

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS OF THE
COLORADO RIVER COMMISSION OF NEVADA
AS REQUIRED BY NRS 233B.066
INFORMATIONAL STATEMENT
LCB FILE R071-22**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 538.610.

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

The proposed regulation change involves two areas. The first change removes the projection of annual costs based on a review of the past two years and replaces it with a projection based on a review of the average of at least three previous years' annual costs incurred and adjusted for future known and expected changes. This change allows for some flexibility in forecasting the Colorado River Commission of Nevada's ("Commission's") costs of operations related to hydropower based on a wider range of past average annual costs that could be more reflective of future costs and allows for known or expected changes that may be required.

The second change removes the requirement to determine an administrative rate that is charged solely on the kilowatt hours of energy delivered to the customers. The proposed language would allow the Commission the flexibility to base the hydropower administrative charge on hydropower contract allocations and allocation of other electric resources.

With the variability of hydrology and the variability of the nonhydroelectric purchases or market purchases made on behalf of the industrial customers, the Commission's administrative fee revenue has declined over time using the method required by the regulation. Although the Commission is not anticipating the need to increase the administrative rate at this time, the regulation change would provide a tool for the Commission to consider in the future if such a tool was necessary to stabilize the administrative revenue and cover the costs of the Commission.

2. A description of how public comment was solicited, a summary of public response, and an explanation 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 U.S. mail and email to persons who were

known to have an interest in the subject of the regulation and administrative charges as well as any persons who had specifically requested such notice. These documents were also made available and posted at the following locations:

Colorado River Commission of Nevada
555 E. Washington Blvd., Suite 3100
Las Vegas, Nevada 89101

Grant Sawyer State Office Building
555 E. Washington Blvd
Las Vegas, Nevada 89101

Colorado River Commission of Nevada
www.crc.nv.gov

Nevada Public Notice website
<https://notice.nv.gov>

Nevada State Library
100 North Stewart Street
Carson City, NV 89701

Nevada State Legislative Counsel Bureau
Administrative Regulation Notices website:
<https://www.leg.state.nv.us/App/Notice/>

Staff brought the proposed changes to the Commission on March 8, 2022 and requested to start the process of a regulation change during the Commission's open public meeting. The Commission approved proceeding forward so the proposed regulation change could be considered. Staff issued a Notice of Workshop on March 28, 2022, and for a Workshop on April 19, 2022.

Staff received an initial comment from a customer following the issuance of the Notice of Workshop. Staff held an informal meeting with the customer and based on the customer's comments received, Staff issued a revised draft of the proposed regulation change on April 5, 2022.

At the Workshop on April 19, 2022, the Commission held a workshop that could be attended in person or remotely. Staff answered several questions during the Workshop and, following the close of the Workshop, the Executive Director offered the customers the opportunity to comment further by contacting the office or sending an email. Staff answered some follow up questions regarding the proposed change.

The regulation was noticed for Public Hearing on July 7, 2022, and requested written comments be filed with the Commission's office by August 2, 2022. The notice indicated that comments could be made in person at the hearing on the regulation at the Commission's meeting on August 9, 2022.

On July 22, 2022, Staff met with NV Energy management to give an update on an assortment of Commission matters and gave a summary of the proposed regulation change. Staff answered a few questions during the meeting in regard to the regulation and provided a copy of the PowerPoint to NV Energy. Further,

Staff provided a copy of the PowerPoint to the person assigned to follow Commission proceedings and ask to let Staff know if he had any further questions.

Staff did not receive any further written comments on the proposed regulation change by August 2, 2022.

Staff did receive a call from a customer on the morning of the Adoption Hearing on August 9, 2022. The Executive Director and the Chief Financial Officer discussed and explained the two changes to the regulation with the customer. The customer was satisfied with the explanation.

Members of the public may obtain a copy of the summaries pursuant to NRS 233B066(1)(b) and (1)(e) by contacting the Colorado River Commission of Nevada's Administrative Staff at CRCAdmins@crc.nv.gov or call (702) 486-2670.

Materials may also be viewed on Commission's website at: <http://crc.nv.gov/index.php?p=meetings>.

