SENATE BILL NO. 78–COMMITTEE ON GROWTH AND INFRASTRUCTURE

(ON BEHALF OF THE ATTORNEY GENERAL)

PREFILED NOVEMBER 18, 2026

Referred to Committee on Growth and Infrastructure

SUMMARY—Establishes provisions relating to consumers of large amounts of energy. (BDR 58-546)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: May have Fiscal Impact.
Effect on the State Highway Fund: No.

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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 electric utilities; prohibiting the Public Utilities Commission of Nevada and certain electric utilities from taking certain actions relating to certain costs; requiring certain electric utilities to establish a high energy use tariff governing the provision of electric service to high energy use customers; setting forth the required terms of a high energy use tariff; establishing the required contents of a service agreement required under certain circumstances to be executed between a high energy use customer and certain electric utilities; establishing certain financial security requirements; requiring certain electric utilities to establish certain processes, maintain certain records and submit certain reports; establishing various other requirements concerning the provision of electric service to high energy use customers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the regulation of electric utilities by the Public Utilities Commission of Nevada and authorizes the Commission to fix and regulate the rates charged by electric utilities for electric service. (NRS 703.150, 703.151, 704.061-704.130, 704.210) **Section 22** of this bill requires certain electric utilities to establish: (1) a separate rate class for high energy use customers; and (2) a high energy use tariff setting forth the rates, charges, rules and terms and conditions

concerning the provision of electric service to high energy use customers. **Section 15** of this bill defines a "high energy use customer" as a fully bundled nonresidential customer of an electric utility whose aggregated demand at a qualifying service location is 25 megawatts or greater. **Sections 4-21** of this bill define certain other terms relating to the provision of electric service to high energy use customers. **Section 22** establishes the general requirements of each high energy use tariff established by an electric utility, including requirements that each such tariff include: (1) rates and charges sufficient for the electric utility to recover certain costs from each high energy use customer of the electric utility and receive revenues from all high energy use customers in an amount reflective of certain measures of the total costs associated with providing electric service to high energy use customers; (2) a statement of rates; (3) provisions to ensure that the electric utility does not duplicate its recovery of certain costs; and (4) provisions establishing certain methods for calculating certain components of a minimum monthly bill required to be charged to each high energy use customer.

Existing law sets forth certain provisions governing the application of a public utility, in proceedings before the Commission, to establish a new rate schedule or make changes in any existing schedule. (NRS 704.100, 704.110) **Section 32** of this bill makes these provisions and procedures applicable to the application of an electric utility to establish a high energy use tariff or make changes in a high energy use tariff established in accordance with **section 22**, including the provisions providing that an electric utility has the burden of proving that certain costs included in an application were prudently incurred. (NRS 704.102)

Section 2 of this bill prohibits an electric utility from applying to the Commission to make changes in any schedule or establish any rate, and prohibits the Commission from approving any such application or authorizing the imposition of any such rate, if the application or authorization would have the effect of enabling the electric utility to: (1) shift certain costs attributable to high energy use customers to customers who are not high energy use customers; (2) provide a discount or rate to high energy use customers that is subsidized by customers who are not high energy use customers; (3) recover from a high energy use customer a high energy use customer cost that is not attributable to the particular high energy use customer from whom recovery is sought; and (4) recover from any customer certain costs incurred by the electric utility based solely on long-term planning assumptions or forecasts or speculative increases in the capacity needed in the future to provide electric service to prospective high energy use customers. **Section 31** of this bill establishes the applicability of certain definitions applicable to other proceedings governing the establishment of rates and schedules to the provisions of **section 2**.

Section 23 of this bill requires an electric utility to require each high energy use customer of the electric utility to execute a service agreement with the electric utility before the high energy use customer may receive electric service under the high energy use tariff established by the electric utility. **Section 23** additionally establishes the required content of and provisions governing each such service agreement, including a requirement that each service agreement: (1) be for a term of not less than 15 years and not more than 20 years; and (2) have incorporated into the service agreement a contract demand schedule and a cost schedule meeting certain requirements. **Section 23** further requires that each proposed service agreement and each proposed amendment to a service agreement, including each material change in or amendment to any schedule required to be incorporated into the service agreement, be filed with the Commission for approval.

Section 24 of this bill requires that an electric utility require each high energy use customer to provide, with certain exceptions, financial security equal to the net present value of the contracted exposure of the high energy use customer. **Section 24** establishes the forms of financial security required to be accepted by an electric

utility as well as the manner for calculating and recalculating the amount of financial security required to be provided by a high energy use customer and maintained by the electric utility at all times during the term of a service agreement.

Section 25 of this bill requires that each high energy use tariff and service agreement established or executed by an electric utility include certain provisions governing the obligations of the electric utility and each of its high energy use customers in the event of a grid emergency declared by the electric utility. **Section 25** also requires an electric utility to submit a report to the Commission not later than 30 days after the expiration of a grid emergency declared by the electric utility.

Section 26 of this bill requires an electric utility to establish a true-up process, whereby the electric utility will annually reconcile the difference between: (1) for each high energy use customer of the electric utility, the customer-specific costs recovered from or assessed against the high energy use customer and the customer-specific costs actually incurred by the electric utility; and (2) for the entire rate class of high energy use customers collectively, the high energy use class costs recovered from all high energy use customers and the high energy use class costs actually incurred by the electric utility which are not, at the time that the costs are reconciled, attributable to any particular high energy use customer. **Section 26** requires an electric utility, based on the difference in the amounts reconciled, to either assess a deficiency charge against or issue a credit to each high energy use customer in the amount of the applicable deficiency or surcharge, as applicable, for: (1) customer-specific costs attributable to the high energy use customer; and (2) high energy use class costs allocated to the high energy use customer in accordance with the methodology of the electric utility required by **section 26** to be established for this purpose.

Section 27 of this bill requires that each high energy use tariff established by an electric utility include provisions for the assessment of an exit fee against each high energy use customer who requests or otherwise causes the termination of a service agreement or who requests that a service agreement not be renewed at the expiration of the term of the service agreement. **Section 27** establishes the methodology required to be utilized by an electric utility to calculate the amount of the exit fee required to be assessed against a high energy use customer.

Section 28 of this bill: (1) requires an electric utility to maintain certain accounting records applicable to the provision of electric service to high energy use customers; and (2) authorizes the Commission to examine or request an independent audit of an electric utility with respect to the provision of electric service to high energy use customers. **Section 28** also requires an electric utility to annually submit to the Commission: (1) a public report that contains certain aggregated information with respect to high energy use customers; and (2) a confidential supplement to that report containing certain customer-specific information.

