

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
NRS 233B.066
Informational Statement
LCB File No. R080-20**

1. A clear and concise explanation of the need for the adopted regulation.

This regulation is necessary to:

- Update the addresses of Nevada Department of Agriculture offices in Sparks and Las Vegas.
- Update the title for the adopted standard specification for diesel fuel and conform some language due to the title change.
- Update the purchase prices (from ASTM, International) for a number of adopted standard specifications, including diesel fuel, biodiesel fuel blend stock, biodiesel blends (B6 to B20), methanol fuel blends, ethanol fuel blends, the chemical composition of gases, and spark-ignition engine fuel (gasoline and gasoline -oxygenate blends).
- Update the name of a table referenced in NAC 590.065.
- Establish allowed descriptors for each grade of gasoline and blends of gasoline and oxygenate.
- Establish a new section that adopts the most recent standards for viscosity grade classifications and the specifications for engine oil performance and engine service classification published by SAE International.
- Establish a new section that sets certain standards for diesel fuel labeled “premier,” “premium,” “super” or “supreme” on retail dispensers, including standard test methods from ASTM, International and NACE.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were sent by email to persons who were known to have an interest in the subject of motor fuels and petroleum products, as well as any persons who had specifically requested such notice. These documents were also made available at the website of the Nevada Department of Agriculture (NDA) www.agri.nv.gov, at the website Nevada Public Notice Website www.notice.nv.gov and were provided to all county libraries in Nevada and posted at the following locations:

Nevada Department of Agriculture
405 South 21st Street
Sparks, NV 89431

Nevada Department of Agriculture
2150 Frazer Avenue
Sparks, NV 89431

Nevada Department of Agriculture
2300 E. St Louis Avenue
Las Vegas, NV 89104

Nevada Department of Agriculture
4780 E. Idaho Street
Elko, NV 89801

A workshop was held on October 14, 2020 and the recording and minutes of that meeting contain the complete details of the workshop discussion. There was only one comment from

the attendees. Mr. Joseph Sorena, Chevron Products Company, spoke in support of the new sections being established and that the updates represent best practices.

A public hearing for the adoption of the regulations was held as an agenda item during the Nevada Board of Agriculture meeting on December 9, 2020. There were no comments expressing concern with any of the proposed changes. Mr. Paul Anderson, Board of Agriculture Chair and Petroleum Industry representative (also, Pilot Thomas Logistics) asked for a clarification of Premium Diesel (R080-20 Section 3 Subsection 3) and if diesel fuel marketed as “Top Tier” falls within the Premium Diesel definition. Mr. Peter Kruger, Nevada Petroleum Marketers and Convenience Store Association, inquired as to whether the proposed descriptors for gasoline grades considers the area of Nevada where 85 octane gasoline is commonly available. Mr. Kreuger also asked for a clarification of the several terms (“premier”, “premium”, “super”, “supreme”) associated with Premium Diesel.

Interested persons may obtain a copy of the recording and/or minutes of the October 14, 2020 workshop and the December 9, 2020 public hearing by contacting:

Nevada Department of Agriculture
Division of Consumer Equitability
Attn: Dr. William Striejewske, Senior Petroleum Chemist
405 South 21st Street
Sparks, NV 89431
Phone: 775-353-3792 Email: wstrijewske@agri.nv.gov

- 3. **The number of persons who:**
 - (a) **Attended each hearing:**
 - (b) **Testified at each hearing:**
 - (c) **Submitted written comments:**

Workshop date: October 14, 2020

Number in attendance: 3
Number testifying: 1
Written statements submitted: 0

Hearing date: December 9, 2020

Number in attendance: 41
Number testifying: 2
Written statements submitted: 0

- 4. **A list of names and contact information, including telephone number, business address, business telephone number, electronic email address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency is attached listed below.**

