

**TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY  
CHAPTER 100. AIR POLLUTION CONTROL**

RULE IMPACT STATEMENT

**SUBCHAPTER 7. PERMITS FOR MINOR FACILITIES**

**PART 9. PERMITS BY RULE**

**252:100-7-60. [AMENDED]**

**252:100-7-60.5. [NEW]**

Before the Air Quality Advisory Council, January 16, 2013 and April 17, 2013

Before the Environmental Quality Board, June 18, 2013

1. **DESCRIPTION:** The Department of Environmental Quality (DEQ) is proposing to modify Subchapter 7, Permits for Minor Facilities, Part 9 to address recent changes in federal New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP) affecting a significant number of minor facilities and area sources in the oil and natural gas (O&NG) sector. The DEQ proposal would create a permit by rule (PBR) for these sources which would streamline the permitting process and thereby afford relief to many O&NG sources that are affected by the federal requirements. This PBR will not cause any minor facility in the O&NG sector to be subject to NSPS or NESHAP or require any such facility to obtain an air quality permit. Those requirements are already in place.

A new section, OAC 252:100-7-60.5, would be added to establish a PBR for minor facilities and area sources in the O&NG sector. The proposal is a comprehensive PBR that will encompass the applicable requirements for minor facilities and area sources contained in NSPS 40 CFR Part 60, Subparts A containing general provisions, IIII for stationary compression ignition internal combustion engines, JJJJ for stationary spark ignition internal combustion engines, and OOOO for O&NG production, transmission, and distribution facilities; and NESHAP 40 CFR Part 63, Subparts A containing general provisions, HH for natural gas production facilities, and ZZZZ for reciprocating internal combustion engines. Also, the PBR would address the following DEQ Air Pollution Control Rules (252:100).

- Subchapter 5, emission inventories and annual fees requirements
- Subchapter 9, excess emission reporting requirements
- Subchapter 19, for control of particulate emissions from fuel-burning equipment
- Subchapter 25, for control of visible emissions
- Subchapter 29, for control of fugitive dust
- Subchapter 31, for the control of sulfur compound emissions
- Subchapter 33, for control of nitrogen oxides emissions from fuel-burning equipment
- Subchapters 37 and 39, for control of volatile organic compound emissions
- Subchapter 43, containing testing, monitoring, and recordkeeping requirements

DEQ is also proposing to modify 252:100-7-60, which contains requirements that apply to all PBRs. The proposal includes a revision to 252:100-7-60(b)(1) to clarify that a physical change or change in the method of operation that would cause the facility to no longer qualify for a PBR is a modification, and will result in a change in permit status. The owner

or operator of such facility will be required to obtain an individual permit or, if available, a general permit for the facility. Other physical or operational changes are not modifications, and do not require submittal of an amended registration.

A substantive change is proposed to subsection 252:100-7-60(c) that would make registration under a PBR effective upon receipt of the registration request by DEQ, instead of upon the issuance of written acknowledgment of the registration request by DEQ. The proposed change also lists acceptable documentation of receipt of the PBR registration. The proposal also includes nonsubstantive rewording and reformatting for clarity and consistency of existing requirements in subsections (a), (b), and (c).

