



State of Oregon Department of Environmental Quality and Lane Regional Air Protection Agency

# Oregon Environmental Quality Commission Meeting

## May 23, 2024

Item C: Air Quality Permitting Updates 2024 Rulemaking (Action)

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# DEQ Recommendation to the EQC

DEQ recommends the Environmental Quality Commission:

- Find that the proposed LRAPA rule amendments in Attachment A are not less strict than any EQC rule or standard;
- Approve the proposed LRAPA rule amendments in Attachment A under ORS 468A.135(2);
- Approve incorporating the LRAPA rule amendments in Attachment A into the Oregon Clean Air Act State Implementation Plan (SIP) under OAR 340-200-0040;
- Adopt the proposed SIP rule revision in Attachment C as part of Chapter 340 of the Oregon Administrative Rules; and
- Direct DEQ to submit this SIP revision to the U.S. Environmental Protection Agency for approval.

## Language of Proposed EQC Motion:

*“I move that the Oregon Environmental Quality Commission*

- *Find that the proposed LRAPA rule amendments in Attachment A are not less strict than any EQC rule or standard;*
- *Approve the proposed LRAPA rule amendments seen in Attachment A under ORS 468A.135(2);*
- *Approve incorporating the LRAPA rule amendments in Attachment A into the Oregon Clean Air Act State Implementation Plan under OAR 340-200-0040;*
- *Adopt the proposed State Implementation Plan rule revision in Attachment C as part of Chapter 340 of the Oregon Administrative Rules; and*
- *Direct DEQ to submit this State Implementation Plan revision to the U.S. Environmental Protection Agency for approval.”*

## Introduction

Lane Regional Air Protection Agency staff have proposed revisions to existing rules primarily to assure it's rules are no less stringent than the new DEQ air quality regulations adopted by the Environmental Quality Commission on Nov. 18, 2022. The LRAPA Board adopted them at their April 11, 2024 meeting. LRAPA is proposing several changes to existing rules to integrate the new DEQ rules with existing LRAPA program rules. Some of the proposed changes to existing rules would amend LRAPA's part of the Oregon Clean Air Act State Implementation Plan (SIP).

**LRAPA Board Action History.** The Board approved staff's request for a public hearing at the Jan. 11, 2024 meeting with a hearing held at the April 11, 2024 meeting. The rules were adopted by the Board on April 11, 2024. The last comprehensive permitting rule changes were adopted by the LRAPA Board on Jan. 11, 2018. Then the Board adopted a narrow set of rule changes that incorporated necessary revisions to allow LRAPA to implement the Cleaner Air Oregon program on March 14, 2019.

Under ORS 468A.135(2), the EQC must review and approve all LRAPA rules, provided that they are no less strict than any commission rules or standards. In this case, the applicable rules are part of the SIP, so the commission must also incorporate these rule changes into the SIP by amending OAR 340-200-0040(2) and direct DEQ to submit these SIP amendments to the U.S. Environmental Protection Agency for its approval.

# Overview

## Short summary of proposed rule changes

LRAPA proposes to update, clarify, improve and streamline Lane County's air quality permit programs. There are three categories of proposed changes which include:

- Policy changes that strengthen the permitting program, streamline the rules and improve the permitting process;
- Technical changes that clarify the program and rules; and
- Corrections to typographical errors and non-technical changes.

The changes would allow LRAPA to protect air quality with more efficient and effective permitting programs.

The proposed rule changes include the following policy changes:

- Strengthen the efficacy of the air quality permitting program
  - Prohibit issuance of all approvals for sources that will cause an exceedance of a National Ambient Air Quality Standard;
  - Eliminate Generic Plant Site Emission Limits, which currently often allow greater emissions than a facility is physically capable of emitting and is incompatible with requirements to protect short term air quality standards;
  - Clarify and update the Notice of Intent to Construct rules;
  - Require that sources must construct or modify in accordance with approved plans submitted with their applications;
  - Change permit type if sources are on the wrong permit;
  - Eliminate provisions that currently allow sources to operate without using pollution control devices for 48-hours under the excess emission rules;
  - Clarify LRAPA's ability to require and use modeling in addition to monitoring (by LRAPA or sources) for NAAQS exceedance verification;
  - Clarify that permittees must comply with all conditions in their permits;
  - Include a 3% increase in Part 3 Cleaner Air Oregon Annual Fees as part of the annual Air Contaminant Discharge Permit fee increase that currently applies to Parts 1, 2, and 4 of LRAPA Table 2 – section 37-8020; and
  - Establish a new \$720 fee applicable to sources or individuals who submit a Notice of Intent to Construct. Create a new fee associated with a Type 2 Notice of Intent to Construct application required by LRAPA's title 34 identical to the current DEQ Type 2 fee adopted by the EQC in 2020.
- Streamline rules and make process improvements
  - Change the test method for determining opacity compliance to the more commonly used EPA Method 9 procedure for measuring visible emissions from point sources;
  - Extend permit terms for Simple air permits to better allocate LRAPA resources to work on more significant permitting issues;
  - Provide no expiration date for New Source Review permits that must be incorporated into a Title V Operating Permit;
  - Expand the use of short-term activity permits for temporary operations beyond unexpected and emergency activities, providing more flexibility for businesses;
  - Provide a petition process for additional industrial categories to have general permits, rather than source-specific permits;
  - Require more complete applications at permit renewal to ensure LRAPA staff have

- o sufficient information to process the renewal applications;
- o Require additional information to be submitted by a date certain with an opportunity to request more time if needed rather than allowing 90 days for all submittals;
- o Clarify reinstatement procedures for owners or operators whose permits have been terminated because of a late permit renewal application or late payment of fees;
- o Add 1-bromopropane (1-BP) to the state list of Hazardous Air Pollutants to make it consistent with its listing under Section 112 of the Clean Air Act, as recently added by the EPA; and
- o Update LRAPA’s federal standards rules in titles 44 and 46 to reflect updated periodic federal delegations from EPA.

Many of the proposed rule changes improve clarity, especially where rules may conflict, and correct cross-references and other errors. The rules also align more closely with DEQ rules adopted by the Environmental Quality Commission.

LRAPA proposes the LRAPA Board and EQC approve the proposed rule and rule amendments for incorporation into Oregon’s State Implementation Plan. With the approval of LRAPA’s Board and EQC, DEQ would submit the proposed rule and rule amendments to the U.S. Environmental Protection Agency to be included in and to revise the State Implementation Plan required by the Clean Air Act.

**Regulated parties**

The proposed rule and rule amendments affect:

- All businesses, agencies, local governments and other entities holding air quality permits and that may be required to obtain air quality permits; and
- Businesses and other entities (both permitted and unpermitted) required to submit construction approval notices.

## Statement of need

STRENGTHEN RULES
<p>The following proposed changes strengthen LRAPA’s air quality permitting program:</p> <ul style="list-style-type: none"> <li>• Prohibit issuance of all approvals for sources that will cause an exceedance of a National Ambient Air Quality Standard;</li> <li>• Eliminate Generic Plant Site Emission Limits, which currently often allow greater emissions than a facility is physically capable of emitting;</li> <li>• Clarify and update the Notice of Intent to Construct rules;</li> <li>• Require that sources must construct or modify in accordance with approved plans submitted with their applications;</li> <li>• Change permit type if sources are on the wrong permit;</li> <li>• Eliminate provisions that currently allow sources to operate without using pollution control devices for 48-hours under the excess emission rules;</li> <li>• Clarify LRAPA’s ability to require and use modeling in addition to monitoring (by LRAPA or sources) for NAAQS exceedance verification; and</li> <li>• Clarify that permittees must comply with all conditions in their permits;</li> <li>• Include a 3% increase Part 3 Cleaner Air Oregon Annual Fees of Table 2 – section 37-8020 in line with the statutory authority under ORS 468A.345; and</li> </ul>

- Establish a new \$720 fee applicable to sources or individuals who submit a Notice of Intent to Construct. Create a new fee associated with a Type 2 Notice of Intent to Construct application required by LRAPA’s title 34 identical to the current DEQ Type 2 fee adopted by the EQC in 2020.

**Prohibit issuance of all approvals for sources that will cause an exceedance of a National Ambient Air Quality Standard.**

LRAPA proposes to prohibit issuance of construction approvals to all sources and permits to any new or modified source that will cause an exceedance of a National Ambient Air Quality Standard. LRAPA has the authority to require an air quality analysis in existing rules. The existing rules do not require that sources that request construction approval under the Notice of Intent to Construct rules verify that the NAAQS will be protected. In addition, the existing rules do not clearly state a requirement for sources to submit an air quality analysis with a permit application.

<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
<p>Current rules do not require sources to verify that the National Ambient Air Quality Standards are protected when a source applies for a Type 2 and Type 3 Notice of Intent to Construct for new or replaced equipment.</p>	<p>Type 2 and Type 3 NCs for new or replaced equipment require an air quality modeling analysis to ensure that the proposed construction does not exceed National Ambient Air Quality Standards. Sources would have the option of including permit conditions to ensure its emission will not cause or contribute to an exceedance or violation of an ambient air quality standard or to conduct ambient monitoring and meteorological monitoring to confirm if there were a violation of an ambient air quality standard.</p>
<p>LRAPA must issue permits that are protective of the NAAQS.</p>	<p>The proposed rule changes require that an air quality analysis be included in the permit application for a new source. The air quality analysis is required with renewal or modification applications when requested by LRAPA. LRAPA may consider criteria, including but not limited to annual PSELs for NO<sub>x</sub>, SO<sub>2</sub> and PM<sub>2.5</sub>, along with environmental justice criteria (population density, minority population, low-income population, &lt; 5 years of age population, over 64 years population, linguistic isolation population, less than high school degree population weighted equally) when determining the requirement for an existing source to submit an air quality analysis.</p>

**Eliminate Generic Plant Site Emission Limits.**

Plant Site Emission Limits are included in almost all Air Contaminant Discharge Permits and LRAPA Title V Operating Permits as a means of regulating increases and decreases in air emissions. PSELs are annual emission limits that can be source-specific or can be set at generic levels. This concept of Generic PSELs was developed as a streamlining measure in the Streamlined Permit Process Improvement Team

rulemaking in 2001 to replace source-specific PSELs for some facilities. Sources assigned Generic PSELs often have actual emissions that are much lower than the Generic PSEL.

EPA’s, DEQ’s and LRAPA’s air permitting programs use Significant Emission Rates as a threshold to determine when New Source Review requirements apply to new and existing facilities. Air quality modeling analysis is required for Significant Emission Rate increases to ensure the National Ambient Air Quality Standards are protected. In addition, a control technology review is required for major sources requesting Significant Emission Rate increases. Because there were no federal requirements in place for increases of emissions less than the Significant Emission Rate at the time of the DEQ and LRAPA streamlining rulemakings in 2001 and 2008, respectively, the Generic PSELs were established to allow owners or operators to increase emissions up to the Generic PSEL without requiring a permit modification if there were no physical modifications. The changes were intended to result in:

- Less time to calculate PSELs
- Less time to write permits
- Fewer permit modifications
- Less public notice for PSEL changes
- Less time spent by applicants and LRAPA on permit review issues

In order to address more stringent ambient air quality standards adopted after 2008, LRAPA is proposing to eliminate Generic PSELs. In the proposed rule changes, rather than assigning sources Generic PSELs, LRAPA would permit those sources using a limit based on their capacity or potential to emit. Permitting sources at capacity or potential to emit:

- Creates permits that more accurately reflect actual emissions;
- Provides more regulatory certainty;
- Avoids over-allocation of air resources;
- Provides transparency for communities; and
- Allows LRAPA to review air quality modeling of emissions to ensure compliance with short-term National Ambient Air Quality Standards for all new permits and some permit modifications.

<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
<p>LRAPA rules will establish permit requirements “to prevent violation of an ambient air quality standard caused or projected to be caused substantially by emissions from the source as determined by modeling, monitoring, or a combination thereof.” [LRAPA 32-005 Highest and Best Practicable Treatment and Control: Additional Control Requirements for Stationary Sources of Air Contaminants]. In 2006, EPA lowered the primary and secondary 24-hour PM<sub>2.5</sub> standards. In 2010, EPA established 1-hour NAAQS for both NO<sub>2</sub> and SO<sub>2</sub> for the first time. Significant Emission Rates, on which Generic PSELs are based, were established in 1980, before 1-hour NAAQS were set. Significant Emission Rates are based on long-term (annual) emissions which do not consider the variability of operations on a short-term basis. Because of this, Significant Emission Rates may not be protective of the short-term NAAQS in many cases.</p>	<p>The proposed rule change to eliminate the use of Generic PSEL gives LRAPA the option to permit sources at capacity or potential to emit instead of Generic PSELs. Without the extra “cushion” of the Generic PSEL, LRAPA can require evaluation of increases that are less than the Significant Emission Rates and apply its existing rules to require modeling information.</p>

<p>The Generic PSELs allow a source to expand operations and increase emissions up to the Significant Emission Rate without having to go through significant permit review or public notice, which increases the possibility of violations of short-term NAAQS.</p>	
<p>Most sources that have Generic PSELs in their permits emit at a small percentage of the Generic PSEL.</p>	<p>Permitting at capacity or potential to emit instead of Generic PSELs creates permits that more accurately reflect actual emissions, providing more transparency for communities.</p>
<p>Permitting at capacity or potential to emit would reduce the risk of adverse findings from EPA. The current practice of issuing Generic PSELs does not assure protection of NAAQS. An owner or operator can increase emissions under its Generic PSEL and still exceed short-term NAAQS.</p>	<p>To protect short-term NAAQS and comply with the Clean Air Act, LRAPA must evaluate increases that are less than the Significant Emission Rates and apply its existing rules to require modeling information.</p> <p>LRAPA anticipates an increase in permit modifications. This change may also increase the opportunity for public comment from impacted communities.</p>
<p>Title V sources are required to pay fees based on permitted emissions (i.e., Generic level PSELs) or potential to emit. LRAPA performs an audit of Title V fees every year.</p>	<p>The proposed rule changes will eliminate the work needed to refund the overpayment of fees based on Generic level PSELs by Title V sources. Permittees on Air Contaminant Discharge Permits do not pay fees based on emissions.</p>

**Clarify and update the Notice of Intent to Construct rules.**

Whenever an owner or operator of a facility, permitted or unpermitted, wants to construct something, whether it's building a brand new facility, modifying an existing facility, or installing equipment at an unpermitted facility, the owner or operator must notify LRAPA and submit the correct application forms in accordance with the Notice of Intent to Construct rules. This includes equipment that emits pollution and equipment that controls pollution.

