

ECONOMIC IMPACT STATEMENT

Note: In completing the economic impact statement, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule. Rules affecting or regulating public education and public schools must include cost implications to local school districts and taxpayers in the impact statement (see 3 V.S.A. § 832b for details). Where this form is insufficient for your purposes, please use additional sheets.

Please complete the following.

1. Title or subject of rule:

Air Pollution Control Regulations § 5-204 Outdoor Wood-Fired Boilers

2. Agency:

Agency of Natural Resources

3. Please list categories of people, enterprises and government entities potentially affected by this rule and estimate for each the costs and benefits anticipated. If applicable, include small businesses, and complete items 4 and 5 of this sheet as well. Please be as specific as possible, giving full information on your assumptions, data base, and attempts to gather other information on the nature of the costs and benefits involved. Costs and benefits can include any tangible or intangible entities or forces which will make an impact on life without this rule.

The proposed rule will potentially affect outdoor wood-fired boiler (OWB) owners and their neighbors, OWB manufacturers, OWB retailers and distributors, the Agency of Natural Resources, health officials, and municipalities. The anticipated costs and benefits of adopting the proposed rule, which establishes a Phase II emission limit for OWBs, are expected to be similar to the economic impacts described for the rule that adopted the Phase I emission limit for OWBs (see attachment). However, unlike when Vermont adopted the Phase I emission limit, OWB manufacturers are already required to pay for testing to demonstrate that their units meet the Phase I emission limit; there are already a number of OWB models that meet the Phase II limit; and the Phase II emission limit has already been adopted by Maine, Massachusetts, and New Hampshire thereby creating a regional marketplace for Phase II units. In addition, Phase II OWBs will burn fewer cords of wood in comparison to Phase I and older OWBs.

4. Please compare the economic impact of the rule with the economic impact of other alternatives to the rule, including no rule on the subject or a rule having separate requirements for small business.

As mentioned above, Maine, Massachusetts, and New Hampshire have already adopted the Phase II emission limit for OWBs, which is proposed by this rule. Therefore, not adopting this rule would create regional inconsistency, which could affect the availability and costs of OWBs in Vermont. Moreover, Vermont dealers on the border of New Hampshire or Massachusetts may not be able to sell units that do not meet the Phase II limit to residents of these states. In addition, this rule revises the existing OWB rules to allow Vermont retailers to sell, deliver, and install OWBs that do not meet Vermont's particulate matter emission limit for out-of-state use. Thus, not adopting this rule may negatively impact some OWB retailers in Vermont, particularly those near the border of any state, such as New York, that has not yet adopted an emission limit for OWBs.

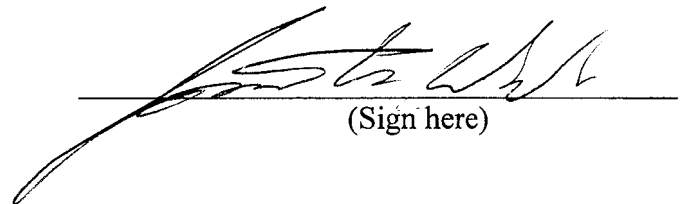
As for having separate requirements for small businesses, the great majority, if not all, of Vermont businesses that will be impacted by the

rule are small businesses. Therefore, it is not possible to have a rule with separate requirements for small businesses.

5. Flexibility statement: Please compare the burden imposed on small business by compliance with the rule to the burden which would be imposed by alternatives considered in 3 V.S.A. § 832a.
See above.

Greenhouse gas impact statement: The overall climate change impact of the rule is expected to be positive due to the higher thermal efficiency of OWBs meeting the Phase II emission limit as compared to older designs. For more information, please see Attachment B.

CERTIFICATION: AS THE ADOPTING AUTHORITY (see 3 V.S.A. § 801(b)(11) for a definition) OF THIS RULE, I CONCLUDE THAT THIS RULE IS THE MOST APPROPRIATE METHOD OF ACHIEVING THE REGULATORY PURPOSE. IN SUPPORT OF THIS CONCLUSION, I HAVE ATTACHED ALL FINDINGS REQUIRED BY 3 V.S.A. § 832a and § 832b



(Sign here)

Date: 4/27/09

Jonathan L. Wood, Secretary
Agency of Natural Resources

(Type name here please)