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STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

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September 24, 2009

Ms. Brenda Erdoes, Legislative Counsel

C/o Debra. Corp Legislative Counsel Bureau (LCB), Legal Division 401 South Carson Street Carson City, Nevada 89701-4747

Re: Regulation R004-09: Nevada's Electrical Generation Unit Greenhouse Gas Emissions Mandatory Reporting Requirements

Dear Ms. Corp:

Enclosed for "re-drafting" by the LCB Legal Division is a proposed permanent regulation required by Senate Bill 422; SB 422 was passed by the 2007 Legislature. Staff from the Division of Environmental Protection in cooperation with "drafter" from LCB (Sarah Helming and Matt Nichols) has discussed needed changes to the regulation; these proposed changes are attached to this letter.

If you have any questions about this regulation please contact Ms. Adele Malone at 687-9356. More information about the attached regulation is posted on the SEC website at:

http://www.sec.nv.gov/main/hearing_1209.htm

Sincerely,

John B Walker

John B. Walker **Executive Secretary**

JBW/jbw Enclosure ecc: Rose Marie Reynolds, Deputy Attorney General Colleen Cripps, Deputy Administrator NDEP Mile Elges, NDEP / BAQP Greg Remer, NDEP / BPC Adele Malone, NDEP/BAQP





Revisions Requested Pursuant to LCB-NDEP Conference Call 9/21/09

- Reintroduce the concept from subsection 2 of section 2 of the agency draft (to clarify that certain types of affected units are included in the definition) and related definitions. This will be separate from the definition of affected unit.
- Determine whether the definition of new affected unit is necessary, considering the intricacies of when a new unit has to begin reporting and how that is related to the sale of electricity, including sale of test generation.
- Restore the concept in section 11 of the agency draft, which sets forth 3 separate requirements for owners/operators of affected units (an emissions report; a requirement to follow certain monitoring guidelines; and a list of information to be provided).
 - Require the report be submitted to the Director instead of DCNR, since we use Director later in the regulation? (This was not discussed in the phone call.)
 - Reintroduce the start up, shut down and malfunction reporting requirement in accordance with guidelines established by the Director.
 - Reintroduce the requirement to determine emissions in accordance with guidelines established by the Director.
 - Replace the description of the measurement system/methods used to measure, record and calculate emissions into the list of information to be provided.
 - $_{\odot}$ Remove the reference to the Global Positioning System.
- Review the certification and verification requirements in the LCB draft to confirm that they agree with the agency draft.
- Remove subsection 4 of section 2 of the LCB draft. This is in statute and NDEP does not feel it necessary to repeat it in the regulation. This was discussed in earlier phone calls between Adele and Sarah.