

Amendment No. 936

Senate Amendment to Senate Bill No. 416	(BDR 58-236)
Proposed by: Senator Hardy	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

RAE/JRS



Date: 5/22/2015

S.B. No. 416—Makes various changes regarding the use of decommissioned power plant sites. (BDR 58-236)



SENATE BILL NO. 416—SENATOR HARDY

MARCH 17, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Makes various changes regarding the use of decommissioned power plant sites. (BDR 58-236)

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 ~~public~~ **electric** utilities; requiring an electric utility to identify certain nonproductive assets as surplus; authorizing the Public Utilities Commission of Nevada to classify certain nonproductive electric utility assets as surplus; requiring an electric utility to create a timely plan for the decommissioning and disposal of surplus assets ~~[- providing that such assets not disposed of in a timely manner shall be removed from the responsibility of the utility's customers;]~~ **and carry out such a plan;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a public utility to recover the operational costs of all assets from its customers through the payment of rates for utility services. (NRS 704.110) **Section 10** of this bill requires ~~all~~ **any** electric ~~utilities~~ **utility which owns certain generational assets in this State** to provide the Public Utilities Commission of Nevada with a list of certain assets and to identify those assets which are not being used or reasonably planned for future use in generating electricity as surplus. **Section 11** of this bill authorizes the Commission to identify certain nonproductive assets of an electric utility as not reasonably held for future use in generating electricity as surplus. **Section 12** of this bill requires an electric utility to create ~~and execute~~ a plan for the timely cleanup and disposal of surplus assets. **Section 13** of this bill ~~provides that those assets not disposed of in a timely manner pursuant to such a plan will be removed from the responsibility of the utility's customers. Section 12 provides that the reasonable costs of decommissioning and disposing of surplus assets may be charged to the utility's customers.]~~ **requires the utility to carry out such a plan.** **Section 15** of this bill authorizes the Division of Environmental Protection of the State Department of Conservation and Natural Resources to oversee the decommissioning of surplus electric utility assets. **Section 17** of this bill requires the Governor's Office of Economic Development to assist an electric utility with the marketing of vacant or decommissioned assets for sale and redevelopment. **Existing law requires a person who wishes to construct a utility facility in this State to obtain a permit from the Public Utilities Commission of Nevada. (NRS 704.865) Section 16.3 of this bill requires an applicant for such a permit to submit a plan for the cleanup and disposal of the asset to be followed upon the retirement of the facility. Section 16.7 of the bill requires the Commission to consider the surplus asset retirement plan in approving such a permit.**

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

1 **Section 1.** Chapter 704 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 to 13, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 13, inclusive, of this act, unless the context
4 otherwise requires, the words and terms defined in sections 3 to 9, inclusive, of
5 this act have the meanings ascribed to them in those sections.*

6 **Sec. 3.** *“Asset” has the meaning ascribed to the term “generation asset” in
7 NRS 704.7575 which contains ~~100~~ 50 or more contiguous acres, and of which all
8 real and personal property, including, without limitation, land, structures,
9 equipment ~~is associated~~ and transmission lines and switching stations ~~is~~ directly
10 associated with the generation asset. are located wholly or partially within this
11 State.*

12 **Sec. 4.** *“Decommissioned” means a surplus asset on which all operations
13 have ceased and which has been cleared and environmentally remediated as
14 necessary and which is ready for sale or disposal.*

15 **Sec. 5.** *“Electric utility” means any public utility that is in the business, on
16 lands within this State, as sole owner or co-owner ~~is and by means of electric
17 power generation, transmission, distribution,~~ of an asset that provides sales or
18 service ~~is~~ of electricity to customers within or outside of this state, ~~is and in the
19 most recently completed calendar year or in any other calendar year within the 7
20 calendar years immediately preceding the most recently completed calendar year
21 or the calendar year in which operations were ceased, had a gross operating
22 revenue of \$250,000,000 or more in this State. The term includes an electric
23 utility as defined in NRS 704.7571.]~~*

24 **Sec. 6.** *“Operational” means an asset which is actively utilized or operating
25 ~~at for near~~ full capacity ~~is or at some~~ or reduced capacity, ~~in conjunction with
26 an emissions reduction and capacity replacement plan pursuant to NRS 704.7316
27 or otherwise, but not at less than 10 percent of capacity.]~~*

28 **Sec. 7.** *“Post-operational reserve” means an asset which was formerly
29 operational that is currently closed ~~and~~ or temporarily out-of-service, ~~for
30 operating at less than 10 percent of capacity]~~ and held for future energy
31 generation.*

32 **Sec. 8.** *“Pre-operational reserve” means vacant land held for future energy
33 generation or property in planning or under construction for future energy
34 generation and intended for the creation of a future asset.*

35 **Sec. 9.** *“Surplus” means an asset that is out-of-service and no longer
36 needed, suitable or reasonably intended to be used to generate electricity.*

37 **Sec. 10.** 1. Each electric utility that is required to file a plan pursuant to
38 NRS 704.741 shall include as part of that plan a list of all assets.

