

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 19, 2015

Agency Submitting: Public Utilities Commission of Nevada

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
CAT 01 - Personnel (Expense)		\$122,743	\$163,237	\$163,237
CAT 04 - Operating (Expense)		\$21,504		
CAT 05 - Equipment (Expense)		\$10,800		
CAT 26 - Information Services (Expense)		\$3,774		
Total	0	\$158,821	\$163,237	\$163,237

Explanation

(Use Additional Sheets of Attachments, if required)

The PUCN budget is funded primarily through an annual regulatory assessment (mill rate) levied against public utilities in the state for which they receive recovery from their ratepayers. Pursuant to NRS 704.033, the PUCN is required to notify utilities of the annual assessment by June 15th of each year for the following fiscal year. The statutory maximum assessment is 3.5 mills. The fiscal impact would raise the annual regulatory assessment by .08 mills (0.00008) which will have an impact on the monthly residential ratepayer of one cent (\$.01).

Name Kristy Wahl

Title Administrative Analyst

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Thursday, March 19, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

Fiscal Effect of BDR 58-259

Public Utilities Commission - 224-3920 Estimated Costs of \$322,058 for the Biennium March 18, 2015

SUMMARY - Revises provisions relating to energy.

The proposed statute will require the Public Utilities Commission (PUCN) to engage in the following activities:

Sections 1, 2, 10, 11, 12 - all include components that would require the PUCN to review and/or revise regulations, and hold workshops/hearings that are necessary to carry out the provisions of this act.

Section 1 combines the amount of existing incentives available for payment to each Program into a single pool of money from which the PUCN may authorize the payment of an incentive to a Program. This section further requires the PUCN to authorize the payment of incentives in an amount not less than \$2 million per year for the installation of solar energy systems and distributed generation systems at locations throughout the service territories of electric utilities in this state which benefit low-income customers.

Section 2 requires the PUCN to adopt regulations necessary to carry out the provisions of NRS 701B.010 to 701B.290, to include: establishing the type, levels and/or amount of the incentives available to participants in the Solar Program; establishing the requirements for a utility's annual plan for carrying out and administering the Solar Program; authorizing a utility to recover the reasonable costs incurred in carrying out and administering the installation of distributed generation systems.

Section 10 requires the PUCN to review and approve energy efficiency resource plans submitted pursuant to subsection 1.

Section 11 requires the PUCN to review and approve the application for recovery of the performance-based incentive submitted by the electric utility at the end of the plan year.

Section 12 requires the PUCN to adopt regulations establishing: criteria for the evaluation of the cost-effectiveness of the implementation of an energy efficiency resource plan to an electric utility and the retail customers of the electric utility; the process for reviewing and approving the application of an electric utility to receive a performance-based incentive; the manner in which a performance-based incentive is incrementally distributed to an electric utility during the next ensuing plan year; and any performance standards or other criteria that are necessary to evaluate the success of energy efficiency resource plans. This section also allows for the PUCN to adopt regulations which provide for an increase from year to year in the cumulative amount of reimbursement and the amount of a performance-based incentive to which an eligible electric utility may be entitled to.

The PUCN estimates at a minimum five (5) days of workshops and five (5) days of hearings would be needed to develop and adopt regulations that are necessary to carry out the provisions of this act.

The following is an estimate of the rulemaking costs based on previous rulemaking proceedings:

Noticing Publication Costs	\$2,628
Workshops (1 x 5 days each = 5 days)	
Court Reporter (\$280/day)	\$1,400
Transcripts (\$7.80/page)	\$9,750
Hearings (1 = 2 days each = 2 days)	
Court Reporter (\$280/day)	\$560
Transcripts (\$7.80/page)	\$3,900
Operating Expenses (postage, copying, mailing)	\$1,666
Operating Expense (LCB Legal Review)	\$1,600
Consultant	\$0
Small Business Impact investigation -if required (NRS 233B.0608)*	\$0
Total	<hr/> \$21,504

Sections 10 and 11 would require the PUCN to employ: 1/2 FTE additional unclassified Regulatory Economist (U4515); 1/2 FTE additional unclassified Resource Planning Engineer (U4526); and 1/2 FTE additional unclassified Financial Analyst (U4406). Personnel and associated costs estimated at \$300,554 for the biennium. More specifically:

Section 10 directs the PUCN to review and approve electric utility efficiency resource plans. Additionally, this section requires the PUCN to provide for the reimbursement by an electric utility, in whole or in part, of the costs for the purchase, installation or implementation of energy efficiency measures by the retail customers of the electric utility.

Section 11 requires the PUCN to review and approve applications for recovery of the performance-based incentive submitted by the electric utilities at the end of the plan year.

These sections will require an estimated 1/2 FTE Regulatory Economist, 1/2 FTE Resource Planning Engineer, and 1/2 FTE Financial Analyst for the Regulatory Operations division due to the additional workload these new requirements would produce. Currently, the PUCN does not have enough Staff positions to take on the additional workload.

Sections 11 and 12 will also incur additional costs for the PUCN due to the requirements for additional hearings and meetings, noticing, mailing, etc. More specifically:

Sections 11 and 12 provide for performance-based incentives for the utilities to achieve greater levels of energy efficiency. As a result, the PUCN would be required to conduct additional proceedings to determine whether or not the utility earned the incentives on an annual basis.

This requirement will result in additional hearing(s), noticing, mailings, etc. per year.