

# DEQ/OHA - Cleaner Air Oregon Fiscal Advisory Committee Meeting

## Air Toxics Programs Alignment and Updates Rulemaking Fiscal Advisory Committee Meeting: May 3, 2021

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### Facilitator's Summary of the Work Session

#### **Purpose of Meeting**

On May 3, 2021, DEQ/OHA convened a meeting of the Cleaner Air Oregon (CAO) Fiscal Advisory Committee via Zoom Webinar/Conference.

The purpose of the meeting was to have the fiscal advisory committee consider the fiscal and economic impacts of the proposed rules including:

- Will the proposed rules have a fiscal impact?
- What is the extent of that impact?
- Will the draft rules have a significant adverse impact on small businesses, and if so, what are recommendations for potential mitigation?

#### **Meeting Attendees**

The meeting attendees included members of the CAO Fiscal Advisory Committee (FAC) (see Attachment 1 for FAC members in attendance), staff members from Oregon Department of Environmental Quality (DEQ), Oregon Health Authority (OHA), members of the public, and the facilitation team.

#### **Welcome, Opening Remarks and Introductions**

Hannah Wilkinson, CAO Program Coordinator, and Donna Silverberg, facilitator from DS Consulting, welcomed everyone to the meeting. Donna reviewed the agenda and speakers for the meeting and suggested discussion protocols to support the group's sharing and hearing of diverse viewpoints. She noted that all state agencies are required to complete a fiscal impact statement when doing a rule-making. FAC committee members introduced themselves.

Ali Mirzakhaili, DEQ Air Quality Administrator, welcomed and thanked FAC members and staff for their efforts and engagement. He noted that addressing risk from air pollution is one of DEQ's highest goals and an important part (and requirement) in developing the agency's programs is understanding the costs and benefits of any proposed rulemaking. He noted that the draft fiscal impact statement is based on the latest version of the draft rules, which reflect ongoing analysis by staff and feedback from the Rules Advisory Committee (RAC). The purpose of today's meeting is to review the analysis of potential fiscal impact, with a particular focus on small business.

#### **Meeting Goals, Materials, and Details of Fiscal Impact Statement**

Keith Johnson, DEQ's CAO Program Manager, noted that this session's discussion was different than previous sessions with the committee. The goal is to review updates to the proposed rules since the last session in order to review the draft fiscal impact statement (which is based on these updated proposed rules). DEQ will then receive comments from the FAC related to the potential fiscal impacts. He noted that the fiscal impact statement is limited to considering only the impacts of the rule changes, not the entire rule.

Hannah reviewed materials provided to FAC members in advance of the session. Those materials, which included a Summary of Updates to Proposed Rule Language, Proposed Rules: Division 245, and the Draft Fiscal Impact Statement (based on latest redlined version of the rules). These materials and slides from today's presentation, can be found on the [rulemaking website](#).

### **Requirements for Fiscal Impact Statement**

Hannah reviewed the requirements for the Fiscal Impact Statement. ORS 183.335 requires that an agency must provide notice of fiscal impact for proposed rules. As part of these requirements, a statement of fiscal impact provides an estimate of the economic impact on state, federal and local government agencies, DEQ, the public as well as small and large businesses in the state. As part of this analysis, DEQ must specifically consider any significant impacts to small businesses and if there is significant small business impact, the agency must consider strategies for mitigating these costs. A statement of potential impact on housing costs will also be provided in the public notice.

Hannah noted that the CAO FAC meeting provides a valuable opportunity for DEQ to review and consider feedback from committee members and ensures the rules are well-considered before DEQ puts the rules out for public notice. The FAC's role is to review the fiscal impact statement and provide recommendations on the fiscal impacts of the proposed rules. DEQ is seeking input from FAC members to help inform the final draft of the fiscal impact statement prior to putting it out for public notice. In addition to this meeting, DEQ will accept written feedback from FAC members through May 19, 2021. DEQ will then review and consider the input and if necessary, provide a revised fiscal impact statement. Hannah then reviewed the three Fiscal Impact Statement Questions (provided above under Purpose of Meeting).

