#### State of Oregon

Department of Environmental Quality Memorandum

**Date:** March XX, 2014

**To:** Environmental Quality Commission

**From:** Dick Pedersen, Director

**Subject:** Agenda item XX, Informational item: Air Quality Permit Program Updates rulemaking

June 18-19, 2014, EQC meeting

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| **Why this is important** | DEQ plans to propose final rules to the commission later this summer and would like to share information about the air quality permitting program update rules under development before the commission takes action in June. |
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| **Background and other information** | This is a general update on rulemaking progress, stakeholder involvement and current status.  DEQ proposes changes to rules as a continuing effort to streamline, reorganize and update Oregon’s air quality permit programs to improve air quality with a more efficient and effective permitting program. Previous improvement efforts began with the Environmental Quality Commission’s adoption of Revisions to Point Source Air Management Rules in 2001 and Air Quality Permit Program Streamlining and Updates in 2007.  DEQ proposes changes to statewide particulate matter standards and the pre-construction permitting program that would align with EPA’s adoption of the ambient air quality standard for fine particulates, commonly called “PM2.5,” and respond to problems identified with Oregon’s permitting program that must be addressed to protect air quality. Along with these changes, DEQ proposes additional pre-construction permitting flexibility for smaller businesses.  To improve community outreach, DEQ proposes rules to allow the use of technological advances when holding public hearings and meetings.  DEQ proposes minor changes to the Heat Smart program and the gasoline dispensing facility program to improve implementation.  DEQ completed the draft rules and posted them for public comment in December 2013. DEQ received a number of comments and decided to extend the rulemaking timeline to consider revisions to the draft rules where appropriate and to address stakeholder concerns. Key areas of concern or misunderstandings of the proposed rules include: |
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| **Public outreach** | DEQ did not appoint an advisory committee for this rulemaking but did appoint an advisory committee for the fiscal and economic impact statement. The majority of the proposed rule changes are for the New Source Review program. These rules are very complex and affect very few businesses; one to three businesses apply for a New Source Review permit each year. DEQ held stakeholder meetings around the state in August to get input from affected businesses and the public on the proposed rule changes.  The fiscal and economic impact statement advisory committee consisted of \_\_\_\_\_\_\_\_\_ committee members that represented varied interests: small and large business, an asphalt plant consultant, a wood waste boiler consultant, the public and environmental groups.  The advisory committee met one time, and reviewed and commented on the changes to the statewide particulate matter standards, the portion of the rules that would have the largest potential fiscal and economic impact. The committee also reviewed the fiscal and economic impact statement portion of the public notice document. DEQ revised the fiscal and economic impact statement as a result of comments received. |
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| **Next steps and commission involvement** | There is no request for commission action at this time. DEQ plans to present a staff report for commission review and consideration as part of the request for adoption of the permitting program updates rules at the June EQC meeting. |
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| **Attachments** | None |
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| **Available online** | [DEQ’s Permitting Program Updates Rulemaking website](http://www.deq.state.or.us/lq/sw/conversiontechnology.htm) |
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Approved:

Division: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Section: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Report prepared by: Jill Inahara