



Economic Impact Analysis Virginia Department of Planning and Budget

9 VAC 5 - 140 – Regulation for Emissions Trading
Department of Environmental Quality
January 9, 2012

Summary of the Proposed Amendments to Regulation

The Virginia State Air Pollution Control Board adopted this regulation to implement the federal Clean Air Mercury Rule (CAMR) program on January 16, 2007. The regulation was published in the Virginia Register on March 5, 2007 and became effective on April 4, 2007.

On February 8, 2008, the District of Columbia Circuit Court of Appeals, in a unanimous decision, vacated CAMR, and the associated New Source Performance Standard (NSPS). In the decision, the DC Circuit Court found that EPA's action to remove oil and coal-fired electric generating units (EGUs) from the list of source categories to be regulated under the Clean Air Act §112 did not comply with the requirements of the statute. CAMR was vacated because the court determined that EGUs must be regulated under CAA §112 standards, rather than the §111-based standards (NSPS). The vacatur was mandated by the Court on March 14, 2008 and the associated mercury rules are no longer effective at the federal level. Since the underlying federal rule has been vacated, there is no longer a basis on which the state rule can operate, thus rendering the state rule unnecessary and inconsistent with the federal program.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Since the underlying federal rule has been vacated, there is no longer an applicable program to regulate. Thus the proposed repeal of this regulation will not affect any individual, business or other entity beyond potentially reducing confusion amongst the public.

Businesses and Entities Affected

Coal-fired electric generating units with a nameplate capacity greater than 25 megawatts were subject to this regulation. Such entities would not be affected by the repeal of this regulation since the underlying federal rule has been vacated and thus there is no longer an applicable program to regulate.

Localities Particularly Affected

The proposed repeal of this regulation does not have a disproportionate effect on any particular localities.

Projected Impact on Employment

The proposed repeal of this regulation will not affect employment.

Effects on the Use and Value of Private Property

The proposed repeal of this regulation will not affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed repeal of this regulation will not affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed repeal of this regulation will not affect small businesses.

Real Estate Development Costs

The proposed repeal of this regulation will not affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the

regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.