provider*
49 *for the universal energy charge.*



1 4. If an energy provider that is required to pay the universal energy
2 charge pursuant to this section passes that charge, in whole or in part,
3 through to one or more its retail customers in this state, the energy
4 provider shall ensure that the charge is set forth as a separate item or
5 entry on the bill of each such retail customer.

6 5. The provisions of this section do not apply to any therm of natural
7 gas that is used as a source of energy to generate electricity.

8 **Sec. 15.** 1. Each energy provider shall pay a universal energy
9 charge of 0.39 mills on:

10 (a) Each kilowatt-hour of electricity which the energy provider
11 generates from a facility within this state and which the energy provider,
12 directly or indirectly through one or more affiliates or subsidiaries, sells
13 at wholesale or retail for use by a person outside this state;

14 (b) Each kilowatt-hour of electricity which the energy provider
15 generates or acquires at wholesale from a facility within this state and
16 which the energy provider, directly or indirectly through one or more
17 affiliates or subsidiaries, sells at retail for use by a person within this
18 state; and

19 (c) Each kilowatt-hour of electricity which the energy provider
20 generates or acquires at wholesale from a facility outside this state and
21 which the energy provider, directly or indirectly through one or more
22 affiliates or subsidiaries, sells at retail for use by a person within this
23 state.

24 2. Each energy provider that is required to pay the universal energy
25 charge pursuant to this section shall, within 30 days after the end of each
26 calendar quarter, remit to the commission the total amount of money
27 owed by the energy provider for the universal energy charge for the
28 immediately preceding calendar quarter.

29 3. If an energy provider that is required to pay the universal energy
30 charge pursuant to this section is a public utility that is subject to the
31 jurisdiction of the commission pursuant to chapter 704 of NRS, the
32 commission shall allow the energy provider to recover from its ratepayers
33 as a cost of service the total amount of money paid by the energy provider
34 for the universal energy charge.

35 4. If an energy provider that is required to pay the universal energy
36 charge pursuant to this section passes that charge, in whole or in part,
37 through to one or more its retail customers in this state, the energy
38 provider shall ensure that the charge is set forth as a separate item or
39 entry on the bill of each such retail customer.

40 **Sec. 16.** 1. The commission shall adopt regulations to carry out
41 and enforce the provisions of sections 14 and 15 of this act. Such
42 regulations may require energy providers to file reports and to provide
43 the commission with information relating to compliance with the
44 requirements of the universal energy charge.

45 2. The commission may conduct such audits and investigations of
46 energy providers as the commission determines are necessary to verify
47 compliance with the requirements of the universal energy charge. In
48 conducting such an audit or investigation, the commission may exercise
49 any of the investigative powers granted to the commission pursuant to



1 *chapter 703 of NRS, including, without limitation, the power to issue*
2 *orders to compel the appearance of witnesses and the production of*
3 *books, accounts, papers and records.*

4 3. *All money remitted to the commission by energy providers for the*
5 *universal energy charge must be deposited in the state treasury for credit*
6 *to the fund.*

7 4. *The commission may bring an appropriate action in its own name*
8 *for the collection of any money that an energy provider fails to remit to*
9 *the commission in violation of the requirements of the universal energy*
10 *charge.*

11 **Sec. 17.** 1. *There is hereby created as a special revenue fund in the*
12 *state treasury the fund for energy assistance and conservation. The*
13 *welfare division shall administer the fund.*

14 2. *In addition to the money that must be deposited in the fund from*
15 *the universal energy charge, all money received from other sources to*
16 *carry out the purposes of this chapter must be deposited in the state*
17 *treasury for credit to the fund.*

18 3. *The welfare division shall, to the extent practicable, ensure that*
19 *the money in the fund is administered in a manner which is coordinated*
20 *with all other sources of money that are available for energy assistance*
21 *and conservation, including, without limitation, money contributed*
22 *voluntarily by an energy provider, money obtained from the Federal*
23 *Government and money obtained from any agency or instrumentality of*
24 *this state or a political subdivision of this state.*

25 4. *The interest and income earned on the money in the fund, after*
26 *deducting any applicable charges, must be credited to the fund. All*
27 *claims against the fund must be paid as other claims against the state are*
28 *paid.*

29 5. *The commission is entitled to an administrative charge of not*
30 *more than 4 percent of the money in the fund to carry out its powers and*
31 *duties pursuant to this chapter. After deduction of the commission's*
32 *administrative charge, the money in the fund must be distributed*
33 *pursuant to sections 18 and 19 of this act.*

34 **Sec. 18.** 1. *Seventy-five percent of the money in the fund must be*
35 *distributed to the welfare division for a program to assist households in*
36 *paying for electricity and natural gas. The welfare division may not use*
37 *more than 3 percent of the amount distributed to it pursuant to this*
38 *section for administrative expenses.*

39 2. *After administrative expenses, the welfare division may use the*
40 *money distributed to it pursuant to this section only to:*

41 (a) *Assist households in paying for electricity and natural gas.*

42 (b) *Carry out activities related to consumer outreach.*

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

48 4. *The welfare division is authorized to render emergency assistance*
49 *to a household if an emergency related to the cost or availability of*



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1 *electricity or natural gas threatens the health or safety of one or more of*
2 *the members of the household. Such emergency assistance may be*
3 *rendered upon the good faith belief that the household is otherwise*
4 *eligible to receive assistance pursuant to this section.*

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

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

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

17 *(b) May adjust the amount of assistance that the household will*
18 *receive based upon such factors as:*

19 *(1) The income of the household;*

20 *(2) The size of the household;*

21 *(3) The type of energy or fuel that the household uses; and*

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

25 *7. The welfare division shall adopt regulations to carry out and*
26 *enforce the provisions of this section and section 17 of this act.*

27 **Sec. 19.** *1. Twenty-five percent of the money in the fund must be*
28 *distributed to the housing division for programs of energy conservation,*
29 *weatherization and energy efficiency. The housing division may not use*
30 *more than 3 percent of the money distributed to it pursuant to this section*
31 *for administrative expenses.*

32 *2. After administrative expenses, the housing division may use the*
33 *money distributed to it pursuant to this section only to:*

34 *(a) Provide an eligible household with services of basic home energy*
35 *conservation and home energy efficiency or to assist an eligible*
36 *household to acquire such services, including, without limitation,*
37 *services of load management.*

38 *(b) Pay for appropriate health and safety improvements associated*
39 *with energy conservation, weatherization and improvements for energy*
40 *efficiency.*

41 *(c) Carry out activities related to consumer outreach.*

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

47 *4. The housing division is authorized to render emergency assistance*
48 *to a household if the health or safety of one or more of the members of*



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1 *the household is threatened because of the structural, mechanical or*
2 *other failure of:*

3 *(a) The unit of housing in which the household dwells; or*

4 *(b) A component or system of the unit of housing in which the*
5 *household dwells.*

6 *Such emergency assistance may be rendered upon the good faith belief*
7 *that the household is otherwise eligible to receive assistance pursuant to*
8 *this section.*

9 *5. The housing division shall adopt regulations to carry out and*
10 *enforce the provisions of this section.*

11 **Sec. 20.** 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. ~~1A11~~ *Except as otherwise provided in*
14 *section 16 of this act, all* money collected by the commission pursuant to
15 law must be deposited in the state treasury for credit to the fund. Money
16 collected for the use of the consumer's advocate *of the bureau of*
17 *consumer protection in the office of the attorney general* must be
18 transferred pursuant to the provisions of subsection 8 of NRS 704.035.

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

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

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

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

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

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

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

32 **Sec. 21.** This act becomes effective upon passage and approval.

