

ASSEMBLY BILL NO. 661—SELECT COMMITTEE ON ENERGY

MARCH 26, 2001

Referred to Select Committee on Energy

SUMMARY—Revises and repeals various provisions concerning utilities and energy.
(BDR 58-1128)

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

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

AN ACT relating to energy; authorizing certain eligible customers to purchase electrical energy, capacity and certain ancillary services from providers of new electric resources; 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 provisions relating to the employees and operations of the commission; requiring the commission to adopt certain regulations relating to the termination of utility service; enacting various provisions concerning contracts for the purchase of power and the construction and operation of electric generating units; providing for the levy of an assessment on certain electric generating units; 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; establishing a program for the issuance of bonds to pay the cost of renewable energy generation projects; creating the task force for renewable energy and prescribing its membership and duties; creating the trust fund for renewable energy; transferring control of the Nevada state energy office from the director of the department of business and industry to the bureau of consumer protection in the office of the attorney general; and providing other matters properly relating thereto.

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

- 1 **Section 1.** For the purposes of sections 3 to 26, inclusive, of this act,
- 2 the legislature hereby finds and declares that:
- 3 1. A reliable and reasonably priced supply of electricity is critical to
- 4 the economy of this state and to the health, safety and welfare of the
- 5 residents of this state;
- 6 2. The electric utilities in this state depend on regional energy markets
- 7 to purchase approximately 50 percent of the electricity needed to serve



1 their customers in this state, and such purchases are often made pursuant to
2 agreements with terms of 1 year or less;

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

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

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

15 6. During this session, the legislature has considered a number of
16 different but complementary approaches to developing and using new
17 generation assets and other new electric resources and to increasing the
18 supply of reasonably priced electricity in this state;

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

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

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

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

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

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

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

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



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

4 **Sec. 6.** *“Commission” means the public utilities commission of*
5 *Nevada.*

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

- 8 *(a) Is in the business of providing electric service to customers;*
9 *(b) Holds a certificate of public convenience and necessity issued or*
10 *transferred pursuant to chapter 704 of NRS; and*
11 *(c) In the most recently completed calendar year or in any other*
12 *calendar year within the 7 calendar years immediately preceding the*
13 *most recently completed calendar year, had a gross operating revenue of*
14 *\$250,000,000 or more in this state.*

15 2. *The term does not include a cooperative association, nonprofit*
16 *corporation, nonprofit association or provider of electric service which is*
17 *declared to be a public utility pursuant to NRS 704.673 and which*
18 *provides service only to its members.*

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

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

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

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

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

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

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

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

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

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

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



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

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

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

9 **Sec. 14. "Person" means:**

10 1. A natural person.

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

15 3. A governmental entity other than:

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

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

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

22 **Sec. 16. "Time-of-use meter" means a meter that:**

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

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

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

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

35 **Sec. 18. 1. Except as otherwise provided in this section, an electric**
36 **utility may, at its discretion, enter into agreements relating to its**
37 **generation assets and the energy, capacity or ancillary services provided**
38 **by its generation assets with one or more other persons who are not**
39 **electric utilities. Such agreements:**

40 (a) May include, without limitation, agreements to construct or install
41 a new generation asset on real property that is adjacent to an existing
42 generation asset owned by the electric utility; and

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

48 2. Any increased energy, capacity or ancillary services made
49 available from a new generation asset or an existing generation asset



- 1 *pursuant to an agreement described in subsection 1 shall be deemed to be*
2 *a new electric resource that may be:*
- 3 *(a) Owned by the parties to the agreement who are not electric*
4 *utilities; and*
- 5 *(b) Used or consumed by such parties for their own purposes or sold*
6 *by such parties to one or more eligible customers pursuant to the*
7 *provisions of this chapter.*
- 8 *3. A transaction undertaken pursuant to an agreement described in*
9 *subsection 1:*
- 10 *(a) Must not impair system reliability or the ability of the electric*
11 *utility to provide electric service to its customers; and*
- 12 *(b) Must not violate the provisions of sections 8 to 18, inclusive, of*
13 *Assembly Bill No. 369 of this session.*
- 14 *4. The provisions of this section do not exempt any party to an*
15 *agreement described in subsection 1 from any applicable statutory or*
16 *regulatory requirements relating to siting, construction and operation of*
17 *a generation asset.*
- 18 *5. The commission shall encourage the development of new electric*
19 *resources and shall not exercise its regulatory authority in a manner that*
20 *unnecessarily or unreasonably restricts, conditions or discourages any*
21 *agreement described in subsection 1 that is likely to result in increased*
22 *energy, capacity or ancillary services from a generation asset or*
23 *improved or more efficient operation or management of a generation*
24 *asset.*
- 25 **Sec. 19. 1.** *Except as otherwise provided in this section, a provider*
26 *of new electric resources may sell energy, capacity or ancillary services to*
27 *one or more eligible customers if the eligible customers have been*
28 *approved to purchase energy, capacity and ancillary services from the*
29 *provider pursuant to the provisions of sections 20 and 21 of this act.*
- 30 *2. A provider of new electric resources shall not sell energy, capacity*
31 *or ancillary services to an eligible customer:*
- 32 *(a) Before April 1, 2002, if the eligible customer's load is in the*
33 *service territory of an electric utility that primarily serves less densely*
34 *populated counties;*
- 35 *(b) Before June 1, 2002, if the eligible customer's load is in the*
36 *service territory of an electric utility that primarily serves densely*
37 *populated counties; or*
- 38 *(c) If the transaction violates the provisions of this chapter.*
- 39 *3. A provider of new electric resources that sells energy, capacity or*
40 *ancillary services to an eligible customer pursuant to the provisions of*
41 *this chapter:*
- 42 *(a) Does not become and shall not be deemed to be a public utility*
43 *solely because of that transaction; and*
- 44 *(b) Does not become and shall not be deemed to be subject to the*
45 *jurisdiction of the commission except as otherwise provided in this*
46 *chapter or by specific statute.*
- 47 *4. If a provider of new electric resources is not a public utility in this*
48 *state and is not otherwise authorized by the provisions of a specific*
49 *statute to sell energy, capacity or ancillary services at retail in this state,*



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1 *the provider shall not sell energy, capacity or ancillary services at retail*
2 *in this state to a person or entity that is not an eligible customer.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

15 7. If the commission approves the application of the eligible
16 customer:

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

21 (b) The commission shall order such terms, conditions and payments
22 as the commission deems necessary and appropriate to ensure that the
23 proposed transaction will not be contrary to the public interest. Such
24 terms, conditions and payments:

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

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

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

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

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

40 **Sec. 21. 1. For eligible customers whose loads are in the service**
41 **territory of an electric utility that primarily serves densely populated**
42 **counties:**

43 (a) The amount of energy that each such eligible customer purchases
44 from providers of new electric resources before July 1, 2003, must not
45 exceed 80 percent of the load of the eligible customer; and

46 (b) The aggregate amount of energy that all such eligible customers
47 purchase from providers of new electric resources before July 1, 2003,
48 must not exceed 50 percent of the difference between the existing supply
49 of energy generated in this state that is available to the electric utility and



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1 the existing demand for energy in this state that is consumed by the
2 customers of the electric utility, as determined by the commission.

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

9 (a) Contract with the provider to purchase:

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

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

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

21 3. If an eligible customer is subject to the provisions of subsection 2,
22 the eligible customer shall include with its application filed pursuant to
23 section 20 of this act all information concerning the contract offered to
24 the electric utility that is necessary for the commission to determine
25 whether it is in the best interest of the remaining customers of the electric
26 utility for the electric utility to accept the rights to the contract. Such
27 information must include, without limitation, the amount of the energy
28 and capacity to be purchased under the contract, the price of the energy,
29 capacity and ancillary services and the duration of the contract.
30 Information concerning the price of the energy, capacity and ancillary
31 services and any other terms or conditions of the contract that the
32 commission determines are commercially sensitive shall be deemed to be
33 confidential, and the commission shall establish a procedure for
34 protecting such information from disclosure.

35 4. If the commission determines that the contract:

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

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



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1 *eligible customers, with a preference for the remaining customers of the*
2 *electric utility that are residential customers with small loads.*

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

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

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

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

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

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

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

26 2. *An electric utility shall install a time-of-use meter at each point of*
27 *delivery of energy to the eligible customer if the eligible customer does*
28 *not have a time-of-use meter at that point of delivery. The eligible*
29 *customer shall pay all costs for the time-of-use meter and for installation*
30 *of the time-of-use meter by the electric utility.*

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

33 4. *The provisions of this section do not prohibit:*

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

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

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

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



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

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

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

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

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

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

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

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

24 **Sec. 27.** NRS 703.025 is hereby amended to read as follows:

25 703.025 1. The commission, by majority vote, shall organize the
26 commission into sections, alter the organization of the commission and
27 reassign responsibilities and duties of the sections of the commission as the
28 commission deems necessary to provide:

29 (a) Advice and guidance to the commission on economic policies
30 relating to utilities under the jurisdiction of the commission, and the
31 regulation of such utilities;

32 (b) Administrative, technical, legal and support services to the
33 commission; and

34 (c) For the regulation of utilities governed by the commission and the
35 services offered by such utilities, including, but not limited to, licensing of
36 such utilities and services and the resolution of consumer complaints.

