Implementation and Fiscal Impact Discussion

RAC/FAC Meeting #5 – Toxic Air Contaminant Review and Update Rulemaking

Zoom Webinar

- Only panelists have ability to speak
- We are recording, will be available on ATSAC website
- Closed captioning available
- Chat disabled, Q&A disabled
- Brief Introductions- Name/Title and Affiliation

Meeting Guidelines

- Honor the agenda and stay on topic: there will be focused questions and space for open discussion
- Speak one at a time and balance speaking time;
- Listen to learn and understand;
- Encourage respectful, candid, and constructive discussions;
- Address issues and questions, not people or organizations;
- Seek to resolve differences and find common ground

Introductions



- Facilitators: Kearns & West
- Agency Staff: DEQ & OHA
- Committee Members

Agenda

- Work since last RAC
- Proposed Rule Changes
  - Implementation Plan
  - New Source Risk Reassessment Reduction Plan
  - Existing Source Submittal Deadlines
- Fiscal Discussion
- Final Roundtable Discussion
- Public Input
- Next Steps

RAC Comments & Feedback

- Requested ATSAC review of technical data on specific TRVs
- Implementation Proposal
  - Specific concerns related to process for when sources would be required to assess risk using new RBCs
  - DEQ should be able to require risk assessment if anticipated risk for a source is high with new RBCs
  - Prefer aspects of implementation plan to be in rule
- Existing source assessments take too long and sources can incur significant fiscal impacts

Work Since RAC Meeting #4

- ATSAC review of requested materials
  - Provided materials to all ATSAC members for review
  - Requested ATSAC members complete worksheet
  - Anticipate responses by end of November
- DEQ developed and drafted proposed language
  - Based on RAC feedback
  - Minor housekeeping changes

Proposed Rule Language Updates

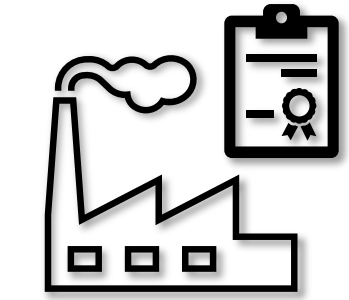
1. Implementation – assessing risk using new RBCs
   - Allowing in-progress assessments choice for which RBCs to use
   - Setting specific thresholds when DEQ can require risk assessment
   - Adding language for requirement at permit renewal
2. Risk Reduction after assessing with new RBCs
   - Added language to allow **new sources** to propose risk reduction plan and manage risk exceeding Permit Denial Level
3. Existing source submittals and deadlines
   - Revised submittal process language

Proposed Rule Changes

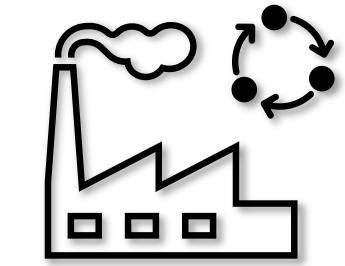
Implementation Proposals

Source Categories After Rule Adoption

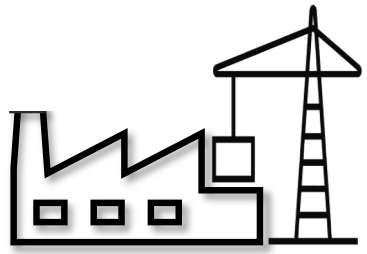
Not immediately required to assess risk using the new RBCs



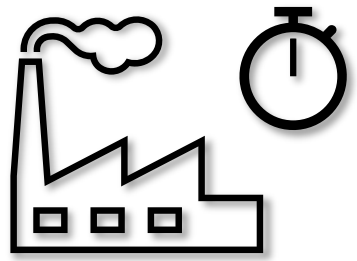
Source with approved RA



Source with in-progress RA



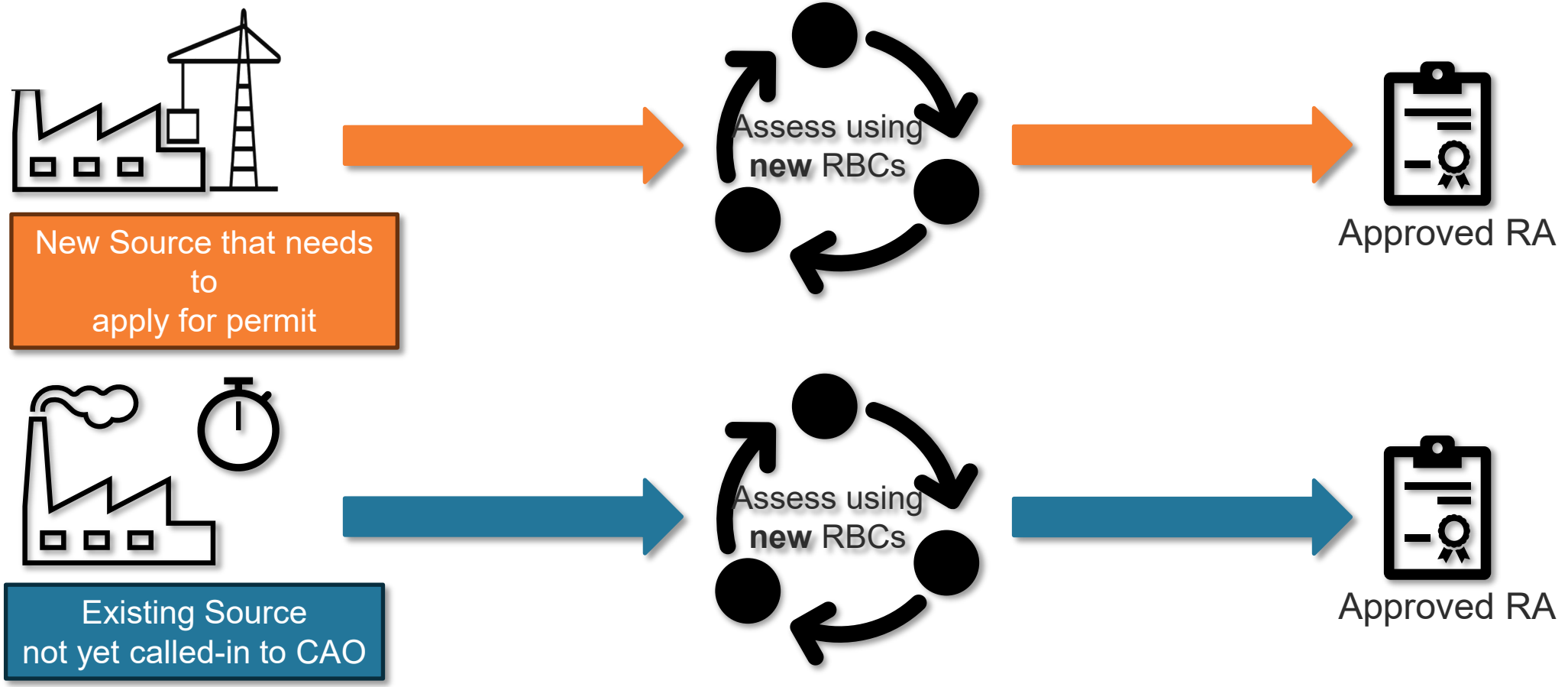
New Source that needs to apply for permit



