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SENATE BILL NO. 123—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE WELFARE DIVISION)

FEBRUARY 23, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing energy assistance.  
(BDR 58-238)

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

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

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AN ACT relating to energy assistance; revising provisions governing the distribution of money collected pursuant to the universal energy charge; authorizing the transfer of certain money between the Welfare Division of the Department of Human Resources and the Housing Division of the Department of Business and Industry under certain circumstances; authorizing the Welfare Division to adopt certain regulations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law requires retail customers to pay a universal energy charge on  
2 certain purchases of energy from public utilities. (NRS 702.160) Existing law  
3 prescribes the distribution and use of the proceeds from the universal energy  
4 charge. The Public Utilities Commission is authorized to retain 3 percent of the  
5 proceeds to pay for administrative costs, and the remainder must be deposited in the  
6 State Treasury for credit to the Fund for Energy Assistance and Conservation.  
7 (NRS 702.170, 702.250)  
8 This bill reduces the percentage of the proceeds that may be retained by the  
9 Public Utilities Commission of Nevada to 2 percent.  
10 Under existing law, the Welfare Division of the Department of Human  
11 Resources receives 75 percent of the money in the Fund for Energy Assistance and  
12 Conservation, and the Housing Division of the Department of Business and  
13 Industry receives the remaining 25 percent of the money in the Fund. Existing law  
14 allows the Welfare Division to retain 3 percent and the Housing Division to retain 6  
15 percent of their respective shares of the money from the Fund to pay for  
16 administrative costs. (NRS 702.270, 702.280)



17 This bill increases the amount the Welfare Division may retain for payment of  
18 administrative costs from 3 to 7 percent of the money it receives from the Fund.  
19 This bill also authorizes the Welfare Division and the Housing Division to transfer  
20 between Divisions any money remaining from the distribution they receive that is  
21 available after providing for administrative and program costs.

22 Existing law requires the Welfare Division to determine the amount of financial  
23 assistance from the Fund to provide to a household. The Welfare Division may base  
24 the determination on such factors as household income, household size, type of  
25 energy used or other factors. Existing law directs the Welfare Division to adopt  
26 regulations to enforce this provision. (NRS 702.260)

27 This bill authorizes the Welfare Division to adopt regulations that establish  
28 limitations on the amount of assistance a household may receive and the manner in  
29 which the payment of assistance may be made.

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

1 **Section 1.** NRS 702.170 is hereby amended to read as follows:

2 702.170 1. The Commission shall adopt regulations to carry  
3 out and enforce the provisions of NRS 702.160. Such regulations  
4 may require public utilities, municipal utilities and retail customers  
5 that are required to collect or remit money for the universal energy  
6 charge to file reports and to provide the Commission with  
7 information relating to compliance with the requirements of the  
8 universal energy charge.

9 2. In carrying out the provisions of NRS 702.160, the  
10 Commission shall solicit advice from the Consumer's Advocate of  
11 the Bureau of Consumer Protection in the Office of the Attorney  
12 General, public utilities and municipal utilities and other  
13 knowledgeable persons.

14 3. The Commission may conduct audits and investigations of  
15 public utilities, municipal utilities and retail customers that are  
16 required to collect or remit money for the universal energy charge  
17 ~~if~~ if the Commission determines that such audits and investigations  
18 are necessary to verify compliance with the requirements of the  
19 universal energy charge. In conducting such audits and  
20 investigations, the Commission may exercise any of the  
21 investigative powers granted to the Commission pursuant to chapter  
22 703 of NRS, including, without limitation, the power to issue orders  
23 to compel the appearance of witnesses and the production of books,  
24 accounts, papers and records.

25 4. To carry out its powers and duties pursuant to this chapter,  
26 the Commission is entitled to an administrative charge of not more  
27 than ~~3~~ 2 percent of the money collected for the universal energy  
28 charge. After deduction of its administrative charge, the



1 Commission shall deposit the remaining money collected for the  
2 universal energy charge in the State Treasury for credit to the Fund.

