

Assembly Bill No. 661--Select Committee on Energy

CHAPTER.....

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:

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

1. A reliable and reasonably priced supply of electricity is critical to the economy of this state and to the health, safety and welfare of the residents of this state;
2. The electric utilities in this state depend on regional energy markets to purchase approximately 50 percent of the electricity needed to serve their customers in this state, and such purchases are often made pursuant to agreements with terms of 1 year or less;
3. The energy markets in the western United States currently are characterized by critical shortages in the supply of electricity and extremely high prices for electricity, both of which are damaging to the strength of the economy of this state and to the well-being of the residents of this state;
4. The residents of this state would benefit from construction of new generation assets in this state and from access to other new electric resources, wherever located, that provide lower-priced electricity;
5. The economic development that would result from construction in this state of new generation assets, supporting gas pipelines and additional infrastructure would be of special benefit to the rural areas of this state where the new generation assets are most likely to be located;
6. During this session, the legislature has considered a number of different but complementary approaches to developing and using new

generation assets and other new electric resources and to increasing the supply of reasonably priced electricity in this state;

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

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

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

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

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

Sec. 4. *"Ancillary services" means those generation services that:*

1. Are necessary to support the transmission of energy and capacity from resources to loads while maintaining reliable operation of the transmission system of the electric utility; and

2. Are defined and established in applicable transmission tariffs on file with the Federal Energy Regulatory Commission.

Sec. 5. *"Calendar quarter" means each period of 3 consecutive calendar months ending on March 31, June 30, September 30 and December 31 in each calendar year.*

Sec. 6. *"Commission" means the public utilities commission of Nevada.*

Sec. 7. *1. "Electric utility" means any public utility or successor in interest that:*

(a) Is in the business of providing electric service to customers;

(b) Holds a certificate of public convenience and necessity issued or transferred pursuant to chapter 704 of NRS; and

(c) In the most recently completed calendar year or in any other calendar year within the 7 calendar years immediately preceding the most recently completed calendar year, had a gross operating revenue of \$250,000,000 or more in this state.

2. The term does not include 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.

Sec. 8. *“Electric utility that primarily serves densely populated counties” means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this state from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.*

Sec. 9. *“Electric utility that primarily serves less densely populated counties” means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this state from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.*

Sec. 10. *“Eligible customer” means an end-use customer which is:*

1. A nongovernmental commercial or industrial end-use customer that has an average annual load of 1 megawatt or more in the service territory of an electric utility.

2. A governmental entity, including, without limitation, a governmental entity providing educational or health care services, that:

(a) Performs its functions using one or more facilities which are operated under a common budget and common control; and

(b) Has an average annual load of 1 megawatt or more in the service territory of an electric utility.

Sec. 11. *“Energy” means electrical energy.*

Sec. 12. *“Generation asset” means any plant, facility, equipment or system which is located within or outside this state and which converts nonelectrical energy into electrical energy or otherwise produces electrical energy.*

Sec. 13. *“New electric resource” means:*

1. The energy, capacity or ancillary services and any increased or additional energy, capacity or ancillary services which are:

(a) Made available from a generation asset that is not owned by an electric utility or is not subject to contractual commitments to an electric utility that make the energy, capacity or ancillary services from the generation asset unavailable for purchase by an eligible customer; and

(b) Able to be delivered to an eligible customer.

2. Any increased energy, capacity or ancillary services made available from a generation asset pursuant to an agreement described in section 18 of this act.

Sec. 14. *“Person” means:*

1. A natural person.

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

3. A governmental entity other than:

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

(b) A political subdivision of this state or an agency or instrumentality of a political subdivision of this state.

Sec. 15. *“Provider of new electric resources” and “provider” mean a person who makes energy, capacity or ancillary services from a new electric resource available to an eligible customer.*

Sec. 16. *“Time-of-use meter” means a meter that:*

1. Measures and records the electric demand, energy and power factor on 15-minute intervals; and

2. Is suitable for use with an electric demand of 1 megawatt or more.

Sec. 17. *1. The provisions of this chapter do not alter, diminish or otherwise affect any rights or obligations arising under any contract which requires an electric utility to purchase energy, capacity or ancillary services from another party and which exists on the effective date of this act.*

2. Each electric utility or its assignee shall comply with the terms of any contract which requires the electric utility or its assignee to purchase energy, capacity or ancillary services from another party and which exists on the effective date of this act.

Sec. 18. *1. Except as otherwise provided in this section, an electric utility may, at its discretion, enter into agreements relating to its generation assets and the energy, capacity or ancillary services provided by its generation assets with one or more other persons who are not electric utilities. Such agreements, without limitation:*

(a) May include agreements to construct or install a new generation asset on real property that is adjacent to an existing generation asset owned by the electric utility; and

(b) May provide for the sharing of available common facilities with the existing generation asset or the reengineering, repowering or expansion of the existing generation asset to generate energy more efficiently and at a lower cost and to make more energy available to customers in this state.

2. Any increased energy, capacity or ancillary services made available from a new generation asset or an existing generation asset pursuant to an agreement described in subsection 1 shall be deemed to be a new electric resource that may be:

(a) Owned by the parties to the agreement who are not electric utilities; and

(b) Used or consumed by such parties for their own purposes, sold at wholesale by such parties or sold by such parties to one or more eligible customers pursuant to the provisions of this chapter.

3. A transaction undertaken pursuant to an agreement described in subsection 1:

(a) Must not impair system reliability or the ability of the electric utility to provide electric service to its customers; and

(b) Must not violate the provisions of sections 8 to 18, inclusive, of Assembly Bill No. 369 of this session.

4. The provisions of this section do not exempt any party to an agreement described in subsection 1 from any applicable statutory or regulatory requirements relating to siting, construction and operation of a generation asset.

5. The commission shall encourage the development of new electric resources and shall not exercise its regulatory authority in a manner that

unnecessarily or unreasonably restricts, conditions or discourages any agreement described in subsection 1 that is likely to result in increased energy, capacity or ancillary services from a generation asset or improved or more efficient operation or management of a generation asset.

Sec. 19. *1. Except as otherwise provided in this section, a provider of new electric resources may sell energy, capacity or ancillary services to one or more eligible customers if the eligible customers have been approved to purchase energy, capacity and ancillary services from the provider pursuant to the provisions of sections 20 and 21 of this act.*

2. A provider of new electric resources shall not sell energy, capacity or ancillary services to an eligible customer:

(a) Before April 1, 2002, if the eligible customer's load is in the service territory of an electric utility that primarily serves less densely populated counties;

(b) Before June 1, 2002, if the eligible customer's load is in the service territory of an electric utility that primarily serves densely populated counties; or

(c) If the transaction violates the provisions of this chapter.

3. A provider of new electric resources that sells energy, capacity or ancillary services to an eligible customer pursuant to the provisions of this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. *The commission shall provide public notice of the application of the eligible customer and an opportunity for a hearing on the application in a manner that is consistent with the provisions of NRS 703.320 and the regulations adopted by the commission.*

5. *The commission shall approve the application of the eligible customer unless the commission finds that the proposed transaction:*

(a) Will be contrary to the public interest; or

(b) Does not comply with the provisions of section 21 of this act, if those provisions apply to the proposed transaction.

6. *In determining whether the proposed transaction will be contrary to the public interest, the commission shall consider, without limitation:*

(a) Whether the electric utility that has been providing electric service to the eligible customer will be burdened by increased costs as a result of the proposed transaction or whether any remaining customer of the electric utility will pay increased costs for electric service as a result of the proposed transaction;

(b) Whether the proposed transaction will impair system reliability or the ability of the electric utility to provide electric service to its remaining customers; and

(c) Whether the proposed transaction will add energy, capacity or ancillary services to the supply in this state.

