

Office of Regulatory Management
Economic Review Form

Agency name	State Water Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9 VAC 25-91
VAC Chapter title(s)	Facility and Aboveground Storage Tank (AST) Regulation
Action title	Periodic Review
Date this document prepared	May 15, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Agency Note: As this action involves a Periodic Review, Tables, 1a, 1b, and 1c have not been completed pursuant to the ORM Regulatory Economic Analysis Manual.

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect costs. Currently, approximately 54 localities in Virginia operate regulated ASTs, i.e., ASTs with a capacity of more than 600 gallons. Any AST with a capacity of more than 600 gallons must be registered and closed properly. Only 5 localities operate regulated AST facilities, which are facilities that have an aggregate storage capacity of 25,000 gallons or more. All costs described below, except for registration and closure costs, apply only to regulated AST facilities.</p> <ul style="list-style-type: none"> • Closure: \$500-\$8000, (size dependent). This range in 2023 is \$601.89 to \$9,630.32. • Registration: no fee to register
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- Oil Discharge Contingency Plan (ODCP) Original Application for Approval – Fees start at \$718 for smaller capacity facilities up to \$3,353 for the largest.
- Piping Pressure Test – Every 5 years. Low range is hydro testing done by experienced facility staff; high range is API 570 on small run of piping. In 2018, the estimated low range was \$0 and estimated high range was \$3,500. This range in 2023 adjusted for inflation is \$0 to \$4,213.27.
- Professional Engineer Certification of Secondary Containment – Every 10 years. Low range is certification done by facility staff; high range is 3rd party contractor. In 2018, the estimated low range was \$0 and estimated high range was \$5,000. This range in 2023 adjusted for inflation is \$0 to \$6,018.96.
- Employee Training – Every 3 years. Low range is annual readings & report done by facility staff; high range is annual readings & report done by 3rd party contractor. In 2018, the estimated low range was \$0 and estimated high range was \$2,500. This range in 2023 adjusted for inflation is \$0 to \$3,009.48.
- Cathodic Protection – Annual check of installed system. In 2018, the estimated low range was \$0 and estimated high range was \$2,500. This range in 2023 adjusted for inflation is \$0 to \$3,009.48.

Indirect Costs: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect costs. Some indirect costs associated with this regulation may be the costs associated with noncompliance, i.e., penalties. Penalties for noncompliance range from as low as approximately \$300 per noncompliant AST to approximately \$5,300 per AST. Penalties for oil discharges (that may result from regulatory noncompliance) are assessed on a per gallon of discharge basis. Other indirect costs are associated with the costs of cleaning up a discharge that may have been caused or exacerbated by noncompliance with regulatory requirements. Local partners operating AST facilities with capacities between 25,000 to 100,000 gallons must pay the first \$5,000 of any cleanup before the Virginia Petroleum Storage Tank Fund will begin reimbursing eligible cleanup costs. Local government AST operators would also bear the burden of any ineligible costs associated with an oil discharge from the AST facility.