39 2. Each electric utility not specified in subsection 1 which holds a permit
40 issued pursuant to NRS 704.870 shall, on or before January 31 of each year, file
41 with the Commission a list of all assets.

42 3. Each electric utility not specified in subsection 1 or 2 which owns a utility
43 facility that was permitted by a local authority based on an application filed
44 before July 1, 1971, shall file with the Commission a list of all assets.

45 4. The list ~~must~~ of assets required by subsections 1, 2 and 3 must:

46 ~~(1)~~ (a) Include a brief description of each asset;

47 ~~(2)~~ (b) Include the output capacity of each asset;

48 ~~(3)~~ (c) Classify each asset as operational, pre-operational reserve, post-
49 operational reserve, surplus or decommissioned; and

1 ~~4.~~ (d) For each asset classified as pre-operational reserve or post-
2 operational reserve, include a statement in a form approved by the Commission
3 regarding the viability of the future use of the asset for energy generation.

4 5. Any asset with more than one owner must be included on the list of assets
5 of each owner who is required to file a list pursuant to this section.

6 **Sec. 11.** For each asset classified by an electric utility as pre-operational
7 reserve or post-operational reserve pursuant to ;

8 1. Subsection 1 of section 10 of this act, the Commission may, after notice
9 and a hearing pursuant to ~~NRS 703.320, reclassify the asset as surplus if the~~
10 Commission determines that the asset is no longer being held in the public trust
11 and should not be considered in the determination of rate. NRS 704.746,
12 reclassify the asset as surplus if the Commission determines that the asset is no
13 longer used or useful to the customers of the electric utility.

14 2. Subsections 2 or 3 of section 10 of this act, the Commission may, after
15 notice and a hearing pursuant to NRS 703.320, reclassify the asset as surplus if
16 the Commission determines that the asset is no longer utilized to produce or
17 transmit electricity and that is not reasonable to expect that the asset will be used
18 to produce or transmit electricity in the future.

19 **Sec. 12.** 1. For each asset which has been classified as surplus by an
20 electric utility pursuant to section 10 of this act or by the Commission pursuant to
21 section 11 of this act, ~~the~~ each electric utility which owns all or part of the asset
22 shall file a surplus asset retirement plan with the Commission within 120 days
23 after the asset has been classified as surplus. Such a plan is subject to the
24 approval of the Commission.

25 2. A surplus asset retirement plan must include:

26 (a) A brief description of the asset, including without limitation, its
27 generating capacity, its current condition and any details regarding ownership.

28 (b) A plan for the decommissioning of the site, including without limitation,
29 the closure of any remaining operational activities, any required environmental
30 remediation, the removal and disposal of any physical assets deemed unsuitable
31 for redevelopment and remediation, as determined by the Division of
32 Environmental Protection of the State Department of Conservation and Natural
33 Resources pursuant to NRS 704.7318, or, if decommissioning is underway or
34 completed, a full description of the decommissioning program.

35 ~~(c) A plan for the valuation of the asset, including without limitation, an~~
36 ~~accounting value for customer and shareholder purposes, as determined by the~~
37 ~~Commission pursuant to NRS 704.440 and a market value for disposition~~
38 ~~purposes as determined by the electric utility.~~

39 ~~(d)~~ (c) A marketing plan for the sale of the asset, prepared in consultation
40 with the Office of Economic Development, which must disclose any
41 environmental issues or other restrictions and emphasize the value of the asset in
42 its marketplace.

43 ~~(e)~~ (d) A timeline for implementation of the plan, including without
44 limitation, key dates for completion of benchmarks including a final sale date. To
45 the extent reasonably possible, the timeline must indicate a final sale date that is
46 within 30 months after commencement of the plan.

47 ~~3. Reasonable costs related to the decommissioning, marketing and sale or~~
48 ~~disposal of a surplus asset may be charged to the electric utility's customers~~
49 ~~pursuant to subsection 13 of NRS 704.110.]~~

50 **Sec. 13.** ~~[1. Except as otherwise provided in subsection 2, an asset must~~
51 ~~be removed from the responsibility of the electric utility's customers after the~~
52 ~~asset is sold or after the projected final sale date indicated in the surplus asset~~

~~retirement plan pursuant to section 12 of this act, whichever occurs first, regardless of whether the asset has actually been sold.~~

