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ASSEMBLY BILL NO. 661—SELECT COMMITTEE ON ENERGY

MARCH 26, 2001

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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.

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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 the authority of the commission to regulate mergers, acquisitions and certain other transactions involving public utilities and other entities; making various changes with respect to net metering; authorizing the director of the department of business and industry to issue industrial development revenue bonds for certain renewable energy generation projects; creating the task force for renewable energy and energy conservation and prescribing its membership and duties; creating the trust fund for renewable energy and energy conservation; creating the office of energy within the office of the governor; transferring control of the Nevada state energy office from the director of the department of business and industry to the office of energy within the office of the governor; requiring certain lodging establishments to include certain information concerning energy costs on their statement of rates; and providing other matters properly relating thereto.

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

- 1     **Section 1.** For the purposes of sections 3 to 26, inclusive, of this act,  
2     the legislature hereby finds and declares that:  
3         1. A reliable and reasonably priced supply of electricity is critical to  
4     the economy of this state and to the health, safety and welfare of the  
5     residents of this state;  
6         2. The electric utilities in this state depend on regional energy markets  
7     to purchase approximately 50 percent of the electricity needed to serve  
8     their customers in this state, and such purchases are often made pursuant to  
9     agreements with terms of 1 year or less;



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

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

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

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

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

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

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

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

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

40 **Sec. 4.** *“Ancillary services” means those generation services that:*

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

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

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



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1     **Sec. 6.** *“Commission” means the public utilities commission of*  
2     *Nevada.*

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

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

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

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

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

28     **Sec. 10.** *“Eligible customer” means an end-use customer which is:*  
29         **1.** *A nongovernmental commercial or industrial end-use customer*  
30         *that has an average annual load of 1 megawatt or more in the service*  
31         *territory of an electric utility.*

32         **2.** *A governmental entity, including, without limitation, a*  
33         *governmental entity providing educational or health care services, that:*  
34             *(a) Performs its functions using one or more facilities which are*  
35             *operated under a common budget and common control; and*  
36             *(b) Has an average annual load of 1 megawatt or more in the service*  
37             *territory of an electric utility.*

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

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

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

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

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



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



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



1     **Sec. 20.**   1.   *An eligible customer that is purchasing electric service*  
2     *from an electric utility shall not purchase energy, capacity or ancillary*  
3     *services from a provider of new electric resources and an eligible*  
4     *customer that is purchasing energy, capacity or ancillary services from a*  
5     *provider of new electric resources shall not purchase energy, capacity or*  
6     *ancillary services from another provider unless:*  
7         (a)   *The eligible customer files an application with the commission not*  
8         *later than 180 days before the date on which the eligible customer*  
9         *intends to begin purchasing energy, capacity or ancillary services from*  
10        *the provider; and*  
11        (b)   *The commission approves the application by a written order issued*  
12        *in accordance with the provisions of this section and section 21 of this*  
13        *act.*  
14        *The date on which the eligible customer intends to begin purchasing*  
15        *energy, capacity or ancillary services from the provider must not be*  
16        *sooner than the date on which the provider is authorized by section 19 of*  
17        *this act to begin selling energy, capacity or ancillary services to the*  
18        *eligible customer.*  
19     2.   *Except as otherwise provided in subsection 3, each application*  
20     *filed pursuant to this section must include:*  
21         (a)   *Information demonstrating that the person filing the application is*  
22         *an eligible customer;*  
23         (b)   *Information demonstrating that the proposed provider will provide*  
24         *energy, capacity or ancillary services from a new electric resource;*  
25         (c)   *Information concerning the terms and conditions of the proposed*  
26         *transaction that is necessary for the commission to evaluate the impact of*  
27         *the proposed transaction on customers and the public interest, including,*  
28         *without limitation, information concerning the duration of the proposed*  
29         *transaction and the amount of energy, capacity or ancillary services to be*  
30         *purchased from the provider; and*  
31         (d)   *Any other information required pursuant to the regulations*  
32         *adopted by the commission.*  
33     3.   *Except as otherwise provided in section 21 of this act, the*  
34     *commission shall not require the eligible customer or provider to*  
35     *disclose:*  
36         (a)   *The price that is being paid by the eligible customer to purchase*  
37         *energy, capacity or ancillary services from the provider; or*  
38         (b)   *Any other terms or conditions of the proposed transaction that the*  
39         *commission determines are commercially sensitive.*  
40     4.   *The commission shall provide public notice of the application of*  
41     *the eligible customer and an opportunity for a hearing on the application*  
42     *in a manner that is consistent with the provisions of NRS 703.320 and*  
43     *the regulations adopted by the commission.*  
44     5.   *The commission shall approve the application of the eligible*  
45     *customer unless the commission finds that the proposed transaction:*  
46         (a)   *Will be contrary to the public interest; or*  
47         (b)   *Does not comply with the provisions of section 21 of this act, if*  
48         *those provisions apply to the proposed transaction.*



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- 1     6. *In determining whether the proposed transaction will be contrary*  
2 *to the public interest, the commission shall consider, without limitation:*  
3     (a) *Whether the electric utility that has been providing electric service*  
4 *to the eligible customer will be burdened by increased costs as a result of*  
5 *the proposed transaction or whether any remaining customer of the*  
6 *electric utility will pay increased costs for electric service as a result of*  
7 *the proposed transaction;*  
8     (b) *Whether the proposed transaction will impair system reliability or*  
9 *the ability of the electric utility to provide electric service to its remaining*  
10 *customers; and*  
11     (c) *Whether the proposed transaction will add energy, capacity or*  
12 *ancillary services to the supply in this state.*  
13     7. *If the commission approves the application of the eligible*  
14 *customer:*  
15     (a) *The eligible customer shall not begin purchasing energy, capacity*  
16 *or ancillary services from the provider pursuant to the proposed*  
17 *transaction sooner than 180 days after the date on which the application*  
18 *was filed; and*  
19     (b) *The commission shall order such terms, conditions and payments*  
20 *as the commission deems necessary and appropriate to ensure that the*  
21 *proposed transaction will not be contrary to the public interest. Such*  
22 *terms, conditions and payments:*  
23         (1) *Must be fair and nondiscriminatory as between the eligible*  
24 *customer and the remaining customers of the electric utility; and*  
25         (2) *Must include, without limitation, payment by the eligible*  
26 *customer to the electric utility of the eligible customer's load-share*  
27 *portion of any unrecovered balance in the deferred accounts of the*  
28 *electric utility.*  
29     8. *If the commission does not enter a final order on the application*  
30 *of the eligible customer within 90 days after the date on which the*  
31 *application was filed with the commission:*  
32     (a) *The application shall be deemed to be approved by the*  
33 *commission; and*  
34     (b) *The eligible customer shall not begin purchasing energy, capacity*  
35 *or ancillary services from the provider pursuant to the proposed*  
36 *transaction sooner than 180 days after the date on which the application*  
37 *was filed.*  
38     **Sec. 21. 1. For eligible customers whose loads are in the service**  
39 *territory of an electric utility that primarily serves densely populated*  
40 *counties, the aggregate amount of energy that all such eligible customers*  
41 *purchase from providers of new electric resources before July 1, 2003,*  
42 *must not exceed 50 percent of the difference between the existing supply*  
43 *of energy generated in this state that is available to the electric utility and*  
44 *the existing demand for energy in this state that is consumed by the*  
45 *customers of the electric utility, as determined by the commission.*  
46     2. *An eligible customer that is a nongovernmental commercial or*  
47 *industrial end-use customer whose load is in the service territory of an*  
48 *electric utility that primarily serves densely populated counties shall not*  
49 *purchase energy, capacity or ancillary services from a provider of new*