7. *If the commission approves the application of the eligible customer:*

(a) The eligible customer shall not begin purchasing energy, capacity or ancillary services from the provider pursuant to the proposed transaction sooner than 180 days after the date on which the application was filed; and

(b) The commission shall order such terms, conditions and payments as the commission deems necessary and appropriate to ensure that the

proposed transaction will not be contrary to the public interest. Such terms, conditions and payments:

(1) Must be fair and nondiscriminatory as between the eligible customer and the remaining customers of the electric utility; and

(2) Must include, without limitation, payment by the eligible customer to the electric utility of the eligible customer's load-share portion of any unrecovered balance in the deferred accounts of the electric utility.

8. If the commission does not enter a final order on the application of the eligible customer within 90 days after the date on which the application was filed with the commission:

(a) The application shall be deemed to be approved by the commission; and

(b) The eligible customer shall not begin purchasing energy, capacity or ancillary services from the provider pursuant to the proposed transaction sooner than 180 days after the date on which the application was filed.

Sec. 21. *1. For eligible customers whose loads are in the service territory of an electric utility that primarily serves densely populated counties, the aggregate amount of energy that all such eligible customers purchase from providers of new electric resources before July 1, 2003, must not exceed 50 percent of the difference between the existing supply of energy generated in this state that is available to the electric utility and the existing demand for energy in this state that is consumed by the customers of the electric utility, as determined by the commission.*

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

(a) Contract with the provider to purchase:

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

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

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

3. If an eligible customer is subject to the provisions of subsection 2, the eligible customer shall include with its application filed pursuant to section 20 of this act all information concerning the contract offered to the electric utility that is necessary for the commission to determine whether it is in the best interest of the remaining customers of the electric utility for the electric utility to accept the rights to the contract. Such information must include, without limitation, the amount of the energy

and capacity to be purchased under the contract, the price of the energy, capacity and ancillary services and the duration of the contract.

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

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

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

5. If the commission determines that the contract:

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

(b) Is in the best interest of the remaining customers of the electric utility, the electric utility shall accept the rights to the contract and the eligible customer shall assign all rights to the contract to the electric utility. A contract that is assigned to the electric utility pursuant to this paragraph shall be deemed to be an approved part of the resource plan of the electric utility and a prudent investment, and the electric utility may recover all costs for the energy, capacity and ancillary services acquired pursuant to the contract. To the extent practicable, the commission shall take actions to ensure that the electric utility uses the energy, capacity and ancillary services acquired pursuant to each such contract only for the benefit of the remaining customers of the electric utility that are not eligible customers, with a preference for the remaining customers of the electric utility that are residential customers with small loads.

6. The provisions of this section do not exempt the electric utility, in whole or in part, from the requirements imposed on the electric utility pursuant to sections 3 to 12, inclusive, of Senate Bill No. 372 of this session to comply with its portfolio standard for renewable energy. The commission shall not take any actions pursuant to this section that conflict with or diminish those requirements.

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

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

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

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

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

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

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

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

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

(a) A nongovernmental commercial or industrial end-use customer, the eligible customer or the provider shall pay all costs for the time-of-use meter and for installation of the time-of-use meter by the electric utility.

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

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

4. The provisions of this section do not prohibit:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 26.05 Title 58 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 26.1 to 26.95, inclusive, of this act.

Sec. 26.1. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 26.15 to 26.6, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 26.15. "Calendar quarter" means each period of 3 consecutive calendar months ending on March 31, June 30, September 30 and December 31 in each calendar year.

Sec. 26.2. "Commission" means the public utilities commission of Nevada.

Sec. 26.25. "Fund" means the fund for energy assistance and conservation created by section 26.8 of this act.

Sec. 26.3. "Housing division" means the housing division of the department of business and industry.

Sec. 26.35. "Municipal utility" includes, without limitation:

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

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

Sec. 26.4. "Person" means:

1. A natural person;

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

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

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

Sec. 26.45. "Public utility" has the meaning ascribed to it in NRS 704.020 and 704.030.

Sec. 26.5. 1. *“Retail customer” means an end-use customer that purchases natural gas or electricity for consumption in this state.*

2. *The term includes, without limitation:*

(a) A residential, commercial or industrial end-use customer that purchases natural gas or 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 this act.

(b) 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.

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

3. *The term does not include 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 natural gas or electricity 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 this act.*

Sec. 26.55. *“Universal energy charge” means the charge imposed pursuant to section 26.7 of this act.*

Sec. 26.6. *“Welfare division” means the welfare division of the department of human resources.*

Sec. 26.65. 1. *The provisions of section 26.7 of this act do not apply to any therm of natural gas or any kilowatt-hour of electricity that a retail customer purchases from:*

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

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

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

2. *If a retail customer is exempted from paying the universal energy charge pursuant to subsection 1, the retail customer may not receive money or other assistance from:*

(a) The welfare division pursuant to section 26.85 of this act for any utility service for which the retail customer is exempted from paying the universal energy charge; or

(b) The housing division pursuant to section 26.9 of this act.

Sec. 26.7. 1. *Except as otherwise provided in this section and section 26.65 of this act, each retail customer shall pay:*

(a) A universal energy charge of 3.30 mills on each therm of natural gas that the retail customer purchases from another person for consumption in this state; and

(b) A universal energy charge of 0.39 mills on each kilowatt-hour of electricity that the retail customer purchases from another person for consumption in this state.

2. The provisions of subsection 1 do not apply to:

(a) Any therm of natural gas used as a source of energy to generate electricity.

(b) Any kilowatt-hour of electricity used in industries utilizing electrolytic-manufacturing processes.

3. If a retail customer uses the distribution services of a public utility or municipal utility to acquire natural gas or electricity that is subject to the universal energy charge, the public utility or municipal utility providing the distribution services shall:

(a) Collect the universal energy charge from each such retail customer;

(b) Ensure that the universal energy charge is set forth as a separate item or entry on the bill of each such retail customer; and

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

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

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

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

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

Sec. 26.75. *1. The commission shall adopt regulations to carry out and enforce the provisions of section 26.7 of this act. Such regulations may require public utilities, municipal utilities and retail customers that are required to collect or remit money for the universal energy charge to file reports and to provide the commission with information relating to compliance with the requirements of the universal energy charge.*

2. In carrying out the provisions of section 26.7 of this act, the commission shall solicit advice from the consumer's advocate of the

bureau of consumer protection in the office of the attorney general, public utilities and municipal utilities and other knowledgeable persons.

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

4. To carry out its powers and duties pursuant to this chapter, the commission is entitled to an administrative charge of not more than 3 percent of the money collected for the universal energy charge. After deduction of its administrative charge, the commission shall deposit the remaining money collected for the universal energy charge in the state treasury for credit to the fund.

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

Sec. 26.8. *1. There is hereby created as a special revenue fund in the state treasury the fund for energy assistance and conservation. The welfare division shall administer the fund.*

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

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

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

5. After deduction of any refunds paid from the fund pursuant to section 26.7 of this act, the money in the fund must be distributed pursuant to sections 26.85 and 26.9 of this act.

