

Administrative Rules
DRAFT: JOBS IMPACT STATEMENT

1. BACKGROUND INFORMATION

Agency:	Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 22, 23, and 25
Agency Contact:	Christine Paulson (515) 725-9510
Statutory Authority:	Iowa Code sections 455B.133 and 455B.134; and United States Clean Air Act Sections 110 (42 USC §7410), 111 (42 USC §7411), 112 (42 USC §7412) and 501-507 (42 USC §7661 - §7661f).
Objective:	<p>The proposed changes to air quality rules will:</p> <p>1) Update rules to provide regulatory certainty and flexibility. The proposed changes will implement a portion of the Department’s 5-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2).</p> <p>2) Offer uniform rules by making changes that match federal regulations and eliminating inconsistency between federal and state rules. By adopting federal updates into state administrative rules, the Department is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the EPA, to be the primary agency to implement the air quality requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.</p>
Summary:	<p>The proposed changes continue previous efforts to improve rules for air quality programs. Affected businesses and the public benefit from up-to-date air quality rules and increased effectiveness.</p> <p>The proposed changes include adoption of updated federal new source performance standards (NSPS) and air toxics standards (also known as National Emissions Standards for Hazardous Air Pollutants or NESHAP). Adopting EPA’s updated federal regulations allows state rules to be consistent with federal regulations, and provides certainty to affected businesses and other interested stakeholders.</p>

2. JOB IMPACT ANALYSIS

<input checked="" type="checkbox"/> <i>Fill in this box if impact meets these criteria:</i>
<input checked="" type="checkbox"/> No Job Impact on private sector jobs and employment opportunities in the State.
<input type="checkbox"/> Job Impact cannot be determined.

<input type="checkbox"/> <i>Fill in this box if impact meets either of these criteria:</i>
<input type="checkbox"/> Positive Job Impact on private sector jobs and employment opportunities in the State. <input type="checkbox"/> Negative Job Impact on private sector jobs and employment opportunities in the State.
<p><i>Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:</i></p> <p>After analysis and review, it has been determined that most of the proposed changes will have a neutral impact on private sector jobs and employment opportunities. Some of the rules may benefit the private sector because they streamline current air quality programs.</p> <p>For the adoption of amended NSPS and NESHAP, it has been determined that there may be jobs impacts to Iowa businesses. However, the proposed updates are only implementing federally mandated regulations. The updates are identical to the federal regulations, and do not impose any regulations on Iowa businesses not already required by federal law.</p> <p>In some cases, the revised federal standards proposed for adoption provide more flexibility and potential cost savings for affected businesses, offering a positive impact on private sector jobs. Further, the proposed updates allow the Department rather than EPA to be the primary agency to implement the standards in Iowa, thereby allowing the Department to provide compliance assistance to affected facilities.</p> <p>The majority of the proposed rule updates are in response to EPA's publication of final NESHAP amendments to address the Risk and Technology Review (RTR) required under the U.S. Clean Air Act (CAA).</p> <p>For most of the recent NESHAP RTR updates, EPA has determined that the risks from emissions from affected source categories are acceptable and that there are no new cost-effective controls available. However, the updates do include revisions to the requirements for periods of startup, shutdown, and malfunction and require electronic reporting of performance test results and compliance reports.</p> <p>EPA also provided additional flexibilities in several of the NESHAP updates, such as alternative testing methods or reduced monitoring. A few of the NESHAP changes do include more substantive requirements for pollution control and monitoring.</p> <p>The Commission is also recommending that several recent NSPS and NESHAP amendments not be adopted at this time due to active legal challenges of the federal regulations.</p>

Please refer to Table 1 and Table 2 in the attached Notice of Intended Action (pages 6-7) for more information on the specific NESHAP proposed for adoption.

Categories of jobs and employment opportunities that are affected by the proposed rule:
Industrial facilities in the manufacturing source categories described above.

Number of jobs or potential job opportunities:
Cannot be determined at this time.

Regions of the state affected:
All regions of the state.

Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")
Not possible to determine.

3. COST-BENEFIT ANALYSIS

The Agency has taken steps to minimize the adverse impact on jobs and the development of new employment opportunities before proposing a rule. See the following Cost-Benefit Analysis:

No other less intrusive or less expensive method exists for achieving the purpose of the proposed rules. The rule updates are identical to the federal regulations, and do not impose any regulations on Iowa businesses not already required by federal law.

