

STATEMENT REGARDING SMALL BUSINESS IMPACT (NRS 233B.0608)

LCB File No. R181-24 (PUCN Docket No. 19-06009)

- 1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

N/A. *See* Informational Statement accompanying the Regulation, Question Nos. 2-5 and 12.

Pursuant to NRS 233B.0608 (1), the Regulatory Operations Staff (“Staff”) of the Public Utilities Commission of Nevada (“PUCN”) conducted an investigation to determine whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business. In a memorandum filed on August 22, 2024, Staff memorialized its conclusion that the proposed regulation does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment A of Attachment 1.

On September 10, 2024, the PUCN issued an order adopting the findings of Staff and specifically found that the proposed regulation does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment 1.

NRS 233B.0608 (2)(a) only requires an agency to consult with owners and officers of small businesses “*if* an agency determines pursuant to subsection 1 that a proposed regulation is 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” (emphasis added). Given the PUCN’s determination that the proposed regulation does not impose a direct and significant economic burden upon small businesses or directly restrict the formation, operation or expansion of a small business, the PUCN is not statutorily mandated to make this inquiry, as no such “affected” small businesses exist.

- 2. The manner in which the analysis was conducted.**

See Attachment 1. Staff used a version of the Delphi method that incorporates elements of the Staff Delphi method to determine the potential impact of a regulation on small businesses.

- 3. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:**
(a) Both adverse and beneficial effects; and
(b) Both direct and indirect effects.

See Informational Statement accompanying the Regulation, Question No. 7. *See also* Attachment 1.

- 4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

N/A. *See* Attachment 1.

Pursuant to NRS 233B.0608 (1), Staff conducted an investigation to determine whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business.

On September 10, 2024, the PUCN issued an order adopting the findings of Staff and specifically found that the proposed regulation does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment 1.

NRS 233B.0608 (2)(c) only requires an agency to consider methods to reduce the impact of a proposed regulation on small businesses “*if* an agency determines pursuant to subsection 1 that a proposed regulation is 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” (emphasis added). Given the PUCN’s determination that the proposed regulation does not impose a direct and significant economic burden upon small businesses or directly restrict the formation, operation or expansion of a small business, the PUCN is not statutorily mandated to make this inquiry as there are no impacts on small businesses and no methods that were considered for reducing the non-existent impacts.

- 5. The estimated cost to the agency for enforcement of the proposed regulation.**

See Informational Statement accompanying the Regulation, Question No. 8. *See also* Attachment 1.

- 6. If the proposed 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. *See also* Informational Statement accompanying the Regulation, Question No. 11.

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

See Informational Statement accompanying the Regulation, Questions Nos. 9 and 10. *See also* Attachment 1.

8. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The PUCN complied with NRS 233B.0608 by making a concerted effort to determine whether the proposed regulation imposes a direct and significant economic burden upon small businesses or directly restricts the formation, operation, or expansion of a small business. The PUCN concluded that no such impacts would occur from the adoption of the proposed regulation based upon the well-reasoned investigation of Staff.

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

DATED this 21 day of October, 2024.



STEPHANIE MULLEN,
Executive Director
PUBLIC UTILITIES COMMISSION OF NEVADA

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Investigation and Rulemaking to amend, adopt,)
and/or repeal regulations in accordance with)
Senate Bill 329 (2019).)
_____)

Docket No. 19-06009

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on August 27, 2024.

PRESENT: Chair Hayley Williamson
 Commissioner Tammy Cordova
 Commissioner Randy Brown
 Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following findings and conclusions:

I. INTRODUCTION

On June 6, 2019, the Public Utilities Commission of Nevada (“Commission”) opened an investigation and rulemaking to implement Senate Bill 329 (2019) (“SB 329”). This rulemaking is designated as Docket No. 19-06009.

II. SUMMARY

The proposed regulation in Docket No. 19-06009 does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to Nevada Revised Statutes (“NRS”) 233B.0608(2) is not required.

III. PROCEDURAL HISTORY

- On January 30, 2020, the Commission issued an order adopting the proposed regulations. On December 30, 2020, the Commission reopened its investigation and rulemaking to amend, adopt, and/or repeal regulations in accordance with SB 329.
- On June 30, 2022, pursuant to NRS 233B.063, the Presiding Officer sent an electronic copy of a proposed regulation to the Legislative Counsel Bureau (“LCB”) for preadoption review.