The proposed rule changes will promote consistent construction approval through the Notice of Intent to Construct/Notice of Approval process for all sources, both sources permitted through Air Contaminant Discharge Permits or Title V permits, and also for unpermitted sources. Several resource intensive issues have been identified with the NC rules and how they have been interpreted or implemented. The main issue is that the rules are not clear on what type of construction/modification qualifies for a Type 1 or a Type 2 NC. Another issue that will be addressed is that the rules allow for default approvals of NCs if LRAPA does not respond to a source within the defined timeline. In many cases an NC should be reviewed before it is approved.

<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>The Title V construction rules in OAR 340-218-0190 point to the NC rules in LRAPA's title 34 but call them "Notice of Approval." There is no mention of "Notice of Approval" in the NC rules.</p>	<p>The proposed rule changes add "Notice of Approval" for Title V sources to make the rules clearer that they also apply to Title V sources.</p>
<p>There has been some confusion on the following:</p>	<p>The proposed NC rules will:</p>

<ul style="list-style-type: none"> <li>• Difference between Type 1 and Type 2 NCs</li> <li>• Emission thresholds apply to the emissions unit, not the whole source</li> </ul>	<ul style="list-style-type: none"> <li>• More clearly distinguish between Type 1 and Type 2 NCs</li> <li>• Establish a list of Type 1 NCs that do not need approval; and</li> <li>• Clarify that the emissions thresholds apply to emissions units, not the whole source.</li> </ul>
<p>Some construction projects need no review at all, and therefore, no approval. Some NCs have been inappropriately approved by default because the rules allow for a 10-day default approval.</p>	<p>The proposed rule changes establish “notification only” construction projects to replace the Type 1 NC. Sources need to notify LRAPA of the installation of the equipment but do not need to wait for approval. The proposed rule changes will eliminate the 10-day default approval and expedite permitting. LRAPA will expand the list of “notification only” equipment for the Type 1 NC in a future rulemaking based on implementation experience.</p> <p>Sources can request that LRAPA verify that emissions are less than or equal to de minimis levels, giving LRAPA 30 days to do so, before commencing construction.</p>
<p>Most NC approvals are completed in a timely manner but there have been instances where the construction has not been completed (e.g., nine years after approval and construction still has not been completed).</p>	<p>The proposed rule changes add expiration dates for NC approvals. Even approval for major construction projects approved under the New Source Review program terminates after 18 months unless the source can show good cause for an extension.</p>
<p>Current rules do not require sources to construct or modify in accordance with approved plans. If this does not occur, sources should be required to resubmit a corrected application for review.</p>	<p>The proposed rule changes require sources to construct or modify their facility in accordance with the approved plans and specifications. This is especially important for sources that do air quality modeling and require permit conditions to protect the NAAQS.</p>
<p><b>Require that sources must construct or modify in accordance with approved plans submitted with their applications.</b></p>	
<p>Construction approvals are based on the application submitted by the owner or operator. If construction is not completed in accordance with the approved plans, the emissions and ambient air quality impacts may not align with LRAPA’s approval.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>LRAPA and the public need to know that the project is constructed in accordance with LRAPA’s approval.</p>	<p>The proposed rule clarifies that sources must construct or modify in accordance with approved plans submitted with application.</p>
<p>There are times when construction cannot be completed in accordance with LRAPA’s approval.</p>	<p>The proposed rule changes require the owner or operator to notify LRAPA of any corrections and revisions to the plans and specifications upon becoming aware of the changes. LRAPA will</p>



	evaluate whether the correction or revisions negatively impact air quality.
<b>Change permit type if sources are on the wrong permit.</b>	
<p>Current rules allow LRAPA to require sources to be on a more complex permit (Standard Permit) rather than a Simple air permit based on the following criteria:</p> <ul style="list-style-type: none"> <li>• The nature, extent and toxicity of the source's emissions;</li> <li>• The complexity of the source and the rules applicable to that source;</li> <li>• The complexity of the emission controls and potential threat to human health and the environment if the emission controls fail;</li> <li>• The location of the source; and</li> <li>• The compliance history of the source.</li> </ul>	
<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
Some sources may be on the wrong type of permit and do not receive the correct amount of oversight.	The proposed rule changes would clarify that the criteria LRAPA uses to place sources on the correct type of permit would apply to all permit types.
<b>Eliminate provisions that currently allow sources to operate without using pollution control devices for 48-hours under the excess emission rules.</b>	
<p>Excess emissions are defined as emissions in excess of a permit limit, in excess of a risk limit, or emissions in violation of any applicable air quality rule. Excess emissions can occur during startup, shutdown, maintenance or malfunction of equipment. The current rules allow a source to operate for 48 hours before ceasing operation if there is a condition causing excess emissions. The owner or operator does not have to cease operation if LRAPA approves procedures to minimize excess emissions until the condition causing the excess emissions is corrected or brought under control.</p>	
<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
Venting uncontrolled emissions for 48 hours or more can cause harmful impacts to the neighboring community, especially if the emissions contain toxic air contaminants.	<p>The proposed rule changes would:</p> <ul style="list-style-type: none"> <li>• Not allow 48 hours of operation without a control device;</li> <li>• Reduce emissions to the greatest extent practicable;</li> <li>• Only allow continued operation of process equipment unless immediate shutdown would result in physical damage to the equipment or facility, cause injury to employees, or result in emissions associated with shutdown and the subsequent startup that would exceed those emissions resulting from continued operation; or</li> <li>• Cease operation of the equipment or facility until the condition causing the excess</li> </ul>

	emissions has been corrected or brought under control.
<p><b>Clarify LRAPA’s ability to require and use modeling in addition to monitoring (by LRAPA or sources) for NAAQS exceedance verification.</b></p>	
<p>The National Ambient Air Quality Standards, established by the EPA under authority of the Clean Air Act, are limits on atmospheric concentration of six criteria pollutants in outdoor air. These criteria pollutants (carbon monoxide, nitrogen dioxide, ground level ozone, particulate matter, sulfur dioxide and lead) cause smog, acid rain, and other health hazards. After EPA sets a new NAAQS or revises an existing standard for a criteria air pollutant, the Clean Air Act requires EPA to determine if areas of the country meet the new standards.</p> <p>In 2014, EPA promulgated a rule directing state and tribal air agencies to provide data to characterize current air quality in areas with large sources of sulfur dioxide emissions to identify maximum 1-hour SO<sub>2</sub> concentrations in ambient air. The rule also sets forth a process and timetables by which air agencies must characterize air quality through ambient monitoring and/or air quality modeling techniques and submit such data to the EPA. The air quality data developed by air agencies could be used by the EPA in future actions to evaluate an area’s air quality under the 2010 1-hour SO<sub>2</sub> NAAQS, including area designations and redesignations.</p> <p>Current LRAPA rules require LRAPA to monitor to verify NAAQS exceedance. Ambient monitoring can be very time consuming and expensive.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>The Clean Air Act defines a nonattainment area as the area that is violating the NAAQS or a nearby area that is contributing to a violation. For example, the PM<sub>2.5</sub> standards are based on averaging air quality measurements both annually and on a 24-hour basis. The annual standard for PM<sub>2.5</sub> is met whenever the 3-year average of the annual mean PM<sub>2.5</sub> concentrations for designated monitoring sites in an area is less than or equal to 15.0 µg/m<sup>3</sup>. The 24-hour standard for PM<sub>2.5</sub> is met whenever the 3-year average of the annual 98<sup>th</sup> percentile of values at designated monitoring sites in an area is less than or equal to 35 µg/m<sup>3</sup>.</p> <p>Because nonattainment areas are based on averaging air quality measurements for three years, monitoring to define a nonattainment area can be very time consuming and expensive.</p>	<p>The proposed rule changes give LRAPA the ability to use air quality modeling data, rather than monitoring data, to designate a nonattainment area, as allowed by EPA.</p>
<p>The existing rules do not distinguish between a violation of a NAAQS and an exceedance of a NAAQS.</p> <p>A violation of NAAQS would require nonattainment designation for the selected area. Violations of NAAQS would be determined by three years of monitoring data or modeling data, as discussed above.</p> <p>An individual source could exceed a NAAQS. An exceedance of a NAAQS could be determined based</p>	<p>The proposed rule changes clarify that LRAPA may use air quality modeling or monitoring, or require a source to use either, to determine if a source is causing or contributing to an exceedance of a NAAQS.</p>

on air quality modeling of an individual source or ambient monitoring.	
<b>Clarify that permittees must comply with all conditions in their permit.</b>	
Currently, there is no air quality rule that requires permittee compliance with all permit conditions. LRAPA proposes to make it clear that compliance with all permit conditions is required.	
<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
The lack of an explicit rule that requires permittees to comply with all conditions in permits can make evaluation and assessment of enforcement cases more difficult.	The proposed rule changes clarify that permittees must comply with all conditions in their permits.
<b>Include a 3% increase in Part 3 Cleaner Air Oregon (CAO) Annual Fees of LRAPA Table 2 – section 37-8020 in line with the statutory authority under ORA 468A.345.</b>	
Currently, the CAO fees in Part 3 of LRAPA’s Table 2 in title 37 are not included in the annual fee increase that applies to the fees in Parts 1, 2, and 4. Including the CAO fees would help LRAPA keep up with cost increases and it would align LRAPA’s fee increases with DEQ’s similar planned CAO annual fee increases in 2024.	
<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
The increase would ensure that CAO annual fees also increase annually thereby reducing the need for a large step increase in the future. The change would also align with other similar fee changes DEQ is planning in 2024 that include CAO annual fees.	The proposed rule includes a 3% increase in Table 3 CAO annual fees [LRAPA 37-0090(3)]
<b>Establish a new \$720 fee applicable to sources or individuals who submit a Notice of Intent to Construct. Create a new fee associated with a Type 2 Notice of Intent to Construct application required by LRAPA’s title 34 identical to the current DEQ Type 2 fee adopted by the EQC in 2020.</b>	
Currently, LRAPA does not charge a fee for Type 2 construction notices. DEQ adopted a \$720 fee as part of a larger ACDP fee rulemaking to cover the cost of the construction application reviews, and it would align LRAPA’s rules with DEQ’s same fee adopted in 2020.	
<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
The increase would ensure that staff time to review and process Type 2 NCs is covered, and it would make LRAPA’s rules identical to DEQ’s in that regard.	The proposed rule includes a \$720 fee for Type 2 construction applications.
<b>STREAMLINE RULES AND MAKE PROCESS IMPROVEMENTS</b>	
<p>LRAPA is proposing the rule changes listed below:</p> <ul style="list-style-type: none"> <li>• Change the test method for determining opacity compliance to the more commonly used EPA Method 9 procedure for measuring visible emissions from point sources;</li> <li>• Extend permit terms for Simple air permits to better allocate LRAPA resources to work on more</li> </ul>	

- significant permitting issues;
- Provide no expiration date for New Source Review permits that must be incorporated into a Title V permit;
- Expand the use of short-term activity permits for temporary operations beyond unexpected and emergency activities, providing more flexibility for businesses;
- Provide a petition process for additional industrial categories to have general permits, rather than source-specific permits;
- Require more complete applications at permit renewal to ensure LRAPA staff have sufficient information to process the renewal applications;
- Require additional information to be submitted by a date certain with an opportunity to request more time if needed rather than allowing 90 days for all submittals;
- Clarify reinstatement procedures for owners or operators whose permits have been terminated because of a late permit renewal application or late payment of fees;
- Add 1-bromopropane (1-BP) to the list of state Hazardous Air Pollutants to make it consistent with its listing under Section 112 of the Clean Air Act, as recently added by the EPA;
- Provide flexibility for assessment of Exempt Toxics Emissions Units under the Cleaner Air Oregon program; and
- Update LRAPA’s federal standards rules in titles 44 and 46 to reflect updated periodic federal delegations from EPA.

**Change the test method for determining opacity compliance to the more commonly used EPA Method 9 procedure for measuring visible emissions from point sources.**

LRAPA proposes to go from a 3-minute aggregate to a 6-minute average for determining opacity compliance observation periods. This is considered a “neutral” change without a fluctuation of stringency as both opacity compliance methods are determined to be as stringent as the other, on an overall basis. This change would make LRAPA’s opacity compliance determination method the same as DEQ’s. LRAPA would go from EPA Method 203B to the more common EPA Method 9 for determining opacity.

<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
<p>Past LRAPA inspectors preferred to retain the 3-minute aggregate basis of the standard, especially for reading opacity on batch processes.</p> <p>So, in 2015, LRAPA located a standard that allowed for the data reduction procedures needed to verify compliance with the 3-minute aggregate basis for the standard; EPA Method 203B contains data reduction procedures to measure 3-minute aggregate periods.</p> <p>In their 2015 rulemaking, DEQ gave the following reasons for changing the time basis for the opacity standard to the six-minute average basis:</p> <ul style="list-style-type: none"> <li>• <i>“An opacity standard based on a 6-minute average is no more or less stringent than a standard based on an aggregate of 3 minutes in any hour. Theoretically, either basis could be more stringent than the other, but practically, sources do not typically have intermittent puffs of smoke. If there</i></li> </ul>	<p>The proposed rule would make LRAPA’s method of measuring visible emissions from point sources more aligned with DEQ’s and EPA’s methods.</p>

*is an upset that lasts longer than 3 minutes, it usually lasts longer than 6 minutes, as well. Other reasons for changing to a 6 minute average include:*

- *EPA method 9 results are reported as 6-minute averages.*
- *The 3-minute standard adds more cost to data acquisition systems for continuous opacity monitoring systems. Many of the COMS are designed for 6-minute averages, so they have to be modified to record and report data for the 3-minute standard.*
- *Compliance with a 6 minute average can be determined with 24 readings (6-minute observation period); whereas, compliance with the 3-minute standard may require as many as 240 readings (60 minute observation period). In addition, it is DEQ’s policy that the inspector observes the source for at least 6 minutes before making a compliance determination.”*

**Extend permit terms for Simple permits.**

Air Contaminant Discharge Permits are issued for varying permit terms, depending on the type of permit. More complex permits have shorter permit terms because LRAPA needs more oversight of these sources.