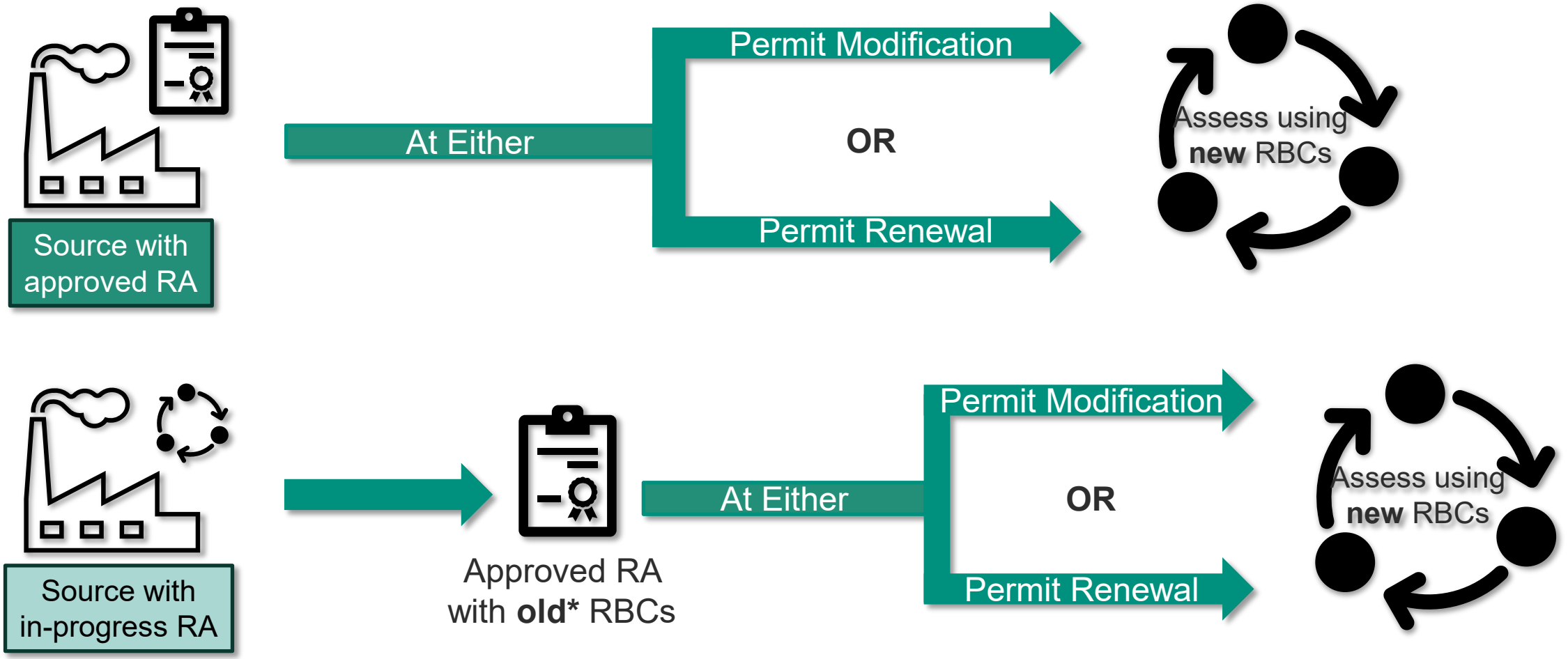
Existing Source not yet called-in to CAO