Existing law recognizes the impact that the jurisdiction of the Federal Energy Regulatory Commission in its regulation of the transmission of energy into and out of this State has on the cost of energy into this State and, to that end, authorizes the Commission to bring an action, file a petition or intervene before the Federal Energy Regulatory Commission or in any court on behalf of public utilities in this State and their customers in any matter which affects the development, transmission, use or cost of energy in Nevada. (NRS 703.152) **Section 29** of this bill: (1) requires that the provisions of **sections 3-30** of this bill be construed so as not to conflict with the jurisdiction of the Federal Energy Regulatory Commission or to affect the requirements of any tariff or obligation under the jurisdiction of the Federal Energy Regulatory Commission; and (2) requires the Commission to take any action before the Federal Energy Regulatory Commission necessary to ensure that any costs under the jurisdiction of the Federal Energy Regulatory Commission associated with providing electric service to high energy use customers are directly

assigned or otherwise recovered from the high energy use customers to which they are attributable.

Section 30 requires the Commission to adopt any regulations or take any other actions necessary to carry out and administer the provisions of **sections 3-30**.

Section 33 of this bill establishes, for the purposes of the Nevada Public Records Act (Chapter 239 of NRS), the confidentiality of certain information in the books and records of the Commission declared by **sections 23 and 28** to be confidential.

Section 34 of this bill authorizes, upon passage and approval of this bill: (1) an electric utility to immediately establish and file with the Commission for approval a high energy use tariff; and (2) the Commission to take action on an application filed by an electric utility for the approval of a high energy use tariff. **Section 34** also provides that: (1) the provisions of **sections 2-33** are not to be construed to require the impairment of any contract between an electric utility and a customer of an electric utility entered into or renewed before July 1, 2027, which is the effective date of this bill; and (2) notwithstanding the requirements of **section 22**, an existing customer of an electric utility who would otherwise be required to receive electric service under the terms of the high energy use tariff established by the electric utility is not required to receive such service under the terms of the high energy use tariff and the applicable provisions of **sections 3-33** if a contractual agreement entered into or renewed before July 1, 2027, obligates the electric utility to continue servicing the existing electric demand of the customer under the terms of a different rate schedule established by the electric utility. **Section 34** additionally prohibits an electric utility from renewing or materially amending such a contractual agreement on or after July 1, 2027.

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

Section 1. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 30, inclusive, of this act.

Sec. 2. ***1. An electric utility shall not make changes in any schedule or impose any rate, and the Commission shall not approve an application to make changes in any schedule or authorize the imposition of any rate by an electric utility, that would have the effect of enabling an electric utility to:***

(a) Shift a high energy use customer cost to any customer of the electric utility who is not a high energy use customer;

(b) Provide a discount to or otherwise establish a rate applicable to high energy use customers that is in any way subsidized by rates and other charges paid by customers of the electric utility who are not high energy use customers;

(c) Except as otherwise provided in subsection 6 or 7 of section 23 of this act or with respect to mitigation efforts undertaken by an electric utility in accordance with subsection 3 of section 27 of this act, recover in any manner a high energy use customer cost from a customer of the electric utility other than the high energy use

customer of the electric utility to which the high energy use customer cost is attributable; or

(d) Incur or recover from any customer of the electric utility any cost that is:

(1) Solely attributable to long-term planning assumptions or forecasts made by the electric utility with respect to providing electric service to high energy use customers in the future; or

(2) Based on a speculative increase to the capacity needed to serve high energy use customers and which is not supported by the existing obligations of the electric utility under service agreements executed with existing high energy use customers.

2. In any proceeding before the Commission in which an electric utility seeks to recover a cost which is potentially a high energy use customer cost from a customer who is not a high energy use customer or from a class of customers belonging to a rate class other than the rate class established by the electric utility for high energy use customers, the electric utility has the burden of proving that:

(a) The cost would have been incurred by the electric utility regardless of its obligation to provide electric service to high energy use customers;

(b) The benefit of incurring the cost will be realized by all customers of the electric utility independently of the benefit that may be realized by high energy use customers of the electric utility specifically;

(c) The benefit realized from incurring the cost is direct and quantifiable;

(d) The benefit realized from incurring the cost is durable over the expected life of the particular asset, investment, obligation or other object for which the cost was incurred; and

(e) The cost can be reasonably and proportionately allocated among customers in rate classes other than the rate class established for high energy use customers.

3. As used in this section:

(a) "High energy use customer" means a customer of an electric utility belonging to the rate class established by the electric utility for high energy use customers in accordance with section 22 of this act.

(b) "High energy use customer cost" has the meaning ascribed to "incremental cost" in section 17 of this act.

Sec. 3. *As used in sections 3 to 30, inclusive, of this act, the words and terms defined in sections 4 to 21, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *"Affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with a person.*

Sec. 5. *"Contract demand schedule" means the binding schedule of contracted demand required by section 23 of this act to be incorporated into a service agreement executed between a high energy use customer and an electric utility.*

Sec. 6. *"Contracted demand" means the peak demand, measured in megawatts, that an electric utility is obligated to provide to a high energy use customer in a given month, as agreed upon by the high energy use customer and electric utility and set forth in the contract demand schedule incorporated into the service agreement executed between the high energy use customer and electric utility.*

Sec. 7. *"Contracted exposure" means the total monetary obligations of a high energy use customer under the terms of a service agreement executed between the high energy use customer and an electric utility that remain outstanding at a given time, including, without limitation, the total of all minimum monthly bill amounts that remain outstanding and the total of all unrecovered customer-specific costs attributable to the high energy use customer, to the extent that such costs are not reflected in the minimum monthly bill amounts that remain outstanding.*

Sec. 8. *"Control" means the direct or indirect:*

1. Ownership, control or possession of 50 percent or more of the equity ownership of a person; or

2. Possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or through other means.

Sec. 9. *"Customer-specific cost":*

1. Means any incremental cost that would not have been incurred, directly or indirectly, by an electric utility but for the obligation of the electric utility to provide electric service to a particular high energy use customer under the terms of a service agreement executed between the high energy use customer and the electric utility.

2. Includes the amount of any deficiency charge assessed against a high energy use customer.

3. Does not include:

(a) Any obligation of a high energy use customer or cost incurred by an electric utility which is exclusively governed by a schedule, tariff or contractual agreement other than the high energy use tariff established by the electric utility or a service agreement executed between a high energy use customer and an

electric utility, including, without limitation, a line-extension agreement that was executed between the high energy use customer and electric utility before the date on which the high energy use customer received electric service from the electric utility subject to the terms of the high energy use tariff established by the electric utility; or

(b) Any amounts described in sub-subparagraphs (I) and (II) of subparagraph (3) of paragraph (e) of subsection 2 of section 22 of this act comprising the required components of a minimum monthly bill of a high energy use customer.

