

Attachment A

Residents of Vermont

Vermont residents are continuously exposed to toxic and carcinogenic air pollutants. By updating the Hazardous Ambient Air Standards (HAAS) based on current toxicological information, the standards will be up-to-date and protective of human health. Reductions in health care costs and lost wages will be realized by individuals and society due to decreased concentrations of hazardous air contaminants (HACs). Health benefits and health care savings costs resulting from the adoption of this rule are not readily quantifiable, primarily due to difficulties in assigning standardized values to extending life, or avoiding asthma, cancer and other disease.

Small and Large Businesses in VT That Emit HACs

It is anticipated that the revised rule will impose an economic impact on some large and small businesses in VT that emit toxic air pollutants. Facilities that emit more than 5 tons of pollutants per year must register their emissions with the Air Pollution Control Division (APCD) and pay a fee based on the toxicity of their emissions. For instance, the fee for a Category II contaminant is \$0.084 per pound of emissions, while the fee for a Category III contaminant which is \$0.0084 per pound of emissions. With the adoption of this rule, the toxicity category of many HACs will be updated to be more, or in some instances less, stringent. Consequently, the fees for emissions of HACs for some facilities may increase.

It is predicted that approximately 45% of facilities included in the inventory will be affected by Category I (known or suspected carcinogens) changes. A conservative estimate of the maximum range of fee increases for Category I HACs is from \$0 to \$8,000 per facility per year (mean \$714, median \$85). For Category II (chronic systemic toxicity due to long-term effects) and Category III (short-term irritation) HACs, approximately 59% of facilities registered with the emissions inventory will be affected by fee changes. For Category II and III HACs, a conservative estimate of the maximum range of fee increases is from \$-2 to \$25,000 per facility per year (mean \$950, median \$125). Based on historical information, the APCD does not expect that the actual fee increases will be as high as these conservative estimates. In response to this rule, many facilities may either provide more detailed emissions estimates, install control technology, and/or incorporate the use of less toxic alternatives in their processes to refine (lower) their HAC emission estimates, thereby reducing the pounds of emissions that are subject to fees. To provide facilities with additional time to make these types of changes to lessen the economic impact, the Agency is proposing to wait until

the calendar year immediately following the reauthorization of the fees set forth in 3 V.S.A. § 2822(k), which should be 2008, to calculate HAC emission fees based upon the revised toxicity categories.

In addition, because the action level (AL) for each HAC is based on the HAAS, the proposed revisions also include changes to the action levels for many HACs. ALs are used to determine the applicability of § 5-261 to stationary sources. When the emission rate of a HAC is above the AL, § 5-261 requires the source to apply control technology, production processes, or other techniques to achieve the hazardous most stringent emission rate (HMSER). If the source remains above the action level, § 5-261 may require modeling. Those facilities that are already subject to an established HMSER are not expected to be affected by this rule. However, under the proposed rule, it is estimated that an additional 13 facilities will exceed ALs and thus become subject to § 5-261. For the majority of these facilities, the source of HAC emissions above the AL is coatings applied in spray booths. HAC emissions from coatings are usually reduced through product reformulation or substitution because controls are not feasible due to high air volumes and low pollutant concentrations. The cost of reformulation or substitution is primarily borne by the supplier. Although the facility will need to test potential alternative coatings, this is part of the ongoing R&D performed at most facilities to optimize operations. Large facilities may incur additional costs due to additional emission testing performed to refine the estimate of HAC emissions. In some cases, installation of pollution controls may be appropriate.

Air Pollution Control Division, Department of Environmental Conservation

No additional Agency resources are anticipated as a result of these amendments. All technical work will be accomplished by using existing resources.