1 *electric resources unless, as part of the proposed transaction, the eligible*  
2 *customer agrees to:*

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

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

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

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

15 *3. If an eligible customer is subject to the provisions of subsection 2,*  
16 *the eligible customer shall include with its application filed pursuant to*  
17 *section 20 of this act all information concerning the contract offered to*  
18 *the electric utility that is necessary for the commission to determine*  
19 *whether it is in the best interest of the remaining customers of the electric*  
20 *utility for the electric utility to accept the rights to the contract. Such*  
21 *information must include, without limitation, the amount of the energy*  
22 *and capacity to be purchased under the contract, the price of the energy,*  
23 *capacity and ancillary services and the duration of the contract.*

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

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

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

35 *5. 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 *6. The provisions of this section do not exempt the electric utility, in*  
4 *whole or in part, from the requirements imposed on the electric utility*  
5 *pursuant to sections 3 to 12, inclusive, of Senate Bill No. 372 of this*  
6 *session to comply with its portfolio standard for renewable energy. The*  
7 *commission shall not take any actions pursuant to this section that*  
8 *conflict with or diminish those requirements.*

9 *7. As used in this section, “consumer’s advocate” means the*  
10 *consumer’s advocate of the bureau of consumer protection in the office*  
11 *of the attorney general.*

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

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

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

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

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

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

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

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

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

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

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

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



- 1     (a) *An eligible customer from having more than one time-of-use meter*  
2 *installed for the same service location; or*  
3     (b) *An eligible customer from installing any other meter or equipment*  
4 *that is necessary or appropriate to the transaction with the provider, if*  
5 *such a meter or equipment is otherwise consistent with system reliability.*  
6     **Sec. 24.** *1. An electric utility shall provide all transmission,*  
7 *distribution, metering and other components of electric service that are*  
8 *necessary for a provider of new electric resources to sell energy, capacity*  
9 *and ancillary services to an eligible customer pursuant to the provisions*  
10 *of this chapter. An electric utility shall provide each such component of*  
11 *electric service pursuant to the tariffs and service agreements filed with*  
12 *and approved by the appropriate regulatory authorities having*  
13 *jurisdiction over each such component of electric service.*  
14     *2. For each such component of electric service that is within the*  
15 *jurisdiction of the commission, the commission shall establish just,*  
16 *reasonable and nondiscriminatory rates.*  
17     *3. The provisions of this chapter do not enlarge or expand any*  
18 *existing rights under federal law or create any other rights with regard to*  
19 *the transmission system of the electric utility.*  
20     *4. When providing service pursuant to this chapter, an electric utility*  
21 *is subject to all applicable statutes and regulations of this state and the*  
22 *United States.*  
23     **Sec. 25.** *Not later than 30 days after the end of each calendar*  
24 *quarter, the commission shall submit to the legislative commission a*  
25 *written report which summarizes for that calendar quarter:*  
26     *1. Each application which was filed with the commission pursuant to*  
27 *the provisions of this chapter and which requested approval of a*  
28 *proposed transaction between an eligible customer and a provider of new*  
29 *electric resources;*  
30     *2. The information that the eligible customer included with the*  
31 *application;*  
32     *3. The findings of the commission concerning the effect of the*  
33 *proposed transaction on the public interest; and*  
34     *4. Whether the commission approved the application and, if so, the*  
35 *effective date of the proposed transaction, the terms and conditions of the*  
36 *proposed transaction, and the terms, conditions and payments ordered by*  
37 *the commission.*  
38     **Sec. 26.** *The commission shall adopt regulations to carry out and*  
39 *enforce the provisions of this chapter.*  
40     **Sec. 27.** *Chapter 703 of NRS is hereby amended by adding thereto a*  
41 *new section to read as follows:*  
42     *1. In any contested case pending before the commission, the*  
43 *regulatory operations staff of the commission may, without filing a*  
44 *petition for leave to intervene:*  
45     *(a) Appear and participate in the contested case as an independent*  
46 *party; and*  
47     *(b) Be represented by legal counsel in the contested case.*  
48     *2. A commissioner may not discuss with a member of the regulatory*  
49 *operations staff of the commission any substantive issues of fact or law*



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1 *concerning a contested case pending before the commission except upon*  
2 *notice to all parties to the contested case and an opportunity for all such*  
3 *parties to participate.*  
4 3. *As used in this section, "contested case" has the meaning ascribed*  
5 *to it in NRS 233B.032.*  
6 **Sec. 28.** NRS 703.030 is hereby amended to read as follows:  
7 703.030 1. The commission consists of ~~three~~ *five* commissioners  
8 appointed by the governor . ~~for terms of~~ *After the initial terms, the term*  
9 *of each commissioner is* 4 years.  
10 2. The governor shall appoint ~~as members of the commission~~  
11 ~~persons~~ :  
12 (a) *One commissioner to represent the general public.*  
13 (b) *Four commissioners* who have at least 2 years of experience in one  
14 or more of the following fields:  
15 ~~(a)~~ (1) Accounting.  
16 ~~(b)~~ (2) Business administration.  
17 ~~(c)~~ (3) Finance or economics.  
18 ~~(d)~~ (4) Administrative law.  
19 ~~(e)~~ (5) Professional engineering.  
20 *Not more than two of the commissioners appointed pursuant to this*  
21 *paragraph may be from the same field of experience.*  
22 3. Not more than ~~two~~ *three* of the commissioners may be ~~+~~  
23 ~~(a) Members~~ *members* of the same political party.  
24 ~~(b) From the same field of experience.~~  
25 4. *A vacancy on the commission must be filled for the remainder of*  
26 *the unexpired term in the same manner as the original appointment.*  
27 **Sec. 29.** NRS 703.110 is hereby amended to read as follows:  
28 703.110 1. ~~The~~ *Except as otherwise provided in subsection 2, a*  
29 majority of the commissioners ~~have~~ *has* full power to act in all matters  
30 within ~~their jurisdiction~~ *the jurisdiction of the commission and shall*  
31 *exercise all the powers of the commission.*  
32 2. If ~~two~~ *a majority of the* commissioners are disqualified or if there  
33 are ~~two~~ vacancies within the ~~commission~~ *offices of a majority of the*  
34 *commissioners, the remaining commissioners or, if only one*  
35 *commissioner is remaining, the remaining commissioner* ~~or~~ *has full*  
36 *power to act in all matters within the jurisdiction of the commission and*  
37 *shall exercise all the powers of the commission.*  
38 3. Except as otherwise provided in this chapter, all hearings and  
39 meetings conducted by the commission must be open to the public.  
40 **Sec. 30.** NRS 703.130 is hereby amended to read as follows:  
41 703.130 1. The commission shall appoint a deputy commissioner  
42 who shall serve in the unclassified service of the state.  
43 2. The commission shall appoint a secretary who shall perform such  
44 administrative and other duties as are prescribed by the commission. The  
45 commission shall also appoint an assistant secretary.  
46 3. The commission may employ such other clerks, experts or engineers  
47 as may be necessary.  
48 4. Except as otherwise provided in subsection 5, the commission:



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

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

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

9 (a) *In any matter pending before the commission pursuant to sections*  
10 *8 to 18, inclusive, of ~~this act.~~ Assembly Bill No. 369 of this session; or*

11 (b) *In any matter pending before the commission pursuant to NRS*  
12 *704.070 to 704.110, inclusive, and sections 41 to 46, inclusive, of this act*  
13 *in which an electric utility has filed a general rate application or an*  
14 *application to clear its deferred accounts.*

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

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

18 703.164 1. The commission may employ, or retain on a contract  
19 basis, legal counsel who shall:

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

22 (b) Prosecute in the name of the ~~public utilities commission of Nevada~~  
23 *commission* all civil actions for the enforcement of chapters 704, 704A,  
24 705 and 708 of NRS *and sections 3 to 26, inclusive, of this act* and for the  
25 recovery of any penalty or forfeiture provided for therein.

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

29 2. Each district attorney shall:

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

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

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

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

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

46 703.196 1. Any books, accounts, records, minutes, papers and  
47 property of any public utility that are subject to examination pursuant to  
48 NRS 703.190 or 703.195 and are made available to the commission, any  
49 officer or employee of the commission, the bureau of consumer protection



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1 in the office of the attorney general or any other person under the condition  
2 that the disclosure of such information to the public be withheld or  
3 otherwise limited, must not be disclosed to the public unless the  
4 commission first determines that the disclosure is justified.

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

- 7 (a) Granting such protective orders as it deems necessary; and  
8 (b) Holding closed hearings to receive or examine such information.

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

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

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

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

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

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

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

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

29 703.320 1. In any matter pending before the commission, if a hearing  
30 is required by a specific statute or is otherwise required by the commission,  
31 the commission shall give notice of the pendency of the matter to all  
32 persons entitled to notice of the hearing. The commission shall by  
33 regulation specify:

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

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

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

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

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

44 3. In any other matter pending before the commission, the commission  
45 may dispense with a hearing and act upon the matter pending unless,  
46 within 10 days after the date of the notice of pendency, a person entitled to  
47 notice of the hearing files with the commission a request that the hearing  
48 be held. If such a request for a hearing is filed, the commission shall give at  
49 least 10 days' notice of the hearing.



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1 *4. 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. 34.** NRS 703.330 is hereby amended to read as follows:

4 703.330 1. A complete record must be kept of all hearings before the  
5 commission . ~~[- and all]~~ *All testimony at such hearings* must be taken  
6 down by the stenographer appointed by the commission, or, under the  
7 direction of any competent person appointed by the commission, *must be*  
8 reported by sound recording equipment in the manner authorized for  
9 reporting testimony in district courts. The testimony reported by a  
10 stenographer must be transcribed, and the transcript filed with the record in  
11 the matter. The commission may by regulation provide for the transcription  
12 or safekeeping of sound recordings. Cost of recording and transcribing  
13 testimony at any hearing, except those hearings ordered pursuant to NRS  
14 703.310 , must be paid by the applicant. If a complaint is made pursuant to  
15 NRS 703.310 by a customer or by a political subdivision of the state or  
16 municipal organization, the complainant is not liable for any costs.  
17 Otherwise, if there are several applicants or parties to any hearing, the  
18 commission may apportion the costs among them in its discretion.

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

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

27 4. The provisions of this section do not prohibit the commission from  
28 ~~restricting~~ :

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

31 (b) *Protecting the confidentiality of information pursuant to section*  
32 *20 or 21 of this act.*

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

34 703.374 1. A court of competent jurisdiction, after hearing, may  
35 issue an injunction suspending or staying any final order of the commission  
36 if:

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

46 2. The decision of the commission on each matter considered shall be  
47 deemed reasonable and just until set aside by the court . ~~[- and in]~~ *In* all  
48 actions for *an* injunction or ~~[otherwise]~~ *for any other relief*, the burden of  
49 proof is upon the party attacking or resisting the order of the commission to





1 show by clear and satisfactory evidence that the order is unlawful ~~or~~ or  
2 unreasonable. ~~As the case may be.~~

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

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

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

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

20 703.377 1. ~~No~~ Any certificate of public convenience and necessity,  
21 permit or license issued *or transferred* in accordance with the ~~terms~~  
22 *provisions* of NRS ~~704.005~~ 704.001 to 704.751, inclusive, is ~~either~~ not  
23 a franchise or irrevocable.

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

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

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

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

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

43 **Sec. 39.** *"Consumer's advocate" means the consumer's advocate of*  
44 *the bureau of consumer protection in the office of the attorney general.*

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

47 **Sec. 41.** *As used in NRS 704.070 to 704.110, inclusive, and sections*  
48 *41 to 46, inclusive, of this act, unless the context otherwise requires, the*



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1 words and terms defined in sections 42, 43 and 44 of this act have the  
2 meanings ascribed to them in those sections.

3 **Sec. 42.** “Application to make changes in any schedule” and  
4 “application” include, without limitation:

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

9 **Sec. 43.** “Rate” means any individual or joint rate, toll or charge  
10 imposed by a public utility for a service performed or product furnished  
11 by the public utility.

12 **Sec. 44.** “Schedule” means any schedule that establishes or  
13 otherwise sets the rates for a public utility and any individual or joint  
14 rule, regulation, practice, classification or measurement that in any  
15 manner affects those rates.

16 **Sec. 45.** For the purposes of NRS 704.070 to 704.110, inclusive, and  
17 sections 41 to 46, inclusive, of this act, a public utility shall be deemed to  
18 make changes in a schedule if the public utility implements a new  
19 schedule or amends an existing schedule.

20 **Sec. 46.** 1. The commission shall conduct a consumer session to  
21 solicit comments from the public in any matter pending before the  
22 commission pursuant to NRS 704.070 to 704.110, inclusive, and sections  
23 41 to 46, inclusive, of this act in which:

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

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

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

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

42 704.005 As used in this chapter, unless the context otherwise requires,  
43 the words and terms defined in NRS 704.010 to 704.030, inclusive, *and*  
44 *sections 38 and 39 of this act* have the meanings ascribed to them in those  
45 sections.

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

47 704.033 1. The commission shall levy and collect an annual  
48 assessment from all public utilities subject to the jurisdiction of the  
49 commission.



