

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 26, 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)		\$399,029	\$531,197	\$1,062,394
CAT 04 - Operating (Expense)		\$198,410	\$159,066	\$318,132
CAT 05 - Equipment (Expense)		\$18,000		
CAT 26 - Information Services (Expense)		\$6,290		
Total	0	\$621,729	\$690,263	\$1,380,526

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 .33 mills (0.00033) which will have an impact on the monthly residential ratepayer of six cents (\$.06).

Name Ann Scott

Title Administrative Analyst

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Friday, March 20, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

Fiscal Effect of BDR 58-111

Public Utilities Commission - 224-3920 Estimated Costs of \$1,311,992 for the Biennium March 19, 2015

SUMMARY - Requires the Public Utilities Commission of Nevada (PUCN) to adopt regulations relating to energy efficiency resource plans.

The proposed statute will require the PUCN to engage in the following activities:

Sections 9 and 10, - 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 9 requires the PUCN to establish by regulation for each electric utility an energy efficiency resource plan to encourage a reduction in the consumption of energy by the retail customers of the electric utility through the purchase, installation and implementation of energy efficiency measures, to include: establishing achievable targets for the reimbursement by an electric utility; establish mandatory standards for the reimbursement by an electric utility; provide for the recovery by an electric utility of the costs for implementation of an energy efficiency resource plan; provide for the recovery by an electric utility of a performance-based incentive; establish criteria for the evaluation of the cost effectiveness of the implementation of an energy efficiency resource plan; establish an application and review process; establish the manner in which costs and performance-based incentives recovered are incrementally distributed; and establish any performance standards or other criteria necessary to evaluate the success of an energy efficiency resource plan.

Section 10 directs the PUCN to establish by regulation for each provider of electric service an energy efficiency resource plan to encourage a reduction in the consumption of energy by the members of the provider of electric service through the purchase, installation and implementation of energy efficiency measures.

The PUCN estimates at a minimum ten (10) 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 10 days each = 10 days)	
Court Reporter (\$280/day)	\$2,800
Transcripts (\$7.80/page)	\$19,500
Hearings (1 = 5 days each = 5 days)	
Court Reporter (\$280/day)	\$1,400
Transcripts (\$7.80/page)	\$9,750
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

\$39,344

Sections 9 and 10 also require that the PUCN review and approve energy efficiency resource plans for electric utility companies, co-operatives and municipalities on an annual basis. These types of cases are complex and require extensive analysis and resources. The PUCN estimates that based on the number of electric utility companies, co-operatives and municipalities, this requirement would add on at least 18 more cases to the current caseload per year.

The PUCN estimates at a minimum 18 hearings lasting three (3) days each would be needed to review and approve the energy efficiency resource plans necessary to carry out the provisions of this act.

The following is an estimate of the costs to carry out the requirements of **Sections 9 and 10**:

Noticing Publication Costs	\$47,304
Hearings (18 per year = 108 days of hearings per biennium)	
Court Reporter (\$280/day)	\$30,240
Transcripts (\$7.80/page)	\$210,600
Operating Expenses (postage, copying, mailing)	\$29,988
Total	<hr/> \$318,132

Sections 9 and 10 would require the PUCN to employ: one (1) additional full-time unclassified Regulatory Economist (U4515) position; one (1) additional full-time unclassified Financial Analyst (U4406) position; one (1) additional full-time unclassified Resource Planning Engineer (U4526) position; and one (1) additional full-time unclassified Sr. Attorney (U3811) position for the Regulatory Operations divisions; and 1/2 FTE additional unclassified Sr. Attorney (U3811) for the Commission's General Counsel office. Personnel and associated costs estimated at \$954,516 for the biennium. More specifically:

Sections 9 and 10 direct the PUCN to review and approve energy efficiency resource plans for electric utility companies, co-operatives and municipalities on an annual basis.

These proceedings would be in addition to the current Integrated Resource Plan process the PUCN is required to conduct and would require an additional team of Regulatory Operations staff members to work on the additional 18 cases per year. These sections will require an estimated one (1) FTE Regulatory Economist; one (1) FTE Financial Analyst; one (1) FTE Resource Planning Engineer; and one (1) FTE Sr. Attorney (U3811) for the Regulatory Operations division; and 1/2 FTE unclassified Sr. Attorney (U3811) for the Commission's General Counsel office to focus on these types of dockets as these new requirements would take a significant amount of staff time and the PUCN currently does not have enough positions to take on the additional workload.