Will be required to assess risk using the new RBCs

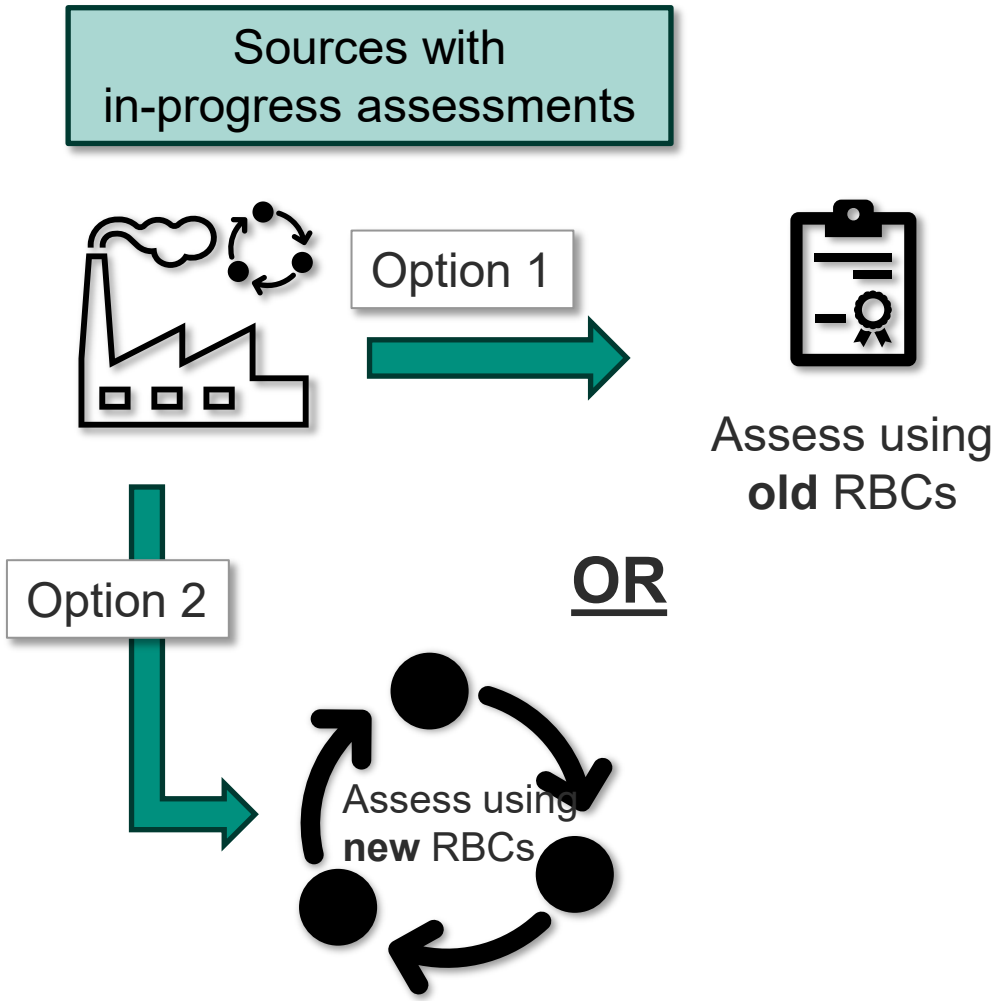
When are Sources Required to use New RBCs



