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Affirmative Action/Equal Opportunity Employer

DEPARTMENT OF ENERGY & ENVIRONMENTAL PROTECTION

REVISED FISCAL IMPACT STATEMENT

Adoption of RCSA Sections 22a-174-33a and 22a-174-33b: GPLPE Replacement Regulations - Limitations on Premises-Wide Actual Emissions Below Title V Source Thresholds

Agency Submitting Regulation: Energy and Environmental Protection (DEEP) **Date:** March 3, 2020

Subject Matter of Regulation: Air Permitting: GPLPE Replacement Regulations: An Alternative to
 Comply with Title V of the Clean Air Act

Regulation Section Nos.: RCSA sections 22a-174-33a and 22a-174-33b

Statutory Authority: CGS section 22a-174

Other Agencies Affected: None

Effective Date Used In Cost Estimate: November 9, 2020

Estimate Prepared By: Raquel Herrera **Telephone No.:** 860-424-3150

Estimated Cost/Revenue Impact

Agency: DEEP

Fund Affected: General Funds

	First Year 2020	Second Year 2021	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	0	0	0
Total State Savings	0	0	0
Estimated Revenue Loss	\$430,000 ⁴	0	0
Total Net State Cost	\$430,000	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.
- 4 An estimated total revenue loss of \$430,000 in registration fees (approximately 186 Sources). Revenue from the GPLPE program is generated during the first year when registration fees are collected.

Explanation of State Impact:

Minor impact to the state is expected to result from the adoption of this proposal. DEEP will implement the proposal with no change in existing staff and other resources.

RCSA section 22a-174-33a and section 22a-174-33b are intended to replace the current General Permit to Limit Potential to Emit from Major Stationary Sources of Air Pollution (GPLPE) as alternative means of compliance with Title V of the Clean Air Act (CAA). Consequently, this explanation focuses on the impact of new RCSA sections 22a-174-33a and 22a-174-33b in comparison to the current GPLPE, which expires on November 8, 2020.

Consistent with Governor Ned Lamont's initiatives to alleviate administrative and financial burdens for Connecticut businesses, operation under the proposed regulations will not require the submittal of an application, or payment of registration or emission fees. For this reason, adoption of this proposal will result in a total revenue loss of \$430,000 in registration fees⁵ in 2020. Given that GPLPE registration fees are collected only during the first year (in 2020) of the five-year permit program, a loss of revenue will not recur until 2025. The lack of fees is consistent with a similar Title V compliance alternative offered in Massachusetts.

Adoption of this proposal will allow DEEP to maximize resource allocation, and thereby, become more efficient. By eliminating the need to process GPLPE applications requiring technical reviews while achieving the same level of environmental protection afforded by the current GPLPE, DEEP will be able to utilize the additional staff time towards improving permit processing times. Given past reductions in DEEP's workforce and more likely for the foreseeable future, it is essential for the agency to effectively focus its resources on core programs and services. The improvements in government efficiency and the reduction of financial and administrative burdens on Connecticut businesses will offset the minimal revenue loss. Furthermore, in an effort to address governmental fiscal concerns, DEEP will continue to explore other avenues to mitigate the revenue loss such as collecting fees from other programs to ensure that adoption of this regulation will be revenue neutral or net positive.

The U.S. Environmental Protection Agency has indicated that a renewal of the GPLPE permit will not be approved. However, a practicably enforceable regulatory alternative to comply with Title V of the CAA will likely be approvable. Absent this regulatory alternative, the administrative and financial burdens of obtaining a Title V permit will be unbearable for many Connecticut businesses. In addition to paying annual emission fees, businesses operating under a Title V permit will likely have the added expense of retaining an environmental consulting firm and/or hiring additional employees to conduct the required extra monitoring, record keeping, and reporting. The aforementioned expenses may be less significant to large businesses, yet, for small businesses, these additional expenses may become onerous and ultimately lead to their closure or relocation outside the state. Thus, failure to adopt this regulatory proposal may prevent DEEP from implementing measures consistent with the Governor's vision to make Connecticut conducive to business.

For the State as the owner or operator of a source that may operate under the proposed regulations, the proposal will have a positive impact since the State would be saving on registration fees.

⁵ Assuming approximately 186 sources currently operating under the GPLPE opt to operate under RCSA sections 22a-174-33a and 22a-174-33b.

Explanation of Municipal Impact:

Little to no impact is expected to result from the adoption of this proposal.

For a municipality as the owner or operator of a source that may operate under the proposed regulations, the proposal will have a positive impact. These municipalities would be saving on registration fees and eliminating expenses associated with retaining an environmental consulting firm.



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Adoption of RCSA Sections 22a-174-33a and 22a-174-33b: GPLPE Replacement Regulations - Limitations on Premises-Wide Actual Emissions Below Title V Source Thresholds

Agency Submitting Regulation: Energy and Environmental Protection (DEEP) **Date:** September 13, 2019

Subject Matter of Regulation: Air Permitting; GPLPE Replacement Regulations: An Alternative to
Comply with Title V of the Clean Air Act

Regulation Section Nos.: RCSA sections 22a-174-33a and 22a-174-33b

Statutory Authority: CGS section 22a-174

Other Agencies Affected: None

Effective Date Used In Cost Estimate: November 9, 2020

Estimate Prepared By: Raquel Herrera **Telephone No.:** 860-424-3150

Estimated Cost/Revenue Impact

Agency: DEEP

Fund Affected: General Funds

	First Year 2020	Second Year 2021	Full Operation
Number of Positions	10	0	0
Personal Services¹	0	0	0
Other Expenses²	0	0	0
Equipment³	0	0	0
Grants	0	0	0
Total State Cost	0	0	0
Total State Savings	0	0	0
Estimated Revenue Loss	\$513,360 ⁴	0	0
Total Net State Cost	\$513,360	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.
- 4 An estimated total revenue loss of \$513,360 in registration fees (186 Sources at \$2,760). Revenue from the GPLPE program is generated during the first year when registration fees are collected.

Explanation of State Impact:

Minor impact to the state is expected to result from the adoption of this proposal. DEEP will implement the proposal with no change in existing staff and other resources.

RCSA section 22a-174-33a and section 22a-174-33b are intended to replace the current General Permit to Limit Potential to Emit from Major Stationary Sources of Air Pollution (GPLPE) as alternative means of compliance with Title V of the Clean Air Act (CAA). Consequently, this explanation focuses on the impact of new RCSA sections 22a-174-33a and 22a-174-33b in comparison to the current GPLPE, which expires on November 8, 2020.

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