

Revised Draft Fiscal Impact Statement

Cleaner Air Oregon

REFORMING OREGON'S INDUSTRIAL AIR QUALITY REGULATIONS

Inviting Oregonians to help create new regulations that protect what we all care about: the health of our people, a clean environment, and the economic vitality of our communities.

May 9th, 2018

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Topics Covered in this Discussion

- Overview of Fiscal Advisory Committee Process
- Updates on fiscal statement
 - Cost information
 - Health benefit information

- Discussion of fiscal impact questions required in ORS 183.333, 335, and 540

What is Required?

- ORS 183.335: agency must provide notice of fiscal impact for proposed rules
 - Impacts can be both positive and negative
- If significant small business impact, consider mitigation

Fiscal Advisory Committee Process

Rule advisory committee:

- Reviews fiscal impact statement
- Provides recommendations on:
 - Draft rule's fiscal impact
 - Extent of that impact
 - Significant adverse fiscal impacts on small businesses and potential mitigation

DEQ:

- Records committee input
- Revises fiscal impact statement if necessary

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Draft Fiscal Impact Statement Updates

Areas of change:

- Fees
- Business fiscal impacts
- Public health

Caveats on incomplete information:

- Emissions and risk
- How many will screen out
- How many will need risk reduction
- Specific health impacts

Draft Fiscal Business Cost Updates

Fees

- Base fee
- Activity fees

Risk Assessment

- Look up table
- AERSCREEN
- AERMOD
- Health risk assessment

Emission Reduction

- Pollution control equipment
- Pollution prevention

Other Costs

- Annual or semi-annual reporting
- Source testing
- Ambient monitoring
- Community engagement

Fee and Funding Updates

- SB 1541 authorizes DEQ to charge a one-time supplemental fee to complete rules and start the Cleaner Air Oregon program
- As authorized by SB 1541, DEQ has proposed to set ongoing fees in rule to fully fund the program
 - Annual base fees
 - Specific activity fees (includes call-in fee)
- Fees would fund 11 new positions at DEQ and existing OHA staff: a mix of permit writers, toxicologists, air monitoring and modeling analysts, community liaisons and IT support



Fee and Funding Updates

Proposed Activity Fees

- Fees separate risk assessment fees from risk management fees (e.g. risk reduction plan fee)
- Proposed fees are additive
- Community engagement fees updated in response to SB 1541 requirement that DEQ hold public meetings
- Activity fee revenue less certain than base fee revenue

Updates to Health Impact Analysis

Potential Health Effects of Toxic Air Contaminants

- A wide range of potential adverse health outcomes

Burden of Related Diseases in Oregon

- Incidence of disease
- Economic and social costs

Potential Magnitude of Contribution of Pollution to Health

- National evidence on health impacts of living near industrial sites
- Estimates of the fraction of specific diseases attributable to pollution

Potential health effects of toxic air contaminants

Toxic air contaminants increase risk of a wide range of health outcomes:

- heart disease
- respiratory disease
- cancer
- liver disease
- premature birth
- birth defects
- miscarriage
- impaired fertility
- neurological effects
- intellectual disability
- reduced immune function



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Potential magnitude of the contribution of pollution to disease

Living near industrial sites can measurably increase risk for:

- premature death
- cardiovascular disease
- autism
- asthma
- cancer

Reducing emissions can improve public health



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Updates to Health Impact Analysis

Conclusions from previous analysis:

- Toxic air contaminants are known to increase risk of a wide range of health outcomes
- Pollution has the potential to make a substantial, measurable contribution to disease
- DEQ and OHA don't know what proportion of chronic diseases may be attributable to industrial toxic air contaminants, but chronic diseases have a substantial social and economic impact in Oregon

Update:

- Higher RALs could result in less protection of public health for impacts related to industrial toxic air pollutants

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Discussion of Draft Fiscal Impact Statement

Advisory committee to provide input on:

- Will the draft rule 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?

Discussion of Large Business Fiscal Impacts

Fees

- Base fee
- Activity fees

Risk Assessment

- Look up table
- AERSCREEN
- AERMOD
- Health risk assessment

Emission Reduction

- Pollution control equipment
- Pollution prevention

Other Costs

- Annual or semi-annual reporting
- Source testing
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- Community engagement

Discussion of Small Business Fiscal Impacts

- Will there be a significant adverse effect on small business?
- Consistent with public health and safety, can impacts be reduced by less intrusive or costly alternatives?

Examples:

- Different compliance or reporting requirements or schedules
- Clarifying, consolidating or simplifying the compliance and reporting requirements
- Using objective criteria for standards
- Exempting small businesses from rule requirements

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Discussion of Small Business Fiscal Impact Mitigation Options

Fiscal impact mitigation in discussion draft rules:

- Higher RALs
- Tiered implementation
- Additional time for compliance with risk levels
- Defer compliance with risk levels if technology not available
- Streamlined compliance approach to permit risk limits
- Postponement of control measure installation if inability to pay

Discussion of State Agency and Local Government Fiscal Impacts

Government

- Direct effects – fees and compliance for government owned facilities
- Indirect effects – goods and services

DEQ and OHA Workload

- Required resources
- Resolution of historic health concerns

Discussion of Fiscal Impacts on the Public

Public Health
Benefits

Public Costs

Environmental
Services Sector
Impacts

Housing Cost

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Questions?



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