37 2. The commission shall:

38 (a) Formulate the policies of the various sections of the commission;

39 (b) Coordinate the activities of the various sections of the commission;

40 (c) If customers are authorized by a specific statute to obtain a
41 competitive, discretionary or potentially competitive utility service, take
42 any actions which are consistent with the statute and which are necessary
43 to ~~encourage and enhance:~~

44 ~~(1) At:~~

45 (1) *Ensure, before a determination is made to deregulate a*
46 *particular utility service or market, that a sufficient number of providers*
47 *of the competitive, discretionary or potentially competitive utility service*
48 *exist so that customers are able to benefit from the competitive market;*



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1 (2) *Provide for an orderly and efficient transition from the*
2 *regulated market to the competitive market and ensure that the*
3 *transition, when completed, will not unreasonably prejudice or*
4 *disadvantage any class of customers or any provider of the competitive,*
5 *discretionary or potentially competitive utility service;*
6 (3) *Encourage and enhance the* competitive market for the provision
7 of ~~that~~ *the competitive, discretionary or potentially competitive* utility
8 service to customers ~~in this state; and~~
9 ~~—(2) The; and~~
10 (4) *Encourage and enhance the* reliability and safety of the
11 provision of ~~that~~ *the competitive, discretionary or potentially competitive*
12 utility service ~~within that competitive market; to customers; and~~
13 (d) Adopt such regulations consistent with law as the commission
14 deems necessary for the operation of the commission and the enforcement
15 of all laws administered by the commission.
16 3. Before reorganizing the commission, the commission shall submit
17 the plan for reorganization to:
18 (a) The director of the legislative counsel bureau for transmittal to the
19 appropriate legislative committee and the interim finance committee; and
20 (b) The director of the department of administration.
21 **Sec. 28.** NRS 703.030 is hereby amended to read as follows:
22 703.030 1. The commission consists of ~~three~~ *five* commissioners
23 appointed by the governor . ~~for terms of~~ *After the initial terms, the term*
24 *of each commissioner is* 4 years.
25 2. The governor shall appoint ~~as members of the commission~~
26 ~~persons~~ :
27 (a) *One commissioner to represent the general public.*
28 (b) *Four commissioners* who have at least 2 years of experience in one
29 or more of the following fields:
30 ~~(a)~~ (1) Accounting.
31 ~~(b)~~ (2) Business administration.
32 ~~(c)~~ (3) Finance or economics.
33 ~~(d)~~ (4) Administrative law.
34 ~~(e)~~ (5) Professional engineering.
35 *Not more than two of the commissioners appointed pursuant to this*
36 *paragraph may be from the same field of experience.*
37 3. Not more than ~~two~~ *three* of the commissioners may be ~~+~~
38 ~~(a) Members~~ *members* of the same political party.
39 ~~(b) From the same field of experience.~~
40 4. *A vacancy on the commission must be filled for the remainder of*
41 *the unexpired term in the same manner as the original appointment.*
42 **Sec. 29.** NRS 703.070 is hereby amended to read as follows:
43 703.070 The governor shall designate one of the commissioners to be
44 chairman, whose term as chairman shall be at the pleasure of the governor.
45 ~~The chairman shall serve as the executive officer of the commission.~~
46 **Sec. 30.** NRS 703.110 is hereby amended to read as follows:
47 703.110 1. ~~The~~ *Except as otherwise provided in subsection 2, the*
48 majority of the commissioners have full power to act in all matters within



1 ~~{their jurisdiction.}~~ *the jurisdiction of the commission and shall exercise*
2 *all the powers of the commission.*

3 2. If ~~{two}~~ *the majority of the* commissioners are disqualified or if
4 there are ~~{two}~~ vacancies within the *majority of the* commission, the
5 remaining *commissioners or, if only one commissioner is remaining, the*
6 *remaining* commissioner ~~{or}~~ *has full power to act in all matters within*
7 *the jurisdiction of the commission and* shall exercise all the powers of the
8 commission.

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

11 **Sec. 31.** NRS 703.130 is hereby amended to read as follows:

12 703.130 1. The commission shall appoint a deputy commissioner
13 who shall serve in the unclassified service of the state.

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

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

19 4. *Except as otherwise provided in this subsection, any person who is*
20 *employed by the commission in a full-time position that is in the*
21 *unclassified service of the state and whose aggregate length of service in*
22 *all positions with the commission exceeds 1 year:*

23 *(a) Shall be deemed to be a permanent classified employee of the state*
24 *pursuant to chapter 284 of NRS exclusively for the purposes of*
25 *discipline, demotion, suspension and dismissal; and*

26 *(b) Must not be disciplined, demoted, suspended or dismissed in a*
27 *manner that is inconsistent with the provisions of chapter 284 of NRS*
28 *and the regulations adopted pursuant thereto, as those provisions and*
29 *regulations are applied to a permanent classified employee of the*
30 *state.*

31 *The provisions of this subsection do not apply to any person who is*
32 *serving as a commissioner or deputy commissioner or as a hearing*
33 *officer or legal counsel for the commission.*

34 5. Except as otherwise provided in subsection ~~{5.}~~ 6, the commission:

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

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

41 ~~{5.}~~ 6. The commission shall not appoint a hearing officer to conduct
42 proceedings or hearings :

43 *(a) In any matter pending before the commission pursuant to sections*
44 *8 to 18, inclusive, of ~~{this act.}~~ Assembly Bill No. 369 of this session; or*

45 *(b) In any matter pending before the commission pursuant to NRS*
46 *704.070 to 704.110, inclusive, and sections 48 to 52, inclusive, of this act*
47 *in which an electric utility has filed a general rate application or an*
48 *application to clear its deferred accounts.*



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

3 **Sec. 32.** NRS 703.147 is hereby amended to read as follows:

4 703.147 1. The public utilities commission regulatory fund is hereby
5 created as a special revenue fund. All money collected by the commission
6 pursuant to law must be deposited in the state treasury for credit to the
7 fund. Money collected ~~for~~ *by the commission:*

8 *(a) For the use of the consumer's advocate of the bureau of consumer*
9 *protection in the office of the attorney general must be transferred*
10 *pursuant to the provisions of subsection 8 of NRS 704.035.*

11 *(b) For the use of the task force for renewable energy and energy*
12 *conservation must be transferred pursuant to the provisions of subsection*
13 *5 of section 47 of this act.*

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

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

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

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

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

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

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

27 **Sec. 33.** NRS 703.150 is hereby amended to read as follows:

28 703.150 The commission shall ~~supervise~~ :

29 *1. Supervise* and regulate the operation and maintenance of public
30 utilities and other persons named and defined in chapters 704, 704A and
31 708 of NRS pursuant to the provisions of those chapters.

32 *2. Carry out the purposes and provisions of sections 3 to 26,*
33 *inclusive, of this act and any other specific statute relating to the powers*
34 *and duties of the commission.*

35 **Sec. 34.** NRS 703.164 is hereby amended to read as follows:

36 703.164 1. The commission may employ, or retain on a contract
37 basis, legal counsel who shall:

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

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

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

47 2. Each district attorney shall:



1 (a) Prosecute any violation of chapter 704, 704A, 705, 708 or 711 of
2 NRS *and sections 3 to 26, inclusive, of this act* for which a criminal
3 penalty is provided and which occurs in his county.

4 (b) Aid in any investigation, prosecution, hearing or trial held under the
5 provisions of chapter 704, 704A, 705, 708 or 711 of NRS *and sections 3 to*
6 *26, inclusive, of this act* and, at the request of the commission or its legal
7 counsel, act as counsel and attorney for the commission.

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

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

16 **Sec. 35.** NRS 703.197 is hereby amended to read as follows:

17 703.197 1. The commission may collect fees for the filing of any
18 official document required by this chapter and chapters 704, 704A, 705 and
19 708 of NRS *and sections 3 to 26, inclusive, of this act* or by a regulation
20 of the commission.

21 2. Filing fees may not exceed:

22 (a) For applications, \$200.

23 (b) For petitions seeking affirmative relief, \$200.

24 (c) For each tariff page which requires public notice and is not attached
25 to an application, \$10. If more than one page is filed at one time, the total
26 fee may not exceed the cost of notice and publication.

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

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

30 4. The commission may not charge any fee for filing a complaint.

31 **Sec. 36.** NRS 703.320 is hereby amended to read as follows:

32 703.320 1. In any matter pending before the commission, if a hearing
33 is required by a specific statute or is otherwise required by the commission,
34 the commission shall give notice of the pendency of the matter to all
35 persons entitled to notice of the hearing. The commission shall by
36 regulation specify:

37 (a) The manner of giving notice in each type of proceeding; and

38 (b) The persons entitled to notice in each type of proceeding.

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

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

42 (b) *Except as otherwise provided in subsection 4 of NRS 704.100, in*
43 *any matter pending before the commission pursuant to NRS 704.070 to*
44 *704.110, inclusive, and sections 48 to 52, inclusive, of this act in which*
45 *an electric utility has filed a general rate application or an application to*
46 *clear its deferred accounts.*

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



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1 notice of the hearing files with the commission a request that the hearing
2 be held. If such a request for a hearing is filed, the commission shall give at
3 least 10 days' notice of the hearing.

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

6 **Sec. 37.** NRS 703.374 is hereby amended to read as follows:

7 703.374 1. A court of competent jurisdiction, after hearing, may
8 issue an injunction suspending or staying any final order of the commission
9 if:

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

19 2. The decision of the commission on each matter considered shall be
20 deemed reasonable and just until set aside by the court. ~~It, and in~~ *In* all
21 actions for *an* injunction or ~~otherwise~~ *for any other relief*, the burden of
22 proof is upon the party attacking or resisting the order of the commission to
23 show by clear and satisfactory evidence that the order is unlawful ~~It~~ or
24 unreasonable. ~~It, as the case may be.~~

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

27 *(a) Disapproves a public utility's proposed changes in* a schedule of
28 rates ~~and charges or a~~ , or any part thereof , ~~filed by any public utility~~
29 pursuant to NRS 704.070 to 704.110, inclusive, ~~for which otherwise~~ *and*
30 *sections 48 to 52, inclusive, of this act; or*

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

41 **Sec. 38.** NRS 703.377 is hereby amended to read as follows:

42 703.377 1. ~~No~~ *Any* certificate of public convenience and necessity,
43 permit or license issued *or transferred* in accordance with the ~~terms~~
44 *provisions* of NRS ~~704.005~~ *704.001* to 704.751, inclusive, is ~~either~~ *not*
45 a franchise or irrevocable.

46 2. Upon receipt of a written complaint or on its own motion, the
47 commission may, after investigation and hearing, revoke any certificate,
48 permit or license, ~~but as to~~ *except that the commission may not revoke*
49 *the certificate of* a public utility ~~only if~~ *unless* the commission has



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1 arranged for another public utility to provide the service for which the
2 certificate was granted.

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

7 **Sec. 39.** NRS 703.380 is hereby amended to read as follows:

8 703.380 1. Unless another penalty is specifically provided, any
9 public utility or any officer, agent or employee of a public utility who:

10 (a) Violates any of the provisions of this chapter or chapters 704, 705
11 and 708 of NRS ~~and~~ *and sections 3 to 26, inclusive, of this act;*

12 (b) Violates any rule or regulation of the commission; or

13 (c) Fails, neglects or refuses to obey any order of the commission or
14 any order of a court requiring compliance with an order of the
15 commission,

16 is liable for a civil penalty not to exceed \$1,000 per day for each day of the
17 violation and not to exceed \$100,000 for any related series of violations.

18 2. The amount of any civil penalty to be imposed pursuant to this
19 section, and the propriety of any compromise of a penalty, must be
20 determined by a court of competent jurisdiction upon the complaint of the
21 commission.

