



State of Oregon
Department of
Environmental
Quality

Oregon Department of Environmental Quality

Permanent Rule Proposal For: Updating Oregon's air quality rules to address federal regulations

Statement of fiscal and economic impact

ORS 183.335 (2)(b)(E)

1. Impacts on the general public

Indirect impact: the general public could be indirectly impacted by the proposed rule changes as large and small businesses pass along increased or decreased costs in the form of price changes for goods and services.

Direct impact: the general public would not be directly affected by the proposed rule changes.

2. Impacts on small businesses with 50 or fewer employees. ORS 183.336

Indirect impact: small businesses could be indirectly impacted by the proposed rule changes as other businesses pass along increased or decreased costs in the form of price changes for goods and services.

Direct impact: small businesses might see increased or decreased costs due to the proposed rule changes and as follows:

1. Align Oregon's Rules with Recent Changes to Federal Emission Standards

- a. Adopt by reference new federal area source NESHAPs for gold mine ore processing and production; new federal major source NESHAP for electric utility steam generating units; new federal major source NESHAP for polyvinyl chloride and copolymers production; and new federal NSPS for sewage sludge incineration units;

DEQ anticipates that there will be no fiscal and economic impacts as a result of adopting the new federal standards because the fiscal and economic impacts occurred when EPA adopted the rules. EPA has evaluated the fiscal and economic effects of their rules and lists those effects in the preambles to their regulations.

- b. Incorporate changes EPA made to the federal gasoline dispensing facility NESHAP;

DEQ anticipates that there could be a negative fiscal and economic impact as a result of adopting these changes because the changes extend the gasoline dispensing facility rules to facilities that dispense gasoline into "non-road vehicles" and "non-road engines" and because the newly affected gasoline dispensing facilities will be

subject to Oregon's more stringent, but existing, gasoline dispensing facility rules and permitting. DEQ cannot quantify this impact at this time because the available information does not indicate how many facilities would trigger control requirements or permitting. However, the majority of affected facilities have small tanks and aren't likely to have gasoline throughputs that would trigger control requirements or permitting. Therefore, the fiscal and economic impact is not expected to be significant.

- c. Update the adoption by reference of previously adopted NESHAPs and NSPSs;

DEQ anticipates that there will be no fiscal and economic impacts as a result of updating previously adopted federal standards because the fiscal and economic impacts occurred when EPA adopted the rule amendments. EPA has evaluated the fiscal and economic effects of their rules and lists those effects in the preambles to their regulations.

- d. Remove monitoring, recordkeeping and reporting requirements in Oregon's Utility Mercury Rule and replace them with references to the monitoring, recordkeeping and reporting requirements in the Electric Utility Steam Generating Unit NESHAP.

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting these changes because they align the monitoring, recordkeeping and reporting requirements in Oregon's Utility Mercury Rule with the monitoring, recordkeeping and reporting requirements in the federal utility NESHAP.

2. Changes to the Air Contaminant Discharge Permitting Program

- a. Remove a requirement for DEQ to include federal emission standards in ACDPs even when the federal standards have not been adopted by the EQC;

DEQ anticipates that there will be a positive fiscal and economic impact as a result of adopting this change because it would improve the efficiency of the ACDP program.

- b. Remove a requirement for affected facilities to obtain an ACDP if the facilities are only subject to federal NSPS standards that have not been adopted by the EQC;

DEQ anticipates that there will be a positive fiscal and economic impact as a result of adopting this change because it would improve the efficiency of the ACDP program and also result in fewer sources having to get a permit and pay permitting fees.

- c. Exempt from permitting: facilities subject to only procedural requirements, such as notification that the facility is affected by an NSPS or NESHAP; chemical manufacturing facilities only subject to work practice standards; and paint stripping and surface coating operations using less than 20 gallons of coating and 20 gallons of methylene chloride containing paint stripper per year;

DEQ anticipates that there will be a positive fiscal and economic impact as a result of adopting these changes because it would result in fewer sources having to get a permit and pay permitting fees.

- d. Give DEQ the ability to add new requirements to Simple or Standard ACDPs by assigning the source to a General ACDP Attachment.

DEQ anticipates that there will be a positive fiscal and economic impact as

a result of adopting this change because it would improve the efficiency of the ACDP program and in some cases would allow permittees to avoid having to pay special activity fees to have the new requirements incorporated into their permits.

3. Clarify and Cleanup Rules

- a. Align the late fees for the registration and ACDP programs;

DEQ anticipates that there will be a positive fiscal and economic impact as a result of adopting this change because late fees would apply eight days after a source misses a deadline for submitting fees instead of immediately after the deadline, so some sources will avoid late fees altogether by paying fees within the grace period.

- b. Clarify the permitting requirements for metal fabrication and finishing operations;

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting this change because it corrects an error made in a previous rulemaking. This change would not result in any new permittees or any permittees paying higher fees.

- c. Remove redundant general permit fee class assignments for halogenated solvent cleaners;

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting this change because it would not decrease or increase the fees for halogenated solvent cleaners.

- d. Remove redundant gasoline dispensing facility control requirements in OAR 340 Division 232;

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting this change because the gasoline dispensing facility requirements in Division 232 are redundant to the gasoline dispensing facility requirements in Division 244.

