

Proposed Amendment from Senator Chris Brooks, 5.23.19

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Sec. 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 June 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.

Two or more utilities that are affiliated through common ownership and that have an interconnected system for the transmission of electricity shall submit a joint plan.

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 or utilities to:

(1) Forecast the future demands ~~to~~ *except that a forecast of the future retail electric demands of the utility or utilities must not include the amount of energy and capacity proposed pursuant to subsection 6 as annual limits on the total amount of energy and capacity that eligible customers may purchase from providers of new electric resources through transactions approved by the Commission pursuant to NRS 704B.310; 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 or utilities to include in the 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.

(b) A proposal for the expenditure of not less than 5 percent of the total expenditures related to energy efficiency and conservation programs on energy efficiency and conservation programs directed to low-income customers of the electric utility.

(c) 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 that includes the deployment of distributed generation.

(d) An analysis of the effects of the requirements of NRS 704.766 to 704.777, inclusive, on the reliability of the distribution system of the utility or utilities and the costs to the utility or utilities to provide electric service to all customers. The analysis must include an evaluation of the costs and benefits of addressing issues of reliability through investment in the distribution system.

(e) A list of the utility's or utilities' assets described in NRS 704.7338.

(f) A surplus asset retirement plan as required by NRS 704.734.

4. The Commission shall require the utility or utilities to include in the plan a plan for construction or expansion of transmission facilities to serve renewable energy zones and to facilitate the utility or utilities in meeting the portfolio standard established by NRS 704.7821.

5. The Commission shall require the utility or utilities to include in the plan a distributed resources plan. The distributed resources plan must:

(a) Evaluate the locational benefits and costs of distributed resources. This evaluation must be based on reductions or increases in local generation capacity needs, avoided or increased investments in distribution infrastructure, safety benefits, reliability benefits and any other savings the distributed resources provide to the electricity grid for this State or costs to customers of the electric utility or utilities.

(b) Propose or identify standard tariffs, contracts or other mechanisms for the deployment of cost-effective distributed resources that satisfy the objectives for distribution planning.

(c) Propose cost-effective methods of effectively coordinating existing programs approved by the Commission, incentives and tariffs to maximize the locational benefits and minimize the incremental costs of distributed resources.

(d) Identify any additional spending necessary to integrate cost-effective distributed resources into distribution planning consistent with the goal of yielding a net benefit to the customers of the electric utility or utilities.

(e) Identify barriers to the deployment of distributed resources, including, without limitation, safety standards related to technology or operation of the distribution system in a manner that ensures reliable service.

6. The Commission shall require the utility or utilities to include in the plan a proposal for annual limits on the total amount of energy and capacity that eligible customers may purchase from providers of new electric resources through transactions approved by the Commission pursuant to NRS 704B.310. In developing the proposal and the forecasts in the plan, the utility or utilities must use a sensitivity analysis that, at a minimum, addresses load growth, import capacity, system constraints and the effect of eligible customers purchasing less energy and capacity than authorized by the proposed annual limit.

(a) The proposal in the plan must include, without limitation:

(1) A forecast of the load growth of the utility or utilities;

(2) The number of eligible customers that are currently being served by or anticipated to be served by the utility or utilities;

(3) Information concerning the infrastructure of the utility or utilities that is available to accommodate market-based new electric resources;

(4) Proposals to ensure the stability of rates and the availability and reliability of electric service; and

~~(5)(e)~~ For each ~~year~~ of the 3 years immediately following the year in which its resource plan is filed, impact fees applicable to each megawatt or each megawatt-hour to account for costs reflected in the base tariff general rate and base tariff energy rate paid by end-use customers of the electric utility.

(b) The proposed annual limits shall not apply to energy and capacity sales to an eligible customer if the eligible customer:

(1) Was not an end-use customer of an electric utility at any time before the effective date of this bill;

(2) Would have a peak load of 10 megawatts or more in the service territory of an electric utility within 2 years of initially taking electric service; and

(3) Commences taking electric service no sooner than 2 years from the date on which it files an application pursuant to NRS 704B.310, or satisfies its energy demands through a new electric resource described in NRS 704B.110(1), as amended by section 13 of this act, which is a renewable energy facility that covers at least 50 percent of the eligible customer's average annual load.

7. As used in this section:

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

(b) "Distributed generation system" has the meaning ascribed to it in NRS 701.380.