22 3. Subject to the approval of the court, any civil penalty may be
23 compromised by the commission. In determining the amount of the
24 penalty, or the amount agreed upon in compromise, the appropriateness of
25 the penalty to the size of the business of the person charged, the gravity of
26 the violation and the good faith of the person charged in attempting to
27 achieve compliance, after notification of a violation, must be considered.

28 4. Any penalty assessed pursuant to this section is not a cost of service
29 by the public utility and may not be included in any new application by a
30 public utility for a rate adjustment or rate increase.

31 **Sec. 40.** Chapter 704 of NRS is hereby amended by adding thereto the
32 provisions set forth as sections 41 to 52, inclusive, of this act.

33 **Sec. 41.** *“Biomass” means any organic matter that is available on a*
34 *renewable basis, including, without limitation:*

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

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

37 3. *Animal wastes;*

38 4. *Municipal wastes; and*

39 5. *Aquatic plants.*

40 **Sec. 42.** *“Consumer’s advocate” means the consumer’s advocate of*
41 *the bureau of consumer protection in the office of the attorney general.*

42 **Sec. 43. 1.** *“Renewable energy” means:*

43 (a) *Biomass;*

44 (b) *Hydrogen;*

45 (c) *Geothermal energy;*

46 (d) *Solar energy;*

47 (e) *Waterpower; and*

48 (f) *Wind.*



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

3 Sec. 44. 1. For the purposes of protecting the health of residential
4 customers who receive gas, water or electricity from public utilities, the
5 commission shall adopt regulations that:

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

11 (b) Require a public utility to postpone its termination of utility service
12 to the residence of a residential customer who has failed to pay for such
13 service if the residential customer satisfies the criteria established by the
14 commission and:

15 (1) On the date of termination, the residence of the residential
16 customer is located in an area that is experiencing a climatic extreme
17 and the utility service that will be terminated is necessary to control the
18 temperature of the residence of the residential customer; or

19 (2) Termination of the utility service is reasonably likely to threaten
20 the health of an occupant of the residence of the residential customer.

21 2. In addition to the regulations adopted pursuant to subsection 1,
22 for the purposes of regulating public utilities that provide gas, water or
23 electricity to landlords who pay for the utility service and who distribute
24 or resell the gas, water or electricity to one or more residential tenants,
25 the commission shall adopt regulations that:

26 (a) Require a public utility to provide reasonable and adequate notice
27 to each such residential tenant before the public utility terminates utility
28 service because the landlord has failed to pay for such service.

29 (b) Provide such residential tenants and their occupants with
30 protections that are similar to the protections afforded to residential
31 customers and their occupants pursuant to subsection 1.

32 (c) Establish procedures and priorities for the resumption of utility
33 service by a public utility after it terminates utility service because the
34 landlord has failed to pay for such service.

35 (d) Establish any additional protections that the commission
36 determines are necessary to protect such residential tenants for the
37 period before or after a public utility terminates utility service because
38 the landlord has failed to pay for such service.

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

42 4. As used in this section:

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

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

47 Sec. 45. 1. If a public utility purchases electricity for resale
48 pursuant to multiple contracts or existing obligations for the purchase of
49 power, the public utility shall, to the extent practicable, ensure that the



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1 duration of such contracts or obligations are varied to protect the
2 customers of the public utility from the effects of fluctuations in the price
3 of electricity.

4 2. In determining whether the purchase of electricity for resale by a
5 public utility is in the public interest pursuant to NRS 704.320, the
6 commission shall consider whether the public utility is taking prudent
7 actions to ensure that the duration of its contracts and obligations for the
8 purchase of power are varied to protect the customers of the public utility
9 from the effects of fluctuations in the price of electricity.

10 **Sec. 46.** 1. If any person intends to construct an electric
11 generating unit or increase the generating capacity of an electric
12 generating unit and the commission has jurisdiction concerning the
13 matter, the commission shall consider, in determining whether to grant:

14 (a) A certificate of public convenience and necessity;

15 (b) A permit for construction pursuant to NRS 704.820 to 704.900,
16 inclusive; or

17 (c) Any other approval within the jurisdiction of the
18 commission,

19 whether the electric generating unit or the increased generating capacity
20 of the electric generating unit will benefit the residents of this state by
21 increasing the quantity of electricity that will be available for purchase in
22 this state.

23 2. As used in this section:

24 (a) "Electric generating unit" means an electric generating unit that
25 uses any form of energy to generate electricity.

26 (b) "Person" means:

27 (1) A natural person;

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

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

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

38 **Sec. 47.** 1. The commission shall levy and collect an assessment
39 from each person who operates a new electric generating unit in this
40 state, whether or not the person or the new electric generating unit is
41 otherwise subject to regulation by the commission.

42 2. The commission shall levy the assessment not more than once on
43 each new electric generating unit which is capable of being operated
44 independently from any other electric generating unit that is or will be
45 part of or connected to any associated facilities. The commission shall
46 levy the assessment on each new electric generating unit whether or not
47 any other electric generating unit that is or will be part of or connected to
48 any associated facilities has begun commercial operation or has had an
49 assessment levied on it pursuant to this section.



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1 3. The amount of the assessment levied on each new electric
2 generating unit must equal the product obtained by multiplying the
3 maximum generating capacity of the new electric generating unit, as
4 determined by the commission and expressed in megawatts, by the sum of
5 \$1,000.

6 4. Each person who is required to pay the assessment levied on a new
7 electric generating unit shall pay the full assessment to the commission
8 not later than 30 days after the date on which the new electric generating
9 unit begins, in whole or in part, commercial operation.

10 5. The commission shall, on a quarterly basis, transfer any money
11 collected pursuant to this section to the state treasurer for credit to the
12 trust fund for renewable energy and energy conservation, which is
13 created by section 104 of this act.

14 6. As used in this section:

15 (a) "New electric generating unit" means an electric generating unit
16 that:

17 (1) Uses a form of energy other than renewable energy as its
18 primary source of energy to generate electricity sold at wholesale or
19 retail;

20 (2) Has a maximum generating capacity of 1 megawatt or more;
21 and

22 (3) Begins, in whole or in part, commercial operation on or after
23 the effective date of this act, whether or not construction began on the
24 electric generating unit before the effective date of this act.

25 (b) "Person" means:

26 (1) A natural person;

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

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

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

37 (c) "Renewable energy" means:

38 (1) Biomass;

39 (2) Hydrogen;

40 (3) Geothermal energy;

41 (4) Solar energy;

42 (5) Waterpower; and

43 (6) Wind.

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

46 Sec. 48. As used in NRS 704.070 to 704.110, inclusive, and sections
47 48 to 52, inclusive, of this act, unless the context otherwise requires, the
48 words and terms defined in sections 49, 50 and 51 of this act have the
49 meanings ascribed to them in those sections.



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1 **Sec. 49.** *“Application to make changes in any schedule” and*
2 *“application” include, without limitation:*

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

7 **Sec. 50.** *“Rate” means any individual or joint rate, toll or charge*
8 *imposed by a public utility for a service performed or product furnished*
9 *by the public utility.*

10 **Sec. 51.** *“Schedule” means any schedule that establishes or*
11 *otherwise sets the rates for a public utility and any individual or joint*
12 *rule, regulation, practice, classification or measurement that in any*
13 *manner affects those rates.*

14 **Sec. 52.** *For the purposes of NRS 704.070 to 704.110, inclusive, and*
15 *sections 48 to 52, inclusive, of this act, a public utility shall be deemed to*
16 *make changes in a schedule if the public utility implements a new*
17 *schedule or amends an existing schedule.*

18 **Sec. 53.** NRS 704.005 is hereby amended to read as follows:
19 704.005 As used in this chapter, unless the context otherwise requires,
20 the words and terms defined in NRS 704.010 to 704.030, inclusive, *and*
21 *sections 41 and 42 of this act* have the meanings ascribed to them in those
22 sections.

23 **Sec. 54.** NRS 704.033 is hereby amended to read as follows:
24 704.033 1. The commission shall levy and collect an annual
25 assessment from all public utilities subject to the jurisdiction of the
26 commission.

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

- 29 (a) For the use of the commission, not more than 3.50 mills; and
30 (b) For the use of the consumer’s advocate, ~~for the bureau of consumer~~
31 ~~protection in the office of the attorney general,~~ not more than
32 0.75 mills,

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

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

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

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

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

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



1 **Sec. 55.** NRS 704.035 is hereby amended to read as follows:
2 704.035 1. On or before June 1 of each year, the commission shall
3 mail revenue report forms to all public utilities under its jurisdiction, to the
4 address of those utilities on file with the commission. The revenue report
5 form serves as notice of the commission's intent to assess the utilities, but
6 failure to notify any utility does not invalidate the assessment with respect
7 thereto.

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

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

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

19 5. Any public utility failing to pay the assessment provided for in
20 NRS 704.033 on or before August 1, or if paying quarterly, on or before
21 August 1, October 1, January 1 or April 1, shall pay, in addition to such
22 assessment, a penalty of 1 percent of the total unpaid balance for each
23 month or portion thereof that the assessment is delinquent, or \$10,
24 whichever is greater, but no penalty may exceed \$1,000 for each
25 delinquent payment.

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

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

37 8. The commission shall, on a quarterly basis, transfer to the account
38 for the consumer's advocate ~~of the bureau of consumer protection in the~~
39 ~~office of the attorney general~~ that portion of the assessments collected
40 which belongs to the consumer's advocate.

