

DEPARTMENT OF ENVIRONMENTAL QUALITY
Chapter 340
Proposed Rulemaking
STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT
This form accompanies a Notice of Proposed Rulemaking

Caption/Title of Proposed Rulemaking:	Adoption of Air Quality Permit Program Streamlining and Updates Amend OARs: 340-200 Definition consolidation and clarification, de-listing HFE-7300 as a volatile organic compound (VOC) 340-208 Visible Emissions Rule clarification 340-209 Title V procedural rule updates 340-214 Excess Emissions Rule alignment with federal requirements 340-216 ACDP rule clarification, Basic Permit category revision, General Permit updates and corrections 340-218 Title V permit renewal updates 340-228 Sulfur dioxide standard alignment with federal requirements, Utility Mercury Rule corrections 340-230 Incinerator rule updates and corrections 340-232 Update of rules for VOC sources 340-234 Prohibition on operating a wigwam burner, Kraft Pulp Mill Rule simplification 340-236 Board products rule emission standard simplification Repeal OARs: 340-208 Outdated and redundant requirements in Clackamas, Columbia, Multnomah, and Washington Counties. 340-234 Kraft Pulp Mill Rules redundant with federal requirements
Stat. Authority or other Legal Authority:	ORS 468.020 & 468A.310
Stat. Implemented:	ORS 468A.025
Need for the Rule(s)	The proposed changes are needed to improve Oregon's Air Quality permitting process and help maintain a federally approved permitting program. Many of the rules and permits included in this rulemaking are redundant, unclear, outdated, or in error. See Attachment A for a more complete summary of proposed changes, and Attachment B for proposed language.
Documents Relied Upon for Rulemaking	In proposing changes to align its rules with federal requirements, the Department relied primarily upon EPA's Title V Program Review Report of June 7, 2006. A copy of this document can be viewed at the Department of Environmental Quality's office at 811 S.W. 6 th Avenue, Portland, Oregon. Please contact Sarah Armitage at 503-229-5186 for times when this document is available for review.
Requests for Other Options	ORS 183.335(2)(b)(G) requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

Fiscal and Economic Impact, Statement of Cost Compliance		
Overview	<p>The proposed changes will result in simplification and streamlining, updating and alignment with federal requirements, while maintaining equivalent environmental protection and stringency. Rule simplification and streamlining will likely result in minor efficiencies and avoidance of additional permitting costs for small sources. See Attachment A for a more complete summary of proposed changes, and attachment B for proposed language.</p> <p>EPA determined that there would be no significant impact on small businesses when it exempted HFE-7300 from the definition of Volatile Organic Compounds. Oregon's adoption of this exemption would likely benefit businesses by reducing regulatory burden and allowing expanded use of a commercially valuable compound.</p>	
General public	<p>The Department does not anticipate any direct fiscal or economic impacts from this proposed rulemaking on the general public.</p>	
Small Business (50 or fewer employees – ORS183.310(10))	a) Estimated number and types of businesses impacted	The Department does not anticipate any negative fiscal or economic impacts from this proposed rulemaking on small businesses. The Department estimates that 500 to 700 small manufacturers and service businesses could be affected by air quality programs.
	b) Additional reporting requirements	The proposed changes do not add new reporting requirements for small businesses. Although DEQ cannot currently document the fiscal and economic benefits of these rule revisions, they will reduce the complexity of current regulations, resulting in a more efficient permitting and compliance process for small businesses in Oregon.
	c) Additional equipment and administration requirements	The proposed changes do not add new equipment or administrative requirements for small businesses.
	d) Describe how businesses were involved in development of this rulemaking	Small businesses were not extensively involved in this rulemaking, but the Department anticipates some fiscal benefits to small businesses. They will have an opportunity to comment through the public notice process.
	<p>The proposal to exempt HFE-7300 from the definition of Volatile Organic Compounds will reduce the regulatory burden of tracking and limiting use of this chemical. Small businesses could also benefit from the opportunity to substitute HFE-7300 for substances that deplete the earth's protective ozone layer and substances with high global warming potentials. In adopting this exemption, EPA determined the change would not negatively impact small businesses.</p> <p>Facilities could benefit from the removal of redundant permit conditions as proposed in revisions to standards for Clackamas, Columbia, Multnomah, and Washington Counties, and revisions to the Kraft Pulp Mill Rules. Reducing the number of Basic Permit categories may allow small businesses to avoid additional permitting costs. The remaining proposals have either no fiscal impact or slightly reduce regulatory burdens.</p>	
Large Business	<p>The Department anticipates that elimination of redundant requirements and clarification of rule language may have beneficial fiscal effects on large businesses. The proposals to limit Title V permit renewal applications to new or changed information and decrease the number of applications required would result in minor efficiencies for large businesses. The proposed revisions would result in fewer permit conditions for kraft pulp mills in cases where multiple permit conditions set similar limits for the same emission sources and pollutants.</p> <p>A fiscal impact this proposed rulemaking may have on large businesses is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to large facilities with air permits if they experience excess emissions. However, the Department expects the fiscal impact to be negligible because excess emissions reported within the required 15 days would no longer need to be</p>	

	<p>included on semi-annual reports.</p> <p>The proposal to correct the recently adopted Utility Mercury Rule would promote more predictable business conditions that could reduce economic risk for developing power facilities</p>
Local Government	<p>A fiscal impact this proposed rulemaking may have on local government is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to county or local government facilities with air permits if they experience excess emissions. However, the Department expects this impact to be negligible because excess emissions reported within the required 15 days would no longer need to be included on semi-annual reports.</p> <p>Potentially affected facilities could include county –owned cogeneration facilities and school boilers.</p>
State Agencies	<p>A fiscal impact this proposed rulemaking may have on state agencies is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to state-owned facilities with air permits if they experience excess emissions. However, the Department expects this impact to be negligible because excess emissions reported within the required 15 days would no longer need to be included on semi-annual reports.</p> <p>Potentially affected facilities could include university power generators.</p>
DEQ	<p>Most of the standards affected by the proposed revisions are implemented through the Title V Operating Permit Program and the Air Contaminant Discharge Permit Program. Revised standards are typically incorporated into permits upon renewal. In general, the revisions will decrease the complexity of permits and inspections at affected sources.</p>
Other agencies	<p>The Department anticipates that other agencies will experience mostly beneficial direct and indirect fiscal and economic impacts from this proposed rulemaking.</p>
Assumptions	<p>Because the fiscal effects of the proposed rules are neutral to beneficial, the Department assumes that there would be no negative impacts from the proposed changes.</p>
Housing Costs	<p>The Department has determined that this proposed rulemaking will have no effect on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single family dwelling on that parcel.</p>
Administrative Rule Advisory Committee	<p>An advisory committee was not used for this rulemaking because the Department anticipated that the proposed rules would maintain an equivalent level of environmental protection and rule stringency. Since fall, 2006, the Department has been providing summary materials about this proposal to businesses and the public. In fall 2006, the Department conducted informational meetings on the proposed changes in Pendleton, Bend, Medford, Salem and Portland. The Department also previewed the proposed revisions with the Air Quality Compliance Advisory Panel, a group that considers impacts on small business.</p>

Prepared by

Sarah Armitage
Printed name

3/15/07
Date

Approved by DEQ Budget Office

Andree Pollock
Printed name

3/15/07
Date