- e. Reassign crematories to General ACDP fee class one (crematories were inadvertently assigned to fee class two in a previous rulemaking);

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting this change because it corrects a fee class assignment which DEQ inadvertently changed in a previous rulemaking and crematories have continued to pay class one fees.

- f. Repeal DEQ's accidental release prevention rule.

DEQ anticipates that there will be no fiscal and economic impact as a result of adopting this change because it only removes a placeholder rule for the federal accidental release prevention rules, which are in place and would continue to apply to Oregon businesses.

a) Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

Estimated number of small business subject to proposed rules: chemical manufacturing facilities subject only to work practice standards (1); paint stripping and surface coating operations using less

than 20 gallons of coating and 20 gallons of methylene chloride paint stripper per year (2); gasoline dispensing facilities that dispense gasoline into "non-road vehicles" and "non-road engines" (223); new federal area source NESHAP for gold mine ore processing and production (0); new federal major source NESHAP for electric utility steam generating units (1); new federal major source NESHAP for polyvinyl chloride and copolymers production (0); and new federal NSPS for sewage sludge incineration units (0).

b) Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

The adoption of new and amended federal standards do not add any new reporting, recordkeeping and other administrative activities other than those already required by the federal standards. The requirement that facilities dispensing gasoline into "non-road vehicles" and "non-road engines" comply with the more stringent Oregon gasoline dispensing facility requirements and obtain a permit may increase the reporting, recordkeeping and other administrative activities or costs of professional services on small businesses. This impact was mitigated in a previous rulemaking by exempting facilities that dispense less than 10,000 gallons per month of gasoline from permitting. The majority of these facilities have small tanks and are not likely to have throughputs that would trigger Oregon's more stringent control requirements and permitting. Therefore, the impact is not expected to be significant.

c) Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

The adoption of new and amended federal standards would not require small businesses to add any equipment, supplies, labor or administration because the federal standards apply in Oregon upon EPA's adoption. The requirement that facilities dispensing gasoline into "non-road vehicles" and "non-road engines" comply with the more stringent Oregon gasoline dispensing facility requirements and obtain a permit may require small businesses to add equipment, supplies, labor or administration. This impact was mitigated in a previous rulemaking by exempting facilities that dispense less than 10,000 gallons per month of gasoline from permitting. The majority of these facilities have small tanks and are not likely to have throughputs that would trigger Oregon's more stringent control requirements and permitting. Therefore, the impact is not expected to be significant.

d) Describe how DEQ involved small businesses in developing this proposed rule.

DEQ did not hold an official advisory committee for this rulemaking because the rulemaking would primarily adopt federal regulations by reference. DEQ previously met with various groups representing small businesses to discuss DEQ's implementation strategy for the new area source NESHAPs.

3. Impact on large businesses (all businesses that are not small businesses under 2 above)

Any fiscal and economic impacts on large businesses are expected to be the same as those estimated for small businesses.

4. Impact on local government other than DEQ

Direct impact: any direct fiscal and economic impacts on local governments that operate facilities subject to federal emission standards are expected to be the same as those estimated for small businesses.

Indirect impact: local governments could be indirectly impacted by the proposed rule changes as large and small businesses pass along increased or decreased costs in the form of price changes for goods and services.

Also, all Oregon cities and counties could be indirectly impacted by the requirement that businesses affected by new federal requirements obtain a permit. This is because businesses throughout the state are required to submit a Land Use Compatibility Statement with their permit application, and local governments process those Land Use Compatibility Statements. Some cities and counties charge a fee to complete the Land Use Compatibility Statement and therefore may have sufficient revenue to cover the added workload. Those cities that don't charge a fee, or that don't charge sufficient fees to cover their costs, may have new workload without additional revenue. DEQ does not have adequate information to estimate these fiscal impacts at this time.

5. Impacts on DEQ

Direct impact: Implementing the federal rules will require DEQ to provide technical assistance, issue permits, perform inspections, and issue formal enforcement actions against violators. This work will be implemented by existing staff, funded by revenue from permit fees. The rule amendments that exempt sources from permitting or lower fees will reduce net revenue, while the rule amendments that incorporate standards for previously unpermitted sources will increase net revenue. DEQ does not have adequate information to estimate the net change in revenue, but expects that it will not be significant.

Indirect impact: The indirect cost impacts on DEQ are expected to be the same as those estimated for small businesses.

Documents relied on for fiscal and economic impact

DEQ relied primarily on the Federal Register, the Code of Federal Regulations, and the Oregon Revised Statutes, in developing this rulemaking proposal. Copies of the documents relied upon in the development of this rulemaking proposal can be reviewed at DEQ's office

at 811 S.W. 6th Avenue, Portland, Oregon. Please contact Jerry Ebersole for times when the documents are available for review.

Advisory committee

DEQ did not hold an official advisory committee for this rulemaking because the rulemaking would primarily adopt federal regulations by reference.

Housing Cost

To comply with ORS 183.534, DEQ has determined that the requirement that facilities dispensing gasoline into "non-road vehicles" and "non-road engines" comply with the more stringent Oregon gasoline dispensing facility requirements and obtain a permit may have a negative impact 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. The negative impact could occur if the cost of emission controls and permitting fees are passed through by permit holders providing products and services for such development and construction. The possible impact appears to be minimal. DEQ cannot quantify this impact at this time because the available information does not indicate whether the permit fees would be passed on to consumers and any such estimate would be speculative.

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