a) October 14, 2020 workshop attendance

Name	Entity or Organization	Address	Business Telephone	Email Address
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Joseph Sorena	Chevron Products Company	1500 Louisiana Houston, TX 77002	(832) 854-4840	jsorena@chevron.com
Margo Parks	Western States Petroleum Association (WSPA)	1415 L. Street, Suite 900 Sacramento, CA 95814	(916) 325-3122	mparks@wspa.org
Christina Chen	Ramboll, on behalf of WSPA	5 Park Plaza, Suite 500, Irvine, CA 92614	(949) 798-3634	christinachen@ramboll.com
Brandon Harmon	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3720	bharmon@agri.nv.gov
Ciara Ressel	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3628	cressel@agri.nv.gov
Cadence Matijevich	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3726	c.matijevich@agri.nv.gov
Dr. William Striejewske	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3792	wstrijewske@agri.nv.gov

b) December 9, 2020 hearing attendance

Name	Entity or Organization	Address	Business Telephone	Email Address
Alex Tanchek	Silver State Government Relations	204 N Minnesota St Suite J, Carson City, NV 89703	775-742-3222	alex@ssgr.us
Alexander Wang	Ramboll, on behalf of WSPA	5 Park Plaza, Suite 500, Irvine, CA 92614	Not provided	awang@ramboll.com
Dale Wallis	Not provided	Not provided	Not provided	hygieiavet@gmail.com
Daniel Pierrott	Argentum Partners	6121 Lakeside Drive, Ste. 208 Reno, NV 89511	(775) 473-7444	daniel@argentumnv.com
Liz MacMenamin	Retail Association of Nevada	410 S Minnesota St, Carson City, NV 89703	(775) 882-1700	lizm@rannv.org
Marla McDade Williams	Strategies360	Not provided	Not provided	marlamw@strategies360.com
Neena Laxalt	Not provided	Not provided	Not provided	nlaxalt@msn.com
Doug Busselman	Nevada Farm Bureau	2165 Green Vista Dr., Suite 205 Sparks, NV 89431	(775) 674-4000	doug@nvfb.org

Peter Krueger	Nevada Petroleum Marketers and Convenience Store Association	1575 Delucchi Lane, Suite 201	(775) 622-9665	peter@fuelingnevada.com
Phuong Ha Hoang	Not provided	Not provided	Not provided	phuonghahoang@gmail.com
Samantha Bibel	Law Offices of Mary E. Greene	555 University Ave, Suite 275, Sacramento, CA 95825	(916) 333-2388	sbibel@marygreenelaw.com
Sean Gephart	Eco-Pak	640 Orrcrest Drive Reno, NV 89506	Not provided	SDGephart@ECOPAKLLC.com
Stephanie Schwier	Herman & Associates	3730 Military Road NW Washington, D.C. 20015	(202) 362-9520 (office)	stephanie@hermanassociates.com
Trevor Newhouse	Law Offices of Mary E. Greene	555 University Ave, Suite 275, Sacramento, CA 95825	(916) 333-2388	tnewhouse@marygreenelaw.com
Valerie Drake	Not provided	Not provided	Not provided	sagepetro@gmail.com
Amy Mitchell, DVM	NDA	405 S. 21 st Street, Sparks, NV 89431	(702) 668-4551	amitchell@agri.nv.gov
Ciara Ressel	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3628	cressel@agri.nv.gov
Dillon Davidson	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3627	ddavidson@agri.nv.gov
Ian knight	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3637	ian.knight@agri.nv.gov
Samantha Bellwood	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3619	sbellwood@agri.nv.gov
Valerie Hoffman	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3624	vhoffmann@agri.nv.gov
Ashley Jeppson	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3729	ajeppson@agri.nv.gov
Doug Farris	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3708	d.farris@agri.nv.gov
Homa Anoshehpour	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3625	hanooshehpour@agri.nv.gov
Jennifer Ott	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3619	jott@agri.nv.gov
Jerri Williams-Conrad	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3737	jwilliams-conrad@agri.nv.gov
Boyd M. Spratling, DVM	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Charlie Frey	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov

Dave Coon	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Heather Lackey	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Varlin Higbee	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Jim Snyder	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Paul Noe	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Paul Anderson	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Pete Paris	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Tim Dufurrena	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Woody Worthington	NDA Board of Agriculture	405 S. 21 st Street, Sparks, NV 89431	775-353-3619	sbellwood@agri.nv.gov
Brandee Mooneyhan	NV Deputy Attorney General	Not provided	(775) 684-1208	bmooneyhan@ag.nv.gov
Brett Fisher	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3783	bafisher@agri.nv.gov
Cadence Matijevich	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3726	c.matijevich@agri.nv.gov
Dr. William Striejewske	NDA	405 S. 21 st Street, Sparks, NV 89431	(775) 353-3792	wstrijewske@agri.nv.gov

5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

A survey was conducted of small businesses that would potentially be affected by the regulation. The survey was available for completion online or in hard copy form. Notice of the survey was mailed via the United States Postal Service to 432 motor fuel and petroleum products stakeholders, requesting that those businesses meeting the definition of small business under NRS 233B.0382 complete the survey. The survey was open for response from August 6, 2020 through September 4, 2020. A total of 14 survey responses were received.

Interested persons may obtain a copy of the summary of the small business survey by contacting:

Nevada Department of Agriculture
Division of Consumer Equitability

Attn: Dr. William Striejewski, Senior Petroleum Chemist
405 South 21st Street
Sparks, NV 89431
Phone: 775-353-3792 Email: wstrijewski@agri.nv.gov

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

Comments received at both the workshop on October 14, 2020 and the hearing on December 9, 2020 were supportive of the proposed actions and no changes were requested. As a result, the file was adopted as drafted.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public.

(a) Estimated economic effect on the businesses which they are to regulate.

(b) Estimated economic effect on the public.

Economic effect on business

a) Both adverse and beneficial effects

Adverse: Retailers who have been using incorrect descriptors for gasoline grades on their dispensers will incur a one-time cost for replacement labels with the approved descriptors.

The proposed regulation also includes updating the costs to purchase certain standards and specifications purchased by organizations other than the agency but adopted by the agency within NAC Chapter 590. Businesses who wish to purchase these documents will be subject to these higher prices.

Beneficial: Tightening the allowed descriptors for gasoline will level the marketplace and be beneficial to retailers who were already using the correct terms.

b) Both immediate and long-term effects

Immediate: The proposed regulation would go into effect when adoption of the regulation. Replacement labels (as described in 7(a) above) must be in place 90 days after adoption. No other costs are expected for businesses.

Long-term: There are not expected to be additional effects beyond that described above in Immediate Effects.

Economic effect on the public

a) Both adverse and beneficial effects

Adverse: The proposed regulation includes updating the costs to purchase certain standards and specifications purchased by organizations other than the agency but adopted by the agency within NAC Chapter 590. Members of the public who wish to purchase these documents will be subject to these higher prices.

Beneficial: The agency anticipates a benefit to the public through new sections being

added to NAC Chapter 590. The addition of language defining Premium Diesel will prevent consumers from purchasing, likely at a higher cost, a product that hasn't been vetted for quality claims made by the retailer. Codifying allowed descriptors for grades of gasoline will remove consumer confusion if faced by unfamiliar descriptors, or descriptors applied to a grade that are incorrect. Adoption of specifications for motor oil quality and compliance will protect the consumer from noncompliant product in the marketplace, preventing damage to their vehicles.

b) Both immediate and long-term effects

Immediate: Because nearly the whole of the regulation will be enacted immediately upon adoption by the Legislative Commission, public benefits will be immediate. Retailers will be allowed 90 days to replace any gasoline descriptor terms that don't conform to the regulation, so effects to the public will be less immediate, though not to be considered long-term.

Long-term: The agency believes that the effects on the public will be maintained on a long-term basis.

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

The agency anticipates that its only cost to enforce the proposed revised provisions of NAC 590 will be to verify that a diesel fuel sold as premium diesel is, in fact, that product. At present, the agency does not have the analytical equipment necessary for that testing. The agency estimates that the testing will cost approximately \$1,000 per sample. At the present time, Premium Diesel has not been made available for sale to the public in Nevada.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed regulation does not duplicate federal, state or local standards.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

N/A

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

N/A

Submitted by:

Date:

Jennifer Ott
Director
Nevada Department of Agriculture

12/16/2020