



Connecticut Department of
**ENERGY &
 ENVIRONMENTAL
 PROTECTION**

EXHIBIT E

REVISED FISCAL STATEMENT

**Amendment of RCSA Section 22a-174-20
 Repeal of RCSA Section 22a-174-30
 Adoption of RCSA Section 22a-174-30a**

Agency Submitting Regulation: Energy and Environmental Protection (DEEP) **Date:** February 26, 2015

Subject Matter of Regulation: Stage I/Stage II Vapor Recovery

Regulation Section No.: RCSA sections 22a-174-20, 22a-174-30, 22a-174-30a

Statutory Authority: CGS sections 22a-174 and 22a-174e

Other Agencies Effected: None

Effective Date Used In Cost Estimate: July 1, 2015

Estimate Prepared By: Robin D. Baena **Telephone No.:** 860-424-3196

Estimated Cost/Revenue Impact

Agency: Energy and Environmental Protection

Fund Effected: None

	First Year 2015	Second Year 2016	Full Operation
Number of Positions	0	0	0
Personal Services¹	0	0	0
Other Expenses²	0	0	0
Equipment³	0	0	0
Grants	0	0	0
Total State Cost or (Savings)	0	0	0
Estimated Revenue Gain or (Loss)	0	0	0
Total Net State Cost or (Savings)	0	0	0

¹ Actual, direct personal services on a state payroll. Examples of items covered include regular salaries, overtime, payments for vacation and sick leave, longevity and shift differential.

² Operating expenses as well as miscellaneous purposes not included in some other appropriate category. Items included are contractual services, commodities (supplies) and sundry charges.

³ Items included are office equipment, motor vehicles, general plant equipment, education, medical, telecommunications and data processing.

Explanation of State Impact: No significant cost or savings to the state is expected to result from adoption of the proposal.

The primary purpose of this proposal is to remove the requirements for the installation and operation of Stage II⁴ vapor recovery equipment at gasoline dispensing facilities (GDFs) from the Regulations of Connecticut State Agencies (RCSA), while retaining the Stage I⁵ vapor recovery requirements, so that the regulations conform to section 22a-174e of the Connecticut General Statutes (CGS), as revised by Public Act No. 13-120 in 2013. The proposal also 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 only significant new requirement to a GDF owner, 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 the CARB-approved valves over other P/V valves. DEEP estimates an incremental cost increase between \$0 and \$200 per replacement valve. As some stations are already using CARB-approved valves, this incremental cost increase will not be experienced by all stations. 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. Most state operated stations have one valve. The incremental cost increase for P/V vent valve replacement for the average state operated station is, therefore, estimated to be between \$0 and \$200 every three to five years.

The state operates approximately 35 stations that are subject to the requirements of this proposal. The maximum cost increase to the state, based on all valves being replaced once every three years and at a cost of \$200 more than current valves, is estimated to be about \$2300 per year. 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. Further, because the proposal does not require the installation, maintenance and testing of Stage I vapor recovery systems at GDFs with a monthly throughput of less than 10,000 gallons, even if such facility had exceeded the applicability threshold of subdivision (7) or (8) of section 22a-174-20(b) in the past, increased costs at some state of facilities are potentially offset by cost savings at other stations that currently have Stage I controls but do not meet the proposed applicability throughput threshold. Therefore, DEEP estimates the overall impact of adoption of this requirement to range between a minor cost savings and a maximum cost increase of \$2300 annually.

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 more than offset by the elimination of Stage II recordkeeping requirements with the decommissioning of Stage II equipment required by Public Act No. 13-120.

Implementation of this proposal will not require DEEP to obtain additional staff or other resources.

Explanation of Municipal Impact: Little to no impact. See above discussion regarding the state impact.

4 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.

5 Stage I vapor recovery systems divert the gasoline vapor displaced from a storage tank during refilling into the tanker compartment of the delivery vehicle.