When are Sources Required to use New RBCs

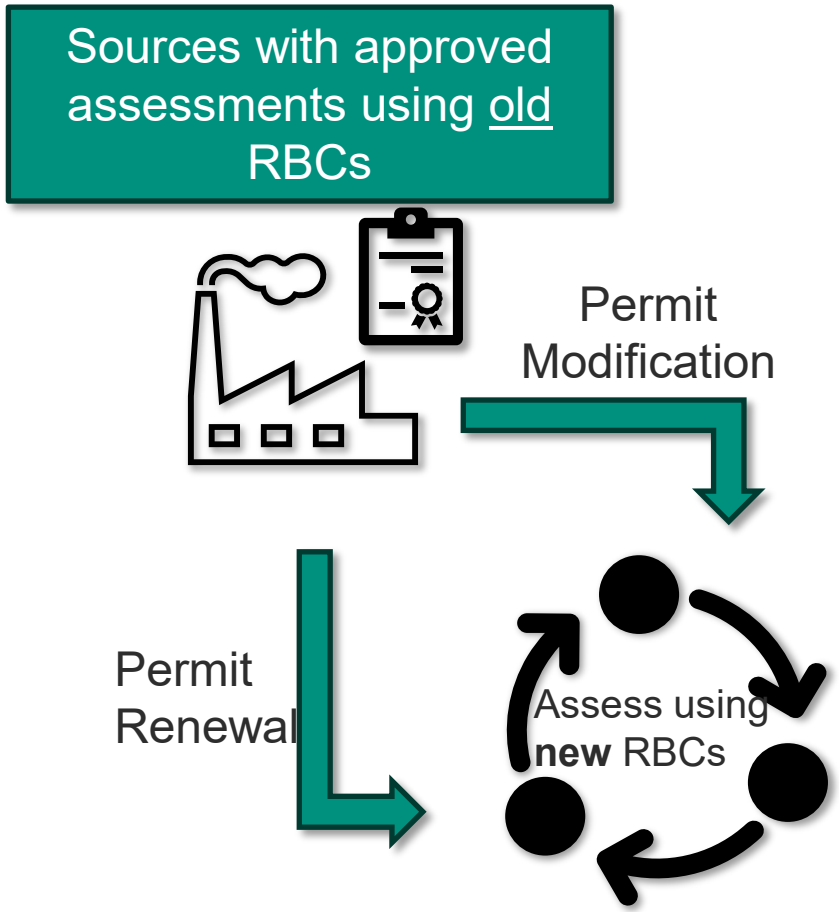


Implementation: In-Progress Assessments



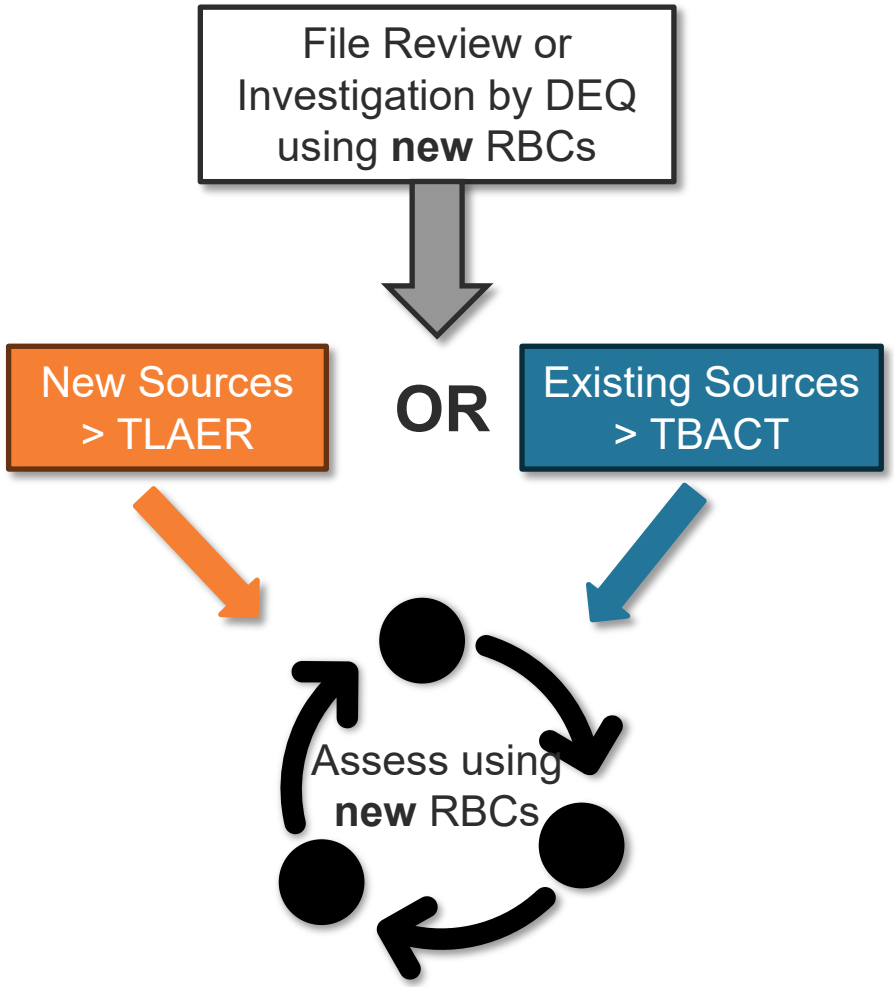
- Allow options for these assessments:
  - **Option 1**: Continue to use RBCs in effect when RA was started
  - **Option 2**: Assess with new RBCs
  - Applies to new and existing sources and modifications
- **Rule change required to OAR 245-0200(1)**

Implementation: Modifications & Renewals



- Permit modification:
  - Current rules require sources to assess risk for some proposed changes
  - Applies to entire source
  - **No rule change required**
- Permit renewal:
  - No current rule language requiring assessment at renewal
  - **Rule change required to OAR 245-0100**

DEQ Required Assessment with New RBCs



- Current rule sets threshold at "substantially impact risk"
- Proposal to set threshold at the legislative benchmarks – TBACT & TLAER Level
- **Rule change required to OAR 245-0100(8)**

Proposed Rule Changes for Implementation

Rule changes made in OAR 340-245-0100(8)

- Specify when DEQ can require source to assess risk using **new** RBCs
  - "substantially impact risk" → TBACT and TLAER levels
- Require that sources with an approved RA assess risk using **new** RBCs at permit renewal

Proposed Rule Changes for Implementation

Rule changes made in OAR 340-245-0200(1)

- Allowing sources with in-progress assessments the option to use the RBCs in effect at the time assessment started

Open Discussion

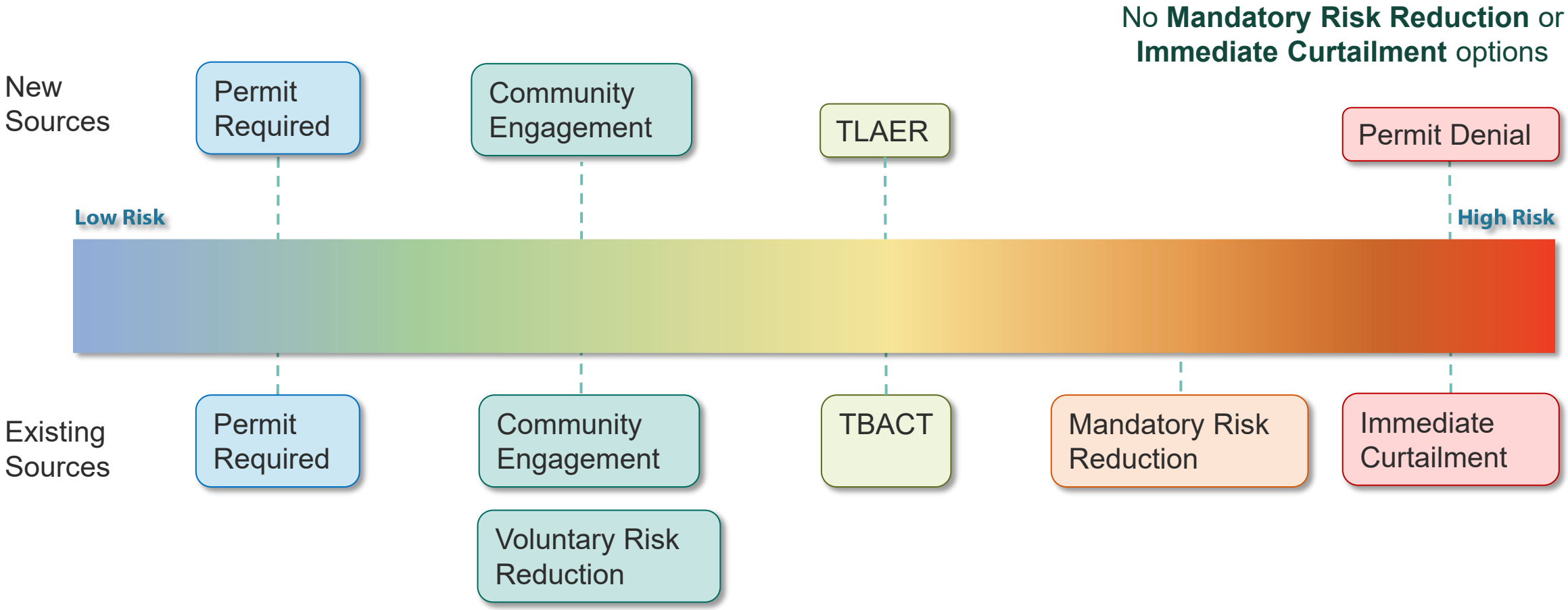
Is there information you would like DEQ to consider for when sources assess risk using the new RBCs based on these proposed updates:

1. The proposed risk levels at which DEQ can require an assessment – TBACT and TLAER
2. Requiring assessment at the time of permit renewal
3. Allowing option for in-progress assessments to use old RBCs

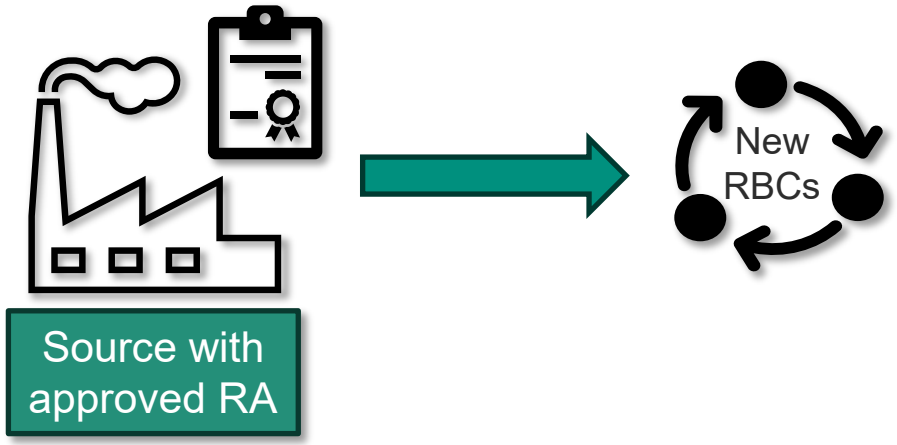
Proposed Rule Changes

Source Risk Reduction Proposal

Risk Action Level Background

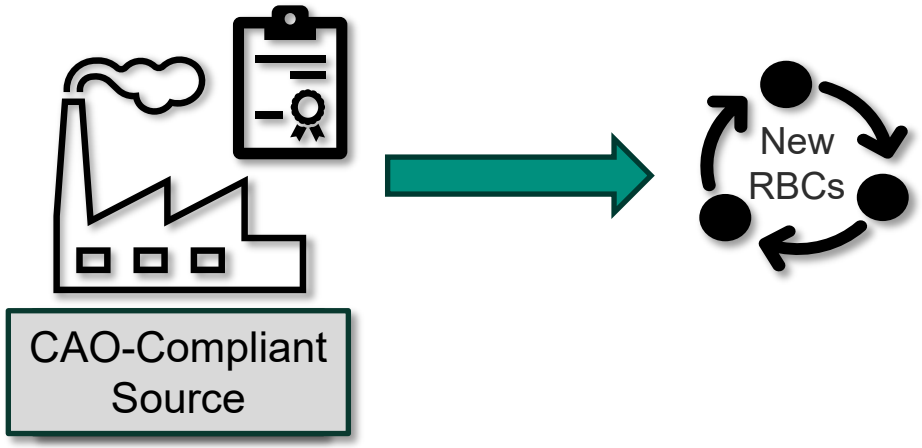


New Source Risk Reduction



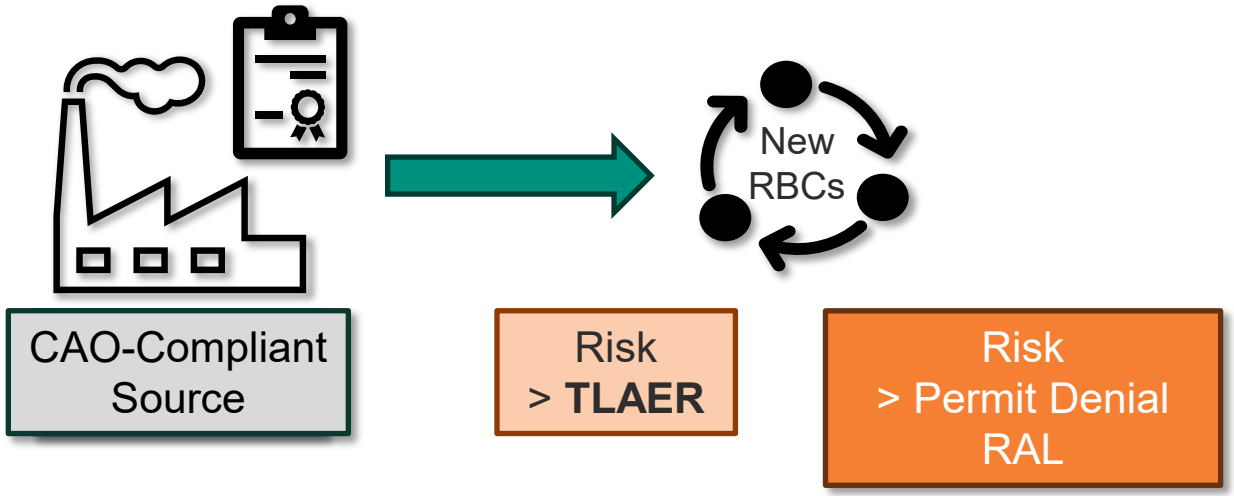
- "CAO-compliant" source
  - Has demonstrated compliance
- Proposing Risk Reduction Plan options for these sources
  - Same timelines as existing sources for chronic
- Immediate Curtailment for CAO-compliant new sources
  - 30 days to submit plan vs 7 days
- **Rule changes required OAR 340-245-0020, 0030, & 0130**