Sec. 10. *"Deficiency charge" means any deficiency charge assessed by an electric utility against a high energy use customer in accordance with the provisions of paragraph (c) or paragraph (d) of subsection 1 of section 26 of this act and the provisions governing the annual true-up process of the electric utility required by paragraph (g) of subsection 2 of section 22 of this act to be included in the high energy use tariff established by the electric utility.*

Sec. 11. *"Electric utility" has the meaning ascribed to it in NRS 704.187.*

Sec. 12. *"Exit fee" means a fee that an electric utility is required to impose against a high energy use customer in accordance with section 27 of this act if the high energy use customer requests or otherwise causes the termination of a service agreement executed with the electric utility or allows such a service agreement to expire at the end of the term of the service agreement.*

Sec. 13. *"Grid emergency" means a documented and particularized condition affecting the electrical grid which is in the nature of an emergency or which substantially affects the ability of an electric utility to:*

1. Reliably supply the quantity of energy necessary to service the commitments of the electric utility and the aggregate energy needs of all customers of the electric utility;

2. Comply with any applicable reliability condition, order or standard established by the North American Electric Reliability Corporation or the Federal Energy Regulatory Commission with which the electric utility is obligated to comply; or

3. Prevent or mitigate a transmission, distribution, generation or other resource limitation affecting the electrical grid.

Sec. 14. *"High energy use class cost" means any incremental cost that cannot reasonably be attributed to any particular high energy use customer. The term does not include any cost or charge attributable to a particular current or former high energy use customer of an electric utility that the electric utility is unable to*

recover from the high energy use customer to which the cost or charge pertains.

Sec. 15. *"High energy use customer" means a fully bundled nonresidential customer of an electric utility whose aggregated demand at a qualifying service location within the service territory of the electric utility is 25 megawatts or greater.*

Sec. 16. *"High energy use tariff" means the tariff required to be established by an electric utility pursuant to section 22 of this act that sets forth the rates, charges, rules and terms and conditions of the electric utility concerning the provision of electric service to high energy use customers served by the electric utility.*

Sec. 17. *"Incremental cost" means any cost, expense, investment or other binding obligation of an electric utility that would not have been incurred, undertaken or otherwise borne by an electric utility but for the obligation of the electric utility to provide electric service to and service the contracted demand of high energy use customers subject to the terms of the high energy use tariff established by the electric utility. The term includes, without limitation, capital costs and capital investments, including the costs of constructing, financing, upgrading and improving infrastructure and facilities, operations and maintenance costs, carrying costs, costs for the inspection, repair, replacement or refurbishment of equipment, finance costs, costs arising from ensuring the compliance of or examining or auditing electric utilities, including the costs incurred by an electric utility for ordering an independent audit of an electric utility pursuant to section 28 of this act, costs for ancillary services, costs for performing interconnection studies, costs for dedicated or incremental generation and storage, service costs, costs for transporting fuel and natural gas, costs for purchased electricity and all other costs, expenses, investments and other binding obligations of an electric utility necessary for an electric utility to satisfy its contractual obligations under service agreements executed with high energy use customers.*

Sec. 18. *"Minimum monthly bill amount" means the amount of a minimum monthly bill of a high energy use customer, calculated in accordance with paragraph (e) of subsection 2 of section 22 of this act, that an electric utility is required to bill to and recover from the high energy use customer on a monthly basis, regardless of the actual metered demand or energy consumption of the high energy use customer during that month.*

Sec. 19. *"Qualifying service location" means:*

1. Any single premises at which a person receives or requests to receive electric service from an electric utility, inclusive of all

meters and points of delivery on the premises that are serviced or will be serviced by the electric utility; or

2. Any two or more premises at which a person receives or requests to receive electric service from an electric utility that are owned or operated by the person, an affiliate of the person or any combination thereof, and which are contiguous or adjacent, are part of a common development or phased development project, or which share or are anticipated to share electric infrastructure or which are included in a coordinated request for electric service, regardless of any attempts or actions of a person or the affiliates of any person to structure the ownership of any such premises or structure any requests for electric service submitted to an electric utility that are deliberately undertaken with the aim of avoiding the classification of a person as a high energy use customer for the purposes of sections 3 to 30, inclusive, of this act.

Sec. 20. *"Service agreement" means an agreement required by section 23 of this act to be executed between a high energy use customer and an electric utility and approved by the Commission before a high energy use customer may receive electric service from the electric utility under the terms of the high energy use tariff established by the electric utility.*

Sec. 21. *"Unrecovered customer-specific costs" means, with respect to a particular high energy use customer at a given time, the total amount of all outstanding customer-specific costs known to an electric utility and for which a high energy use customer remains obligated to pay or reimburse the electric utility under the terms of a service agreement. The term:*

1. Includes, without limitation, any customer-specific cost that has not been recovered by the electric utility through rates and charges billed to the high energy use customer or through contributions in aid of construction, customer advances or other payments provided by the high energy use customer.

2. Does not include any customer-specific cost that has been reflected in minimum monthly bill amounts that remain outstanding under the terms of a service agreement.

Sec. 22. *1. An electric utility shall:*

(a) Establish a rate class for high energy use customers, which must be separate and distinct from any rate classes established by the electric utility for customers who are not high energy use customers;

(b) Establish and file with the Commission an application for the approval of a high energy use tariff setting forth the rates, charges, rules and terms and conditions of the electric utility concerning the provision of electric service to the high energy use customers of the electric utility; and

(c) Require each high energy use customer of the electric utility to receive, at each qualifying service location with an aggregated demand of 25 megawatts or greater, electric service provided by or requested to be provided by the electric utility subject to:

(1) The terms of the high energy use tariff established by the electric utility and approved by the Commission; and

(2) All applicable provisions of sections 3 to 30, inclusive, of this act.

2. Any proposed high energy use tariff filed by an electric utility with the Commission for approval pursuant to paragraph (b) of subsection 1 must, without limitation, and in addition to any other requirement prescribed by sections 3 to 30, inclusive, of this act:

(a) Include rates, charges, rules and other terms and conditions sufficient to ensure that the electric utility recovers from the rate class established for high energy use customers the full costs associated with providing electric service to such high energy use customers and to prevent the shifting of such costs to other customers of the electric utility. For this purpose, the proposed high energy use tariff must include such rates, charges, rules and other terms and conditions as necessary to:

(1) Recover from each high energy use customer of the electric utility:

(I) All costs for the consumption of electricity, fuel and other resources provided to the high energy use customer;

(II) Otherwise applicable transmission costs, distribution costs, costs for ancillary services and other applicable costs and fees associated with providing electric service to the high energy use customer;

(III) All other customer-specific costs attributable to the high energy use customer; and

(IV) In the form of a deficiency charge, the share of high energy use class costs incurred by the electric utility that are allocated to the high energy use customer in accordance with section 26 of this act.

(2) Produce overall revenues for the electric utility that are not less than the greater of:

(I) The fully embedded cost of providing electric service to all high energy use customers of the electric utility; or

(II) The long-run incremental cost of providing electric service to all high energy use customers of the electric utility, using a methodology determined by the Commission.

(b) Include a statement of rates, which must include:

(1) A detailed schedule of the numerical rates and charges established under the proposed high energy use tariff; and

(2) Illustrative calculations demonstrating the practical application and calculation of the rates and charges set forth in the high energy use tariff, including, without limitation, the calculation of minimum billing demand values, minimum billing energy values, minimum monthly bill amounts, contracted exposure, exit fees and the assessment of deficiency charges.

