

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

Rule Number & Title: Regulation Number 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) Entities affected by this rulemaking are facilities subject to regulation and permitting for the National Ambient Air Quality Standards (“NAAQS”). Facilities that already have permits will make revisions when next the permit comes due for review, and no new fees are associated with this rulemaking. The economic effects on smaller public entities are null, as no new entities are expected to be required to apply for an air permit as a result of these revisions.*

As proposed, the revisions would cause neither economic gain or loss for the Department.

- b) The number of entities affected by this rule will vary, but the process of implementation is tied to existing permit renewals, so no new sources will be affected.*

Sources and Assumptions: This analysis addresses only the proposed revisions which are not exempt (those directly associated with current federal rules). Non-exempt portions include the proposed addition of a definition for “Emission increase” and the addition of a threshold for minor permit modifications of 10 tons per year for PM_{2.5}.

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) *From a facility standpoint, there is no cost above what is required by the federal rule to implement the rule changes for which this statement is being prepared. There is no increase of permitting fees associated with this proposed change.*

b) *See response to 2 a.*

Sources and Assumptions: *Regulation Number 26 has been revised to align with the federal rule, and is no more stringent than the federal rule. The only proposed revisions which are not directly cited to federal rules are the proposed addition of a definition for "Emission increase" and the addition of a threshold for minor permit modifications of 10 tons per year for PM_{2.5}.*

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

No changes to the fee structure were made 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?

It is estimated that there will be a minimal cost to implement proposed changes in the form of staff hours spent to make permit modifications.

Sources and Assumptions: *No change to ADEQ resources is anticipated for this rule change at this time.*

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?

The federal rule requires protection of the NAAQS and prevention of significant air quality deterioration by sources of air pollution. The proposed revisions to Regulation 19 serve to satisfy the federal requirements for the NAAQS.

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 Number 26 will not conflict with other proposed state rulemakings or with federal rules, nor will it be more stringent than federal rules, and the intended purpose of the regulation will be clarified.

Sources and Assumptions: *The proposed NAAQS revisions have already been implemented by EPA and will be addressed by Arkansas through State Implementation Plan (SIP) development, pending adoption of federally enforceable regulations to Regulation No. 19. Proposed revisions to Regulation No. 26 will bring the Arkansas Title V permitting program up-to-date with federal requirements and maintain consistency between Commission Regulations.*

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

If the proposed rule is not implemented, Regulation Number 26 will be inconsistent with federal requirements for the NAAQS. Inconsistencies between state and federal regulations cause confusion for the regulated community and environmental consultants because of contradictory language in current federal rules versus the outdated Commission Regulations. Uncertainty over which requirements are applicable to a source leads to improper permitting and reporting – this is a direct obstruction to the intent of environmental standards, and can lead to unpermitted and/or illegal releases of toxic pollutants. The proposed rule serves to ensure that sources have a clear outline of their legal responsibilities to protect the public and the environment from emissions that are deemed by EPA to be unhealthy, unsafe, and/or damaging to public property.

Sources and Assumptions: *Not applicable.*

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

There are no risks addressed by this proposal.

Sources and Assumptions: *Not applicable.*