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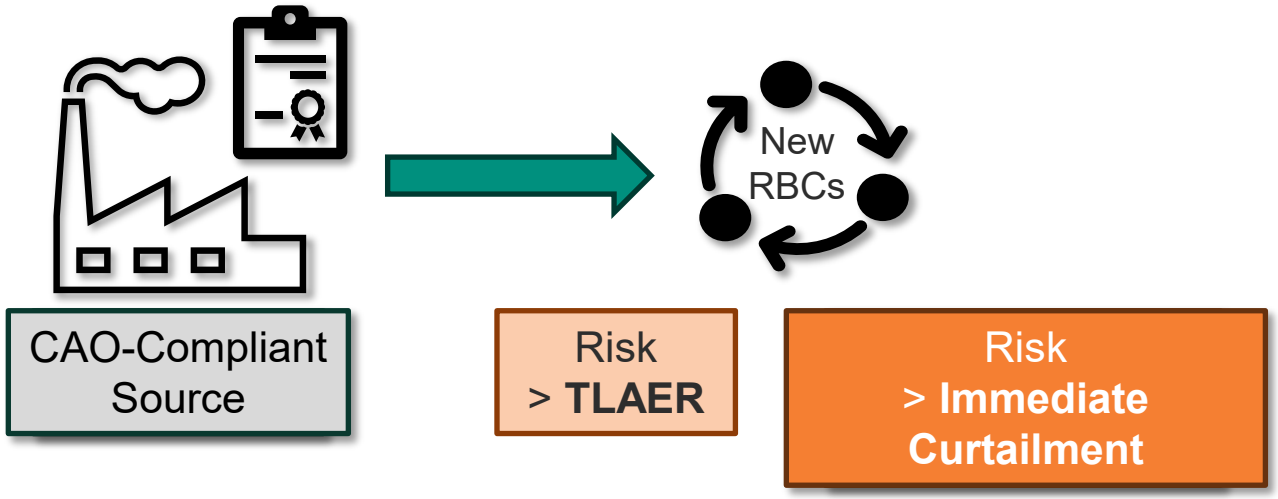
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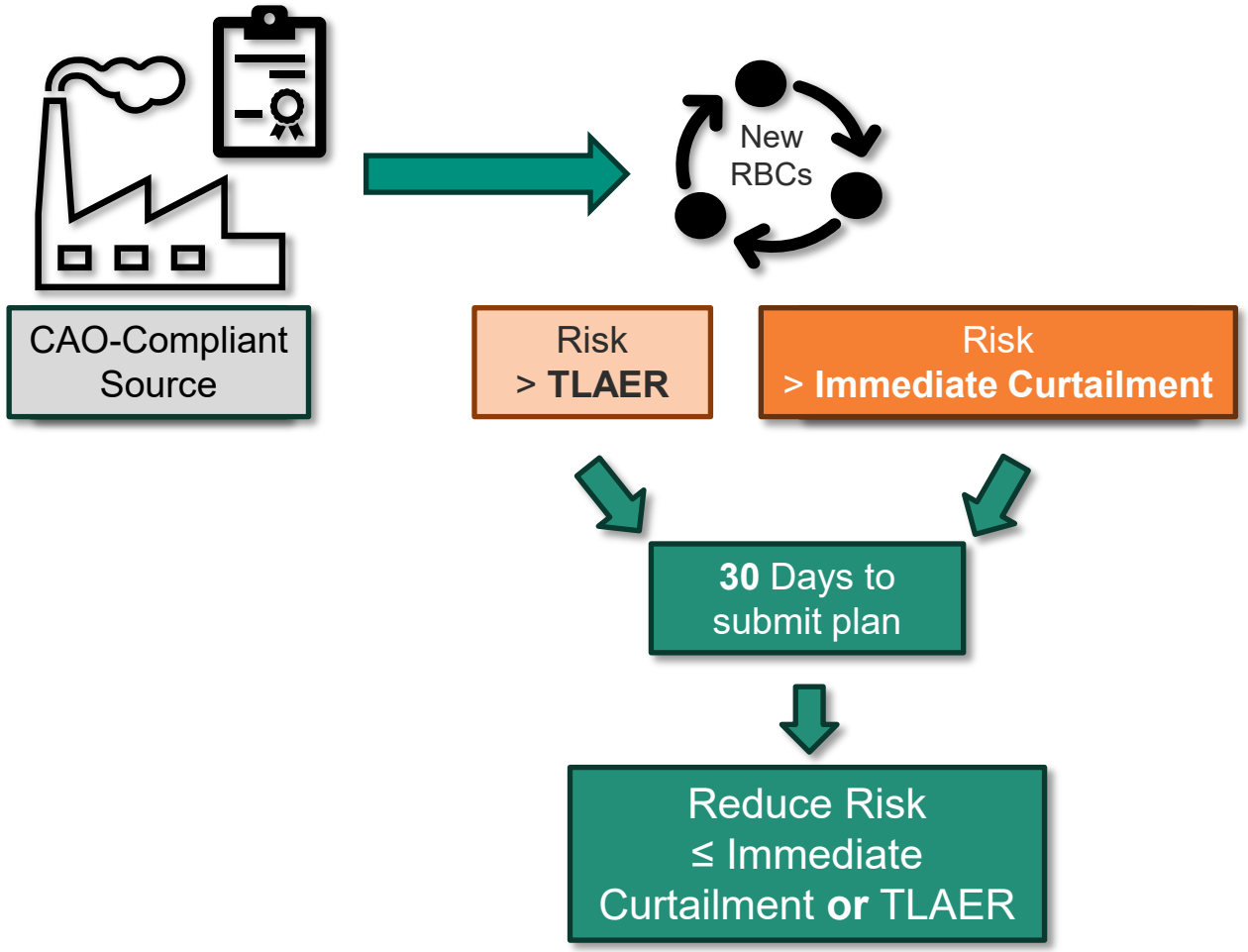
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Proposed Rule Update for Risk Reduction

