

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

Rule Number & Title: Regulation No. 26, Regulations of the Arkansas Operating Air Permit Program

Petitioner: Arkansas Department 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) *Sources that have emission increases of fine particulate matter (PM_{2.5}) will be affected by this rule. Some facilities that could be affected include the paper products facilities, wood products facilities, facilities with combustion sources, and power plants. This rulemaking will have a positive economic effect for these sources and facilities by allowing for an expedited procedure to amend an operating permit when those modifications are categorized as "minor."*
- b) *It is unknown how many facilities will be affected by this rulemaking because it addresses future modifications to facilities, but it is likely that the effects will be of wide in scope across industry. There are minor permit modification pollutant levels in Regulation No. 26 which are currently effective, including minor modification levels for increased emissions of carbon monoxide (CO), nitrogen oxides (NO_x), sulfur dioxide (SO₂), particulate matter (PM and PM₁₀), volatile organic compounds (VOCs), carbon dioxide equivalent (CO_{2e}), and lead (Pb). The process allows for small increases of regulated pollutant emissions to be included in a facility's operating permit without triggering a major permit modification, which is a more extensive and costly process for facilities and for the Arkansas Department of Environmental Quality ("ADEQ" or "Department").*

Sources and Assumptions: Without minor permit modification procedures, even a trivial increase of a regulated pollutant would require an extensive and potentially costly major permit modification process. Minor permit modifications are a common tool used by ADEQ to meet the needs of industry while still upholding the Clean Air Act and protecting the National Ambient Air Quality Standards ("NAAQS").

2. What are the economic effects of the proposed rule? State: 1) the estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

- 1) *The proposed rule offers economic relief to facilities in the form of an efficient permitting revision process, streamlining minor permit modification procedures for PM_{2.5}, as already done with other pollutants, and by saving industry and ADEQ valuable resources. While estimated savings are unknown and cannot be predicted based on future operations changes to facilities, the proposed rule will provide to facilities making minor modifications an economic benefit.*
- 2) *It is unlikely that affected sources will experience large cost increases to implement the rule; however, estimated costs for sources to comply are unknown.*

Sources and Assumptions: *Costs to include PM_{2.5} in permits are expected to be minimal because ADEQ has been using PM₁₀ as a surrogate for PM_{2.5} for permitting purposes.*

3. List any fee changes imposed by this proposal and justification for each.

No changes to fees are being proposed in this rulemaking.

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

The proposed changes to Regulation No. 26 are anticipated to reduce administrative burden for ADEQ, requiring fewer production hours and less extensive documentation to process a minor permit modification for PM_{2.5}. This will reduce implementation costs for ADEQ. As Regulation No. 26 is tied to the Title V program, permitting fees collected for Title V permits will cover all costs of administering the proposed rule.

Sources and Assumptions: *The major modification permitting process requires detailed background information, modeling and/or monitoring data analysis, and a public review and comment period for the operating permit. However, the minor modification process is more streamlined and requires less manpower to implement.*

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?

No

Sources and Assumptions: *Not applicable*

2B. ENVIRONMENTAL BENEFIT

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

Emissions of PM_{2.5}

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

By adopting the proposed revisions, Regulation No. 26 will not conflict with other proposed state rulemakings or with the federal rule or be more stringent than the federal rule, and the intended purpose of the regulation will be clarified. The proposed rule allows sources that are required to be permitted for their emissions of PM_{2.5} to utilize streamlined permit modification procedures for PM_{2.5} emission increase of less than 10 tpy. EPA finalized a NAAQS for PM_{2.5} in 2006 to protect the health of Americans. This rule is compatible with that standard.

Sources and Assumptions: NAAQS permitting, including PM_{2.5}, has been addressed by EPA and will be addressed by the Arkansas Pollution Control and Ecology Commission pending adoption of federally enforceable regulations. The NAAQS are intended to protect human health and the environment. Smaller sized particulate matter can more easily enter the human respiratory system and pose a greater risk to human health.

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

PM_{2.5} emissions would remain unregulated and expose people and the environment to unpermitted levels of PM_{2.5} emissions.

Sources and Assumptions: PM_{2.5} is not currently explicitly subject to permit limits.

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

PM_{2.5} emissions are linked to negative heart and lung effects in people. Permitted levels of PM_{2.5} will help ensure that people are not exposed to unhealthy levels of PM_{2.5}.

Sources and Assumptions: Permit limits for PM_{2.5} will be based on the NAAQS, which are health based standards.