1     2. Except as otherwise provided in subsection 3, the annual assessment  
2 must be:  
3     (a) For the use of the commission, not more than 3.50 mills; and  
4     (b) For the use of the consumer's advocate, ~~for the bureau of consumer~~  
5 ~~protection in the office of the attorney general,~~ not more than  
6 0.75 mills,  
7 on each dollar of gross operating revenue derived from the intrastate  
8 operations of such utilities in the State of Nevada, except that the minimum  
9 assessment in any 1 year must be \$10. The total annual assessment must be  
10 not more than 4.25 mills.  
11     3. For railroads the total annual assessment must be the amount levied  
12 for the use of the commission pursuant to paragraph (a) of subsection 2.  
13 The levy for the use of the consumer's advocate must not be assessed  
14 against railroads.  
15     4. The gross operating revenue of the utilities must be determined for  
16 the preceding calendar year. In the case of:  
17     (a) Telephone utilities, except as *otherwise* provided in paragraph (c),  
18 the revenue shall be deemed to be all intrastate revenues that are  
19 considered by the commission for the purpose of establishing rates.  
20     (b) Railroads, the revenue shall be deemed to be the revenue received  
21 only from freight and passenger intrastate movements.  
22     (c) All public utilities, the revenue does not include the proceeds of any  
23 commodity, energy or service furnished to another public utility for resale.  
24     **Sec. 49.** NRS 704.035 is hereby amended to read as follows:  
25     704.035 1. On or before June 1 of each year, the commission shall  
26 mail revenue report forms to all public utilities under its jurisdiction, to the  
27 address of those utilities on file with the commission. The revenue report  
28 form serves as notice of the commission's intent to assess the utilities, but  
29 failure to notify any utility does not invalidate the assessment with respect  
30 thereto.  
31     2. Each public utility subject to the provisions of NRS 704.033 shall  
32 complete the revenue report referred to in subsection 1, compute the  
33 assessment and return the completed revenue report to the commission  
34 accompanied by payment of the assessment and any penalty due, pursuant  
35 to the provisions of subsection 5.  
36     3. The assessment is due on July 1 of each year, but may, at the option  
37 of the public utility, be paid quarterly on July 1, October 1, January 1 and  
38 April 1.  
39     4. The assessment computed by the utility is subject to review and  
40 audit by the commission, and the amount of the assessment may be  
41 adjusted by the commission as a result of the audit and review.  
42     5. Any public utility failing to pay the assessment provided for in NRS  
43 704.033 on or before August 1, or if paying quarterly, on or before  
44 August 1, October 1, January 1 or April 1, shall pay, in addition to such  
45 assessment, a penalty of 1 percent of the total unpaid balance for each  
46 month or portion thereof that the assessment is delinquent, or \$10,  
47 whichever is greater, but no penalty may exceed \$1,000 for each  
48 delinquent payment.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

17       704.100 Except as otherwise provided in NRS 704.075 or as may  
18 otherwise be provided by the commission pursuant to NRS 704.095 ~~to~~  
19 ~~704.097 or 704.275:~~

20       ~~1. No changes may be made~~ *or 704.097:*

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

28       ~~2. Copies~~ *unless the public utility files with the commission an*  
29 *application to make the proposed changes and the commission approves*  
30 *the proposed changes pursuant to NRS 704.110.*

31       2. A public utility shall post copies of all proposed ~~to~~ *schedules and*  
32 *all new or amended schedules* ~~must be filed and posted in the offices of~~  
33 ~~public utilities as required for original schedules.~~ *in the same offices and*  
34 *in substantially the same form, manner and places as required by NRS*  
35 *704.070 for the posting of copies of schedules that are currently in force.*

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

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

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



1 *determine whether it should dispense with a hearing regarding the*  
2 *proposed change.*

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

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

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

16 704.110 Except as otherwise provided in NRS 704.075 or as *may*  
17 otherwise *be* provided by the commission pursuant to NRS 704.095 or  
18 704.097:

19 1. ~~{Whenever there is filed}~~ *If a public utility files* with the  
20 commission *an application to make changes in* any schedule ~~{stating a~~  
21 ~~new or revised individual or joint rate or charge, or any new or revised~~  
22 ~~individual or joint regulation or practice affecting any rate or charge, or~~  
23 ~~any schedule resulting}~~ , *including, without limitation, changes that will*  
24 *result* in a discontinuance, modification or restriction of service, the  
25 commission ~~{may, upon complaint or upon its own motion without~~  
26 ~~complaint, at once, without answer or formal pleading by the interested~~  
27 ~~utility, investigate or, upon reasonable notice, conduct a hearing~~  
28 ~~concerning}~~ *shall investigate* the propriety of the ~~{rate, charge,~~  
29 ~~classification, regulation, discontinuance, modification, restriction or~~  
30 ~~practice.~~

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

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

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

46 ~~—3. Whenever there is filed}~~ *proposed changes to determine whether to*  
47 *approve or disapprove the proposed changes. If an electric utility files*  
48 *such an application and the application is a general rate application or*



1 *an application to clear its deferred accounts, the consumer's advocate*  
2 *shall be deemed a party of record.*

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

8 3. *If a public utility files with the commission* ~~any schedule stating an~~  
9 ~~increased individual or joint rate or charge for service or equipment,~~ *a*  
10 *general rate application,* the public utility shall submit with its application  
11 a statement showing the recorded results of revenues, expenses,  
12 investments and costs of capital for its most recent 12 months for which  
13 data were available when the application was prepared. ~~During any~~  
14 ~~hearing concerning the increased rates or charges determined by the~~  
15 ~~commission to be necessary.~~ *In determining whether to approve or*  
16 *disapprove any increased rates,* the commission shall consider evidence in  
17 support of the increased rates ~~for charges~~ based upon actual recorded  
18 results of operations for the same 12 months, adjusted for increased  
19 revenues, any increased investment in facilities, increased expenses for  
20 depreciation, certain other operating expenses as approved by the  
21 commission and changes in the costs of securities which are known and are  
22 measurable with reasonable accuracy at the time of filing and which will  
23 become effective within 6 months after the last month of those 12 months,  
24 but ~~no new rates or charges may be placed~~ *the public utility shall not*  
25 *place* into effect *any increased rates* until the changes have been  
26 experienced and certified by the *public* utility to the commission ~~and~~  
27 ~~the commission has approved the increased rates.~~ The commission shall  
28 also consider evidence supporting expenses for depreciation, calculated on  
29 an annual basis, applicable to major components of the public utility's  
30 plant placed into service during the recorded test period or the period for  
31 certification as set forth in the application. Adjustments to revenues,  
32 operating expenses and costs of securities must be calculated on an annual  
33 basis. Within 90 days after the ~~filing with the commission of~~ *date on*  
34 *which* the certification required ~~in~~ *by* this subsection ~~, or before the~~  
35 ~~expiration of any period of suspension ordered pursuant to subsection 2,~~ *is*  
36 *filed with the commission, or within 180 days after the date on which the*  
37 *general rate application is filed with the commission,* whichever time is  
38 longer, the commission shall make such order in reference to ~~those rates~~  
39 ~~or charges~~ *the increased rates* as is required by this chapter. An electric  
40 utility shall file a general rate application pursuant to this subsection at  
41 least once every 24 months.