Permit Type	Existing Permit Term	Proposed Permit Term
Simple ACDP	Up to 5 years	Up to 10 years

**What need would the proposed rule changes address?**

Most facilities that are on less complex permits change little between permit issuance and renewal. Staff time would be better spent addressing major issues.

**How would the proposed rule changes address the need?**

The proposed rule changes provide an extended permit term from five years to 10 years for Simple permits to streamline the permitting process and also allow for permit modifications when needed.

In some cases, permits must be updated because of changes proposed by the source or because rules have changed. LRAPA must have the ability to change the permit for these reasons.

**Provide no expiration date for New Source Review permits that must be incorporated into a Title V permit.**

Title V permits allow for operation only, not construction. If an owner or operator of a Title V source proposes construction, it must be done through the Notice of Intent to Construct rules or through NSR

rules. A Title V source that is subject to NSR has permit conditions from that NSR permit that must be incorporated into the Title V permit. The NSR permit is cited as the authority for those permit conditions. After the NSR permit conditions are incorporated into the Title V permit, the NSR permit expires, usually five years after permit issuance. If those NSR permit conditions ever need to be modified (e.g., the BACT limits were set based on normal operation, not during startup or shutdown), the NSR permit must first be reissued. Rather than have the source reapply for the same NSR permit, LRAPA is proposing no expiration date for that NSR permit. This way, the source can apply for a permit modification to modify the NSR permit conditions. If the NSR permit must have major revisions or the source proposes changes that would trigger NSR again, LRAPA would require application for a new NSR permit.

<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
LRAPA must reissue an expired NSR permit in order to change any NSR permit conditions.	Removing expiration dates for NSR permits that must be incorporated into Title V permits will eliminate the time and expense for businesses to reapply for the same permit. The proposed rule change will also save LRAPA resources from having to reissue the permit. No permit fees are required for these NSR permits that do not expire because in many cases, the permit will never need to be changed.

**Expand the use of short-term activity permits for temporary operations.**

Short-term activity permits are currently allowed only for unexpected and emergency activities. These permits expire in 60 days and are not allowed to be renewed. At times, LRAPA has allowed short-term planned operations to occur under a Stipulation and Final Order, a tool under LRAPA’s formal enforcement actions. These planned short-term activities are not allowed under existing permits and arguably should not be handled as enforcement actions because the business asks permission to perform these types of activities, giving LRAPA an opportunity to assess the environmental impacts of the proposed action. In addition, it is resource intensive for LRAPA to develop Stipulation and Final Orders.

<b>What need would the proposed rule changes address?</b>	<b>How would the proposed rule changes address the need?</b>
Sources have asked to permit planned temporary activities that are currently not allowed under their permit but would only take place for a short time.	<p>The proposed rule changes expand the use of short-term activity permits for activities such as:</p> <ul style="list-style-type: none"> <li>• Operation or source test of a pilot or an exploratory emissions unit; and</li> <li>• Other similar types of temporary activities that emit air contaminants.</li> </ul> <p>Short-term activity permits could also be renewed for one additional 60-day period if approved by LRAPA.</p>

**Provide a petition process to add new industrial categories for general permits.**

General permits were created to achieve efficiency in permit processing and to facilitate LRAPA’s implementation of federal standards that apply to area sources of hazardous air pollutants (National Emission Standards for Hazardous Air Pollutants). General ACDPs are available for a variety of industries such as rock crushing, prepared feeds, metal fabrication and surface coating, where a

<p>standardized permit is appropriate to regulate any such facility seeking to operate. This allows a source to avoid the higher cost of a Simple or Standard air permit yet allows for LRAPA oversight.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>Similar businesses can be permitted on the same General ACDP but only if LRAPA has developed a General ACDP for that industry type.</p>	<p>The proposed rule changes include the option for a business or member of the public to petition LRAPA to develop a General ACDP if there are enough similar sources that would qualify for the permit.</p> <p>The petition should include:</p> <ul style="list-style-type: none"> <li>• Justification for why a new category General ACDP should be developed;</li> <li>• Approximate number of businesses that would be eligible for the General ACDP; and</li> <li>• Criteria for qualification of the General ACDP.</li> </ul>
<p><b>Require more complete applications at permit renewal rather than streamlined applications that do not provide enough information.</b></p>	
<p>Current rules allow streamlined permit renewal applications for Standard and Title V permits unless there are significant changes to a permit.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>Many businesses take advantage of this streamlined renewal application option even though many changes have taken place since the last permit was issued. In these instances, LRAPA must try to renew the permit with incomplete information. The intent was to streamline the renewal process but in fact, it makes permit renewals more difficult.</p>	<p>The proposed rule changes will require submittal of more complete applications (electronic submittals) at Standard ACDP and Title V permit renewal.</p>
<p><b>Require additional information to be submitted by a date certain with an opportunity to request more time if needed rather than allowing 90 days for all submittals.</b></p>	
<p>Sources requesting or renewing Air Contaminant Discharge Permits have 90 days to submit additional information requested by LRAPA, regardless of the type of request.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>LRAPA often must ask for more information to draft a permit. Some information can be submitted within hours or days. Allowing 90 days to submit information causes delays in permit processing.</p>	<p>The proposed rule changes modify the time sources must submit information in response to a request from LRAPA from 90 days to a date certain. Some information is easier to gather and will be given less time to submit. Some information is more difficult to gather and will be given more time to submit. A source can</p>



	request more time for good reason. If the applicant does not submit the requested information, LRAPA may return or deny the application.
<p><b>Clarify reinstatement procedures for owners or operators whose permits have been terminated because of a late permit renewal application or late payment of fees.</b></p>	
<p>Owners or operators are required to submit permit renewal applications before their permit expires in order to give LRAPA staff time to renew the permit. If the owner or operator does not submit a timely renewal application, the permit terminates upon the expiration date. In addition, if the owner or operator does not submit the permitting fees by their annual due date, the permit terminates 90 days after the invoice date unless prior arrangements for a payment plan have been approved in writing by LRAPA. This applies to reinstatement procedures for ACDPs and not Title V permits.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>The rules treat failure to submit a renewal application the same as failure to submit annual fees.</p>	<p>The proposed rule changes clarify that reinstatement of a permit for failure to submit a renewal application can only occur if not later than 30 days after the permit expiration date, the owner or operator submits the permit renewal application along with a late application fee which is equivalent to the new permit fee.</p> <p>The proposed rule changes clarify that reinstatement of a permit for failure to pay annual fees can only occur if, not later than 90 days after the permit termination date, the owner or operator submits all unpaid fees and applicable late fees.</p> <p>If neither of the actions above happen, the owner or operator of a terminated permit must apply as a new source, pay new permit fees and late fees, and cannot operate until the permit is issued.</p>
<p><b>Add 1-bromopropane (1-BP) to the list of state Hazardous Air Pollutants to make it consistent with its listing under Section 112 of the Clean Air Act.</b></p>	
<p>EPA recently added 1-bromopropane (1-BP) to the list of Hazardous Air Pollutants under Section 112 of the Clean Air Act. Uses include:</p> <ul style="list-style-type: none"> <li>• An aerosol solvent in asphalt, aircraft, and synthetic fiber manufacturing</li> <li>• A vapor and immersion degreaser in metals, metal products, plastics, optics, and electronics manufacturing;</li> <li>• A cleaning solvent for dry cleaning;</li> <li>• An adhesive in laminates and foam products; and</li> <li>• A chemical intermediate in pharmaceuticals, pesticides, quaternary ammonium compounds, flavors, and fragrances.</li> </ul>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>



<p>The proposed addition of 1-bromopropane to the state list of HAPs would ensure that LRAPA's program would align with EPA's program to regulate HAPs.</p>	<p>Adding 1-bromopropane to the state list of HAPs would ensure that LRAPA can regulate sources of these emissions.</p>
<p><b>Provide flexibility for assessment of Exempt Toxics Emissions Units under Cleaner Air Oregon.</b></p>	
<p>LRAPA has the authority to determine if activities at a source can be Exempt Toxics Emissions Units for the purpose of conducting a risk assessment under the Cleaner Air Oregon program. The current rules do not provide for the development of minimum reporting thresholds for activities that may not materially contribute to the final source risk at a facility.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>Some Toxics Emissions Units pose very low risk but without a minimum reporting thresholds for these activities, sources must include them in their risk assessment and LRAPA must evaluate their impacts. This exercise is resource intensive for both sources and LRAPA.</p>	<p>The proposed rules would allow LRAPA to establish minimum reporting thresholds to improve both the efficiency of the risk assessment process, as well as the efficacy of permitting under the Cleaner Air Oregon program. Sources would then provide justification for Exempt Toxics Emissions Unit determinations that are based on conservative risk screening thresholds. LRAPA will maintain approval authority for these determinations.</p>
<p><b>Update LRAPA's federal standards rules in titles 44 and 46 to reflect updated periodic federal delegations from EPA.</b></p>	
<p>LRAPA periodically receives updated delegation of federal standards from EPA by way of DEQ rulemakings which extend that delegation of authority to LRAPA. LRAPA's rules for federal standards (NESHAPs and NSPSs in titles 44 and 46, respectively) were last amended by the Board on J. 11, 2018 and include a delegation of authority for certain federal standards adopted as current in the July 1, 2017 CFR (Code of Federal Regulations). LRAPA has received delegation from EPA to implement the requested standards through the July 1, 2020 CFR.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>Update the delegation of authority to implement certain federal standards listed in LRAPA titles 44 and 46 to the July 1, 2020 version of the CFR.</p>	<p>The proposed rules would update LRAPA's rules to reflect EPA delegations previously provided to LRAPA.</p>
<p><b>Clarify rules</b></p>	
<p>The proposed rule changes listed below are to clarify current rules that are arguably unclear and for which DEQ rules already allow LRAPA to implement until the Agency adopts rules that are at least as stringent as DEQ's corresponding rules.</p>	
<p><b>What need would the proposed rule changes address?</b></p>	<p><b>How would the proposed rule changes address the need?</b></p>
<p>It is unclear whether the permit is effective on the date it is signed, on the date it is received by the permittee, or 20 days after receipt of the permit when the source can request a contested case hearing.</p>	<p>The proposed rule changes clarify that the effective date of permit is the date that it is signed unless a contested case hearing is requested.</p>

<p>LRAPA 37-8020 Table 2 says the fees are for ACDP sources only.</p>	<p>The proposed rule changes clarify that Type 2 NC fee, in addition to some of the other specific activity permit fees, applies to Title V sources, if applicable.</p>
<p>A few of the LRAPA 37-8020 Table 1 categories that list the sources that must apply for a permit are not clear.</p> <p>Also, DEQ has previously adopted two categories that LRAPA is proposing to include as new permit categories. One new DEQ category that applies to landfills for methane regulation already applies to sources in Lane County.</p>	<p>The proposed rule changes clarify the following Table 1 categories:</p> <p>Part A:</p> <ul style="list-style-type: none"> <li>• 2. Boilers with heat input rating of 2.0 or more MMBTU but less than 10 MMBTU/hour heat input, that do not use more than 9,999 gallons per year of #2 diesel oil as a backup fuel.</li> </ul> <p>Part B:</p> <ul style="list-style-type: none"> <li>• 32. Gasoline dispensing facilities (GDFs), excluding gasoline dispensing facilities with a monthly throughput of less than 10,000 gallons of gasoline per month.</li> <li>• 46. Molded container manufacturing, using extrusion, molding, lamination, and foam processing and molded fiberglass container manufacturing, excluding injection molding.</li> <li>• 47. Motor coach, travel trailer, and camper manufacturing.</li> <li>• 75. All other sources, both stationary and portable, not listed herein which would have the capacity of 5 or more tons per year of direct PM2.5 or PM10 if located in a PM2.5 or PM10 nonattainment or maintenance area, or 10 or more tons per year of any single criteria pollutant.</li> <li>• 84. Chemical manufacturing facilities that do not transfer liquids containing organic HAP listed in Table 1 of 40 CFR part 63 subpart VVVVVV to tank trucks or railcars and are not subject to emission limits in Table 2, 3, 4, 5, 6, or 8 of 40 CFR part 63 subpart VVVVVV.</li> </ul> <p>The proposed rule changes create new categories in Table 1:</p> <p>Part B:</p> <ul style="list-style-type: none"> <li>• 89. All sources subject to BACT or LAER under title 38, a NESHAP under title 44, a NSPS under title 46, or State MACT under 44-140(2), except sources: <ul style="list-style-type: none"> <li>○ Exempted in any of the categories listed in Part A and/or B;</li> <li>○ For which a Basic ACDP is available; or</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Registered pursuant to 34-025(2)</li> <li>● 90. Landfills with more than 200,000 tons of waste in place and calculated methane generation rate is less than 664 metric tons per year which are subject to the requirements in OAR chapter 340, division 239</li> </ul> <p>Part C:</p> <ul style="list-style-type: none"> <li>● 8. Landfills with more than 200,000 tons of waste in place and calculated methane generation rate is greater than or equal to 664 metric tons per year which are subject to the requirements in OAR chapter 340, division 239.</li> </ul>
<p>LRAPA opacity and grain loading standards apply to all emissions units unless the rules contain a specific exemption. There is no exemption for recovery furnaces at kraft pulp mills, which are subject to more specific rules.</p>	<p>The proposed rule changes exempt recovery furnaces from the statewide opacity and grain loading standards because there are specific rules that apply to them.</p>

## How will LRAPA know the rules have addressed the needs stated above?

To determine whether the rulemaking met its objectives, LRAPA:

- Will be able to provide more transparency to the public when issuing permits that are based on potential or capacity to emit, rather than Generic PSELs;
- Will ensure that businesses are on the correct type of permit for the complexity of their facility;
- Will ensure the safety of the public and workers by eliminating the ability for businesses to operate without pollution control devices for up to 48 hours;
- Will be able to process some permits on a timelier basis;
- Will provide more flexibility for owners or operators that can have short-term activities not allowed under their permits to be permitted; and
- Focus resources on more significant permitting issues.

To determine whether the rulemaking met its objectives to clarify the rules, LRAPA would confirm, as part of ongoing interaction with regulated parties, whether regulated parties have a clearer understanding of the program and their obligations. LRAPA expects to see a reduction in the number of businesses that request help interpreting the rules. In addition, LRAPA expects to see a permit backlog reduction as a sign that the proposed rule changes are effective after training on the proposed rules and full implementation as long as adequate resources are available.

