

Office of Regulatory Management
Economic Review Form

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	Primary: Part I and Articles 1 and 3 through 10 of Part II of 9VAC5-80 Secondary: 9VAC5-85; 9VAC5-170
VAC Chapter title(s)	Regulations for the Control and Abatement of Air Pollution; Permits for Stationary Sources of Pollutants Subject to Regulation; Regulation for General Administration
Action title	Revise regulations to implement new requirements for transfer of authority and requests for certain public hearings (Revision D22); final exempt changes in response to Chapter 356 of the 2022 Acts of Assembly.
Date this document prepared	

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include

a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

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

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • <u>All</u> changes are mandated, and the agency is not exercising any discretion. • Amend the regulations to meet the requirements of Chapter 356 of the 2022 Acts of Assembly, which amends the Air Pollution Control Law of Virginia to limit the authority of the Air Pollution Control Board to issuance of regulations, and transfers the board's existing authority to issue permits, orders, and variances to DEQ. <p>Direct Costs: None. These amendments do not change whether or not a person needs to obtain a permit, nor do they change the requirements of any permits. The only change, which is required by Chapter 356 of the 2022 Acts of Assembly, is who issues the permit (DEQ instead of the board).</p> <p>Direct Benefits: The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.</p> <ul style="list-style-type: none"> • Amend the regulations to meet the requirements of Chapter 356 of the 2022 Acts of Assembly, which requires that at each regular meeting of the board, DEQ must provide an overview and update regarding any controversial permits pending before DEQ that are relevant to the board, which will have an immediate opportunity to respond. <p>Direct Costs: None. Under the previous law these permits would have gone before the board for permit issuance. As a result of the change in the law the permits will not go before the board for issuance, but DEQ staff will update the board about these permits at</p>
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	<p>regularly scheduled board meetings, which would have occurred with or without this change.</p> <p>Direct Benefits: The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.</p> <ul style="list-style-type: none">• Amend the regulations to meet the requirements of Chapter 356 of the 2022 Acts of Assembly, which requires that DEQ publish a summary of public comments received. After such publication, DEQ is required to publish public responses to the public comment summary and hold a public hearing to provide an opportunity for response. <p>Direct Costs: None.</p> <p>Direct Benefits: The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.</p> <ul style="list-style-type: none">• Amend the regulations to meet the requirements of Chapter 356 of the 2022 Acts of Assembly, which defines "controversial permit," and requires that changes to the implementing regulations include specific criteria for requesting and granting a public hearing before DEQ (previously the board) on a permit action during a public comment period in those instances where a public hearing is not mandatory under state or federal law or regulation. <p>Direct Costs: None. Under the previous law a public hearing on these permits would have been before the board; the only change, which is required by Chapter 356 of the 2022 Acts of Assembly, is that the public hearing will be held before DEQ instead of the board.</p> <p>Direct Benefits: The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly</p>
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	<p>implemented by making the regulatory language consistent with the requirements of state law.</p> <ul style="list-style-type: none"> Amend the regulations to meet the requirements of Chapter 356 of the 2022 Acts of Assembly, which allow the Director of DEQ to convene a public hearing on a permit action at his discretion. <p>Direct Costs: None. Under the previous law the Director of DEQ could convene a public hearing on a permit action before the board at his discretion; the only change, which is required by Chapter 356 of the 2022 Acts of Assembly, is that the public hearing, if convened, will be held before the department instead of the board.</p> <p>Direct Benefits: The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.</p> Amend the regulations to make several minor technical corrections. <p>Direct Costs: None.</p> <p>Direct Benefits: Enable the regulations to operate accurately and properly.</p>
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(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) None.	(c) None.	
Direct Benefits	(b) None.	(d) None.	
(3) Benefits-Costs Ratio	None.	(4) Net Benefit	None.

(5) Indirect Costs & Benefits	The primary indirect benefit will be that the permitting process set forth in regulation will conform to the permitting process set forth in law, and will thus ensure that the permitting process operates in an efficient, transparent manner.
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(6) Information Sources	Fiscal Impact Statement prepared for SB657.
(7) Optional	The new legal mandate does not impose any new requirements on regulated entities; rather, it transfers legal authority from one governmental body to another, which necessitates several minor administrative changes.

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

Not required. All changes are mandated, and the agency is not exercising any discretion.

Table 1c: Costs and Benefits under an Alternative Approach

Not required. All changes are mandated, and the agency is not exercising any discretion.

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.

Direct Benefits	(b) The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.
(3) Indirect Costs & Benefits	The primary indirect benefit will be that the permitting process set forth in regulation will conform to the permitting process set forth in law, and will thus ensure that the permitting process operates in an efficient, transparent manner.
(4) Information Sources	Fiscal Impact Statement prepared for SB657.
(5) Assistance	None.
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	None.
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.
(3) Indirect Costs & Benefits	The primary indirect benefit will be that the permitting process set forth in regulation will conform to the permitting process set forth in law, and will thus ensure that the permitting process operates in an efficient, transparent manner.
(4) Information Sources	Fiscal Impact Statement prepared for SB657.
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) The public, agency and regulated community will benefit from the regulatory changes. These regulatory changes are being made to conform to the requirements of state law and the board nor the agency has any discretion concerning these changes. The regulatory changes will enable the regulations to be properly implemented by making the regulatory language consistent with the requirements of state law.
(3) Indirect Costs & Benefits	The primary indirect benefit will be that the permitting process set forth in regulation will conform to the permitting process set forth in law, and will thus ensure that the permitting process operates in an efficient, transparent manner.
(4) Alternatives	None.
(5) Information Sources	Fiscal Impact Statement prepared for SB657.
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

These regulatory amendments do not place any additional regulatory requirements on the regulated community; rather, it transfers legal authority from one governmental body to another, which necessitates several minor administrative changes. The amendments necessitated by Chapter 356 are being adopted using the final exempt process as allowed by §2.2-4006 A 4 a of the Code of Virginia which allows for changes to be made to regulations that are necessary to

conform to changes in Virginia statutory law where no agency discretion is involved. The technical correction amendments are being adopted using the final exempt process as allowed by § 2.2-4006 A 3 of the Code of Virginia because they are only the corrections of technical errors.