41 **Sec. 56.** NRS 704.070 is hereby amended to read as follows:

42 704.070 Unless exempt under the provisions of NRS 704.075 ,
43 704.095 or 704.097:

44 1. ~~Every~~ **Each** public utility shall file with the commission, within a
45 time to be fixed by the commission, **a copy of all** schedules ~~which~~ **that**
46 **are currently in force for the public utility. Such schedules** must be open
47 to public inspection . ~~[- showing all rates, tolls and charges which it has~~
48 ~~established and which are in force at the time for any service performed or~~



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~~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. 57. 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. 58. 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~~



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1 ~~must be plainly indicated, or by filing new schedules in lieu thereof 30~~
2 ~~days before the time the schedules are to take effect. The commission,~~
3 ~~upon application of any public utility, may prescribe a shorter time within~~
4 ~~which a reduction may be made.~~

5 ~~— 2. Copies~~ *unless the public utility files with the commission an*
6 *application to make the proposed changes and the commission approves*
7 *the proposed changes pursuant to NRS 704.110.*

8 *2. A public utility shall post copies of all proposed ~~the~~ schedules and*
9 *all new or amended schedules ~~must be filed and posted in the offices of~~*
10 *public utilities as required for original schedules.* *in the same offices and*
11 *in substantially the same form, manner and places as required by NRS*
12 *704.070 for the posting of copies of schedules that are currently in force.*

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

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

21 *4. Except as otherwise provided in subsection 5, if the proposed*
22 *change in any schedule ~~stating a new or revised individual or joint rate,~~*
23 *fare or charge, or any new or revised individual or joint regulation or*
24 *practice affecting any rate, fare or charge.* *will result in an increase in*
25 *annual gross operating revenue, as certified by the applicant ~~of \$2,500 or~~*
26 *less.* *, in an amount that does not exceed \$2,500, the commission shall*
27 *determine whether it should dispense with a hearing regarding the*
28 *proposed change.*

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

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

40 **Sec. 59.** NRS 704.110 is hereby amended to read as follows:

41 704.110 Except as otherwise provided in NRS 704.075 or as *may*
42 otherwise *be* provided by the commission pursuant to NRS 704.095 or
43 704.097:

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



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

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

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

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

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

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

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



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

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

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

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

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



1 electric utility using deferred accounting pursuant to section 19 of ~~this~~
2 ~~act.~~ *Assembly Bill No. 369 of this session.*

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

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

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

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

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

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

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

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

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

43 **Sec. 60.** NRS 704.329 is hereby amended to read as follows:
44 704.329 1. Except as otherwise provided in ~~this section~~, ~~a~~
45 *subsection 6:*

46 (a) A person shall not merge with, directly acquire, indirectly acquire
47 through a subsidiary or affiliate, or otherwise directly or indirectly obtain
48 control of a public utility doing business in this state or an entity that holds
49 a controlling interest in such a public utility without first submitting to the



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1 commission an application for authorization of the proposed ~~merger,~~
2 ~~acquisition or other~~ transaction and obtaining authorization from the
3 commission.

4 *(b) A public utility doing business in this state shall not merge with,*
5 *directly acquire, indirectly acquire through a subsidiary or affiliate, or*
6 *otherwise directly or indirectly obtain control of another entity without*
7 *first submitting to the commission an application for authorization of the*
8 *proposed transaction and obtaining authorization from the commission.*
9 *The provisions of this paragraph do not apply to such a public utility if,*
10 *in the most recently completed calendar quarter, not more than 10*
11 *percent of the public utility's gross operating revenue was derived from*
12 *intrastate services provided to retail customers in this state by the public*
13 *utility.*

14 *(c) An entity that holds a controlling interest in a public utility doing*
15 *business in this state shall not merge with, directly acquire, indirectly*
16 *acquire through a subsidiary or affiliate, or otherwise directly or*
17 *indirectly obtain control of another entity without first submitting to the*
18 *commission an application for authorization of the proposed transaction*
19 *and obtaining authorization from the commission. The provisions of this*
20 *paragraph do not apply to such an entity if, in the most recently*
21 *completed calendar quarter, not more than 10 percent of the entity's*
22 *gross operating revenue was derived from intrastate services provided to*
23 *retail customers in this state by public utilities in which the entity holds a*
24 *controlling interest.*

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

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

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

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

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

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



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1 6. The provisions of this section do not apply to the transfer of stock of
2 a public utility doing business in this state or to the transfer of the stock of
3 an entity ~~holding~~ *that holds* a controlling interest in such a public utility,
4 if a transfer of not more than 25 percent of the common stock of such a
5 public utility or entity is proposed.

6 7. *As used in this section:*

7 (a) *“Affiliate” means an entity that, directly or indirectly through one*
8 *or more intermediaries, controls, is controlled by or is under common*
9 *control with another entity.*

10 (b) *“Entity” means any person other than a natural person, including,*
11 *without limitation, a public utility and an entity that holds a controlling*
12 *interest in a public utility.*

13 (c) *“Person” means:*

14 (1) *A natural person;*

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

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

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

25 (d) *“Transaction” means a merger, acquisition or change in control*
26 *described in subsection 1.*

27 **Sec. 61.** NRS 704.68964 is hereby amended to read as follows:

28 704.68964 1. An electing carrier may, pursuant to this section and in
29 accordance with NRS 704.68976, exercise flexibility in the pricing of:

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

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

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

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

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

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

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



- 1 (e) A certificate which provides that the electing carrier has prepared a
2 cost study of the price floor to support the price or prices for each service
3 and that, on and after the date on which the notice is filed with the
4 commission, any affected person may, upon request, inspect and copy
5 the cost study, subject to reasonable terms and conditions of any
6 applicable confidentiality and nondisclosure agreement relating to the
7 services.
8 The notice requirements of this subsection do not apply to an electing
9 carrier with respect to the pricing of competitive services or for packages
10 comprised exclusively of competitive services.
- 11 3. The price for a package of services must not be lower than the lesser
12 of:
13 (a) The sum of the price floors for each of the services contained in the
14 package; or
15 (b) The sum of the prices of the basic network services, as set forth in
16 the tariffs of the electing carrier, and the price floors for each of the other
17 services contained in the package.
- 18 4. The commission shall not specify a maximum rate for a package of
19 services.
- 20 5. Each of the services included in a package pursuant to paragraph (b)
21 of subsection 1 must be made available on an individual basis.
- 22 **Sec. 62.** NRS 704.68972 is hereby amended to read as follows:
23 704.68972 1. An electing carrier may introduce new services upon
24 30-days' notice to the commission in writing. The notice must include a
25 description in reasonable detail of:
26 (a) The characteristics of each new service;
27 (b) The terms and conditions applicable to each new service;
28 (c) The nature of any limitations on the duration or geographical
29 availability of each new service;
30 (d) The price or prices of each new service; and
31 (e) A certificate that provides that the electing carrier has prepared a
32 cost study of the price floor to support the price or prices for each new
33 service and that, on and after the date on which the notice is filed with the
34 commission, any affected person may, upon request, inspect and copy the
35 cost study, subject to reasonable terms and conditions of any applicable
36 confidentiality and nondisclosure agreement.
- 37 2. Each new service is subject to the conditions set forth in NRS
38 704.68964.
- 39 3. Each new service is exempt from *the provisions of* NRS *704.100*
40 *and* 704.110 and the regulations of the commission relating thereto.
- 41 4. Unless otherwise classified by the commission as a competitive
42 service pursuant to its regulations, a new service must be classified as a
43 discretionary service for which the commission shall not specify a
44 maximum rate. The electing carrier shall set the price of the new service
45 above the price floor of the service.
- 46 5. As used in this section, a "new service" means a telecommunication
47 service:
48 (a) That provides a function, feature or capability which is materially
49 different from any service or services previously offered by the carrier; or



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

2 **Sec. 63.** NRS 704.767 is hereby amended to read as follows:

3 704.767 As used in NRS ~~704.767~~ **704.766** to 704.775, inclusive,
4 unless the context otherwise requires, the words and terms defined in NRS
5 704.768 to 704.772, inclusive, **and section 43 of this act** have the
6 meanings ascribed to them in those sections.

7 **Sec. 64.** NRS 704.771 is hereby amended to read as follows:

8 704.771 "Net metering system" means a facility **or energy system** for
9 the ~~production of electrical energy~~ **generation of electricity** that:

10 1. Uses ~~wind or solar~~ **renewable** energy as its primary source of
11 ~~fuel~~ **energy to generate electricity**;

12 2. Has a generating capacity of not more than ~~10~~ **20** kilowatts;

13 3. Is located on the customer-generator's premises;

14 4. Operates in parallel with the utility's transmission and distribution
15 facilities; and

16 5. Is intended primarily to offset part or all of the customer-generator's
17 requirements for electricity.

18 **Sec. 65.** NRS 704.773 is hereby amended to read as follows:

19 704.773 1. A utility shall offer net metering, as set forth in NRS
20 704.775, to the customer-generators operating within its service area .
21 ~~until 100 of those customer-generators have accepted the offer.~~

22 2. A utility:

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

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

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

33 **(d) Shall ensure that for any period in which a customer-generator is**
34 **generating and feeding electricity back to the utility, the electricity so**
35 **generated and fed back to the utility is valued at the same price per**
36 **kilowatt-hour that the utility would charge the customer-generator for**
37 **electricity during that same period.**

38 **Sec. 66.** NRS 704.910 is hereby amended to read as follows:

39 704.910 1. The provisions of NRS 704.910 to 704.960, inclusive,
40 apply to mobile home parks governed by the provisions of chapters 118B
41 and 461A of NRS, utilities which provide service to those parks and
42 landlords who operate those parks.

43 2. A utility which provides gas, water or electricity to any landlord
44 exclusively for distribution or resale to tenants residing in mobile homes or
45 for the landlord's residential use shall not ~~charge~~ :

46 **(a) Charge** the landlord for those services at a rate higher than the
47 current rates offered by the utility to its residential customers.

48 **(b) Terminate those services without complying with the regulations**
49 **adopted by the commission pursuant to section 44 of this act.**



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1 **Sec. 67.** NRS 228.360 is hereby amended to read as follows:
2 228.360 The consumer's advocate:

3 1. Shall intervene in and represent the public interest in ~~the~~ :
4 ~~(a) All proceedings conducted pursuant to sections 8 to 18, inclusive, of~~
5 ~~this act.~~ *Assembly Bill No. 369 of this session; and*

6 ~~(b) All proceedings conducted pursuant to NRS 704.070 to 704.110,~~
7 ~~inclusive, and sections 48 to 52, inclusive, of this act in which an electric~~
8 ~~utility has filed a general rate application or an application to clear its~~
9 ~~deferred accounts.~~

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

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

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

20 (c) Except as otherwise provided in subsection 1, petition for, request,
21 initiate, appear or intervene in any proceeding concerning rates, charges,
22 tariffs, modifications of service or any related matter before the public
23 utilities commission of Nevada or any court, regulatory body, board,
24 commission or agency having jurisdiction over any matter which the
25 consumer's advocate may bring before or has brought before the public
26 utilities commission of Nevada or in which the public interest or the
27 interests of any particular class of utility customers are involved. The
28 consumer's advocate may represent the public interest or the interests of
29 any particular class of utility customers in any such proceeding, and he is a
30 real party in interest in the proceeding.