~~2. Except as otherwise provided in this section, each electric utility that owns all or part of an asset which has been classified as surplus by an electric company pursuant to section 10 of this act or by the Commission pursuant to section 11 of this act shall carry out the surplus asset retirement plan filed pursuant to section 12 of this act. The Commission may, for good cause, extend the projected final sale date ~~[included in]~~ or otherwise amend the surplus asset retirement plan ~~[pursuant to section 12 of this act].~~~~

~~3. Any surplus asset, or portion thereof, that is deemed to have no market value or is not transferable due to environmental damage or other reasons must not be included in determining rates.~~

Sec. 14. ~~[NRS 704.110 is hereby amended to read as follows:~~

~~704.110 Except as otherwise provided in NRS 704.075 and 704.68861 to 704.68887, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097:~~

~~1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an annual deferred energy accounting adjustment application, the Consumer's Advocate shall be deemed a party of record.~~

~~2. Except as otherwise provided in subsection 3, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall, not later than 210 days after the date on which the application is filed, issue a written order approving or disapproving, in whole or in part, the proposed changes.~~

~~3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. The following public utilities shall each file a general rate application pursuant to this subsection based on the following schedule:~~

~~1 (a) An electric utility that primarily serves less densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2010, and at least once every 36 months thereafter.~~

~~2 (b) An electric utility that primarily serves densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2011, and at least once every 36 months thereafter.~~

~~3 (c) A public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, which had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years and which had not filed a general rate application with the Commission on or after July 1, 2005, shall file a general rate application on or before June 30, 2008, and at least once every 36 months thereafter unless waived by the Commission pursuant to standards adopted by regulation of the Commission. If a public utility furnishes both water and services for the disposal of sewage, its annual gross operating revenue for each service must be considered separately for determining whether the public utility meets the requirements of this paragraph for either service.~~

~~4 (d) A public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, which had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years and which had filed a general rate application with the Commission on or after July 1, 2005, shall file a general rate application on or before June 30, 2009, and at least once every 36 months thereafter unless waived by the Commission pursuant to standards adopted by regulation of the Commission. If a public utility furnishes both water and services for the disposal of sewage, its annual gross operating revenue for each service must be considered separately for determining whether the public utility meets the requirements of this paragraph for either service.~~

~~5 The Commission shall adopt regulations setting forth standards for waivers pursuant to paragraphs (c) and (d) and for including the costs incurred by the public utility in preparing and presenting the general rate application before the effective date of any change in rates.~~

~~6 4. In addition to submitting the statement required pursuant to subsection 3, a public utility may submit with its general rate application a statement showing the effects, on an annualized basis, of all expected changes in circumstances. If such a statement is filed, it must include all increases and decreases in revenue and expenses which may occur within 210 days after the date on which its general rate application is filed with the Commission if such expected changes in circumstances are reasonably known and are measurable with reasonable accuracy. If a public utility submits such a statement, the public utility has the burden of proving that the expected changes in circumstances set forth in the statement are reasonably known and are measurable with reasonable accuracy. The Commission shall consider expected changes in circumstances to be reasonably known and measurable with reasonable accuracy if the expected changes in circumstances consist of specific and identifiable events or programs rather than general trends, patterns or developments, have an objectively high probability of occurring to the degree, in the amount and at the time expected, are primarily measurable by recorded or verifiable revenues and expenses and are easily and objectively calculated, with the calculation of the expected changes relying only secondarily on estimates, forecasts, projections or budgets. If the Commission determines that the public utility has met its burden of proof.~~

~~7 (a) The Commission shall consider the statement submitted pursuant to this subsection and evidence relevant to the statement, including all reasonable~~

1 projected or forecasted offsets in revenue and expenses that are directly attributable
2 to or associated with the expected changes in circumstances under consideration, in
3 addition to the statement required pursuant to subsection 3 as evidence in
4 establishing just and reasonable rates for the public utility; and

5 ~~— (b) The public utility is not required to file with the Commission the~~
6 ~~certification that would otherwise be required pursuant to subsection 3.~~

7 ~~— 5. If a public utility files with the Commission an application to make changes~~
8 ~~in any schedule and the Commission does not issue a final written order regarding~~
9 ~~the proposed changes within the time required by this section, the proposed changes~~
10 ~~shall be deemed to be approved by the Commission.~~

11 ~~— 6. If a public utility files with the Commission a general rate application, the~~
12 ~~public utility shall not file with the Commission another general rate application~~
13 ~~until all pending general rate applications filed by that public utility have been~~
14 ~~decided by the Commission unless, after application and hearing, the Commission~~
15 ~~determines that a substantial financial emergency would exist if the public utility is~~
16 ~~not permitted to file another general rate application sooner. The provisions of this~~
17 ~~subsection do not prohibit the public utility from filing with the Commission, while~~
18 ~~a general rate application is pending, an application to recover the increased cost of~~
19 ~~purchased fuel, purchased power, or natural gas purchased for resale pursuant to~~
20 ~~subsection 7, a quarterly rate adjustment pursuant to subsection 8 or 10, any~~
21 ~~information relating to deferred accounting requirements pursuant to NRS 704.185~~
22 ~~or an annual deferred energy accounting adjustment application pursuant to NRS~~
23 ~~704.187, if the public utility is otherwise authorized to so file by those provisions.~~

