

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 965

Introduced by Haar, 21.

Read first time January 16, 2014

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to power districts and corporations; to amend
2 section 70-1501, Reissue Revised Statutes of Nebraska,
3 and sections 70-1001 and 70-1014, Revised Statutes
4 Cumulative Supplement, 2012; to change declarations of
5 public policy relating to the provision of electric
6 service; to define a term; to change required findings by
7 the Nebraska Power Review Board; and to repeal the
8 original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 70-1001, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 70-1001 In order to provide the citizens of the state
4 with reliable and adequate electric service at as low overall cost as
5 possible, and to provide as many benefits to customer-owners as
6 possible, consistent with sound business practices, it is the policy
7 of this state to avoid and eliminate conflict and competition between
8 public power districts, public power and irrigation districts,
9 individual municipalities, registered groups of municipalities,
10 electric membership associations, and cooperatives in furnishing
11 electric energy to retail and wholesale customers, to avoid and
12 eliminate the duplication of facilities and resources which result
13 therefrom, and to facilitate the settlement of rate disputes between
14 suppliers of electricity. Cost includes, but is not limited to, costs
15 of generation, current and projected fuel costs, cost of regulatory
16 compliance, short-term and long-term energy portfolio risks,
17 environmental impacts including the cost of climate change, health
18 impacts including public costs related to energy production, water
19 usage costs, and the fiscal impact of customer-owner dollars sent out
20 of state. Benefits includes, but is not limited to, economic benefits
21 to the state or community, efficient use of resources, portfolio
22 diversification, and beneficial impacts to water or other
23 environmental resources. Cost and benefits include both local and
24 statewide impacts.

25 It is also the policy of the state to prepare for an

1 evolving retail electricity market if certain conditions are met
2 which indicate that retail competition is in the best interests of
3 the citizens of the state. The determination on the timing and form
4 of competitive markets is a matter properly left to the states as
5 each state must evaluate the costs and benefits of a competitive
6 retail market based on its own unique conditions. Consequently, there
7 is a need for the state to monitor whether the conditions necessary
8 for its citizens to benefit from retail competition exist.

9 It is also the policy of the state to encourage and allow
10 opportunities for private developers to develop, own, and operate
11 renewable energy facilities intended primarily for export from the
12 state under a statutory framework which protects the ratepayers of
13 consumer-owned utility systems operating in the state from
14 subsidizing the costs of such export facilities through their rates.

15 For purposes of this section, customer-owner means any
16 Nebraska citizen who resides within the service area of any electric
17 supplier as defined in section 70-1001.01.

18 Sec. 2. Section 70-1014, Revised Statutes Cumulative
19 Supplement, 2012, is amended to read:

20 70-1014 After hearing, the board shall have authority to
21 approve or deny the application. Except as provided in section
22 70-1014.01 for special generation applications and except as provided
23 in section 70-1014.02, before approval of an application, the board
24 shall find that the application will serve the public convenience and
25 necessity, and that the applicant can most economically and feasibly

1 supply the electric service resulting from the proposed construction
2 or acquisition, without unnecessary duplication of facilities or
3 operations, and with consideration given to both costs and benefits
4 as described in section 70-1001.

5 If the application involves a transmission line or
6 related facilities planned and approved by a regional transmission
7 organization and the regional transmission organization has issued a
8 notice to construct or similar notice or order to a utility to
9 construct the line or related facilities, the board shall also
10 consider information from the regional transmission organization's
11 planning process and may consider the benefits to the region, which
12 shall include Nebraska, provided by the proposed line or related
13 facilities as part of the board's process in determining whether to
14 approve or deny the application.

15 If the application proposes an expenditure of fifty
16 million dollars or more to modify or construct generation or
17 transmission capacity, the board shall determine whether such
18 expenditure meets the standards set forth in this section.

19 Sec. 3. Section 70-1501, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 70-1501 It is the public policy of this state to provide
22 its citizens with reliable and adequate electric service at as low an
23 overall cost as possible, and to provide as many benefits to
24 customer-owners as possible, consistent with sound business
25 practices, and in furtherance of such policy it is necessary to avoid

1 and eliminate conflict and competition among and between suppliers of
2 electric power and energy and to avoid duplication of facilities and
3 resources which result from such conflict and competition. Cost
4 includes, but is not limited to, costs of generation, current and
5 projected fuel costs, cost of regulatory compliance, short-term and
6 long-term energy portfolio risks, environmental impacts including the
7 cost of climate change, health impacts including public costs related
8 to energy production, water usage costs, and the fiscal impact of
9 customer-owner dollars sent out of state. Benefits includes, but is
10 not limited to, economic benefits to the state or community,
11 efficient use of resources, portfolio diversification, and beneficial
12 impacts to water or other environmental resources. Cost and benefits
13 include both local and statewide impacts.

14 For purposes of this section, customer-owner means any
15 Nebraska citizen who resides within the service area of any electric
16 supplier as defined in section 70-1001.01.

17 Sec. 4. Original section 70-1501, Reissue Revised
18 Statutes of Nebraska, and sections 70-1001 and 70-1014, Revised
19 Statutes Cumulative Supplement, 2012, are repealed.