If the EQC adopts the proposed rule changes, DEQ would submit the rules to EPA to update Oregon's State Implementation Plan. LRAPA and DEQ would know that one of the goals of this rulemaking has been addressed when EPA reviews and approves the State Implementation Plan revision.

# Rules affected, authorities, supporting documents

## Lead division

Air Quality

## Program or activity

LRAPA Operations Group

## Chapter 340 action

OAR 340-200-0040(2)

## Other authority

LRAPA action

Adopt				
38-0030				
Amend				
12-001	12-005	12-010	12-020	12-025
13-005	13-010	29-0040	29-0050	31-0040
31-0050	31-0070	37-0080	32-005	32-008
32-009	32-010	32-015	32-020	32-030
32-050	32-075	33-060	33-065	33-070
33-080	33-500	34-010	34-015	34-016
34-020	34-025	34-034	34-035	34-036
34-037	34-038	34-180	36-001	36-005
36-010	36-015	36-020	36-040	37-0020
37-0025	37-0030	37-0040	37-0052	37-0054
37-0056	37-0060	37-0064	37-0066	37-0082
37-0084	37-0090	37-8010	38-0025	38-0030
38-0060	38-0260	38-0520	38-0530	40-0020
40-0030	40-0045	40-0050	40-0060	40-0070
41-0030	42-0020	42-0035	42-0041	42-0042
42-0046	42-0051	42-0060	42-0090	44-010
44-015	44-020	44-030	44-140	44-150
46-510	46-515	46-530	46-535	46-805
48-005	48-015	49-040	50-001	51-005
51-020	51-025			

<b>Repeal</b>				
34-034	42-0040			

<b>Statutory Authority - ORS</b>				
468.020	468.065	468A.025	468A.040	468A.050
468A.055	468A.070	468A.135	468A.155	468A.310
468A.337				

<b>Statutes Implemented - ORS</b>				
468.020	468.065	468.070	468A.010	468A.015
468A.025	468A.035	468A.040	468A.050	468A.055
468A.070	468A.135	468A.155	468A.310	468A.337

### Documents relied on for rulemaking

Document title	Document location
Code of Federal Regulations	<a href="http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR">http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR</a>
Federal Register	<a href="http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR">http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR</a>
Oregon Administrative Rules	<a href="https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=80">https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=80</a>
Oregon Revised Statutes	<a href="https://www.oregon.gov/deq/Regulations/Pages/statutes.aspx">https://www.oregon.gov/deq/Regulations/Pages/statutes.aspx</a>
LRAPA Rules and Regulations	<a href="https://www.lrapa.org/air-quality-protection/about-lrapa/regulations-rules/">https://www.lrapa.org/air-quality-protection/about-lrapa/regulations-rules/</a>

# Fee Analysis

This rulemaking does not involve fees other than as described below:

- LRAPA proposes adoption of DEQ's existing \$720.00 Specific Activity fee for each Type 2 Notice of Intent to Construct along with the provision for Basic and General ACDP sources that, after an approved and completed Type 2 change, remain eligible for their issued or assigned ACDP will have this fee applied to the next ACDP annual invoice from LRAPA 37-8020, Table 2, Part 2.
- LRAPA also proposes to include a 3% increase in LRAPA 37-8020, Table 2, Part 3 Cleaner Air Oregon Annual fees as provided in LRAPA 37-0090.
- LRAPA is proposing to clarify that Title V sources may be subject to some of the ACDP fees in LRAPA 37-8020 Table 2. LRAPA currently invoices Title V sources for these fees if they apply for any of the listed activities.

# Statement of fiscal and economic impact

## Fiscal and Economic Impact

The proposed rule and rule amendments may have fiscal and economic impacts on businesses, state and federal agencies, units of local governments and the public. Fiscal impacts can be positive or negative to those affected. As examples, reducing health costs to the public would be a positive impact, and increasing costs of regulatory compliance for businesses would be a negative impact.

Businesses that apply for Type 2 NCs will incur a \$720 review fee and will also be required perform air quality modeling to ensure that the National Ambient Air Quality Standard are protected. Modeling can be done through screening models which would be free or relatively inexpensive. LRAPA offers technical assistance to small businesses and can perform this modeling at no cost and plans to develop screening tools if resources are available. LRAPA estimates that approximately six (6) sources per year will be required to pay the \$720 Type 2 NC review fee, for an annual increase of \$4,320. Most NC applications LRAPA receives are for Type 1 changes that do not have a fee associated with their review.

LRAPA is eliminating review of Type 1 NCs, which was a 10 day notice and replacing it with a notice and go which should be a cost savings. There are some sources that may not be able to comply with NAAQS without add-on controls, and the cost tables below represent the ranges for those costs. Some of the higher estimates are extremely unlikely for what should be a minor source.

LRAPA estimates the cost of consultants to be in the range of \$200 to \$300 per hour should a business need to hire one to conduct advanced modeling. That may happen if a source is unable to demonstrate compliance with the NAAQS using screening models.

For the proposed three (3) percent increase in CAO Annual Fees, LRAPA estimates it will result in an approximately \$10,000 increase in annual revenue. The current CAO annual fees are as follows:

**Table 2 – Section 37-8020  
Air Contaminant Discharge Permit**

### Part 3. Cleaner Air Oregon Annual Fees: (Due date 12/1 for 1/1 to 12/31 of the following year)

a. Basic ACDP	\$ 151
b. General ACDP	
(A) Fee Class One	\$302
(B) Fee Class Two	\$544
(C) Fee Class Three	\$786
(D) Fee Class Four	\$151
(E) Fee Class Five	\$50
(F) Fee Class Six	\$100
c. Simple ACDP	
(A) Low Fee	\$806
(B) High Fee	\$1,612
d. Standard ACDP	\$3,225

## Statement of cost of compliance

### State agencies

Federal and state agencies hold approximately two (2) Air Contaminant Discharge Permits. For state agencies, the cost to comply with the proposed rule changes are similar to costs described under small businesses.

LRAPA expects to see an overall increase in workload as a result of the proposed rule changes. LRAPA workloads would initially increase as staff become familiar with the proposed rule changes and would level off after the first years of implementation. The following table lists proposed rule changes that would either increase or decrease workload for LRAPA staff.

Increase in Workload	Decrease in Workload
Possible increase in permit modification applications with elimination of Generic PSELS	Clarifications to the Notice of Intent to Construct rules
Increase in air quality modeling analysis review for Type 2 and Type 3 Notice of Intent to Construct applications for new or replaced equipment needed to ensure the National Ambient Air Quality Standards are protected	Type 1 NC “notice & go” list of equipment that do not require review
	More complete permit renewal applications
	Simple air permits have a permit term of 10 years rather than 5 years
	Provide no expiration date for New Source Review permits that must be incorporated into a Title V Operating Permit
	Expand the use of short-term activity permits for temporary operations beyond unexpected and emergency activities, providing more flexibility for businesses
	Provide a petition process for additional industrial categories to have general permits, rather than source-specific permits
	Eliminate the work needed to refund the overpayment of fees based on Generic level PSELS by Title V sources
	Allow LRAPA to establish minimum reporting thresholds to improve both the efficiency of the risk assessment process, as well as the efficacy of permitting under the Cleaner Air Oregon program.

### Local governments

Local governments hold approximately six (6) Air Contaminant Discharge Permits. For local governments, the cost to comply with the proposed rule changes is similar to costs described under small businesses.



## **Large businesses - businesses with more than 50 employees**

Approximately 150 large businesses hold Air Contaminant Discharge Permits, and 13 large businesses hold Title V operating permits as of Dec. 28, 2023.

### **Clarify and update the Notice of Intent to Construct rules and require modeling.**

The proposed rule changes to the Notice of Intent to Construct rules require an air quality modeling analysis for new and replaced equipment that may cause a delay in permitting. If this work is not done in house, owners or operators may need to hire consultants to perform this work. Consultant costs can range from \$200/hour to \$300/hour. The extent of consultant services depends on the complexity of the proposed construction.

Without detailed information about the proposed construction, LRAPA cannot estimate consultant fees. However, DEQ did receive the following information from a Rules Advisory Committee member during their corresponding rulemaking for the rules that were adopted in November of 2022. Air quality modeling analysis for the whole facility:

- Initial model set-up can range anywhere from \$10,000 to \$25,000, depending on the complexity of the facility and availability of previous modeling performed at the facility, such as existing Cleaner Air Oregon models. These costs are generally attributed to an initial run for all criteria pollutants with ambient air quality standards and any subsequent model would likely cost \$1,000 to \$2,000 per pollutant and model run. LRAPA expects the modeling costs to be much less for a single piece of equipment.
- Additional costs for modeling protocol and report development should also be accounted for. Modeling protocol development can range from \$5,000 to \$10,000, depending on the complexity. A modeling protocol is not required for modeling of a single piece of equipment. Report development carries an additional \$5,000 to \$10,000 cost, also dependent upon complexity. Any additional communication and follow-up information requested by LRAPA could also increase modeling costs for a facility.
- As noted here, the total costs for performing a single NAAQS analysis can range from \$25,000 to over \$55,000.

LRAPA expects the modeling costs to be much less for a single emissions unit, as is required by the proposed Notice of Intent to Construct rule changes.

If the owner or operator has previously completed modeling to demonstrate compliance with the National Ambient Air Quality standards or under OAR chapter 340, division 245, Cleaner Air Oregon, then no additional modeling review fees are required. If the owner or operator has not previously completed air quality modeling, the owner or operator may be required to pay the \$9,682 modeling review fee in LRAPA 37-8020 if refined modeling is required.

The proposed rule changes to the Notice of Intent to Construct rules could both increase and decrease costs for applicants for the following reasons:

- Type 2 and Type 3 NCs will require an air quality modeling analysis.
- The proposed rule changes will be clearer so it will be easier to know when an NC is required or not.
- The proposed rule changes allow for ‘notification only’ of some types of construction so businesses will not have to wait for approval before commencing construction of Type 1 NCs. This would streamline permitting.

Some businesses may be required to install air pollution control devices because their emissions may cause exceedances of the National Ambient Air Quality Standards. But LRAPA does not have

sufficient information to predict the specific costs of new required equipment or the sources that may need to install equipment.

- LRAPA cannot anticipate which businesses will submit construction approval applications and what type of construction they propose. LRAPA would not have enough detailed information about any specific proposed construction to be able to accurately estimate the cost of pollution control devices. This estimate would be supplied by the manufacturer directly to the business proposing construction.
- Until the air quality analyses are submitted and reviewed, LRAPA cannot anticipate which businesses will be required to reduce emissions.

Because of these unknowns, LRAPA does not have the information needed to estimate how many businesses may be affected or what actual costs they may incur.

The proposed rule changes would allow businesses flexibility in choosing a method to reduce emissions through the application of pollution prevention or pollution control equipment. If owners or operators choose to install pollution control equipment, Table 1 below shows what the range of estimated costs could be. Small businesses may also incur these costs if required to install pollution control equipment. DEQ, in their corresponding rulemaking, drew costs from DEQ’s Cleaner Air Oregon rulemaking fiscal impact statement(2018)<sup>1</sup> and DEQ’s Regional Haze rulemaking fiscal impact statement(2021)<sup>2</sup>. The dollars have been adjusted to 2022 dollars.<sup>3</sup>

<b>Table 1 Cost of Pollution Control Equipment Installation and Maintenance</b>				
<b>Control Device Type</b>	<b>Types of Pollutants Reduced</b>	<b>Types of Facilities Controlled</b>	<b>Initial Costs<sup>4, 5</sup></b>	<b>Annual Operating Costs</b>
			<b>low – high</b>	<b>low – high</b>
Fabric filter (baghouse)	PM, HAP PM	Asphalt batch plants, concrete batch kilns, steel mills, foundries, fertilizer plants, and other industrial processes, glass furnaces	\$410,400 - \$21,090,000	\$205,200 - \$7,068,000
Electrostatic precipitator (ESP)	PM, HAP PM	Power plants, steel and paper mills, smelters, cement plants, oil refineries	\$364,800 - \$11,400,000	\$114,000 - \$8,664,000
Catalytic Ceramic Filters (CCF)	NO <sub>x</sub> , PM, SO <sub>2</sub>	Glass furnaces	Approximately \$5,300 per ton of pollutant removed	

<sup>1</sup> <https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022CAOfis.pdf>

<sup>2</sup> <https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022RHfis.pdf>

<sup>3</sup> Inflation Calculator | Find US Dollar's Value from 1913-2022 (usinflationcalculator.com)

<sup>4</sup> Costs are from examples in the EPA Air Pollution Control Cost Manual, Report No. 452/B-02-001, EPA Air Pollution Control Technology Fact Sheets, and information provided by permitted facilities and regulatory agencies.

<sup>5</sup> Costs are estimated based on best available information, but may be higher or lower than shown, depending on facility-specific conditions and business decisions.

**Table 1  
Cost of Pollution Control Equipment Installation and Maintenance**

Control Device Type	Types of Pollutants Reduced	Types of Facilities Controlled	Initial Costs <sup>4, 5</sup>	Annual Operating Costs
			low – high	low – high
Enclosure	Fugitive PM or VOCs	Any process or operation where emissions capture is required, i.e., printing, coating, laminating	\$15,960 - \$478,800	\$456 - \$11,400
HEPA filter	Chrome emissions	Chrome plating	\$14,820 - \$273,600	Application specific
Wet scrubber (packed towers, spray chambers, Venturi scrubbers)	Gases, vapors, sulfur oxides, corrosive acidic or basic gas streams, solid particles, liquid droplets	Asphalt and concrete batch plants; facilities that emit sulfur oxides, hydrogen sulfide, hydrogen chloride, ammonia, and other gases that can be absorbed into water and neutralized with the appropriate reagent	\$28,500 - \$855,000	\$21,660 - \$946,200
Low NO <sub>x</sub> Burner (LNB)	NO <sub>x</sub>	Combustion of natural gas	\$10,600 – \$47,700 per MMBtu/hour of equipment capacity	\$1,060 – \$5,300/year, per MMBtu/hour of equipment capacity
Selective Catalytic Reduction (SCR)	NO <sub>x</sub>	Combustion	\$3,180,000 - \$31,800,000	\$106,000 - \$4,240,000 /year
Selective Non-Catalytic Reduction (SNCR)	NO <sub>x</sub>	Combustion	\$1,060,000 - \$6,360,000	\$53,000 - \$530,000/year
Low Emission Combustion (LEC)	NO <sub>x</sub>	Reciprocating natural gas compressor engines	\$2,120,000 - \$5,300,000 per engine	\$2,120 – \$318,000/year per engine
Ultra Low Sulfur Diesel Fuel (ULSD)	SO <sub>2</sub>	Equipment formerly using high-sulfur #6 Fuel Oil as backup	No additional cost. No additional changes to site.	

