

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.

AN ACT relating to energy assistance; reducing the amount of the universal energy charge; revising the 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; requiring the Welfare Division and the Housing 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 of Nevada is authorized to retain 3 percent
5 of the proceeds of the universal energy charge to pay for administrative costs, and
6 the remainder must be deposited in the State Treasury for credit to the Fund for
7 Energy Assistance and Conservation. (NRS 702.170, 702.250)

8 This bill reduces the amount of the universal energy charge, and reduces the
9 percentage of the proceeds of the universal energy charge that may be retained by
10 the Public Utilities Commission of Nevada to 2 percent.

11 Under existing law, the Welfare Division of the Department of Human
12 Resources receives 75 percent of the money in the Fund for Energy Assistance and
13 Conservation, and the Housing Division of the Department of Business and
14 Industry receives the remaining 25 percent of the money in the Fund. Existing law



15 allows the Welfare Division to retain 3 percent and the Housing Division to retain 6
16 percent of their respective shares of the money from the Fund to pay for
17 administrative costs. (NRS 702.270, 702.280)

18 This bill revises the distribution of money to the Welfare Division and the
19 Housing Division so that each receives 50 percent of the money in the Fund. This
20 bill increases the amount the Welfare Division may retain for payment of
21 administrative costs from 3 to 7 percent of the money it receives from the Fund.
22 This bill also authorizes the Welfare Division and the Housing Division to transfer
23 between Divisions any money remaining from the distribution they receive that is
24 available after providing for administrative and program costs.

25 Existing law requires the Welfare Division to determine the amount of financial
26 assistance from the Fund to provide to a household. The Welfare Division may base
27 the determination on such factors as household income, household size, type of
28 energy used or other factors. Existing law directs the Welfare Division to adopt
29 regulations to carry out such provisions. (NRS 702.260)

30 This bill requires the Welfare Division to adopt regulations that establish
31 limitations on the amount of assistance a household may receive, the priority for
32 providing assistance and the manner in which the payment of assistance may be
33 made.

34 Existing law requires the Housing Division to provide assistance to eligible
35 households for energy conservation, weatherization and energy efficiency. Existing
36 law directs the Housing Division to adopt regulations to carry out such provisions.
37 (NRS 702.270)

38 This bill prohibits the Housing Division from using money distributed to it
39 from the Fund to purchase household appliances that use electricity or natural gas,
40 and requires the Housing Division to adopt regulations that establish limitations on
41 the amount of weatherization assistance a household or multifamily facility may
42 receive and the priority for providing such assistance.

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

1 **Section 1.** NRS 702.160 is hereby amended to read as follows:
2 702.160 1. Except as otherwise provided in this section and
3 NRS 702.150, each retail customer shall pay:

4 (a) A universal energy charge of ~~[3.30]~~ 2.475 mills on each
5 therm of natural gas that the retail customer purchases from another
6 person for consumption in this State; and

7 (b) A universal energy charge of ~~[0.39]~~ 0.2925 mills on each
8 kilowatt-hour of electricity that the retail customer purchases from
9 another person for consumption in this State.

10 2. The provisions of subsection 1 do not apply to:

11 (a) Any therm of natural gas used as a source of energy to
12 generate electricity.

13 (b) Any kilowatt-hour of electricity used in industries utilizing
14 electrolytic-manufacturing processes.

15 3. If a retail customer uses the distribution services of a public
16 utility or municipal utility to acquire natural gas or electricity that is



1 subject to the universal energy charge, the public utility or
2 municipal utility providing the distribution services shall:

3 (a) Collect the universal energy charge from each such retail
4 customer;

5 (b) Ensure that the universal energy charge is set forth as a
6 separate item or entry on the bill of each such retail customer; and

7 (c) Not later than 30 days after the end of each calendar quarter,
8 remit to the Commission the total amount of money collected by the
9 public utility or municipal utility for the universal energy charge for
10 the immediately preceding calendar quarter.

11 4. If a retail customer does not use the distribution services of a
12 public utility or municipal utility to acquire natural gas or electricity
13 that is subject to the universal energy charge, not later than 30 days
14 after the end of each calendar quarter, the retail customer shall remit
15 to the Commission the total amount of money owed by the retail
16 customer for the universal energy charge for the immediately
17 preceding calendar quarter.

18 5. If, during a calendar quarter, a single retail customer or
19 multiple retail customers under common ownership and control pay,
20 in the aggregate, a universal energy charge of more than \$25,000 for
21 all consumption of natural gas and electricity during the calendar
22 quarter, such retail customers are entitled to a refund, for that
23 calendar quarter, of the amount of the universal energy charge that
24 exceeds \$25,000. To receive a refund pursuant to this section, not
25 later than 90 days after the end of the calendar quarter for which the
26 refund is requested, such retail customers must file with the
27 Commission a request for a refund. If a request for a refund is filed
28 with the Commission:

29 (a) The Commission shall determine and certify the amount of
30 the refund; and

31 (b) The refund must be paid as other claims against the State are
32 paid from money in the Fund.