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

33 **Sec. 68.** NRS 228.390 is hereby amended to read as follows:

34 228.390 Except as otherwise provided in *NRS 704.110 and* sections 8
35 to 18, inclusive, of ~~this act.~~ *Assembly Bill No. 369 of this session:*

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

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

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



1 **Sec. 69.** Chapter 349 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 70 to 95, inclusive, of this act.

3 **Sec. 70.** *As used in sections 70 to 95, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 71 to*
5 *82, inclusive, of this act have the meanings ascribed to them in those*
6 *sections.*

7 **Sec. 71.** *“Biomass” means any organic matter that is available on a*
8 *renewable basis, including, without limitation:*

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

14 **Sec. 72.** *“Cost of a renewable energy generation project” means all*
15 *or a designated part of the cost of a renewable energy generation project,*
16 *including any incidental cost pertaining to the project. The cost of a*
17 *renewable energy generation project may include, among other costs, the*
18 *costs of:*

- 19 1. *Designing and constructing the renewable energy generation*
20 *project;*
- 21 2. *Surveys, audits, preliminary plans and other plans, specifications,*
22 *estimates and other costs of preparations;*
- 23 3. *Appraising, printing, estimating, advice, services of engineers,*
24 *architects, financial consultants, attorneys, clerical personnel and other*
25 *agents and employees;*
- 26 4. *Publishing, posting, mailing and otherwise giving notice, filing or*
27 *recording instruments, taking options and fees to banks;*
- 28 5. *Establishment of a reserve for contingencies;*
- 29 6. *Interest on bonds for any time which does not exceed the*
30 *estimated period of construction plus 1 year, discounts on bonds, reserves*
31 *for the payment of the principal of and interest on bonds, replacement*
32 *expenses and other costs of issuing bonds;*
- 33 7. *Amending any resolution or other instrument authorizing the*
34 *issuance of, or otherwise relating to, bonds for the renewable energy*
35 *generation project; and*
- 36 8. *Short-term financing,*
37 *and the expense of operation and maintenance of the renewable energy*
38 *generation project.*

39 **Sec. 73.** *“Director” means the director of the department of business*
40 *and industry or any person within the department of business and*
41 *industry designated by the director to perform duties in connection with a*
42 *renewable energy generation project or the issuance of bonds.*

43 **Sec. 74.** *“Expense of operation and maintenance” means any*
44 *reasonable and necessary current expense of the state for the operation,*
45 *maintenance or administration of a renewable energy generation project*
46 *or of the collection and administration of revenues from such a project.*
47 *The term includes, among other expenses:*



- 1 1. *Expenses for engineering, auditing, reporting, legal services and*
2 *other expenses of the director which are directly related to the*
3 *administration of renewable energy generation projects.*
- 4 2. *Premiums for fidelity bonds and policies of property and liability*
5 *insurance pertaining to renewable energy generation projects, and*
6 *shares of the premiums of blanket bonds and policies which may be*
7 *reasonably allocated to the state.*
- 8 3. *Payments to pension, retirement, health insurance and other*
9 *insurance funds.*
- 10 4. *Reasonable charges made by any paying agent, commercial bank,*
11 *credit union, trust company or other depository bank pertaining to any*
12 *bonds.*
- 13 5. *Services rendered pursuant to the terms of contracts, services of*
14 *professionally qualified persons, salaries, administrative expenses and*
15 *the cost of materials, supplies and labor pertaining to the issuance of any*
16 *bonds, including the expenses of any trustee, receiver or other fiduciary.*
- 17 6. *Costs incurred in the collection and any refund of revenues from*
18 *the renewable energy generation project, including the amount of the*
19 *refund.*
- 20 Sec. 75. *“Mortgage” includes a deed of trust and any other security*
21 *agreement covering real or personal property, or both.*
- 22 Sec. 76. *“Obligor” means the natural person, partnership, firm,*
23 *company, public utility, corporation, association, trust, estate, political*
24 *subdivision, state agency or any other legal entity, or its legal*
25 *representative, who agrees to make the payments sufficient to pay the*
26 *principal of, premium, if any, and interest on the state securities or*
27 *revenue bonds issued pursuant to sections 70 to 95, inclusive, of this act.*
- 28 Sec. 77. 1. *“Renewable energy” means:*
29 (i) *Biomass;*
30 (ii) *Hydrogen;*
31 (iii) *Geothermal energy;*
32 (iv) *Solar energy;*
33 (v) *Waterpower; and*
34 (vi) *Wind.*
- 35 2. *The term does not include coal, natural gas, oil, propane or any*
36 *other fossil fuel, or nuclear energy.*
- 37 Sec. 78. 1. *“Renewable energy generation project” means a project*
38 *involving an electric generating unit that uses renewable energy as its*
39 *primary source of energy to generate electricity.*
- 40 2. *The term does not include a project involving an electric*
41 *generating unit that uses nuclear energy, in whole or in part, to generate*
42 *electricity.*
- 43 Sec. 79. *“Revenue bonds” means bonds, notes or other securities*
44 *evidencing a special limited obligation of the state, the principal and*
45 *interest of which are payable solely out of revenues derived from the*
46 *financing, leasing or sale of the renewable energy generation project that*
47 *is to be financed.*
- 48 Sec. 80. *“State securities” means notes, warrants, interim*
49 *debentures, bonds and temporary bonds issued as general obligations by*



1 *the director for any renewable energy generation project, or for a*
2 *refunding, which are payable from taxes, whether or not additionally*
3 *secured by a pledge of all or any designated revenues of one or more*
4 *renewable energy generation projects.*
5 *Sec. 81. "Task force" means the task force for renewable energy*
6 *and energy conservation created by section 105 of this act.*
7 *Sec. 82. "Tax" means a general tax upon property.*
8 *Sec. 83. The director has all the powers necessary to accomplish the*
9 *purposes set forth in sections 70 to 95, inclusive, of this act. These*
10 *powers must be exercised for the health, safety, convenience, prosperity*
11 *and welfare of the inhabitants of this state. The director may adopt such*
12 *regulations as the director determines are necessary to carry out the*
13 *provisions of sections 70 to 95, inclusive, of this act.*
14 *Sec. 84. Sections 70 to 95, inclusive, of this act must be construed*
15 *liberally to effectuate the purposes of those sections.*
16 *Sec. 85. The director shall not finance a renewable energy*
17 *generation project unless, before financing:*
18 *1. The renewable energy generation project has been finally*
19 *approved by the task force after a public hearing on the matter.*
20 *2. The director finds and the state board of finance approves the*
21 *findings of the director that:*
22 *(a) The contemplated lessee, purchaser or other obligor has sufficient*
23 *financial resources to place the renewable energy generation project in*
24 *operation and to continue its operation, meeting the obligations of the*
25 *lease, purchase contract or financing agreement;*
26 *(b) There are sufficient safeguards to assure that all money provided*
27 *by the director will be expended solely for the purposes of the renewable*
28 *energy generation project; and*
29 *(c) The total amount of money necessary to be provided by the director*
30 *for financing the renewable energy generation project has been*
31 *determined in writing by the task force on a form acceptable to the*
32 *director.*
33 *3. For the issuance of state securities, the director and the state*
34 *board of finance have received and approved the authorizing documents*
35 *showing the legal authority for the obligor to borrow and repay the*
36 *proceeds of the state securities.*
37 *4. For the issuance of revenue bonds, the director and the state*
38 *board of finance have received and approved:*
39 *(a) The financial plan showing that the revenues to be derived from*
40 *the renewable energy generation project are adequate to pay the*
41 *principal and interest on such bonds;*
42 *(b) A 5-year operating history or evidence of sufficient financial*
43 *resources from the contemplated lessee, purchaser or other obligor or*
44 *from a parent or other guarantor, who guarantees the payments of*
45 *principal and interest on any bonds issued; and*
46 *(c) A written statement from the obligor affirming that the obligor*
47 *does not undertake to commit the state, and any political subdivision or*
48 *municipality thereof, to incur any pecuniary liability in connection with*
49 *the issuance of the bonds.*



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1 *Sec. 86. 1. The bonds must be authorized by an order of the*
2 *director, and must:*

- 3 *(a) Be in the denominations;*
4 *(b) Bear the date or dates;*
5 *(c) Mature at the time or times, not exceeding 30 years after their*
6 *respective dates;*
7 *(d) Bear interest at a rate or rates specified in the order;*
8 *(e) Be in the form;*
9 *(f) Carry the registration privileges;*
10 *(g) Be executed in the manner;*
11 *(h) Be payable at the place or places within or without the state; and*
12 *(i) Be subject to the terms of redemption,*
13 *which the order authorizing their issue provides.*

14 *2. The bonds may be sold in one or more series at par, or below or*
15 *above par, in the manner and for the price or prices which the director*
16 *determines in his discretion.*

17 *3. State securities must be authorized by resolution of the board of*
18 *finance at the request of the director.*

19 *4. As an incidental expense to any renewable energy generation*
20 *project to be financed by the bonds, the director may employ:*

21 *(a) Financial and legal consultants in regard to the financing of the*
22 *renewable energy generation project; and*

23 *(b) A person whose business is in Nevada or elsewhere to act as a*
24 *trustee for the renewable energy generation project.*

25 *5. The bonds are fully negotiable under the terms of the Uniform*
26 *Commercial Code—Investment Securities.*

27 *Sec. 87. 1. The director may, to pay the cost of any renewable*
28 *energy generation project, borrow money or otherwise become obligated,*
29 *and may provide evidence of those obligations by issuing, except as*
30 *otherwise provided in this subsection, state securities or revenue bonds.*
31 *If the obligor is not a governmental entity, the director shall issue only*
32 *revenue bonds to fulfill the obligation.*

33 *2. State obligations may be outstanding pursuant to this section in an*
34 *aggregate principal amount of not more than \$300,000,000.*

35 *3. State securities must be payable from taxes and may be*
36 *additionally secured by all or any designated revenues from one or more*
37 *renewable energy generation projects. Any governmental entity*
38 *statutorily authorized to levy taxes for the payment of bonded*
39 *indebtedness may use the proceeds of those taxes to pay the principal,*
40 *interest and redemption premiums due in connection with state securities*
41 *issued pursuant to this section. Any such state securities may be issued*
42 *without an election or other preliminaries. No state securities may be*
43 *issued to refund any municipal securities issued to finance a renewable*
44 *energy generation project before July 1, 2001.*

45 *4. The provisions of NRS 349.150 to 349.364, inclusive, which are*
46 *not inconsistent with the provisions of sections 70 to 95, inclusive, of this*
47 *act, apply to the issuance of state securities pursuant to this section. The*
48 *provisions of NRS 349.400 to 349.670, inclusive, which are not*