**Table 1  
Cost of Pollution Control Equipment Installation and Maintenance**

Control Device Type	Types of Pollutants Reduced	Types of Facilities Controlled	Initial Costs <sup>4, 5</sup>	Annual Operating Costs
			low – high	low – high
Thermal oxidizer	VOCs, gases, fumes, hazardous organics, odors, PM	Landfills, crematories, inks from graphic arts production and printing, can and coil plants, hazardous waste disposal, semiconductor manufacturing	\$19,380 - \$7,068,000	\$3,990 - \$5,928,000
Regenerative thermal oxidizer	VOCs	Paint booths, printers, paper mills, municipal waste treatment facilities	\$1,071,600 - \$8,778,000	\$125,400 - \$627,000
Catalytic reactor	VOCs, gases	Landfills, oil refineries, printing or paint shops	\$23,940 - \$7,068,000	\$4,446 - \$1,938,000
Carbon adsorber	Vapor-phase VOCs, hazardous air pollutants (HAPs)	Soil remediation facilities, oil refineries, steel mills, printers, wastewater treatment plants	\$410,400 - \$2,850,000	Not available
Biofilter	VOCs, odors, hydrogen sulfide (H <sub>2</sub> S), mercaptans (organic sulfides)	Wastewater treatment plants, wood products facilities, industrial processes	\$410,400 - \$4,104,000	Not available
Fume suppressants	Chromic acid mist, chromium, cadmium and other plating metals	Chromic acid anodizing, chrome plating operations	Up to \$139,080	Not available

LRAPA acknowledges that some, though not all, pollution controls will increase a facility's energy use and energy costs. Pollution controls that rely on the combustion of natural gas (e.g., thermal oxidizer) will increase emissions of some air pollutants while reducing VOC emissions. LRAPA would expect energy use and cost to vary depending on several facility-specific and control-specific characteristics. Even if additional heat is required, in some cases, that could be supplied by waste heat, not requiring more energy use.

As an alternative to or in addition to the controls above, facilities may be able to use pollution prevention to reduce emissions. In EPA's, DEQ's, and LRAPA's hierarchy of pollution management strategies (acceptable ways to reduce pollution), pollution prevention, also known as source reduction, is preferred over the addition of pollution controls and treatment whenever feasible (see Pollution Prevention Act of 1990, <https://www.epa.gov/p2/pollution-prevention-act-1990>).<sup>6</sup> Pollution prevention has been implemented successfully for cleaning operations (e.g., metal parts), coating and painting (e.g., marine anti-fouling, wood preservation), lubricants and process fluids (e.g., loss lubrication, mold release agents), and dry cleaning of clothes. In evaluating the costs of pollution prevention, LRAPA considers not only the cost of replacing one production method with another, but also capital costs, energy differences, labor costs, waste disposal and quality control considerations. In many instances involving both large and small businesses, LRAPA has found that pollution prevention can decrease costs for a facility owner, rather than increase them. Short-term investments in pollution prevention measures can result in savings that may pay for the initial investments over time.

### **Elimination of Generic Plant Site Emission Limits**

If a source must apply for a permit modification for an increase in their Plant Site Emission Limits because PSELs at the generic levels are no longer available, permit modification fees would be charged. The level of the fee would depend on the level of the emissions increase.

The permit modification fees for Title V sources as of July 27, 2023 are:

- Simple — \$3,050
- Moderate — \$22,873
- Complex — \$45,744

The permit modification fees for ACDP sources as of July 1, 2023 are:

- Non-technical — \$194
- Basic — \$582
- Simple — \$1,936
- Moderate — \$9,682
- Complex — \$19,363

### **Eliminate operation without pollution control devices for 48-hours**

A business will not be allowed to operate without their air pollution control device for 48 hours under the proposed rule changes to the excess emission rules so may have to shut down operation if they cannot curtail the excess emissions. During the shutdown, the business may be required to curtail production, so it could potentially lose money from loss of production. The proposed rule changes allow continued operation if:

- Reducing or ceasing operation could result in physical damage to the equipment or facility;
- Reducing or ceasing operation could cause injury to employees; or

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<sup>6</sup> Pollution prevention is generally preferred because it results in less pollution to control, treat, or dispose of. Pollution controls can generate wastes or contaminated equipment that require end-of-life management. Reducing pollution at the source means fewer hazards posed to the public and the environment. In addition, pollution controls can fail, and toxic substances can be used in unintended ways. Reducing the use of those toxic substances at the source avoids those potential risks.

- Emissions associated with shutdown and the subsequent startup will exceed those emissions resulting from continued operation.

### **Expanded use of Short-Term Activity Permits**

The expanded use of short-term activity permits for temporary operations will increase fees for permittees who apply for these types of permits, but it will also provide flexibility that is not available now. The Short-Term Activity ACDP initial permitting fee is \$4,841 as of July 1, 2023.

### **Provide no expiration date for New Source Review permits that must be incorporated into a Title V permit**

No expiration date for New Source Review permits that must be incorporated into Title V permits will eliminate the time and expense for businesses so they do not have to reapply for the same permit. The proposed rule change will also save LRAPA resources from having to reissue the permit.

### **Clarify reinstatement procedures for owners or operators whose permits have been terminated because of a late permit renewal application or late payment of fees**

Permittees who do not renew their permits or pay their fees on time and whose permit has been terminated will be required to pay a late application fee equivalent to the new permit application fee that would apply if the source was a new source. Current rules allow reinstatement if the permittee submits a renewal application within 90 days of expiration date. The proposed rules require a complete application no later than 30 days after permit expiration, rather than 90 days. This may have a fiscal impact on permittees that do not renew on time but also allows them to operate under their expired permit rather than requiring the business to shut down or pay daily civil penalties for operating without a permit. This applies to ACDP sources only and not Title V sources.

### **Provide flexibility for Exempt Toxics Emissions Units under Cleaner Air Oregon**

The flexibility when determining if activities at a source may be considered Exempt Toxics Emissions Units under the Cleaner Air Oregon program based on their anticipated contribution to source risk may result in a reduction in monitoring and recordkeeping requirements for sources under the CAO program. This will reduce costs for businesses regulated under CAO.

## **Small businesses - businesses with 50 or fewer employees**

LRAPA estimated that there were 139 small businesses with air quality permits as of December 28, 2023. There were an additional number of facilities with air quality permits that did not list the number of employees they have but would presumably fall into businesses with fewer than 50 employees based on types of business (e.g., gasoline stations and dry cleaners). Generally, facilities with less complex permits experience a smaller economic impact than larger facilities with more complex permits. In addition to the fiscal and economic impact described in the large business section above, the proposed rule changes could have the following impacts on small businesses.

The proposed rule changes should decrease costs for small businesses on Basic, General or Simple ACDPs for the following reasons:

- **Extending permit terms for Simple permits.** Owners or operators of these businesses will not have to prepare permit renewal applications as often because of the proposal to extend permit terms for Simple permits from five years to 10 years.
- **Provide a petition process to add new industrial categories for general permits.** An owner or operator can petition LRAPA to develop a General ACDP if there are businesses that will qualify. Fees for General ACDPs are much less than for Simple ACDPs.

**Elimination of Generic Plant Site Emission Limits**


Permitting businesses on source specific Plant Site Emission Limits rather than Generic PSELs may require more permit modifications. Currently, as of April 11, 2024, there are 24 sources that are on Simple air permits that contain Generic PSELs. If the owner or operator chooses to be permitted at its capacity, a physical modification would be required to increase the capacity. Current rules require the owner or operator to obtain approval of that physical modification to install equipment but may or may not require a permit modification. Under the proposed rule changes, the owner or operator would need to apply and pay for a permit modification. In addition, if the owner or operator is requesting an increase in their Plant Site Emission Limits because Generic PSELs are no longer available, permit modification fees would be charged. The level of the fee would depend on the level of the emissions increase. The permit modification fees for ACDP sources are contained in LRAPA 37-8020 Table 2, Part 4 and included below.

Actual emissions from most sources on Simple air permits are a small percentage of the Generic PSELs. If the owner or operator chooses to be permitted at its capacity, LRAPA does not anticipate that many sources will be required to submit permit modifications to increase their emissions.

**Changing Permit Type**

Sources that are required or request to switch permit type may have to pay the initial permitting fees that are contained in LRAPA 37-8020 Table 2, Part 1. The fee depends on the existing permit type and the type of permit that the source is switching to. The permit hierarchy from low to high is: Basic, General, Simple, Standard, and Title V. Sources that switch to a higher-level permit will be charged the full application fee. Sources changing from a Title V permit to a Standard or Simple permit will also be charged the full application fee. Sources that change from a higher fee level permit to a lower fee level permit, that switch from a Title V permit to a General or Basic permit, or that switch from a Basic permit to a General permit are not required to pay an initial application fee. Annual fees will be adjusted during annual invoicing.

For either a permit modification application or an application for a new type of permit, the source may need to hire a consultant at a rate of \$200/hour to \$300/hour to prepare the application, incurring further fees. The largest fee increase would be for a source on a General permit required to obtain a Simple or Standard permit. There is much more detail in a Simple or Standard permit that would require more work to prepare the application.

 <p style="text-align: center;"><b>Lane Regional Air Protection Agency</b> <b>Table 2 – Section 37-8020</b> <b>Air Contaminant Discharge Permits</b></p>	
<b>Part 1. Initial Permitting Application Fees: (in addition to first annual fee)</b>	
Short Term Activity ACDP	\$4,841



**Lane Regional Air Protection Agency  
Table 2 – Section 37-8020  
Air Contaminant Discharge Permits**

Basic ACDP	\$194
Assignment to General ACDP <sup>1</sup>	\$1,936
Simple ACDP	\$9,682
Construction ACDP	\$15,491
Standard ACDP	\$19,363
Standard ACDP (Major NSR or Type A State NSR)	\$67,770

1. LRAPA may waive the assignment fee for an existing source requesting to be assigned to a General ACDP because the source is subject to a newly adopted area source NESHAP as long as the existing source requests assignment within 90 days of notification by LRAPA.

**Part 4. Specific Activity Fees:**

Notice of Intent to Construct Type 2 <sup>1</sup>	\$720.00 (proposed)	
Permit Modification	(A) Non-Technical <sup>2</sup>	\$194
	(B) Basic Technical	\$582
	(C) Simple Technical	\$1,936
	(D) Moderate Technical	\$9,682
	(E) Complex Technical	\$19,363
Major NSR or Type A State NSR Permit Modification	\$67,770	
Modeling Review (outside Major NSR or Type A State NSR)	\$9,682	
Public Hearing at Source's Request	\$3,873	
LRAPA MACT Determination	\$9,682	
Compliance Order Monitoring <sup>1</sup>	\$194/month	

1. This is a one-time fee payable when a compliance order is established in a permit or an LRAPA order containing a compliance schedule becomes a final order of LRAPA and is based on the number of months LRAPA will have to oversee the order



## **ORS 183.336 - Cost of Compliance for Small Businesses**

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

Based on LRAPA estimates, these proposed rules could affect approximately 140 small businesses.

- Basic ACDP: 21
- General ACDP: 108
- Simple ACDP: 7
- Standard ACDP: 3

These businesses include asphalt plants, auto body shops, chromium electroplaters, grain elevators, lumber mills, metal fabricators, metal foundries, and surface coaters.

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

The proposed rule changes may affect reporting, recordkeeping and other administrative activities if these businesses were required to apply for permit modifications. There would be fewer administrative activities if the small business did not have to renew their Simple air permit as often, but the same amount of reporting and recordkeeping would be required to verify compliance with the permit. In addition, owners or operators of these businesses will not be required to submit paper copies of applications, which would be a cost savings.

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

Equipment costs may increase if a business is required to install pollution control equipment because of potential exceedances of the National Ambient Air Quality Standards. Depending on the size and nature of a small business's operation, pollution control costs could be much less than, or in some cases the same as, the cost ranges for different types of pollution control equipment found in the table included in the Large Business impact section of this notice above.

### **Mitigation measures for small businesses**

Mitigation measures include:

- Extending permit terms for Simple air permits, so small businesses with these types of permits will not need to expend the time to file permit renewal applications as often;
- Permitting small businesses at their capacity to emit to minimize the number of permit modifications that may be required;
- Offering technical assistance to small businesses if they are required to perform ambient air quality analyses so they do not have to pay consultant fees; and
- Providing more types of General permits if small businesses are of the same industry type.

### **d. How LRAPA involved small businesses in developing this proposed rule**

LRAPA's standing Citizens Advisory Committee was provided on-going updates of the rulemaking progress and provided guidance to staff during the entire process.

## **Impacts on the public**

The rulemaking does not impose any mandatory requirements for the public at large and, accordingly,

does not impose any direct compliance costs on the public. LRAPA addresses the potential for the proposed rule changes to increase the cost of building materials in the Housing Cost section of this document.

## Positive impacts on the public

### Elimination of Generic Plant Site Emission Limits.

Permitting sources at capacity or potential to emit, rather than assigning sources Generic PSELs:

- Creates permits that more accurately reflect actual emissions;
- Avoids over-allocation of air resources;
- Provides transparency for communities; and
- Allows more opportunities to review air quality modeling of emission increases to ensure compliance with short-term National Ambient Air Quality Standards for some permit modifications.

Studies consistently find that air pollution has substantial negative impacts on the U.S. economy. For example, a 2019 study found that air pollution costs the United States about 5% of its gross domestic product.<sup>7</sup> It also found that, while air pollution overall is on the decline, the cost of air pollution from the manufacturing sector—which includes Oregon stationary sources affected by the proposed rule changes—remains high, costing the U.S. nearly \$100 billion in 2014.<sup>8</sup>

The public could experience health benefits for the following reasons:

- An air pollution control device that may be required by the proposed changes for potential exceedances of National Ambient Air Quality Standards would reduce air pollution.
- Air pollution will be reduced because a business will not be allowed to operate without operation of their air pollution control device for 48 hours under the proposed rule changes to the excess emission rules.