Rule changes made in OAR 340-245-0020

- Added “CAO-compliant” source:
  - “…means a source that has been required to demonstrate compliance with OAR 340-245-0050 and that DEQ has approved as having demonstrated such compliance.”
- Revised:
  - Immediate Curtailment Level – to include CAO-compliant new sources
  - Permit Denial Level – specify for new sources that are not CAO-compliant only

Proposed Rule Update for Risk Reduction

Rule changes made to OAR340-245-0030

- 30-days to submit Immediate Curtailment Plan

Rule changes made to OAR 340-245-0130

- Allows CAO-compliant new sources on RRP
- Same timelines for both existing and CAO-compliant new sources
  - Chronic risk reduction – 2 years, up to 7 years*
  - Acute risk reduction – 1 month, up to 1 year

*** - Allowed under OAR 340-245-0150 Postponement of Risk Reduction**

Open Discussion

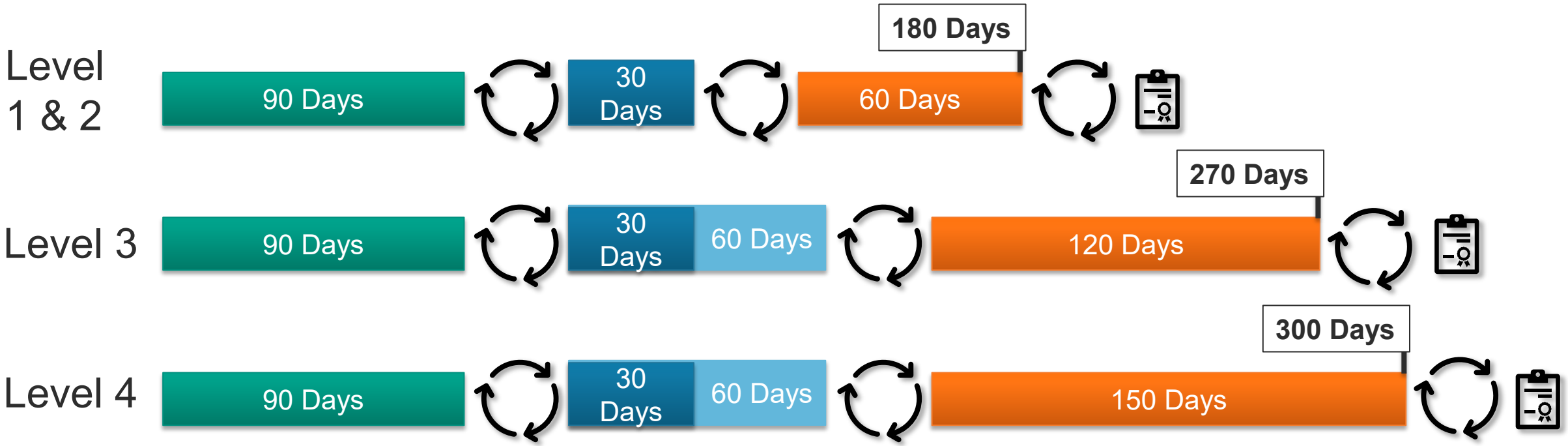
Is there information you would like DEQ to consider for these proposed updates:

1. Newly defined “CAO-compliant” source
2. Allowing CAO-compliant new sources to establish a Risk Reduction Plan and timelines for acute and chronic risk
3. Immediate Curtailment plan timeline for CAO-compliant new sources

