

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Energy and Environment
DIVISION Division of Environmental Quality
PERSON COMPLETING THIS STATEMENT Erika Droke
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To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two (2) copies with the Questionnaire and proposed rules.

SHORT TITLE OF THIS RULE

RULE 19: REGULATIONS OF THE ARKANSAS PLAN OF IMPLEMENTATION FOR AIR POLLUTION CONTROL

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No

The amended rule is not anticipated to have a negative financial impact. The proposed amendments may reduce costs for certain businesses by reducing redundant requirements and reducing testing frequency.

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?

Yes No

DEQ technical and economic analyses for this rulemaking are based on the following sources:

- Regulatory Impact Analysis of 111(d) for Municipal Solid Waste Landfills:
https://www3.epa.gov/ttn/ecas/docs/ria/landfills_ria_final-eg-nsps_2016-07.pdf
- EPA's Final Rule for Standards of Performance for Municipal Solid Waste Landfills Rule:
<https://www.federalregister.gov/documents/2016/08/29/2016-17687/standards-of-performance-for-municipal-solid-waste-landfills>

See Section 5. below for the financial impact analyses related to this rulemaking.

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

DEQ considered several factors to determine the least costly path forward. The proposed revisions to Rule 19 are not anticipated to have a financial impact. However, significant increases in emissions from municipal solid waste landfills subject to the proposed standards of performance in the proposed revisions to Rule 19 could trigger a requirement to install emissions controls. The emissions controls that would be required are no more stringent or costly than required under federal law.

If an agency is proposing a more costly rule, please state the following:

a) How the additional benefits of the more costly rule justify its additional cost;

N/A

b) The reason for adoption of the more costly rule;

N/A

c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please

explain; and

N/A

d) Whether the reason is within the scope of the agency's statutory authority, and if so, please explain.

N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

a) What is the cost to implement the federal rule or regulation?

There are no additional costs for the State to implement the federal requirements in this rulemaking. Additional permitting, recordkeeping, and reporting obligations will be fulfilled through existing programs and individual tasks assigned to currently-filled positions within DEQ Office of Air Quality. No additional resources will be necessary to meet federal requirements.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$0.00

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$0.00

b) What is the additional cost of the state rule?

There are no additional costs to implement the state rule.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$0.00

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$0.00

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

See below for detailed costs

See below for detailed costs

There are no anticipated costs to private entities resulting from this revision. Under proposed revisions resulting from the federal 111(d) requirements for municipal solid waste landfills, none of the subject facilities are expected to trigger the requirement for the installation and operation of a gas collection and control system. Based on DEQ's analysis, affected landfills in the State do not emit greater than the thresholds under which additional controls would be required by the amendments to Rule 19.

Under proposed revisions repealing controls of volatile organic compounds for Pulaski County in Chapter 10, redundancy with EPA national emission standards for hazardous air pollutants and new source performance standards will be reduced, and the revision is associated with cost savings related to staffing resources of the subject entities. While the cost savings is not quantifiable, there is no additional cost to DEQ or the regulated community resulting from this revision. (Economic benefit)

Under proposed revisions at 19.804(B), which change compliance testing requirements for kraft pulp mills from annual testing to testing once every five (5) years, sources subject to the requirement will experience an annual reduction in costs associated with the testing. Industry average for annual compliance testing associated with this requirement is approximately \$5000 per facility;¹ under the proposed revisions, facilities would incur this expense only once every five (5) years, instead of annually. (Economic benefit)

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

\$0.00

\$0.00

There are no additional state, county, or municipal government costs associated with implementation of the changes included in this rulemaking. Any additional permitting, recordkeeping, and reporting obligations will be fulfilled through existing programs and individual tasks assigned to currently-filled positions within DEQ Office of Air Quality. No additional resources will be necessary to meet federal requirements.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

¹ Source: September 2020 consultation with staff from Alliance Source Testing, Inc.

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule’s basis and purpose;**
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;**
- (3) a description of the factual evidence that:
 - (a) justifies the agency’s need for the proposed rule; and**
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule’s costs;****
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;**
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;**
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and**
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;**
 - (b) the benefits of the rule continue to justify its costs; and**
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.****