

Office of Regulatory Management
Economic Review Form

Agency name	State Water Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC25-115
VAC Chapter title(s)	VPDES General Permit Regulation for Seafood Processing Facilities
Action title	CH 115 - 2026 Amendment and reissuance of the Existing Regulation
Date this document prepared	November 8, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Proposed

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Background

This general permit regulation establishes effluent limitations, monitoring requirements, and other special conditions for point source discharge of wastewater from seafood processing facilities to surface waters to maintain surface water quality. The general permit also regulates stormwater associated with industrial activity from seafood processing facilities operating under SIC codes 2091 (Canned and Cured Fish and Seafood) and 2092 (Prepared Fish or Frozen Fish and Seafoods) to maintain surface water quality.

This regulatory action is proposed to amend and reissue the existing general permit which expires on June 30, 2026. VPDES general permit regulations expire every 5 years and must be re-issued in order for permit coverage to be available to existing facilities to continue coverage and new entities to be able to obtain coverage for conducting this regulated activity. If the general permit is not re-issued, each member of the regulated community will need to obtain an individual VPDES permit to conduct the regulated activity. For this reason, the costs associated with obtaining an individual permit are compared with the costs associated with general permit coverage. General permits provide the regulated community with a streamlined, less burdensome approach to obtain coverage for conducting a specific regulated activity.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Presently there are 42 regulated entities covered by this general permit. Reissuance of this general permit allows existing facilities to continue coverage and new entities to be able to obtain coverage for conducting this regulated activity. The proposed amendments update the permit term, clarify the reporting requirements, and reduce monitoring frequency for the majority of facilities. They do not add requirements or increase burdens on the regulated community.</p> <p>Direct Costs: The proposed changes are not expected to result in any additional direct costs to the regulated community since they do not add requirements or impose any additional burdens on them.</p> <p>Indirect Costs: The proposed changes are not expected to result in any additional indirect costs for the regulated community since they do not add requirements or impose any additional burdens on them.</p> <p>Direct Benefits: The reissuance of this general permit provides the regulated community with a streamlined, less burdensome approach to obtain coverage for conducting a specific regulated activity while continuing to be protective of human health and the environment.</p> <p>It also lowers compliance monitoring costs for the majority of seafood processing facilities. A member of the Technical Advisory Committee provided the following costs for their facility to collect and have quarterly samples analyzed for their seafood processing facility’s permit required effluent monitoring:</p> <ul style="list-style-type: none"> • Sampling and travel for pH testing: \$136.00 • Universal Lab charges: \$2,202.36 • Travel mileage at government rate: \$412.72 • Tolls: \$160.00 • Man-hours based on \$15/hr. \$420.00
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	<ul style="list-style-type: none"> Totaling: \$3,331.08 annual cost <p>The proposed amendments reduce monitoring frequency from quarterly to semiannually which will reduce the facility's costs by 50%:</p> <ul style="list-style-type: none"> Divided by 2 would equal \$1,665.54 annual savings <p>Information provided by a separate TAC member estimated that they incur a cost of approximately \$1,000 per sampling period, resulting in an annual average of \$4,000. Reduced sampling frequency would then result in a savings of \$2,000 annually at their facility.</p> <p>Indirect Benefits: The reissuance of the regulation will indirectly benefit economic development because it enables seafood processors to conduct activities under a general permit that is protective of human health and the environment and is less burdensome than having to apply for and maintain an individual VPDES permit. Regulating discharges also benefits tourism and the seafood industry by protecting water quality, aquatic habitat, and recreational use of state waters.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See above regarding direct costs. No indirect costs are expected due to the limited extent of the changes being made to the general permit regulation.	(b) See above regarding direct and indirect benefits.
(3) Net Monetized Benefit	Reducing the reporting requirement from quarterly to semi-annual is expected to result in an annual savings of between \$1,665 and \$2,000 per facility. Across all permittees this would result in an estimated annual savings of between \$63,000 and \$84,000.	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Members of the Technical Advisory Committee reported their typical compliance monitoring costs.	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs &	None. The general permit regulation expires on June 30, 2026, ending coverage for all currently regulated seafood processing facilities. As