3 5. The Commission may bring an appropriate action in its own  
4 name for recovery of any money that a person fails to pay, collect or  
5 remit in violation of the requirements of the universal energy  
6 charge.

7 **Sec. 2.** NRS 702.260 is hereby amended to read as follows:

8 702.260 1. Seventy-five percent of the money in the Fund  
9 must be distributed to the Welfare Division for programs to assist  
10 eligible households in paying for natural gas and electricity. The  
11 Welfare Division may use not more than ~~3~~ 7 percent of the money  
12 distributed to it pursuant to this section for its administrative  
13 expenses. *If after providing for its administrative expenses and*  
14 *programs the Welfare Division has any money remaining from the*  
15 *amount distributed to it pursuant to this section, the Welfare*  
16 *Division may transfer all or any part of the remaining money to*  
17 *the Housing Division for use in its programs of energy*  
18 *conservation, weatherization and energy efficiency for eligible*  
19 *households.*

20 2. Except as otherwise provided in *subsection 1 or* NRS  
21 702.150, after deduction for its administrative expenses, the Welfare  
22 Division may use the money distributed to it pursuant to this section  
23 only to:

24 (a) Assist eligible households in paying for natural gas and  
25 electricity.

26 (b) Carry out activities related to consumer outreach.

27 (c) Pay for program design.

28 (d) Pay for the annual evaluations conducted pursuant to  
29 NRS 702.280.

30 3. Except as otherwise provided in subsection 4, to be eligible  
31 to receive assistance from the Welfare Division pursuant to this  
32 section, a household must have a household income that is not more  
33 than 150 percent of the federally designated level signifying  
34 poverty, as determined by the Welfare Division.

35 4. The Welfare Division is authorized to render emergency  
36 assistance to a household if an emergency related to the cost or  
37 availability of natural gas or electricity threatens the health or safety  
38 of one or more of the members of the household. Such emergency  
39 assistance may be rendered upon the good faith belief that the  
40 household is otherwise eligible to receive assistance pursuant to this  
41 section.

42 5. ~~[Before July 1, 2002, if a household is eligible to receive~~  
43 ~~assistance pursuant to this section, the Welfare Division shall~~  
44 ~~determine the amount of assistance that the household will receive~~



1 ~~by using the existing formulas set forth in the state plan for low-~~  
2 ~~income home energy assistance.~~

3 ~~— 6. — On or after July 1, 2002,]~~ *Except as otherwise provided in*  
4 *regulations adopted pursuant to subsection 6*, if a household is  
5 eligible to receive assistance pursuant to this section, the Welfare  
6 Division:

7 (a) Shall, to the extent practicable, determine the amount of  
8 assistance that the household will receive by determining the  
9 amount of assistance that is sufficient to reduce the percentage of  
10 the household's income that is spent on natural gas and electricity to  
11 the median percentage of household income spent on natural gas  
12 and electricity statewide.

13 (b) May adjust the amount of assistance that the household will  
14 receive based upon such factors as:

15 (1) The income of the household;

16 (2) The size of the household;

17 (3) The type of energy that the household uses; and

18 (4) Any other factor which, in the determination of the  
19 Welfare Division, may make the household particularly vulnerable  
20 to increases in the cost of natural gas or electricity.