Sec. 26.85. *1. Seventy-five percent of the money in the fund must be distributed to the welfare division for programs to assist eligible households in paying for natural gas and electricity. The welfare division may use not more than 3 percent of the money distributed to it pursuant to this section for its administrative expenses.*

2. Except as otherwise provided in section 26.65 of this act, after deduction for its administrative expenses, the welfare division may use the money distributed to it pursuant to this section only to:

- (a) Assist eligible households in paying for natural gas and electricity.*
- (b) Carry out activities related to consumer outreach.*
- (c) Pay for program design.*
- (d) Pay for the annual evaluations conducted pursuant to section 26.95 of this act.*

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

4. The welfare division is authorized to render emergency assistance to a household if an emergency related to the cost or availability of natural gas or electricity threatens the health or safety of one or more of the members of the household. Such emergency assistance may be rendered upon the good faith belief that the household is otherwise eligible to receive assistance pursuant to this section.

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

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

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

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

- (1) The income of the household;*
- (2) The size of the household;*
- (3) The type of energy that the household uses; and*
- (4) Any other factor which, in the determination of the welfare division, may make the household particularly vulnerable to increases in the cost of natural gas or electricity.*

7. The welfare division shall adopt regulations to carry out and enforce the provisions of this section and section 26.8 of this act.

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

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

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

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

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

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

(f) Engage in annual planning and evaluation processes with the housing division as required by section 26.95 of this act.

Sec. 26.9. *1. Twenty-five percent of the money in the fund must be distributed to the housing division for programs of energy conservation, weatherization and energy efficiency for eligible households. The housing division may use not more than 6 percent of the money distributed to it pursuant to this section for its administrative expenses.*

2. Except as otherwise provided in section 26.65 of this act, after deduction for its administrative expenses, the housing division may use the money distributed to it pursuant to this section only to:

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

(b) Pay for appropriate improvements associated with energy conservation, weatherization and energy efficiency.

(c) Carry out activities related to consumer outreach.

(d) Pay for program design.

(e) Pay for the annual evaluations conducted pursuant to section 26.95 of this act.

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

4. The housing division is authorized to render emergency assistance to a household if the health or safety of one or more of the members of the household is threatened because of the structural, mechanical or other failure of:

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

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

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

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

6. In carrying out the provisions of this section, the housing division shall:

(a) Solicit advice from the welfare division and from other knowledgeable persons;

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

(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low-income persons and, to

the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;

(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;

(e) Establish a process for evaluating the programs conducted pursuant to this section;

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

(g) Engage in annual planning and evaluation processes with the welfare division as required by section 26.95 of this act.

Sec. 26.95. *1. The welfare division and the housing division jointly shall establish an annual plan to coordinate their activities and programs pursuant to this chapter. In preparing the annual plan, the divisions shall solicit advice from knowledgeable persons. The annual plan must include, without limitation, a description of:*

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

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

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

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

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

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

(a) Conduct an annual evaluation of the programs that each division carries out pursuant to sections 26.85 and 26.9 of this act;

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

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

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

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

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

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

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

(e) Any changes planned for each program.

Sec. 27. Chapter 703 of NRS is hereby amended by adding thereto a new section to read as follows:

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

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

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

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

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

Sec. 28. NRS 703.030 is hereby amended to read as follows:

703.030 1. The commission consists of ~~three~~ *five* commissioners appointed by the governor. ~~For terms of~~ *After the initial terms, the term of each commissioner is* 4 years.

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

(a) One commissioner to represent the general public.

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

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

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

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

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

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

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

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

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

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

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

Sec. 29. NRS 703.110 is hereby amended to read as follows:

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

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

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

Sec. 30. NRS 703.130 is hereby amended to read as follows:

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

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

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

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

(a) May appoint one or more hearing officers for a period specified by the commission to conduct proceedings or hearings that may be conducted by the commission pursuant to chapters 704, 704A, 705, 708 and 711 of NRS ~~1~~ and sections 3 to 26, inclusive, and sections 26.7 and 26.75 of this act.

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

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

(a) In any matter pending before the commission pursuant to sections 8 to 18, inclusive, of ~~this act.~~ Assembly Bill No. 369 of this session; or

(b) In any matter pending before the commission pursuant to NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act in which an electric utility has filed a general rate application or an application to clear its deferred accounts.

6. As used in this section, “electric utility” has the meaning ascribed to it in section 19 of Assembly Bill No. 369 of this session.

Sec. 30.5. NRS 703.147 is hereby amended to read as follows:

703.147 1. The public utilities commission regulatory fund is hereby created as a special revenue fund. Except as otherwise provided in section 12 of Senate Bill No. 372 of this ~~act.~~ session and section 26.75 of this act, all money collected by the commission pursuant to law must be deposited in the state treasury for credit to the fund. Money collected for the use of the consumer’s advocate of the bureau of consumer protection in the office of the attorney general must be transferred pursuant to the provisions of subsection 8 of NRS 704.035.

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

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

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

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

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

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

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

Sec. 31. NRS 703.164 is hereby amended to read as follows:

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

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

(b) Prosecute in the name of the ~~public utilities commission of Nevada~~ *commission* all civil actions for the enforcement of chapters 704, 704A, 705 and 708 of NRS *and sections 3 to 26, inclusive, and sections 26.7 and 26.75 of this act* and for the recovery of any penalty or forfeiture provided for therein.

(c) Generally aid the commission in the performance of its duties and the enforcement of chapters 704, 704A, 705 and 708 of NRS ~~+~~ *and sections 3 to 26, inclusive, and sections 26.7 and 26.75 of this act.*

2. Each district attorney shall:

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

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

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

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

Sec. 32. NRS 703.196 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

- (a) May attend any closed hearing held pursuant to this section; and
- (b) Have access to any records or other information determined to be confidential pursuant to this section.

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

Sec. 32.5. NRS 703.197 is hereby amended to read as follows:

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

2. Filing fees may not exceed:

- (a) For applications, \$200.
- (b) For petitions seeking affirmative relief, \$200.
- (c) For each tariff page which requires public notice and is not attached to an application, \$10. If more than one page is filed at one time, the total fee may not exceed the cost of notice and publication.

(d) For all other documents which require public notice, \$10.

3. If an application or other document is rejected by the commission because it is inadequate or inappropriate, the filing fee must be returned.

4. The commission may not charge any fee for filing ~~it~~ :

(a) A complaint.

(b) A request for a refund pursuant to section 26.7 of this act.

Sec. 33. NRS 703.320 is hereby amended to read as follows:

703.320 1. In any matter pending before the commission, if a hearing is required by a specific statute or is otherwise required by the commission, the commission shall give notice of the pendency of the matter to all persons entitled to notice of the hearing. The commission shall by regulation specify:

- (a) The manner of giving notice in each type of proceeding; and
- (b) The persons entitled to notice in each type of proceeding.

2. The commission shall not dispense with a hearing ~~it~~ :

(a) In any matter pending before the commission pursuant to sections 8 to 18, inclusive, of ~~this act~~ Assembly Bill No. 369 of this session; or

(b) Except as otherwise provided in subsection 4 of NRS 704.100, in any matter pending before the commission pursuant to NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act in which an electric utility has filed a general rate application or an application to clear its deferred accounts.

3. In any other matter pending before the commission, the commission may dispense with a hearing and act upon the matter pending unless, within 10 days after the date of the notice of pendency, a person entitled to notice of the hearing files with the commission a request that the hearing

be held. If such a request for a hearing is filed, the commission shall give at least 10 days' notice of the hearing.

4. As used in this section, "electric utility" has the meaning ascribed to it in section 19 of Assembly Bill No. 369 of this session.