3. The number persons who:

- a. Attended the Workshop: 8
- b. Ask questions at the Workshop: 3
- c. Attended the Adoption Hearing: 14
- d. Testified at Adoption Hearing: 0
- e. Number of Commissioners that asked questions or Commented at the Adoption hearing 2
- f. Submitted to the agency written comments: 1

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

See attached.

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

Before conducting workshops in this matter, the Commission made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation, or expansion of a small business. The methods used by the Authority in this effort included taking and analyzing written and verbal comments from the public and from businesses to be affected by the proposed regulations in public Workshop on April 19, 2022. Despite repeated invitations for comment (either written or oral) identifying small business impacts of the proposed regulations, no such impacts attributable to the regulations has been identified

The Commission determined pursuant to NRS 233B.0608(1) that the proposed regulations are not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation, or expansion of a small business. Further, the proposed regulations will not have a significant adverse or beneficial economic impact upon the regulated industry, either immediately or long-term, and the proposed regulations will have not a significant adverse or beneficial economic impact upon the public, either immediately or long-term. Accordingly, the agency has not prepared the statement referenced in NRS 233B.0608(2)(b).

Members of the public may obtain a copy of the summaries pursuant to NRS 233B.066(1)(b) and (1)(e) by contacting the Colorado River Commission of Nevada's Administrative Staff at CRCAdmins@crc.nv.gov or call (702) 486-2670.

Materials may also be viewed on Commission's website at:
<http://crc.nv.gov/index.php?p=meetings>.

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.

The permanent regulation was adopted on August 9, 2022 and included all of the changes suggested.

7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:

The estimated economic effect on business pursuant to NRS 233B.066(1)(g):

(a) Both adverse and beneficial effects on business; and

The Commission does not regulate businesses but delivers power to its hydropower customers and charges an administrative fee to cover the costs of administering the hydropower contracts. The Commission does not expect an adverse effect from the regulation change on business.

Currently, the charge is made solely on a kilowatt basis. The change in regulation gives the Commission a tool, if needed, to charge its costs based on an allocation method in full or in part. This change would give the Commission the benefit of being able to stabilize its administrative revenue and rely less on a reserve account to cover the variability of revenue. This change would benefit the Commission's customers to allow for a more stable and known administrative charge and allow the Commission to hold less reserves to cover the variability in revenue.

(b) Both immediate and long-term effects on business.

No immediate effect is expected since the Commission does not plan to change its method of collection of its administrative charges in the immediate future. In the long term, the change in regulation does give the Commission the option to charge its administrative fee on a more level basis that would be more predictable and reduce the need for a large reserve balance.

The estimated economic effect on the public pursuant to NRS 233B.066(1)(g):

(a) Both adverse and beneficial effects on public; and

The proposed amendment to the regulation is not anticipated to have an adverse or beneficial effect on the general public.

(b) Both immediate and long-term effects on public.

The proposed amendment to the regulation is not anticipated to have immediate and long-term effects on the general public.

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

De minimus

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

There are no regulations of other state or government agencies which the proposed regulation overlaps or duplicates.

- 10. If the regulation includes provisions that are more stringent than a federal regulation which 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

- 12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The Commission has determined that the proposed regulation does not impose a direct and significant economic burden upon small business or restrict the formation, operation, or expansion of a small business. In making this determination the Commission consulted with representatives of companies operating in Nevada that would be subject to this regulation and no such concerns were raised or expressed. Additionally, the Commission afforded businesses additional time following the workshops to submit, in writing, any impacts the proposed regulation may have; no written comments have been received addressing such impacts.

State of Nevada



Colorado River Commission of Nevada

Meeting Group: *Workshop to Solicit Comments on Proposed the adoption, amendment, and/or repeal of regulations pertaining to Nevada Administration Code Chapter 538*

Meeting Date/Time: **Tuesday, April 19, 2022 – 11:00 a.m.**

Location: *Via videoconference by Webex link: www.crc.nv.gov, under the meeting tab or in person at the Grant Sawyer State Office Building, Room 1100, 555 E. Washington Avenue, Las Vegas, NV 89101.*