- On September 6, 2022, the regulation was returned from LCB in revised form.
- On September 9, 2022, the Presiding Officer issued Procedural Order No. 9, requesting comments on the proposed regulation.
- On October 3, 2022, Nevada Power Company d/b/a NV Energy (“NPC”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC”) (collectively, “NV Energy”); the Regulatory Operations Staff of the Commission (“Staff”); the Nevada Bureau of Consumer Protection (“BCP”); Southern Nevada Gaming Group (“SNGG”); Wynn Las Vegas, LLC and Smart Energy Alliance (“Wynn and SEA”); the Nevada Resort Association (“NRA”), Caesars Enterprise Services, LLC (“Caesars”), and MGM Resorts International (“MGM”, and together with NRA and Caesars, “CMN”); and Nevada Workers for Clean and Affordable Energy (“NWCAE”) filed comments responsive to Procedural Order No. 9.
- On October 24, 2023, the Commission issued a Notice of Workshop.
- On December 11, 2023, the Presiding Officer held a workshop. NV Energy, Staff, BCP, SNGG, Wynn and SEA, CMN, and Northern Nevada Industrial Electric Users (“NNIEU”) made appearances and discussed the comments filed on October 3, 2022.
- On December 28, 2023, the Presiding Officer issued Procedural Order No. 10, requesting comments on the proposed regulation.
- On January 3, 2024, pursuant to NRS 233B.063, the Presiding Officer sent an electronic copy of a proposed regulation to the LCB for preadoption review.
- On January 19, 2024, NV Energy, Staff, BCP, CMN, NNIEU, Wynn and SEA, and SNGG filed comments responsive to Procedural Order No. 10.
- On January 26, 2024, NV Energy, BCP, and NNIEU filed reply comments in response to the comments filed on January 19, 2024, and pursuant to Procedural Order No. 10.
- On February 8, 2024, the Commission issued a Notice of Workshop.
- On March 11, 2024, the Presiding Officer issued Procedural Order No. 11.
- On March 14, 2024, the Presiding Officer held a workshop. NV Energy, Staff, BCP, SNGG, Wynn and SEA, CMN, and NNIEU made appearances and discussed the draft proposed regulation from Procedural Order No. 11.
- On March 18, 2024, the Commission issued Procedural Order No. 12, requesting proposed regulation revisions.
- On June 21, 2024, the Commission issued Procedural Order No. 13, requesting comments on the proposed regulation.

- On June 25, 2024, the Presiding Officer sent an electronic copy of a proposed regulation to the LCB for preadoption review.
- On July 11, 2024, BCP filed comments responsive to Procedural Order No. 13. On July 12, 2024, Staff filed comments responsive to Procedural Order No. 13. On July 15, 2024, Wynn and SEA, NNIEU, SNGG, and NV Energy each filed comments responsive to Procedural Order No. 13. On July 16, 2024, CMN filed comments responsive to Procedural Order No. 13.
- On July 22, 2024, the Presiding Officer issued Procedural Order No. 14, requesting Staff to conduct a small business impact statement report.
- On August 22, 2024, Staff filed a briefing memorandum (“Staff Report”) recommending the Commission find that the proposed regulation is not likely to impose a direct or significant economic burden on a small business, nor likely to restrict the formation, operation, or expansion of a small business.
- On August 27, 2024, the Staff Report was approved by the Commission. Also on this day, the Commission issued a Notice of Intent to Act Upon a Regulation, Notice of Workshop, and Notice of Hearing for the Adoption, Amendment, and/or Repeal of Regulations of The Public Utilities Commission of Nevada.

IV. SMALL BUSINESS IMPACT REPORT

Staff’s Report

1. Staff conducted a Delphi method exercise to determine the impact of this proposed regulation on small businesses. (Staff Report at 5-6.) The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts. (*Id.* at 6.) In this instance, the participants were members of Staff who are familiar with the subject matter of the proposed regulation. (*Id.*) Each participant in the exercise used his or her background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. (*Id.*)

2. Staff states that the proposed regulation will not directly restrict the formation, operation, or expansion of small businesses. (*Id.*) Staff states that the proposed regulation will not have immediate adverse effects on small businesses. (*Id.*) Staff states that the proposed regulation will not have any immediate beneficial effect on small businesses. (*Id.*)

3. Staff states that the proposed regulation will neither have any long-term adverse nor long-term beneficial effects on small businesses. (*Id.* at 7.)

