

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

RULE IMPACT STATEMENT

**Subchapter 7. PERMITS FOR MINOR FACILITIES**

**PART 1. GENERAL PROVISIONS**

**252:100-7-1.1. [AMENDED]**

**252:100-7-2. [AMENDED]**

**PART 9. PERMITS BY RULE**

**252:100-7-60.6. [NEW]**

Before the Air Quality Advisory Council, June 10, 2015 and October 14, 2015

Before the Environmental Quality Board, November 10, 2015

1. **DESCRIPTION:** The Department of Environmental Quality is proposing to append a new section to Subchapter 7, Permits for Minor Facilities, Part 9, thereby creating a new permit by rule (PBR) for sources subject to federal regulations solely due to the presence of an emergency engine. The PBR simplifies the permitting process, lowers the application fee, and reduces the reporting requirements for qualifying facilities.

The proposed PBR would be added as Section 7-60.6 and would cover all applicable requirements of NSPS 40 CFR Part 60, Subparts A for general provisions, IIII for stationary compression ignition internal combustion engines, and JJJJ for stationary spark ignition internal combustion engines; and NESHAP 40 CFR Part 63, Subparts A for general provisions and ZZZZ for reciprocating internal combustion engines.

Additionally, the Department is proposing to relieve schools and single family residences of the responsibility to obtain a permit for emergency engines. The Department proposes amending Section 7-2 by adding primary and secondary schools and single family residences with emergency engines to the list of exceptions from the requirement for permits for minor facilities. A definition for “emergency engine” would also be added to Section 7-1.1.

The Department is proposing to amend language in the exceptions list in Section 7-2 to clarify which regulations are applicable to de minimis and permit exempt facilities.

2. **CLASSES OF PERSONS AFFECTED:** The classes of persons affected are the owners and operators of facilities that are required to obtain a permit solely due to the installation of an emergency engine subject to a federal regulation and meet the requirements to qualify for this PBR. The owners and operators of emergency engines installed at single family homes and schools would be exempted from air permitting requirements.
3. **CLASSES OF PERSONS WHO WILL BEAR COSTS:** The classes of persons who will bear costs are the owners and operators of facilities required to obtain an air quality permit because of the installation of an emergency engine and meet the requirements to qualify for this PBR.

4. **INFORMATION ON COST IMPACTS FROM PUBLIC/PRIVATE ENTITIES:** The Department has not received any information on cost impacts due to the proposed emergency engine PBR or school and residential exception from public or private entities. The Department did receive a comment with an estimation of the cost per emission unit to file an annual emission inventory; however, this proposed rule would reduce the frequency of filing emission inventories thereby reducing the cost of preparing these reports.
5. **CLASSES OF PERSONS BENEFITTED:** The classes of persons who would benefit from this rule are the owners and operators of emergency engine facilities that would qualify for this PBR. This PBR would simplify the permitting process while enabling owners and operators to obtain a permit at a much lower application fee, as well as reduce emission inventory reporting from annually to triennially (or less often depending on emission amounts). Single family residences and schools would also benefit from this rule by being exempted from the requirement to obtain a permit for an emergency engine.
6. **PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** The Department expects a positive economic impact on the affected classes of persons. Owners and operators of facilities required to obtain an air permit for an emergency engine will benefit from the simplified permitting process of a PBR and a reduced application fee of \$350, as opposed to \$1000 for a general permit. Owners and operators of emergency engines located at single family residences and schools would not be required to expend any resources to permit or report emissions for that unit.
7. **PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** The Department does not foresee any economic impact on political subdivisions due to this rule.
8. **POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** The Department anticipates no adverse effect on small business from this rule.
9. **LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** There are no fee changes associated with this rule.
10. **PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:** While the Department would receive less in permit application fees, the resources saved from the simplified permitting process should offset the reduction in collected fees.
11. **PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** There will be no other agencies implementing or enforcing this rule.
12. **SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:** Implementation and enforcement of this rule will be funded by fees and federal grants.
13. **PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** The Department does not anticipate substantial loss or gain in revenue from this rule.

14. **COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** Implementation and enforcement of this rule would be handled solely by the Department, and no cooperation by other political subdivisions would be required.
15. **EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** The proposed rule is one measure the DEQ is taking to minimize compliance costs for rules already in place. The proposed PBR reduces the amount of reporting necessary for qualifying facilities and the cost of applying for the permit. The Department is also proposing to exempt emergency engines located at single family homes and schools from the requirement of permitting, which eliminates compliance costs.
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 this method to be the least intrusive and least costly for each category of affected facility to achieve the purpose of the proposed rule. This rule would result in a less costly and less onerous method for commercial entities to obtain the already required air permit. This proposed rule would also relieve homes and schools of air quality permitting requirements for emergency engines.
17. **DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** The Department has determined this rule would have little to no effect on public health, safety and environment. The Department is proposing to relieve single family residences and schools of permitting and emission reporting because staff believes the public safety benefits of residences and schools utilizing emergency engines outweighs any possible risk posed to the environment by not permitting them. The new PBR would not alter the permitting requirements or standards of qualifying facilities but would merely simplify the process of obtaining the required permit.
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:** This proposed rule is not intended to reduce significant risks to public health, safety, and environment.
19. **DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** If the proposed rule is not implemented single family homes and schools would be subject to permitting requirements already in place for certain emergency generators and fire suppression pumps subject to federal regulations. This could potentially lead to single family homes and schools opting against an otherwise needed emergency engine and jeopardize the safety of at-risk individuals. The new PBR would not have any detrimental effect on public health, safety, or environment if it were not implemented. The regulatory requirements for qualifying facilities are already in place.

20. **PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** The Department anticipates a positive impact on business entities that own or operate facilities which qualify for this PBR. A simplified permitting process and reduced application fee would reduce the burden for businesses to comply with existing requirements.

**THIS RULE IMPACT STATEMENT WAS PREPARED ON:** April 17, 2015

**MODIFIED ON:** August 18, 2015