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1 *inconsistent with the provisions of sections 70 to 95, inclusive, of this act,*
2 *apply to the issuance of revenue bonds pursuant to this section.*

3 5. *The legislature finds and declares that the issuance of state*
4 *securities pursuant to sections 70 to 95, inclusive, of this act:*

5 (a) *Is necessary for the protection and preservation of the natural*
6 *resources of this state and for the purpose of obtaining the benefits*
7 *thereof; and*

8 (b) *Constitutes an exercise of the authority conferred by the second*
9 *paragraph of section 3 of article 9 of the constitution of the State of*
10 *Nevada.*

11 **Sec. 88.** 1. *The director may charge the obligor a fee not to exceed*
12 *2 percent of the principal amount of the financing, including a*
13 *nonrefundable application fee not to exceed 0.25 percent of the principal*
14 *amount or \$7,500, whichever is less, payable either in advance or at the*
15 *time the bonds are issued. The director shall deposit all money received*
16 *pursuant to this section, except money received from application fees,*
17 *with the state treasurer for credit to the account for the financing of*
18 *renewable energy generation projects.*

19 2. *Money received from application fees collected pursuant to this*
20 *section must be:*

21 (a) *Accounted for separately in the state general fund.*

22 (b) *Used by the director to support the operations of his office in*
23 *administering the provisions of sections 70 to 95, inclusive, of this act.*

24 3. *Whether or not bonds are issued, the director shall use money*
25 *received pursuant to this section, except money received from application*
26 *fees, to reimburse his office for the expenses and costs incurred in*
27 *financing the renewable energy generation project and, within the limits*
28 *of money available for this purpose, to reimburse a municipality*
29 *pursuant to the provisions of section 95 of this act. Any portion of the*
30 *money so received, except money received from application fees, which*
31 *exceeds the director's expenses and costs must be refunded to the*
32 *obligor.*

33 **Sec. 89.** 1. *Except as otherwise provided in subsection 3 and*
34 *section 88 of this act, all amounts received by the director from an*
35 *obligor in connection with any financing undertaken pursuant to*
36 *sections 70 to 95, inclusive, of this act, must be deposited with the state*
37 *treasurer for credit to the account for the financing of renewable energy*
38 *generation projects which is hereby created in the fund for the municipal*
39 *bond bank.*

40 2. *Any revenue from renewable energy generation projects financed*
41 *with state securities which is in the account must be applied in the*
42 *following order of priority:*

43 (a) *Deposited into the consolidated bond interest and redemption fund*
44 *in amounts necessary to pay the principal, interest and redemption*
45 *premiums due in connection with state securities issued for renewable*
46 *energy generation projects.*

47 (b) *Deposited into any reserve account created for the payment of the*
48 *principal, interest and redemption premiums due in connection with state*



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1 securities issued for renewable energy generation projects, in amounts
2 and at times determined to be necessary.

3 (c) Paid out for expenses of operation and maintenance.

4 3. Any revenue from renewable energy generation projects financed
5 with revenue bonds may:

6 (a) Be deposited in the account for the financing of renewable energy
7 generation projects and subject to the provisions of subsection 2; or

8 (b) Subject to any agreement with the holders of the bonds, be
9 invested, deposited or held by the director in such funds or accounts as
10 he deems necessary or desirable. If the director is acting pursuant to this
11 subsection, he need not deposit the money in the state treasury and the
12 provisions of chapters 355 and 356 of NRS do not apply to any
13 investments or deposits made pursuant to this subsection.

14 **Sec. 90.** 1. Any bonds issued pursuant to the provisions of sections
15 70 to 95, inclusive, of this act, may be refunded by the director by the
16 issuance of refunding bonds in an amount which he deems necessary to
17 refund the principal of the bonds to be so refunded, any unpaid interest
18 thereon and any premiums and incidental expenses necessary to be paid
19 in connection with refunding.

20 2. Refunding may be carried out whether or not the bonds to be
21 refunded have matured or thereafter mature, either by sale of the
22 refunding bonds and the application of the proceeds to the payment of
23 the bonds to be refunded, or by exchange of the refunding bonds for the
24 bonds to be refunded. The holders of the bonds to be refunded must not
25 be compelled, without their consent, to surrender their bonds for
26 payment or exchange before the date on which they are payable by
27 maturity, option to redeem or otherwise, or if they are called for
28 redemption before the date on which they are by their terms subject to
29 redemption by option or otherwise.

30 3. All refunding bonds issued pursuant to this section must be
31 payable solely from revenues and other money out of which the bonds to
32 be refunded thereby are payable or from revenues out of which bonds of
33 the same character may be made payable under this or any other law
34 then in effect at the time of the refunding.

35 **Sec. 91.** No action may be brought questioning the legality of any
36 contract, lease, agreement, indenture, mortgage, order or bonds
37 executed, adopted or taken in connection with any renewable energy
38 generation project or improvements authorized pursuant to sections 70 to
39 95, inclusive, of this act, after 30 days after the effective date of the order
40 of the director authorizing the issuance of those bonds.

41 **Sec. 92.** The faith of the state is hereby pledged that sections 70 to
42 95, inclusive, of this act, will not be repealed, amended or modified to
43 impair any outstanding bonds or any revenues pledged to their payment,
44 or to impair, limit or alter the rights or powers vested in a city or county
45 to acquire, finance, improve and equip a renewable energy generation
46 project in any way that would jeopardize the interest of any lessee,
47 purchaser or other obligor, or to limit or alter the rights or powers vested
48 in the director to perform any agreement made with any lessee,



1 *purchaser or other obligor, until all bonds have been discharged in full*
2 *or provisions for their payment and redemption have been fully made.*

3 **Sec. 93.** *A renewable energy generation project is not subject to any*
4 *requirements relating to public buildings, structures, ground works or*
5 *improvements imposed by the statutes of this state or any other similar*
6 *requirements which may be lawfully waived by this section, and any*
7 *requirement of competitive bidding or other restriction imposed on the*
8 *procedure for award of contracts for such purpose or the lease, sale or*
9 *other disposition of property is not applicable to any action taken*
10 *pursuant to sections 70 to 95, inclusive, of this act, except that the*
11 *provisions of NRS 338.010 to 338.090, inclusive, apply to any contract*
12 *for new construction, repair or reconstruction work to be done on a*
13 *renewable energy generation project.*

14 **Sec. 94.** 1. *The state engineer shall advise the task force, upon its*
15 *request, of the existence and status of any water rights which affect a*
16 *renewable energy generation project under consideration by the task*
17 *force.*

18 2. *Upon the request of the task force and within the limits of*
19 *available resources and staff, the director and the consumer's advocate*
20 *of the bureau of consumer protection in the office of the attorney general*
21 *may on a case by case basis assist persons in the preparation of a*
22 *preliminary plan for a renewable energy generation project.*

23 **Sec. 95.** 1. *When any municipality or other obligor desires to*
24 *undertake a renewable energy generation project it may present its*
25 *preliminary plan to the task force for approval. The task force shall*
26 *analyze the potential output of the renewable energy generation project,*
27 *and may tentatively approve it if it will increase the quantity of electricity*
28 *available for use in this state.*

29 2. *If the task force, after a public hearing on the issue, tentatively*
30 *approves the renewable energy generation project, the municipality or*
31 *other obligor may proceed to prepare a final plan and submit it for final*
32 *approval. If the task force finally approves the renewable energy*
33 *generation project, the cost of the final plan may be included in the cost*
34 *of the renewable energy generation project. If the task force does not*
35 *finally approve the renewable energy generation project, the director*
36 *may, within the limits of money available for this purpose in the account*
37 *for the financing of renewable energy generation projects, reimburse a*
38 *municipality for the costs incurred after the tentative approval.*

39 **Sec. 96.** NRS 349.987 is hereby amended to read as follows:

40 349.987 1. The provisions of NRS 349.150 to 349.364, inclusive,
41 which are not inconsistent with the provisions of NRS 349.980 to 349.987,
42 inclusive, apply to the bonds issued pursuant to NRS 349.986.

43 2. The provisions of NRS 349.935 to 349.956, inclusive, and 349.961
44 *and sections 70 to 95, inclusive, of this act*, do not apply to the program or
45 to any grants made or bonds issued pursuant to NRS 349.986.

46 **Sec. 97.** NRS 354.59811 is hereby amended to read as follows:

47 354.59811 1. Except as otherwise provided in NRS 354.59813,
48 354.59815, 354.5982, 354.5987, 354.59871, 354.705, 354.723, 450.425,
49 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after



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1 July 1, 1989, the maximum amount of money that a local government,
2 except a school district, a district to provide a telephone number for
3 emergencies, or a redevelopment agency, may receive from taxes ad
4 valorem, other than those attributable to the net proceeds of minerals or
5 those levied for the payment of bonded indebtedness and interest thereon
6 incurred as general long-term debt of the issuer, or for the payment of
7 obligations issued to pay the cost of a water project pursuant to NRS
8 349.950, *or for the payment of obligations issued to pay the cost of a*
9 *renewable energy generation project pursuant to section 87 of this act*, or
10 for the payment of obligations under a capital lease executed before April
11 30, 1981, must be calculated as follows:

12 (a) The rate must be set so that when applied to the current fiscal year's
13 assessed valuation of all property which was on the preceding fiscal year's
14 assessment roll, together with the assessed valuation of property on the
15 central assessment roll which was allocated to the local government, but
16 excluding any assessed valuation attributable to the net proceeds of
17 minerals, assessed valuation attributable to a redevelopment area and
18 assessed valuation of a fire protection district attributable to real property
19 which is transferred from private ownership to public ownership for the
20 purpose of conservation, it will produce 106 percent of the maximum
21 revenue allowable from taxes ad valorem for the preceding fiscal year,
22 except that the rate so determined must not be less than the rate allowed for
23 the previous fiscal year, except for any decrease attributable to the
24 imposition of a tax pursuant to NRS 354.59813 in the previous year.

25 (b) This rate must then be applied to the total assessed valuation,
26 excluding the assessed valuation attributable to the net proceeds of
27 minerals and the assessed valuation of a fire protection district attributable
28 to real property which is transferred from private ownership to public
29 ownership for the purpose of conservation but including new real property,
30 possessory interests and mobile homes, for the current fiscal year to
31 determine the allowed revenue from taxes ad valorem for the local
32 government.

33 2. As used in this section, "general long-term debt" does not include
34 debt created for medium-term obligations pursuant to NRS 350.085 to
35 350.095, inclusive.