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



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

6 *5. If a public utility files with the commission* a general rate  
7 application ~~for an increased rate or charge for, or classification, regulation,~~  
8 ~~discontinuance, modification, restriction or practice involving service or~~  
9 ~~equipment has been filed with the commission, a~~ , the public utility shall  
10 not ~~submit~~ *file with the commission* another general rate application until  
11 all pending general rate applications ~~for increases in rates submitted~~ *filed*  
12 by that public utility have been decided *by the commission* unless, after  
13 application and hearing, the commission determines that a substantial  
14 financial emergency would exist if the ~~other application~~ *public utility* is  
15 not permitted to ~~be submitted~~ *file another general rate application*  
16 sooner. *The provisions of this subsection do not prohibit the public utility*  
17 *from filing with the commission, while a general rate application is*  
18 *pending, an application to recover the increased cost of purchased fuel,*  
19 *purchased power, or natural gas purchased for resale pursuant to*  
20 *subsection 6 or an application to clear its deferred accounts pursuant to*  
21 *subsection 7, if the public utility is otherwise authorized by those*  
22 *provisions to file such an application.*

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

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

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

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

43 8. Before allowing an electric utility to clear its deferred accounts  
44 pursuant to subsection 7, the commission shall determine whether the costs  
45 for purchased fuel and purchased power that the electric utility recorded in  
46 its deferred accounts are recoverable and whether the revenues that the  
47 electric utility collected from customers in this state for purchased fuel and  
48 purchased power are properly recorded and credited in its deferred  
49 accounts. The commission shall not allow the electric utility to recover any





1 costs for purchased fuel and purchased power that were the result of any  
2 practice or transaction that was undertaken, managed or performed  
3 imprudently by the electric utility.

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

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

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

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

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

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

20 704.329 1. Except as otherwise provided in ~~this section~~ *subsection*  
21 *6*, a person shall not merge with, directly acquire, indirectly acquire  
22 through a subsidiary or affiliate, or otherwise directly or indirectly obtain  
23 control of a public utility doing business in this state or an entity that holds  
24 a controlling interest in such a public utility without first submitting to the  
25 commission an application for authorization of the proposed ~~merger,~~  
26 ~~acquisition or other~~ transaction and obtaining authorization from the  
27 commission.

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

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

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

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

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

45 5. If the commission does not issue a final order regarding the  
46 proposed ~~merger, acquisition or other~~ transaction within 180 days after  
47 the date on which an application or amended application for authorization  
48 of the proposed ~~merger, acquisition or other~~ transaction was filed with the  
49 commission, and the proposed ~~merger, acquisition or other~~ transaction is



1 not subject to the provisions of sections 8 to 18, inclusive, of ~~this act,~~  
2 *Assembly Bill No. 369 of this session*, the proposed ~~merger, acquisition or~~  
3 ~~other~~ transaction shall be deemed to be authorized by the commission.

4 6. The provisions of this section do not apply to ~~that~~ :

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

9 (b) *A proposed transaction involving a public utility doing business in*  
10 *this state providing telecommunication services or an entity that holds a*  
11 *controlling interest in such a public utility if, in the most recently*  
12 *completed calendar year, not more than 10 percent of the gross operating*  
13 *revenue of the public utility or the entity that holds a controlling interest*  
14 *in the public utility was derived from intrastate telecommunication*  
15 *services provided to retail customers in this state by the public utility.*

16 7. *As used in this section:*

17 (a) "Person" means:

18 (1) *A natural person;*

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

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

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

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

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

32 704.68964 1. An electing carrier may, pursuant to this section and in  
33 accordance with NRS 704.68976, exercise flexibility in the pricing of:

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

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

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

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

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



1 (c) The nature of any limitations on the duration or geographical  
2 availability of the services;  
3 (d) The price or prices of the services or packages of services; and  
4 (e) A certificate which provides that the electing carrier has prepared a  
5 cost study of the price floor to support the price or prices for each service  
6 and that, on and after the date on which the notice is filed with the  
7 commission, any affected person may, upon request, inspect and copy the  
8 cost study, subject to reasonable terms and conditions of any applicable  
9 confidentiality and nondisclosure agreement relating to the  
10 services.  
11 The notice requirements of this subsection do not apply to an electing  
12 carrier with respect to the pricing of competitive services or for packages  
13 comprised exclusively of competitive services.  
14 3. The price for a package of services must not be lower than the lesser  
15 of:  
16 (a) The sum of the price floors for each of the services contained in the  
17 package; or  
18 (b) The sum of the prices of the basic network services, as set forth in  
19 the tariffs of the electing carrier, and the price floors for each of the other  
20 services contained in the package.  
21 4. The commission shall not specify a maximum rate for a package of  
22 services.  
23 5. Each of the services included in a package pursuant to paragraph (b)  
24 of subsection 1 must be made available on an individual basis.  
25 **Sec. 56.** NRS 704.68972 is hereby amended to read as follows:  
26 704.68972 1. An electing carrier may introduce new services upon  
27 30-days' notice to the commission in writing. The notice must include a  
28 description in reasonable detail of:  
29 (a) The characteristics of each new service;  
30 (b) The terms and conditions applicable to each new service;  
31 (c) The nature of any limitations on the duration or geographical  
32 availability of each new service;  
33 (d) The price or prices of each new service; and  
34 (e) A certificate that provides that the electing carrier has prepared a  
35 cost study of the price floor to support the price or prices for each new  
36 service and that, on and after the date on which the notice is filed with the  
37 commission, any affected person may, upon request, inspect and copy the  
38 cost study, subject to reasonable terms and conditions of any applicable  
39 confidentiality and nondisclosure agreement.  
40 2. Each new service is subject to the conditions set forth in NRS  
41 704.68964.  
42 3. Each new service is exempt from *the provisions of* NRS *704.100*  
43 *and* 704.110 and the regulations of the commission relating thereto.  
44 4. Unless otherwise classified by the commission as a competitive  
45 service pursuant to its regulations, a new service must be classified as a  
46 discretionary service for which the commission shall not specify a  
47 maximum rate. The electing carrier shall set the price of the new service  
48 above the price floor of the service.



1 5. As used in this section, a “new service” means a telecommunication  
2 service;

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

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

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

7 704.743 1. A utility which supplies electricity in this state may apply  
8 to the commission for authority to charge, as part of a program of optional  
9 pricing, a higher rate for electricity that is generated from renewable  
10 energy.

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

14 3. As used in this section ~~:-~~

15 ~~— (a) “Biomass” has the meaning ascribed to it in section 4 of this act.~~

16 ~~— (b) “Renewable energy” means a source of energy that occurs naturally~~  
17 ~~or is regenerated naturally, including, without limitation:~~

18 ~~— (1) Wind;~~

19 ~~— (2) Solar energy;~~

20 ~~— (3) Geothermal energy; and~~

21 ~~— (4) Biomass.~~

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

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

26 704.767 As used in NRS ~~{704.767}~~ 704.766 to 704.775, inclusive,  
27 unless the context otherwise requires, the words and terms defined in NRS  
28 704.768 to 704.772, inclusive, *and section 40 of this act* have the  
29 meanings ascribed to them in those sections.