### **Key Updates to Proposed Rules**

DEQ and OHA staff members reviewed key updates to the proposed rules:

#### **1. Safety Net Program (Division 246)**

Meenakshi Rao, DEQ's lead air toxics planner and analyst, noted that DEQ originally proposed to remove the Safety Net Program from Division 246. After receiving feedback from RAC members that the concept of the Safety Net Program was important, DEQ's revised proposal is to move the purpose of the Safety Net Program to the purpose statement in Division 246 and remove the language relating to the program; however, the rule numbers related to the program (sections 190-230) would be retained as a placeholder for the Safety Net Program.

#### **2. ATSAC (Division 247)**

Holly Dixon, OHA public health toxicologist, reviewed updates to the proposed rules related to the Air Toxic Science Advisory Committee (ATSAC). She noted that it is a priority for all ATSAC members to provide the critical technical review of the toxicity reference values (TRVs). DEQ has proposed that, at a minimum, each ATSAC member have necessary expertise in one of the following fields, as described in the proposed rule: 1) Toxicology and/or Toxicology Assessment; 2) Environmental and/or Atmospheric Chemistry; or 3) Epidemiology/Biostatistics. She noted that RAC members previously provided feedback regarding certain specializations that it considered important to have representation on ATSAC.

To emphasize this expertise, DEQ has revised the proposed rule language to include nine sub-specializations under the three fields as follows:

1. Toxicology and/or Toxicology Assessment: includes additional consideration for experts with specialization in inhalation, reproductive and developmental toxicology;
2. Environmental and/or Atmospheric Chemistry: includes additional consideration for experts with specialization in multi-pathway exposure and bioaccumulation;

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3. Epidemiology/Biostatistics: includes additional consideration for experts with specialization in environmental public health, neonatal and children's health, medicine and health of vulnerable populations.

Holly noted that, in response to RAC member input, DEQ has also revised the proposed rules concerning ATSAC Deliberations to clarify that "the ATSAC members will provide DEQ with findings and recommendations that DEQ will report to the Environmental Quality Commission including the consensus, majority and minority opinions of ATSAC."

In response to a FAC member's request for clarification of how DEQ would select members based on the sub-specializations, Holly noted that DEQ anticipates creating a charter document that would address recruitment. DEQ's intention was to identify these sub-specializations as priorities in the rule with the goal of having a complete skillset on ATSAC. DEQ will evaluate qualifications of each member and the capacity as a whole. One scenario is that a prospective member who has multiple specializations might be given added priority for membership. Another FAC member noted that the requirement for a quorum was removed. Staff noted that under the previous ATSAC operation, reaching consensus was important and having a 'quorum' was a threshold requirement for consensus that was difficult to reach.

A FAC member sought to clarify whether DEQ intended that DEQ/OHA employees would be members of ATSAC? Agency staff noted that this is not part of the rulemaking and it is not the agencies' intention to have agency members sit on the committee. While rule language states that "Personnel from both the DEQ and OHA will coordinate the work of ATSAC," staffing is considered different from being committee members; Agency staff would be resources, but will not be considered voting members of the committee. Keith noted that ATSAC is an external scientific review body. DEQ will consider language to clarify the intent regarding agency staff.

### 3. Cleaner Air Oregon (Division 245)

J.R. Giska, DEQ Program Engineer for CAO, reviewed key updates related to proposed rules under Division 245. He noted that feedback from RAC members led to final modifications and he encouraged FAC members to provide any additional comments and feedback they might have during the public comment period.

- **New Source Definition**

The proposed rules have been revised to clarify that existing portable sources are excluded from the relocation criteria. He noted that the intent is not to consider a permitted portable existing source as a new source when it moves to a new location. Examples of these types of sources include rock crushers at ready-mix plants or portable asphalt plants.

