

Office of Regulatory Management
Economic Review Form

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	Primary: Article 5 (9VAC5-50-400 et seq.), 9VAC5-50 Secondary: Article 1 (9VAC5-60-60 et seq.) and Article 2 (9VAC5-60-90 et seq.)
VAC Chapter title(s)	New and Modified Stationary Sources (9VAC5-50), Hazardous Air Pollutant Sources (9VAC5-60)
Action title	Federal Documents Incorporated by Reference (Rev. D23)
Date this document prepared	Revised 1/10/2025
Regulatory Stage (including Issuance of Guidance Documents)	FINAL EXEMPT Action 6393 / Stage 10209

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.

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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs:</p> <p>There are no direct costs associated with this action to incorporate these federal standards, enabling them to be administered by DEQ rather than EPA. New Source Performance Standards (NSPSs) apply to new sources, in the case of this regulatory action, Lead Acid Battery Manufacturing Plants (Subpart KKa of 40 CFR Part 60) and Automobile and Light Duty Truck Surface Coating Operations (Subpart MMA of 40 CFR Part 60). These federal regulations apply to regulated entities and will either be implemented by EPA or by DEQ. In the absence of a pending permit application to build one of the categories of regulated facilities and where such a facility would be located, it is impossible to determine any potential cost.</p> <p>For Subpart KKa: EPA's economic impact analysis of this rule anticipates that any future potential economic impacts associated with the rule will be relatively low, and there will not be substantial impacts on the markets for affected products. The costs of the final rule are not expected to result in a significant market impact, regardless of whether they are passed on to the purchaser or absorbed by the firms. EPA also expects minimal impacts on employment.</p> <p>For Subpart MMA: EPA estimates the increased usage of electricity and natural gas would result in an increase in the average production of 4,474 metric tons of mtCO_{2e} per year per facility, and a total GHG emission production of 71,584 mtCO_{2e} in the eighth year after the rule is final. Economic impacts are anticipated to be low for affected companies and the industries impacted by this rule, and there will not be substantial impacts on the markets for affected products. The costs of these rules are not expected to result in a significant market impact, regardless of whether they are passed on to the purchaser or absorbed by the firms.</p> <p>Indirect Costs:</p> <p>There are no indirect costs associated with this action.</p> <p>Direct Benefits:</p> <p>The direct benefit of implementing this program is that these federal requirements can be administered by DEQ rather than EPA. Regulated entities generally prefer to work with DEQ, which provides more localized customer service.</p>
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	<p>For Subpart KKa: EPA does not expect any new facilities to be built in the foreseeable future. The rule is estimated to reduce emissions of lead, and therefore also reduce lead exposure among individuals living near lead-emitting facilities. If any new facilities are built or any existing facility is modified or reconstructed in the future, the requirements in the new NSPS would achieve an estimated 0.03 tpy to 0.1 tpy reduction of allowable lead emissions for each new facility from the source category compared to that of the previous NSPS. EPA expects that the additional compliance assurance measures and work practices to minimize fugitive dust emissions, which will reduce the likelihood of excess emissions of lead.</p> <p>For Subpart MMA: EPA anticipates that the new standards would achieve an annual average VOC emission reduction of 331 tpy reduction of allowable VOC emissions per facility compared to that of the current NSPS. EPA estimates a total VOC emission reduction of 4,160 tpy in the eighth year after the rule is final.</p> <p>Indirect Benefits: There is an indirect benefit to maintaining state control over state permitting and compliance programs.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) None.
(3) Net Monetized Benefit	None.	
(4) Other Costs & Benefits (Non-Monetized)	None.	
(5) Information Sources	<p>Clean Air Act §§ 111 and 112; 40 CFR Parts 60, 61 and 63.</p> <p>U.S. EPA, Economic Impact and Small Business Analysis for the Lead Acid Battery Manufacturing NSPS Review and NESHAP Area Source Technology Review: Final Report; Preamble to final rule, IV. Summary of Cost, Environmental, and Economic Impacts, 88 FR 11556; Economic Impact.</p> <p>U.S. Analysis and Small Business Screening Assessment for Final Revisions and Amendments to the New Source Performance Standards for Automobile and Light Duty Truck Surface Coating; Preamble to final rule, IV. Summary of Cost, Environmental, and Economic Impacts; 88 FR 29978, Economic Impact.</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: If this action is does not go forward regulated entities will be regulated by EPA rather than DEQ. All changes are federal requirements, and the agency is not exercising any discretion.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: There are no direct benefits to the status quo.</p> <p>Indirect Benefits: There are no indirect benefits to the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here. If this action is does not go forward regulated entities will be regulated by EPA rather than DEQ. All changes are federal requirements, and the agency is not exercising any discretion.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: There are no direct benefits to giving up the Commonwealth's ability to regulate these facilities. The facilities would be subject to the same requirements, but they would be implemented by EPA.</p>
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	Indirect Benefits: None.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

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>Direct Costs: See Table 1a. This action does not impose any unique direct costs on local partners.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: See Table 1a. The direct benefit of implementing this program is to meet federal requirements for protecting human health and welfare. There may be direct benefits to a local partner should one of the affected categories of facilities locate in the locality and bring manufacturing and employments to an area. EPA's economic impact analyses of these facility categories revealed no impacts to small business.</p> <p>Indirect Benefits: There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) None.	(b) None.
(3) Other Costs & Benefits (Non-Monetized)	None.	
(4) Assistance		
(5) Information Sources	See Table 1a.	

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: This action does not impose any direct costs on families.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: See Table 1a. The direct benefit of implementing this program is to meet federal requirements for protecting human health and welfare. With regard to Subpart KKa, lead emissions have a particularly deleterious impact on children; limiting such emissions would benefit vulnerable family members. With regard to Subpart MMa, the health and welfare impacts of VOC and ozone are well known. Control of these pollutants will protect and improve the health of all citizens, including vulnerable family members such as children, the elderly, and those with preexisting respiratory and other health problems.</p> <p>Indirect Benefits: There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) None.	(b) None.
(3) Other Costs & Benefits (Non-Monetized)		
(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>Direct Costs: See Table 1a.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: See Table 1a. The direct benefit of implementing this program is to meet federal requirements for protecting human health and welfare.</p> <p>Indirect Benefits: There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) None.
(3) Other Costs & Benefits (Non-Monetized)	None.	
(4) Alternatives		
(5) Information Sources	See Table 1a.	

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	Net Change
9VAC5-50-410	Statutory:	0	73	0	+73
	Discretionary:	0	0	0	0
				Total Net Change of Statutory Requirements:	73.
				Total Net Change of Discretionary Requirements:	None.

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
None.				None.

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
None.		None.

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

Title of Guidance Document	Original Length	New Length	Net Change in Length
Not applicable.			None.

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