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

31 704.771 “Net metering system” means a facility *or energy system* for  
32 the ~~{production of electrical energy}~~ *generation of electricity* that:

33 1. Uses ~~{wind or solar}~~ *renewable* energy as its primary source of  
34 ~~{fuel;} energy to generate electricity;~~

35 2. Has a generating capacity of not more than 10 kilowatts;

36 3. Is located on the customer-generator’s premises;

37 4. Operates in parallel with the utility’s transmission and distribution  
38 facilities; and

39 5. Is intended primarily to offset part or all of the customer-generator’s  
40 requirements for electricity.

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

42 704.773 1. A utility shall offer net metering, as set forth in NRS  
43 704.775, to the customer-generators operating within its service area .  
44 ~~{until 100 of those customer-generators have accepted the offer.}~~

45 2. A utility:

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



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

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

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

9 704.775 1. The billing period for net metering may be either a  
10 monthly period or, with the written consent of the customer-generator, an  
11 annual period.

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

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

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

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

23 *(1) Neither the utility nor the customer-generator is entitled to*  
24 *compensation for electricity provided to the other during the billing period*  
25 *++ ; and*

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

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

32 228.360 The consumer's advocate:

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

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

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

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

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

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



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1 (c) Except as otherwise provided in subsection 1, petition for, request,  
2 initiate, appear or intervene in any proceeding concerning rates, charges,  
3 tariffs, modifications of service or any related matter before the public  
4 utilities commission of Nevada or any court, regulatory body, board,  
5 commission or agency having jurisdiction over any matter which the  
6 consumer's advocate may bring before or has brought before the public  
7 utilities commission of Nevada or in which the public interest or the  
8 interests of any particular class of utility customers are involved. The  
9 consumer's advocate may represent the public interest or the interests of  
10 any particular class of utility customers in any such proceeding, and he is a  
11 real party in interest in the proceeding.

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

14 **Sec. 63.** NRS 228.390 is hereby amended to read as follows:  
15 228.390 Except as otherwise provided in *NRS 704.110 and* sections 8  
16 to 18, inclusive, of ~~this act~~ *Assembly Bill No. 369 of this session:*

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

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

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

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

32 **Sec. 65.** *"Biomass" means any organic matter that is available on a*  
33 *renewable basis, including, without limitation:*

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

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

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

- 45 (a) *Biomass;*  
46 (b) *Fuel cells;*  
47 (c) *Geothermal energy;*  
48 (d) *Solar energy;*  
49 (e) *Waterpower; and*



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1 (f) *Wind.*

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

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

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

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

11 349.400 As used in NRS 349.400 to 349.670, inclusive, unless the  
12 context otherwise requires, the words and terms defined in NRS 349.410 to  
13 349.540, inclusive, *and sections 65 to 68, inclusive, of this act* have the  
14 meanings ascribed to them in those sections.

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

16 349.430 “Cost of a project” means all or a designated part of the cost  
17 of any project, including any incidental cost pertaining to the project. The  
18 cost of a project may include, among other costs, the costs of:

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

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

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

26 4. Establishment of a reserve for contingencies;

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

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

33 7. Short-term financing,

34 and the expense of operation and maintenance of the project.

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

36 349.510 “Project” means:

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

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

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

46 (c) Commercial enterprises;

47 (d) Civic and cultural enterprises open to the general public, including  
48 theaters, museums and exhibitions, together with buildings and other  
49 structures, machinery, equipment, facilities and appurtenances thereto



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1 which the director deems useful or desirable in connection with the  
2 conduct of any such enterprise;

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

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

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

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

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

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

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

17 349.560 It is the intent of the legislature to authorize the director to  
18 finance, acquire, own, lease, improve and dispose of properties to:

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

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

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

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

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

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

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

39 349.565 1. The director may not, under NRS 349.400 to 349.670,  
40 inclusive:

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

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



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1 affiliate of such a person and the facility is to be abandoned or closed  
2 because of obsolescence, lack of available labor or limitations at the site of  
3 the facility.

4 2. The provisions of paragraph (b) of subsection 1 do not apply to:

5 (a) Health and care facilities and supplemental facilities for a health and  
6 care facility;

7 (b) Civic and cultural enterprises open to the general public;

8 (c) Enterprises located in a redevelopment area created pursuant to NRS  
9 279.382 to 279.685, inclusive;

10 (d) Enterprises located in an area designated as an empowerment zone  
11 pursuant to sections 1391 to 1397, inclusive, of the Internal Revenue Code  
12 of 1986, 26 U.S.C. §§ 1391-97, future amendments to those sections and  
13 the corresponding provisions of future internal revenue laws;

14 (e) Facilities established by a corporation for public benefit; ~~and~~

15 (f) Enterprises whose products are substantially sold, used or distributed  
16 outside this state ~~and~~; and

17 *(g) Renewable energy generation projects.*

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

19 349.580 Except as otherwise provided in NRS 349.595 and 349.640,  
20 the director shall not finance a project unless, before financing:

21 1. The director finds that:

22 (a) The project to be financed has been approved for financing pursuant  
23 to the requirements of NRS 244A.669 to 244A.763, inclusive, or 268.512  
24 to 268.568, inclusive; and

25 (b) There has been a request by a city or county to have the director  
26 issue bonds to finance the project; or

27 2. The director finds and both the board and the governing body of the  
28 city or county where the project is to be located approve the findings of the  
29 director that:

30 (a) The project consists of any land, building or other improvement and  
31 all real and personal properties necessary in connection therewith,  
32 excluding inventories, raw materials and working capital, whether or not in  
33 existence, which is suitable for new construction, improvement,  
34 preservation, restoration, rehabilitation or redevelopment:

35 (1) For manufacturing, industrial, warehousing, civic, cultural or  
36 other commercial enterprises, educational institutions, corporations for  
37 public benefit or organizations for research and development;

38 (2) For a health and care facility or a supplemental facility for a  
39 health and care facility;

40 (3) Of real or personal property appropriate for addition to a hotel,  
41 motel, apartment building, casino or office building to protect it or its  
42 occupants from fire; ~~or~~

43 (4) Of a historic structure; *or*

44 *(5) For a renewable energy generation project;*

45 (b) The project will provide a public benefit;

46 (c) The contemplated lessee, purchaser or other obligor has sufficient  
47 financial resources to place the project in operation and to continue its  
48 operation, meeting the obligations of the lease, purchase contract or  
49 financing agreement;



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

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

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

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

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

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

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

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

19 **Sec. 76.** *“Biomass” means any organic matter that is available on a  
20 renewable basis, including, without limitation:*

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

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

23 *3. Animal wastes;*

24 *4. Municipal wastes; and*

25 *5. Aquatic plants.*

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

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

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

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

36 *(a) Biomass;*

37 *(b) Fuel cells;*

38 *(c) Geothermal energy;*

39 *(d) Solar energy;*

40 *(e) Waterpower; and*

41 *(f) Wind.*

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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1 *wind and the other of whom represents the interests of the gaming*  
2 *industry in this state.*

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

5 *2. A member of the task force:*

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

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

9 *(1) The development or use of renewable energy;*

10 *(2) Financing, planning or constructing renewable energy*  
11 *generation projects;*

12 *(3) Measures which conserve or reduce the demand for energy or*  
13 *which result in more efficient use of energy;*

