

ASSEMBLY BILL NO. 199—COMMITTEE
ON COMMERCE AND LABOR

(ON BEHALF OF THE LEGISLATIVE COMMITTEE
ON PUBLIC LANDS)

MARCH 4, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the sale of electricity and provision of transmission service and distribution service by the Colorado River Commission of Nevada. (BDR 58-206)

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

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

AN ACT relating to energy; authorizing the Colorado River Commission of Nevada to sell electricity and provide transmission service and distribution service to certain new customers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 In 1922, seven states, including Nevada, entered into the Colorado River
2 Compact to allocate among the joining states the water rights to the Colorado River
3 and its tributaries in the Colorado River Basin. The United States Congress passed
4 the Boulder Canyon Project Act in 1928 (43 U.S.C. §§ 617 et seq.) to provide for
5 the construction of works along the Colorado River, including the Hoover Dam,
6 and to approve the Colorado River Compact. In 1935, the Nevada Legislature
7 created the Colorado River Commission of Nevada and charged the Commission
8 with securing and protecting Nevada's rights and interests in the waters of the
9 Colorado River and in hydroelectric power generated on the Colorado River. (NRS
10 538.041-538.251) Various federal laws have modified the allocation of
11 hydroelectric power delivered from the Hoover Dam since its construction. Most
12 recently, the United States Congress passed the Hoover Power Allocation Act of
13 2011 (43 U.S.C. §§ 619 et seq.), which creates a resource pool of capacity and
14 associated firm energy for new customers in certain geographical areas of Nevada,
15 California and Arizona that do not currently receive power from the Hoover Dam.
16 The Act directs the Commission to allocate a certain amount of capacity and



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associated firm energy from the resource pool to new customers in Nevada under contracts that will become effective on October 1, 2017.

Existing Nevada law authorizes the Commission to sell electricity without being subject to the jurisdiction of the Public Utilities Commission of Nevada only to meet the existing and future electricity requirements of certain existing customers in this State. (NRS 704.787) This bill authorizes the Commission to contract with new customers to allocate the 5 percent of capacity and associated firm energy which is available to the Commission as a resource pool for new customers pursuant to the Hoover Power Allocation Act of 2011 without subjecting the Commission to the jurisdiction of the Public Utilities Commission of Nevada. This bill prohibits the Commission from meeting the demand for electricity of any new customer that is located within the service area of an electric utility that primarily serves densely populated counties in excess of the allocation made to the customer from the resource pool of capacity and associated firm energy created pursuant to the Hoover Power Allocation Act of 2011.

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

Section 1. NRS 704.787 is hereby amended to read as follows:

704.787 1. The Colorado River Commission of Nevada may ,
*without being subject to the jurisdiction of the Public Utilities
Commission of Nevada,* sell electricity and provide transmission
service or distribution service, or both, only to meet the existing and
future requirements of:

(a) Any customer that the Colorado River Commission of
Nevada on July 16, 1997, was serving or had a contract to serve . ~~†~~
~~and†~~

(b) The Southern Nevada Water Authority and its member
agencies for their water and wastewater operations . ~~†~~

~~without being subject to the jurisdiction of the Public Utilities
Commission of Nevada.†~~

*(c) Except as otherwise provided in this paragraph, any
customer that receives an allocation of capacity and associated
firm energy on or after October 1, 2017, from the resource pool of
capacity and associated firm energy created pursuant to the
Hoover Power Allocation Act of 2011, 43 U.S.C. §§ 619 et seq.
The Colorado River Commission of Nevada shall not, by the sale
of electricity or by the provision of any transmission service or
distribution service pursuant to this paragraph, meet the demand
for electricity of any customer that is located within the service
area of an electric utility that primarily serves densely populated
counties in excess of the allocation made to the customer from the
resource pool of capacity and associated firm energy created
pursuant to the Hoover Power Allocation Act of 2011, 43 U.S.C.
§§ 619 et seq.*



2. The Public Utilities Commission of Nevada shall establish a just and reasonable tariff for ~~such~~ *the* electric distribution service *authorized by subsection 1* to be provided by an electric utility that primarily serves densely populated counties to the Colorado River Commission of Nevada for its sale of electricity or electric distribution services, or both, to any customer ~~that~~ *to which* the Colorado River Commission of Nevada ~~on July 16, 1997, was serving or had a contract to serve, and to the Southern Nevada Water Authority and its member agencies to meet the existing and future requirements for their water and wastewater operations.~~ *is authorized to sell electricity or provide an electric distribution service pursuant to subsection 1.*

3. An electric utility that primarily serves densely populated counties shall provide electric distribution service pursuant to the tariff required by subsection 2.

4. The Colorado River Commission of Nevada ~~shall:~~
~~—(a) Review and analyze available information, studies and reports to assess the feasibility of constructing a hydrokinetic generation project below Hoover Dam to assist in meeting any existing or future requirements described in subsection 1; and~~
~~—(b) If the analysis indicates that construction of such a hydrokinetic generation project is feasible, present that analysis to appropriate agencies of the Federal Government and request that those agencies determine whether to construct a hydrokinetic generation project below Hoover Dam.~~ *may adopt regulations to carry out the provisions of this section.*

5. As used in this section:

(a) “Electric utility that primarily serves densely populated counties” means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 700,000 or more than it does from customers located in counties whose population is less than 700,000.

(b) ~~“Hydrokinetic generation project” means a project that generates electricity from waves or directly from the flow of water in rivers, streams, channels and other inland waterways.~~

~~—(c)~~ “Southern Nevada Water Authority” has the meaning ascribed to it in NRS 538.041.

Sec. 2. This act becomes effective:

1. Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On October 1, 2013, for all other purposes.