24 ~~— 7. A public utility may file an application to recover the increased cost of~~
25 ~~purchased fuel, purchased power, or natural gas purchased for resale once every 30~~
26 ~~days. The provisions of this subsection do not apply to:~~

27 ~~— (a) An electric utility which is required to adjust its rates on a quarterly basis~~
28 ~~pursuant to subsection 10; or~~

29 ~~— (b) A public utility which purchases natural gas for resale and which adjusts its~~
30 ~~rates on a quarterly basis pursuant to subsection 8.~~

31 ~~— 8. A public utility which purchases natural gas for resale must request~~
32 ~~approval from the Commission to adjust its rates on a quarterly basis between~~
33 ~~annual rate adjustment applications based on changes in the public utility's~~
34 ~~recorded costs of natural gas purchased for resale. A public utility which purchases~~
35 ~~natural gas for resale and which adjusts its rates on a quarterly basis may request~~
36 ~~approval from the Commission to make quarterly adjustments to its deferred energy~~
37 ~~accounting adjustment. The Commission shall approve or deny such a request not~~
38 ~~later than 120 days after the application is filed with the Commission. The~~
39 ~~Commission may approve the request if the Commission finds that approval of the~~
40 ~~request is in the public interest. If the Commission approves a request to make~~
41 ~~quarterly adjustments to the deferred energy accounting adjustment of a public~~
42 ~~utility pursuant to this subsection, any quarterly adjustment to the deferred energy~~
43 ~~accounting adjustment must not exceed 2.5 cents per therm of natural gas. If the~~
44 ~~balance of the public utility's deferred account varies by less than 5 percent from~~
45 ~~the public utility's annual recorded costs of natural gas which are used to calculate~~
46 ~~quarterly rate adjustments, the deferred energy accounting adjustment must be set~~
47 ~~to zero cents per therm of natural gas.~~

48 ~~— 9. If the Commission approves a request to make any rate adjustments on a~~
49 ~~quarterly basis pursuant to subsection 8:~~

50 ~~— (a) The public utility shall file written notice with the Commission before the~~
51 ~~public utility makes a quarterly rate adjustment. A quarterly rate adjustment is not~~
52 ~~subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the~~
53 ~~requirements for a consumer session pursuant to subsection 1 of NRS 704.069.~~

1 ~~— (b) The public utility shall provide written notice of each quarterly rate~~
2 ~~adjustment to its customers by including the written notice with a customer's~~
3 ~~regular monthly bill. The public utility shall begin providing such written notice to~~
4 ~~its customers not later than 30 days after the date on which the public utility files its~~
5 ~~written notice with the Commission pursuant to paragraph (a). The written notice~~
6 ~~that is included with a customer's regular monthly bill:~~

7 ~~— (1) Must be printed separately on fluorescent colored paper and must not~~
8 ~~be attached to the pages of the bill; and~~

9 ~~— (2) Must include the following:~~

10 ~~— (I) The total amount of the increase or decrease in the public utility's~~
11 ~~revenues from the rate adjustment, stated in dollars and as a percentage;~~

12 ~~— (II) The amount of the monthly increase or decrease in charges for~~
13 ~~each class of customer or class of service, stated in dollars and as a percentage;~~

14 ~~— (III) A statement that customers may send written comments or~~
15 ~~protests regarding the rate adjustment to the Commission;~~

16 ~~— (IV) A statement that the transactions and recorded costs of natural gas~~
17 ~~which are the basis for any quarterly rate adjustment will be reviewed for~~
18 ~~reasonableness and prudence in the next proceeding held by the Commission to~~
19 ~~review the annual rate adjustment application pursuant to paragraph (d); and~~

20 ~~— (V) Any other information required by the Commission.~~

21 ~~— (c) The public utility shall file an annual rate adjustment application with the~~
22 ~~Commission. The annual rate adjustment application is subject to the requirements~~
23 ~~for notice and a hearing pursuant to NRS 703.320 and the requirements for a~~
24 ~~consumer session pursuant to subsection 1 of NRS 704.069.~~

25 ~~— (d) The proceeding regarding the annual rate adjustment application must~~
26 ~~include a review of each quarterly rate adjustment and the transactions and recorded~~
27 ~~costs of natural gas included in each quarterly filing and the annual rate adjustment~~
28 ~~application. There is no presumption of reasonableness or prudence for any~~
29 ~~quarterly rate adjustment or for any transactions or recorded costs of natural gas~~
30 ~~included in any quarterly rate adjustment or the annual rate adjustment application,~~
31 ~~and the public utility has the burden of proving reasonableness and prudence in the~~
32 ~~proceeding.~~