14 *(4) Weatherization;*

15 *(5) Building and energy codes and standards;*

16 *(6) Grants or incentives concerning energy;*

17 *(7) Public education or community relations; or*

18 *(8) Any other matter within the duties of the task force.*

19 *(c) Must not be an officer or employee of the legislative or judicial*  
20 *department of state government.*

21 *3. After the initial terms, the term of each member of the task force is*  
22 *3 years. A vacancy on the task force must be filled for the remainder of*  
23 *the unexpired term in the same manner as the original appointment. A*  
24 *member may be reappointed to the task force.*

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

33 *(a) Make up the time he is absent from work to carry out his duties as*  
34 *a member of the task force; or*

35 *(b) Take annual leave or compensatory time for the absence.*

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

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

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

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



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

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

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

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

21     **Sec. 86. 1. The task force shall:**

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

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

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

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

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

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

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



- 1 on-site generation systems, net metering systems and distributed  
2 generation systems that use renewable energy.
- 3 (d) Take any other actions that the task force deems necessary to carry  
4 out its duties, including, without limitation, contracting with consultants,  
5 if necessary, for the purposes of program design or to assist the task  
6 force in carrying out its duties.
- 7 2. The task force shall prepare an annual report concerning its  
8 activities and programs and submit the report to the legislative  
9 commission and the governor on or before January 30 of each year. The  
10 annual report must include, without limitation:
- 11 (a) A description of the objectives of each activity and program;  
12 (b) An analysis of the effectiveness and efficiency of each activity and  
13 program in meeting the objectives of the activity or program;  
14 (c) The amount of money distributed for each activity and program  
15 from the trust fund for renewable energy and energy conservation and a  
16 detailed description of the use of that money for each activity and  
17 program;  
18 (d) An analysis of the coordination between the task force and other  
19 officers and agencies; and  
20 (e) Any changes planned for each activity and program.
- 21 3. As used in this section:
- 22 (a) “Distributed generation system” means a facility or system for the  
23 generation of electricity that is in close proximity to the place where the  
24 electricity is consumed.
- 25 (b) “Net metering system” has the meaning ascribed to it in NRS  
26 704.771.
- 27 **Sec. 87. 1.** The office of energy is hereby created within the office  
28 of the governor.
- 29 2. The governor shall appoint the director. The director:
- 30 (a) Is in the unclassified service of the state; and  
31 (b) Serves at the pleasure of the governor.
- 32 3. The director may, within the limits of available money, employ:
- 33 (a) Such persons in the unclassified service of the state as the director  
34 determines to be necessary to carry out the duties of the office of energy  
35 pursuant to this chapter; and  
36 (b) Such additional personnel as may be required to carry out the  
37 duties of the office of energy pursuant to this chapter, who must be in the  
38 classified service of the state.
- 39 4. A person employed by the director pursuant to this section must be  
40 qualified by training and experience to perform the duties for which the  
41 director employs him.
- 42 5. The director and the persons employed by the director shall not  
43 have any conflict of interest relating to the performance of their duties  
44 pursuant to this chapter.
- 45 6. The provisions of NRS 223.085 do not apply to the director or to  
46 any person employed by the director pursuant to this section.



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

2     523.011 1. The legislature finds that:

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

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

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

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

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

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

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

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

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

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

36    523.021 As used in this chapter, unless the context otherwise requires

37    ~~1.~~

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

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

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

43    523.051 The director may:

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

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



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

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

6 *5. Assist developers of renewable energy generation projects in*  
7 *preparing and making requests to obtain money for development through*  
8 *the issuance industrial development revenue bonds pursuant to NRS*  
9 *349.400 to 349.670, inclusive and sections 65 to 68, inclusive, of this act.*

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

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

13 523.131 The director shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

2     523.161 1. ~~{Except for those energy resources for whose priorities of~~  
3 ~~use are established by the public utilities commission of Nevada, the}~~ **The**  
4 director may recommend to state agencies, local governments and  
5 appropriate private persons and entities, standards for conservation of  
6 energy and its sources and for carrying out the state **comprehensive energy**  
7 plan. ~~{for the conservation of energy.}~~

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

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

12     523.164 1. The director shall adopt regulations for the conservation  
13 of energy in buildings, including manufactured homes, which establish the  
14 minimum standards for:

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

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

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

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

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

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

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

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

45     651.040 1. As used in this section, unless the context otherwise  
46 requires:

- 47     (a) "Establishment" means any hotel, motel, inn or motor court.  
48     (b) "Owner" or "keeper" means any person, firm, association or  
49 corporation.



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

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

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

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

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

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

14 3. Every establishment shall maintain a registration card for each room  
15 and supply the person or persons registering for accommodations a receipt.  
16 Both the registration card and the receipt must reflect the type of  
17 accommodations supplied, the number of persons occupying the  
18 accommodation and the rate charged each person therefor. An  
19 establishment shall not charge more than the rates listed on the printed  
20 statement required to be maintained by an owner or keeper of an  
21 establishment pursuant to NRS 651.030

22 ~~3.1~~ 4. For any violation of this section, or any provision herein  
23 contained, the offender shall forfeit to the injured party 3 times the amount  
24 of the sum charged in excess of what he is entitled to charge.

25 ~~4.1~~ 5. Any owner or keeper of any establishment who violates any of  
26 the provisions of this section is guilty of a misdemeanor.

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

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

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

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

38 (b) *Be included:*

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

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

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

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

48 (a) *The average mix of energy sources used to generate the*  
49 *electricity sold by the electric utility to the retail customer. An*



1 *electric utility may, if available, use a regional average that has been*  
2 *determined by the commission for that portion of electricity sold by*  
3 *the electric utility to the retail customer for which the specific mix of*  
4 *energy sources cannot be discerned.*

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

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

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

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

22 *(c) Information concerning customer service.*

23 *(d) Information concerning any energy programs that provide*  
24 *assistance to retail customers with low incomes, including, without*  
25 *limitation, information on the procedures to apply for such*  
26 *programs.*

27 *3. An electric utility:*

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

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

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

40 *5. The provisions of this section do not require an electric utility*  
41 *to disclose to its retail customers any information about electric*  
42 *services, and any products and services relating thereto, that are*  
43 *subject to the provisions of sections 3 to 26, inclusive, of Assembly*  
44 *Bill No. 661 of this session.*

45 *6. As used in this section:*

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

48       (c) The revenues ~~collected~~ *for services provided* by each electric  
49 utility ~~before April~~ *for the period of March 1, 2001, to March 31,*



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1 **2001, inclusive**, from the rates that each electric utility placed into  
2 effect on March 1, 2001, pursuant to the comprehensive energy plan  
3 shall be deemed to be a credit in the electric utility's deferred  
4 accounts.

