

FORM #4

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

RE: P2015-03. Establishing an Emission Reduction Credit Program

By: Nevada Division of Environmental Protection (NDEP), Bureaus of Air Pollution Control and Air Quality Planning

The purpose of this form is to provide a framework pursuant to NRS 233B.0608 to determine whether a small business impact statement is required for submittal of a proposed regulation before the State Environmental Commission (SEC).

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).

Part 1

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 and simply referred to; and if yes reference the small business impact statement as attached)*

Answer: No. There will be no added significant economic burden to small businesses due to the NDEP's implementation of the Emission Reduction Credit (ERC) program. The ERC program is strictly voluntary; sources can choose whether or not to participate in the program. Since the program is designed for major stationary sources and major modifications, it is unlikely that it will affect small businesses. Currently there are three major sources that have ERCs.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 and simply referred to; and if yes reference the small business impact statement as attached)*

Answer: No. These regulations would allow for expansion of sources in nonattainment areas.

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? *(yes or no, attach a copy of the statement or if a statement was not completed please explain)*

Answer: Yes; please see the attached.

B. Attach the Small Business Impact Statement as part of Form #4 upon submission of the proposed regulation to the SEC when Form #1 (petition to the Commission) is submitted.

Answer: Please see the attached document.

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 was solicited by notices sent to all affected parties, as well as other persons who have requested to be on the NDEP's mailing list. In addition, comment was solicited through a workshop held in Carson City and video conferenced to Las Vegas on July 7, 2015. 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. Comments were also invited via e-mail and telephone. A summary of the workshop will be posted on the SEC web site at <http://sec.nv.gov/index.htm> under the heading for the October 7, 2015 SEC Hearing.

2. The manner in which the analysis was conducted.

Answer: The proposed ERC program is voluntary and applies to major stationary sources and major modifications. The NDEP, therefore, determined that small businesses would not be impacted (see Part 1, #s 1 and 2). Because the NDEP determined that small businesses would not be impacted, questions 2-4 are not applicable (NRS 233B.0608).

3. The estimated economic effect of the proposed regulation on small businesses:
a) Both adverse and beneficial effects
b) Both direct and indirect effects

Answer: Not applicable (see Part 2, #2). Note, again, this regulation is strictly a voluntary program.

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.
- B. Establishment of different standards of compliance for a small business.
- C. Modification of fees or other monetary interests that a small business is authorized to pay a lower fee.

Answer: Not applicable (see Part 2, #2).

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: The regulation will require the NDEP to conduct and review additional applications

and requests; however, the frequency of applications or requests is expected to be minimal at first. The NDEP anticipates that this new regulation will require additional staff time to manage the applications and requests.

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 addresses fees. The NDEP is proposing fees for the regulated business/industry commensurate with the level of effort currently required by NDEP in its review of operating permit applications from the regulated community. The amount of money generated in the program will depend on the level of activity in the program, which cannot be predicted at this time. Any revenue generated will be used to implement the program.

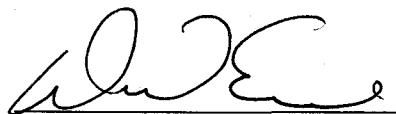
7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why the proposed regulation is duplicative or more stringent and why it is necessary.

Answer: The proposed amendments are no more stringent than what is established by federal law.

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

Answer: The regulation allows for economic growth in nonattainment areas. The program is voluntary. Federal regulation provides the background for implementing the program. Many states implement similar regulations to allow economic growth in a nonattainment area. This regulation applies to major stationary sources and major modifications to existing sources. The facilities that currently hold ERCs are large power companies and not small businesses.

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 is accurate.



David Emme
Administrator, NDEP



Date