- **Final Risk Assessment Submittal Timelines**

J.R. noted that the original proposal sought to reduce the timeline for Level 1-4 risk assessments to 30 days. After the initial RAC meeting, DEQ revised the proposed changes to adjust only Level 3 and Level 4 timelines to 60 days. Based on feedback from RAC members after the second RAC meeting, DEQ has now revised the proposal to have the Level 3 and Level 4 risk assessments revert to the original timelines. J.R. noted that only one existing source has completed a risk assessment and DEQ does not feel it has collected an adequate amount of data on existing sources to make changes to the timelines at this time. DEQ anticipates conducting a more in-depth rulemaking after it has more experience with the existing facilities completing the assessments.

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J.R. also noted that DEQ's revised proposal provides for an expedited risk assessment timeline of 30 days for existing sources that DEQ anticipates may exceed the Immediate Curtailment Level. Sources will have the option to submit sooner. J.R. noted that in most cases, after the modeling protocol or risk assessment work plan, DEQ has sufficient information to understand whether the source is likely to present a serious risk that may be in exceedance of the Immediate Curtailment Level. It is in these limited cases that DEQ proposes to require expedited risk assessments in order to begin the immediate risk reduction process, if applicable.

A FAC member raised the concern that there was a very high bar for sources to get to Immediate Curtailment level and there were many ways for a source to avoid Immediate Curtailment. J.R. noted that the Immediate Curtailment Level applies only to existing facilities. There is a source permit denial level for new facilities that is much stricter. By adding this revision, DEQ sought to balance the feedback it heard from industry regarding the length of time it takes to compile information and the concerns from environmental stakeholders on the need to speed up immediate curtailment actions related to the risk reduction process. Under the rules, the point at which DEQ can take action relating to an immediate curtailment risk reduction is after it has an approved risk assessment. This revised proposal ensures that if DEQ observes concerns from a facility's technical submittals, it can reduce the submittal timeline to 30 days. Requests for extensions under the expedited timelines, would be considered on a case-by-case basis.

A FAC member sought to understand the reason for using language in the revised proposal that DEQ "may" reduce the timeline. Keith explained that this language provides DEQ with the discretion and flexibility to manage uncertainty related to the risk assessment. A FAC member raised a concern about proposed language that provides that DEQ "may reduce the period to no less than 30 days for chronic or 15 days for acute risk." There was concern that 15 days would not be enough time to complete a risk assessment and do QA/QC.

- **Emissions Inventory Requirements**

In response to RAC feedback, DEQ is seeking to clarify how Source Risk Limits may be established. Source risk limits are the permit conditions DEQ uses in CAO when a source presents risk levels at the minimum risk threshold to bring a source into the CAO program. Under current Rule 110(2), Source Risk Limits may be established 1) based on the modelled risk from the risk assessment; or 2) they may be set at a level other than the modelled risk assessment. The second method is discretionary and likely to be used only in a very limited number of cases. DEQ received feedback from RAC members who were concerned that some of the proposed changes to language in Rule 40(4), related to Emissions Inventory, may be in conflict with the language in Rule 110(2). DEQ is proposing to add language to clarify that the language from Rule 40(4) is not in conflict with Rule 110(2).

- **New Source Review**

In response to feedback from RAC members, DEQ revised the proposals related to New Source Review. It will retain the State Type B New Source Review modifications; however, it has removed the discretionary language allowing DEQ to require a risk assessment prior to the modification approval. Instead, DEQ has modified the proposed rule language to require the approval of an emissions inventory for the proposed modifications. DEQ would retain the authority to ensure that modifications triggering any level of new source review would have their emissions reviewed thoroughly and would require that the emissions inventory be approved before the New Source Review modification is approved. It is DEQ's view that this revision would significantly reduce delays that could have occurred under either the original language or

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the previous proposal if a completed risk assessment would have been required prior to approval of the modification. This proposed change does not alter DEQ's discretionary authority to call an existing source in at any time to perform a risk assessment; it allows DEQ to review the modification's emissions and determine if it would significantly affect the existing source call-in prioritization. This also allows sources to move forward with the modification, while simultaneously completing a risk assessment, if DEQ has determined it is required at that time due to that New Source Review modification.