	<p>Direct Benefits: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect benefits. However, overall, the pollution prevention requirements of this regulation directly benefit local partners by reducing the frequency and severity of oil discharges.</p> <p>Indirect Benefits: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect benefits. However, overall, the pollution prevention requirements of this regulation directly benefit local partners by reducing the frequency and severity of oil discharges. This in turn benefits local partners by protecting its citizens, natural resources and tourism industry from the negative impacts of large scale oil discharges.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	<p>Closure: \$601.89 to \$9,630.32; Registration: no fee to register ODCP Original Application or approval: \$715 to \$3,353. Piping Pressure Test –\$0 to \$4,213.27. Professional Engineer Certification of Secondary Containment –\$0 to \$6,018.96. Employee Training –\$0 to \$3,009.48. Cathodic Protection -\$0 to \$3,009.48</p>	<p>This regulation directly benefits local partners by reducing the frequency and severity of oil discharges which in turn protects the locality’s citizens, natural resources and tourism industry from the negative impacts of large-scale oil discharges.</p>
(3) Other Costs & Benefits (Non-Monetized)	<p>The requirements of this regulation effectively reduce the frequency and severity of oil discharges which in turn protects the locality’s citizens, natural resources and tourism industry from the negative impacts of large-scale oil discharges.</p>	
(4) Assistance	<p>DEQ staff are available to assist AST facility operators in complying with the regulation.</p>	
(5) Information Sources	<p>Data source for costs is former AST facility operator and current DEQ staff.</p> <p>US Bureau of Labor Statistics CPI Inflation Calculator: Cost July 1, 2018 vs April 2023.</p>	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Home heating oil ASTs are exempt from this regulation; therefore, this regulation imposes no direct costs on families.</p> <p>Indirect Costs: Families could potentially experience some financial impact of these regulations if localities are passing on a portion of AST facility compliance costs through their tax rates.</p> <p>Direct Benefits: The requirements of this regulation reduce the frequency and severity of oil discharges from regulated AST facilities.</p> <p>Indirect Benefits: The requirements of this regulation effectively reduce the frequency and severity of oil discharges which in turn protects families and the natural resources, recreation and tourist activities they enjoy from the negative impacts of large-scale oil discharges.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Potential impact on local tax rates if localities are passing on a portion of AST facility compliance costs through their tax rates.	(b) This regulation directly benefits families by reducing the frequency and severity of oil discharges which in turn protects the families and the natural resources, recreation and tourist activities they enjoy from the negative impacts of large-scale oil discharges.
(3) Other Costs & Benefits (Non-Monetized)	The requirements of this regulation effectively reduce the frequency and severity of oil discharges which in turn protects the protects families and the natural resources, recreational and tourist activities they enjoy from the negative impacts of large-scale oil discharges.	
(4) Information Sources	N/A	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct costs. The existing costs are reflected below:</p> <ul style="list-style-type: none"> • ODCP Original Application for Approval – Fees start at \$718 for smaller capacity facilities up to \$3,353 for the largest. • Registration: no fee to register • Piping Pressure Test – Every 5 years. Low range is hydrostatic testing done by experienced facility staff; high range is API 570 on small run of piping. In 2018, the estimated low range was \$0 and estimated high range was \$3,500. This range in 2023 adjusted for inflation is \$0 to \$4,213.27. • Professional Engineer Certification of Secondary Containment – Every 10 years. Low range is certification done by facility staff; high range is 3rd party contractor. In 2018, the estimated low range was \$0 and estimated high range was \$5,000. This range in 2023 adjusted for inflation is \$0 to \$6,018.96. • Employee Training – Every 3 years. Low range is annual readings & report done by facility staff; high range is annual readings & report done by 3rd party contractor. In 2018, the estimated low range was \$0 and estimated high range was \$2,500. This range in 2023 adjusted for inflation is \$0 to \$3,009.48. • Cathodic Protection –In 2018, the estimated low range was \$0 and estimated high range was \$2,500. This range in 2023 adjusted for inflation is \$0 to \$3,009.48. <p>Indirect Costs: Given that the result of the periodic review is to retain as is, there are no proposed changes with indirect costs. Some indirect costs associated with this regulation may be the costs associated with noncompliance, i.e., penalties. Penalties range from as low as approximately \$300 per noncompliant AST to approximately \$5,300 per AST. Other indirect costs are associated with the costs of cleaning up a discharge that may have been caused or exacerbated by noncompliance with regulatory requirements. Small businesses operating AST facilities must pay potentially between \$5,000 and \$200,000 for cleanup before the Virginia Petroleum Storage Tank Fund will begin reimbursing eligible cleanup costs. Small business AST operators would also bear the burden</p>
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	<p>of any ineligible costs associated with an oil discharge from the AST facility.</p> <p>Direct Benefits: The requirements of this regulation reduce the frequency and severity of oil discharges from regulated AST facilities.</p> <p>Indirect Benefits: The requirements of this regulation effectively reduce the frequency and severity of oil discharges which in turn protects small businesses such as those involved in recreational activities and tourism from the negative impacts of large-scale oil discharges.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	<p>Closure: \$601.89 to \$9,630.32; Registration: no fee to register Oil Discharge Contingency Plan submittal/approval \$718 to \$3,353. Piping Pressure Test –\$0 to \$4,213.27. Professional Engineer Certification of Secondary Containment –\$0 to \$6,018.96. Employee Training –\$0 to \$3,009.48. Cathodic Protection –\$0 to \$3,009.48</p>	<p>This regulation directly benefits small businesses by reducing the frequency and severity of oil discharges which in turn protects small businesses such as those involved in recreational activities and tourism from the negative impacts of large-scale oil discharges.</p>
(3) Other Costs & Benefits (Non-Monetized)	<p>This regulation directly benefits small businesses by reducing the frequency and severity of oil discharges which in turn protects small businesses such as those involved in recreational activities and tourism from the negative impacts of large-scale oil discharges.</p>	
(4) Alternatives	<p>Va. Code §62.1-44.34:15.1 requires the State Water Control Board to promulgate regulations “necessary to prevent pollution of state waters, lands, or storm drain systems from the discharge of oil from new and existing aboveground storage tanks”. There is no viable alternative to having this regulation.</p>	
(5) Information Sources	<p>Data source for costs is former AST facility operator and current DEQ staff.</p> <p>US Bureau of Labor Statistics CPI Inflation Calculator: Cost July 1, 2018 vs April 2023.</p>	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Agency Note: This is a periodic review, and the Agency decision is to retain the regulation as written. No changes to the regulation are being proposed at this time.

Change in Regulatory Requirements

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change
9VAC25-91				0

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A		

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A			