21 ~~[7.]~~ **6.** The Welfare Division shall adopt regulations to carry  
22 out and enforce the provisions of this section and NRS 702.250. *The*  
23 *regulations may, without limitation, establish limitations on the*  
24 *amount of assistance a household may receive pursuant to this*  
25 *section and the manner in which payments of assistance may be*  
26 *made.*

27 ~~[8.]~~ **7.** In carrying out the provisions of this section, the  
28 Welfare Division shall:

29 (a) Solicit advice from the Housing Division and from other  
30 knowledgeable persons;

31 (b) Identify and implement appropriate delivery systems to  
32 distribute money from the Fund and to provide other assistance  
33 pursuant to this section;

34 (c) Coordinate with other federal, state and local agencies that  
35 provide energy assistance or conservation services to low-income  
36 persons and, to the extent allowed by federal law and to the extent  
37 practicable, use the same simplified application forms as those other  
38 agencies;

39 (d) Establish a process for evaluating the programs conducted  
40 pursuant to this section;

41 (e) Develop a process for making changes to such programs; and

42 (f) Engage in annual planning and evaluation processes with the  
43 Housing Division as required by NRS 702.280.



1       **Sec. 3.** NRS 702.270 is hereby amended to read as follows:

2       702.270 1. Twenty-five percent of the money in the Fund  
3 must be distributed to the Housing Division for programs of energy  
4 conservation, weatherization and energy efficiency for eligible  
5 households. The Housing Division may use not more than 6 percent  
6 of the money distributed to it pursuant to this section for its  
7 administrative expenses. *If after providing for its administrative*  
8 *expenses and programs the Housing Division has any money*  
9 *remaining from the amount distributed to it pursuant to this*  
10 *section, the Housing Division may transfer all or any part of the*  
11 *remaining money to the Welfare Division for use in its programs*  
12 *to assist eligible households in paying for natural gas and*  
13 *electricity.*

14       2. Except as otherwise provided in *subsection 1 or* NRS  
15 702.150, after deduction for its administrative expenses, the  
16 Housing Division may use the money distributed to it pursuant to  
17 this section only to:

18       (a) Provide an eligible household with services of basic home  
19 energy conservation and home energy efficiency or to assist an  
20 eligible household to acquire such services, including, without  
21 limitation, services of load management.

22       (b) Pay for appropriate improvements associated with energy  
23 conservation, weatherization and energy efficiency.

24       (c) Carry out activities related to consumer outreach.

25       (d) Pay for program design.

26       (e) Pay for the annual evaluations conducted pursuant to  
27 NRS 702.280.

28       3. Except as otherwise provided in subsection 4, to be eligible  
29 to receive assistance from the Housing Division pursuant to this  
30 section, a household must have a household income that is not more  
31 than 150 percent of the federally designated level signifying  
32 poverty, as determined by the Housing Division.

33       4. The Housing Division is authorized to render emergency  
34 assistance to a household if the health or safety of one or more of  
35 the members of the household is threatened because of the  
36 structural, mechanical or other failure of:

37       (a) The unit of housing in which the household dwells; or

38       (b) A component or system of the unit of housing in which the  
39 household dwells.

40       ➤ Such emergency assistance may be rendered upon the good faith  
41 belief that the household is otherwise eligible to receive assistance  
42 pursuant to this section.

43       5. The Housing Division shall adopt regulations to carry out  
44 and enforce the provisions of this section.



- 1       6. In carrying out the provisions of this section, the Housing  
2 Division shall:
- 3       (a) Solicit advice from the Welfare Division and from other  
4 knowledgeable persons;
- 5       (b) Identify and implement appropriate delivery systems to  
6 distribute money from the Fund and to provide other assistance  
7 pursuant to this section;
- 8       (c) Coordinate with other federal, state and local agencies that  
9 provide energy assistance or conservation services to low-income  
10 persons and, to the extent allowed by federal law and to the extent  
11 practicable, use the same simplified application forms as those other  
12 agencies;
- 13       (d) Encourage other persons to provide resources and services,  
14 including, to the extent practicable, schools and programs that  
15 provide training in the building trades and apprenticeship programs;
- 16       (e) Establish a process for evaluating the programs conducted  
17 pursuant to this section;
- 18       (f) Develop a process for making changes to such programs; and  
19       (g) Engage in annual planning and evaluation processes with the  
20 Welfare Division as required by NRS 702.280.