A FAC member inquired whether DEQ has seen an existing source's emissions inventory that was approved in less than a year. J.R. indicated yes, emissions inventories have been approved in less than a year and clarified that the emission inventory requirement here is just for the project itself. The FAC Member suggested this be clarified in the proposed rules.

A FAC member also encouraged DEQ to think through the timeline and approach and potential confluence between different program's timelines to avoid creating unintended regulatory consequences and ensure that a facility can meet regulatory expectations; for example, a facility that must install control technology for another program, while also being on the cusp of CAO call-in.

- **Ambient Monitoring Plan Requirement**

DEQ has removed previously proposed language because it determined that clarification of DEQ's authority is not necessary. DEQ revised the original language to clarify that DEQ may regulate emissions or subsequent risk from either toxic emissions units and/or toxic air contaminants that are not included in the ambient monitoring plan.

- **Exempt TEUs**

DEQ has revised the list of categorically insignificant activities that qualify as exempt Toxic Emissions Units (TEUs). The original proposal was to migrate a Curated list of exempt TEUs from Division 200 and put them directly in the CAO rules. After the last RAC meeting, DEQ decided to restore some of the removed activities back into the categorically exempt list. DEQ also further qualified some of the exempt TEUs that are on the list. J.R. will provide FAC members with a red-lined comparison of the changes.

### **Fiscal Impacts of the Proposed Rules**

Meenakshi Rao reviewed the three fiscal impact statement questions and the organization of the draft fiscal impact statement with the group. She noted that DEQ relied on the 2018 CAO fiscal impact analysis as the basis for the current fiscal assessment of the proposed changes. The fiscal impact statement analyzes the potential fiscal impacts of the proposed rule updates which were to:

- Strengthen health-risk based standards (Division 247);
- Align Divisions 245 and 246 (i.e. align the list of toxics and health-risk based values); and
- Clarify and address inefficiencies in Division 245.

#### **1. Fiscal Impacts: Strengthen health-risk based standards (Division 247);**

These rule changes include: updating authoritative sources, revising the petition process and rescoping ATSAC.

- DEQ expects no fiscal impact from these procedural changes to businesses, DEQ, or other agencies. In the long-term, DEQ expects a benefit to public health.

**2. Fiscal impacts: Aligning Divisions 245 and 246**

These rule changes include: creating Division 247 to list toxic air contaminants and their health-risk based standards and removing the rule-language related to the Safety Net Program, while retaining the purpose and the rule numbers.

- DEQ expects no fiscal impact from these procedural changes to businesses, DEQ, or other agencies.

**3. Fiscal Impact: Division 245 Clarifications and Inefficiencies**

J.R. reviewed the potential fiscal impacts to the Division 245 proposed changes. He noted that these changes do not require new programmatic fees, but will require differential application of the existing fees schedule. DEQ used the 2018 CAO fiscal impact statement as the primary reference for the impact analysis of these proposed rule changes.

He reviewed potential scenarios estimated to have a fiscal impact (these generally follow the analysis of the 2018 impact statement):

- **Sources exceeding RALs or installing controls:**  
If an existing source relocates and is determined to be a new source, in some cases, that source may exceed a RAL and could incur a negative fiscal impact if it exceeds the source permit level or community engagement RAL. CAO could require source risk limits, and/or reporting or paying for community meetings. In some cases, the exceedance of a RAL could lead to the requirement that controls be installed to meet the more stringent RAL.
- **Modeling requiring a higher level of risk assessment:**  
If a source were denied using a Level 1 risk assessment due to concerns over the modeling parameters, there could be negative fiscal impacts from the requirement to perform a higher level assessment.
- **NSR Modifications: Emissions Inventory requirement:**  
DEQ estimates that revising the requirements of having to perform a full risk assessment to only requiring an approved emissions inventory will lead to reduced specific activity fees, while having a positive fiscal impact on these sources. However, there may be minor negative fiscal impacts to sources requesting State Type B NSR modifications, as the sources may need to account for a number of toxic air contaminants in emissions that are not also hazardous air pollutants.
- **Post-Toxic Air Contaminant Permit Addendum modifications:**  
The proposed changes significantly reduce the fee requirements related to public notice and could lead to cost reductions for these sources.