33 **Sec. 2.** NRS 702.170 is hereby amended to read as follows:

34 702.170 1. The Commission shall adopt regulations to carry
35 out and enforce the provisions of NRS 702.160. Such regulations
36 may require public utilities, municipal utilities and retail customers
37 that are required to collect or remit money for the universal energy
38 charge to file reports and to provide the Commission with
39 information relating to compliance with the requirements of the
40 universal energy charge.

41 2. In carrying out the provisions of NRS 702.160, the
42 Commission shall solicit advice from the Consumer's Advocate of
43 the Bureau of Consumer Protection in the Office of the Attorney



1 General, public utilities and municipal utilities and other
2 knowledgeable persons.

3 3. The Commission may conduct audits and investigations of
4 public utilities, municipal utilities and retail customers that are
5 required to collect or remit money for the universal energy charge
6 ~~{3}~~ if the Commission determines that such audits and investigations
7 are necessary to verify compliance with the requirements of the
8 universal energy charge. In conducting such audits and
9 investigations, the Commission may exercise any of the
10 investigative powers granted to the Commission pursuant to chapter
11 703 of NRS, including, without limitation, the power to issue orders
12 to compel the appearance of witnesses and the production of books,
13 accounts, papers and records.

14 4. To carry out its powers and duties pursuant to this chapter,
15 the Commission is entitled to an administrative charge of not more
16 than ~~{3}~~ 2 percent of the money collected for the universal energy
17 charge. After deduction of its administrative charge, the
18 Commission shall deposit the remaining money collected for the
19 universal energy charge in the State Treasury for credit to the Fund.

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

24 **Sec. 3.** NRS 702.260 is hereby amended to read as follows:

25 702.260 1. ~~{Seventy-five}~~ **Fifty** percent of the money in the
26 Fund must be distributed to the Welfare Division for programs to
27 assist eligible households in paying for natural gas and electricity.
28 The Welfare Division may use not more than ~~{3}~~ 7 percent of the
29 money distributed to it pursuant to this section for its administrative
30 expenses ~~{1}~~, **and the total expenditure for administrative expenses**
31 **by the Welfare Division and its contractors, its subcontractors and**
32 **other entities engaged to carry out the duties of the Welfare**
33 **Division pursuant to this chapter must not exceed 9 percent of the**
34 **money distributed to the Welfare Division pursuant to this section.**
35 **If after providing for its administrative expenses and programs the**
36 **Welfare Division has any money remaining from the amount**
37 **distributed to it pursuant to this section, the Welfare Division may**
38 **transfer all or any part of the remaining money to the Housing**
39 **Division for use in its programs of energy conservation,**
40 **weatherization and energy efficiency for eligible households.**

41 2. Except as otherwise provided in **subsection 1 or** NRS
42 702.150, after deduction for its administrative expenses, the Welfare
43 Division may use the money distributed to it pursuant to this section
44 only to:



1 (a) Assist eligible households in paying for natural gas and
2 electricity.

3 (b) Carry out activities related to consumer outreach ~~[]~~, *except*
4 *that no money may be spent pursuant to this paragraph to*
5 *purchase advertising in the printed or electronic media.*

6 (c) Pay for program design.

7 (d) Pay for the annual evaluations conducted pursuant to
8 NRS 702.280.

9 3. Except as otherwise provided in subsection 4, to be eligible
10 to receive assistance from the Welfare Division pursuant to this
11 section, a household must ~~[have]~~ :

12 (a) *Be domiciled in a mobile home as defined in NRS 461.140;*
13 *and*

14 (b) *Have* a household income that is not more than 150 percent
15 of the federally designated level signifying poverty, as determined
16 by the Welfare Division.

17 4. The Welfare Division is authorized to render emergency
18 assistance to a household if an emergency related to the cost or
19 availability of natural gas or electricity threatens the health or safety
20 of one or more of the members of the household. Such emergency
21 assistance may be rendered upon the good faith belief that the
22 household is otherwise eligible to receive assistance pursuant to this
23 section.

24 5. ~~[Before July 1, 2002, if a household is eligible to receive~~
25 ~~assistance pursuant to this section, the Welfare Division shall~~
26 ~~determine the amount of assistance that the household will receive~~
27 ~~by using the existing formulas set forth in the state plan for low-~~
28 ~~income home energy assistance.~~

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

33 (a) Shall, to the extent practicable, determine the amount of
34 assistance that the household will receive by determining the
35 amount of assistance that is sufficient to reduce the percentage of
36 the household's income that is spent on natural gas and electricity to
37 the median percentage of household income spent on natural gas
38 and electricity statewide.

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

41 (1) The income of the household;

42 (2) The size of the household;

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



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

4 ~~[7-]~~ 6. The Welfare Division shall adopt regulations to carry
5 out and enforce the provisions of this section and NRS 702.250.

