

Oregon Air Quality Permitting Updates 2022: Fiscal Advisory Committee Meeting 5

May 2, 2022
9 a.m. – 12 p.m.

For Zoom technical issues, email bvaldez@kearnswest.com



Rulemaking Resources

Rulemaking webpage:

<https://www.oregon.gov/deq/rulemaking/Pages/aqpermits2022.aspx>

Rulemaking contact: Jill Inahara

jill.inahara@deq.oregon.gov

Rulemaking notifications: Subscribe to DEQ

https://public.govdelivery.com/accounts/ORDEQ/subscriber/new?topic_id=ORDEQ_244

DEQ and Kearns & West

Oregon DEQ

Jill Inahara

Environmental Engineer

Ali Mirzakhali

AQ Division Administrator

Karen Williams

Air Quality Planner

Tim Wollerman

AQ OPS Manager - interim

Dave Kauth

Environmental Engineer

Kearns & West

Ben Duncan

Senior Director / Facilitator

Bianca Valdez

Associate

For Zoom technical issues, email

bvaldez@kearnswest.com

RAC #5 Agenda

| Time | Topic |
|---------------|---|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |

Webinar Participation Tips

Thank you for joining us today!

- Please join audio by either phone or computer, not both.
- RAC members: Stay on mute when not speaking, and please join us on video if able.
- RAC members are joined as panelists and members of public as attendees.
- For discussion and comments, use “Raise Hand” button to get in the queue; if joined by phone press *9.
- Say your name and affiliation before speaking.
- Move around and take care of yourself as needed!
- For Zoom technical issues, email bvaldez@kearnswest.com.

Participation Guidelines

- Honor the agenda and strive to stay on topic
- Provide a balance of speaking time
- Bring concerns and ideas up for discussion at the earliest point in the process
- Address issues and questions – focus on substance and avoid personal attacks
- Seek to learn and understand each other's perspective
- Listen and speak with respect



Overview of RAC Meetings

- **RAC #1**
 - Notice of Intent to Construct, technical clarifications, and typos and non-technical clarifications
- **RAC #2**
 - Generic Plant Site Emission Limits and change permit type
- **RAC #3**
 - Short-term activity permit, no expirations, National Ambient Air Quality Standards clarifications, no excess emissions for 48 hours and petition for General permits
- **RAC #4**
 - Outstanding issues
- **RAC #5**
 - Fiscal impact

RAC #5 Agenda

| Time | Topic |
|------------------|--|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |

Fiscal Impacts Discussion

Fiscal Impact Statement ORS 183.335

Agency must provide notice of fiscal impact for proposed rules

- Impacts can be both positive and negative
 - Reducing health costs to the public would be a positive impact
 - Increasing costs of regulatory compliance for businesses would be a negative impact

Fiscal Advisory Committee Process

Fiscal Advisory Committee:

- Reviews fiscal impact statement
- Provides observations and recommendations on:
 - Draft rule's fiscal impact
 - Extent of that impact
 - Significant adverse fiscal impacts on small businesses and potential mitigation

DEQ:

- Documents and considers committee input
- Revises fiscal impact statement if necessary

Elements of the Fiscal Impact Statement

Analysis of any significant fiscal impacts on:

- Federal and State agencies
- Local government
- The public
- Large businesses
- Small businesses (with mitigation measures)
- Housing costs

Federal, State and Local Agencies

- State, federal, or local agency-owned sources will experience the same fiscal impacts as other sources
- There are no significant fiscal impacts that affect all federal, state and local agency-owned sources
- Federal, state, and local agency-owned sources may see a significant fiscal impact if they are required to install pollution control equipment

