

P2008-20 (reporting of GHG from affected units)
October 10, 2008

FORM # 4, Part 1

**NEVADA STATE ENVIRONMENTAL COMMISSION
SMALL BUSINESS IMPACT DISCLOSURE PROCESS
PURSUANT TO 233B "Nevada Administrative Procedures Act"**

RE: Amendments to NAC Chapter 445B AIR CONTROLS: AIR POLLUTION
By: Nevada Division of Environmental Protection (NDEP), Bureau of Air Quality
Planning

Note: Small Business is defined as a "business conducted for profit which employs fewer than 150 full-time or part-time employees" (NRS 233B.0382).

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? ANSWER: YES; The impact to the small business will be in the form of staff time to prepare annual emission reports and the payment of a fee. This regulation impacts perhaps two or three power providers who may fall below the 150 employee threshold.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? ANSWER: NO.

3. If **Yes** to either of questions 1 & 2, the following action must be taken:

A. Was a small business impact statement prepared and was it available at the public workshop(s)? YES; ATTACHED.

B. Attach the Small Business Impact Statement (Part 2) as part of Form #4 upon submission of the proposed regulation to the State Environmental Commission when Form #1 (petition to the Commission) is submitted. Submitted to the SEC together with Form 1 on October 10, 2008

SMALL BUSINESS IMPACT STATEMENT
FORM #4 - Part 2
(NRS 233B.0609)

1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary.

Prior to holding workshops, NDEP met three times each in Reno, Carson City, and Las Vegas with representatives from all affected facilities in the electric power generating industry to solicit comment on draft regulations and discuss NDEP's costs of program implementation. The industry assisted in drafting the proposed regulations and was instrumental in defining how the program would be structured. Industry also selected the proposed fee structure from several options presented.

2. The estimated economic effect of the proposed regulation on small businesses:

- a. Both adverse and beneficial effects
- b. Both direct and indirect effects

Small businesses will be required to calculate and report emissions, provide backup documentation if requested, and certify that reported information is correct. This will require staff time and management oversight on the part of industry. There will be a further economic impact due to payment of an annual fee. Fees for regulated businesses will be calculated based on actual reported greenhouse gas emissions and are estimated to range from \$100 for the smallest facilities to over \$100,000 annually for the largest entity with multiple facilities. There will be no direct or adverse effect on the operation of affected businesses.

3. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses.

The impact of the regulations was reduced by not requiring the affected businesses to join a greenhouse gas registry and pay the membership fee. An associated requirement to hire a third party to verify reported emissions was also eliminated. Finally, industry representatives agreed that a fee structure based on emission levels was the fairest way to support NDEP's program implementation costs.

4. The estimated cost to the agency for enforcement of the proposed regulation.

The estimated annual cost of implementation and enforcement is \$137,000. This estimate is based upon the cost of a full time staff member, including overhead, training, travel, and management oversight.

5. If this regulation provides for a new fee or increases an existing fee, the total

annual amount the agency expects to collect and manner in which the money will be used.

The proposed fee structure will collect a total of \$137,000 annually; an optional 2 percent cost of living increase will be added to this dollar amount following the initial year of implementation. The fees collected will be used to support one fulltime equivalent position, plus management oversight.

6. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why the proposed regulation is duplicative or more stringent and why it is necessary.

The proposed regulation does not duplicate, nor is it more stringent than any federal regulation.

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This small business impact disclosure is being made available at the public workshops being held in Carson City on November 4, 2008 and Las Vegas on November 5, 2008. Copies may also be obtained by calling Sig Jaunara at (775) 687-9392 or e-mailing sjaunara@ndep.nv.gov or on line at sec.nv.gov.