6 ~~[8-]~~ *The regulations:*

7 (a) *May, without limitation, establish limitations on the*
8 *amount of assistance a household may receive pursuant to this*
9 *section and the manner in which payments of assistance may be*
10 *made;*

11 (b) *Must establish the priority for providing assistance to*
12 *households based on criteria that include, without limitation, the*
13 *urgency of need, status of health and age of members of the*
14 *household; and*

15 (c) *Must establish a maximum amount of assistance that may*
16 *be provided to any one household annually.*

17 7. In carrying out the provisions of this section, the Welfare
18 Division shall:

19 (a) Solicit advice from the Housing Division and from other
20 knowledgeable persons;

21 (b) Identify and implement appropriate delivery systems to
22 distribute money from the Fund and to provide other assistance
23 pursuant to this section;

24 (c) Coordinate with other federal, state and local agencies that
25 provide energy assistance or conservation services to low-income
26 persons and, to the extent allowed by federal law and to the extent
27 practicable, use the same simplified application forms as those other
28 agencies;

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

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

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

34 **Sec. 4.** NRS 702.270 is hereby amended to read as follows:

35 702.270 1. ~~[Twenty-five]~~ *Fifty* percent of the money in the
36 Fund must be distributed to the Housing Division for programs of
37 energy conservation, weatherization and energy efficiency for
38 eligible households. The Housing Division may use not more than 6
39 percent of the money distributed to it pursuant to this section for its
40 administrative expenses ~~[]~~ , *and the total expenditure for*
41 *administrative expenses by the Housing Division and its*
42 *contractors, its subcontractors and other entities engaged to carry*
43 *out the duties of the Housing Division pursuant to this chapter*
44 *must not exceed 9 percent of the money distributed to the Housing*
45 *Division pursuant to this section. If after providing for its*



1 *administrative expenses and programs the Housing Division has*
2 *any money remaining from the amount distributed to it pursuant*
3 *to this section, the Housing Division may transfer all or any part*
4 *of the remaining money to the Welfare Division for use in its*
5 *programs to assist eligible households in paying for natural gas*
6 *and electricity.*

7 2. Except as otherwise provided in *this section or* NRS
8 702.150, after deduction for its administrative expenses, the
9 Housing Division may use the money distributed to it pursuant to
10 this section only to:

11 (a) Provide an eligible household with services of basic home
12 energy conservation and home energy efficiency or to assist an
13 eligible household to acquire such services, including, without
14 limitation, services of load management.

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

17 (c) Carry out activities related to consumer outreach ~~[.]~~, *except*
18 *that no money may be spent pursuant to this paragraph to*
19 *purchase advertising in the printed or electronic media.*

20 (d) Pay for program design.

21 (e) Pay for the annual evaluations conducted pursuant to
22 NRS 702.280.

23 3. *The Housing Division may not use any money distributed*
24 *to it pursuant to this section to purchase household appliances*
25 *that use electricity or natural gas.*

26 4. Except as otherwise provided in subsection ~~[4.]~~ 5, to be
27 eligible to receive assistance from the Housing Division pursuant to
28 this section, a household must ~~[have]~~ :

29 (a) *Not be domiciled in a mobile home as defined in NRS*
30 *461.140; and*

31 (b) *Have* a household income that is not more than 150 percent
32 of the federally designated level signifying poverty, as determined
33 by the Housing Division.

34 ~~[4.]~~ 5. The Housing Division is authorized to render emergency
35 assistance to a household if the health or safety of one or more of
36 the members of the household is threatened because of the
37 structural, mechanical or other failure of:

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

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

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

44 ~~[5.]~~ 6. The Housing Division shall adopt regulations to carry
45 out and enforce the provisions of this section.



1 ~~[6.]~~ *The regulations must establish:*

2 (a) *The priority for providing weatherization assistance to*
3 *households based on criteria that include, without limitation, the*
4 *urgency of need, status of health and age of members of the*
5 *household;*

6 (b) *A maximum amount of weatherization assistance that may*
7 *be provided to any one household annually;*

8 (c) *A maximum amount of weatherization assistance that may*
9 *be provided to any one multifamily facility annually based on*
10 *criteria that include, without limitation, the number of rental units*
11 *in the facility and the payments of weatherization assistance that*
12 *would otherwise be made to the households in the facility; and*

13 (d) *The priority for providing weatherization assistance to any*
14 *one household based on the efficiency of the specific type of*
15 *weatherization provided.*

16 7. In carrying out the provisions of this section, the Housing
17 Division shall:

18 (a) Solicit advice from the Welfare Division and from other
19 knowledgeable persons;

20 (b) Identify and implement appropriate delivery systems to
21 distribute money from the Fund and to provide other assistance
22 pursuant to this section;

23 (c) Coordinate with other federal, state and local agencies that
24 provide energy assistance or conservation services to low-income
25 persons and, to the extent allowed by federal law and to the extent
26 practicable, use the same simplified application forms as those other
27 agencies;

28 (d) Encourage other persons to provide resources and services,
29 including, to the extent practicable, schools and programs that
30 provide training in the building trades and apprenticeship programs;

31 (e) Establish a process for evaluating the programs conducted
32 pursuant to this section;

33 (f) Develop a process for making changes to such programs; and

34 (g) Engage in annual planning and evaluation processes with the
35 Welfare Division as required by NRS 702.280.