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

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

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

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

41 6. On or before December 1, 2001, each electric utility that  
42 primarily serves less densely populated counties shall file a general  
43 rate application pursuant to subsection 3 of NRS 704.110, as amended  
44 by this act **H and Assembly Bill No. 661 of this session**. On or before  
45 February 1, 2002, each electric utility that primarily serves less  
46 densely populated counties shall file an application to clear its  
47 deferred accounts pursuant to subsection 7 of NRS 704.110, as  
48 amended by this act **H and Assembly Bill No. 661 of this session**.  
49 After such an electric utility files the application to clear its deferred



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

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

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

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

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

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

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

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

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

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

47 2. If the commission authorizes a transaction described in  
48 subsection 1 and, before July 1, 2003, the electric utility holding



company acquires a controlling interest in such a public utility, or any affiliate thereof, pursuant to the transaction:

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

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

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

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

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

**Sec. 100.** Section 1 of Senate Bill No. 210 of this session is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

(a) Telephone utilities, except as otherwise provided in paragraph

(c), the revenue shall be deemed to be all intrastate revenues . ~~that are considered by the commission for the purpose of establishing rates.~~



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

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

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

**Sec. 101.** Section 2 of Senate Bill No. 210 of this session is hereby amended to read as follows:

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

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

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

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

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

5. Any public utility, *provider of discretionary natural gas service or alternative seller* failing to pay the assessment provided for in NRS 704.033 on or before August 1, or if paying quarterly, on or before August 1, October 1, January 1 or April 1, shall pay, in addition to such assessment, a penalty of 1 percent of the total unpaid balance for each month or portion thereof that the assessment is delinquent, or \$10, whichever is greater, but no penalty may exceed \$1,000 for each delinquent payment.

6. When a public utility, *provider of discretionary natural gas service or alternative seller* sells, transfers or conveys substantially all of its assets or, *if applicable, its* certificate of public convenience and necessity, the commission shall determine, levy and collect the



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1 accrued assessment for the current year not later than 30 days after the  
2 sale, transfer or conveyance, unless the transferee has assumed  
3 liability for the assessment. For purposes of this subsection , the  
4 jurisdiction of the commission over the selling, transferring or  
5 conveying public utility , *provider of discretionary natural gas*  
6 *service or alternative seller* continues until it has paid the assessment.

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

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

13 **Sec. 102.** Section 6 of Senate Bill No. 372 of this session is hereby  
14 amended to read as follows:

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

20 2. *The term includes, without limitation, a provider of new*  
21 *electric resources that is selling electricity to an eligible customer*  
22 *for consumption in this state pursuant to the provisions of sections 3*  
23 *to 26, inclusive, of Assembly Bill No. 661 of this session.*

24 3. The term does not include:

- 25 (a) This state or an agency or instrumentality of this state.  
26 (b) A rural electric cooperative established pursuant to chapter 81  
27 of NRS.  
28 (c) A general improvement district established pursuant to chapter  
29 318 of NRS.  
30 (d) A utility established pursuant to chapter 709 or 710 of NRS.  
31 (e) A cooperative association, nonprofit corporation, nonprofit  
32 association or provider of electric service which is declared to be a  
33 public utility pursuant to NRS 704.673 and which provides service  
34 only to its members.  
35 (f) A landlord of a mobile home park or owner of a company town  
36 who is subject to any of the provisions of NRS 704.905 to 704.960,  
37 inclusive.

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

41 **Sec. 103.** Section 8 of Senate Bill No. 372 of this session is hereby  
42 amended to read as follows:

43 Sec. 8. "Renewable energy system" means:

44 1. A facility or energy system that:

- 45 (a) Uses renewable energy to generate electricity; and  
46 (b) Transmits or distributes the electricity that it generates from  
47 renewable energy via:

48 (1) A power line which is dedicated to the transmission or  
49 distribution of electricity generated from renewable energy and which



1 is connected to a facility or system owned, operated or controlled by a  
2 provider of electric service; or

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

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

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

11 **Sec. 104.** Section 9 of Senate Bill No. 372 of this session is hereby  
12 amended to read as follows:

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

16 2. The term includes, without limitation:

17 (a) This state, a political subdivision of this state or an agency or  
18 instrumentality of this state or political subdivision of this state when  
19 it *is an end-use customer that* purchases electricity ~~at retail; and~~ *for*  
20 *consumption in this state, including, without limitation, when it is*  
21 *an eligible customer that purchases electricity for consumption in*  
22 *this state from a provider of new electric resources pursuant to the*  
23 *provisions of sections 3 to 26, inclusive, of Assembly Bill No. 661 of*  
24 *this session.*

25 (b) *A residential, commercial or industrial end-use customer that*  
26 *purchases electricity for consumption in this state, including,*  
27 *without limitation, an eligible customer that purchases electricity for*  
28 *consumption in this state from a provider of new electric resources*  
29 *pursuant to the provisions of sections 3 to 26, inclusive, of Assembly*  
30 *Bill No. 661 of this session.*

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

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

37 **Sec. 105.** 1. NRS 523.171, 704.080, 704.090 and 704.275 are  
38 hereby repealed.

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

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

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

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

46 (a) An electric utility that provides distribution services to an eligible  
47 customer who is purchasing energy, capacity or ancillary services from a  
48 provider of new electric resources shall charge the eligible customer based  
49 upon the rates for the electric utility’s distribution services that were on file



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1 with the commission on April 1, 2001, until the commission approves a  
2 change in those rates and such a change becomes effective.

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

11 2. The commission shall:

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

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

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

19 4. As used in this section, the words and terms defined in sections 4 to  
20 16, inclusive, of this act have the meanings ascribed to them in those  
21 sections.

22 **Sec. 107.** 1. As soon as practicable after July 1, 2003, the governor  
23 shall appoint two additional commissioners to the public utilities  
24 commission of Nevada in accordance with the provisions of section 28 of  
25 this act. For the initial terms of those commissioners, the governor shall  
26 appoint:

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

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

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

33 **Sec. 108.** 1. The provisions of section 54 of this act do not apply to  
34 any transaction entered into by a local governmental entity before January  
35 1, 2002, to acquire or otherwise obtain control of the assets of a public  
36 utility providing water services.

37 2. As used in this section:

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

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

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





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

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

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

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

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

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

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

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

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

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

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



\* A B 6 6 1 R 3 \*

1     3. Sections 28 and 29 of this act become effective on October 1, 2003.  
2     **Sec. 113.** 1. The legislative counsel shall:  
3         (a) In preparing the reprint and supplements to the Nevada Revised  
4         Statutes, appropriately change any references to an officer or agency whose  
5         name is changed or whose responsibilities have been transferred pursuant  
6         to the provisions of this act to refer to the appropriate officer or agency.  
7         (b) In preparing supplements to the Nevada Administrative Code,  
8         appropriately change any references to an officer or agency whose name is  
9         changed or whose responsibilities have been transferred pursuant to the  
10        provisions of this act to refer to the appropriate officer or agency.  
11     2. Any reference in a bill or resolution passed by the 71st session of  
12     the Nevada legislature to an officer or agency whose name is changed or  
13     whose responsibilities have been transferred pursuant to the provisions of  
14     this act to another officer or agency shall be deemed to refer to the officer  
15     or agency to which the responsibility is transferred.

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**TEXT OF REPEALED SECTIONS**

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

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

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

**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 2 of Assembly Bill No. 197 of this session:**

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



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

**Section 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.*

**Section 4 of Senate Bill No. 372 of this session:**

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

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