36 **Sec. 98.** Chapter 523 of NRS is hereby amended by adding thereto the
37 provisions set forth as sections 99 to 107, inclusive, of this act.

38 **Sec. 99.** *"Biomass" means any organic matter that is available on a*
39 *renewable basis, including, without limitation:*

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

45 **Sec. 100.** *"Bureau" means the bureau of consumer protection*
46 *created within the office of the attorney general pursuant to NRS*
47 *228.310.*

48 **Sec. 101.** *"Consumer's advocate" means the executive head of the*
49 *bureau or his designee.*



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1 **Sec. 102. 1. “Renewable energy” means:**

- 2 (a) Biomass;
3 (b) Hydrogen;
4 (c) Geothermal energy;
5 (d) Solar energy;
6 (e) Waterpower; and
7 (f) Wind.

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

10 **Sec. 103. “Task force” means the task force for renewable energy**
11 **and energy conservation created by section 105 of this act.**

12 **Sec. 104. 1. The trust fund for renewable energy and energy**
13 **conservation is hereby created in the state treasury. The state treasurer**
14 **shall deposit in the fund all money received by him for credit to the fund**
15 **pursuant to section 47 of this act.**

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

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

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

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

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

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

40 **Sec. 105. 1. The task force for renewable energy and energy**
41 **conservation is hereby created. The task force consists of nine members**
42 **who are appointed as follows:**

43 (a) Two members appointed by the majority leader of the senate, one
44 of whom represents the interests of private industry with respect to
45 renewable energy and the other of whom represents the interests of a
46 nonprofit organization dedicated to the protection of the environment or
47 to the conservation of energy or the efficient use of energy.

48 (b) Two members appointed by the speaker of the assembly, one of
49 whom represents the interests of private industry with respect to



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- 1 *renewable energy and the other of whom represents the interests of a*
2 *nonprofit organization dedicated to the protection of the environment or*
3 *to the conservation of energy or the efficient use of energy.*
4 *(c) Two members appointed by the minority leader of the senate, one*
5 *of whom represents the interests of state government and the other of*
6 *whom represents the interests of the building, mining or gaming industry*
7 *in this state.*
8 *(d) Two members appointed by the minority leader of the assembly,*
9 *one of whom represents the interests of local government and the other*
10 *of whom represents the interests of the public utilities in this state.*
11 *(e) One member appointed by the consumer's advocate to represent*
12 *the interests of the consumers in this state.*
13 *2. A member of the task force:*
14 *(a) Must be a citizen of the United States and a resident of this state.*
15 *(b) Must have training, education, experience or knowledge*
16 *concerning:*
17 *(1) The development or use of renewable energy;*
18 *(2) Financing, planning or constructing renewable energy*
19 *generation projects;*
20 *(3) Measures which conserve or reduce the demand for energy or*
21 *which result in more efficient use of energy;*
22 *(4) Weatherization;*
23 *(5) Building and energy codes and standards;*
24 *(6) Grants or incentives concerning energy;*
25 *(7) Public education or community relations; or*
26 *(8) Any other matter within the duties of the task force.*
27 *(c) Must not be an officer or employee of the legislative or judicial*
28 *department of state government.*
29 *3. After the initial terms, the term of each member of the task force is*
30 *3 years. A vacancy on the task force must be filled for the remainder of*
31 *the unexpired term in the same manner as the original appointment. A*
32 *member may be reappointed to the task force.*
33 *4. A member of the task force who is an officer or employee of this*
34 *state or a political subdivision of this state must be relieved from his*
35 *duties without loss of his regular compensation so that he may prepare*
36 *for and attend meetings of the task force and perform any work that is*
37 *necessary to carry out the duties of the task force in the most timely*
38 *manner practicable. A state agency or political subdivision of this state*
39 *shall not require an officer or employee who is a member of the task*
40 *force to:*
41 *(a) Make up the time he is absent from work to carry out his duties as*
42 *a member of the task force; or*
43 *(b) Take annual leave or compensatory time for the absence.*
44 **Sec. 106. 1. The members of the task force shall select a chairman**
45 **and vice chairman from among their membership. The vice chairman**
46 **shall perform the duties of the chairman during any absence of the**
47 **chairman.**
48 **2. The chairman and vice chairman serve in those positions for**
49 **terms of 1 year. If a vacancy occurs in the chairmanship or vice**



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1 *chairmanship, the vacancy must be filled for the remainder of the*
2 *unexpired term in the same manner as the original selection.*

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

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

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

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

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

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

28 **Sec. 107. 1. The task force shall establish comprehensive plans for**
29 **the promotion and use in this state of renewable energy and for the**
30 **promotion and use in this state of measures which conserve or reduce the**
31 **demand for energy or which result in more efficient use of energy.**

32 **2. The comprehensive plans established by the task force must**
33 **include provisions for:**

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

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

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

44 *(d) Oversight and accountability with respect to the promotion and use*
45 *of renewable energy and measures which conserve or reduce the demand*
46 *for energy or which result in more efficient use of energy.*

47 *(e) The development or incorporation by reference of model and*
48 *uniform building and energy codes and standards which are written in*



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1 *language which is easy to understand and which include performance*
2 *standards for conservation of energy and efficient use of energy.*

3 *(f) Any other matter that the task force determines to be relevant to*
4 *the promotion and use of renewable energy and measures which*
5 *conserve or reduce the demand for energy or which result in more*
6 *efficient use of energy.*

7 *3. In addition to establishing the comprehensive plans, the task force*
8 *shall:*

9 *(a) Solicit grants and other money from the Federal Government and*
10 *other sources to promote the use of renewable energy and measures*
11 *which conserve or reduce the demand for energy or which result in more*
12 *efficient use of energy.*

13 *(b) Identify and provide incentives to developers and builders to*
14 *incorporate, in homes and other buildings, the use of renewable energy*
15 *and measures which conserve or reduce the demand for energy or which*
16 *result in more efficient use of energy, including, without limitation:*

17 *(1) Systems for the heating of water by solar power;*

18 *(2) Active or passive solar daylighting systems that reduce the*
19 *consumption of energy; and*

20 *(3) Net metering systems.*

21 *(c) Promote programs to conserve energy or to make energy use more*
22 *efficient through various devices, including, without limitation, devices*
23 *that turn off air-conditioning systems for a limited time during periods of*
24 *peak electrical demand.*

25 *(d) Evaluate the benefits of distributed generation and consider*
26 *paying for the cost of a pilot project involving a distributed generation*
27 *unit which uses renewable energy as its primary source of energy to*
28 *generate electricity and which generates more than 20 kilowatts of*
29 *electricity per hour.*

30 *(e) Carry out the duties assigned to the task force pursuant to sections*
31 *70 to 95, inclusive, of this act.*

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

36 *4. As used in this section:*

37 *(a) "Distributed generation" means the generation of electricity in*
38 *close proximity to the place of use, including, without limitation, the use*
39 *of generators and small turbines.*

40 *(b) "Net metering system" has the meaning ascribed to it in NRS*
41 *704.771.*

42 **Sec. 108.** NRS 523.011 is hereby amended to read as follows:

43 523.011 1. The legislature finds that:

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

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



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(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. 109. NRS 523.021 is hereby amended to read as follows:

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

~~1.~~

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

~~2. “Director” means the director of the department.], the words and terms defined in sections 99 to 103, inclusive, of this act have the meanings ascribed to them in those sections.~~

Sec. 110. NRS 523.051 is hereby amended to read as follows:

523.051 The ~~director~~ *consumer’s advocate* may:

1. Administer any gifts or grants which the ~~department~~ *bureau* 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.

Sec. 111. NRS 523.131 is hereby amended to read as follows:

523.131 The ~~director~~ *consumer’s advocate* shall:



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

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

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

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

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

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

14 (d) The ~~alternative~~ sources of *renewable* energy which are available
15 and their possible effects ~~++~~; and

16 *(e) The reduction in the demand for energy which is possible from*
17 *available and practicable measures that conserve or reduce the demand*
18 *for energy or which result in more efficient use of energy.*

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

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

23 *(a) Any existing* sources of energy *and any sources of renewable*
24 *energy* which will benefit the state ~~++~~; and

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

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

32 *7. To the extent practicable, carry out his powers and duties*
33 *pursuant to this chapter in consultation with the task force to avoid*
34 *duplication of effort in developing policies and programs for renewable*
35 *energy and energy conservation.*

36 **Sec. 112.** NRS 523.141 is hereby amended to read as follows:

37 523.141 1. The ~~director~~ *consumer's advocate* shall prepare a state
38 energy conservation plan which provides methods for conserving and
39 improving efficiency in the use of energy resources and establishes
40 procedures for reducing the rate of growth of energy demand and
41 minimizing the adverse social, economic, political and environmental
42 effects of increasing energy resource consumption.

43 2. The plan must be ~~presented~~ :

44 *(a) Consistent with the comprehensive plans established by the task*
45 *force pursuant to section 107 of this act.*

46 *(b) Presented* to the governor, and upon approval by the governor, may
47 be submitted by him in compliance with any program established by the
48 Federal Government.



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1 **Sec. 113.** NRS 523.151 is hereby amended to read as follows:
2 523.151 The ~~{director}~~ *consumer's advocate* shall:

3 1. Prepare, subject to the approval of the governor, petroleum
4 allocation and rationing plans for possible energy contingencies. The plans
5 ~~{shall}~~ *must* be carried out only by executive order of the governor.

6 2. Carry out and administer any federal programs which authorize state
7 participation in fuel allocation programs.

8 **Sec. 114.** NRS 523.161 is hereby amended to read as follows:

9 523.161 1. Except for those energy resources for ~~{whose}~~ *which*
10 priorities of use are established by the public utilities commission of
11 Nevada, the ~~{director}~~ *consumer's advocate* may recommend to state
12 agencies, local governments and appropriate private persons and entities,
13 standards for conservation of energy and its sources and for carrying out
14 the state plan for the conservation of energy.

15 2. In recommending such standards , the ~~{director}~~ *consumer's*
16 *advocate* shall consider the usage of energy and its sources in the state and
17 the methods available for conservation of those sources.

18 **Sec. 115.** NRS 523.164 is hereby amended to read as follows:

19 523.164 1. The ~~{director}~~ *consumer's advocate* shall adopt
20 regulations for the conservation of energy in buildings, including
21 manufactured homes, which establish the minimum standards for:

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

28 2. The ~~{director}~~ *consumer's advocate* may exempt a building from a
29 standard if he determines that application of the standard to the building
30 would not accomplish the purpose of the regulations.

