ARKANSAS POLLUTION CONTROL & ECOLOGY COMMISSION ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS

Rule Number & Title: Rule 19, Rules of the Arkansas Plan of Implementation for Air Pollution Control

Petitioner: Division of Environmental Quality

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2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule?

State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

- a) Categories affected by proposed revisions in this rulemaking include:
 - Municipal solid waste landfills (no immediate economic impact)
 - Various industry sources (for repeal of volatile organic compounds [VOC] requirements in Pulaski County, positive economic effect), and
 - Kraft pulp mills (for revised testing requirements, positive economic effect).
- b) Approximately fifteen (15) municipal solid waste landfills and six (6) kraft pulp mills will be affected.

Sources and Assumptions:

Based on DEQ's analysis, affected landfills do not emit greater than the thresholds under which additional controls would be required under the amendments to Rule 19. The proposed revisions to Rule 19 affecting municipal solid waste landfills are in response to new federal requirements, and these changes are no more stringent than would be under a federal plan, if the state did not implement the requirements. Sources affected by this rulemaking must comply with the federal requirements, and applicability of the proposed Rule 19 revisions was determined using guidelines, datasets, and information from final rules issued by EPA. In addition, the monitoring, testing, reporting and recordkeeping requirements required under the amendments to Rule 19 are identical to requirements that the affected sources already comply with under NSPS 40 CFR 60 WWW. DEQ concludes that no affected landfill in the State will be required to install new equipment as a result of the amendments to Rule 19 based on past emissions. However, if an affected landfill's emissions significantly increase in the future such that emissions are greater than the thresholds contained in the proposed amendments to Rule 19, a gas control and collection system will be required. The Technical Support Document *Standards of Performance for Existing Municipal Solid Waste Landfills* provides DEQ analysis and justification for revisions to Rule 19 and can be accessed in the docket for this rulemaking.

Amendments to reduce the testing frequency for total reduced sulfur will eliminate costs incurred in four out of every five years for kraft pulp mills that are conducting this testing.

2. What are the economic effects of the proposed rule?

State: a) the estimated increased or decreased cost for an average facility to implement the proposed rule; and b) the estimated total cost to implement the rule.

a) DEQ does not anticipate an economic impact from adopting standards of performance for municipal solid waste landfills into Rule 19. 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. 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 and operate a gas collection and control system (GCCS). The emissions controls that would be required are no more stringent or costly than required under federal law.

Under proposed revisions repealing controls of VOC for Pulaski County in Chapter 10 of Rule 19, redundancy with national standards will be reduced, and the revision is associated with cost savings related to staffing resources of the subject entities. (decreased cost)

Under proposed revisions at Rule 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 four out of every five years associated with testing and reporting requirements. (decreased cost)

b) There are no additional costs associated with implementation of the proposed Rule.

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

- Regulatory Impact Analysis (RIA) 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: <u>https://www.federalregister.gov/documents/2016/08/29/2016-17687/standards-of-performance-for-municipal-solid-waste-landfills</u>
- 3. List any fee changes imposed by this proposal and justification for each.

There are no fee changes associated with this proposed rulemaking.

4. What is the probable cost to DEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule?

The agency cost to implement and enforce the revised rule is the same as to implement and enforce the current rule.

Sources and Assumptions: 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.

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify state agency and/or rule.

There is no known impact to another state agency nor is there another state agency's rule that could address any of the proposed changes. This rulemaking is not in conflict with, nor has any nexus to, any other relevant state agency's rule.

Sources and Assumptions: Not Applicable.

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

This proposed revision addresses new federal requirements that must be included in the state plan. The alternative would be a more intrusive federal plan.

Sources and Assumptions: The proposed revisions to Rule 19 are in response to new federal requirements, and these revisions are no more stringent than would be under a federal plan, if the state did not implement the requirements.

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

The federal 111(d) requirements for Municipal Solid Waste Landfills address nonmethane organic compound emissions. These emissions can contribute to ground level ozone formation, which can be harmful to agriculture, and can limit participation in outdoor recreation and eco-tourism in the state.

Sources and Assumptions:

- 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: <u>https://www.federalregister.gov/documents/2016/08/29/2016-</u>17687/standards-of-performance-for-municipal-solid-waste-landfills

2. How does this proposed rule protect, enhance, or restore the natural environment for the well-being of all Arkansans?

Reducing air pollution in the state is not only beneficial to citizens' health, but also to the tourism industry, particularly eco-tourism and outdoor recreation. The proposed rule limits emissions of pollutants that can contribute to a greater number of Ozone Action Days—which prescribe limited outdoor activities—during the summer months, when a majority of in-state recreation and tourism is at its peak. In 2018, Arkansas hosted more than 32 million visitors in 2018 who spent \$7.37 billion in total travel expenditures, \$408 million in state taxes, and \$161 million in local taxes. Nearly 68,000 Arkansans work directly within the travel industry, and total travel expenditures were 4.4% higher in 2018 compared to the previous year, demonstrating the importance of this industry and the associated natural resources.

No increases in emissions are anticipated from the changes proposed to Rule 19.

Sources and Assumptions:

- Arkansas Department of Health's Ozone Action Days: <u>https://www.healthy.arkansas.gov/programs-services/topics/ozone-action-</u> <u>days#:~:text=An%20Ozone%20Action%20Day%20is,emissions%20of%20ozone</u> <u>%2Dcausing%20pollutants.</u>
- Arkansas Department of Parks, Heritage and Tourism's 2018 Arkansas Tourism Economic Impact Report: <u>https://gallery.mailchimp.com/f238f0cdf7c12d734ddc65eec/files/aab96a85-fcd2-48bc-8cc1-</u> <u>f52341d5060c/APT_37912_2018_ECONOMIC_IMPACT_REPORT4_FPO.pdf</u>
- EPA's How Air Pollution Affects the View: https://www.epa.gov/sites/production/files/2015-05/documents/haze_brochure_20060426.pdf

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

Landfills are a significant source of methane, volatile organic compounds, and hazardous air pollutants emissions. In 2014, landfills represented the third largest source of human-related methane emissions in the U.S. The amendments to Rule 19 are expected to limit potential future increases of these pollutants from Arkansas municipal solid waste landfills.

Sources and Assumptions:

• EPA's Standards of Performance for Municipal Solid Waste Landfills Final Rule: https://www.govinfo.gov/content/pkg/FR-2016-08-29/pdf/2016-17687.pdf

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

Arkansas is at risk of being subject to a federal plan related to this rulemaking; the proposed revisions will circumvent federal interjection into Arkansas's air permitting program.

Sources and Assumptions: Arkansas has already been named in an EPA Notice of Finding of Failure to Submit for 111(d) State Implementation Plan requirements related to Municipal Solid Waste Landfills (March 12, 2020: https://www.govinfo.gov/content/pkg/FR-2020-03-12/pdf/2020-05079.pdf). While а federal plan has not yet been implemented in Arkansas, EPA has developed a proposed federal implementation plan for states subject to the Notice, which will affect states not meeting State Plan obligations by August 29, 2021.