33 ~~— (e) The Commission shall not allow the public utility to recover any recorded~~
34 ~~costs of natural gas which were the result of any practice or transaction that was~~
35 ~~unreasonable or was undertaken, managed or performed imprudently by the public~~
36 ~~utility, and the Commission shall order the public utility to adjust its rates if the~~
37 ~~Commission determines that any recorded costs of natural gas included in any~~
38 ~~quarterly rate adjustment or the annual rate adjustment application were not~~
39 ~~reasonable or prudent.~~

40 ~~— 10. An electric utility shall adjust its rates on a quarterly basis based on~~
41 ~~changes in the electric utility's recorded costs of purchased fuel or purchased~~
42 ~~power. In addition to adjusting its rates on a quarterly basis, an electric utility may~~
43 ~~request approval from the Commission to make quarterly adjustments to its~~
44 ~~deferred energy accounting adjustment. The Commission shall approve or deny~~
45 ~~such a request not later than 120 days after the application is filed with the~~
46 ~~Commission. The Commission may approve the request if the Commission finds~~
47 ~~that approval of the request is in the public interest. If the Commission approves a~~
48 ~~request to make quarterly adjustments to the deferred energy accounting adjustment~~
49 ~~of an electric utility pursuant to this subsection, any quarterly adjustment to the~~
50 ~~deferred energy accounting adjustment must not exceed 0.25 cents per kilowatt~~
51 ~~hour of electricity. If the balance of the electric utility's deferred account varies by~~
52 ~~less than 5 percent from the electric utility's annual recorded costs for purchased~~
53 ~~fuel or purchased power which are used to calculate quarterly rate adjustments, the~~

1 ~~deferred energy accounting adjustment must be set to zero cents per kilowatt-hour~~
2 ~~of electricity.~~

3 ~~11. A quarterly rate adjustment filed pursuant to subsection 10 is subject to~~
4 ~~the following requirements:~~

5 ~~(a) The electric utility shall file written notice with the Commission on or~~
6 ~~before August 15, 2007, and every quarter thereafter of the quarterly rate~~
7 ~~adjustment to be made by the electric utility for the following quarter. The first~~
8 ~~quarterly rate adjustment by the electric utility will take effect on October 1, 2007,~~
9 ~~and each subsequent quarterly rate adjustment will take effect every quarter~~
10 ~~thereafter. The first quarterly adjustment to a deferred energy accounting~~
11 ~~adjustment must be made pursuant to an order issued by the Commission approving~~
12 ~~the application of an electric utility to make quarterly adjustments to its deferred~~
13 ~~energy accounting adjustment. A quarterly rate adjustment is not subject to the~~
14 ~~requirements for notice and a hearing pursuant to NRS 703.320 or the requirements~~
15 ~~for a consumer session pursuant to subsection 1 of NRS 704.069.~~

16 ~~(b) The electric utility shall provide written notice of each quarterly rate~~
17 ~~adjustment to its customers by including the written notice with a customer's~~
18 ~~regular monthly bill. The electric utility shall begin providing such written notice to~~
19 ~~its customers not later than 30 days after the date on which the electric utility files a~~
20 ~~written notice with the Commission pursuant to paragraph (a). The written notice~~
21 ~~that is included with a customer's regular monthly bill:~~

22 ~~(1) Must be printed separately on fluorescent-colored paper and must not~~
23 ~~be attached to the pages of the bill; and~~

24 ~~(2) Must include the following:~~

25 ~~(I) The total amount of the increase or decrease in the electric utility's~~
26 ~~revenues from the rate adjustment, stated in dollars and as a percentage;~~

27 ~~(II) The amount of the monthly increase or decrease in charges for~~
28 ~~each class of customer or class of service, stated in dollars and as a percentage;~~

29 ~~(III) A statement that customers may send written comments or~~
30 ~~protests regarding the rate adjustment to the Commission;~~

31 ~~(IV) A statement that the transactions and recorded costs of purchased~~
32 ~~fuel or purchased power which are the basis for any quarterly rate adjustment will~~
33 ~~be reviewed for reasonableness and prudence in the next proceeding held by the~~
34 ~~Commission to review the annual deferred energy accounting adjustment~~
35 ~~application pursuant to paragraph (d); and~~

36 ~~(V) Any other information required by the Commission.~~

37 ~~(c) The electric utility shall file an annual deferred energy accounting~~
38 ~~adjustment application pursuant to NRS 704.187 with the Commission. The annual~~
39 ~~deferred energy accounting adjustment application is subject to the requirements for~~
40 ~~notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer~~
41 ~~session pursuant to subsection 1 of NRS 704.069.~~