DEQ anticipates these changes have the potential to affect a large number of sources as many sources may have continual changes to their operations and will frequently require these types of modifications. However, DEQ does not have complete information to accurately assess all the impacts and acknowledges there is uncertainty around potential costs.

FAC members noted there will be many impacts to facilities and businesses:

- The level of change for different facilities is going to depend on the facility.
- There are many proposed changes that would increase costs for small businesses beyond the scope of what was considered under the 2018 CAO Fiscal Impact

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Statement. These include, for example, increased consulting costs, assuring and maintaining compliance, and tracking land use.

- Changes in the 'categorically insignificant activities' list will increase expenses for small businesses that must now assess activities removed from the list.
- The program has not yet taken a big, existing complex facility from start to completion. As such, how these proposed changes will affect costs is unknown.

J.R. noted that DEQ has identified some impacts from the proposed rule changes that are outside the scope of the 2018 fiscal impact statement that are difficult to quantify, such as impacts to sources due to expedited timelines and delays in construction. For example, DEQ is not able to estimate the costs of aggregated TEUs modeled with a Level 1 risk assessment or the State Type B NSR modifications requirement to submit an Emissions Inventory prior to modification approval. Finally, J.R. noted that there may be public health benefits from these changes; however, these are also difficult for DEQ to assess.

- Concerns were raised by a FAC member regarding the changes to the requirements for New Source Review modifications and whether a facility would be required to do site-wide risk assessment? There was a concern that the changes might result in years-long delays to implement the modification. DEQ will work to clarify the intent of the proposed rules relating to these concerns. Keith noted that the approved EI for an NSR modification might result in a facility moving up the prioritization list for a call-in; however, DEQ already has the authority to move a facility up in priority and would already be an anticipated cost to the facility.
- A FAC member encouraged DEQ to strive to quantify a fiscal value related to the public health benefit; quantifiable metrics related to public health costs have been identified and those costs factors should be considered in the assessment. This would help evaluate the impact of increased requirements on industry.
- Another FAC member noted that the impact of reducing costs on businesses also leads to less monitoring or collection of data concerning the impact on public health.
  - DEQ and OHA staff noted that there is a lot of uncertainty around calculating and quantifying health impacts. This is in part due to small numbers in an immediate neighborhood, as well as the difficulty in determining which health outcomes are driven by a particular toxic contaminant as distinguished from other pollutants and causes. That said, it is known that health outcomes related to toxic air contaminants can have substantial social and economic impact in Oregon.

### **DEQ Initial Findings**

Keith summarized DEQ's initial findings about the fiscal impact of the changes:

1. The proposed rules are not expected to generate significant statewide fiscal and economic impacts.
2. There are no anticipated fiscal impacts related to the creation of division 247 and alignment of division 245 and 246.
3. There could be significant fiscal impacts for a limited number of sources based upon proposed updates to division 245; however, there may be options to offset increase in costs; and
4. The proposed rules may result in health benefits to the public.

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### Fiscal Impact by Sector

Meenakshi noted that DEQ is also required to assess how the proposed rule changes impact different sectors and then discuss potential impact to small businesses and propose possible mitigation strategies.

- **State, Federal and Local Agencies**

DEQ expects state, federal, or local agency-owned sources to be affected by these rule changes only if they own or operate sources that are permitted under CAO. Agency-owned or operated sources will experience the same fiscal impacts as other permitted sources. There are no significant fiscal impacts that affect all state, federal, and local agency-owned sources. However, an agency-owned source may see a significant fiscal impact if they exceed a RAL under the proposed rule changes.

- **Impact to DEQ**

DEQ expects that it will incur incremental costs due to additional review requirements and deliverables and also anticipates increased efficiency; consequently, the full extent of this impact is difficult to quantify.