(c) Include provisions to ensure that any incremental cost is not recovered more than once by the electric utility, including any incremental cost that is recovered through rates and charges for energy use, minimum monthly bill amounts, deficiency charges, exit fees, contributions in aid of construction, customer advances and any other type of rate or charge included in the high energy use tariff.

(d) Include a requirement that, as a condition of receiving electric service under the terms of the high energy use tariff, each high energy use customer, before the commencement of such electric service:

(1) Execute with the electric utility a service agreement in accordance with the requirements of section 23 of this act; and

(2) Except as otherwise provided in subsection 2 of section 24 of this act, provide the electric utility with financial security in accordance with the requirements of subsection 1 of section 24 of this act.

(e) Require to be established for each month of a service agreement executed between a high energy use customer and the electric utility:

(1) A minimum billing demand value, measured in megawatts, for the purpose of calculating the minimum billing energy value described in subparagraph (2). The minimum billing demand value must equal:

(I) During each of the first 12 months of the service agreement, 60 percent of the contracted demand applicable for the month for which the billing demand value is calculated.

(II) During the 13th through the 24th month of the service agreement, 65 percent of the contracted demand applicable for the month for which the billing demand value is calculated.

(III) During the 25th month through the 36th month of the service agreement, 70 percent of the contracted demand applicable for the month for which the billing demand value is calculated.

(IV) During the 37th month through the 48th month of the service agreement, 75 percent of the contracted demand

applicable for the month for which the billing demand value is calculated.

(V) During the 49th month through the 60th month of the service agreement, 80 percent of the contracted demand applicable for the month for which the billing demand value is calculated.

(VI) For any other month occurring after the service agreement has been in effect for 60 months, including months occurring after the service agreement has been renewed, 85 percent of the contracted demand applicable for the month for which the billing demand value is calculated.

(2) A minimum billing energy value, measured in megawatt-hours, which must be, except where reduced in accordance with the methodology required by paragraph (b) of subsection 1 of section 25 of this act to be included in the high energy use tariff, an amount equal to 80 percent of the product of the applicable minimum billing demand value calculated in accordance with subparagraph (1) multiplied by the number of billing hours in the month for which the minimum billing energy value is calculated.

(3) A minimum monthly bill for each high energy use customer, which must consist of, without limitation:

(I) A minimum monthly energy consumption charge, the amount of which must be based on the rate for electric service established by the high energy use tariff multiplied by the minimum billing energy value for the applicable month, as calculated in accordance with subparagraph (2); and

(II) The amount of any applicable basic service charge and any other flat fees included under the high energy use tariff and billed to all high energy use customers on a monthly basis.

(f) Include the methodologies described in paragraph (b) of subsection 1 of section 25 of this act.

(g) Include such provisions as are necessary to implement the annual true-up process required by section 26 of this act to be established by the electric utility.

(h) Include the provisions described in section 27 of this act for calculating the amount of and recovering from each high energy use customer an exit fee upon the termination or expiration of a service agreement.

Sec. 23. *1. An electric utility shall require each high energy use customer of the electric utility to execute a service agreement with the electric utility before receiving electric service from the electric utility under the terms of the high energy use tariff established by the electric utility. Each such service agreement must:*

(a) Specify the duration of the service agreement, which must be for not less than 15 years and not more than 20 years, inclusive of any load ramp period as may be designated by a high energy use customer in accordance with paragraph (b).

(b) Enable a high energy use customer to designate a load ramp period which, if designated, must commence upon the first day on which the service agreement becomes effective and expire not later than 5 years after the date on which the service agreement became effective.

(c) Require a high energy use customer who does not wish to renew the service agreement at the end of the term of the service agreement to provide notice of that fact to the electric utility not later than 36 months before the last day on which the term of the service agreement remains effective.

(d) Identify the service location or service locations to which the service agreement is applicable and, for each such service location, identify each point of delivery serviced by the electric utility at the location.

(e) State the amount and form of the financial security that has been or will be provided by the high energy use customer in accordance with section 24 of this act, as applicable, and include all other terms pertaining to the obligations of the parties with respect to such financial security.

(f) Incorporate into the service agreement a contract demand schedule setting forth the contracted demand agreed upon by the parties and obligated to be provided to the high energy use customer during each month of the service agreement.

(g) Include provisions authorizing a high energy use customer to prospectively request an increase to or reduction of its contracted demand for one or more months. The provisions must:

(1) Require the high energy use customer to submit such a request to the electric utility not later than 36 months before the first month for which the increase to or reduction of the contracted demand is requested;

(2) Provide that the electric utility will not honor:

(I) A request to reduce the contracted demand agreed upon by the parties for any one month by more than 10 percent for that month; or

(II) More than one total request to reduce the contracted demand agreed upon by the parties, regardless of the number of months covered by the request, during a term of the service agreement, unless the electric utility determines that the request is reasonable and demonstrates to the satisfaction of the Commission in a request to make changes in the contract demand schedule pursuant to subsection 2 that the requested reduction would not

shift to any other customer of the electric utility any customer-specific cost initially incurred in reliance upon the total contracted demand originally agreed upon by the parties; and

(3) Provide that any increase to or reduction of the contracted demand of the high energy use customer agreed upon by the high energy use customer and electric utility is subject to final approval by the Commission pursuant to subsection 2.

(h) Incorporate into the service agreement a cost schedule that identifies all known customer-specific costs attributable to the high energy use customer, all other monetary obligations of the high energy use customer under the terms of the service agreement and the period of recovery for each such cost or obligation. Each cost schedule must satisfy the requirements of subsections 4 and 5.

(i) Not contain any term or provision that is inconsistent with or not authorized by the high energy use tariff established by the electric utility, including, without limitation, any term or provision waiving or altering on a customer-specific basis any generally applicable provision or requirement of the high energy use tariff.

2. An electric utility shall submit to the Commission for approval each proposed:

(a) Service agreement to be executed between the electric utility and a high energy use customer, including the contract demand schedule and cost schedule required to be incorporated into the service agreement; and

(b) Amendment to any previously approved service agreement, including any material change in or amendment to a contract demand schedule or cost schedule incorporated into the service agreement.

3. An electric utility shall, before the Commission may approve a proposed service agreement or a proposed amendment to a previously approved service agreement, file with the Commission a copy of the proposed service agreement or amended service agreement, as applicable. The copy of any such proposed service agreement, amended service agreement, any schedule incorporated into a service agreement and any information contained within any such document that is specific to the high energy use customer to which the information pertains:

(a) Shall not be disclosed by the Commission except to the Regulatory Operations Staff of the Commission, the Bureau of Consumer Protection in the Office of the Attorney General or the staff of the Bureau of Consumer Protection in the Office of the Attorney General for the purposes of carrying out the provisions of sections 3 to 30, inclusive, of this act; and

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

4. The cost schedule required by paragraph (h) of subsection 1 to be incorporated into a service agreement must specifically identify each customer-specific cost that is a capital expenditure or investment and, for each such capital expenditure or investment identified, specifically state:

(a) The expected useful life of the capital expenditure or investment;

(b) The period of recovery, subject to the requirements of subsection 5, over which the electric utility will recover the cost attributable to the high energy use customer for the capital expenditure or investment; and

(c) The residual value, if any and subject to the requirements of paragraph (c) of subsection 5, of the capital expenditure or investment that the electric utility has credited or will credit against the amount of the total cost of the capital expenditure or investment that will be recovered from the high energy use customer.

