

DEPARTMENT OF ENVIRONMENTAL QUALITY
Chapter 340
Proposed Rulemaking
STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT

Title of Proposed Rulemaking:	<p>RAI-157: Adoption of National Emission Standards for Hazardous Air Pollutants (NESHAP), New Source Performance Standards (NSPS), Definition of Volatile Organic Compounds (VOC), List of Hazardous Air Pollutants (HAP), and General Permits</p> <p>Amend OARs: 340-200-0020, General Air Quality Definitions; 340-200-0040, State of Oregon Clean Air Act Implementation Plan 340-216-0060, General Air Quality Discharge Permits; 340-238-0040, Definitions; 340-238-0050, General Provisions; 340-238-0060, Federal Regulations Adopted by Reference; 340-244-0030, Definitions; 340-244-0040, List of Hazardous Air Pollutants; 340-244-0220, Federal Regulations Adopted by Reference.</p>
Need for the Rule(s)	<p>The Environmental Protection Agency (EPA) has adopted two new NESHAPs which affect as many as 45 sources in Oregon. These new NESHAPs affect:</p> <ul style="list-style-type: none"> • Boilers and Process Heaters, and • Plywood and Composite Wood Production. <p>The EPA has also adopted changes to the NSPS and NESHAP standards, the list of hazardous air pollutants (HAP), and the definition of volatile organic compounds (VOC). Some of these changes provide additional flexibility. Oregon sources would like to use this additional flexibility immediately, but are unable to do so until the EQC also adopts these changes. These changes include:</p> <ul style="list-style-type: none"> • The delisting of EGBE from the list of HAPs, • The exemption of several compounds from the definition of VOCs, and • The addition of a surface tension compliance option for hard chromium electroplaters to the Chromium Electroplating and Anodizing NESHAP. <p>The proposed adoption of these changes will make Oregon's rules consistent with EPA's so that the Department can implement and keep its delegation of these regulations which benefits industrial sources. These benefits include quicker approval of applicability determination requests and alternative testing, monitoring, recordkeeping and reporting requests. Adopting the NESHAP standards benefits the public because it allows the Department to ensure that the required emission reductions are achieved in the state.</p>
Documents Relied Upon for Rulemaking	The Department relied primarily on the Federal Register, the Code of Federal Regulations, and the Oregon Revised Statutes, in developing this rulemaking proposal.
Fiscal and Economic Impact	
Overview	<p>Federal NSPSs and NESHAPs apply to affected sources whether or not the EQC adopts these rules. EPA addressed the economic impact of the NSPSs and NESHAPs when it adopted the federal regulations. The adoption of these rules will not alter the economic impact of these standards</p> <p>ORS 183.335(2)(b)(G) requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.</p>
General public	The costs associated with the proposed rules do not adversely impact the general public. The only costs to the general public would be possible pass-through costs to customers, but the cost to any given customer is assumed to be negligible.

Small Business	<p>The new NESHAPs and the revisions to the existing NSPSs and NESHAPs affect small businesses. NSPS and NESHAP standards apply to affected sources when they are promulgated by the EPA. By adopting the NSPSs and NESHAPs by reference, this rulemaking does not add any new requirements. Therefore, these rules are not expected to add any costs to any small business.</p> <p>The following changes may result in a financial benefit for small businesses.</p> <p>The Chromium Electroplating and Anodizing NESHAP affect both large and small businesses. The surface tension limit compliance option will give hard chromium electroplaters the option to use pollution prevention techniques in lieu of expensive add-on control devices.</p> <p>The delisting of EGBE from the list of HAPs and the addition to the definition of VOCs of compounds shown to have low photochemical reactivity will give small businesses additional flexibility to comply with various air quality regulations.</p>
Large Business	<p>Large businesses can be either non-major sources or major sources of Hazardous Air Pollutants (HAPs), and the Department's rules require that non-major sources subject to either a NSPS or NESHAP obtain an Air Contaminant Discharge Permit (ACDP). The Department's rules require major sources to have a Title V permit. All sources affected by these rules already have permits, and this rulemaking will result in conditions being added to existing Title V and ACDP permits. Implementing the NSPS and NESHAPs through existing permits will not add additional fees or permitting costs.</p> <p>As previously stated, the NSPSs and NESHAPs apply to affected sources when EPA adopts them. By adopting the NSPS and NESHAP standards by reference, this rulemaking does not add any new control requirements. Therefore, these rules are not expected to add any capital or operating costs to any large business.</p> <p>Businesses that are major sources of HAPs already have Title V permits. OAR 340-218-0200(1)(a)(A) requires the incorporation of new federal requirements into existing Title V permits not later than 18 months after promulgation by the EPA or upon renewal if less than 3 years remains on the permit on the promulgation date.</p>
Local Government	<p>Neither of the two new NESHAP standards affects any local government agencies. The Department does not anticipate any fiscal or economic impacts from this proposed rulemaking on any local government agency.</p>
State Agencies	<p>Neither of the two new NESHAP standards affects any state agencies. The Department does not anticipate any fiscal or economic impacts from this proposed rulemaking on other state agencies.</p>
DEQ	<p>This rulemaking in and of itself does not incur increased costs for the Department. The work associated with modifying permits and defining compliance requirements occurs without regard to this rulemaking because the requirements are in effect whether or not the Department adopts them.</p>
Other agencies	<p>Neither of the two new NESHAP standards affects any other government agencies. The Department does not anticipate any fiscal or economic impacts from this proposed rulemaking on any other government agency.</p>
Assumptions	<p>None. EPA already adopted these rules. The EPA determined cost impacts of these rules during its rulemaking process.</p>
Housing Costs	<p>The Department has determined that this proposed rulemaking will have no effect on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single family dwelling on that parcel.</p>
Administrative Rule Advisory Committee	<p>An advisory committee was not needed for this rulemaking because the proposed rules have already been adopted by the EPA. The rules were developed with full input from environmental groups, industry, and state and local agencies.</p>

Prepared by _____

Printed name _____

Date _____

Approved by DEQ Budget Office _____

Printed name _____

Date _____