



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

## **REVISED SMALL BUSINESS IMPACT STATEMENT**

### **Amendment of RCSA Section 22a-174-20**

### **Repeal of RCSA Section 22a-174-30**

### **Adoption of RCSA Section 22a-174-30a**

Prior to a regulatory action, section 4-168a of the Connecticut General Statutes (CGS) requires that each state agency consider the effect of such action on small businesses as defined in CGS section 4-168a. When such regulatory action may have an adverse effect on small businesses, CGS section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Stage I/Stage II vapor recovery

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed amendment and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses. **SEE EXPLANATION**
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to small businesses potentially impacted. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

**Explanation:** Approximately 1500 gasoline dispensing facilities (GDFs) subject to the requirements of this proposal are located in the state, some of which are small businesses. Implementation of this proposal is expected to have a minimal financial and administrative impact on these businesses.

The primary purpose of this proposal is to remove the requirements for the installation and operation of Stage II<sup>1</sup> vapor recovery equipment at GDFs from the Regulations of Connecticut State Agencies (RCSA), while retaining the Stage I<sup>2</sup> vapor recovery requirements for most GDFs, so that the requirements conform to section 22a-174e of the Connecticut General Statutes (CGS). CGS section 22a-174e was revised by Public Act No. 13-120 in 2013. In addition, the proposal consolidates the Stage I requirements contained in RCSA sections 22a-174-20 and 22a-174-30 into a new section (proposed RCSA section 22a-174-30a) and incorporates existing federal requirements for controlling air emissions at GDFs (*see* 40 CFR 63 Subpart CCCCCC).

The proposal removes the requirement to install and test Stage I systems on GDFs that had exceeded the applicability threshold of subdivision (7) or (8) of section 22a-174-20(b) in the past, but no longer dispense at that rate. The gasoline dispensing market has changed significantly since the promulgation of Connecticut's Stage I vapor recovery requirements. With large super-stations dominating the market today and small independently owned stations selling only a minor fraction of the gasoline dispensed in the state, requiring low throughput GDFs to maintain and test a Stage I vapor recovery system produces little, if any, environmental benefit. Cost saving to low throughput GDF owner/operators are estimated to be \$350 – \$550 annually.

The only significant new requirement to a GDF owner/operator, which is not a requirement of 40 CFR 63 Subpart CCCCCC or Public Act No. 13-120, is to install a California Air Resource Board (CARB)-approved pressure/vacuum vent valve when an existing pressure/vacuum vent valve is replaced. The better quality materials and construction of CARB-approved P/V vent valves may increase the cost of CARB-approved valves over other P/V valves. DEEP estimates an incremental cost increase between \$0 and \$200 per replacement valve. Depending on the configuration of the storage tank system, a GDF will have one to three P/V vent valves, and these valves require replacement once every three to five years. The incremental cost increase for P/V vent valve replacement is, therefore, estimated to be between \$0 and \$600 every three to five years. As some stations are already using CARB-approved valves, this incremental cost increase will not be experienced by all stations. The cost of using higher quality valves will be mitigated by a reduction in P/V vent valve failures, requiring fewer valve replacements, and a decrease in product loss. Therefore, DEEP estimates adoption of this requirement to result in an impact ranging from a cost savings to a maximum average annual cost increase of \$200 per GDF.

While Public Act No. 13-120 requires annual pressure decay testing and testing notification, this proposal specifies the required tests and adds recordkeeping and test results reporting requirements. The additional administrative costs of the proposed recordkeeping and reporting requirements are not expected to be significant and will be offset by the elimination of Stage II recordkeeping requirements with the decommissioning of Stage II equipment required by Public Act No. 13-120.

February 26, 2015

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<sup>1</sup> Stage II vapor recovery systems control vapors during the refueling of vehicles by capturing the gasoline vapors displaced from the vehicles' gas tank and diverting them to the storage tank.

<sup>2</sup> Stage I vapor recovery systems divert the gasoline vapor displaced from a storage tank during refilling into the tanker compartment of the delivery vehicle.