Sec. 34. NRS 703.330 is hereby amended to read as follows:

703.330 1. A complete record must be kept of all hearings before the commission. ~~[-, and all]~~ All testimony *at such hearings* must be taken down by the stenographer appointed by the commission, or, under the direction of any competent person appointed by the commission, *must be* reported by sound recording equipment in the manner authorized for reporting testimony in district courts. The testimony reported by a stenographer must be transcribed, and the transcript filed with the record in the matter. The commission may by regulation provide for the transcription or safekeeping of sound recordings. Cost of recording and transcribing testimony at any hearing, except those hearings ordered pursuant to NRS 703.310, must be paid by the applicant. If a complaint is made pursuant to NRS 703.310 by a customer or by a political subdivision of the state or municipal organization, the complainant is not liable for any costs. Otherwise, if there are several applicants or parties to any hearing, the commission may apportion the costs among them in its discretion.

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

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

4. The provisions of this section do not prohibit the commission from ~~[-restricting]~~ :

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

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

Sec. 35. NRS 703.374 is hereby amended to read as follows:

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

- (a) The applicant has filed a motion for a preliminary injunction;
- (b) The applicant has served the motion on the commission and other interested parties within 20 days after the rendition of the order on which the complaint is based;
- (c) The court finds there is a reasonable likelihood that the applicant will prevail on the merits of the matter and will suffer irreparable injury if injunctive relief is not granted; and
- (d) The applicant files a bond or other undertaking to secure the adverse parties in such manner as the court finds sufficient.

2. The decision of the commission on each matter considered shall be deemed reasonable and just until set aside by the court. ~~[-, and in]~~ *In* all actions for *an* injunction or ~~[-otherwise]~~ *for any other relief*, the burden of

proof is upon the party attacking or resisting the order of the commission to show by clear and satisfactory evidence that the order is unlawful ~~{}~~ or unreasonable. ~~{, as the case may be,}~~

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

(a) *Disapproves a public utility's proposed changes in* a schedule of rates ~~{and charges or a}~~, or any part thereof, ~~{filed by any public utility}~~ pursuant to NRS 704.070 to 704.110, inclusive, ~~{or which otherwise}~~ *and sections 41 to 46, inclusive, of this act; or*

(b) *Otherwise prevents the proposed changes in the* schedule, or any part thereof, from taking effect, the public utility complaining may ~~{keep in effect or put}~~ *place* into effect ~~{, as the case may be, the suspended}~~ *the proposed changes in the* schedule, or any part thereof, pending final determination by the court having jurisdiction, by filing a bond with the court in such an amount as the court may fix, conditioned upon the refund to persons entitled to the excess amount if the ~~{rate or rates so suspended}~~ *proposed changes in the schedule, or any part thereof,* are finally determined by the court to be excessive.

Sec. 36. NRS 703.377 is hereby amended to read as follows:

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

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

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

Sec. 37. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 38 to 46, inclusive, of this act.

Sec. 38. *“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.*

Sec. 39. *“Consumer’s advocate” means the consumer’s advocate of the bureau of consumer protection in the office of the attorney general.*

Sec. 40. *“Renewable energy” has the meaning ascribed to it in section 7 of Senate Bill No. 372 of this session.*

Sec. 40.5. 1. *For the purposes of protecting the health of residential customers who receive gas, water or electricity from public utilities, the commission shall adopt or amend regulations that:*

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

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

2. In addition to the regulations adopted pursuant to subsection 1, for the purposes of regulating public utilities that provide gas, water or electricity to landlords who pay for the utility service and who distribute or resell the gas, water or electricity to one or more residential tenants, the commission shall adopt or amend regulations to require a public utility to use its best efforts to post, in a conspicuous location, notice of the intent of the public utility to terminate utility service because the landlord has failed to pay for such service. Such notice must provide sufficient information to allow residential tenants or their occupants to contact the public utility if termination of the utility service is reasonably likely to threaten the health of an occupant of the residence of a residential tenant.

3. A public utility shall not terminate utility service for gas, water or electricity without complying with the regulations adopted by the commission pursuant to this section.

4. As used in this section:

(a) "Gas" includes, without limitation, liquefied petroleum gas and natural gas.

(b) "Landlord" means a landlord who is subject, in whole or in part, to the provisions of chapter 118A or 118B of NRS.

Sec. 41. As used in NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 42, 43 and 44 of this act have the meanings ascribed to them in those sections.

Sec. 42. "Application to make changes in any schedule" and "application" include, without limitation:

1. A general rate application;
2. An application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale; and
3. An application to clear deferred accounts.

Sec. 43. "Rate" means any individual or joint rate, toll or charge imposed by a public utility for a service performed or product furnished by the public utility.

Sec. 44. "Schedule" means any schedule that establishes or otherwise sets the rates for a public utility and any individual or joint rule, regulation, practice, classification or measurement that in any manner affects those rates.

Sec. 45. For the purposes of NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act, a public utility shall be deemed to

make changes in a schedule if the public utility implements a new schedule or amends an existing schedule.

Sec. 46. *1. The commission shall conduct a consumer session to solicit comments from the public in any matter pending before the commission pursuant to NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act in which:*

(a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale or an application to clear its deferred accounts; and

(b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less.

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

Sec. 47. NRS 704.005 is hereby amended to read as follows:

704.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 704.010 to 704.030, inclusive, *and sections 38 and 39 of this act* have the meanings ascribed to them in those sections.

Sec. 48. NRS 704.033 is hereby amended to read as follows:

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

2. Except as otherwise provided in subsection 3, 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, ~~of the bureau of consumer protection in the office of the attorney general,~~ not more than 0.75 mills,

on each dollar of gross operating revenue derived from the intrastate operations of such utilities 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 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, the revenue does not include the proceeds of any commodity, energy or service furnished to another public utility for resale.

Sec. 49. 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 under its jurisdiction, to the address of those utilities on file with the commission. The revenue report form serves as notice of the commission's intent to assess the utilities, but failure to notify any utility does not invalidate the assessment with respect thereto.

2. Each public utility 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, be paid quarterly on July 1, October 1, January 1 and April 1.

4. The assessment computed by the utility 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 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 delinquent, or \$10, whichever is greater, but no penalty may exceed \$1,000 for each delinquent payment.

6. When a public utility sells, transfers or conveys substantially all of its assets or 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 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 ~~{of the bureau of consumer protection in the office of the attorney general}~~ that portion of the assessments collected which belongs to the consumer's advocate.

Sec. 50. NRS 704.070 is hereby amended to read as follows:

704.070 Unless exempt under the provisions of NRS 704.075 , *704.095* or 704.097:

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

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

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

(a) Printed in plain type and posted in each office of the public utility where payments are made to the public utility by its customers; and

(b) Open to inspection by the public and in such form and place as to be readily accessible to and conveniently inspected by the public.

Sec. 51. NRS 704.075 is hereby amended to read as follows:

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

(a) “Generating customer” means a customer who generates electricity by burning natural gas.

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

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

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

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

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

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

Sec. 52. NRS 704.100 is hereby amended to read as follows:

704.100 Except as otherwise provided in NRS 704.075 or as may otherwise be provided by the commission pursuant to NRS 704.095 ~~{, 704.097 or 704.275.}~~

~~—1. No changes may be made~~ or 704.097:

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

~~—2. Copies~~ unless the public utility:

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

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

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

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

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

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

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

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

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

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

Sec. 53. NRS 704.110 is hereby amended to read as follows:

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

1. ~~{Whenever there is filed}~~ *If a public utility files* with the commission *an application to make changes 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, or any schedule resulting}~~ *, including, without limitation, changes that will result* in a discontinuance, modification or restriction of service, the commission ~~{may, upon complaint or upon its own motion without complaint, at once, without answer or formal pleading by the interested utility, investigate or, upon reasonable notice, conduct a hearing concerning}~~ *shall investigate* the propriety of the ~~{rate, charge, classification, regulation, discontinuance, modification, restriction or practice}~~.