(c) "Distributed resources" means distributed generation systems, energy efficiency, energy storage, electric vehicles and demand-response technologies.

(d) "*Eligible customer*" has the meaning ascribed to it in NRS 704B.080.

(e) "*Energy*" has the meaning ascribed to it in NRS 704B.100.

~~(f) "*Generation asset*" has the meaning ascribed to it in NRS 704B.100.~~

~~(g)~~ "*New electric resource*" has the meaning ascribed to it in NRS 704B.110.

(##g) “Provider of new electric resources” has the meaning ascribed to it in NRS

704B.130.

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

(##i) “Sensitivity analysis” means a set of methods or procedures which results in a determination or estimation of the sensitivity of a result to a change in given data or a given assumption.

Sec. 6. NRS 704.746 is hereby amended to read as follows:

704.746 1. After a utility has filed its plan pursuant to NRS 704.741, the Commission shall convene a public hearing on the adequacy of the plan.

2. The Commission shall determine the parties to the public hearing on the adequacy of the plan. A person or governmental entity may petition the Commission for leave to intervene as a party. The Commission must grant a petition to intervene as a party in the hearing if the person or entity has relevant material evidence to provide concerning the adequacy of the plan. The Commission may limit participation of an intervener in the hearing to avoid duplication and may prohibit continued participation in the hearing by an intervener if the Commission determines that continued participation will unduly broaden the issues, will not provide additional relevant material evidence or is not necessary to further the public interest.

3. In addition to any party to the hearing, any interested person may make comments to the Commission regarding the contents and adequacy of the plan.

4. After the hearing, the Commission shall determine whether:

(a) The forecast requirements of the utility or utilities are based on substantially accurate data and an adequate method of forecasting.

(b) The plan identifies and takes into account any present and projected reductions in the demand for energy that may result from measures to improve energy efficiency in the industrial, commercial, residential and energy producing sectors of the area being served.

(c) The plan adequately demonstrates the economic, environmental and other benefits to this State and to the customers of the utility or utilities associated with the following possible measures and sources of supply:

- (1) Improvements in energy efficiency;
- (2) Pooling of power;
- (3) Purchases of power from neighboring states or countries;
- (4) Facilities that operate on solar or geothermal energy or wind;
- (5) Facilities that operate on the principle of cogeneration or hydrogeneration;
- (6) Other generation facilities; and
- (7) Other transmission facilities.

5. The Commission shall give preference to the measures and sources of supply set forth in paragraph (c) of subsection 4 that:

- (a) Provide the greatest economic and environmental benefits to the State;
- (b) Are consistent with the provisions of this section;
- (c) Provide levels of service that are adequate and reliable;
- (d) Provide the greatest opportunity for the creation of new jobs in this State; and
- (e) Provide for diverse electricity supply portfolios and which reduce customer exposure to the price volatility of fossil fuels and the potential costs of carbon.



In considering the measures and sources of supply set forth in paragraph (c) of subsection 4 and determining the preference given to such measures and sources of supply, the Commission shall consider the cost of those measures and sources of supply to the customers of the electric utility or utilities.

6. The Commission shall:

(a) Adopt regulations which determine the level of preference to be given to those measures and sources of supply; and

(b) Consider the value to the public of using water efficiently when it is determining those preferences.

7. The Commission shall:

(a) Consider the level of financial commitment from developers of renewable energy projects in each renewable energy zone, as designated pursuant to subsection 2 of NRS 704.741; and

(b) Adopt regulations establishing a process for considering such commitments including, without limitation, contracts for the sale of energy, leases of land and mineral rights, cash deposits and letters of credit.

8. The Commission shall, after a hearing, review and accept or modify an emissions reduction and capacity replacement plan which includes each element required by NRS 704.7316. In considering whether to accept or modify an emissions reduction and capacity replacement plan, the Commission shall consider:

(a) The cost to the customers of the electric utility or utilities to implement the plan;

(b) Whether the plan provides the greatest economic benefit to this State;

(c) Whether the plan provides the greatest opportunities for the creation of new jobs in this State; and

(d) Whether the plan represents the best value to the customers of the electric utility or utilities.