- **Impact to the Public**

Both the state toxic air contaminant program and CAO are designed to reduce risk to public health from toxic air contaminants. DEQ anticipates some public health benefit from the proposed rule changes, and improved public health may translate into lower costs related to health care. However, it is not possible to estimate the public health benefits from reductions in exposure to toxic air contaminants.

- **Impact to Large Businesses**

Large sources will experience the same fiscal impacts as other permitted sources. A few large businesses may see a significant fiscal impact if they exceed a RAL under the proposed rule changes. DEQ does not have adequate information to estimate the potential costs to specific large businesses that may be affected by the proposed rules.

- FAC members noted that potential impacts regarding small businesses would also apply to large businesses and expressed concern about the effect on large businesses related to the confluence and nature of different air regulatory program requirements.
- It was noted that, in addition to public health costs, the community bears non-resourced costs to review technical information in order to provide public input in the review process; a large source creates a higher cost for the community to participate.

### Discussion of Potential Impacts to Small Businesses

Meenakshi reviewed the group the fiscal impact question related to small businesses:

- Will the draft rules have a significant adverse impact on small businesses and if so, what are recommendations for potential mitigation?

She noted that DEQ anticipates small sources will experience the same fiscal impacts as other permitted sources. There are no significant sources that affect all small businesses. A limited number of sources may see a significant fiscal impact if they exceed a RAL under the proposed rule changes. DEQ does not have adequate information to estimate the potential costs to specific small businesses that may be affected by the proposed rules.

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- **Mitigation:**

Technical assistance is available to small businesses completing the risk assessment process under CAO. Tiered implementation of the CAO program could delay or defer regulatory costs for most existing smaller businesses. Both small and large businesses can request additional time for compliance with risk levels through proposals for extensions and postponements. There may be other methods of reducing cost impacts through pollution prevention and product substitution (DEQ provides support for this through the green chemistry program).

FAC members provided comments regarding whether the draft rules will have significant impact on small businesses and possible mitigation:

- There will be significant impact on small business that is not limited to exceeding RALs, and includes preparation and submittal of the application and getting through the regulatory process.
- The changes to a program can have a significant adverse impact due to regulatory uncertainty as small businesses work to understand the complexities of the existing rules and requirements, and then must adjust to the changes.
- Size is not necessarily equal to risk – in term of air emissions.
- The inclusion of activities on the 'categorically insignificant activities' list is significant because quantifying emissions can be complex and require modeling. Insignificant sources are not only low emitting sources, but are some of the most expensive to quantify in terms of emissions.
- Fixed costs from the consulting community may be passed on to the business.
- There is little evidence that DEQ will be calling-in small business any time soon (DEQ has been calling in a few, mostly large businesses).

FAC Member recommendations for mitigation included:

- Not changing aggregated TEUs (2);
- Not making changes to the Categorically Insignificant Activities List (2)
- DEQ has done some good things to try to mitigate impact and was encouraged to continue to assist small businesses to get through the program.

Keith reaffirmed that there is a lot of uncertainty regarding fiscal impact and there will be a comment period after the meeting where additional information on the impacts can be provided.

### **Informal Public Comment**

Donna invited written and verbal comments from public attendees. The following summarizes input from members of the public:

- The aspect of community members engaging consultants to help understand the program and rules is encouraging; similarly, acknowledgement of the costs that can rest on engaged communities was appreciated.
- There was concern about 'self-monitoring of air quality' by a business or company.
- A representative of a "tweener" company (in between small and large) noted that the people doing compliance for this complex work at these companies are community members, not atmospheric scientists or legal professionals. There could be a huge impact with expediting timelines, especially if a facility does not know when it might be called in and, therefore, must budget for potential costs of compiling emissions inventories. There was also a concern regarding cross-media implications (such as waste and air) related to a big retrofit project. It would be helpful to do triage related to less significant emissions, as there are a lot of costs associated with some of the small

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returns. When dealing with air toxics, the size of the operation isn't always indicative of the volume of emissions.

- One area where businesses incur costs that would be helpful to mitigate/avoid is the comparison of the business' emissions inventory with DEQ's version.