4. Staff states that the Commission will not incur greater costs to administer the proposed regulation. (*Id.*)

5. Based on the foregoing, in accordance with NRS 233B.0608(1), Staff recommends that the Commission find that the proposed regulation in Docket No. 19-06009 is not likely to impose a direct and significant economic burden on small businesses, nor is it likely to restrict the formation, operation, or expansion of small businesses. (*Id.* at 8.) Staff recommends that, pursuant to NRS 233B.0608(3), the Commission state that the Delphi method was used in the determination of the impact of the proposed regulations on small businesses. (*Id.*)

Commission Discussion and Findings

6. The Commission finds that the proposed regulation does not impose a direct or significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to NRS 233B.0608(2) is not required.

7. The Commission finds that the provisions of NRS 233B.0608 have been met.


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Therefore, it is ordered that:

1. The proposed regulation in Docket No. 19-06009 does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of small businesses.

By the Commission,



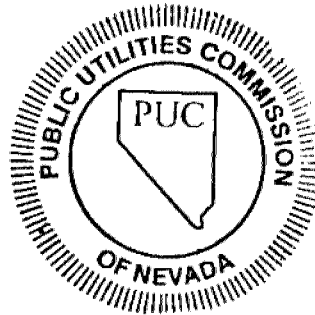
TRISHA OSBORNE,
Assistant Commission Secretary
On behalf of the Commissioners

Certified: /s/ Stephanie Mullen

STEPHANIE MULLEN,
Executive Director

Dated: Carson City, Nevada

9/10/24



(SEAL)

ATTACHMENT A

**PUBLIC UTILITIES COMMISSION OF NEVADA
MEMORANDUM**

DATE: August 26, 2024

TO: The Commission
Via Anne-Marie Cuneo, DRO

FROM: Tori N. Sundheim, Assistant Staff Counsel

SUBJECT: Small Business Impact Report
Agenda No. 16-24; Item No. 5A; Docket No. 19-06009;
Investigation and Rulemaking to amend, adopt, and/or repeal regulations in
accordance with Senate Bill 329 (2019).

I. Introduction:

On June 6, 2019, the Public Utilities Commission of Nevada (“Commission”) opened a rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill (“SB”) 329. This matter was designated as Commission Docket No. 19-06009.

On January 30, 2020, the Commission issued an Order adopting Legislative Counsel Bureau (“LCB”) File No. R085-19 as a permanent regulation.

On July 15, 2020, the Commission closed Docket No. 19-06009.

On December 30, 2020, the Commission reopened its investigation and rulemaking to amend, adopt, and/or repeal regulations in accordance with SB 329 and the Presiding Officer issued a Notice of Rulemaking and Request for Comments.

On January 22, 2021, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (together, “NV Energy”), Wynn Las Vegas, LLC (“Wynn”), Smart Energy Alliance (“SEA”), Nevada Resort Association (“NRA”), Caesars Enterprise Services, LLC (“Caesars”), MGM Resorts International (“MGM”), Boyd Gaming Corporation (“Boyd”), Station Casinos LLC (“Station”), Las Vegas Sands Corp. (“Sands”), the Nevada Attorney General’s Bureau of Consumer Protection (“BCP”), and the Commission’s Regulatory Operations Staff (“Staff”) filed comments.

On February 5, 2021, NV Energy, Wynn, SEA, NRA, Caesars, MGM, Boyd, Station, Sands, BCP, and Staff filed reply comments.

On March 26, 2021, the Commission held a workshop.

On September 3, 2021, the Commission issued an Order (the “Order”) in Docket No. 21-03004 that included compliances and directives relevant to its investigation in Docket No. 19-06009.