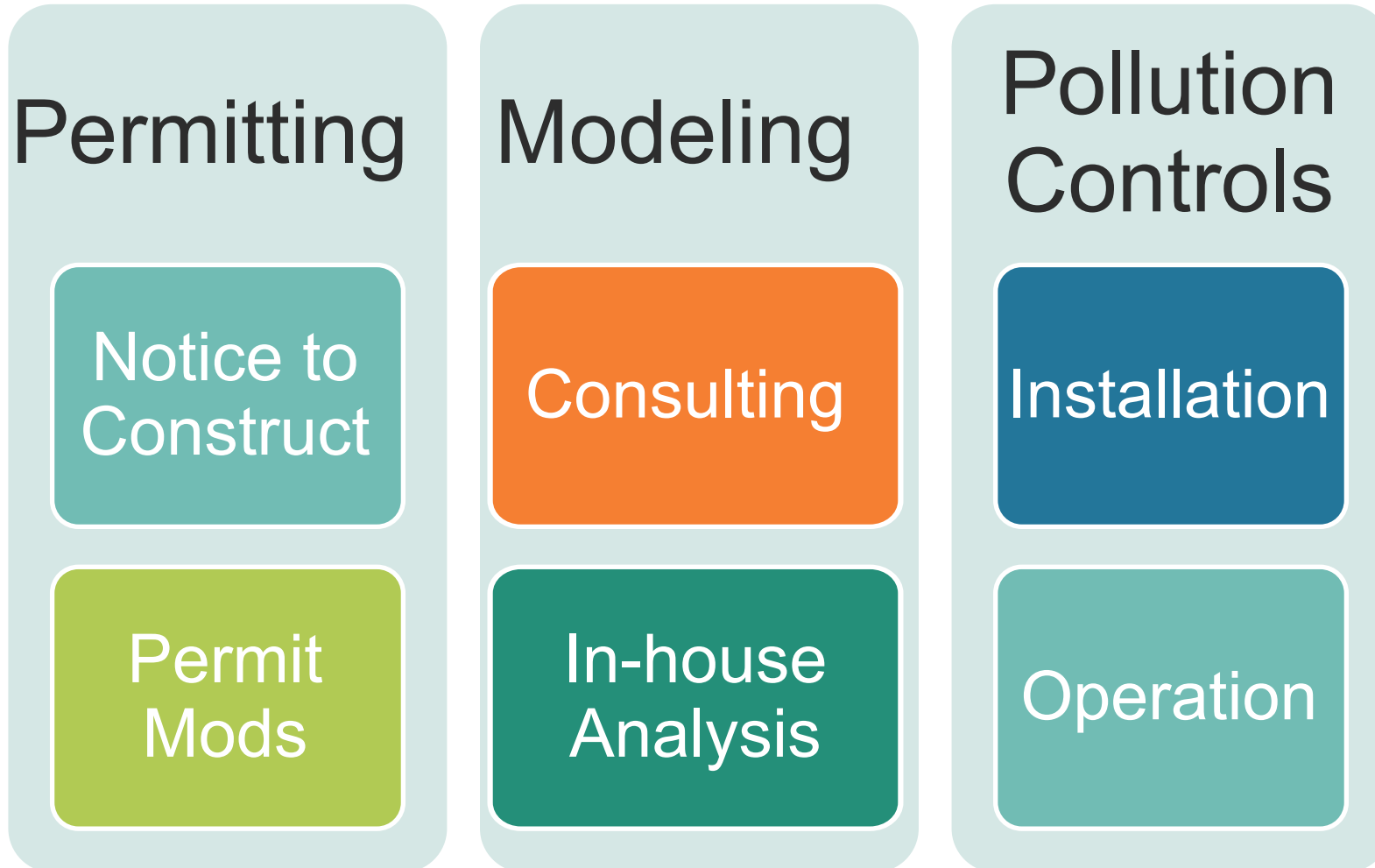
Department of Environmental Quality



State of Oregon
**Department of
Environmental
Quality**

- **In the short term**, DEQ may see increased costs due to training on proposed rules
- **In the longer term**, DEQ anticipates increased efficiency due to clearer, streamlined rules and possibly more capacity needed for permit mods and community engagement

Regulated Large Business Fiscal Impacts



Regulated Large Business Fiscal Impacts

Construction Approval

Notice to Construct

\$720

ACDP Construction

\$14,400

Regulated Large Business Fiscal Impacts

Existing Permit Modification Fees

ACDP

\$540 to \$18,000

Title V

\$2,071 – \$31,058

Regulated Large Business Fiscal Impacts

Modeling/Consulting

Consulting

\$200 to \$300/hour

Modeling

\$200 to \$300/hour
\$0 (for small businesses
if DEQ models)