### **FAC Roundtable**

FAC members shared their thinking and reflections regarding the fiscal impact of the rule changes. The comments provided are summarized below. FAC members were encouraged to submit their written input to DEQ directly. *(Note: the following summary is based on individual comments and should not be considered as recommendations or views held by all group members.)*

- FAC members appreciated DEQ's efforts to incorporate their input and balance stakeholder concerns.
- There are substantiated benefits to health in the air program work as well as elevated engagement costs for the public. It is important to ensure that public health benefits and costs are centered in the conversation and included as part of a comprehensive fiscal statement. While there may be an immediate fiscal impact now, the public benefit will not be seen until decades later.
- The regulated community is experiencing a lot of rulemaking that will need to be resourced. The economic impacts to businesses are additive and integrative, and raise questions about where industry should focus resources as they relate to categorically insignificant activities and TEUs. There are cross-media impacts with control technologies that are important for DEQ to keep in mind.
- There is uncertainty in how to quantify the fiscal impact of the revision of the petition process and having a new chemical placed on the list. There is a lot of uncertainty and potential for a large fiscal impact, especially if it is a chemical associated with a small facility.
- In the aggregate, these changes are likely to have an economic impact, but are not likely to be disproportionately burdensome. Over time, the benefits of air toxics regulation greatly outweigh the costs. The program offers the opportunity to create state engineering expertise. Businesses are employing local people for this work and, as more are employed, the costs will decrease.
- While the costs to small businesses should be minimized, it is important to balance the fiscal impacts to small businesses with the public benefits. While there may be an economic impact due to regulatory changes to protect public health, the public bears the costs of the health impacts.
- The responsibility regarding notification of land-use changes should be shifted back to the state and county.
- The mitigation measures the agency has proposed more than adequately respond to the financial planning commitments that will be required of small sources to implement this program.

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- A preference was expressed for more proven technological interventions and procedures rather than compliance-based processes. In addition to technical assistance and guidance, consider mitigating costs in certain 'extraordinary circumstances'. It was suggested that more brainstorming could be done regard tools that could mitigate impacts on small businesses (for example, tables to estimate worst-case emission scenarios) and some members of the FAC would be willing to help with this.

### **Closing Remarks and Next Steps**

Keith noted that this the last meeting for this advisory committee; he appreciated FAC members engagement because it will help DEQ to produce a better analysis.

Hannah noted that the deadline for written comments from FAC members on the fiscal impact statement is Friday, May 19, 2021. She also noted that the proposed rules will go out for public comment this summer and DEQ will be holding a public hearing. Following the public comment period, DEQ will respond to public comments and prepare a staff report.

DEQ anticipates presenting the proposed rules to the Environmental Quality Commission in November, 2021.

Staff members and Donna thanked everyone for their participation in this meeting. With that, Donna adjourned the meeting.

*This summary is respectfully submitted by the impartial facilitation team from DS Consulting. Suggested edits are welcome and may be sent to Nancy Pionk ([nancy@dsconsult.co](mailto:nancy@dsconsult.co))*

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Attachment 1

<b>Cleaner Air Oregon Fiscal Advisory Committee Members in Attendance for all or part of 5/3/21 Fiscal Advisory Committee Meeting</b>	
Steven Anderson	City of Salem Neighborhood Associations
Lisa Arkin	Executive Director, Beyond Toxics
George Conway	Conference of Health Officials; Deschutes County
Chad Darby	Maul, Foster and Alongi
Kathleen Johnson	Washington County
Christine Kendrick	Air Quality Lead/Smart Cities Coordinator, City of Portland
Sharla Moffett	Oregon Business & Industry
Mary Peveto	President, Neighbors for Clean Air
Mark Riskedahl	Northwest Environmental Defense Center, Oregon Environmental Justice Task force/Vulnerable Communities representation
Diana Rohlman	Oregon Public Health Association
Kathryn VanNatta	Northwest Pulp and Paper Association
Thomas Wood	Co-Chair Air and Energy Committee, Oregon Business & Industry