

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Arkansas Department of Environmental Quality
DIVISION Air Division
DIVISION DIRECTOR Mike Bates
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INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

- 1. What is the short title of this rule?
Regulation 19
- 2. What is the subject of the proposed rule?
Arkansas Pollution Control and Ecology Commission Regulation 19 Regulations of the Arkansas Plan of Implementation for Air Pollution Control
- 3. Is this rule required to comply with federal statute or regulations? Yes x No _____
If yes, please provide the federal regulation and/or statute citation.
Clean Air Act Section 182(a)(3)(B) and 40 CFR Part 96.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?
Yes _____ No X _____
If yes, what is the effective date of the emergency rule? _____
When does the emergency rule expire? _____
Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes _____ No _____
- 5. Is this a new rule? Yes _____ No X _____ If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes _____ No X If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes X No _____ If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."

Addition of Chapter 14 to address the State's obligations as part of the Clean Air Interstate Rule (CAIR). CAIR will control the interstate transport of NO_x and SO₂ emitted by fossil-fuel fired Electric Generating Units (EGUs) by creating an interstate cap and trade program.

6. Cite the state law that grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

A.C.A. Sections 8-4-202 and 8-4-311.

7. What is the purpose of this proposed rule? Why is it necessary?

The proposed rule contains a methodology to allocate NO_x allowances that encourages EGUs to operate efficiently by basing allocations on their electric output. The proposed rule uses updated electrical output to determine distribution of the allowances. The proposed rule provides Arkansas with the flexibility to change allocations.

If this rule is not initiated then EPA will make these allocations according to their model rule. Under EPA's rule, allocations would never change and would cause new facilities to achieve compliance by purchasing allocations from other sources. It would also continue to allocate allowances to facilities that were retired.

8. Will a public hearing be held on this proposed rule? Yes X No _____

If yes, please complete the following:

Date: December 5, 2006

Time: 2:00 p.m. to 4:00 p.m.

Place: 8001 National Drive, Building D Training Room Little Rock, Arkansas

9. When does the public comment period expire for permanent promulgation? (Must provide a date.) _

December 19, 2006

10. What is the proposed effective date of this proposed rule? (Must provide a date.)

Ten days after filing with the Secretary of State, the State Library and the Bureau of Legislative Research.

11. Do you expect this rule to be controversial? Yes _____ No X If yes, please explain.

12. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

*Various companies operating fossil-fuel fired Electric Generating Units (EGUs) – support.
Arkansas Environmental Federation – support.*