Regulated Large Business Fiscal Impacts

Pollution Control Costs depend on number and size of emission units

| | |
|--------------|---------------------------------|
| Installation | \$ 13,000 – \$30 million |
| Operations | \$ 400 – \$7.6 million per year |

Regulated Small Business Fiscal Impacts

- Small businesses will probably experience a smaller fiscal impact than larger businesses with more complex permits.
- There are no significant fiscal impacts that affect all small businesses
- Small sources may see a significant fiscal impact if they are required to install pollution control equipment

DEQ does not have adequate information to estimate the potential costs to specific small businesses that may be affected by the proposed rules

Mitigation of Impacts to Small Businesses

- Extending permit terms for Simple permits, so small businesses with these types of permits will not need to expend the time to file permit renewal applications as often
- Permitting small businesses at their capacity to emit to minimize the number of permit modifications that may be required
- Offering technical assistance to small businesses if they are required to perform ambient air quality analyses

Mitigation of Impacts to Small Businesses

- Including a list of pollution control equipment that would be presumptive control rather than requiring the small business to do a control technology analysis;
- Providing more types of General permits if enough small businesses are of the same industry type.

Fiscal Benefits to Public

Healthcare Savings



Housing Costs

ORS 183.534: effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200 ft² detached, single-family dwelling on that parcel

- Some affected large businesses are in the lumber products industry or produce building materials
- Increase in regulatory compliance costs for the lumber industry, over current compliance costs, probably not significant enough to affect the cost of building materials
- Proposed rule changes not expected to have effect on the major cost components of residential construction such as cost of land, labor, or permitting or zoning regulations

Racial Equity - HB 2993, Section 2

DEQ expects this proposed rulemaking to favorably impact racial equity: the fair, just and unbiased treatment of people of different races, and environmental justice in Oregon by:

- Providing more precise permit limits that more accurately reflect facility operation, rather than generic limits, giving the public more exact information.
- Potentially requiring emission reductions in all areas of the state, including those identified as having vulnerable populations because of the requirement to perform a technology review analysis and air quality modeling analysis.

Fiscal Impact Questions

- Will the rules have a fiscal impact?

Fiscal Impact Questions

- Will the rules have a fiscal impact?
- What will be the extent of that impact?

Fiscal Impact Questions

- Will the rules have a fiscal impact?
- What will be the extent of that impact?
- Will the rule have a significant adverse impact on small businesses?
- If so, how can that adverse impact be mitigated?

QUESTIONS



RAC #5 Agenda

| Time | Topic |
|-------------------|--|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |



RAC #5 Agenda

| Time | Topic |
|-------------------|--|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |

Roundtable Discussion

- Thank you for your participation!
- In one minute or so, please share:
 - Final thoughts or reflections on this RAC process
 - Final thoughts or reflections on the draft rules

RAC #5 Agenda

| Time | Topic |
|-------------------|--|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |

Next steps

- DEQ intends to post a meeting summary
- Please fill out the post-RAC#5 meeting survey
- Deadline to submit written comments on the fiscal impact statement is **May 6, 2022**
- Sign up for meeting notifications