2. **CLASSES OF PERSONS AFFECTED:** The classes of persons affected are the owners and operators of minor facilities and area sources in the O&NG sector that can qualify for registration under the O&NG PBR, and minor facilities that can qualify for other PBRs.
3. **CLASSES OF PERSONS WHO WILL BEAR COSTS:** The classes of persons who would bear costs are the owners and operators of minor facilities and area sources in the O&NG sector that will be required to obtain air quality permits.
4. **INFORMATION ON COST IMPACTS FROM PRIVATE/PUBLIC ENTITIES:** The Department has received no information on cost impacts due to the proposed O&NG PBR from private or public entities. However, the Department received comments concerning the cost of preparing and submitting annual emission inventories for minor facilities and area sources in the O&NG sector. The proposed rule would not change existing emissions inventory requirements. Any revisions to those requirements would involve changes to a different rule subchapter and should be addressed as a separate rulemaking.
5. **CLASSES OF PERSONS BENEFITTED:** The owners and operators of the minor facilities and area sources in the O&NG sector that will be required to obtain air quality permits will benefit by having a PBR available that streamlines the permitting process and reduces the permit application fees. Applicants for registration under other air quality PBRs would also benefit by the proposed change to 252:100-7-60(c) making registration under a PBR effective upon receipt by DEQ.
6. **PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** No new economic impacts are anticipated for affected classes of persons due to this rule. The O&NG PBR will save the owners and operators time by streamlining the permitting process and money by allowing registration under the lower PBR application fees. The proposal to make registration under a PBR effective upon receipt by DEQ would benefit the applicants for registration under any PBR by further speeding up the process.
7. **PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** The Department anticipates no economic impact on political subdivisions.
8. **POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** There should be no adverse effect on small business as a result of this proposal. On the contrary, small business owners or operators will benefit by registration under the O&NG PBR, which streamlines the permitting process at lower permit application fees.

9. **LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** The Department is not proposing any fee changes in this rule.
10. **PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:** The Department would benefit from the improved efficiency of the permitting process that would require much less staff time to process registrations under the O&NG PBR. Any reduction in the potential amount of permit fees paid to the Department due to the lesser permit application fees for registration under a PBR would be offset by the resources saved by not having to issue individual permits to these minor facilities.
11. **PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** There are none. No other agencies will be implementing or enforcing this rule.
12. **SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:** Fees and federal grants will continue to be used to implement and enforce this rule proposal.
13. **PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** The Department has not projected a net loss or gain in revenues from these amendments.
14. **COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** None is required. The Department will be responsible for all aspects of implementation and enforcement of this rule.
15. **EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** The proposed O&NG PBR is the measure DEQ proposes to minimize the costs of compliance with the requirement that minor facilities obtain air quality permits if they are subject to standards or work practices contained in an NSPS or NESHAP. Registration under a PBR is less time consuming and costly than obtaining an individual permit. The proposal to make registration under a PBR effective upon receipt by DEQ of the request for registration will further speed up the process.
16. **DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY OR LESS INTRUSIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED RULE:** The Department has determined that there are no less costly or nonregulatory or less intrusive methods of achieving the purpose of the proposed rule. The proposed O&NG PBR itself is a less costly, less intrusive method of obtaining the air quality permits required for minor facilities in the O&NG sector that are subject to standards or work practices in an NSPS or NESHAP.
17. **DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** The proposed revisions are not expected to have an impact on the public health, safety, and environment. The proposed changes merely streamline the permitting process at lower application fees for those minor facilities in the O&NG sector that are required to have a permit and that qualify for registration under a PBR.
18. **IF THE PROPOSED RULE IS DESIGNED TO REDUCE SIGNIFICANT RISKS TO**

**THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK:** The proposed revision is not expected to have an impact on the public health, safety, and environment. The proposed rule changes should increase compliance by providing a streamlined permitting process for minor facilities in the O&NG sector, but do not affect the emission standards or limits to which a facility or source is subject.

19. **DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** The proposal is expected to improve the efficiencies of the permitting processes by providing a PBR for minor facilities and area sources in the O&NG sector that are now required to have air quality permits because the facilities are subject to NSPS and/or NESHAP standards and work practices. A PBR is more streamlined and less costly than an individual permit. If the O&NG PBR is not promulgated, the owners or operators of these minor facilities will be required to obtain individual permits instead of registering under a PBR.
20. **PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** There are no significant direct economic burdens or costs as a result of this proposal because it neither requires any new or modified source to obtain a permit, nor does it set any new emission standards or limits. The proposal should have a beneficial impact to business entities by providing qualifying minor facilities an O&NG PBR that is more streamlined and less costly than an individual permit.

**THIS RULE IMPACT STATEMENT WAS PREPARED ON:** December 14, 2012  
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