9. In considering whether to accept or modify a proposal for annual limits on the total amount of energy and capacity that eligible customers may purchase from providers of new electric resources through transactions approved by the Commission pursuant to NRS 704B.310, which is included in the plan pursuant to subsection 6 of NRS 704.741, the Commission shall consider whether the proposed annual limits:

(a) Further the public interest, including, without limitation, whether the proposed annual limits promote safe, economic, efficient and reliable electric service to all customers of electric service in this State; ~~and~~

(b) Align an economically viable utility model with state public policy goals; and

(c) Encourage the development and use of renewable energy resources, in particular such resources coupled with energy storage, located in this State.

...

Sec. 10. *1. The Commission shall by regulation establish a procedure for an eligible customer who is purchasing energy, capacity or ancillary services from a provider of new electric resources to apply to the Commission to purchase bundled electric service from an electric utility and to utilize tariffs approved by the Commission pursuant to NRS 704B.330. The Commission may establish a limit on the number of times an eligible customer may be approved to purchase energy, capacity or ancillary services from a provider of new electric resources and determine the limitations on the use of the tariffs approved by the Commission pursuant to NRS 704B.330 as the Commission deems necessary and appropriate to prevent harm to the customers of an electric utility.*

2. If the Commission approves an application submitted pursuant to the regulations required to be adopted by subsection 1, the Commission shall order such terms and conditions as the Commission deems necessary and appropriate to ensure that the purchase of bundled electric service from an electric utility does not harm the existing customers of the electric utility.

...

Sec. 12. NRS 704B.080 is hereby amended to read as follows:

704B.080 “Eligible customer” means an end-use customer which is:

1. A nongovernmental commercial or industrial end-use customer that ~~has~~ :

(a) Was an end-use customer of an electric utility at any time before the effective date of this act; and

(b) Has an average annual load of 1 megawatt or more in the service territory of an electric utility.

2. A governmental entity, including, without limitation, a governmental entity providing educational or health care services, that:

(a) Was an end-use customer of an electric utility at any time before the effective date of this act;

(b) Performs its functions using one or more facilities which are operated under a common budget and common control; and

~~*(b)*~~ *(c) Has an average annual load of 1 megawatt or more in the service territory of an electric utility.*

3. *A nongovernmental commercial or industrial end-use customer that:*

(a) Was not an end-use customer of an electric utility at any time before the effective date of this bill; and

(b) Would have an average annual load of 1 megawatt or more in the service territory of an electric utility.

4. *A governmental entity, including, without limitation, a governmental entity providing educational or health care services, that:*

(a) Was not an end-use customer of an electric utility at any time before the effective date of this bill;

(b) Performs its functions using one or more facilities which are operated under a common budget and common control; and

(c) Would have an average annual load of 1 megawatt or more in the service territory of an electric utility.

...

Sec. 16. NRS 704B.300 is hereby amended to read as follows:

704B.300 1. Except as otherwise provided in this section, a provider of new electric resources may sell energy, capacity or ancillary services to one or more eligible customers if ~~the~~

the provider holds a valid license and:

(a) The eligible customers have been approved to purchase energy, capacity and ancillary services from the provider pursuant to the provisions of NRS 704B.310 ; ~~and 704B.320;~~ or

(b) The transaction complies with the provisions of NRS 704B.325.

2. A provider of new electric resources shall not sell energy, capacity or ancillary services to an eligible customer if the transaction violates the provisions of this chapter.

3. A provider of new electric resources that sells energy, capacity or ancillary services to an eligible customer pursuant to the provisions of this chapter:

(a) Does not become and shall not be deemed to be a public utility solely because of that transaction; and

(b) ~~Does not become and shall not be deemed to be~~ *Becomes* subject to the jurisdiction of the Commission ~~except as otherwise provided in this chapter or by specific statute.~~ *only for the purposes of this chapter and NRS 704.033, 704.035 and 704.7801 to 704.7828, inclusive.*

4. If a provider of new electric resources is not a public utility in this state and is not otherwise authorized by the provisions of a specific statute to sell energy, capacity or ancillary services at retail in this state, the provider shall not sell energy, capacity or ancillary services at retail in this state to a person or entity that is not an eligible customer.

