

FORM # 1

**FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR
ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS**

1. Nevada Division of Environmental Protection
901 South Stewart Street, Suite 4001
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(775) 687-4670
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2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.
3. Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution.

SPECIFIC CHANGES:

The NDEP is proposing to amend NAC 445B.001 to 445B.3497 of the State "Air Pollution" regulations, by adding regulations which mandate the reporting of greenhouse gases (GHG) emitted by certain generators of electricity for inclusion in a registry of GHG emissions.

4. **NEED FOR AND PURPOSE:**

The GHG regulations are required by Senate Bill 422, which was passed by the 2007 Legislature. The regulations will require the electric power industry to report their GHG emissions to NDEP.

5. **ECONOMIC EFFECTS:**

(a) Regulated Business/Industry. There will be added costs to the electric power generating companies that operate electric generating units with a maximum design output capacity of 5 megawatts or more and emit GHGs. These companies are required to begin reporting emissions of six GHGs in 2009 and must pay an annual fee based on the level of GHGs emitted.

(b) Public. These proposed amendments may impact the public if the electric power generation industry chooses to pass on the cost of fees to ratepayers. NDEP has minimized the anticipated costs by not requiring the electric power utilities to pay for GHG registry costs and by providing in-house data verification rather than requiring third party verification by outside consultants. Furthermore, development of a state-wide reporting program at this stage may reduce long-term costs associated with future federally required GHG reporting requirements.

(c) Enforcing Agency. There will be additional costs to the agency for administering the new GHG program, which will require one full-time employee. These additional costs will be covered by the new fee.

6. The proposed regulations do not overlap or duplicate any regulations of other state or government agencies.
7. There are no greenhouse gas reporting requirements in current federal regulations.
8. The proposed amendment entails a total program fee of \$137,000 per year with an optional two percent cost of living increase each year after the initial year. The \$137,000 fee is distributed among the electric power generating industry based on the level of emissions and are estimated to range from \$100 for the smallest facilities to over \$100,000 annually for the largest entity with multiple facilities. The fees collected will be used to support one fulltime equivalent position to implement the program and verify reported data, plus management oversight.