5. For the purpose of recovering from a high energy use customer the cost of a capital expenditure or investment identified in a cost schedule as described in subsection 4:

(a) The period of recovery for the cost must not exceed the shorter of:

(1) The expected useful life of the capital expenditure or investment; or

(2) The remaining term of the service agreement under which the electric utility will recover the cost from the high energy use customer.

(b) An electric utility shall, to the extent practicable, structure the period of recovery described in this subsection and subsection 4 in such a manner whereby the costs for the capital expenditure or investment attributable to a high energy use customer are assessed evenly across the term of the service agreement under which the electric utility will recover such costs, rather than intentionally deferred for the purpose of recovering such costs through an exit fee.

(c) An electric utility shall not credit against any such cost the amount of any residual value of the capital expenditure or investment unless the electric utility demonstrates to the satisfaction of the Commission that the residual value is commensurate with the direct and quantifiable benefit reasonably expected to be realized by other customers of the electric utility over the period of time beginning after the date on which the

obligations of the high energy use customer and electric utility owing to each other under the service agreement are extinguished.

6. A service agreement executed between a high energy use customer and an electric utility may not be assigned by either party without prior approval from the Commission. If a high energy use customer assigns a service agreement with Commission approval pursuant to this subsection or subsection 7, the assignee approved by the Commission must:

(a) Except as otherwise provided in subsection 7, assume all of the remaining rights and obligations of the high energy use customer under the service agreement existing on the date on which the assignment is to become effective; and

(b) Provide to the electric utility financial security in accordance with the requirements of section 24 of this act, as applicable, not later than the date on which the assignment is to become effective.

7. The Commission shall require a high energy use customer who is the owner, operator or developer of a business or industrial park, campus or other development that is intended to be occupied after the completion of development by one or more occupants who are not the high energy use customer to execute a service agreement with the electric utility covering the entirety of the demand of the development, if such demand is 25 megawatts or greater. Upon the completion of the development, the high energy use customer may assign a portion of the contracted demand under the service agreement applicable to the development, and the rights and obligations of the high energy use customer attributable to the assigned contracted demand, to one or more occupants of the completed development. If the Commission approves an assignment described in this subsection:

(a) The high energy use customer must remain secondarily liable for all obligations assumed by the assignee under the service agreement for 24 months after the date on which the assignment becomes effective; and

(b) The electric utility shall not release the amount of financial security provided by the assignor and attributable to the obligations assumed by the assignee unless:

(1) The 24-month period described in paragraph (a) has expired; and

(2) On the date on which the 24-month period described in paragraph (a) expired:

(I) The assignee is in compliance with all applicable financial security requirements specified in the service agreement;

(II) The assignee is not in material breach of any other term of the service agreement;

(III) There is no uncured defect owing to the actions of the assignee under the service agreement; and

(IV) There are no delinquent monetary obligations owed by the assignee to the electric utility under the terms of the service agreement.

Sec. 24. *1. Except as otherwise provided in subsection 2, an electric utility shall require each high energy use customer with which it has executed or will execute a service agreement to provide financial security for the entire duration of the term of the service agreement in an amount equal to the net present value of the contracted exposure of the high energy use customer. For the purposes of this section, the net present value of the amount of the contracted exposure of a high energy use customer must be:*

(a) Initially calculated before the commencement of the term of the service agreement and recalculated:

(1) Promptly after each material amendment to the service agreement or material change in circumstance that has the effect of substantially increasing or decreasing the amount of remaining contracted exposure of the high energy use customer, which may include, without limitation, a significant customer advance or contribution in aid of construction furnished by a high energy use customer; and

(2) Otherwise, not less than once per year.

(b) Determined using a discount value that is equal to the weighted average cost of capital of the electric utility approved by the Commission and in effect on the date on which the net present value of the contracted exposure of the high energy use customer is calculated or recalculated, as applicable.

2. An electric utility shall not require a high energy use customer to provide financial security in accordance with subsection 1 if:

(a) The high energy use customer maintains for the duration of the term of the service agreement executed with the electric utility:

(1) A senior unsecured credit rating of at least "A-" from Standard and Poor's Global Rating Services and at least "A3" from Moody's Investors Services, Inc.; and

(2) Cash or cash equivalents held by the high energy use customer and documented on a balance sheet prepared in accordance with generally accepted accounting principles in an amount greater than or equal to ten times the net present value of the contracted exposure of the high energy use customer; or

(b) The controlling affiliate of the high energy use customer satisfies the criteria described in paragraph (a) and additionally provides the electric utility with an unconditional, irrevocable

guaranty equal to 100 percent of the net present value of the contracted exposure of the high energy use customer.

3. An electric utility shall accept the following forms of financial security for the purposes of this section:

(a) Cash;

(b) A standby irrevocable letter of credit issued by a financial institution that bears a rating of "A" or higher issued by Standard and Poor's Global Rating Services or Moody's Investors Services, Inc.; or

(c) Any other form of financial security acceptable to the electric utility that is specified in the high energy use tariff of the electric utility.

4. As used in this section, "controlling affiliate" means, with respect to a high energy use customer that is controlled by an affiliate, the affiliate of the high energy use customer that controls the high energy use customer.

Sec. 25. *1. An electric utility shall include:*

(a) Provisions in each service agreement executed between a high energy use customer and the electric utility that:

(1) Detail the demand response obligations of the high energy use customer and the emergency response obligations of the electric utility, which must require the high energy use customer to take reasonable steps to reduce its impact on the electrical grid in the event of a grid emergency declared by the electric utility.

(2) Establish the maximum demand of the high energy use customer that may be curtailed by the electric utility in the event of a grid emergency declared by the electric utility, which may be up to 100 percent of the contracted demand of the high energy use customer applicable at the time at which the grid emergency is declared.

(3) Provide that, in the event of a grid emergency declared by the electric utility, the electric utility has the right to curtail the maximum curtailable demand of the high energy use customer established in accordance with subparagraph (2) or require the high energy use customer to take action to reduce up to 100 percent of its load.

(4) Detail the notice that the electric utility is required to provide a high energy use customer before taking any action described in subparagraph (3).

(b) In the high energy use tariff established by the electric utility, methodologies for:

(1) Determining the extent to which the electric utility may curtail the demand of a high energy use customer or require a

high energy use customer to reduce its load in the event of a grid emergency declared by the electric utility.

(2) Reducing the minimum monthly energy value for the purpose of reducing the minimum monthly bill amount of a high energy use customer applicable for any month during which the demand or load of the high energy use customer is curtailed or required to be reduced in the event of a grid emergency declared by the electric utility.