Sec. 17. NRS 704B.310 is hereby amended to read as follows:

704B.310 1. An eligible customer ~~that is purchasing bundled electric service for all or any part of its load from an electric utility~~ shall not purchase energy, capacity or ancillary services from a provider of new electric resources unless:

(a) The eligible customer files an application with the Commission *between January 2 and February 1 of any year and* not later than ~~180~~ *280* days before the date on which the eligible

customer intends to begin purchasing energy, capacity or ancillary services from the provider ;
~~}; except that the Commission may allow the eligible customer to file the application within any shorter period that the Commission deems appropriate; and}~~

(b) The Commission approves the application by a written order issued in accordance with the provisions of this section ~~{and NRS 704B.320.}~~ ; and

(c) The provider holds a valid license.

2. Except as otherwise provided in subsection 3, each application filed pursuant to this section must include:

(a) ~~{Information}~~ *Specific information* demonstrating that the person filing the application is an eligible customer;

(b) Information demonstrating that the proposed provider will provide energy, capacity or ancillary services from a new electric resource;

(c) ~~{Information}~~ *Specific information* concerning the terms and conditions of the proposed transaction that is necessary for the Commission to evaluate the impact of the proposed transaction on customers and the public interest, including, without limitation, information concerning the duration of the proposed transaction , *the point of receipt of the energy, capacity or ancillary services* and the amount of energy, capacity or ancillary services to be purchased from the provider; ~~{and}~~

(d) *Specific information identifying transmission requirements associated with the proposed transaction and the extent to which the proposed transaction requires transmission import capacity; and*

(e) Any other information required pursuant to the regulations adopted by the Commission.

3. ~~{Except as otherwise provided in NRS 704B.320, the}~~ *The* Commission shall not require the eligible customer or provider to disclose:

(a) The price that is being paid by the eligible customer to purchase energy, capacity or ancillary services from the provider; or

(b) Any other terms or conditions of the proposed transaction that the Commission determines are commercially sensitive.

4. The Commission shall provide public notice of the application of the eligible customer and an opportunity for a hearing on the application in a manner that is consistent with the provisions of NRS 703.320 and the regulations adopted by the Commission.

5. The Commission shall *not* approve the application of the eligible customer unless the Commission finds that the proposed transaction:

(a) Will be ~~contrary to~~ *in* the public interest; ~~or~~

~~(b) Does not comply with the provisions of NRS 704B.320, if those provisions apply to the proposed transaction.~~ *and*

(b) Will not cause the total amount of energy and capacity that eligible customers purchase from providers of new electric resources through transactions approved by the Commission pursuant to this section to exceed an annual limit set forth in a plan filed with the Commission pursuant to NRS 704.741 and accepted by the Commission pursuant to NRS 704.751.

6. In determining whether the proposed transaction will be ~~contrary to~~ *in* the public interest, the Commission shall consider, without limitation:

(a) Whether the electric utility that has been providing electric service to the eligible customer will ~~be burdened by~~ *experience* increased costs as a result of the proposed transaction ~~for whether~~ ;

(b) Whether any remaining customer of the electric utility will pay increased costs for electric service *or forgo the benefit of a reduction of costs for electric service* as a result of the proposed transaction; *and*

~~(b)~~ *(c)* Whether the proposed transaction will impair system reliability or the ability of the electric utility to provide electric service to its remaining customers . ~~;~~ *and*

~~—(c) Whether the proposed transaction will add energy, capacity or ancillary services to the supply in this State.~~

7. If the Commission approves the application of the eligible customer:

(a) The eligible customer shall not begin purchasing energy, capacity or ancillary services from the provider pursuant to the proposed transaction sooner than ~~180~~ 280 days after the date on which the application was filed, unless the Commission allows the eligible customer to begin purchasing energy, capacity or ancillary services from the provider at an earlier date; and

(b) The Commission shall order such terms, conditions and payments as the Commission deems necessary and appropriate to ensure that the proposed transaction will ~~not~~ be ~~contrary to~~ *in* the public interest. Such terms, conditions and payments:

(1) Must be fair and nondiscriminatory as between the eligible customer and the remaining customers of the electric utility ~~and~~ *except that the terms, conditions and payments must assign all identifiable but unquantifiable risk to the eligible customer;*

(2) Must include, without limitation:

(I) Payment by the eligible customer to the electric utility of the eligible customer's load-share portion of any unrecovered balance in the deferred accounts of the electric utility; and

(II) Payment by the eligible customer of the annual assessment and any other tax, fee or assessment required by NRS 704B.360 ~~and~~;

(3) Must establish payments calculated in a manner that provides the eligible customer with only its load-ratio share of the benefits associated with forecasted load growth if load growth is utilized to mitigate the impact of the eligible customer's proposed transaction; and

(4) Must ensure that the eligible customer pays its load-ratio share of the costs associated with the electric utility's obligations that were incurred as deviations from least-cost resource planning pursuant to the laws of this State.