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

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

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

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

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

3. *If a public utility files* with the commission ~~{any schedule stating an increased individual or joint rate or charge for service or equipment.}~~ *a general rate application*, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application was prepared. ~~{During any hearing concerning the increased rates or charges determined by the commission to be necessary.}~~ *In determining whether to approve or disapprove any increased rates*, the commission shall consider evidence in

support of the increased rates ~~for charges~~ based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but ~~no new rates or charges may be placed~~ *the public utility shall not place* into effect *any increased rates* until the changes have been experienced and certified by the *public* utility to the commission ~~and~~ *the commission has approved the increased rates*. The commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the ~~filing with the commission of~~ *date on which* the certification required ~~in~~ *by* this subsection ~~or before the expiration of any period of suspension ordered pursuant to subsection 2.~~ *is filed with the commission, or within 180 days after the date on which the general rate application is filed with the commission,* whichever time is longer, the commission shall make such order in reference to ~~those rates or charges~~ *the increased rates* as is required by this chapter. An electric utility shall file a general rate application pursuant to this subsection at least once every 24 months.

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

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

5. *If a public utility files with the commission a general rate application* ~~for an increased rate or charge for, or classification, regulation, discontinuance, modification, restriction or practice involving service or equipment has been filed with the commission, a~~ *, the public utility shall not* ~~submit~~ *file with the commission* another general rate application until all pending general rate applications ~~for increases in rates submitted~~ *filed* by that public utility have been decided *by the commission* unless, after application and hearing, the commission determines that a substantial financial emergency would exist if the ~~other application~~ *public utility* is not permitted to ~~be submitted~~ *file another general rate application* sooner. *The provisions of this subsection do not prohibit the public utility from filing with the commission, while a general rate application is*

pending, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale pursuant to subsection 6 or an application to clear its deferred accounts pursuant to subsection 7, if the public utility is otherwise authorized by those provisions to file such an application.

6. A public utility may file an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale once every 30 days. The provisions of this subsection do not apply to an electric utility using deferred accounting pursuant to section 19 of ~~this act~~ *Assembly Bill No. 369 of this session.*

7. Except as otherwise provided in subsection 8 ~~[, whenever]~~ *and subsection 4 of NRS 704.100, if* an electric utility using deferred accounting pursuant to section 19 of ~~this act~~ *Assembly Bill No. 369 of this session* files an application to clear its deferred accounts and to change one or more of its rates ~~for charges~~ based upon changes in the costs for purchased fuel or purchased power, the commission, after a public hearing and by an appropriate order:

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

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

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

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

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

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

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

11. As used in this section, “electric utility” has the meaning ascribed to it in section 19 of ~~this act~~ *Assembly Bill No. 369 of this session.*

Sec. 54. NRS 704.329 is hereby amended to read as follows:

704.329 1. Except as otherwise provided in ~~{this section,}~~ *subsection 6*, a person shall not merge with, directly acquire, indirectly acquire through a subsidiary or affiliate, or otherwise directly or indirectly obtain control of a public utility doing business in this state or an entity that holds a controlling interest in such a public utility without first submitting to the commission an application for authorization of the proposed ~~{merger, acquisition or other}~~ transaction and obtaining authorization from the commission.

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

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

(a) Will be in the public interest; and

(b) Complies with the provisions of sections 8 to 18, inclusive, of ~~{this act,}~~ *Assembly Bill No. 369 of this session*, if the proposed ~~{merger, acquisition or other}~~ transaction is subject to those provisions.

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

5. If the commission does not issue a final order regarding the proposed ~~{merger, acquisition or other}~~ transaction within 180 days after the date on which an application or amended application for authorization of the proposed ~~{merger, acquisition or other}~~ transaction was filed with the commission, and the proposed ~~{merger, acquisition or other}~~ transaction is not subject to the provisions of sections 8 to 18, inclusive, of ~~{this act,}~~ *Assembly Bill No. 369 of this session*, the proposed ~~{merger, acquisition or other}~~ transaction shall be deemed to be authorized by the commission.

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

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

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

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

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

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

7. *As used in this section:*

(a) *"Person" means:*

(1) A natural person;

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

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

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

(b) "Transaction" means a merger, acquisition or change in control described in subsection 1.

Sec. 55. NRS 704.68964 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

(e) A certificate which provides that the electing carrier has prepared a cost study of the price floor to support the price or prices for each service

and that, on and after the date on which the notice is filed with the commission, any affected person may, upon request, inspect and copy the cost study, subject to reasonable terms and conditions of any applicable confidentiality and nondisclosure agreement relating to the services.

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

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

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

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

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

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

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

Sec. 56. NRS 704.68972 is hereby amended to read as follows:

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

(a) The characteristics of each new service;
(b) The terms and conditions applicable to each new service;
(c) The nature of any limitations on the duration or geographical availability of each new service;

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

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

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

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

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

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

- (a) That provides a function, feature or capability which is materially different from any service or services previously offered by the carrier; or
- (b) Combines two or more previously provided new services.

Sec. 57. NRS 704.743 is hereby amended to read as follows:

704.743 1. A utility which supplies electricity in this state may apply to the commission for authority to charge, as part of a program of optional pricing, a higher rate for electricity that is generated from renewable energy.

2. The program may provide the customers of the utility with the option of paying a higher rate for electricity to support the increased use by the utility of renewable energy in the generation of electricity.

3. As used in this section ~~+~~:

- ~~— (a) “Biomass” has the meaning ascribed to it in section 4 of this act;~~
- ~~— (b) “Renewable energy” means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:~~

- ~~— (1) Wind;~~
- ~~— (2) Solar energy;~~
- ~~— (3) Geothermal energy; and~~
- ~~— (4) Biomass.~~

~~The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.~~ *“renewable energy” has the meaning ascribed to it in section 7 of Senate Bill No. 372 of this session.*

Sec. 58. NRS 704.767 is hereby amended to read as follows:

704.767 As used in NRS ~~704.767~~ 704.766 to 704.775, inclusive, unless the context otherwise requires, the words and terms defined in NRS 704.768 to 704.772, inclusive, *and section 40 of this act* have the meanings ascribed to them in those sections.

Sec. 59. NRS 704.771 is hereby amended to read as follows:

704.771 “Net metering system” means a facility *or energy system* for the ~~production of electrical energy~~ *generation of electricity* that:

1. Uses ~~wind or solar~~ *renewable* energy as its primary source of ~~fuel~~ *energy to generate electricity*;
2. Has a generating capacity of not more than 10 kilowatts;
3. Is located on the customer-generator’s premises;
4. Operates in parallel with the utility’s transmission and distribution facilities; and
5. Is intended primarily to offset part or all of the customer-generator’s requirements for electricity.

Sec. 60. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area . ~~until 100 of those customer-generators have accepted the offer.~~

2. A utility:

(a) Shall offer to make available to each of its customer-generators who has accepted its offer for net metering an energy meter that is capable of registering the flow of electricity in two directions.

(b) May, at its own expense and with the written consent of the customer-generator, install one or more additional meters to monitor the flow of electricity in each direction.

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

Sec. 61. NRS 704.775 is hereby amended to read as follows:

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

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

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

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

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

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

(2) The excess electricity which is fed back to the utility shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to sections 3 to 12, inclusive, of Senate Bill No. 372 of this session.

Sec. 62. NRS 228.360 is hereby amended to read as follows:

228.360 The consumer's advocate:

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

(a) All proceedings conducted pursuant to sections 8 to 18, inclusive, of ~~this act~~ Assembly Bill No. 369 of this session; and

(b) All proceedings conducted pursuant to NRS 704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act in which an electric utility has filed a general rate application or an application to clear its deferred accounts.

