

FORM #4

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

The purpose of this Form is to provide a framework pursuant to NRS 233B.0608 for drafting and submitting a Small Business Impact Statement (SBIS) to the State Environmental Commission (SEC) and to determine whether a SBIS is required to be noticed and available at the public workshop. A SBIS must be completed and submitted to the Legislative Counsel Bureau for ALL adopted regulations.

**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).**

To determine whether a SBIS must be noticed and available at the public workshop, answer the following questions:

PART 1

1. Does this proposed regulation impose a direct and significant economic burden upon a small business?

No, the proposed regulation does not impose a direct and significant economic burden upon small business. The proposal directly regulates large and intermediate car manufacturers through a Zero Emission Vehicle sales credit compliance mechanism and reporting requirements. However, there are indirect impacts on a broader spectrum of automotive-related businesses, including small business, and retail automobile customers. Therefore, in the interest of transparency, NDEP has elected to explain the indirect economic impacts that the proposed regulation may impart to affected small businesses and inform all stakeholders of those potential impacts. This explanation can be found in the Appendix A of this Form.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business?

No, the proposed regulation does not restrict the formation, operation or expansion of a small business.

If **Yes** to either of questions 1 & 2, a SBIS must be noticed and available at the public workshop.

**PART 2**

**SMALL BUSINESS IMPACT STATEMENT**  
(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. *(Attach copies of the comments received and copies of any workshop attendance sheets noting which are small businesses.)*

ANSWER: Comment were solicited through a workshop held in Carson City, video conferenced to Las Vegas, and via web meeting on July 28, 2021. Notices of the workshop and an invitation for comments were posted in all county public libraries, the NDEP buildings in Carson City and Las Vegas, the NDEP website, the Legislative Council Bureau's website, and the official State website. The workshop notice was also emailed to an extensive distribution list maintained by the NDEP Bureau of Air Quality Planning. A summary of the workshop is provided as Appendix B of this Form, and is posted on the SEC web site at <http://sec.nv.gov/index.htm> under the heading for the September 1, 2021 SEC Hearing.

2. The manner in which the analysis was conducted (if an impact was determined).

ANSWER: Not Applicable. (see Part 1)

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

A. Both adverse and beneficial effects

ANSWER: Not applicable (see Part 1).

B. Both direct and indirect effects

ANSWER: See Appendix A for indirect effects

4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses. *(Include a discussion of any considerations of the methods listed below.)*

A. Simplification of the proposed regulation

ANSWER: Not applicable (see Part 1).

B. Establishment of different standards of compliance for a small business

Answer: Not applicable (see Part 1).

C. Modification of fees or other monetary interests that a small business is authorized to pay a lower fee.

Answer: Not applicable (see Part 1).

5. The estimated cost to the agency for enforcement of the proposed regulation. *(Include a discussion of the methods used to estimate those costs.)*

Answer: There will be an incremental cost to the agency of implementing the required regulations, but such cost is built into the current funding structure of the Bureau of Air Quality Planning.

6. 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.

Answer: The regulation does not address fees.

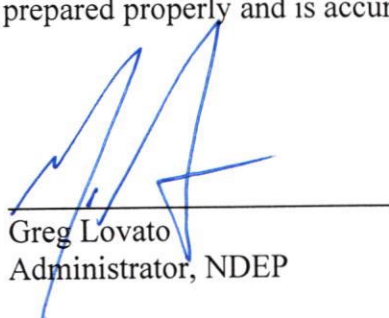
7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why the proposed regulation is duplicative or more stringent and why it is necessary.

Answer: The regulation is not duplicative of or more stringent than federal, state or local standards regulating the same activity.

8. The reasons for the conclusions regarding the impact of a regulation on small businesses.

Answer: the proposed regulation does not impose a direct and significant economic burden upon small business. The proposal directly regulates large and intermediate car manufacturers through a Zero Emission Vehicle sales credit compliance mechanism and reporting requirements. However, there are indirect impacts on a broader spectrum of automotive-related businesses, including small business, and retail automobile customers. Therefore, in the interest of transparency, NDEP has elected to explain the indirect economic impacts that the proposed regulation may impart to affected small businesses and inform all stakeholders of those potential impacts. This explanation can be found in the Appendix A of this Form.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on a small business and that the information contained in this statement was prepared properly and is accurate.

  
\_\_\_\_\_  
Greg Lovato  
Administrator, NDEP

9/16/2021  
Date

## **APPENDIX A - INDIRECT ECONOMIC IMPACTS TO SMALL BUSINESSES**

Clean Cars Nevada would result in a direct economic impact to auto manufacturers by requiring them to deliver for sale in Nevada Low Emission Vehicles and increased numbers of Zero Emission Vehicles, and to prepare and submit associated compliance reporting.

The proposed regulation would not impose a direct and significant economic burden upon small businesses in Nevada, and would not directly restrict the formation, operation or expansion of a small business.

The impacts on small businesses are indirect. NDEP has prepared a qualitative assessment of small business impacts presented below.