42 ~~(d) The proceeding regarding the annual deferred energy accounting~~
43 ~~adjustment application must include a review of each quarterly rate adjustment and~~
44 ~~the transactions and recorded costs of purchased fuel and purchased power included~~
45 ~~in each quarterly filing and the annual deferred energy accounting adjustment~~
46 ~~application. There is no presumption of reasonableness or prudence for any~~
47 ~~quarterly rate adjustment or for any transactions or recorded costs of purchased fuel~~
48 ~~and purchased power included in any quarterly rate adjustment or the annual~~
49 ~~deferred energy accounting adjustment application, and the electric utility has the~~
50 ~~burden of proving reasonableness and prudence in the proceeding.~~

51 ~~(e) The Commission shall not allow the electric utility to recover any recorded~~
52 ~~costs of purchased fuel and purchased power which were the result of any practice~~
53 ~~or transaction that was unreasonable or was undertaken, managed or performed~~

1 ~~imprudently by the electric utility, and the Commission shall order the electric~~
2 ~~utility to adjust its rates if the Commission determines that any recorded costs of~~
3 ~~purchased fuel and purchased power included in any quarterly rate adjustment or~~
4 ~~the annual deferred energy accounting adjustment application were not reasonable~~
5 ~~or prudent.~~

6 ~~— 12. If an electric utility files an annual deferred energy accounting adjustment~~
7 ~~application pursuant to subsection 11 and NRS 704.187 while a general rate~~
8 ~~application is pending, the electric utility shall:~~

9 ~~(a) Submit with its annual deferred energy accounting adjustment application~~
10 ~~information relating to the cost of service and rate design; and~~

11 ~~(b) Supplement its general rate application with the same information, if such~~
12 ~~information was not submitted with the general rate application.~~

13 ~~— 13. A utility facility identified in a 3-year plan submitted pursuant to NRS~~
14 ~~704.741 and accepted by the Commission for acquisition or construction pursuant to~~
15 ~~NRS 704.751 and the regulations adopted pursuant thereto, [or] the retirement or~~
16 ~~elimination of a utility facility identified in an emissions reduction and capacity~~
17 ~~replacement plan submitted pursuant to NRS 704.7316 and accepted by the~~
18 ~~Commission for retirement or elimination pursuant to NRS 704.751 and the~~
19 ~~regulations adopted pursuant thereto, **or the sale or disposal of a surplus asset**~~
20 ~~**pursuant to section 12 of this act,** shall be deemed to be a prudent investment. The~~
21 ~~utility may recover all just and reasonable costs of planning and constructing, or~~
22 ~~retiring or eliminating, as applicable, such a facility.~~

23 ~~— 14. In regard to any rate or schedule approved or disapproved pursuant to this~~
24 ~~section, the Commission may, after a hearing:~~

25 ~~(a) Upon the request of the utility, approve a new rate but delay the~~
26 ~~implementation of that new rate:~~

27 ~~(1) Until a date determined by the Commission; and~~

28 ~~(2) Under conditions as determined by the Commission, including, without~~
29 ~~limitation, a requirement that interest charges be included in the collection of the~~
30 ~~new rate; and~~

31 ~~(b) Authorize a utility to implement a reduced rate for low-income residential~~
32 ~~customers.~~

33 ~~— 15. The Commission may, upon request and for good cause shown, permit a~~
34 ~~public utility which purchases natural gas for resale or an electric utility to make a~~
35 ~~quarterly adjustment to its deferred energy accounting adjustment in excess of the~~
36 ~~maximum allowable adjustment pursuant to subsection 8 or 10.~~

37 ~~— 16. A public utility which purchases natural gas for resale or an electric utility~~
38 ~~that makes quarterly adjustments to its deferred energy accounting adjustment~~
39 ~~pursuant to subsection 8 or 10 may submit to the Commission for approval an~~
40 ~~application to discontinue making quarterly adjustments to its deferred energy~~
41 ~~accounting adjustment and to subsequently make annual adjustments to its deferred~~
42 ~~energy accounting adjustment. The Commission may approve an application~~
43 ~~submitted pursuant to this subsection if the Commission finds that approval of the~~
44 ~~application is in the public interest.~~

45 ~~— 17. As used in this section:~~

46 ~~(a) “Deferred energy accounting adjustment” means the rate of a public utility~~
47 ~~which purchases natural gas for resale or an electric utility that is calculated by~~
48 ~~dividing the balance of a deferred account during a specified period by the total~~
49 ~~therms or kilowatt hours which have been sold in the geographical area to which~~
50 ~~the rate applies during the specified period.~~

51 ~~(b) “Electric utility” has the meaning ascribed to it in NRS 704.187.~~

52 ~~(c) “Electric utility that primarily serves densely populated counties” means an~~
53 ~~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.~~

~~“(d) “Electric utility that primarily serves less 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 less than 700,000 than it does from customers located in counties whose population is 700,000 or more.~~

~~“(e) “Surplus” has the meaning ascribed to it in section 9 of this act.]~~
(Deleted by amendment.)