2. If an electric utility declares a grid emergency that results in the mandatory demand curtailment or load reduction of one or more high energy use customers of the electric utility, the electric utility shall, not later than 30 days after the expiration of the grid emergency, submit to the Commission and make available to the public a report that:

(a) Identifies and briefly describes the nature of the particular grid emergency necessitating the mandatory load curtailment or load reduction;

(b) Specifies the duration of the grid emergency, including the date and time in which the grid emergency took effect and the date and time in which the grid emergency concluded, as determined by the electric utility;

(c) Identifies the aggregated capacity, measured in megawatts, that was curtailed by or required to be reduced at the direction of the electric utility during the grid emergency; and

(d) Identifies the aggregate amount by which the minimum monthly bill amounts of high energy use customers was reduced by the electric utility as a result of the grid emergency.

3. As used in this section, "minimum monthly energy value" means the value calculated in accordance with subparagraph (2) of paragraph (e) of subsection 2 of section 22 of this act and used for the purpose of calculating the minimum monthly energy consumption charge component of the minimum monthly bill required applicable to a high energy use customer for a given month.

Sec. 26. *1. An electric utility shall establish a true-up process, whereby the electric utility will, on an annual basis:*

(a) For each high energy use customer of the electric utility, reconcile the difference between the amount of customer-specific costs recovered from or assessed against the high energy use customer and the customer-specific costs actually incurred by the electric utility and attributable to the high energy use customer.

(b) For the entire rate class established by the electric utility for high energy use customers, reconcile the difference between the high energy use class costs recovered from high energy use customers and the high energy use class costs actually incurred by

the electric utility and which cannot be, at the time the costs are reconciled, reasonably attributed to one or more particular high energy use customers.

(c) Based on the difference between the amount of the costs reconciled pursuant to paragraph (a):

(1) If the amount reconciled results in a deficiency in the amount of customer-specific costs recovered from or assessed against the applicable high energy use customer, assess against and recover from the high energy use customer a deficiency charge in an amount equal to the amount of the deficiency; or

(2) If the amount reconciled results in a surplus in the amount of customer-specific costs recovered from or assessed against the applicable high energy use customer, issue the high energy use customer a credit in an amount equal to the amount of the surplus, if the electric utility determines that the amount of any such surplus is not likely to be subject to future recovery from the high energy use customer.

(d) Based on the difference between the amounts reconciled pursuant to paragraph (b), apportion among each of the high energy use customers of the electric utility the amount of any applicable deficiency or surcharge in the amounts reconciled by using a methodology required by subsection 4 to be included in the high energy tariff established by the utility and:

(1) If the amount reconciled results in a deficiency in the amount of high energy use class costs recovered from high energy use customers, assess as a deficiency charge against each high energy use customer of the electric utility in the amount of the deficiency apportioned to each particular high energy use customer in accordance with the methodology described in this paragraph; or

(2) If the amount reconciled results in a surplus in the amount of high energy use class costs recovered from high energy use customers, issue a credit to each high energy use customer of the electric utility equal to the amount of the surplus apportioned to each particular high energy use customer in accordance with the methodology described in this paragraph.

2. For the purposes of subsection 1:

(a) A customer-specific cost is assessed against a high energy use customer if the cost is included in a cost schedule incorporated into a service agreement executed between the high energy use customer and the electric utility or is otherwise accounted for by the electric utility as an unrecovered customer-specific cost attributable to and payable by the high energy use customer under the terms of the service agreement.

(b) A high energy use class cost is recovered from high energy use customers if the electric utility has assessed the cost against high energy use customers in accordance with the process set forth in paragraph (d) of subsection 1 or has recovered the cost in any other manner.

3. The amount of any credit issued to a high energy use customer in accordance with paragraph (c) or (d) of subsection 1, as applicable:

(a) Must be credited against the amount of unrecovered customer-specific costs attributable to the high energy use customer; and

(b) May only be issued as a direct refund to the high energy use customer in the manner and under the circumstances prescribed in the high energy use tariff established by the electric utility.

4. An electric utility shall include in the high energy use tariff established by the electric utility the methodologies that the electric utility will use to carry out the annual true-up process established in accordance with subsection 1, including, without limitation, the methodology that will be used by the electric utility to:

(a) Calculate the difference in the amounts described in paragraphs (a) and (b) of subsection 1, including the specific costs that will be included in or excluded from each such calculation described in those paragraphs; and

(b) Allocate the amount of any deficiency or surplus in the amounts of high energy use class costs described in paragraph (b) of subsection 1 among all of the high energy use customers of the electric utility as described in paragraph (d) of subsection 1.

Sec. 27. *1. An electric utility shall include in the high energy use tariff established by the electric utility provisions that provide for the imposition and recovery of an exit fee in the event that a high energy use customer of the electric utility requests or otherwise causes the termination of a service agreement executed with the electric utility or requests that such a service agreement not be renewed at the end of the term of the service agreement. The amount of any such exit fee must be equal to:*

(a) If the high energy use customer requested or otherwise caused the termination of the service agreement before the expiration of the term of the service agreement, the net present value of the sum of the following amounts minus any amounts credited to the high energy use customer for any mitigation measures undertaken by the electric utility in accordance with subsection 3:

(1) The amount of all minimum monthly bill amounts that remain outstanding as of the date on which the service agreement is terminated;

(2) The amount of all unrecovered customer-specific costs remaining on the date on which the service agreement is terminated; and

(3) An amount equal to all incremental costs which, in the determination of the electric utility, will be unavoidably incurred by the electric utility as a direct result of the termination and which were reasonably foreseeable at the time of termination.

(b) If the service agreement is allowed to expire at the end of the term of the service agreement at the request of the high energy use customer, the net present value of the sum of the following amounts minus any amounts credited to the high energy use customer for any mitigation measures undertaken by the electric utility in accordance with subsection 3:

(1) The amount of all unrecovered customer-specific costs remaining on the date on which the service agreement expired; and

(2) An amount equal to all incremental costs which will be unavoidably incurred by the electric utility as a direct result of the nonrenewal of the service agreement and which were reasonably foreseeable at the time at which the high energy use customer requested that the service agreement not be renewed for an additional term.

2. If a service agreement executed between a high energy use customer and an electric utility is terminated at the election of the high energy use customer due to an uncured material default of the service agreement by the electric utility:

(a) The termination will not be considered to be requested or caused by the high energy use customer for the purposes of paragraph (a) of subsection 1;

(b) The electric utility shall not assess against the high energy use customer an exit fee calculated in accordance with paragraph (a) of subsection 1;

(c) The electric utility shall recover from the high energy use customer the net present value of all unrecovered customer-specific costs remaining on the date on which the service agreement was terminated; and

(d) The electric utility shall not attempt to recover from the high energy use customer or from any other customer of the electric utility any remaining minimum monthly bill amounts that remain outstanding as of the date on which the service agreement was terminated at the election of the high energy use customer.