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Benefits (Monetized)	<p>noted in Table 1a, after June 30, 2026, each facility would need coverage under an individual VPDES permit to continue any operation that resulted in a discharge to state waters.</p> <p>Available general cost and benefit data is provided in Table 1a. Given the general character of this data, it would also be applicable to the general permit under the status quo (i.e., no change to the regulation.).</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See information in Table 1a.	(b) See information in Table 1a.
(3) Net Monetized Benefit	None. Continuing under the status quo would not reduce the monitoring requirement for the regulated community. This would prevent the regulated community from seeing any savings from a reduced monitoring frequency.	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	See Table 1a.	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Under the Clean Water Act and State Water Control Law, point source discharges of seafood processing wastewater from seafood processing facilities to surface waters must be authorized by a VPDES permit. Thus, no non-regulatory options were determined to be available.</p> <p>Regulating activities through the issuance of general permit regulations is an alternative streamlined approach that is used to regulate entities that conduct similar activities. A benefit of this general permit is its lower cost to permittees relative to the cost of obtaining an individual VPDES permit. The permit fee for operators to obtain coverage under this general permit is \$600. Thus, the applicable fee total for five years of coverage for 42 facilities is \$25,200. If this general permit were not available, these facilities would be required to obtain an individual VPDES permit, and the initial application fee would be \$3,300 (industrial minor, standard limits). An annual permit maintenance of approximately \$1,969 would also apply (the application and maintenance fee total would be \$11,176 per permittee/5-year permit term). Thus, individual permits for 42 facilities would cost \$469,392 over five years (\$444,192 more than the general permit). This does not account for the longer lead time to</p>
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	<p>obtain an individual permit and the increased burden on DEQ staff resources that would result.</p> <p>For electronic submission of registration statement and DMRs, no regulatory alternatives were considered during this phase of general permit reissuance. This is because the electronic submission of these items is required under federal and state regulations (9VAC25-31-1020).</p> <p>EPA developed cost and benefit estimates for electronic reporting. Upon full implementation, EPA estimates that the net savings for authorized NPDES programs will be \$22.6 million, \$0.5 million for regulated entities. (Economic Analysis of the National Pollutant Discharge Elimination System (NPDES) Electronic Reporting Final Rule, Enforcement Targeting and Data Division, Office of Compliance, Office of Enforcement and Compliance Assurance, U.S. EPA, DCN 0197, September 14, 2015, Page ES xii, Docket No. EPA-HQ-OECA-2009-0274). EPA acknowledges that there will be up-front costs and predicts the break-even point in the fourth year.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See above for an analysis of the direct cost of an individual permit	(b) See above for an analysis of the direct cost of an individual permit
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	<p>Economic Analysis of the National Pollutant Discharge Elimination System (NPDES) Electronic Reporting Final Rule, Enforcement Targeting and Data Division, Office of Compliance, Office of Enforcement and Compliance Assurance, U.S. EPA, DCN 0197, September 14, 2015, Page xii, Docket No. EPA-HQ-OECA-2009-0274. https://www.epa.gov/sites/default/files/2015-09/documents/npdesea.pdf</p> <p>Cost Analysis for the U.S. Environmental Protection Agency’s (EPA) National Pollutant Discharge Elimination System (NPDES) 2021 Multi-Sector General Permit (MSGP) for Stormwater Discharges Associated with Industrial Activity, U.S. EPA, January 2021.</p> <p>9VAC25-20-110. Fee schedules for individual VPDES and VPA new permit issuance, and individual VWP, SWW, and GWW new permit issuance and existing permit reissuance.</p>	

	<p>9VAC25-20-130. Fees for filing registration statements or applications for general permits issued by the board.</p> <p>9VAC25-20-142. Permit maintenance fees.</p>
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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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>No local governments conduct an activity that would be regulated by the general permit.</p> <p>However, there is the potential for the proposed changes to have direct and indirect benefits to the economies of local communities where the regulated facilities are located.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) None
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance	N/A	
(5) Information Sources	N/A	