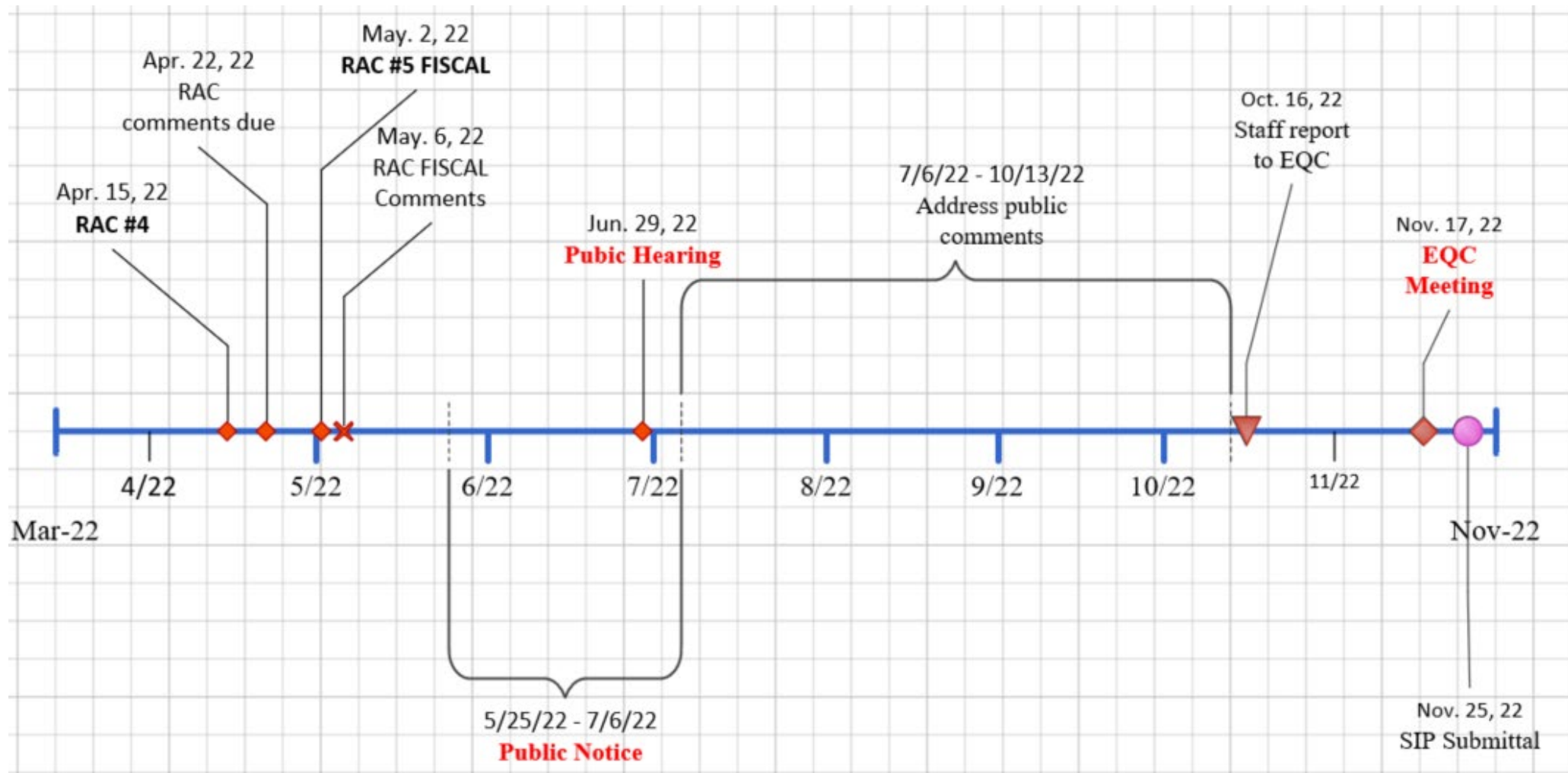
Rulemaking contact: Jill Inahara

jill.inahara@deq.oregon.gov

Rulemaking notifications: Subscribe to DEQ

https://public.govdelivery.com/accounts/ORDEQ/subscriber/new?topic_id=ORDEQ_244

Rulemaking Timeline

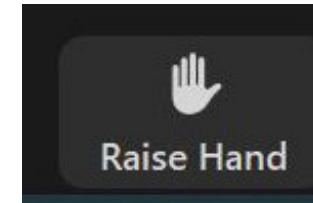


RAC #5 Agenda

| Time | Topic |
|-------------------|--|
| 9 a.m. | Welcome, agenda overview, and participation guidelines |
| 9:10 a.m. | Draft Statement of Fiscal and Economic Impact |
| 10:40 a.m. | Break |
| 10:50 a.m. | Roundtable Discussion |
| 11:40 a.m. | Next Steps and Closing Remarks |
| 11:50 a.m. | Public Input |
| 12 p.m. | Adjourn Meeting |

Public Input Period

- Public input period: 11:50 a.m. – 12 p.m.
- Raise your hand if you'd like to make a comment
- When making public input, please:
 - Respect time limits as assigned
 - Use respectful language
 - Address issues and questions—focus on substance
 - When possible, relate comments to topics on the RAC agenda
- Public input will be considered by DEQ but is not part of the formal comment period



Thank you!