DRAFT: Administrative Rule Fiscal Impact Statement

Date: December 22, 2020

Agency: Department of Natural Resources (Department)

IAC Citation: 567 IAC Chapters 20, 22, 23, and 25

Agency Contact: Christine Paulson

Summary of the Rule

The proposed changes to air quality rules will:

1) Update rules to provide regulatory certainty and flexibility. The proposed changes will implement a portion of the Department’s 5-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2).

2) Offer uniform rules by making changes that match federal regulations and eliminating inconsistency between federal and state rules. By adopting federal updates into state administrative rules, the Department is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the EPA, to be the primary agency to implement the air quality requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.

The proposed changes continue previous efforts to improve rules for air quality programs. Affected businesses and the public benefit from up-to-date air quality rules and increased effectiveness.

The proposed changes include adoption of updated federal new source performance standards (NSPS) and air toxics standards (also known as National Emissions Standards for Hazardous Air Pollutants or NESHAP). Adopting EPA’s updated federal regulations allows state rules to be consistent with federal regulations, and provides certainty to affected businesses and other interested stakeholders.

Fill in this box if the impact meets these criteria:

- No Fiscal Impact to the State.
- Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.
- Fiscal Impact cannot be determined.

Brief Explanation:

The Department will use existing budget and resources to implement the rule.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	<u>Year 1 (FY 2015)</u>	<u>Year 2 (FY 2016)</u>
Revenue by Each Source:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify)	\$0	\$0
	\$0	\$0
TOTAL REVENUE		
Expenditures:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify)	\$0	\$0
	\$0	\$0
TOTAL EXPENDITURES		
	\$0	\$0
NET IMPACT		

This rule is required by State law or Federal mandate.

Please identify the state or federal law:

The changes will implement Iowa Code sections 455B.133 and 455B.134, as well as the United States Clean Air Act sections 110 (42 USC §7410), 111 (42 USC §7411), 112 (42 USC §7412), and 501-507 (42 USC §7661 - §7661f).

Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

The Department will use existing resources at this time.

Fiscal impact to Persons Affected by the Rule

After analysis and review, the Department has determined that most of the proposed changes will have no fiscal impact on the private sector. The Department does note that some of the rules may benefit the private sector because they streamline current air quality programs. Affected businesses and the public benefit from up-to-date air quality requirements and increased effectiveness.

Ensure Consistency with Federal Regulations

The proposed rules adopt changes to EPA methods for measuring air pollutant emissions (stack testing and continuous monitoring). By adopting federal updates into state rules, the Commission is ensuring that Iowa's air quality rules reflect the most current federal regulations are no more stringent than federal regulations.

Adoption of revised NSPS and NESHAP

For the adoption of amended NSPS and NESHAP, it has been determined that there may be fiscal impacts to Iowa businesses. However, the proposed updates are only implementing federally mandated regulations. The updates are identical to the federal regulations, and do not impose any regulations on Iowa businesses not already required by federal law.

In some cases, the revised federal standards proposed for adoption provide more flexibility and potential cost savings for affected businesses, offering a positive fiscal impact. Further, the proposed updates allow the Department rather than EPA to be the primary agency to implement the standards in Iowa, thereby allowing the Department to provide compliance assistance to affected facilities.

The majority of the proposed rule updates are in response to EPA's publication of final NESHAP amendments to address the Risk and Technology Review (RTR) required under the U.S. Clean Air Act (CAA).

For most of the recent NESHAP RTR updates, EPA has determined that the risks from emissions from affected source categories are acceptable and that there are no new cost-effective controls available. However, the updates do include revisions to the requirements for periods of startup, shutdown, and malfunction and require electronic reporting of performance test results and compliance reports.

EPA also provided additional flexibilities in several of the NESHAP updates, such as alternative testing methods or reduced monitoring. A few of the NESHAP changes do include more substantive requirements for pollution control and monitoring.

The Commission is also recommending that several recent NSPS and NESHAP amendments **not** be adopted at this time due to active legal challenges of the federal regulations.

Fiscal impact to Persons Affected by the Rule (continued)

Please refer to Table 1 and Table 2 in the attached Notice of Intended Action (pages 6-7) for more information on the specific NESHAP proposed for adoption.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):

Linn County and Polk County have state-approved local air quality programs, and would likely adopt changes to their ordinances and procedures that match any changes to state rules. If a city or county government were subject to the air quality rules being amended, the local governments would be affected in the same manner as described above for industries and businesses.