Like DEQ, LRAPA expects the proposed rule changes to have indirect, broad and positive fiscal effects on the public, particularly people living or working near regulated facilities, through community health improvement and reduced health care costs if these facilities will be required to reduce emissions. Table 2 below ([Health Effects « CAPCOA – California Air Pollution Control Officers Association](#)) shows the health effects from criteria pollutants emissions that may be reduced as a result of this rulemaking.

**Table 2 CRITERIA AIR POLLUTANTS**

Pollutant	Major Man-Made Sources	Human Health & Welfare Effects	Control Methods
<b>Particulate Matter</b> Airborne solid particle and liquid particles grouped into 2 categories	Power plants, steel mills, chemical plants, unpaved roads and parking lots, wood-burning stoves and	Can get deep into your lungs or even enter your blood stream, and cause serious health problems; Increased respiratory symptoms, such as irritation of the	Pollution control equipment and reduction of fuel combustion

<sup>7</sup> Ellis Robinson, *How Much Does Air Pollution Cost the U.S.?* Stanford Earth Matters (Sept. 19, 2019), <https://earth.stanford.edu/news/how-much-does-air-pollution-cost-us#gs.zh6ypm> (citing Tschofen, Azevedo, and Muller, *Fine Particulate Matter Damages and Value Added in the U.S. Economy*, Proceedings of the National Academy of Sciences (Sept. 9, 2019), <https://doi.org/10.1073/pnas.1905030116>).

<sup>8</sup> *Id.*

Pollutant	Major Man-Made Sources	Human Health & Welfare Effects	Control Methods
<p>"Coarse Particles" from 2.5 to 10 microns in diameter</p> <p>"Fine Particles" smaller than 2.5 microns in diameter</p>	fireplaces, automobiles and others.	airways, coughing, or difficulty breathing; aggravated asthma; development of chronic bronchitis; irregular heartbeat; nonfatal heart attacks; and premature death in people with heart or lung disease. Impairs visibility (haze).	
⋮			
<b>Ozone (Smog) A</b> colorless or bluish gas	Formed by a chemical reaction between volatile organic compounds (VOC) and nitrous oxides (NO <sub>x</sub> ) in the presence of sunlight. Motor vehicle exhaust industrial emissions, gasoline storage and transport, solvents, paints and landfills.	Irritates and causes inflammation of the mucous membranes and lung airways; causes wheezing, coughing and pain when inhaling deeply; decreases lung capacity; aggravates lung and heart problems. Damages plants; reduces crop yield. Damages rubber, some textiles and dyes.	Pollution control equipment; reducing No <sub>x</sub> emissions from power plants and industrial combustion sources; introducing low-emission cars and trucks; using "cleaner" gasoline; use of low-VOC solvents.
⋮			
<b>Sulfur Dioxide A</b> colorless, nonflammable gas	Formed when fuel containing sulfur, such as coal and oil, is burned; when gasoline is extracted from oil; or when metal is extracted from ore. Examples are petroleum refineries, cement manufacturing, metal processing facilities, locomotives, large ships, and fuel combustion in diesel engines.	Respiratory irritant. Aggravates lung and heart problems. In the presence of moisture and oxygen, sulfur dioxide converts to sulfuric acid which can damage marble, iron and steel; damage crops and natural vegetation. Impairs visibility. Precursor to acid rain.	Use of low-sulfur fuels, energy conservation (reduces power plant emissions), and pollution control equipment. Ultra Low Sulfur Diesel is being phased in during 2006 and will be mandatory in 2007.
⋮			
<b>Carbon Monoxide An</b> odorless, colorless gas.	Formed when carbon in fuel is not burned completely; a component of motor vehicle exhaust.	Reduces the ability of blood to deliver oxygen to vital tissues, effecting the cardiovascular and nervous system. Impairs vision, causes dizziness, and can lead to unconsciousness or death.	Transportation planning, vehicle emission testing and reduction, efficient combustion techniques, and energy conservation.
⋮			
<b>Nitrogen Dioxide A</b> reddish-brown gas	Fuel combustion in motor vehicles and industrial sources. Motor vehicles; electric utilities, and other sources that burn fuel.	Respiratory irritant; aggravates lung and heart problems. Precursor to ozone and acid rain. Contributes to global warming, and nutrient overloading which deteriorates water quality. Causes brown discoloration of the atmosphere.	Exhaust gas recirculation in motor vehicles; reduction of combustion temperatures in industrial sources; energy conservation pollution control equipment.

Decades of research have shown that air pollutants such as ozone and particulate matter increase the amount and seriousness of lung and heart disease and other health problems. More investigation is needed to further understand the role poor air quality plays in causing detrimental effects to health and increased disease, especially in vulnerable populations. Children, the elderly, and people living in

areas with high levels of air pollution are especially susceptible. ([Research on Health Effects from Air Pollution | US EPA](#))

LRAPA is not aware of calculated public health costs saved from this rulemaking but refers to information available through the Oregon Health Authority that estimates the health burden costs from diseases exacerbated by air pollution (Table 3). According to OHA 2017 data and analysis, lower respiratory disease is the fifth leading cause of death for Oregonians.<sup>9</sup> A comprehensive 2002 study assessed the contribution of pollution to disease and found that 10-30% of asthma is attributable to outdoor air pollution (including both industrial and non-industrial sources). In the early 2000s, the yearly fraction of asthma cases that could be attributed to environmental factors cost the US between \$0.7 and \$2.3 billion. These cost estimates account for direct medical costs and lost productivity due to asthma-related premature deaths.<sup>10</sup>

<b>Table 3 2020 Public Health Costs from Diseases Exacerbated by Air Pollution<sup>11</sup></b>			
<b>Health Outcome</b>	<b>Description</b>	<b>Hospitalization Costs in Oregon</b>	<b>Emergency Department Visits in Oregon</b>
Asthma	Estimates for adults and children	\$7 million	\$10 million
Cardiovascular disease	Estimates for adults only – hypertension, stroke, coronary heart disease, congestive heart failure, other	\$971 million	\$101 million

**Information needed to quantify economic impact of health improvements**

Oregon currently lacks the data necessary to quantify total potential health cost savings from environmental rules because of the lack of information about how many people are exposed to specific concentrations of industrial and commercial air contaminant emissions and the relative actual contribution of air contaminants to disease. Just as a lack of information about individual facility impacts and emission reduction outcomes prevent LRAPA from quantifying specific fiscal impacts to businesses, a lack of health information also prevents LRAPA from quantifying specific positive fiscal impacts from potential emission reductions. The health impact of reducing emissions depends on the specific chemicals that are being reduced, the health risks those chemicals influence, the relationship between exposure and health, and the extent to which emissions are reduced. Defining the economic impact of improved health further requires knowledge of the portion of cases that are related to air contaminant exposures, prevalence of health outcomes in the state, and the cost of medical treatment for each case.

<sup>9</sup> <https://www.oregon.gov/OHA/PH/ABOUT/Documents/indicators/leadingcausesofdeath.pdf>

<sup>10</sup> Landrigan PJ, Schechter CB, Lipton JM, Fahs MC, Schwartz J. Environmental pollutants and disease in American children: estimates of morbidity, mortality, and costs for lead poisoning, asthma, cancer, and developmental disabilities. *Environ Health Perspect.* 2002 Jul;110(7):721-8.

<sup>11</sup> <https://www.oregon.gov/oha/PH/DISEASES/CONDITIONS/CHRONICDISEASE/DATAREPORTS/Pages/Healthcare.aspx>. OHA Chronic Health Disease Data includes only hospitalization costs and emergency department visit costs.

## Negative impacts on the public

The proposed rule changes could have negative economic effects on the public if facilities providing jobs and contributing to local economies were to curtail production or close in response to regulatory requirements. LRAPA recognizes that employment plays a key role in public health, and that negative economic impacts through job loss could occur despite proposed mitigation measures to allow business flexibility and decrease the chances of business closures or employee layoffs in direct response to regulations.

The proposed rule changes could affect the public directly if businesses change the price of goods and services to offset any increased or decreased costs to comply with the proposed rule changes. LRAPA expects any such price increases to be small but lacks available information to estimate potential increases accurately.

## Impacts on the environmental services sector

The direct cost of complying with regulations can result in increased employment in the environmental services sector. For example, an environmental regulation could mean more jobs for those engaged in environmental consulting and pollution abatement. Further, it is possible that regulations may produce more labor-intensive production processes. Studies of national air quality regulations have shown positive effects on overall economic health. The Clean Air Act's public health safeguards encourage technology investments that can have positive economic effects on the public.

## General impacts to businesses from environmental regulations

Although in the short-term, new environmental regulations can have some positive and negative impacts on employment in different sectors, studies indicate that those impacts are limited and that the overall effect of environmental regulations on reported job shift events are extremely minor compared to other factors, such as overall economic growth, business cycles, and changes in technology.<sup>12</sup>

A peer-reviewed study by economists at Resources for the Future, a nonpartisan Washington, D.C. think tank, examined the impact of environmental compliance costs on employment in four regulated industries (pulp and paper, refining, iron and steel, and plastics). They concluded that increased environmental spending generally does not cause a significant change in employment.<sup>13</sup> Another peer-reviewed study published in the Journal of Public Economics found no evidence that stringent local air quality regulation substantially reduced employment in the Los Angeles basin over a 13-year period of "sharply increased" regulation.

## Documents relied on for fiscal and economic impact

Document title	Document location
DEQ AQ Permits Staff Report to EQC, November 18, 2022	<a href="https://www.oregon.gov/deq/rulemaking/Pages/aqpermits2022.aspx">https://www.oregon.gov/deq/rulemaking/Pages/aqpermits2022.aspx</a>
DEQ Fiscal Impact Statement, Cleaner Air Oregon Rulemaking	<a href="https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022CAOfis.pdf">https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022CAOfis.pdf</a>

<sup>12</sup> [http://econweb.ucsd.edu/~elib/berman\\_bui2001](http://econweb.ucsd.edu/~elib/berman_bui2001)

<sup>13</sup> [https://www.epa.gov/clean-air-act-overview/clean-air-act-and-economy#\\_edn10](https://www.epa.gov/clean-air-act-overview/clean-air-act-and-economy#_edn10)

Document title	Document location
DEQ Fiscal Impact Statement, Regional Haze Rulemaking	<a href="https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022RHfis.pdf">https://www.oregon.gov/deq/rulemaking/Documents/AQPermits2022RHfis.pdf</a>
<a href="#">Health Effects « CAPCOA – California Air Pollution Control Officers Association</a>	<a href="http://www.capcoa.org/health-effects/#:~:text=Health%20Effects%20%20%20Pollutant%20%20%20Symbol,and%20reductio%20...%20%208%20more%20rows%20">http://www.capcoa.org/health-effects/#:~:text=Health%20Effects%20%20%20Pollutant%20%20%20Symbol,and%20reductio%20...%20%208%20more%20rows%20</a>
Research on Health Effects from Air Pollution	<a href="https://www.epa.gov/air-research/research-health-effects-air-pollution">https://www.epa.gov/air-research/research-health-effects-air-pollution</a>
Oregon Health Authority. Leading Causes of Death.	<a href="https://www.oregon.gov/OHA/PH/ABOUT/Documents/indicators/leadingcausesofdeath.pdf">https://www.oregon.gov/OHA/PH/ABOUT/Documents/indicators/leadingcausesofdeath.pdf</a>
Environmental pollutants and disease in American children: estimates of morbidity, mortality, and costs for lead poisoning, asthma, cancer, and developmental disabilities. Landrigan PJ, Schechter CB, Lipton JM, Fahs MC, Schwartz J.	Environmental Health Perspectives 2002 July; 110(7):721-8.
OHA Chronic Health Disease Data	<a href="https://www.oregon.gov/oha/PH/DISEASESCONDITIONS/CHRONICDISEASE/DATAREPORTS/Pages/Healthcare.aspx">https://www.oregon.gov/oha/PH/DISEASESCONDITIONS/CHRONICDISEASE/DATAREPORTS/Pages/Healthcare.aspx</a> .
Environmental regulation and labor demand: evidence from the South Coast Air Basin. Eli Berman, Linda T.M. Bui	<a href="https://www.pii.com/PII/S0047-2727(99)00101-2">PII: S0047-2727(99)00101-2 (ucsd.edu)</a>
Morgenstern, R. D., W. A. Pizer, and J. S. Shih. 2002, Jobs versus the Environment: An Industry-Level Perspective.	Journal of Environmental Economics and Management 43(3):412-436.
Ellis Robinson, <i>How Much Does Air Pollution Cost the U.S.?</i>	Stanford Earth Matters (Sept. 19, 2019) <a href="https://earth.stanford.edu/news/how-much-does-air-pollution-cost-us#gs.zh6ypm">https://earth.stanford.edu/news/how-much-does-air-pollution-cost-us#gs.zh6ypm</a>
Tschofen, Azevedo, and Muller, <i>Fine Particulate Matter Damages and Value Added in the U.S. Economy</i>	Proceedings of the National Academy of Sciences (Sept. 9, 2019) <a href="https://doi.org/10.1073/pnas.1905030116">https://doi.org/10.1073/pnas.1905030116</a> .
Meltzer, Parker, Lewis & DiNatal, University of Oregon, 2016. <i>Cost Components of Housing</i> .	<a href="https://www.oregon.gov/lcd/UP/Documents/UO-Cost_Components.pdf">https://www.oregon.gov/lcd/UP/Documents/UO-Cost_Components.pdf</a>

## Advisory committee fiscal review

LRAPA’s standing Citizens Advisory Committee was provided on-going updates of the rulemaking progress and provided guidance to staff during the entire process. The CAC did not formally conduct a fiscal review of the proposed rules, as of December 28, 2023.

DEQ appointed an advisory committee for both their corresponding rulemaking and the fiscal impact statement. The DEQ advisory committee met on May 2, 2022, to discuss the fiscal impact statement. DEQ made changes to the fiscal impact statement based on their comments.