3. An electric utility shall include in the high energy use tariff established by the electric utility provisions:

(a) Obligating the electric utility, for 36 consecutive months after the date on which a service agreement between the electric utility and a high energy use customer is terminated or is allowed to expire under the circumstances described in subsection 1, to use commercially reasonable efforts to mitigate the amount of the exit fee that must be imposed against and recovered from a high energy use customer pursuant to subsection 1;

(b) Specifying that the mitigation efforts required to be undertaken by the electric utility in accordance with paragraph (a) may include, without limitation, assigning the contracted demand of the high energy use customer to other high energy use customers, repurposing the infrastructure and facilities used to service the contracted demand of the high energy use customer to serve other high energy use customers of the electric utility and otherwise securing revenues from other sources to offset the revenues that were reasonably expected to be realized by the electric utility for providing electric service to the high energy use customer; and

(c) Providing that any amounts realized through the mitigation efforts undertaken by the electric utility in accordance with this subsection will be:

(1) If known by the electric utility before the exit fee described in this section is billed to or recovered from the high energy use customer, applied as a credit to the exit fee that will be assessed against or recovered from the applicable high energy use customer; or

(2) If any such amounts are realized by the electric utility after the electric utility has recovered the exit fee from the applicable high energy use customer, and there are no other amounts owed to the electric utility by the high energy use customer, directly refunded to the applicable high energy use customer.

4. An electric utility shall, for the purpose of calculating the net present value of any amount described in subsection 1, use a discount value that is equal to the weighted average cost of capital of the electric utility approved by the Commission and in effect on the date on which the net present value of the amount is calculated by the electric utility.

Sec. 28. *1. An electric utility shall maintain and make available to the Commission for inspection, upon the request of the Commission, accounting records specifically applicable to the electric service provided to high energy use customers subject to*

the terms of the high energy use tariff established by the electric utility as necessary for the Commission to ensure:

(a) The compliance of the Commission and the electric utility with the provisions of section 2 of this act;

(b) The compliance of the electric utility with the provisions of sections 3 to 30, inclusive, of this act;

(c) That the amount of financial security on hand with the electric utility is sufficient to cover the aggregated contracted exposure of the high energy use customers required by subsection 1 of section 24 of this act to provide such financial security; and

(d) The soundness and accuracy of the results of the annual true-up process established by the electric utility in accordance with section 26 of this act.

2. The Commission may examine the accounting records of an electric utility or order an independent audit of an electric utility by certified public accountants as necessary for the Commission to conduct the activities described in paragraphs (a) to (d), inclusive, of subsection 1.

3. Each electric utility shall annually submit to the Commission, in a manner and at the times prescribed by the Commission:

(a) A report, which the Commission shall make available to the public, that contains the following information for the immediately preceding year:

(1) The total number of high energy use customers served by the electric utility;

(2) The total revenue derived from providing electric service to all high energy use customers of the electric utility;

(3) The aggregated total of customer-specific costs incurred by the electric utility;

(4) The total amount of high energy use class costs incurred by the electric utility;

(5) The aggregated contracted exposure of all high energy use customers of the electric utility;

(6) The aggregated amount of financial security held by the electric utility;

(7) The aggregated results of the annual true-up process established by the electric utility in accordance with section 26 of this act with respect to:

(I) All customer-specific costs reconciled in accordance with paragraph (a) of subsection 1 of section 26 of this act; and

(II) All high energy use class costs reconciled in accordance with paragraph (b) of subsection 1 of section 26 of this act; and

(8) The number of high energy use customers who, as of the date on which the report is submitted to the Commission, are delinquent in payment or who are out of compliance with any applicable financial security requirement or any other monetary obligation under the terms of the service agreement executed between the high energy use customer and electric utility.

(b) A non-public supplement to the report described in paragraph (a) that contains:

(1) The information described in subparagraph (2), subparagraph (3) and subparagraphs (5) to (8), inclusive, of paragraph (a) for the immediately preceding year that is applicable to and disaggregated for each high energy use customer of the electric utility; and

(2) Such other information as prescribed by the Commission, which may include, without limitation, information necessary for the Commission to ensure:

(I) The compliance of the Commission and the electric utility with the provisions of section 2 of this act;

(II) The compliance of the electric utility with the provisions of sections 3 to 30, inclusive, of this act;

(III) That the electric utility is accurately recovering from high energy use customers minimum monthly bill amounts that are not less than the amounts required to be recovered from each applicable high energy use customer in accordance with the provisions of paragraph (e) of subsection 2 of section 22 of this act;

(IV) That the amount of financial security on hand with the electric utility is sufficient to cover the contracted exposure of each high energy use customer of the electric utility required by subsection 1 of section 24 of this act to provide financial security; and

(V) The soundness and accuracy of the results of the annual true-up process established by the electric utility in accordance with the requirements of section 26 of this act, including the reconciliation of customer-specific amounts attributable to and deficiency charges assessed against each particular high energy use customer of the electric utility in accordance with paragraphs (a) and (c) of subsection 1 of section 26 of this act.

4. Any non-public supplement described in paragraph (b) of subsection 3 that is submitted to the Commission by an electric utility, and any information contained within any such supplement pertaining to a particular high energy use customer of the electric utility:

(a) Shall not be disclosed by the Commission except to the Regulatory Operations Staff of the Commission, the Bureau of Consumer Protection in the Office of the Attorney General or the staff of the Bureau of Consumer Protection in the Office of the Attorney General; and

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

Sec. 29. ***1. Nothing in sections 3 to 30, inclusive, of this act shall be construed to conflict with or preempt the jurisdiction of the Federal Energy Regulatory Commission or to require an electric utility to take any action inconsistent with or prohibited by any applicable rule, order, tariff or other obligation established or approved by or otherwise under the jurisdiction of the Federal Energy Regulatory Commission.***

2. The Commission shall, to the extent authorized by federal law, establish any mechanism, adopt any regulations or take any other action necessary to ensure that any cost allocated or assigned to an electric utility under a tariff approved by the Federal Energy Regulatory Commission and associated with transmission facilities, network upgrades, capacity obligations or other costs specifically attributable to the cost of providing energy to high energy use customers is appropriately recovered by the electric utility and does not, to the extent practicable, result in additional costs to customers served by the electric utility who are not high energy use customers.

3. The Commission shall take any action described in subsection 2 of NRS 703.152 as necessary or advisable to carry out its obligations under this section and sections 3 to 30, inclusive, of this act and to pursue, to the maximum extent possible, the direct assignment of all costs arising under the terms of any tariff or rule established or approved by or otherwise under the jurisdiction of the Federal Energy Regulatory Commission attributable to providing energy to high energy use customers located within this State to the high energy use customer to whom each such cost is attributable.

Sec. 30. ***The Commission shall adopt any regulations and take any other action necessary to carry out the provisions of sections 3 to 30, inclusive, of this act. Such regulations may include, without limitation, regulations:***

1. Prescribing the form and substance of a high energy use tariff or establishing a model high energy use tariff, which must satisfy all applicable requirements of sections 3 to 30, inclusive, of this act.