Sec. 15. NRS 704.7318 is hereby amended to read as follows:

704.7318 1. To ensure the remediation and, when possible, the reuse of any site used for the production of electricity from a coal-fired electric generating plant, ***natural gas electric generating plant or renewable energy facility*** in this State, the Division of Environmental Protection of the State Department of Conservation and Natural Resources has exclusive jurisdiction to supervise and regulate the remediation of such sites, including, without limitation, exclusive authority to regulate and supervise the remediation of surface water and groundwater and solid-waste disposal operations located at such a site.

2. The Division of Environmental Protection has exclusive authority to regulate emissions from any electric generating plant constructed on a site previously used for the production of electricity from a coal-fired electric generating plant.

Sec. 15.5. **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 ~~and~~;

(c) A list of the utility’s assets described in section 10 of this act; and

(d) A surplus asset retirement plan as required by section 12 of this act.

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 facilitate the utility in meeting the portfolio standard established by NRS 704.7821.

5. As used in this section:

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

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

5 **Sec. 16.** NRS 704.7588 is hereby amended to read as follows:

6 704.7588 Except as otherwise provided in NRS 704.7311 to 704.7322,
7 inclusive, and 704.7591 ~~+~~ **and section 12 of this act:**

8 1. Before July 1, 2003, an electric utility shall not dispose of a generation
9 asset.

10 2. On or after July 1, 2003, an electric utility shall not dispose of a generation
11 asset unless, before the disposal, the Commission approves the disposal by a written
12 order issued in accordance with the provisions of this section.

13 3. Not sooner than January 1, 2003, an electric utility may file with the
14 Commission an application to dispose of a generation asset on or after July 1, 2003.
15 If an electric utility files such an application, the Commission shall not approve the
16 application unless the Commission finds that the disposal of the generation asset
17 will be in the public interest. The Commission shall issue a written order approving
18 or disapproving the application. The Commission may base its approval of the
19 application upon such terms, conditions or modifications as the Commission deems
20 appropriate.

21 4. If an electric utility files an application to dispose of a generation asset, the
22 Consumer's Advocate shall be deemed a party of record.

23 5. If the Commission approves an application to dispose of a generation asset
24 before July 1, 2003, the order of the Commission approving the application:

25 (a) May not become effective sooner than July 1, 2003;

26 (b) Does not create any vested rights before the effective date of the order; and

27 (c) For the purposes of NRS 703.373, shall be deemed a final decision on the
28 date on which the order is issued by the Commission.

29 **Sec. 16.3.** NRS 704.870 is hereby amended to read as follows:

30 704.870 1. Except as otherwise provided in subsection 2, a person who
31 wishes to obtain a permit for a utility facility must file with the Commission an
32 application, in such form as the Commission prescribes, containing:

33 (a) A description of the location and of the utility facility to be built thereon;

34 (b) A summary of any studies which have been made of the environmental
35 impact of the facility; ~~and~~

36 (c) A description of any reasonable alternate location or locations for the
37 proposed facility, a description of the comparative merits or detriments of each
38 location submitted, and a statement of the reasons why the primary proposed
39 location is best suited for the facility ~~+~~; and

40 (d) A surplus asset retirement plan as described in subsection 2 of section 12
41 of this act for the decommissioning, removal, remediation and disposition of the
42 utility facility after it ceases to operate, including a description of the manner in
43 which the plan will be funded.

44 ~~+~~ A copy or copies of the studies referred to in paragraph (b) must be filed with the
45 Commission and be available for public inspection.

46 2. If a person wishes to obtain a permit for a utility facility and a federal
47 agency is required to conduct an environmental analysis of the proposed utility
48 facility, the person must:

49 (a) Not later than the date on which the person files with the appropriate
50 federal agency an application for approval for the construction of the utility facility,
51 file with the Commission and each other permitting entity a notice, in such a form
52 as the Commission or other permitting entity prescribes; and

1 (b) Not later than 30 days after the issuance by the appropriate federal agency
2 of either the final environmental assessment or final environmental impact
3 statement, but not the record of decision or similar document, relating to the
4 construction of the utility facility:

5 (1) File with the Commission an application that complies with the
6 provisions of subsection 1; and

7 (2) File with each other permitting entity an application for a permit,
8 license or other approval for the construction of the utility facility.

9 3. A copy of each application filed with the Commission must be filed with
10 the Administrator of the Division of Environmental Protection of the State
11 Department of Conservation and Natural Resources.

