SENATE BILL NO. 488–COMMITTEE ON COMMERCE, LABOR AND ENERGY

MARCH 28, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to energy. (BDR 58-1274)

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

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

AN ACT relating to energy; revising provisions relating to a plan certain utilities must submit to the Public Utilities Commission of Nevada; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each utility which supplies electricity in this State to submit to the Public Utilities Commission of Nevada every third year a plan to increase its supply of electricity or decrease the demands made on its system by its customers. (NRS 704.741) **Section 1** of this bill requires the plan to include plans for supporting the construction of certain renewable energy facilities and plans for transmission facilities anticipated to be necessary to serve those facilities. **Section 1** also authorizes the plan to propose that the siting, permitting or construction of a transmission facility or corridor be conducted in phases and provides for the recovery of reasonable expenses relating to the siting, development and permitting of a corridor that is conducted without inclusion in the plan.

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

Section 1. NRS 704.741 is hereby amended to read as follows:

704.741 1. A utility which supplies electricity in this State shall, on or before July 1 of every third year, in the manner specified by the Commission, submit a plan to increase its supply of electricity or decrease the demands made on its system by its customers to the Commission.

2. The Commission shall, by regulation:

(a) Prescribe the contents of such a plan, including, but not limited to, the methods or formulas which are used by the utility to:

(1) Forecast the future demands; and

(2) Determine the best combination of sources of supply to meet the demands or the best method to reduce them; and

(b) Designate renewable energy zones and revise the designated renewable energy zones as the Commission deems necessary.

3. The Commission shall require the utility to include in its plan:

(a) An energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel and which includes, without limitation, the use of new solar thermal energy sources; and

(b) A comparison of a diverse set of scenarios of the best combination of sources of supply to meet the demands or the best methods to reduce the demands, which must include at least one scenario of low carbon intensity.

4. The Commission shall require the utility to include in its plan a plan for construction or expansion of transmission facilities to serve renewable energy zones ~~[and to]~~ ***that will*** facilitate the utility in meeting the portfolio standard established by NRS 704.7821 ~~[.]~~ ***and support the construction of renewable energy facilities without regard to the location of any purchaser of energy from any of those facilities.***

5. ***The Commission shall require the utility to include in its plan a plan for transmission facilities that are anticipated to be necessary to serve:***

(a) The transmission needs of the utility; and

(b) Any renewable energy facility that requests interconnection with the utility and delivers energy to purchasers located outside of this State or outside of the service area of the utility.

6. The plan required by subsection 5 may propose the siting, permitting or construction of a transmission facility or corridor in phases, including, without limitation, components of siting, acquisition, permitting and construction.

7. A utility may recover reasonable expenses for any siting, development and permitting of a corridor that is conducted without inclusion in a plan submitted pursuant to this section.

8. As used in this section:

(a) "Carbon intensity" means the amount of carbon by weight emitted per unit of energy consumed.

(b) "Renewable energy zones" means specific geographic zones where renewable energy resources are sufficient to develop generation capacity and where transmission constrains the delivery of electricity from those resources to customers.

Sec. 2. NRS 704.751 is hereby amended to read as follows:

704.751 1. After a utility has filed the plan required pursuant to NRS 704.741, the Commission shall issue an order accepting the plan as filed or specifying any portions of the plan it deems to be inadequate:

(a) Within 135 days for any portion of the plan relating to the energy supply plan for the utility for the 3 years covered by the plan; and

(b) Within 180 days for all portions of the plan not described in paragraph (a).

2. If a utility files an amendment to a plan, the Commission shall issue an order accepting the amendment as filed or specifying any portions of the amendment it deems to be inadequate within 135 days of the filing of the amendment.

3. All prudent and reasonable expenditures made to develop the utility's plan, including environmental, engineering and other studies, must be recovered from the rates charged to the utility's customers.

4. The Commission may accept a transmission plan submitted pursuant to ~~[subsection]~~ ***subsections*** 4 ***and 5*** of NRS 704.741 for a renewable energy zone if the Commission determines that the construction or expansion of transmission facilities would facilitate the utility meeting the portfolio standard, as defined in NRS 704.7805.

5. The Commission shall adopt regulations establishing the criteria for determining the adequacy of a transmission plan submitted pursuant to ~~[subsection]~~ ***subsections*** 4 ***and 5*** of NRS 704.741.

Sec. 3. This act becomes effective on July 1, 2011.