2. Prescribing the form and substance of a service agreement or establishing a model service agreement, which must satisfy all applicable requirements of sections 3 to 30, inclusive, of this act.

3. Establishing processes and procedures for reviewing and making determinations on proposed service agreements and proposed amendments to previously approved service agreements submitted to the Commission for approval in accordance with section 23 of this act.

4. Establishing procedures and requirements concerning the examination and auditing of the accounting records required pursuant to subsection 1 of section 28 of this act to be maintained by each electric utility.

5. Establishing uniform methodologies and other terms required to be included in each proposed high energy use tariff for which Commission approval is sought pursuant to section 22 of this act.

Sec. 31. NRS 704.061 is hereby amended to read as follows:

704.061 As used in NRS 704.061 to 704.110, inclusive, ***and section 2 of this act,*** unless the context otherwise requires, the words and terms defined in NRS 704.062, 704.065 and 704.066 have the meanings ascribed to them in those sections.

Sec. 32. NRS 704.066 is hereby amended to read as follows:

704.066 "Schedule" means any schedule that establishes or otherwise sets the rates for a public utility and any individual or joint rule, regulation, practice, classification or measurement that in any manner affects those rates. ***The term includes a high energy use tariff established by an electric utility in accordance with sections 3 to 30, inclusive, of this regulation.***

Sec. 33. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.703, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127A.160, 127A.230, 127B.370, 127B.750, 127C.420, 127C.870, 127E.120, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 164.041, 172.075, 172.245, 176.01334, 176.01385, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.4715, 178.5691, 178.5717, 179.495, 179A.070, 179A.165, 179D.160, 180.600, 200.3771, 200.3772, 200.5095,

200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218F.150, 218G.130, 218G.240, 218G.350, 218G.615, 223.250, 226.462, 226.796, 228.270, 228.380, 228.450, 228.495, 228.570, 231.069, 231.1285, 231.1473, 232.1369, 232.49925, 233.190, 237.300, 239.0105, 239.0113, 239.014, 239B.026, 239B.027, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420, 240.007, 240A.260, 241.020, 241.029, 241.030, 241.039, 242.105, 242.1289, 242.129, 244.264, 244.335, 244.3635, 247.540, 247.545, 247.550, 247.560, 250.087, 250.130, 250.140, 250.145, 250.150, 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.57697, 293.870, 293.906, 293.908, 293.909, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1571, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 353D.250, 360.240, 360.247, 360.255, 360.755, 360.889, 360.890, 360.945, 360.950, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398.310, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 422A.6772, 422A.609, 425.400, 427A.1236, 427A.872, 427A.940, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360, 439.4941, 439.4988, 439.5282, 439.840, 439.914, 439A.116, 439A.124, 439B.2839, 439B.420, 439B.754, 439B.760, 439B.845, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 442.774, 445A.665, 445B.570, 445B.7773, 449.209, 449.245, 449A.112, 449B.180, 449B.480, 449B.580, 450.140, 450B.188, 450B.805, 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.535, 480.545, 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800,

484A.469, 484B.830, 484B.833, 484E.070, 485.316, 489.431, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303, 604A.710, 604D.500, 604D.600, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.043, 629.047, 629.069, 630.133, 630.2671, 630.2672, 630.2673, 630.2687, 630.30665, 630.336, 630A.327, 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283, 633.301, 633.427, 633.4715, 633.4716, 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169, 634A.185, 634B.730, 635.111, 635.158, 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.248, 637B.288, 638.087, 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640.154, 640A.185, 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090, 641.221, 641.2215, 641A.191, 641A.217, 641A.262, 641A.305, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.126, 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 670B.680, 671.365, 671.415, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190, 679B.285, 679B.480, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159, 711.600, ***and sections 23 and 28 of this act,*** sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing

copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.

4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:

(a) The public record:

(1) Was not created or prepared in an electronic format; and

(2) Is not available in an electronic format; or

(b) Providing the public record in an electronic format or by means of an electronic medium would:

(1) Give access to proprietary software; or

(2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.

5. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 34. 1. Upon passage and approval of this act:

(a) An electric utility may establish and file an application with the Public Utilities Commission of Nevada for the approval of a proposed high energy use tariff in accordance with the provisions of section 22 of this act.

(b) The Public Utilities Commission of Nevada may take any action, in accordance with the requirements of NRS 704.061, as

amended by section 31 of this act, to 704.140, inclusive, and section 2 of this act, and the provisions of sections 3 to 30, inclusive, of this act, to review and make a determination on each application for the approval of a high energy use tariff filed with the Commission pursuant to this section.

2. The provisions of this act shall be not be construed by the Public Utilities Commission of Nevada to require the Commission or an electric utility to take any action which would have the result of impairing any contractual obligation of an electric utility or any customer of an electric utility arising from a contract executed between the customer and the electric utility entered into or renewed before July 1, 2027.

3. Notwithstanding the provisions of paragraph (c) of subsection 1 of section 22 of this act, an electric utility shall not require a customer of the electric utility who satisfies the criteria set forth in section 15 of this act to receive, on or after July 1, 2027, electric service from the electric utility under the terms of the high energy use tariff established by the electric utility if the customer receives electric service subject to the terms of a different schedule of the electric utility that was in effect before July 1, 2027, and a contractual agreement executed between the customer and electric utility before July 1, 2027, obligates the electric utility to service the existing demand of the customer in accordance with that schedule. If, on or after July 1, 2027, such a customer requests to expand his or her aggregated demand at a qualifying service location by 25 megawatts or more, the electric utility shall, to the extent practicable, require the customer to receive that expanded portion of electric service from the electric utility subject to the terms of the high energy use tariff established by the electric utility and the applicable provisions of sections 3 to 30, inclusive, of this act with respect to the expanded portion of electric service subjected to the terms of the high energy use tariff established by the electric utility. For the purposes of section 2 of this act, the costs incurred by an electric utility to provide electric service to a customer described in this subsection under a schedule or tariff other than the high energy use tariff established by the electric utility shall not be considered a high energy use customer cost, as defined in section 2 of this act.

4. An electric utility shall not, or after July 1, 2027:

(a) Renew a contractual agreement described in subsection 3; or

(b) Materially amend a contractual agreement described in subsection 3. For the purposes of this paragraph, a material amendment to a contractual agreement described in subsection 3 includes, without limitation, an amendment that would extend the term of the agreement, increase or decrease the peak demand or load contracted for under the agreement, increase or decrease the amount

of or change methodology used to calculate any applicable minimum billing requirements provided for in the agreement or waive or change any applicable provision that requires the customer to provide financial security or which concerns the amount of financial security required to be provided.

5. As used in this section:

(a) "Electric utility" has the meaning ascribed to it in NRS 704.187.

(b) "High energy use tariff" has the meaning ascribed to it in section 16 of this act.

(c) "Qualifying service location" has the meaning ascribed to it in section 19 of this act.

Sec. 35. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 34, inclusive, of this act become effective:

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

(b) On July 1, 2027, for all other purposes.

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