On September 13, 2021, pursuant to the Commission’s directive in the Order (*see* Ordering Paragraph 10), NV Energy filed a request in Docket No. 19-06009 that the Commission “take up the issue of what information is required to provide the parties and the Commission with the appropriate level of data to determine whether costs associated with the Natural Disaster Protection Plan [(“NDPP”)] are incremental.” Ordering Paragraph 6 of the Order includes a compliance requiring that NV Energy file a plan for:

- a. Improving the oversight management and process documentation for the NDPP budgeted programs;
- b. Differentiating between normal Operations and Maintenance and Administrative and General activities and costs and NDPP related activities and costs, including an analysis of incremental internal labor charges;
- c. Identifying specific information and data required to be submitted with a NDPP cost recovery application as a master data request; and
- d. Improving data request communication responsiveness and intervenor access to data.

On October 22, 2021, the Commission issued Procedural Order No. 6 in Docket No. 19-06009, directing NV Energy to file the aforementioned plan.

On December 3, 2021, NV Energy filed its plan pursuant to Procedural Order No. 6.

On December 16, 2021, Wynn, SEA, NRA, Caesars, MGM, Boyd, Station, Sands, Northern Nevada Industrial Electric Users (“NNIEU”), BCP, and Staff filed comments.

On January 25, 2022, the Commission mailed to the LCB a proposed regulation for review.

On January 26, 2022, the Commission issued Procedural Order No. 7.

On March 2, 2022, the LCB returned the proposed regulation in revised form.

On March 3, 2022, the Commission issued Procedural Order No. 8, directing Staff to investigate pursuant to Nevada Revised Statutes (“NRS”) 233B.0608(1) whether the proposed regulation, attached to Procedural Order No. 8 as Attachment 1, is likely affect small businesses as contemplated in NRS 233B.0608(1) and to present a report of the results of this investigation, including all the information required by NRS 233B.0609(1), along with a statement identifying the methodology used in determining the impact on small business. Staff was further directed to

place this report on a Commission utility agenda meeting no later than April 26, 2022, for Commission consideration.

On April 22, 2022, Staff filed a briefing memorandum (“Staff’s Report”) as directed by Procedural Order No. 8.

On May 9, 2022, the Commission issued an Order finding that the proposed regulation was not likely to impose a direct or significant economic burden upon small businesses, nor is it likely to directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to NRS 233B.0608(2) is not required.

On June 21, 2022, the Commission held a workshop pursuant to NRS 233B.061(2) to solicit comments from all interested persons on the proposed regulation regarding the requirements for an electric utility to develop and implement a natural disaster protection plan.

On June 30, 2022, the Commission sent an electronic copy of the proposed regulation to the LCB for pre-adoption review.

On September 6, 2022, the regulation was returned from LCB in revised form.

On September 9, 2022, the Commission issued Procedural Order No. 9, permitting interested stakeholders to file comments in response to the proposed regulation returned from LCB.

On October 3, 2022, NV Energy, Staff, BCP, Wynn and SEA, and NRA filed comments responsive to Procedural Order No. 9. Boyd, Station, and Venetian Las Vegas Gaming, LLC (collectively, the “SNGG”) and Caesars, MGM, and the Nevada Resort Association (together, “CMN”) also filed comments responsive to Procedural Order No. 9.

On October 4, 2022, Nevada Workers for Clean and Affordable Energy filed comments responsive to Procedural Order No. 9.

On October 24, 2023, the Commission issued a Notice of Workshop.

On December 11, 2023, the Commission held a workshop during which NV Energy, Staff, BCP, SNGG, Wynn and SEA, CMN, and NNIEU made appearances and discussed the comments filed on October 3, 2022.

On December 28, 2023, the Commission issued Procedural Order No. 10 providing a procedural schedule that provided interested stakeholders the ability to file comments and reply comments.

On January 3, 2024, the Commission sent an electronic copy of the proposed regulation to the LCB for pre-adoption review.

On January 19, 2024, NV Energy, Staff, BCP, CMN, NNIEU, Wynn and SEA, and SNGG filed comments responsive to Procedural Order No. 10.

On January 26, 2024, NV Energy, BCP, and NNIEU filed reply comments in response to the comments filed on January 19, 2024, and pursuant to Procedural Order No. 10.

On February 8, 2024, the Commission issued a Notice of Workshop.