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

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

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

(c) Except as otherwise provided in subsection 1, petition for, request, initiate, appear or intervene in any proceeding concerning rates, charges, tariffs, modifications of service or any related matter before the public utilities commission of Nevada or any court, regulatory body, board,

commission or agency having jurisdiction over any matter which the consumer's advocate may bring before or has brought before the public utilities commission of Nevada or in which the public interest or the interests of any particular class of utility customers are involved. The consumer's advocate may represent the public interest or the interests of any particular class of utility customers in any such proceeding, and he is a real party in interest in the proceeding.

3. As used in this section, "electric utility" has the meaning ascribed to it in section 19 of Assembly Bill No. 369 of this session.

Sec. 63. NRS 228.390 is hereby amended to read as follows:

228.390 Except as otherwise provided in *NRS 704.110 and* sections 8 to 18, inclusive, of ~~this act~~ *Assembly Bill No. 369 of this session:*

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

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

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

Sec. 64. Chapter 349 of NRS is hereby amended by adding thereto the provisions set forth as sections 65 to 68, inclusive, of this act.

Sec. 65. *"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.*

Sec. 66. *"Fuel cell" means a device or contrivance that, through the chemical process of combining ions of hydrogen and oxygen, produces electricity and water.*

Sec. 67. *1. "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:*

- (a) Biomass;*
- (b) Fuel cells;*
- (c) Geothermal energy;*
- (d) Solar energy;*
- (e) Waterpower; and*
- (f) Wind.*

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

Sec. 68. 1. *“Renewable energy generation project” means a project involving an electric generating facility or system that uses renewable energy as its primary source of energy to generate electricity.*

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

Sec. 69. NRS 349.400 is hereby amended to read as follows:

349.400 As used in NRS 349.400 to 349.670, inclusive, unless the context otherwise requires, the words and terms defined in NRS 349.410 to 349.540, inclusive, *and sections 65 to 68, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 70. NRS 349.430 is hereby amended to read as follows:

349.430 “Cost of a project” means all or a designated part of the cost of any project, including any incidental cost pertaining to the project. The cost of a project may include, among other costs, the costs of:

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

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

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

4. Establishment of a reserve for contingencies;

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

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

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

Sec. 71. NRS 349.510 is hereby amended to read as follows:

349.510 “Project” means:

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

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

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

(c) Commercial enterprises;

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

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

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

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

(h) A renewable energy generation project.

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

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

Sec. 72. NRS 349.560 is hereby amended to read as follows:

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

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

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

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

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

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

6. Promote the generation of electricity in this state.

Sec. 73. NRS 349.565 is hereby amended to read as follows:

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

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

(b) Except as otherwise provided in subsection 2, assist any manufacturing, industrial, warehousing or commercial enterprise or an organization for research and development to locate in a county or city which would result in the abandonment or closure of an existing facility of a like nature located within that county or city, unless the existing facility is operated by the contemplated lessee, purchaser or other obligor or an affiliate of such a person and the facility is to be abandoned or closed because of obsolescence, lack of available labor or limitations at the site of the facility.

2. The provisions of paragraph (b) of subsection 1 do not apply to:
- (a) Health and care facilities and supplemental facilities for a health and care facility;
 - (b) Civic and cultural enterprises open to the general public;
 - (c) Enterprises located in a redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;
 - (d) Enterprises located in an area designated as an empowerment zone pursuant to sections 1391 to 1397, inclusive, of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1391-97, future amendments to those sections and the corresponding provisions of future internal revenue laws;
 - (e) Facilities established by a corporation for public benefit; ~~and~~
 - (f) Enterprises whose products are substantially sold, used or distributed outside this state ~~and~~ ; *and*
 - (g) Renewable energy generation projects.*

Sec. 74. NRS 349.580 is hereby amended to read as follows:

349.580 Except as otherwise provided in NRS 349.595 and 349.640, the director shall not finance a project unless, before financing:

1. The director finds that:
 - (a) The project to be financed has been approved for financing pursuant to the requirements of NRS 244A.669 to 244A.763, inclusive, or 268.512 to 268.568, inclusive; and
 - (b) There has been a request by a city or county to have the director issue bonds to finance the project; or
2. The director finds and both the board and the governing body of the city or county where the project is to be located approve the findings of the director that:
 - (a) The project consists of any land, building or other improvement and all real and personal properties necessary in connection therewith, excluding inventories, raw materials and working capital, whether or not in existence, which is suitable for new construction, improvement, preservation, restoration, rehabilitation or redevelopment:
 - (1) For manufacturing, industrial, warehousing, civic, cultural or other commercial enterprises, educational institutions, corporations for public benefit or organizations for research and development;
 - (2) For a health and care facility or a supplemental facility for a health and care facility;
 - (3) Of real or personal property appropriate for addition to a hotel, motel, apartment building, casino or office building to protect it or its occupants from fire; ~~or~~
 - (4) Of a historic structure; *or*
 - (5) For a renewable energy generation project;*
 - (b) The project will provide a public benefit;
 - (c) The contemplated lessee, purchaser or other obligor has sufficient financial resources to place the project in operation and to continue its operation, meeting the obligations of the lease, purchase contract or financing agreement;
 - (d) There are sufficient safeguards to assure that all money provided by the department will be expended solely for the purposes of the project;
 - (e) The project would be compatible with existing facilities in the area adjacent to the location of the project;

(f) The project ~~is~~ :

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

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

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

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

Sec. 75. Chapter 523 of NRS is hereby amended by adding thereto the provisions set forth as sections 76 to 87, inclusive, of this act.

Sec. 76. *“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.*

Sec. 77. *“Consumer’s advocate” means the consumer’s advocate of the bureau of consumer protection in the office of the attorney general.*

Sec. 78. *“Director” means the director of the office of energy appointed pursuant to section 87 of this act.*

Sec. 79. *“Fuel cell” means a device or contrivance that, through the chemical process of combining ions of hydrogen and oxygen, produces electricity and water.*

Sec. 80. *1. “Renewable energy” means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:*

- (a) Biomass;*
- (b) Fuel cells;*
- (c) Geothermal energy;*
- (d) Solar energy;*
- (e) Waterpower; and*
- (f) Wind.*

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

Sec. 81. *1. “Renewable energy generation project” means a project involving an electric generating facility or system that uses renewable energy as its primary source of energy to generate electricity.*

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

Sec. 82. *“Task force” means the task force for renewable energy and energy conservation created by section 84 of this act.*

Sec. 83. *1. The trust fund for renewable energy and energy conservation is hereby created in the state treasury.*

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

- (a) Shall maintain the financial records of the fund;*
- (b) Shall invest the money in the fund as the money in other state funds is invested;*
- (c) Shall manage any account associated with the fund;*
- (d) Shall maintain any instruments that evidence investments made with the money in the fund;*
- (e) May contract with vendors for any good or service that is necessary to carry out the provisions of this section; and*
- (f) May perform any other duties that are necessary to administer the fund.*

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

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

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

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

Sec. 84. 1. *The task force for renewable energy and energy conservation is hereby created. The task force consists of nine members who are appointed as follows:*

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

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

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

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

(e) Two members appointed by the governor, one of whom represents the interests of the renewable energy industry in this state with respect to wind and the other of whom represents the interests of the gaming industry in this state.

(f) One member appointed by the consumer's advocate to represent the interests of the consumers in this state.