### Impacts to Automotive Dealerships

- 1) Revenue from new vehicle sales will depend more on sales of ZEVs, and profit margins per vehicle for ZEVs may be less certain for auto dealers.
- 2) Auto dealers will likely experience a gradual decline of repair and maintenance revenue.
- 3) There will be costs to install needed electric vehicle charging infrastructure at dealerships.
- 4) There may be additional marketing, advertising, and purchase incentive costs associated with the introduction of ZEVs.

### Impacts to Used Car Retailers

- 1) Used car retailers may need to install charging infrastructure.
- 2) Remaining battery life on ZEVs is difficult to assess at the present time, creating greater uncertainty in assigning value to used ZEVs for customers and in the used car wholesale market.

### Impacts to Automotive Repair and Maintenance Shops

- 1) Fewer mechanical components in ZEVs will result in fewer repairs.
- 2) Greater electronic complexity in ZEVs will necessitate the need for better diagnostics and technician training.
- 3) No required fluid and filter changes in ZEVs will mean a decline in maintenance revenue.

### Impacts to Automotive Parts Shops and Suppliers

- 1) Fewer mechanical replacement parts will be needed for ZEVs, though many parts found on current vehicles will still be needed (steering, suspension, tires, brakes, windows, interior, exterior, and electronic components).

### Impacts to the Collision Repair Industry

- 1) Better diagnostics and training will be needed to service new lighter-weight automotive materials and innovative ZEV designs.
- 2) Collision damage to batteries and associated electronic hardware will present new challenges requiring new repair methods.

#### Impacts to Retail Fuel Providers, Fuel Suppliers, and the Smog Check Industry

- 1) Decreased fuel sales will impact retailers and suppliers.
- 2) The business model for convenience stores that sell fuel may change.
- 3) Smog checks performed at smog check stations will decline.

#### Summary of Small Business Impacts

- 1) There may be automotive dealer uncertainty over consumer acceptance of ZEVs, and how to market and profitably sell ZEVs.
- 2) There will be a decline in revenue for maintenance of ZEVs.
- 3) Capital costs for charging infrastructure, new diagnostic equipment and updated training will be required in the automotive service sector.
- 4) A decline in fossil fuel sales and associated businesses will occur.

**APPENDIX B- WORKSHOP SUMMARY**

**NEVADA DIVISION OF ENVIRONMENTAL PROTECTION**  
**Workshop to Solicit Comments on Proposed Amendments to**  
**NAC 445B: Air Pollution**

July 28, 2021  
1:30 PM

Tahoe Conference Room  
2nd Floor  
901 S. Stewart Street  
CARSON CITY

Great Basin Conference Room  
(overflow seating if needed)  
4<sup>th</sup> Floor

Video Conference to  
NDEP Red Rock Conference Room  
375 E. Warm Springs Rd., Ste. 200  
LAS VEGAS

Weblink to Workshop:  
<https://call.lifesizecloud.com/9956724>  
Phone: +1 (877) 422-8614  
Conference ID: 9956724#

**MEETING NOTES**

**ATTENDEES:**

Workshop Chair:

Danilo Dragoni, Chief, Bureau of Air Quality Planning (BAQP)

NDEP Staff:

Jeffrey Kinder, Deputy Administrator

Sig Jaunarajs, Supervisor, Planning and Modeling Branch, BAQP

Joe Perreira, Staff Engineer, Planning and Modeling Branch, BAQP

Patricia Bobo, Environmental Scientist, Planning and Modeling Branch, BAQP

Department of Motor Vehicle (DMV) Staff:

Ivy Hatt, Manager, Emission Control Program

Morgan Friend, Management Analyst, DMV Compliance and Enforcement Division

Public:

*Carson City:*

Kyle Davis, Nevada Conservation League

Christi Cabrera, Nevada Conservation League

Angie Dykema, SWEEP

Ann Silver, Reno & Sparks Chamber of Commerce

Amanda Brazeau, Rowe Law Group

*Las Vegas:*

Thad Kurowski, Tesla

Kristen Averyt, Nevada Climate Initiative

*LifeSize Weblink1:*

Aaron Kressig  
Alek Van Houghton  
Alexa Aispuro, Chispa Nevada  
Alfred Artis, Consumer Reports  
Amy Lilly  
Anne Davis  
Araceli Pruett, Clark County DES  
Bianca Recto  
Bill Striejewske  
Brigid McHale  
Chris Nevers, Rivian  
Chuck Shulock, Independent  
Consultant  
Cynthia Moore, Moms Clean Air  
Force  
Craig Petersen  
Curtis Mormon  
Daniel Inouye, Washoe County  
Health District  
Deborah Kapiloff, WRA  
Dr. Mary House  
Emily Duff, Ceres  
Emily Walsh  
Erika Piquero  
Felina Banks  
Francisco Vega  
Frederick Partey  
Glenn Choe  
Glenn Smith  
Greg Lovato, NDEP  
Hannah Hertlein  
Jasmine Vazin, Sierra Club  
Jessica Ferrato, Advanced Energy  
Economy  
Jodi Bechtel  
John McDonald  
John Tillman  
Karina O'Connor, EPA  
Kim Satterfield  
Laura  
Leonard B Jackson