8. If the Commission does not enter a final order on the application of the eligible customer within ~~150~~ 210 days after the date on which the application was filed with the Commission ~~;~~ ~~(a) The~~, *the* application shall be deemed to be ~~approved~~ *denied* by the Commission. ~~;~~ ~~and~~
~~The eligible customer may begin purchasing energy, capacity or ancillary services from the provider pursuant to the proposed transaction.~~

...

Sec. 19. NRS 704B.330 is hereby amended to read as follows:

704B.330 1. If an eligible customer is purchasing energy, capacity or ancillary services from a provider of new electric resources, the eligible customer may, pursuant to tariffs approved by the Commission, replace some or all, but not less than all at a single time-of-use meter, of the energy, capacity or ancillary services purchased from the provider of new electric resources with energy, capacity or ancillary services purchased from an electric utility.

2. The tariffs approved by the Commission pursuant to this section must include, without limitation:

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

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

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

(d) Any other provisions that the Commission determines are necessary and reasonable to carry out and enforce the provisions of this section.

~~3. If, pursuant to the tariffs approved by the Commission pursuant to this section, an eligible customer purchases energy, capacity or ancillary services from an electric utility for more than 30 calendar days:~~

~~(a) The authority of the eligible customer to purchase energy, capacity and ancillary services from a provider of new electric resources is void; and~~

~~(b) The eligible customer may not purchase energy, capacity or ancillary services from a provider of new electric resources unless the eligible customer obtains another approval to purchase energy, capacity and ancillary services from the provider pursuant to the provisions of NRS 704B.310.~~

...

Sec. 21. NRS 704B.360 is hereby amended to read as follows:

704B.360 1. If the Commission approves or has approved an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325, ~~the Commission shall order~~ the eligible customer ~~to:~~ *or the provider of new electric resources, as applicable, shall:*

(a) Pay its share of the annual assessment levied pursuant to NRS 704.033 to the Commission and the Bureau of Consumer Protection in the Office of the Attorney General;

(b) Pay any other tax, fee or assessment that would be due a governmental entity had the eligible customer continued to purchase energy, capacity or ancillary services from the electric utility; ~~and~~

(c) Remit any tax, fee or assessment collected pursuant to paragraph (b) to the applicable governmental entity ~~+~~ ; *and*

(d) Pay any cost, fee, charge or rate which:

(1) Would be due to the electric utility for the service territory of the eligible customer had the eligible customer continued to purchase energy, capacity or ancillary services from the electric utility;

(2) Is associated with the implementation of NRS 701B.240, 701B.336, 701B.580, 701B.670, 701B.820, 702.160, 704.773, 704.7827, 704.7836, 704.785, 704.7875, Senate Bill

329 from the 80th Session of the Nevada Legislature, Assembly Bill 465 from the 80th Session of the Nevada Legislature ~~{any provision of chapter 701B, 702 or 704 of NRS}~~; and

(3) Is determined by the Commission to be appropriate for payment by an eligible customer or provider of new electric resources, as applicable. The Commission shall annually determine the costs, fees and rates described in this paragraph which are appropriate for payment by an eligible customer or provider of new electric resources, as applicable.

2. Each person or entity that is responsible for billing an eligible customer shall ensure that the amount which the eligible customer must pay pursuant to paragraph (b) of subsection 1 is set forth as a separate item or entry on each bill submitted to the eligible customer.

3. If an eligible customer to whom an order is issued pursuant to subsection 1 thereafter purchases energy, capacity or ancillary services from an alternative provider pursuant to NRS 704B.325 without obtaining the approval of the Commission, the order issued pursuant to subsection 1 continues to apply to the eligible customer.