31 3. The regulations must authorize allowances in design and
32 construction for ~~{solar, wind or any other renewable source}~~ :

33 (a) *Sources of renewable* energy used to supply all or a part of the
34 energy required in a building ~~{+}~~ ; and

35 (b) *Measures which conserve or reduce the demand for energy or*
36 *which result in more efficient use of energy.*

37 4. The standards adopted by the ~~{director}~~ *consumer's advocate* are
38 the minimum standards for the conservation of energy which apply only to
39 areas in which the governing body of the local government has not adopted
40 standards for the conservation of energy in buildings. Such governing
41 bodies shall assist the ~~{director}~~ *consumer's advocate* in the enforcement
42 of the regulations adopted pursuant to this section.

43 5. The ~~{director}~~ *consumer's advocate* shall solicit comments
44 regarding the adoption of regulations pursuant to this section from:

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



1 before adopting any regulations. The ~~director~~ *consumer's advocate* must
2 conduct at least three hearings in different locations in the state, after
3 giving 30 days' notice of each hearing, before he may adopt any
4 regulations pursuant to this section.

5 **Sec. 116.** NRS 523.167 is hereby amended to read as follows:

6 523.167 1. In a county whose population is 100,000 or more, a
7 building whose construction began on or after October 1, 1983, must not
8 contain a system using electric resistance for heating spaces unless:

9 (a) The system is merely supplementary to another means of heating;

10 (b) Under the particular circumstances no other primary means of
11 heating the spaces is a feasible or economical alternative to heating by
12 electric resistance; or

13 (c) The ~~department~~ *bureau* determines that the present or future
14 availability of other sources of energy is so limited as to justify the use of
15 such a system.

16 2. This section does not prohibit the use of incandescent or fluorescent
17 lighting.

18 **Sec. 117.** NRS 523.171 is hereby amended to read as follows:

19 523.171 The ~~director~~ *consumer's advocate*, in cooperation with the
20 chief of the buildings and grounds division of the department of
21 administration, shall, upon request, provide information and assistance to
22 any agency, bureau, board, commission, department or division which is
23 engaged in the management, planning, utilization and distribution of
24 energy.

25 **Sec. 118.** NRS 523.181 is hereby amended to read as follows:

26 523.181 The ~~director~~ *consumer's advocate* shall prepare a report
27 concerning the status of energy in the State of Nevada and submit it to:

28 1. The governor on or before January 30 of each year; and

29 2. The legislature on or before January 30 of each odd-numbered year.

30 **Sec. 119.** Assembly Bill No. 369 of this session is hereby amended by
31 adding thereto a new section designated sec. 15.5, following sec. 15, to
32 read as follows:

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

41 **Sec. 120.** Section 33 of Assembly Bill No. 369 of this session is
42 hereby amended to read as follows:

43 Sec. 33. The public utilities commission of Nevada shall:

44 1. Amend, modify, supplement, annul or vacate any order or
45 directive issued by the commission before the effective date of this act
46 that authorizes or requires an electric utility to dispose of any
47 generation asset, if such disposal would violate the provisions of this
48 act;



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2. Take all appropriate action to request that the Federal Energy Regulatory Commission and any other officer, agency or department of the Federal Government:

(a) Not issue any order or directive that authorizes or requires an electric utility to dispose of any generation asset, if such an order or directive could be interpreted as being in conflict with or preempting the provisions of this act; and

(b) Amend, modify, supplement, annul or vacate any order or directive issued before, on or after the effective date of this act that authorizes or requires an electric utility to dispose of any generation asset, if such an order or directive could be interpreted as being in conflict with or preempting the provisions of this act;

3. If any action taken pursuant to subsection 2 is unsuccessful, take all appropriate legal action to challenge any order or directive issued by the Federal Energy Regulatory Commission or any other officer, agency or department of the Federal Government that authorizes or requires an electric utility to dispose of any generation asset, if such an order or directive could be interpreted as being in conflict with or preempting the provisions of this act; ~~and~~

4. *On or before October 1, 2001, adopt such revisions to its regulations concerning deferred accounting and deferred accounts as are required to carry out the provisions of this act; and*

5. Take any other action or issue any other orders necessary to carry out the provisions of this act.

Sec. 121. 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:



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

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

9 (c) The revenues ~~collected~~ *for services provided* by each electric
10 utility ~~before April~~ *for the period of March 1, 2001, to March 31,*
11 *2001, inclusive,* from the rates that each electric utility placed into
12 effect on March 1, 2001, pursuant to the comprehensive energy plan
13 shall be deemed to be a credit in the electric utility's deferred
14 accounts.

15 5. On or before October 1, 2001, each electric utility that
16 primarily serves densely populated counties shall file a general rate
17 application pursuant to subsection 3 of NRS 704.110, as amended by
18 this act ~~H~~ *and Assembly Bill No. 661 of this session*. On or before
19 December 1, 2001, each electric utility that primarily serves densely
20 populated counties shall file an application to clear its deferred
21 accounts pursuant to subsection 7 of NRS 704.110, as amended by
22 this act ~~H~~ *and Assembly Bill No. 661 of this session*. After such an
23 electric utility files the application to clear its deferred accounts, the
24 commission shall investigate and determine whether the rates that the
25 electric utility placed into effect on March 1, 2001, pursuant to the
26 comprehensive energy plan are just and reasonable and reflect prudent
27 business practices. On the date on which the commission issues a final
28 order on the general rate application, the commission shall issue a
29 final order on the electric utility's application to clear its deferred
30 accounts. The total rates to provide electric service that were in effect
31 on April 1, 2001, for the electric utility must remain in effect until the
32 date on which the commission issues a final order on the general rate
33 application. The commission shall not adjust the rates of the electric
34 utility during this period unless such an adjustment is absolutely
35 necessary to avoid rates that are confiscatory under the Constitution of
36 the United States or the constitution of this state. The commission:

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

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

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



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1 section 19 of this act and subsection 7 of NRS 704.110, as amended
2 by this act **H and Assembly Bill No. 661 of this session.**

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

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

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

31 After the electric utility files the general rate application that is
32 required by this subsection, the electric utility shall file general rate
33 applications in accordance with subsection 3 of NRS 704.110, as
34 amended by this act **H and Assembly Bill No. 661 of this session.**

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

40 **Sec. 122.** Section 36 of Assembly Bill No. 369 of this session is
41 hereby amended to read as follows:

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

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



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

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

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

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

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

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

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

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

33 **Sec. 123.** Section 7 of Senate Bill No. 203 of this session is hereby
34 amended to read as follows:

35 Sec. 7. NRS 354.59811 is hereby amended to read as follows:

36 354.59811 1. Except as otherwise provided in NRS 354.59813,
37 354.59815, 354.5982, 354.5987, 354.59871, 354.705, 354.723,
38 450.425, 450.760, 540A.265 and 543.600, *and section 4 of this act,*
39 for each fiscal year beginning on or after July 1, 1989, the maximum
40 amount of money that a local government, except a school district, a
41 district to provide a telephone number for emergencies, or a
42 redevelopment agency, may receive from taxes ad valorem, other than
43 those attributable to the net proceeds of minerals or those levied for
44 the payment of bonded indebtedness and interest thereon incurred as
45 general long-term debt of the issuer, or for the payment of obligations
46 issued to pay the cost of a water project pursuant to NRS 349.950, or
47 for the payment of obligations issued to pay the cost of a renewable
48 energy generation project pursuant to section 87 of ~~this act,~~
49 *Assembly Bill No. 661 of this session,* or for the payment of



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obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any assessed valuation attributable to the net proceeds of minerals, assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding the assessed valuation attributable to the net proceeds of minerals and the assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

2. As used in this section, "general long-term debt" does not include debt created for medium-term obligations pursuant to NRS 350.085 to 350.095, inclusive.

Sec. 124. 1. NRS 704.080, 704.090 and 704.275 are hereby repealed.

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

Sec. 125. 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:



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

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

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

8 4. As used this section, the words and terms defined in sections 4 to
9 16, inclusive, of this act have the meanings ascribed to them in those
10 sections.

11 **Sec. 126.** 1. As soon as practicable after the effective date of this
12 act, the governor shall appoint two additional commissioners to the public
13 utilities commission of Nevada as required by the provisions of this act.
14 For the initial terms of those commissioners, the governor shall appoint:

15 (a) One commissioner whose term begins on October 1, 2001, and
16 expires on September 30, 2003; and

17 (b) One commissioner whose term begins on October 1, 2001, and
18 expires on September 30, 2004.

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

21 **Sec. 127.** 1. Notwithstanding the provisions of this act and except as
22 otherwise provided in subsection 2, the department of business and
23 industry and its director shall exercise all the power and perform all the
24 duties that are assigned to the consumer's advocate of the bureau of
25 consumer protection in the office of the attorney general pursuant to the
26 provisions of chapter 523 of NRS, as amended by this act, until the date on
27 which the attorney general certifies to the governor that the consumer's
28 advocate is prepared to carry out those provisions, or until January 1, 2002,
29 whichever occurs earlier.

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

36 **Sec. 128.** 1. Any administrative regulations adopted by an officer or
37 an agency whose name has been changed or whose responsibilities have
38 been transferred pursuant to the provisions of this act to another officer or
39 agency remain in force until amended by the officer or agency to which the
40 responsibility for the adoption of the regulations has been transferred.

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



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

6 **Sec. 129.** 1. As soon as practicable after the effective date of this
7 act, the appointing authorities set forth in section 105 of this act shall
8 appoint members to the task force for renewable energy and energy
9 conservation that is created by that section.

10 2. The initial appointed members of the task force shall, at the first
11 meeting of the task force after their appointment, draw lots to determine
12 which:

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

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

17 **Sec. 130.** 1. This section and sections 1 to 27, inclusive, 29, 31 to
18 129, inclusive, and 131 of this act become effective upon passage and
19 approval.

20 2. Sections 28 and 30 of this act become effective on October 1, 2001.

21 **Sec. 131.** 1. The legislative counsel shall:

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

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

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

TEXT OF REPEALED SECTIONS

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

704.090 Schedule of joint rates: Filing; printing; posting. When a schedule of joint rates or charges is or may be in force between two or more public utilities, such schedule shall, in like manner, be printed and filed with the commission, and so much thereof as the commission may



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deem necessary for the use of the public shall be posted conspicuously in every station or office as provided in NRS 704.080.

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

Section 10 of Assembly Bill No. 369 of this session:

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

