From: WESTERSUND Joe
To: GARRAHAN Paul
Cc: artglass2016; MONRO David; HNIDEY Emil; INAHARA Jill; FELDON Leah; ARMITAGE Sarah
Subject: RE: first draft of fiscal impact statement for art glass permanent rule
Date: Friday, May 20, 2016 2:36:03 PM

Hi Paul,

Thank you for your review and comments.

Some responses:

It's not confirmed that companies will only have to install one baghouse. This fiscal impact can only be a rough estimate because there may be many configuration choices available to each individual facility- one big baghouse, several small baghouses, shifting production so that all metal-HAP containing batches are done in a subset of the furnaces, etc. A smaller baghouse may cost less than a big one. Installation cost may depend on the current layout and availability of space. The companies themselves may not have decided how to proceed, and I don't have all the information they do.

There's additional uncertainty for the Tier 2 facilities subject to NESHAP 6S, because I don't know how many baghouses they would ultimately install just due to 6S requirements. The cost estimate assumes that this rule would cause Tier 2s to have to install one more baghouse than they otherwise would.

Given the uncertainty, do you feel I should approach the cost estimate a different way?

My understanding is that both Tier 2 CAGMs are applying for Title V permits. If the Tier 2s are now thinking they won't need Title Vs, hopefully they'll tell me when looking at the cost estimate. Would this revision to the paragraph you mentioned address your comment?

It is DEQ's understanding that both Tier 2 CAGMs will be applying for Title V operating permits for compliance with 40 CFR Part 63 Subpart SSSSSS, the National Emission Standard for Hazardous Air Pollutants for Glass Manufacturing Area Sources (NESHAP 6S). Adding the proposed rule requirements to the Title V permits would not impact DEQ revenue or costs for these facilities.

-Joe

From: Garrahan Paul [mailto:paul.garrahan@state.or.us]
Sent: Friday, May 20, 2016 1:28 PM
To: WESTERSUND Joe <Joe.WESTERSUND@state.or.us>; MONRO David <David.MONRO@state.or.us>; HNIDEY Emil <Emil.HNIDEY@state.or.us>; INAHARA Jill <Jill.INAHARA@state.or.us>; FELDON Leah <Leah.FELDON@state.or.us>; ARMITAGE Sarah <Sarah.ARMITAGE@state.or.us>
Cc: artglass2016 <artglass2016@deq.state.or.us>
Subject: RE: first draft of fiscal impact statement for art glass permanent rule

My comments: First, is it confirmed that companies will only have to install one baghouse? Might they have to install more than one? Is that taken into consideration in the estimate of the cost of a baghouse? I see that the cost spreadsheet makes reference to the possibility that they may need to install a second baghouse, but the narrative document does not say anything about that. You may want to clarify that.

Second, I think you need to revisit this paragraph, in light of EPA guidance that sources don't have to get a Title V permit if they don't trigger any substantive requirements of 6S (i.e., no one furnace makes more than 50 lb/year of metal HAP containing glass):

Tier 2 CAGMs will be required to have Title V operating permits whether or not the proposed rules are adopted because these facilities must comply with 40 CFR Part 63 Subpart SSSSSS - National Emission Standard for Hazardous Air Pollutants for Glass Manufacturing Area Sources. Bullseye currently has an Air Contaminant Discharge Permit, with permit fees similar to a Title V operating permit for a facility of this size, so the proposed rules would have no impact on DEQ revenue or costs for these facilities.

Otherwise, this looks good to me—with the caveat that I have no idea about the costs of compliance.

Paul Garrahan
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From: WESTERSUND Joe [mailto:joe.westersund@state.or.us]
Sent: Friday, May 20, 2016 10:42 AM
To: MONRO David; HNIDEY Emil; INAHARA Jill; FELDON Leah; GARRAHAN Paul; ARMITAGE Sarah
Cc: artglass2016
Subject: RE: first draft of fiscal impact statement for art glass permanent rule

Thank you, Jill.

I've accepted Jill's edits and also added a new paragraph to the small biz section:

Trautman Art Glass, one of the Tier 1 CAGMs, said that the proposed rules may prompt them to move their facility to a new location. That decision would depend on whether the current property owner agrees to allow installation of a baghouse, as well as other factors internal to their business. The company estimated that moving their factory and complying with the rules at the new location would cost approximately $2 million, plus lost revenue of $1 million during the moving process. DEQ does not have data to verify the necessity to move or the facility's cost estimates for doing so.

The updated draft is attached. I also cleaned up the spreadsheet a bit, since I plan to send that out with the draft narrative.

Does anyone else have edits, comments or questions? I plan to email this out to the advisory committee members at the end of the day today.

-Joe

From: INAHARA Jill
Sent: Thursday, May 19, 2016 9:06 AM
To: WESTERSUND Joe <WESTERSUND.Joe@deq.state.or.us>; ARMITAGE Sarah <ARMITAGE.Sarah@deq.state.or.us>; GARRAHAN Paul <Paul.GARRAHAN@state.or.us>; FELDON Leah <FELDON.Leah@deq.state.or.us>; HNIDEY Emil <HNIDEY.Emil@deq.state.or.us>; MONRO David <MONRO.David@deq.state.or.us>
Cc: artglass2016 <artglass2016@deq.state.or.us>
Subject: RE: first draft of fiscal impact statement for art glass permanent rule

Joe!

You've done a really excellent job on this, considering we just threw you to the lions without any guidance! Thank you very much!

I've made some edits but overall, it looks great.
Thanks again,
Jill

From: WESTERSUND Joe
Sent: Thursday, May 19, 2016 6:31 AM
To: INAHARA Jill; ARMITAGE Sarah; GARRAHAN Paul; FELDON Leah; HNIDEY Emil; MONRO David
Cc: artglass2016
Subject: first draft of fiscal impact statement for art glass permanent rule

Greetings,

As you know, I've been working on the fiscal impact analysis for the permanent art glass rule. A first draft is attached (the formatting will be adjusted later). Apologies for any obvious errors- I wanted to get this in front of some reviewers despite a significant time crunch.

Your comments and edits would be very helpful. I hope to send a draft to the fiscal advisory committee at the end of the day on Friday, so if possible please send me your comments (using tracked changes in the document, or just by email) by sometime tomorrow morning.

If you'd like to review but that's not possible based on your schedule, let me know.

Thank you for your input!

-Joe
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