

SENATE BILL NO. 329—SENATOR BROOKS

MARCH 18, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to the prevention of natural disasters. (BDR 58-1132)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

AN ACT relating to the prevention of natural disasters; requiring an electric utility to submit a natural disaster protection plan to the Public Utilities Commission of Nevada; setting forth the requirements for such a plan; authorizing an electric utility to recover costs relating to the development and implementation of a natural disaster protection plan; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides for the regulation of electric utilities by the Public
2 Utilities Commission of Nevada. (Chapter 704 of NRS) This bill requires an
3 electric utility to, on or before June 1 of every third year, submit a natural disaster
4 protection plan to the Commission. This bill generally requires a natural disaster
5 protection plan to contain certain information, procedures and protocols relating to
6 the efforts of the electric utility to prevent or respond to a fire or other natural
7 disaster.

8 Existing law generally requires a public utility to submit an application and
9 obtain the approval of the Public Utilities Commission of Nevada for a change in
10 any schedule of rates or services. (NRS 704.110) This bill provides that any
11 expenditures made by an electric utility in developing and implementing a natural
12 disaster protection plan are required to be recovered from rates charged to
13 customers of the electric utility.



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

1 **Section 1.** Chapter 704 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *An electric utility shall, on or before June 1, 2020, and on*
4 *or before June 1 of every third year thereafter, in the manner*
5 *specified by the Commission, submit a natural disaster protection*
6 *plan to the Commission.*

7 2. *A natural disaster protection plan submitted to the*
8 *Commission pursuant to subsection 1 must:*

9 (a) *Identify areas within the service territory of the electric*
10 *utility that are subject to a heightened threat of a fire or other*
11 *natural disaster.*

12 (b) *Propose an approach for the mitigation of potential fires or*
13 *other natural disasters that is cost effective.*

14 (c) *Describe the preventive measures and programs the electric*
15 *utility will implement to minimize the risk of its electric*
16 *infrastructure causing a fire.*

17 (d) *Describe the participation of the electric utility, including,*
18 *without limitation, any commitments made, in any community*
19 *wildfire protection plans, as defined in 16 U.S.C. § 6511,*
20 *established in this State.*

21 (e) *Propose protocols for de-energizing distribution lines and*
22 *disabling reclosers on those lines in the event of a fire or other*
23 *natural disaster. Such protocols must consider the associated*
24 *impact of such actions on public safety and mitigate any*
25 *adverse impact on public safety plans, including, without*
26 *limitation, impact on critical first responders and on health and*
27 *communication infrastructure.*

28 (f) *Describe the procedures the electric utility intends to use to*
29 *inspect the electric infrastructure of the electric utility.*

30 (g) *Describe the procedures the electric utility intends to use*
31 *for vegetation management.*

32 (h) *Describe the ability of the electric utility to implement the*
33 *natural disaster protection plan and identify additional funding*
34 *needed for the implementation of the plan.*

35 3. *The Commission shall adopt regulations to provide for the*
36 *method and schedule for preparing, submitting, reviewing and*
37 *approving a plan submitted pursuant to subsection 1.*

38 4. *All prudent and reasonable expenditures made by an*
39 *electric utility to develop and implement a plan submitted pursuant*
40 *to subsection 1 must be recovered from the rates charged to the*
41 *customers of the electric utility. The electric utility shall designate*



1 *the amount recovered from each customer as a separate line item*
2 *on the bill of the customer.*

3 *5. A rural electric cooperative established pursuant to chapter*
4 *81 of NRS may submit to the Commission a natural disaster*
5 *protection plan containing the information set forth in subsection*
6 *2. The Commission shall review a plan submitted by a rural*
7 *electric cooperative and provide advice and recommendations. The*
8 *board of directors of a rural electric cooperative may allow the*
9 *rural electric cooperative to recover expenditures made to develop*
10 *and implement a natural disaster protection plan from the rates*
11 *charged to the customers of the rural electric cooperative.*

12 *6. As used in this section, "electric utility" has the meaning*
13 *ascribed to it in NRS 704.7571.*

14 **Sec. 2.** This act becomes effective upon passage and approval.