12 4. Each application filed with the Commission must be accompanied by:

13 (a) Proof of service of a copy of the application on the clerk of each local
14 government in the area in which any portion of the facility is to be located, both as
15 primarily and as alternatively proposed; and

16 (b) Proof that public notice thereof was given to persons residing in the
17 municipalities entitled to receive notice pursuant to paragraph (a) by the publication
18 of a summary of the application in newspapers published and distributed in the area
19 in which the utility facility is proposed to be located.

20 5. Not later than 5 business days after the Commission receives an application
21 pursuant to this section, the Commission shall issue a notice concerning the
22 application. Any person who wishes to become a party to a permit proceeding
23 pursuant to NRS 704.885 must file with the Commission the appropriate document
24 required by NRS 704.885 within the time frame set forth in the notice issued by the
25 Commission pursuant to this subsection.

26 **Sec. 16.7. NRS 704.890 is hereby amended to read as follows:**

27 704.890 1. Except as otherwise provided in subsection 3, the Commission
28 may not grant a permit for the construction, operation and maintenance of a utility
29 facility, either as proposed or as modified by the Commission, to a person unless it
30 finds and determines:

31 (a) The nature of the probable effect on the environment;

32 (b) If the utility facility emits greenhouse gases and does not use renewable
33 energy as its primary source of energy to generate electricity, the extent to which
34 the facility is needed to ensure reliable utility service to customers in this State;

35 (c) That the need for the facility balances any adverse effect on the
36 environment;

37 (d) That the facility represents the minimum adverse effect on the environment,
38 considering the state of available technology and the nature and economics of the
39 various alternatives;

40 (e) That the location of the facility as proposed conforms to applicable state
41 and local laws and regulations issued thereunder and the applicant has obtained, or
42 is in the process of obtaining, all other permits, licenses and approvals required by
43 federal, state and local statutes, regulations and ordinances; ~~and~~

44 (f) **That the surplus asset retirement plan filed pursuant to NRS 704.870:**

45 **(1) Complies with federal, state and local laws;**

46 **(2) Provides for the remediation and reuse of the facility within a**
47 **reasonable period; and**

48 **(3) Is able to be reasonably completed under the funding plan contained**
49 **in the application; and**

50 **(g) That the facility will serve the public interest.**

51 2. If the Commission determines that the location of all or a part of the
52 proposed facility should be modified, it may condition its permit upon such a
53 modification. If the applicant has not obtained all the other permits, licenses and

1 approvals required by federal, state and local statutes, regulations and ordinances as
2 of the date on which the Commission decides to issue a permit, the Commission
3 shall condition its permit upon the applicant obtaining those permits and approvals.

4 3. The requirements set forth in paragraph ~~(f)~~ (g) of subsection 1 do not
5 apply to any application for a permit which is filed by a state government or
6 political subdivision thereof.

7 4. As used in this section, "renewable energy" has the meaning ascribed to it
8 in NRS 704.7811.

9 **Sec. 17.** NRS 231.055 is hereby amended to read as follows:

10 231.055 Under the direction of the Executive Director, the Office:

11 1. Shall provide administrative and technical support to the Board.

12 2. Shall support the efforts of the Board, the regional development authorities
13 designated by the Executive Director pursuant to subsection 4 of NRS 231.053 and
14 the private sector to encourage the creation and expansion of businesses in Nevada
15 and the relocation of businesses to Nevada.

16 3. Shall coordinate and oversee all economic development programs in this
17 State to ensure that such programs are consistent with the State Plan for Economic
18 Development developed by the Executive Director pursuant to subsection 2 of NRS
19 231.053, including, without limitation:

20 (a) Coordinating the economic development activities of agencies of this State,
21 local governments in this State and local and regional organizations for economic
22 development to avoid duplication of effort or conflicting efforts;

23 (b) Working with local, state and federal authorities to streamline the process
24 for obtaining abatements, financial incentives, grants, loans and all necessary
25 permits and licenses for the creation or expansion of businesses in Nevada or the
26 relocation of businesses to Nevada; and

27 (c) Reviewing, analyzing and making recommendations for the approval or
28 disapproval of applications for abatements, financial incentives, development
29 resources, and grants and loans of money provided by the Office.

30 4. *Shall, upon request, assist ~~to a public~~ an electric utility with the marketing
31 of vacant or decommissioned assets for sale and redevelopment pursuant to
32 section 12 of this act.*

33 5. May:

34 (a) Participate in any federal programs for economic development that are
35 consistent with the State Plan for Economic Development developed by the
36 Executive Director pursuant to subsection 2 of NRS 231.053; and

37 (b) When practicable and authorized by federal law, act as the agency of this
38 State to administer such federal programs.