

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

RULE IMPACT STATEMENT

Subchapter 8. Permits for Part 70 Sources

Part 7. Prevention of Significant Deterioration (PSD) Requirements for Attainment Areas

252:100-8-31. Definitions [AMENDED]

252:100-8-33. Exemptions [AMENDED]

252:100-8-35. Air quality impact evaluation [AMENDED]

Part 9. Major Sources Affecting Nonattainment Areas

252:100-8-50.1. Incorporation by reference [AMENDED]

252:100-8-51. Definitions [AMENDED]

252:100-8-51.1. Emissions reductions and offsets [AMENDED]

252:100-8-52. Applicability determination for sources in attainment areas causing or contributing to NAAQS violation [AMENDED]

Before the Air Quality Advisory Council, October 27, 2010 and January 19, 2011

Before the Environmental Quality Board, February 25, 2011

1. **DESCRIPTION:** The Department proposes to modify Parts 7 and 9 of Subchapter 8 to implement the New Source Review program (PSD and Nonattainment NSR) for the PM_{2.5} (fine particulate matter) National Ambient Air Quality Standards (NAAQS) which were published in the *Federal Register* on July 18, 1997 (62 FR 38652) and revised on October 17, 2006 (71 FR 61144). In the May 16, 2008 *Federal Register* (73 FR 28321), EPA finalized the major source threshold, significant emissions rate, offset ratios for PM_{2.5}, interpollutant trading for offsets, and the applicability of NSR to PM_{2.5} precursors. In the October 20, 2010 *Federal Register* (75 FR 64864), EPA finalized the PSD increments, the Significant Impact Levels (SILs), and the Significant Monitoring Concentration (SMC) for PM_{2.5}. The proposed rule changes will establish provisions for a major source threshold, significant emissions rate, offset ratios for PM_{2.5} NAAQS, interpollutant trading for offsets, SILs, and SMC that are consistent with those in the federal regulations set forth in 40 CFR § 51.165 and 40 CFR § 51.166. The Department also proposes to correct an error in the definition of "major stationary source" in OAC 252:100-8-31. The current definition relating to municipal incinerators is more stringent than the federal definition set forth in 40 CFR § 51.166(b)(1). In addition, the Department is taking this opportunity to make some format changes (e.g., PM-10 is being changed to PM₁₀).
2. **CLASSES OF PERSONS AFFECTED:** Classes of persons affected are the owners and operators of facilities that emit PM_{2.5} or its precursors in quantities great enough to subject them to PSD or Nonattainment NSR permitting under Subchapter 8.
3. **CLASSES OF PERSONS WHO WILL BEAR COSTS:** The owners and operators of major sources of PM_{2.5} will bear the costs of obtaining and complying with permits, and of installing, maintaining, and operating any PM_{2.5} controls required by the application of Best Available Control Technology (BACT).
4. **INFORMATION ON COST IMPACTS FROM PRIVATE/PUBLIC ENTITIES:** The Department has received no information on cost impacts from private or public entities.

5. **CLASSES OF PERSONS BENEFITTED:** The citizens of the State of Oklahoma will benefit from the reductions in the amount of PM_{2.5} in the air they breathe. This modification subjects PM_{2.5} emissions to the NSR permitting program that prohibits new and modified major stationary sources from emitting pollutants in quantities that cause or contribute to violation of the NAAQS or the PSD increments.
6. **PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** EPA has determined that the expansion of the NSR program to cover PM_{2.5} and its precursors is expected to increase only marginally the costs to owners and operators of PM_{2.5} sources that become subject to the program (73 FR 28345, May 15, 2008).
7. **PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** The Department anticipates no economic impact on political subdivisions.
8. **POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** The Department does not anticipate any potential adverse effects on small business. There is no reason to expect that the rule would significantly or uniquely affect small businesses because the rule applies only to major sources.
9. **LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** No fee changes are included in the proposed amendment.
10. **PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:** The Department expects increases in the costs of implementing and enforcing the proposed revision to Subchapter 8. However, EPA has estimated that the revision will only marginally increase the Department's expenditures to operate the program (73 FR 28345, May 15, 2008). The proposal would assure that the state rules will be consistent with federal requirements and will enable the Department to maintain its delegated authority for the full NSR program.
11. **PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** None. No other agencies will be implementing or enforcing this rule.
12. **SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:** Federal grants, fees, and state appropriations will continue to be used to implement and enforce the rule.
13. **PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** The proposal should have little effect on net revenues for the Department and/or other agencies.
14. **COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** Cooperation of political subdivisions will not be required to implement or enforce the rule.
15. **EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** State implementation of these federal requirements should minimize compliance costs.

16. **DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY OR LESS INTRUSIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED RULE:** There are no less costly or nonregulatory methods of achieving the purpose of the proposal because federal regulations prescribe implementation of the PM_{2.5} NAAQS in the NSR program.
17. **DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** The proposal should result in a reduction in the amount of fine particulate matter in the air because new and modified PSD sources would be required to demonstrate compliance with the new PM_{2.5} NAAQS and PSD increments and to apply BACT for PM_{2.5} emissions. This reduction would benefit the health of the citizens of Oklahoma. Epidemiological studies have shown a significant correlation between elevated PM_{2.5} levels and adverse health effects.
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:** Epidemiological studies have shown a significant correlation between elevated PM_{2.5} levels and adverse health effects including premature mortality. Other important effects associated with PM_{2.5} exposure include aggravation of respiratory and cardiovascular disease (as indicated by increased hospital admissions, emergency room visits, absences from school or work, and restricted activity days), lung disease, decreased lung function, asthma attacks, and other cardiovascular problems. Individuals particularly sensitive to PM_{2.5} exposure include older adults, people with heart and lung disease, and children. Relatively small reductions in PM_{2.5} levels are estimated to result in worthwhile public health benefits. There is evidence for improvements in respiratory or cardiovascular health with reductions in ambient concentrations of particles and gaseous co-pollutants. The standards would also protect against major environmental effects of PM_{2.5} such as visibility impairment, soiling, and materials damage.
19. **DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** None is anticipated. If the State does not implement the proposal, the EPA will be required to do so.
20. **PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** Stationary sources that are major for PM_{2.5} will be subject to the NSR permitting program. The owners and/or operators of these sources would be required to determine and apply appropriate NSR controls for new and modified major sources of PM_{2.5}.

THIS RULE IMPACT STATEMENT WAS PREPARED ON: September 15, 2010
MODIFIED ON: December 15, 2010