2. *A member of the task force:*

- (a) Must be a citizen of the United States and a resident of this state.*

(b) Must have training, education, experience or knowledge concerning:

- (1) The development or use of renewable energy;*
 - (2) Financing, planning or constructing renewable energy generation projects;*
 - (3) Measures which conserve or reduce the demand for energy or which result in more efficient use of energy;*
 - (4) Weatherization;*
 - (5) Building and energy codes and standards;*
 - (6) Grants or incentives concerning energy;*
 - (7) Public education or community relations; or*
 - (8) Any other matter within the duties of the task force.*
- (c) Must not be an officer or employee of the legislative or judicial department of state government.*

3. After the initial terms, the term of each member of the task force is 3 years. A vacancy on the task force must be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may be reappointed to the task force.

4. A member of the task force who is an officer or employee of this state or a political subdivision of this state must be relieved from his duties without loss of his regular compensation so that he may prepare for and attend meetings of the task force and perform any work that is necessary to carry out the duties of the task force in the most timely manner practicable. A state agency or political subdivision of this state shall not require an officer or employee who is a member of the task force to:

- (a) Make up the time he is absent from work to carry out his duties as a member of the task force; or*
- (b) Take annual leave or compensatory time for the absence.*

Sec. 85. 1. *The members of the task force shall select a chairman and vice chairman from among their membership. The vice chairman shall perform the duties of the chairman during any absence of the chairman.*

2. The chairman and vice chairman serve in those positions for terms of 1 year. If a vacancy occurs in the chairmanship or vice chairmanship, the vacancy must be filled for the remainder of the unexpired term in the same manner as the original selection.

3. A majority of the members of the task force constitutes a quorum. A majority of the members present during a quorum may exercise all the power and authority conferred on the task force.

4. The task force shall meet at least four times annually or more frequently at the discretion of the chairman.

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

- (a) Is an officer or employee of this state or a political subdivision of this state is entitled to receive the per diem and travel expenses provided*

for state officers and employees generally, paid by his governmental employer.

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

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

Sec. 86. 1. The task force shall:

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

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

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

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

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

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

(4) Conduct feasibility studies, including, without limitation, a feasibility study concerning the establishment of an incentive fund, grants or other programs to enable or assist residential, small commercial and agricultural customers to reduce the cost of purchasing on-site generation systems, net metering systems and distributed generation systems that use renewable energy.

(d) Take any other actions that the task force deems necessary to carry out its duties, including, without limitation, contracting with consultants, if necessary, for the purposes of program design or to assist the task force in carrying out its duties.

2. The task force shall prepare an annual report concerning its activities and programs and submit the report to the legislative commission and the governor on or before January 30 of each year. The annual report must include, without limitation:

- (a) *A description of the objectives of each activity and program;*
- (b) *An analysis of the effectiveness and efficiency of each activity and program in meeting the objectives of the activity or program;*
- (c) *The amount of money distributed for each activity and program from the trust fund for renewable energy and energy conservation and a detailed description of the use of that money for each activity and program;*
- (d) *An analysis of the coordination between the task force and other officers and agencies; and*
- (e) *Any changes planned for each activity and program.*

3. *As used in this section:*

(a) *“Distributed generation system” means a facility or system for the generation of electricity that is in close proximity to the place where the electricity is consumed.*

(b) *“Net metering system” has the meaning ascribed to it in NRS 704.771.*

Sec. 87. 1. *The office of energy is hereby created within the office of the governor.*

2. *The governor shall appoint the director. The director:*

(a) *Is in the unclassified service of the state; and*

(b) *Serves at the pleasure of the governor.*

3. *The director may, within the limits of available money, employ:*

(a) *Such persons in the unclassified service of the state as the director determines to be necessary to carry out the duties of the office of energy pursuant to this chapter; and*

(b) *Such additional personnel as may be required to carry out the duties of the office of energy pursuant to this chapter, who must be in the classified service of the state.*

4. *A person employed by the director pursuant to this section must be qualified by training and experience to perform the duties for which the director employs him.*

5. *The director and the persons employed by the director shall not have any conflict of interest relating to the performance of their duties pursuant to this chapter.*

6. *The provisions of NRS 223.085 do not apply to the director or to any person employed by the director pursuant to this section.*

Sec. 88. NRS 523.011 is hereby amended to read as follows:

523.011 1. The legislature finds that:

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

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

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

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

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

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

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

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

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

Sec. 89. NRS 523.021 is hereby amended to read as follows:

523.021 As used in this chapter, unless the context otherwise requires

~~±~~

~~1. “Department” means the department of business and industry.~~

~~2. “Director” means the director of the department.] , the words and terms defined in sections 76 to 82, inclusive, of this act have the meanings ascribed to them in those sections.~~

Sec. 90. NRS 523.051 is hereby amended to read as follows:

523.051 The director may:

1. Administer any gifts or grants which the department is authorized to accept for the purposes of this chapter.

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

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

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

5. Assist developers of renewable energy generation projects in preparing and making requests to obtain money for development through the issuance industrial development revenue bonds pursuant to NRS 349.400 to 349.670, inclusive and sections 65 to 68, inclusive, of this act.

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

Sec. 91. NRS 523.131 is hereby amended to read as follows:

523.131 The director shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The use of renewable energy; and

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

8. *Coordinate the activities and programs of the office of energy with the activities and programs of the task force, the consumer's advocate and the public utilities commission of Nevada and other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.*

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

Sec. 92. NRS 523.141 is hereby amended to read as follows:

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

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

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

(b) The use of renewable energy; and

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

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

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

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

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

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

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

(2) The use of renewable energy; and

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

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

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

(g) Any other matter that the task force determines to be relevant to the issues of energy resources, energy use, energy conservation and energy efficiency.

Sec. 93. NRS 523.161 is hereby amended to read as follows:

523.161 1. ~~[Except for those energy resources for whose priorities of use are established by the public utilities commission of Nevada, the]~~ *The* director may recommend to state agencies, local governments and appropriate private persons and entities, standards for conservation of energy and its sources and for carrying out the state *comprehensive energy* plan. ~~[for the conservation of energy.]~~

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

Sec. 94. NRS 523.164 is hereby amended to read as follows:

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

(a) The construction of floors, walls, ceilings and roofs;

(b) The equipment and systems for heating, ventilation and air-conditioning;

- (c) Electrical equipment and systems;
- (d) Insulation; and
- (e) Other factors which affect the use of energy in a building.

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

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

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

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

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

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

Sec. 95. NRS 651.040 is hereby amended to read as follows:

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

- (a) "Establishment" means any hotel, motel, inn or motor court.
- (b) "Owner" or "keeper" means any person, firm, association or corporation.
- (c) "Rates" means the total charge levied at the establishment for rooms or accommodations.

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

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

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

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

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

3. Every establishment shall maintain a registration card for each room and supply the person or persons registering for accommodations a receipt. Both the registration card and the receipt must reflect the type of accommodations supplied, the number of persons occupying the accommodation and the rate charged each person therefor. An

establishment shall not charge more than the rates listed on the printed statement required to be maintained by an owner or keeper of an establishment pursuant to NRS 651.030

~~13-1~~ 4. For any violation of this section, or any provision herein contained, the offender shall forfeit to the injured party 3 times the amount of the sum charged in excess of what he is entitled to charge.

~~14-1~~ 5. Any owner or keeper of any establishment who violates any of the provisions of this section is guilty of a misdemeanor.

Sec. 96. Section 1 of Assembly Bill No. 197 of this session is hereby amended to read as follows:

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

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

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

(b) Be included:

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

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

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

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

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

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

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

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

If an electric utility uses a regional average for the mix of energy sources pursuant to paragraph (a), the electric utility shall, if

available, use for the average emissions pursuant to this paragraph a regional calculation that has been determined by the commission.

(c) Information concerning customer service.

(d) Information concerning any energy programs that provide assistance to retail customers with low incomes, including, without limitation, information on the procedures to apply for such 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. 661 of this session.