On March 11, 2024, the Commission issued Procedural Order No. 11 containing the Commission's revised draft of the proposed regulation and NV Energy's proposed draft regulation as filed in its January 26, 2024, Reply Comments, for review and discussion during the March 14, 2024, workshop.

On March 14, 2024, the Commission held a workshop at which NV Energy, Staff, BCP, SNGG, Wynn and SEA, CMN, and NNIEU made appearances and discussed the draft proposed regulations attached to Procedural Order No. 11.

On March 18, 2024, the Commission issued Procedural Order No. 12 directing that: (a) The interested stakeholders will hold informal discussions regarding the proposed draft regulation from Attachment A of Procedural Order No. 11; and (b) NV Energy shall file any resulting consensus modifications to the draft regulation with the Commission on or before Friday, May 3, 2024, by 2:00 p.m. that, in addition to any consensus language, includes the following: (i) All non-consensus issues or non-consensus language from interested stakeholders; and (ii) Any accompanying explanation from the interested stakeholder(s) on that non-consensus issue or language.

On June 21, 2024, the Commission issued Procedural Order No. 13 containing the Commission's revised draft of the proposed regulation in Attachment A, which revises requirements for an application by an electric utility to recover its prudent and reasonable expenditures to develop and implement a natural disaster protection plan, revises the requirements for the tracking and accounting of such expenditures, and requires an electric utility to submit a progress report concerning its natural protection plan.

On June 25, 2024, pursuant to NRS 233B.063, the Presiding Officer sent an electronic copy of a proposed regulation to LCB for preadoption review.

On July 11, 2024, BCP filed comments responsive to Procedural Order No. 13.

On July 12, 2024, Staff filed comments responsive to Procedural Order No. 13.

On July 15, 2024, NV Energy, SNGG, Wynn and SEA, and NNIEU each filed comments responsive to Procedural Order No. 13.

On July 16, 2024, CMN filed comments responsive to Procedural Order No. 13.

On July 22, 2024, the Commission issued Procedural Order No. 14, directing Staff to investigate pursuant to NRS 233B.0608(1) whether the proposed regulation, attached to Procedural Order No. 14 as Attachment A, is likely affect small businesses as contemplated in NRS 233B.0608(1) and to present a report of the results of this investigation, including all the information required by NRS 233B.0609(1), along with a statement identifying the methodology used in determining the impact on small business. Staff was further directed to place this report on a Commission utility agenda meeting no later than August 27, 2024, for Commission consideration.

II. Investigation and Analysis:

This briefing memo constitutes the Staff Report regarding the Small Business Impact of the proposed regulation as directed by Procedural Order No. 14.

Standard of Review

NRS 233B.0608(1) requires an agency to make a concerted effort to determine whether a proposed regulation is likely to:

- (a) impose a direct and significant economic burden upon small businesses; or
- (b) directly restrict the formation, operation, or expansion of small business.

A small business is defined in NRS 233B.0382 as “a business conducted for profit which employs fewer than 150 full-time or part-time employees.” NRS 233B.0608 (1) further requires that the assessment must be made prior to conducting a workshop regarding the proposed regulation.

NRS 233B.0608(3) requires that an agency considering a proposed regulation to “prepare a statement identifying the methods used by the agency in determining the impact of a proposed regulation on a small business and the reasons for the conclusions of the agency.”

Methodology

In accordance with NRS 233B.0608 (3), Staff used a version of the Delphi method that incorporates elements of the Policy Delphi method to determine the potential impact of a

regulation on small businesses. The Delphi method is a systematic interactive forecasting method based on independent inputs of selected experts. It recognizes the value of expert opinion, experience, and intuition and allows the use of limited information when full scientific knowledge is lacking.

One Staff Engineer and one Staff Attorney, both of whom were involved in the rulemaking and who are most familiar with the subject matter of the rulemaking, participated in this analysis. Each participant in the exercise used their background and expertise to reflect upon and analyze the impact of the regulation on small businesses. Following receipt of the written responses, the Delphi participants engaged in a critique of the other participants' responses, arriving at a consensus position.