4. Upon petition by a governmental entity to which a tax, fee or assessment must be remitted pursuant to this section ~~{}~~ *or the Regulatory Operations Staff of the Commission*, the Commission may limit, suspend or revoke any order issued to an eligible customer by the Commission pursuant to NRS 704B.310 ~~{and 704B.320}~~, *limit, suspend or revoke any license issued to a provider of new electric resources pursuant to section 9 of this act, or impose an administrative fine pursuant to NRS 703.380, or both limit, suspend or revoke any order or license and impose an administrative fine pursuant to NRS 703.380*, if the Commission, after providing an appropriate notice and hearing, determines that the eligible customer *or provider of new electric resources, as applicable*, has failed to pay ~~{the}~~ *any* tax, fee, ~~{or}~~ assessment ~~{}~~ *cost, charge or rate required to be paid or remitted pursuant to subsection 1.*

...

Sec. XX NRS 704.110 is hereby amended to read as follows:

704.110 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:

(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.

(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.

(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.

(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.

□ 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.

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:

(a) The Commission shall consider the statement submitted pursuant to this subsection and evidence relevant to the statement, including all reasonable projected or forecasted offsets in revenue and expenses that are directly attributable to or associated with the expected changes in circumstances under consideration, in addition to the statement required pursuant to subsection 3 as evidence in establishing just and reasonable rates for the public utility; and

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

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

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

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

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

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

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

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

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

(b) The public utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The public

utility shall begin providing such written notice to its customers not later than 30 days after the date on which the public utility files its written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

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

(2) Must include the following:

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

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

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

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

(V) Any other information required by the Commission.

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

(d) The proceeding regarding the annual rate adjustment application must include a review of each quarterly rate adjustment and the transactions and recorded costs of natural gas included in each quarterly filing and the annual rate adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment

application, and the public utility has the burden of proving reasonableness and prudence in the proceeding.

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

10. An electric utility shall adjust its rates on a quarterly basis based on changes in the electric utility's recorded costs of purchased fuel or purchased power.

(a) *When it adjusts rates on a quarterly basis based on changes in recorded costs of fuel and purchased power, an electric utility shall separately calculate a renewable base tariff energy rate. The utility shall separately state the renewable base tariff energy rate in schedules filed with the Commission and shall apply the renewable base tariff energy rate to all customers, including customers who purchase distribution service from the utility pursuant to NRS 704B.350. To the extent a customer who purchases distribution service from the utility pursuant to NRS 704B.350 pays the renewable base tariff energy rate, the utility shall transfer to the customer any portfolio energy credits associated with such purchase.*

(b) In addition to adjusting its rates on a quarterly basis, an electric utility may request approval from the Commission to make quarterly adjustments to its deferred energy accounting adjustment. The Commission shall approve or deny such a request not later than 120 days after the application is filed with the Commission. The Commission may approve the request if the Commission finds that approval of the request is in the public interest. If the Commission approves a request to make quarterly adjustments to the deferred energy accounting adjustment of an electric utility pursuant to this subsection, any quarterly adjustment to the deferred energy accounting adjustment must not exceed 0.25 cents per kilowatt-hour of electricity. If the balance

of the electric utility's deferred account varies by less than 5 percent from the electric utility's annual recorded costs for purchased fuel or purchased power which are used to calculate quarterly rate adjustments, the deferred energy accounting adjustment must be set to zero cents per kilowatt-hour of electricity.

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

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

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

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

(2) Must include the following:

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

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

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

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

(V) Any other information required by the Commission.

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

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

(e) The Commission shall not allow the electric utility to recover any recorded costs of purchased fuel and purchased power which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the electric utility, and the Commission shall order the electric utility to adjust its rates if the Commission determines that any recorded costs of purchased fuel and purchased power included in any quarterly rate

adjustment or the annual deferred energy accounting adjustment application were not reasonable or prudent.

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

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

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

13. A utility facility identified in a 3-year plan submitted pursuant to NRS 704.741 and accepted by the Commission for acquisition or construction pursuant to NRS 704.751 and the regulations adopted pursuant thereto, or the retirement or elimination of a utility facility identified in an emissions reduction and capacity replacement plan submitted pursuant to NRS 704.7316 and accepted by the Commission for retirement or elimination pursuant to NRS 704.751 and the regulations adopted pursuant thereto, shall be deemed to be a prudent investment. The utility may recover all just and reasonable costs of planning and constructing, or retiring or eliminating, as applicable, such a facility. For the purposes of this subsection, a plan or an amendment to a plan shall be deemed to be accepted by the Commission only as to that portion of the plan or amendment accepted as filed or modified with the consent of the utility pursuant to NRS 704.751.