Proposed Rule Changes

Existing Source Submittal Deadlines

Current Submittal Deadlines in Rule



= Emissions Inventory

= Modeling Protocol

= Risk Assessment Work Plan

= Risk Assessment

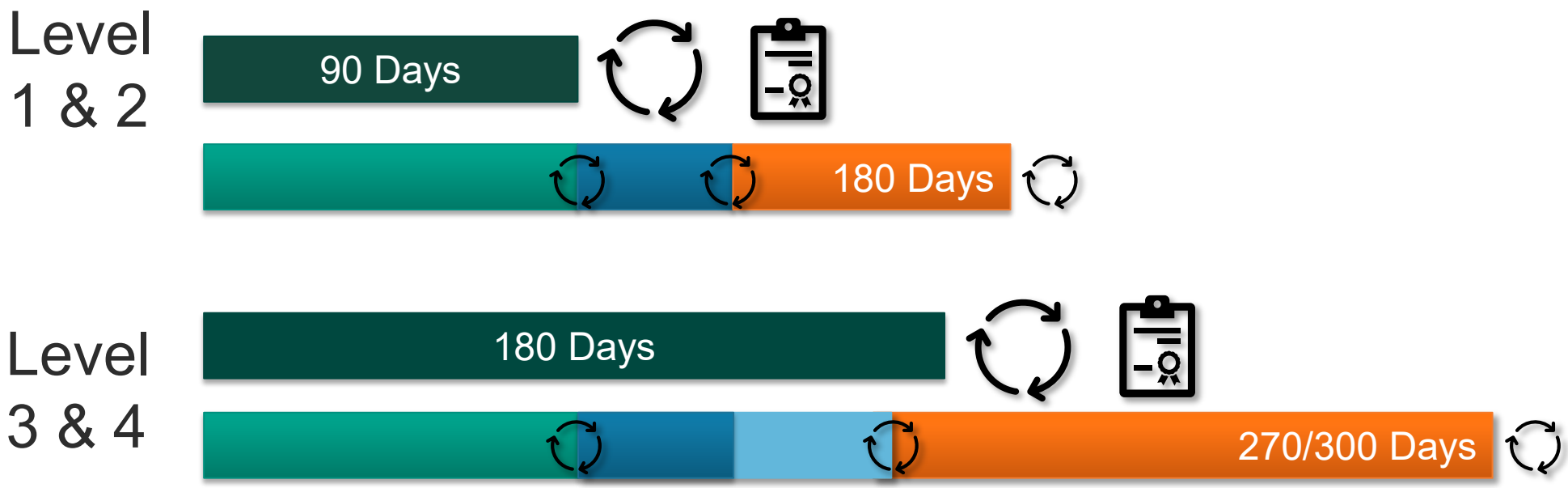
= DEQ Review and Approval Churn

Risk Assessment Timeline – Lessons Learned

Existing Risk Assessments take a long time

- Allowed time between submissions in rule
- DEQ review and approval time
  - Emissions Inventory is the longest step in the process
  - Current process requires DEQ to evaluate emissions without knowing the impact on risk
  - Many revisions currently needed for approval
- All of this adds to compliance costs and DEQ time

Proposed Submittal Deadlines



= Emissions Inventory, Modeling Protocol, Risk Assessment Work Plan (if applicable), Risk Assessment

= DEQ Review and Approval Churn

Reason for this Proposal

Complete Existing Risk Assessments Faster

- Time saved through rule required deadlines
- Reduce DEQ review and approval churn
  - DEQ can evaluate which activities impact risk
  - Focused review and revisions
- Align earlier in the process on permitting approaches
- Reduce the need for source testing
- Still allow for extensions when appropriate

Open Discussion

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1. Newly defined “CAO-compliant” source
2. Allowing CAO-compliant new sources to establish a Risk Reduction Plan and timelines for acute and chronic risk
3. Immediate Curtailment plan timeline for CAO-compliant new sources

Implementation Roundtable

Please submit any further comments in writing to caotrv.2026@deq.oregon.gov

Fiscal Impact Discussion

Draft Fiscal Impact Statement

- No new or revised program fees proposed
- Sources may have increased/decreased program fees and cost of compliance based on revised risk
- Proposed rule language for allowing Level 3 risk assessments in specific cases – potential decrease in cost of compliance
- Potential economic benefits from positive impacts to public health

Revised Draft Fiscal Impact Statement

- Implementation & Risk Reduction proposals
  - No anticipated changes to magnitude of impacts
  - Could affect **timing** of fiscal impacts
- Existing source timeline proposal
  - Potential cost of compliance reductions
    - Less review and approval churn
    - Reduced source testing
  - Faster approval and permitting could increase public health benefits

Fiscal Impact Requirements

Per ORS 183.333, committee's recommendations on:

1. Whether the proposed rules would have a fiscal impact,
2. The extent of the impact, and
3. Whether the proposed rules would have significant adverse impact on small businesses;
    a) If so, then how DEQ can comply with ORS 183.540 to reduce that impact.

Committee Discussion

1. Would the proposed rule have a fiscal impact?
2. What is the extent of the fiscal impact?
3. Would the proposed rule have a significant impact on small businesses?

Committee Discussion

Per ORS 183.333 and 183.540, the committee to consider how DEQ could reduce the rules' fiscal impact on small business by:

1. Establishing differing compliance or reporting requirements or timetables for small business;
2. Clarifying, consolidating or simplifying the compliance and reporting requirements under the rule for small business;
3. Utilizing objective criteria for standards;
4. Exempting small business from any or all requirements of the rule; or
5. Otherwise establishing less intrusive or less costly alternatives application to small business

Committee Discussion

1. How can DEQ mitigate impacts by establishing differing compliance or reporting requirements or timetables for small business?
2. How can DEQ clarify, consolidate and simplify the compliance and reporting requirements under the rule for small business?
3. Where can DEQ utilize objective criteria for standards?
4. How could DEQ exempt small business from any of all requirements from rule?
5. Is there a way DEQ can establish less intrusive or less costly alternatives application to small business?

Fiscal Impacts

Do you have additional information that DEQ should consider related to the fiscal impacts of the proposed rulemaking?

Final Roundtable Discussion

Please submit any further comments in writing to caotrv.2026@deq.oregon.gov

Public Input

Opportunity for the public to offer informal comments

Next Steps

- ATSAC review of RAC member information
  - DEQ will review and determine if further follow-up is required
  - All materials will be made publicly available
  - RAC members will be notified and informed if any further actions are requested
- RAC members will have two weeks* to provide final written comments
- Anticipate Public Notice in Q1 2027

*If no further actions required, this would be two weeks from receiving notice that ATSAC members' responses are publicly available

Title VI and alternative formats

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