Les  
Leslie Mujica, Southern Nevada  
NEPA Contractors  
Marisa Anderson  
Mark, JLR  
Matt Rubin, Western Resource  
Advocates  
Matthew Hinsley  
Melissa Ramos, Clean Air Advocacy  
American Lung Association  
Mike Morris  
Patricia Cannon  
Peter Chipman, Plug in America  
Rebecca Brown  
Sadir Haji  
Sam Baker  
Simon Mui, NRDC  
Spencer Reeder  
Steve Douglas, Alliance for  
Automotive Innovation  
Tom Van Heeke, Rivian  
Tracy Byrd, CHR, Inc.  
Travis Madsen, SWEEP  
Vasant Rajagopalan, Clark County  
Will Drier  
Will Pregman, Institute for  
Progressive Nevada  
Yasuhisa Kadono  
Zach Bright  
Zach Hoefling  
Zheng  
Zoe Bultman

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1 Participants are listed using their online registration. Last name and/or affiliation may not have been provided.

*Phone Participants:*

XXX-XXX-7822

XXX-XXX-3256

XXX-XXX-5131

XXX-XXX-7111

**CALL TO ORDER**

Mr. Dragoni called the meeting to order at 1:40 p.m. Mr. Dragoni introduced DMV and NDEP staff present. Mr. Dragoni discussed the sign-in process, handouts and other housekeeping items. Mr. Dragoni reviewed the workshop agenda. There were no questions or changes to the agenda.

Mr. Dragoni explained the regulatory adoption timeline. R093-20 was submitted to LCB for review prior to this workshop. The SEC will hold a hearing on September 1, 2021 at the Carson City NDEP offices where they will consider the petitions. If the regulations are adopted by the SEC, they are submitted to the Legislative Commission. If the Legislative Commission approves the regulations, they are sent to the Secretary of State where they are filed and become effective. There is not a certain date for when the petitions may become effective because the Legislative Commission does not meet on a regular basis. The NDEP anticipates the amendments will be approved by the end of 2021.

Mr. Dragoni moved on to present the petition.

**R093-20 SUMMARY**

Mr. Dragoni presented R093-20, the regulation is proposing the adoption of two new regulatory programs intended to reduce the emissions of criteria pollutants and greenhouse gasses from new vehicles and motor vehicle engines. The first program is the Low Emission Vehicle Program, LEV, and it requires more stringent emissions standards for new passenger cars, light-duty trucks, medium-duty vehicles, and medium-duty passenger vehicles produced and delivered for sale in Nevada starting with model year 2025 vehicles. The second program is the Zero Emission Vehicle (ZEV) program, which requires the introduction and the sale of clean vehicle technology starting with model year 2025 vehicles. It's important to note that the Clean Air Act gives the EPA the authority to regulate emissions from new vehicles. States are not allowed to regulate such emissions with the exception of the State of California and for all of the states that elect to adopt the California regulation as-is. From a regulatory point of view Clean Cars Nevada is mainly proposing to adopt California's LEV and ZEV Programs. Mr. Dragoni then briefly went through the proposed regulation, explaining each Section.

Mr. Dragoni then opened up the workshop to questions and comments.

**QUESTIONS AND COMMENTS**

**Angie Dykema (SWEEP):** Comments in favor of the proposed regulation.

**Steve Douglas (Alliance for Automotive Innovation):** Comments in favor of the proposed regulation.

**Simon Mui (NRDC):** Comments in favor of the proposed regulation.

**Christi Cabrera (Nevada Conservation League):** Comments in favor of the proposed regulation.



**Ann Silver (Reno & Sparks Chamber of Commerce):** Comments in favor of the proposed regulation.

**Thad Kurowski (Tesla):** Comments in favor of the proposed regulation.

**Chuck Shulock (Independent Consultant):** Comments in favor of the proposed regulation.

**Matt Rubin (Western Resource Advocates):** Comments in favor of the proposed regulation.

**Alexa Aispuro (Chispa Nevada):** Comments in favor of the proposed regulation.

**Travis Madsen (SWEEP):** Comments in favor of the proposed regulation.

**Melissa Ramos (Clean Air Advocacy American Lung Association):** Comments in favor of the proposed regulation.

**Emily Duff (Ceres):** Comments in favor of the proposed regulation.

**Chris Nevers (Rivian):** Comments in favor of the proposed regulation.

**Leslie Mujica (Southern Nevada NEPA Contractors):** Comments in favor of the proposed regulation.

**Jasmine Vazin (Sierra Club):** Comments in favor of the proposed regulation.

**Jessica Ferrato (Advanced Energy Economy):** Comments in favor of the proposed regulation.

**Peter Chipman (Plug in America):** Comments in favor of the proposed regulation.

**Will Pregman (Institute for Progressive Nevada):** Comments in favor of the proposed regulation.

**Cinthia Moore (Moms Clean Air Force):** Comments in favor of the proposed regulation.

**Alfred Artis (Consumer Reports):** Comments in favor of the proposed regulation.

There were no further comments or questions from the public on R093-20.

### **ADJOURNMENT**

The Workshop was adjourned at 2:36 p.m.