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

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

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

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

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

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

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

17. As used in this section:

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

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

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

(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) “Renewable base tariff energy rate” refers to a per-kilowatt-hour charge that represents the uneconomical energy costs associated with legacy long-term power purchase agreements entered into by an electric utility for the purpose of complying with the portfolio standard established by NRS 704.7821.

(f) “Legacy long-term power purchase agreements” means:

(1) for an electric utility primarily serving densely populated counties, 18 long-term renewable power purchase agreements identified by the Commission in the modified final order issued in Docket No. 15-05017 with contract commencement dates falling between April 16, 2007, and April 1, 2017.

(2) for an electric utility primarily serving less densely populated counties, 16 long-term renewable power purchase agreements with contract commencement dates falling between June 11, 1989, and May 26, 2012.

Sec. 24. 1. Notwithstanding any other provision of law, an application filed before the effective date of this act pursuant to NRS 704B.310, as that section existed before the effective date of this act, shall be deemed to be denied by the Commission unless the ~~[Commission has issued a final order approving the]~~ application was filed before May 16, 2019 ~~[July 1, 2019]~~. ~~A person whose application is deemed to be denied pursuant to this section may file an application with the Commission pursuant to NRS 704B.310, as amended by section 17 of this act. If a person whose application is deemed to be denied pursuant to this section files an application with the Commission pursuant to NRS 704B.310, as amended by section 17 of this act, the Commission shall give priority to the person when determining whether the annual limit on the total amount of energy and capacity that eligible customers may purchase from providers of new electric resources, which is included in a plan submitted to the Commission pursuant to subsection 6 of NRS 704.741, as amended by section 5 of this act, and approved~~

~~by the Commission pursuant to NRS 704.746, as amended by section 6 of this act, has been exceeded.~~

~~2. As used in this section:~~

~~(a) “Eligible customer” has the meaning ascribed to it in NRS 704B.080, as amended by section 12 of this act.~~

~~(b) “Provider of new electric resources” has the meaning ascribed to it in NRS 704B.130.~~

Sec. 26. 1. Notwithstanding the provisions of NRS 704B.300, as amended by section 16 of this act, a provider of new electric resources who, before the effective date of this act, sold energy, capacity or ancillary services to one or more eligible customers that was approved to purchase energy, capacity or ancillary services from the provider pursuant to NRS 704B.310, as that section existed before the effective date of this act, shall be issued ~~[may]~~, on and after the effective date of this act, a license to sell energy, capacity or ancillary services to that eligible customer ~~[without obtaining a license]~~ from the Commission pursuant to section 9 of this bill if, ~~†~~

~~(a) N]~~ not later than 30 days after a date established by the Commission by regulation, the provider submit~~[s]~~ to the Commission an application for a license pursuant to section 9 of this act~~†; and~~

~~(b) The Commission approves the application and issues a license to the provider].~~

2. Notwithstanding the provisions of NRS 704B.310, as amended by section 17 of this act, an eligible customer who, before the effective date of this act, was approved to purchase energy, capacity or ancillary services from a provider of new electric resources pursuant to the provisions of NRS 704B.310, as that section existed before the effective date of this act, may, on and after the effective date of this act, purchase energy, capacity and ancillary services from that provider if, ~~†~~

~~(a) Not later than 30 days after a date established by the Commission by regulation, the provider submits to the Commission an application for a license pursuant to section 9 of this act;~~ and

~~(b) The Commission approves the application and issues a license to the provider.~~

~~3. Notwithstanding the provisions of NRS 704B.325, as amended by section 18 of this act, an eligible customer who, before the effective date of this act, was approved to purchase energy, capacity or ancillary services from a provider of new electric resources pursuant to the provisions of NRS 704B.310, as that section existed before the effective date of this act, may, on and after the effective date of this act, purchase energy, capacity or ancillary services from an alternative provider pursuant to NRS 704B.325, as amended by section 18 of this act, if:~~

~~(a) Before the effective date of this act, the alternative provider sold energy, capacity or ancillary services to any eligible customer pursuant to a transaction approved pursuant to NRS 704B.310 or 704B.325, as those sections existed before the effective date of this act;~~

~~(b) Not later than 30 days after a date established by the Commission by regulation, the provider submits to the Commission an application for a license pursuant to section 9 of this act; and~~

~~(c) The Commission approves the application and issues a license to the provider.~~