ATTENDANCE SHEET

Name	Organization	Business Address	Telephone Number	Email Address
Joseph Stubitz	City of Boulder City	401 California Avenue Boulder City, NV 89005	(702) 293-9233	lstubitz@bcnv.org
Luke Mecklenburg	Colorado Attorney General Office	Assistant Attorney General--Federal & Interstate Water Unit, Colorado River Subunit Denver, Colorado 80203		
Scott Jones	Legislative Counsel Bureau	401 S. Carson Street Carson City, NV 89701	(775) 684-6815	scott.jones@cb.state.nv.us
Mike Hulin	NV Energy	7155 S. Lindell Road Mailstop: MSB13RE Las Vegas, NV 89118	(303) 638-8076	Michael.Hulin@nvenergy.com
Mendis Cooper	Overton Power District No. 5	P.O. Box 395, Overton, NV 89040	(702) 397-2512 x3025	coop@opd5.com

EXHIBIT A

Laura Browning	Southern Nevada Water Authority	1001 S. Valley View Blvd, MS 760 Las Vegas, NV 89153	(702) 870-4194	laura.browning@lvvwd.com
Annalise Porter	Southern Nevada Water Authority	1001 S. Valley View Blvd, MS 760 Las Vegas, NV 89153	(702) 258-2434	annalise.porter@lvvwd.com
Cassandra Sykes	Valley Electric Association, Inc.	P.O. Box 237, Pahrump, NV 89041	(775).727.5312 ext 2143	csykes@vea.coop



Colorado River Commission of Nevada

Meeting Group: Commission Meeting and Public Hearing to Act Upon a Regulation proposed revised regulation NAC 538.610, LCB File No. R071-22.

Meeting Date/Time: Tuesday, August 9, 2022 – 1:30 p.m.

Location: The Colorado River Commission of Nevada (Commission) meeting was held at 1:30 p.m. on Tuesday, August 9, 2022, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, NV 89155.

ATTENDANCE SHEET

Name	Organization	Business Address	Telephone Number	Email Address
Joseph Stubitz	City of Boulder City	401 California Avenue Boulder City, NV 89005	(702) 293-9233	jstubitz@bcnv.org
Becky Risse	City of Henderson	Mailing address: P.O. Box 99956, MS #115 Las Vegas, NV 89193-9956 Physical Address: 240 S. Water Street, PO Box 95050, MSC 131, Henderson NV 89009-5050	702-267-1213	becky.risse@cityofhenderson.com

Name	Organization	Business Address	Telephone Number	Email Address
Tina Dobbs	College of Southern Nevada	3200 E. Cheyenne Avenue N. Las Vegas, NV 89030	702-651-3579	tina.dobbs@csn.edu
Joshua England	Electrical Power Products, Inc.	4240 Army Post Road Des Moines, IA 50321	515-262-8161	jmengland@ep2.com
Andrew Cyprian	Hitachi Energy USA Inc.	100 Distribution Circle Mount Pleasant, PA 15666	801-664-2591	andrew.cyprian@nexuspower.com
Martha Ford	Lato and Petrova CPA's	6100 Elton Avenue, Suite 1000 Las Vegas, NV 89107	702-384-1120	martha.j.ford.7938@gmail.com
Bailee Hall	Legislative Counsel Bureau	401 S. Carson Street Carson City, NV 89701	775-684-6815	bailee.hall@lcb.state.nv.us
Scott Jones	Legislative Counsel Bureau	401 S. Carson Street Carson City, NV 89701	775-684-6815	scott.jones@lcb.state.nv.us
Michael Hulin	NV Energy	7155 S. Lindell Road Mailstop: MSB13RE Las Vegas, NV 89118	(303) 638-8076	Michael.Hulin@nvenergy.com
MeLisa Garcia	Overton Power District No. 5	Mailing Address: P.O. Box 395, Overton, NV 89040 Physical Address: 615 Moapa Valley Blvd. Overton, NV 89040	702-346-5710	mgarcia@opd5.com

Name	Organization	Business Address	Telephone Number	Email Address
Jason Harris	Peak Substation Services	801 1 st Avenue N Birmingham, AL 35203	Phone: 877-324-0909 X1 Cell: 205-807-0414	jharris@peaksubstation.com
Brock Reesberg	Self			
Colton Lochhead	Self			
Annalise Porter	Southern Nevada Water Authority	1001 S. Valley View Blvd, MS 760 Las Vegas, NV 89153	702-258-2434	annalise.porter@lvvwd.com