

Regional Haze Division 223

Minutes

Date: May 17, 2021

Location: Remotely held meeting via Zoom

Time: 12:30 p.m. – 4:05 p.m.

Meeting Attendees: FAC members and DEQ staff



State of Oregon
Department of
Environmental
Quality

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DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.

Name	Representing
Caleb Minthorn – alternate	Confederated Tribes of the Umatilla Indian Reservation
Russell Strader	Boise Cascade
Chad Darby	Maul, Foster & Alongi
Kathryn Van Natta	Northwest Pulp & Paper Assoc.
Daniel Orozco (left ~ 14:10)	National Parks Conservation Association
Joshua Jenkins – alternate	National Parks Conservation Association
Michael Lang	Friends of the Gorge
Jamie Pang	Oregon Environmental Council
Carrie Nyssen	American Lung Association
Bob Hackett (left ~14:05 p.m.)	Travel Southern Oregon
Karen Williams	DEQ Air Quality Planning
Ali Mirzakhali	DEQ Air Quality Division Administrator
Michael Orman	DEQ Air Quality Planning Manager
Joe Westersund	DEQ Air Quality Operations
Phil Allen	DEQ Air Quality Technical Services

Welcome, introductions and meeting review

Air Quality Division Administrator Ali Mirzakhali opened the meeting, followed by DEQ staff and Fiscal Advisory Committee member introductions. DEQ staff reviewed the meeting agenda, committee charter and committee scope.

Presentation

DEQ staff presented an overview of the Regional Haze program, an overview of the major elements of the proposed rules, and an overview of the potential fiscal impacts from the proposed rules. Questions and answers followed each presentation topic.

Discussion: Fiscal impact

DEQ asked the committee four questions:

- *Will the rule have a fiscal impact?* There was general agreement among FAC members that the proposed rules would have a fiscal impact.
- *What will be the extent of the fiscal impact?* One FAC member said that DEQ had looked too narrowly only on the cost of pollution controls, not to the broader fiscal impacts on the state economy.

One FAC member noted in the presentation portion of the meeting that the costs DEQ listed in the Fiscal Impact Statement for a facility to contract or use in-house resources to conduct a four factor analysis would be additive - that both consultants and in-house resources would be required – and that consultant costs in the range of \$20,000 to \$30,000 would be needed at the permit revisions state also. One FAC member stated the extent of the fiscal impacts would be tens to hundreds of millions of dollars.

One member stated they were unsure if there would be fiscal impacts beyond the facilities that would be regulated; that it was difficult to know the extent of the fiscal impacts without exact costs for facilities and public health savings. One member recommended that DEQ engage an economist to analyze fiscal impacts.

One member stated the fiscal impacts would be unlikely to extend to regulated, non-Title V point sources in the eastern part of Oregon, but those facilities may be owned by large, regulated businesses.

One member asked DEQ to consider positive fiscal impacts of public health improvement, e.g. reduced asthma attacks and that benefits of cleaner air may offset fiscal impacts on regulated large businesses.

One member noted the pollution control costs to industry are disproportionate to industry's contributions to haze; and that money put into installing pollution control might otherwise be put into plant expansion and the local economy. In a similar sentiment, one member noted that the cost-per-ton-of-pollution-reduced formula that DEQ proposes in the rules doesn't make sense, that fiscal impacts should be expressed in dollars/deciview improvement and that cost is likely millions of dollars per deciview. One member noted the costs that their industry would incur are hard to pass on to customers; that the proposed rules might not cause a mill to shut down, but do make it harder for that mill to make a profit.

One member noted, and a second member concurred, that there are broader environmental benefits of pollution reduction, namely the benefit to communities living near regulated facilities; that improved visibility has a positive impact on tourism; and encouraged committee not to get lost in a narrow view of fiscal impacts only on industry.

One member noted that fiscal impacts also occurred when installation of pollution controls, particularly SCR and SNCR, requires increased electricity use, and hence greenhouse gas generation, as well as new ammonia emissions – which are hazardous air pollutants.

One member noted that there are studies of haze in the Columbia River Gorge, showing that industry is a major contributor; they also noted the positive economic effects of people choosing to live and work in Hood River.

- *Will the rule have a significant adverse impact on small businesses?* Some FAC members answered no, as the proposed rules would regulate only Title V facilities. Other FAC members said DEQ had not provided enough specificity

about which businesses would be regulated and they could not confirm if some of them might be small businesses. One FAC member noted there may be small businesses they are dependent on the larger regulated businesses. One member noted potential fiscal benefits to companies and contractors that install pollution control equipment. One member concurred with this possibility but noted that most of those companies are located out of state, though local electricians and concrete pourers could benefit.

- *If so, how can that adverse impact be mitigated?* FAC members did not specify significant adverse impact on small business. FAC members did not suggest ways DEQ or proposed rule revisions could mitigate significant adverse impacts on small business. One FAC member suggested that DEQ could mitigate potential fiscal effects on small business by consulting with neighboring states and aligning with those states' screening criteria and thresholds (e.g. Q/d, cost-effective threshold, useful life analysis).

Public Comment

One member of the public made comments that the proposed rules and their fiscal impacts were clear; encouraged DEQ to view impacts cumulatively and looking ahead several decades; commented on public health benefits and that air you can see is not air you should breathe.

The meeting adjourned at approximately 4 p.m.

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.