6. As used in this section:

(a) "Electric utility" has the meaning ascribed to it in section 19 of Assembly Bill No. 369 of this session.

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

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

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

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

Sec. 97. Assembly Bill No. 369 of this session is hereby amended by adding thereto a new section designated sec. 15.5, following sec. 15, to read as follows:

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

Sec. 98. Section 35 of Assembly Bill No. 369 of this session is hereby amended to read as follows:

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

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

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

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

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

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

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

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

5. On or before October 1, 2001, each electric utility that primarily serves densely populated counties shall file a general rate application pursuant to subsection 3 of NRS 704.110, as amended by this act ~~H~~ *and Assembly Bill No. 661 of this session*. On or before December 1, 2001, each electric utility that primarily serves densely populated counties shall file an application to clear its deferred accounts pursuant to subsection 7 of NRS 704.110, as amended by this act ~~H~~ *and Assembly Bill No. 661 of this session*. After such an electric utility files the application to clear its deferred accounts, the commission shall investigate and determine whether the rates that the electric utility placed into effect on March 1, 2001, pursuant to the comprehensive energy plan are just and reasonable and reflect prudent business practices. On the date on which the commission issues a final order on the general rate application, the commission shall issue a final order on the electric utility's application to clear its deferred accounts. The total rates to provide electric service that were in effect on April 1, 2001, for the electric utility must remain in effect until the

date on which the commission issues a final order on the general rate application. The commission shall not adjust the rates of the electric utility during this period unless such an adjustment is absolutely necessary to avoid rates that are confiscatory under the Constitution of the United States or the constitution of this state. The commission:

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

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

After the electric utility files the general rate application that is required by this subsection, the electric utility shall file general rate applications in accordance with subsection 3 of NRS 704.110, as amended by this act ~~H~~ and *Assembly Bill No. 661 of this session*. After the electric utility files the application to clear its deferred accounts that is required by this subsection, the electric utility shall file applications to clear its deferred accounts in accordance with section 19 of this act and subsection 7 of NRS 704.110, as amended by this act ~~H~~ and *Assembly Bill No. 661 of this session*.

6. On or before December 1, 2001, each electric utility that primarily serves less densely populated counties shall file a general rate application pursuant to subsection 3 of NRS 704.110, as amended by this act ~~H~~ and *Assembly Bill No. 661 of this session*. On or before February 1, 2002, each electric utility that primarily serves less densely populated counties shall file an application to clear its deferred accounts pursuant to subsection 7 of NRS 704.110, as amended by this act ~~H~~ and *Assembly Bill No. 661 of this session*. After such an electric utility files the application to clear its deferred accounts, the commission shall investigate and determine whether the rates that the electric utility placed into effect on March 1, 2001, pursuant to the comprehensive energy plan are just and reasonable and reflect prudent business practices. On the date on which the commission issues a final order on the general rate application, the commission shall issue a final order on the electric utility's application to clear its deferred accounts. The total rates to provide electric service that were in effect on April 1, 2001, for the electric utility must remain in effect until the date on which the commission issues a final order on the general rate application. The commission shall not adjust the rates of the electric utility during this period unless such an adjustment is absolutely necessary to avoid rates that are confiscatory under the Constitution of the United States or the constitution of this state. The commission:

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

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

After the electric utility files the general rate application that is required by this subsection, the electric utility shall file general rate applications in accordance with subsection 3 of NRS 704.110, as

amended by this act **H and Assembly Bill No. 661 of this session.** After the electric utility files the application to clear its deferred accounts that is required by this subsection, the electric utility shall file applications to clear its deferred accounts in accordance with section 19 of this act and subsection 7 of NRS 704.110, as amended by this act **H and Assembly Bill No. 661 of this session.**

Sec. 99. Section 36 of Assembly Bill No. 369 of this session is hereby amended to read as follows:

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

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

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

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

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

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

(b) Not later than 90 days after that date, each such electric utility shall file one final application to clear the remaining balance in its deferred accounts pursuant to subsection 7 of NRS 704.110, as amended by this act **H and Assembly Bill No. 661 of this session;**

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

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

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

Sec. 100. Section 1 of Senate Bill No. 210 of this session 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. 101. Section 2 of Senate Bill No. 210 of this session 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 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. 102. Section 6 of Senate Bill No. 372 of this session 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. 661 of this session.*

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. 103. Section 8 of Senate Bill No. 372 of this session 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. 104. Section 9 of Senate Bill No. 372 of this session 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; and~~ *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. 661 of this session.*

(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. 661 of this session.*

(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. 105. 1. NRS 523.171, 704.080, 704.090 and 704.275 are hereby repealed.

2. Section 2 of Assembly Bill No. 197 of this session is hereby repealed.

3. Section 10 of Assembly Bill No. 369 of this session is hereby repealed.

4. Section 4 of Senate Bill No. 372 of this session is hereby repealed.

Sec. 106. 1. For the purposes of sections 3 to 26, inclusive, of this act:

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

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

2. The commission shall:

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

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

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

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

Sec. 107. 1. As soon as practicable after July 1, 2003, the governor shall appoint two additional commissioners to the public utilities commission of Nevada in accordance with the provisions of section 28 of

this act. For the initial terms of those commissioners, the governor shall appoint:

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

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

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

Sec. 108. 1. The provisions of section 54 of this act do not apply to any transaction entered into by a local governmental entity before January 1, 2002, to acquire or otherwise obtain control of the assets of a public utility providing water services.

2. As used in this section:

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

(b) “Local governmental entity” means a political subdivision of this state or an agency or instrumentality of one or more political subdivisions of this state. The term includes, without limitation, a public water authority consisting of one or more political subdivisions of this state.

Sec. 109. 1. As soon as practicable after the effective date of this act, the appointing authorities set forth in section 84 of this act shall appoint members to the task force for renewable energy and energy conservation which is created by section 84 of this act.

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

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

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

3. Not later than 10 days after the first meeting of the task force following the appointment of the initial members of the task force, the public utilities commission of Nevada shall transfer the sum of \$250,000 from its reserve account in the public utilities commission regulatory fund, created by NRS 703.147, to the trust fund for renewable energy and energy conservation, created by section 83 of this act.

Sec. 110. 1. Notwithstanding the provisions of this act and except as otherwise provided in subsection 2, the department of business and industry and its director shall exercise all the power and perform all the duties that are assigned to the office of energy and its director pursuant to the provisions of chapter 523 of NRS, as amended by this act, until the date on which the governor certifies that the office of energy and its director are prepared to carry out those provisions, or until January 1, 2002, whichever occurs earlier.

2. During the period described in subsection 1, the office of energy and its director may exercise any power and perform any duty assigned to them pursuant to the provisions of chapter 523 of NRS, as amended by this act, if the exercise of the power or the performance of the duty is necessary as

an organizational, preparatory or preliminary measure to prepare the office of energy and its director to carry out those provisions.

Sec. 111. 1. Any administrative regulations adopted by an officer or an agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency remain in force until amended by the officer or agency to which the responsibility for the adoption of the regulations has been transferred.

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

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

Sec. 112. 1. This section and sections 1 to 27, inclusive, 30 to 94, inclusive, 96 to 111, inclusive, and 113 of this act become effective upon passage and approval.

2. Section 95 of this act becomes effective on July 1, 2001.

3. Sections 28 and 29 of this act become effective on October 1, 2003.

Sec. 113. 1. The legislative counsel shall:

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

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

2. Any reference in a bill or resolution passed by the 71st session of the Nevada legislature to an officer or agency whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency shall be deemed to refer to the officer or agency to which the responsibility is transferred.