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 &	<p>The proposed changes are not expected to result in any additional direct costs to families as the proposed changes are not adding any additional requirements or burdens being placed on them. As several of permittees</p>
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Benefits (Monetized)	<p>are family-owned businesses, families will directly benefit from the savings from a reduced monitoring frequency.</p> <p>General permits provide the regulated community with a streamlined, less burdensome approach to obtain coverage for conducting a specific regulated activity. Without this general permit regulation, an individual permit would be required to conduct the regulated activity.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) See Table 1a
(3) Other Costs & Benefits (Non-Monetized)	<p>Families could potentially benefit from industry's use of general permits. If this general permit did not exist, individual permits would be required for these activities, and the additional costs would likely be passed on to consumers, which would potentially include families.</p>	
(4) Information Sources	See Table 1a	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The proposed changes are not expected to result in any direct costs to small businesses as there are no additional requirements or burdens being placed on them. Small businesses will directly benefit from a reduced monitoring frequency.</p> <p>General permits provide the regulated community with a streamlined, less burdensome approach to obtain coverage for conducting a specific regulated activity. Without this general permit regulation, an individual permit would be required to conduct the regulated activity.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) See Table 1a
(3) Other Costs & Benefits (Non-Monetized)	<p>No costs or benefit impact on small businesses are expected due to the limited extent of changes being made to the general permit regulation. If this general permit did not exist, individual permits and their associated fees and application process would be required for these activities.</p>	

(4) Alternatives	
(5) Information Sources	

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.

Change in Regulatory Requirements

VAC Section(s) Involved	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC15-115-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC25-115-15	(M/A):	1	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC25-115-20	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC25-115-30	(M/A):	1	0	0	0
	(D/A):	1	0	0	0

	(M/R):	2	0	0	0
	(D/R):	1	0	0	0
9VAC25-115-40	(M/A):	1	0	0	0
	(D/A)	0	0	0	0
	(M/R):	4	0	0	0
	(D/R):	0	0	0	0
9VAC25-115-50	(M/A):	3	0	0	0
	(D/A):	9	0	0	0
	(M/R):	174	2 ^A	-1	+1
	(D/R):	6	0	-1	-1
				Grand Total of Changes in Requirements:	(M/A): 0
					(D/A): 0
					(M/R): +1
					(D/R): -1

Key:

^A Changed reporting requirements when there is noncompliance (9VAC25-115-50 Part III I). The proposed amendments specify that reports shall be made to the regional office (earlier requirement was to report, but the regulation did not specify to whom to make the report) and, for reports outside of normal working hours, reporting should be done using the online portal (instead of leaving a message). The changes clarify and simplify the reporting requirements.

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself.

(D/A): Discretionary requirements affecting agency itself.

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies.

(D/R): Discretionary requirements affecting external parties, including other agencies.

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
9VAC25-115-entire chapter-see Table 1c for further explanation	This is the reissuance of a general permit. If the general permit regulation did not exist, each seafood processing facility would need an individual permit to conduct regulated activities.	\$11,176 per permittee, 5-year permit term for an individual permit	\$600 for the 5-year general permit coverage	Currently there are 42 regulated entities covered by this general permit. Cost savings of \$10,576 per permittee covered by the general permit. Cost savings to the regulated community-\$444,192 over 5-year permit term which represents a 95% cost savings over the cost of an individual permit.
9VAC25-115-entire chapter	Reissuance of the general permit reduces the time required to obtain permit coverage	Average amount of time to issue individual permit (FY2021 data*) - 322 days	Average amount of time to issue general permit coverage (FY2021 data*) – 79 days	Permittee obtains permit coverage on average 243 days sooner under the general permit. This represents a 75% reduction in the time required to obtain permit coverage.
9VAC25-115-50-General Permit	The proposed amendments to the general permit reduce monitoring frequency from a quarterly requirement to semi-annual	Members of the Technical Advisory Committee reported an average cost of between \$832 and \$1,000 per sampling period, resulting in an annual cost of	At an average cost of between \$832 and \$1,000 per sampling period, the reduced monitoring frequency would result in an annual cost of between	Currently there are 42 regulated entities covered by this general permit. This would result in an estimated annual saving of between \$1,665 and \$2,000 per regulated facility. Across all permittees this

		between \$3,331 and \$4,000.	\$1,665 and \$2,000.	would result in an estimated annual savings of between \$63,000 and \$84,000.
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*Processing time data obtained from General Assembly Report RD848 - Permit Fee Program Evaluation – January 2022

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			

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).