**As ORS 183.335 requires, DEQ asked for the committee's recommendations on:**

- Whether the proposed rule changes would have a fiscal impact:
  - Most of the RAC members agreed that the rules would have a fiscal impact. Non-industry representatives shared they did not feel qualified or in the best position to assess or communicate from an industry perspective on cost impacts to businesses.
  - A member noted there would be significant fiscal impact to both small and large businesses.
  - Many members agreed that a positive fiscal impact would be reduced emissions and subsequent improved public health benefits to impacted communities.
  - A member commented for current small businesses that have a general or simple permit, replacing the Generic Plant Site Emission Limits (PSELs) with capacity may cause them to submit a new permit application for a permit, to do modeling, and perform a Best Available Technology<sup>14</sup> (BAT) analysis they did not need. The member expressed concern around the removal of Generic PSELs and the possible significant costs to businesses. The member requested DEQ to look more closely at the impacts to small businesses.
  - Another member emphasized the fiscal assessment does not fully consider the increase to costs it would take to maintain a permit issuance service level. In addition to offering modeling support for small businesses, DEQ may have increased permit writing work from the increased number of permit modifications and setting site specific PSELs for all the permits. They added that getting rid of Generic PSELs will require more work on a permit-to-permit basis and there will be a lot of back and forth between the source and permit writers. The member concluded by noting how important it is for DEQ to anticipate how much time this will take of technical permit staff.
  - A member commented DEQ is not prohibited from assessing the financial benefits of improving air quality for the good of public health. They added the benefit of removing Generic PSELs is to bring specificity in, and both DEQ and sources need to work with the costs associated with the goal of air regulation, which is to improve the quality of air.
  - A member noted the permit application will now include a NAAQS and BAT analysis and questioned whether the permit application fee includes these additional costs. They emphasized that it can be costly for businesses to hire on consultants to conduct analysis.
- The extent of the fiscal impact:
  - A member noted there would be significant impact on small businesses whether its due to the cost of consulting, preparing applications, fees, or BAT analysis.
  - Another member commented that anything that changes the amount of pollution will have a fiscal impact. They added the impact on public health is a huge cost to taxpayers, yet the fiscal impact spends more time looking at the costs of changes to the regulated sources. They suggested DEQ have better data on these costs. The members shared the rules are an important precursor to reducing emissions, however, they wish the rules went further to guarantee reduced emissions.
  - A member commented there would be substantial impact to both small and large

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<sup>14</sup> During Rules Advisory Committee meetings, Best Available Technology (BAT) was discussed. DEQ has changed that concept to Minor Source Emission Reduction Technology (MSERT). The Minor New Source Review program that included MSERT has been omitted from this proposed rulemaking package.

businesses. One major fiscal impact is the rules will delay costs because of the significant additional time required to go through basic permitting efforts. Sources may question expanding its workforce in Oregon and to increase production elsewhere. The member noted the best indicator of the health of a community is the state of the manufacturing sector, which will be directly impacted with these changes.

- A member remarked this rulemaking will create a more transparent and health-protective permitting system in Oregon. The member added there most likely will be a learning curve and adjustment period, and this transitory phase of a new system can require more work and time.
  - Another member emphasized they do not view this as a small rulemaking, nor will the fiscal impact be minor.
  - A member noted these changes have been decades in the making and they anticipate a large fiscal impact.
- Whether the proposed rule changes would have a significant adverse impact on small businesses; if so, then how DEQ can comply with ORS 183.540 to reduce that impact:
    - Several RAC members opted out in providing a response to this question.
    - Some members agreed that the rules do have the potential to have significant adverse impact on both small and large businesses.
    - A member shared one way adverse impact can be mitigated is for DEQ to clarify when modification and fees will be applied and in what circumstances.
    - Another member commented that few things can be done to mitigate for adverse impacts. They agreed DEQ must be clear on the fees not charged to small businesses, so they don't get charged modeling fees or BAT assessment fees.
    - A couple of members agreed one way to mitigate adverse impact is to not have BAT analysis apply to a small source whose emissions are less than the Significant Emission Rate. If the small sources are required to do a BAT analysis, provide them with additional time to complete this task
    - Regarding how to mitigate adverse impacts, a member shared modeling support from DEQ can go a long way in terms of costs for small businesses.



# Impacts on racial equity

HB 2993 does not apply to LRAPA since LRAPA is not a state agency. However, LRAPA expects similar impacts on racial equity in Lane County as did DEQ in all other areas of the state as described below:

*As required under HB 2993, Section 2, DEQ expected this proposed rulemaking may have a slight favorable impact on racial equity: the fair, just and unbiased treatment of people of different races, and environmental justice in Oregon. Adoption of the proposed rulemaking will impact racial equity and environmental justice by providing more precise permit limits that more accurately reflect facility operation, rather than generic limits, giving the public more exact information. The proposed rulemaking could also potentially require emission reductions if the National Ambient Air Quality Standards are exceeded, either through the installation of pollution control equipment or through federally enforceable limits on emissions. This would favorably impact those living close by to a facility, which often include Black, Indigenous, and People of Color communities.*

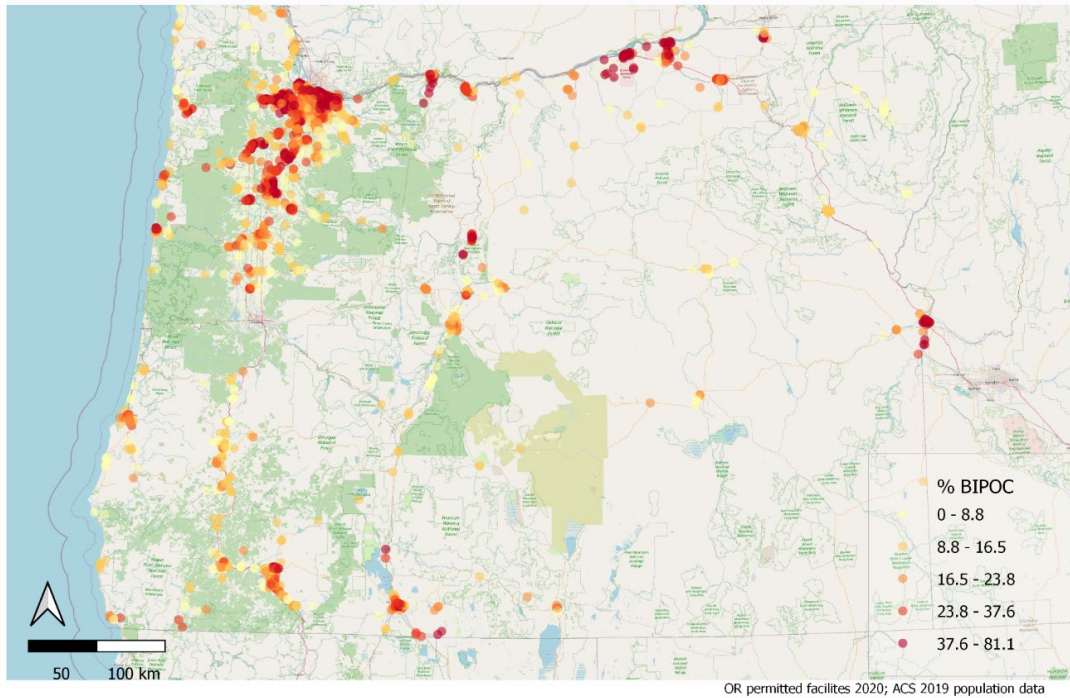
*Because DEQ does not know which sources may be required to install pollution control devices, DEQ cannot identify whether members of any racial groups living nearby are likely to be most concerned and affected by the issues addressed in the rule. As mentioned above, shut down of a business that cannot afford to comply with the proposed rules would be an unintended adverse consequence on racial equity if Black, Indigenous, and People of Color worked for that business. Conversely, decreased emissions of pollutants from facilities in proximity to such communities would be a positive consequence on racial equity.*

*The following map shows areas in the state where air quality permitted sources are located within one kilometer of populations of people who are Black, Indigenous, and People of Color.<sup>15</sup> Many permitted sources are located in areas with more than 37% of the BIPOC community. The average % BIPOC population in the state is 25%. The two darker colored circles are both significantly above statewide average.*

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<sup>15</sup> Sources in Lane County are not included in the map.

## % BIPOC population near permitted sources



*This proposed rulemaking is not expected to impact one group of people differently than others because potential emission reductions could be realized anywhere in the state, depending on the business and its emissions.*

LRAPA aims to achieve meaningful public involvement by providing interpretation services for the public hearing as needed and accepting comments in languages other than English. The agency is committed to assessing and addressing any unintended consequences of this rule change to achieve environmental justice.

# Housing cost

As ORS 183.534 requires, LRAPA evaluated whether the proposed rule changes would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. A memorandum<sup>16</sup> pertaining to a study conducted by the University of Oregon to support Oregon Department of Land Conservation and Development rulemaking describes the major factors influencing the cost of residential housing construction. Cost components include land, material and labor and regulatory costs such as permits, compliance with zoning requirements and system development charges.

LRAPA acknowledges the proposed rule changes have the potential to affect housing development costs because some of the large businesses regulated by the proposed rule changes are in the lumber products industry or otherwise produce building materials. LRAPA would not expect any increase in regulatory compliance costs for the lumber or building materials industry, over current compliance costs, to be significant enough to affect the cost of building materials. LRAPA does not expect the proposed rule changes to have any effect on the major cost components of residential construction such as cost of land, labor, or permitting or zoning regulations.

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<sup>16</sup> University of Oregon, 2016. Cost Components of Housing. [https://www.oregon.gov/lcd/UP/Documents/UO-Cost\\_Components.pdf](https://www.oregon.gov/lcd/UP/Documents/UO-Cost_Components.pdf) accessed on 05/07/21.

# Federal relationship

[ORS 183.332](#), [ORS 468A.327](#) and [OAR 340-011-0029](#) require DEQ, and in some cases LRAPA, to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so. This section complies with those statutes and rules to clearly identify the relationship between the proposed rule changes and applicable federal requirements.

The following proposed rules would adopt federal requirements.

- Add 1-bromopropane (1-BP) to the state list of Hazardous Air Pollutants to make it consistent with its listing under Section 112 of the Clean Air Act, as recently added by the EPA.

The following proposed rule changes are not different from or in addition to federal requirements:

- Prohibit issuance of construction approvals to all sources and permits to any new or modified source that will cause an exceedance of a National Ambient Air Quality Standard outside of its property boundary.
- Clarify LRAPA’s ability to require and use modeling in addition to monitoring (by LRAPA or sources) for NAAQS exceedance verification.
- Clarify that permittees must comply with all conditions in their permit.
- Require more complete applications at permit renewal to ensure LRAPA staff have sufficient information to process the renewal applications.
- Require additional information to be submitted by a certain date with an opportunity to request more time if needed rather than allowing 90 days for all submittals.
- Require that sources must construct or modify in accordance with approved plans submitted with their applications.
- Eliminate provisions that currently allow sources to operate without using pollution control devices for 48-hours under the excess emission rules.

The following categories of LRAPA’s proposed changes contain rules that are “in addition to federal requirements.”

<b>Eliminate Generic Plant Site Emission Limits, which currently often allow greater emissions than a facility is physically capable of emitting.</b>	
The proposed change to the use of Generic PSEL gives LRAPA the option to permit at capacity or potential to emit instead of Generic PSELs. Permitting at capacity or potential to emit instead of Generic PSELs creates permits that more accurately reflect actual emissions.	
<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
EPA’s Major New Source Review regulations provide the option to use Plantwide Applicability Limits that are similar to Plant Site Emission Limits. EPA regulations for minor stationary sources do not include Plant Site Emission Limits. EPA guidance provides flexibility to states to design programs to regulate the operation of minor sources.	LRAPA considered keeping Generic PSELs for sources on Basic and General permits. LRAPA did not pursue this alternative because many of these permits do not contain any PSELs at all. For those General permits that have Generic PSELs, LRAPA will calculate source specific PSELs for the highest emitting source on that General permit and use them for all sources on that General permit.

**Clarify and update the Notice of Intent to Construct rules.**

The proposed rule changes will promote consistent construction approval through the Notice of Intent to Construct/Notice of Approval (NC/NOA) process for all sources, both sources permitted through Air Contaminant Discharge Permits (ACDPs) or Title V permits, and also for unpermitted sources. Several resource intensive issues have been identified with the NC rules and how they have been interpreted or implemented. The main issue is that the rules are not clear on what type of construction/modification qualifies for a Type 1 or a Type 2 NC.

<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
<p>Federal law requires states to have both a major and a minor New Source Review program. The requirements for the federal major New Source Review program are very prescriptive. States have more flexibility in designing a state minor New Source Review program if the state demonstrates that it will protect air quality. The requirements for a state minor New Source Review program are not included in EPA's rules.</p>	<p>The Notice of Intent to Construct/Notice of Approval rules, along with the Air Contaminant Discharge Permit Program, are parts of LRAPA's minor New Source Review program. LRAPA considered not making the proposed rule changes but LRAPA has identified circumstances where the interpretation and implementation of NC rules have been inconsistent or need clarification. Consistent construction approval through the Notice of Intent to Construct/Notice of Approval process for sources permitted through Air Contaminant Discharge Permits and Title V permits, as well as new sources not otherwise required to obtain a permit is an important part of LRAPA's minor New Source Review program.</p>

**Change permit type if sources are on the wrong permit.**

LRAPA proposes to use the existing criteria to evaluate whether a source should be on a Simple or a Standard permit for all permit types: General, Basic, Simple or Standard. This would also ensure that the source receives the correct amount of oversight, both when the permit is written and when the source is inspected.

<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
<p>EPA regulations require state pre-construction permitting programs to assure that national ambient air quality standards are achieved. EPA guidance provides flexibility to states to design programs to regulate the operation of minor sources.</p>	<p>LRAPA considered not clarifying the rules that allow moving sources to a different type of permit. LRAPA wants to permit sources on the correct type of permit to ensure that the correct amount of oversight is provided for that source. Without this clarification, a source could stay on a Standard permit when a Simple permit may be more appropriate. The difference in fees between a Standard and a Simple permit is significant.</p>

**Clarify that an air quality analysis is required in applications for new sources and when requested by LRAPA, for renewal and modification**

**applications to ensure compliance with the National Ambient Air Quality Standards.**

The authority to require an air quality analysis is included in the existing rules. The existing rules do not contain the requirement to submit an air quality analysis with a permit application.