The proposed regulation applies to public utilities in the business of supplying electricity. SB 329 requires an electric utility to submit a NDPP to the Commission, setting forth the requirements for such a plan, authorizing an electric utility to recover costs relating to the development and implementation of such a plan, prohibiting, with certain exceptions, a person who is not a qualified electrical worker from performing certain work on the electric infrastructure of an electric utility, and providing other matters properly relating thereto. The proposed regulation: (1) revises information which is required to be included in an NDPP; (2) defines certain terms relating to NDPPs; and (4) specifies requirements for the recovery of certain costs related to an NDPP.

Immediate Adverse Effects:

The proposed regulation will not have any direct immediate adverse effects on small businesses. The proposed regulation relates to revisions to the filing requirements and implementation measures for the NDPP as it relates to SB 329. Regulation revisions include, but are not limited to, further definition regarding requirements for an application by an electric utility to recover its prudent and reasonable expenditures to develop and implement a natural disaster protection plan, the requirements for the tracking and accounting of such expenditures, and the requirements in the progress report concerning its natural protection plan. Similar to the regulation adopted earlier in this Docket, small businesses may have intermittent power outages if they are located in a high-risk tier area. However, any indirect immediate adverse effects will be a result of SB 329, not the proposed regulation.

Immediate Beneficial Effects:

The proposed regulation will not have any direct immediate beneficial effects on small businesses. Similar to the regulation adopted earlier in this Docket, small businesses that operate

in extreme fire zones may see a reduction in the threat of wildfires. However, any indirect immediate beneficial effects will be a result of SB 329, not the proposed regulation.

Long-Term Adverse Effects:

Similar to the immediate adverse effects outlined above, the proposed regulation will not have any direct long-term adverse effects on small businesses. Similar to the regulation adopted earlier in this Docket, small businesses may have to operate without power if the small businesses are located in areas subject to power shut-offs during extreme fire weather events. Further, the electric utilities will incur costs associated with preparing and implementing the NDPPs, including the new requirements outlined in the proposed regulation. These costs will be reviewed and potentially passed on (in part) to small businesses as part of future cost recovery proceedings. It is unknown if these costs will ultimately result in higher electric costs for small businesses. However, any indirect long-term adverse effects will be a result of SB 329, not the proposed regulation.

Long-Term Beneficial Effects:

Similar to the immediate adverse effects outlined above, the proposed regulation will not have any direct long-term beneficial effects on small businesses. Similar to the regulation adopted earlier in this Docket, small businesses that operate in extreme fire zones may see a reduction in the threat of wildfires. Further, requiring electric utilities to develop and implement NDPPs may result in more reliable electric service as a result of system hardening against natural disasters. System hardening against wildfires may also reduce the liabilities of electric utilities for any damages that would have otherwise been caused by wildfires started by electric utility infrastructure—such liability costs would have otherwise been potentially passed on (in part) to small businesses. However, any indirect long-term beneficial effects will be a result of SB 329, not the proposed regulation.

Cost to the Commission to enforce or administer the proposed regulation, including start-up and ongoing costs:

Under the proposed regulation, the Commission may incur on-going administrative costs to periodically review NDPP filings and the annual applications for cost recovery of all prudent and reasonable expenditures made by electric utilities to develop and implement their NDPPs. While exact costs are unknown at this time, they would not be notably greater than what the Commission currently experiences.

As a result of the investigation, Staff concludes that the proposed regulation is intended to regulate the activities of electric utilities, not small businesses. The proposed regulation is not

likely to: (a) impose a direct and significant economic burden upon small business; or (b) directly restrict the formation, operation, or expansion of small business. Therefore, a small business impact statement pursuant to NRS 233B.0608(2) is not required.

III. Notice and Subsequent Action:

On July 22, 2024, the Commission issued Procedural Order No. 14, directing Staff to investigate pursuant to NRS 233B.0608(1) whether the proposed regulation is likely to (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation, or expansion of a small business.

IV. Conclusion:

The proposed regulation is intended to regulate the activities of electric utilities, not small businesses. Any potential indirect effects on small businesses are a result of SB 329, not the proposed regulation.

Staff recommends that, in accordance with NRS 233B.0608(1), the Commission find that the proposed regulation is not likely to impose a direct or significant economic burden on a small business, or to restrict the formation, operation or expansion of a small business.

Staff further recommends that, pursuant to NRS 233B.0608(3), the Commission state that the Delphi method was used in the determination of the impact of the proposed regulation on small business.