<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
<p>EPA regulations require state pre-construction permitting programs to include procedures that address air quality data and air quality modeling used to meet Clean Air Act permitting requirements. EPA guidance provides flexibility to states to design programs to regulate the operation of minor sources.</p>	<p>LRAPA considered not clarifying that an air quality analysis is required in applications. Without this clarification, applicants may not know that an air quality analysis is required and therefore, may submit an incomplete application, delaying issuance of the permit. If the source is on a tight timeline for their permit, this delay could be avoided with this clarification.</p> <p>In addition, this clarification will help LRAPA demonstrate that its permitting program is protective of the National Ambient Air Quality Standards.</p>

**Extend permit terms for Simple permits but allow for needed permit modifications. This will better allocate LRAPA resources to work on more significant permitting issues.**

The proposed rule changes provide extended permit terms from five (5) years to 10 years for Simple air permits to streamline the permitting process but allow for permit modifications when needed.

In some cases, permits must be updated because of changes proposed by the source or because rules have changed. LRAPA must have the ability to change the permit for these reasons.

<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
<p>EPA regulations require state pre-construction permitting programs to include procedures that address air quality data and air quality modeling used to meet Clean Air Act permitting requirements. EPA guidance provides flexibility to states to design programs to regulate the operation of minor sources.</p>	<p>No other alternatives were considered by LRAPA.</p>

**Expand the use of short-term activity permits for temporary operations in addition to unexpected and emergency activities.**

Short-term activity permits are currently allowed for only unexpected and emergency activities. These permits expire in 60 days and are not allowed to be renewed. Currently LRAPA allows these types of planned operations under a Stipulated and Final Order, a tool under LRAPA's formal enforcement actions. These activities are not allowed under existing permits but are not technically considered enforcement actions because the business asks permission to perform these

types of activities. In addition, it is resource intensive for LRAPA to develop Stipulated and Final Orders.	
<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
EPA does not issue short-term activity permits. State permitting and enforcement programs under the SIP follow guidance to states addressing excess emissions during periods of startup, shutdown, and malfunction.	LRAPA did not consider other alternatives. The proposed changes provide flexibility for both businesses and LRAPA by providing a mechanism to allow short-term temporary operations that are not covered by the permit.
<b>Provide a petition process to allow requests that additional industrial categories be approved to have general permits, rather than source-specific permits.</b>	
<b>In addition to federal requirements?</b>	<b>What alternatives did LRAPA consider, if any?</b>
EPA does not issue air quality general permits.	LRAPA considered not allowing a petition process to allow for additional industrial categories for general permits. General permits were created to achieve efficiency in permit processing and to facilitate LRAPA's implementation of federal standards that apply to area sources of hazardous air pollutants (National Emission Standards for Hazardous Air Pollutants). This allows a source to avoid the higher cost of a Simple or Standard permit yet allows for LRAPA oversight.

## Land use

### Land-use considerations

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rule changes significantly affect land use. If so, DEQ must explain how the proposed rule changes comply with statewide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005 and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program, or
- The rule or program is reasonably expected to have significant effects on:
- Resources, objects, or areas identified in the statewide planning goals, or
- Present or future land uses identified in acknowledge comprehensive plans

DEQ determined whether the proposed rule changes involve programs or actions that affect land use by reviewing its Statewide Agency Coordination plan. The plan describes the programs that DEQ determined significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

<b>Goal</b>	<b>Title</b>
5	Natural Resources, Scenic and Historic Areas, and Open Spaces
6	Air, Water and Land Resources Quality
11	Public Facilities and Services
16	Estuarine Resources
19	Ocean Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

## **Determination**

LRAPA with help of DEQ determined that these proposed rules do not affect land use under OAR 340-018-0030 or DEQ's State Agency Coordination Program.



# **LRAPA Board and EQC Prior Involvement**

LRAPA notified the Board about DEQ's corresponding rulemakings and that LRAPA's version of the rules would be forthcoming at a future Board meeting.

The EQC last approved LRAPA's rules that incorporated the certain Cleaner Air Oregon program elements into LRAPA's Rules and Regulations at the May 19, 2019 EQC meeting.

# Advisory Committee

## Background

LRAPA has a standing Citizens Advisory Committee that meets most months, LRAPA consulted the CAC for this rulemaking and presented an overview of the changes to the committee at their meeting on November 28, 2023.

Weblink: Public Oversight | Lane Regional Air Protection Agency (lrapa.org)

<https://www.lrapa.org/air-quality-protection/about-lrapa/public-oversight/>

The committee members were:

LRAPA Air Quality Permitting Rules – Citizens Advisory Committee (CAC)	
Name	Representing
Jim Daniels, Chair	Industry
Kelly Wood, Vice-Chair	Industry
Peter Dragovich	Planning
Paul Metzler	General Public
Teresa Roark	Public Health
Evelina Davidova-Kamis (absent)	Industry
Jeffery Carman (absent)	Agriculture
Mysti Frost (absent)	General Public
Chris Cline (absent)	Fire Suppression

## Meeting notifications

To notify people about the advisory committee’s activities, LRAPA:

- Sent a one-time notice to General News & Updates subscribers of our email listserv of meeting content.
- Added advisory committee announcements to LRAPA’s calendar of public meetings at [LRAPA Calendar](#)

## Committee discussions

Below is an excerpt from the Nov. 28, 2023, CAC meeting discussion on the proposed rules:

- The CAC had several mostly clarifying questions, most of which were answered by LRAPA staff at the meeting.

- One CAC member requested the ability to review the public comments on the proposed rules and LRAPA's responses to those comments before the rules are sent to the Board for approval. LRAPA responded that staff would consider the logistics of accommodating the CAC member's request and get back to them on that aspect.
- One CAC member suggested that the proposal to require comprehensive air permit applications as part of routine renewals might require more work and could result in additional confusion when LRAPA permit writers and inspectors compare the new comprehensive renewal with the previous renewal application.
- The CAC appreciated the opportunity to receive a high-level review of the draft rules and were interested in reviewing the proposed rules.

# Public Engagement

## Public notice

LRAPA provided notice of the proposed rulemaking and rulemaking hearing by:

- Notifying the DEQ and EPA by E-mail;
- In Jan. 30, 2024 filing notice with the Oregon Secretary of State for publication in the Feb. 1, 2024 Oregon Bulletin;
- Emailing: Send email to list of those who subscribe to LRAPA’s Public Notices category on our email listserv <https://www.lrapa.org/air-quality-protection/public-calendar/sign-up-for-updates/>
- Emailing: Direct email to all holders of LRAPA Title V Operating Permits
- DEQ Emailing approximately interested parties on the following DEQ lists through GovDelivery:
  - Rulemaking
  - DEQ Public Notices
  - Air Quality Permits
- Posting on the LRAPA event calendar: [LRAPA Calendar](#)

## Public Hearing

LRAPA held one public hearing.

Date: April 11, 2024

Start time: 12:30PM

Street address: 225 5<sup>th</sup> Street

Room: Jesse Maine Meeting Room

City: Springfield, Oregon 97477

Teleconference phone number: +1 253 215 8782

Webinar link: <https://us02web.zoom.us/j/82551664224>

There were no people who testified at the hearing. Two (2) people submitted written comments during the public comment period that began Feb. 1, 2024 and ended April 10, 2024.

## Summary of Public Comments and LRAPA Responses

### Public comment period

LRAPA accepted written public comment on the proposed rulemaking from Feb. 1, 2024 until 5 p.m. on April 10, 2024. No comments were received during the public hearing on April 11, 2024. LRAPA received comments from two (2) individuals and organizations during the public notice period.

For public comments received by the close of the public comment period, the summary below presents comment summaries with cross references to the comment number. Original comments are on file with LRAPA. LRAPA considered and responded to all comments described in the response sections below. LRAPA changed some of the proposed rules in response to comments as described in LRAPA's responses.



## **Air Quality Permitting Updates 2024: Response to Public Comment**

**Comment #1:** In Attachment D (LRAPA 2023 roadmap of significant/substantial proposed rule changes for the Citizen's Advisory Committee (CAC) and Board of Directors: Rule item number (1) states that LRAPA is moving to a 6-minute average from a 3-minute aggregate for determining opacity compliance under 32-010. However, the proposed rules appear to still have references to a 3-minute period under at least 32-010(3), (4), (5) and (6).

**Response #1:** LRAPA agrees with this comment and has revised the rules to remove the older and inadvertent references to a 3-minute period for determining compliance with the opacity limits.

**Comment ID linked to Comment #1:** 1

**Comment #2:** 34-034 regarding 'requirements for construction' is shown in Attachment A (redline rules) as being proposed for deletion, however there are still references throughout the rules to 34-034. I suggest LRAPA revise/correct any cross references to this rule citation for clarity.

**Response #2:** LRAPA agrees with this comment and has revised the rules to remove that specific cross-referencing error. All references to 34-034 were changed to 34-035 as a result of this comment.

**Comment ID linked to Comment #2:** 1

**Comment #3:** Rule 36-020 on excess emissions refers to the definitions of 'large' and 'small' source according to 36-005(4) and (7), respectively. However, 36-005 'definitions' proposes to have these terms defined under 36-005(1) and (2); I suggest LRAPA revise these cross references for clarity.

**Response #3:** LRAPA agrees with this comment and corrected the definition numbering error.

**Comment ID linked to Comment #3:** 1

**Comment #4:** In Attachment D (LRAPA 2023 roadmap of significant/substantial proposed rule changes for the Citizen's Advisory Committee (CAC) and Board of Directors: Rule item number (9) states that CAO annual fees and specific activity fees will increase 4%. Proposed rule 37-0090(3) includes these CAO fees in the annual 4% increase, effective July 1 each year. Senate Bill 1541 in 2018 established that the Environmental Quality Commission may increase fees for CAO. However,

"the annual increase may not exceed the anticipated increase in the cost of implementing sections 2 to 7 of this 2018 Act, or three percent, whichever is lower, unless a larger increase is provided for in the Department of Environmental Quality's legislatively approved budget." I suggest LRAPA revise the CAO fee increase percentage to align with this statutory language.

[\[https://olis.oregonlegislature.gov/liz/2018R1/Downloads/MeasureDocument/SB1541/Enrolled\]](https://olis.oregonlegislature.gov/liz/2018R1/Downloads/MeasureDocument/SB1541/Enrolled)

**Response #4:** LRAPA agrees with this comment and has revised the rule so that the CAO fees in title 37, table 2, part 3 are increased by 3% each year in line with the statutory authority under ORS 468A.345.

#### **Comment ID linked to Comment #4: 1**

**Comment #5:** The commenter submitted the following list of statements and questions:

- a. LRAPA should provide a live email link for people to submit comments.
- b. Who is asking for the changes?
- c. All new rules must be clear and beneficial to the public.
- d. There must be no loopholes to be exploited by lawyers of regulated sources.

**Response #5:** LRAPA appreciates the questions, comments, and suggestions.

- a. An email address to submit written comments was provided on the LRAPA webpage for this rulemaking but did not contain a live link to avoid any potential spam.
- b. LRAPA must adopt and maintain rules that are at least as stringent as the DEQ and EPA. In November of 2022, DEQ adopted rules that are more stringent and different than LRAPA's rules. Therefore, some of these rules are proposed for adoption to meet that need. There are also some changes that are being proposed to be consistent with state air quality regulations.
- c. LRAPA agrees that the rules should be clear and has proposed revisions to make them clearer. LRAPA has also proposed several rule changes that are beneficial to the public.
- d. Thank you for this comment. LRAPA will continue to eliminate or minimize unintended rules that allow for noncompliance.

#### **Comment ID linked to Comment #5: 2**

#### **Public Comment Receipt Log**

Written comments were received from:

1. Dan DeFehr, Oregon Resident: canuckspourvie@gmail.com
2. David Stone: dns@efn.org

#### **Public Hearing Comment Receipt Log**

No oral comments were received.

## **Implementation**

### **Notification**

The proposed rules became effective on April 11, 2024 after the LRAPA Board adopted them. LRAPA notified the following affected parties by:

- Emailing all commenters on the proposed rulemaking; and

- Emailing LRAPA's staff.

If the EQC adopts the proposed rules LRAPA will notify affected parties by:

- Emailing interested parties on the Rulemaking, LRAPA Public Notices, DEQ Public Notices, and Air Quality Permits GovDelivery lists;

## Compliance and enforcement

### **Incorporating new and amended standards into Air Contaminant Discharge Permits and Title V permits and ensuring compliance**

LRAPA will continue to remove Generic Plant Site Emission Limits from permits at the first permit renewal after the effective date of the rule adoption. DEQ will issue permits for all new sources with source specific Plant Site Emission Limits. DEQ will monitor compliance with the source specific Plant Site Emission Limits Permittees by reviewing records during onsite inspections and annual reports.

LRAPA will continue to review applications submitted under the Notice of Intent to Construct rules to ensure compliance with the adopted rules. Applications submitted before the effective date of the proposed rules will be reviewed under the existing rules. LRAPA will perform onsite inspections to ensure that construction or modification was done according to approved plans.

## Accessibility Information

It is the policy of LRAPA to not discriminate on the basis of race, color, national origin, age, sex, disability, sexual orientation, or marital status in administration of its programs or activities, and, LRAPA does not intimidate or retaliate against any individual or group because they have exercised rights protected by 40 C.F.R Parts 5 and 7 or for the purpose of interfering with such rights.

LRAPA is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implanted by 40 C.F.R. Parts 5 and 7 (Non-discrimination in Programs or Activities Receiving Federal Assistance from the Environmental Protection Agency), including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1973, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (hereinafter referred to collectively as the federal non-discrimination statutes).

LRAPA is committed to providing meaningful opportunities for public involvement in its proceedings. LRAPA strives to ensure that information and services are accessible to everyone, regardless of race, color, national origin, income, disability, or language proficiency. If assistance is needed accessing this document or participating in the public processes, please contact LRAPA Non-Discrimination Coordinator at (541) 736-1056 or [info@lrapa.org](mailto:info@lrapa.org). Language interpretation, translation, alternative formats, or other reasonable accommodations are available upon request. Please allow at least 5 business days to respond to a request. More information is available on LRAPA's [nondiscrimination policy](#).

# Supporting documents

**Attachment A** – Proposed revisions to LRAPA Air Quality Permitting Rules (redlined version with changes shown)

**Attachment B** – Proposed revisions to LRAPA Air Quality Permitting Rules (clean version with edits incorporated)

**Attachment C** – Proposed revisions to OAR 340-200-0040 (redlined version with changes shown)