

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Air Pollution Control Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	9VAC5-30
<b>VAC Chapter title(s)</b>	Ambient Air Quality Standards
<b>Action title</b>	Amend list of NAAQS to add a new standard for PM <sub>2.5</sub> (Rev. A24)
<b>Date this document prepared</b>	July 1, 2024
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Exempt final

### 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 &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.                  There are no direct costs associated with this regulatory action. The National Ambient Air Quality Standards (NAAQS) contain no requirements in and of themselves; they provide the overall basis for specific regulatory, permitting and planning requirements elsewhere in the federal and state regulations.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.                  There may be indirect costs to permittees locating in areas with relatively high background levels of PM<sub>2.5</sub> that may potentially necessitate constraints on production in order to remain below the NAAQS. Although all areas of the Commonwealth currently attain the standard and there appears to be little risk of any Virginia locality becoming designated nonattainment, the theoretical possibility exists that this may occur in the future, which would incur the considerable costs associated with managing a nonattainment area.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.                  The primary direct benefit of the regulatory change is a reduction in the emissions of PM<sub>2.5</sub>, a pollutant with known serious health and welfare effects. Even though the NAAQS must be established without regard to cost, U.S. EPA's Regulatory Impact Analysis estimates that a monetized net benefit of \$22-46 million may be realized nationally as a result of implementing the new standard.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.                  There may be indirect benefits associated with the Commonwealth retaining implementing authority over its own air quality program instead of ceding that authority to the federal government.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) Not available for Virginia.</p>	<p>(b) Not available for Virginia.</p>
<p>(3) Net Monetized Benefit</p>	<p>Not available for Virginia.</p>	
<p>(4) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>None.</p>	
<p>(5) Information Sources</p>	<p>U.S. EPA Regulatory Impact Analysis, DEQ Air Data Analysis and Planning data</p>	

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

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.                      A direct cost associated with not adopting the updated standard would be the ability of permittees to obtain legal permits for new or modified facilities in Virginia. Application of a less stringent standard would render these permits inaccurate and subject to federal disapproval. Additionally, state attainment plans and associated regulations and permits would be inaccurate and likely disapproved by EPA.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.                      Retaining a state standard that directly conflicts with the federal standard would create regulatory and permitting uncertainty for all parties in the state: regulated entities, regulators, and in all aspects of the air quality planning and permitting process.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.                      There are no direct benefits associated with retaining the status quo.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.                      There are no indirect benefits associated with retaining the status quo.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) None.</p>	<p>(b) None.</p>
<p>(3) Net Monetized Benefit</p>	<p>None.</p>	
<p>(4) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>None.</p>	
<p>(5) Information Sources</p>	<p>See Table 1a.</p>	

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

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.                      The regulatory action is required by federal statute and leaves no discretion in its implementation.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
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(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: Describe the direct costs of this proposed change here. There are no direct costs to local partners associated with this regulatory action.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change. There are no indirect costs to local partners associated with this regulatory action.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here. See Table 1a. Local partners will benefit, as will all other affected parties, from regulatory certainty and clarity.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change. See Table 1a.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) None.
(3) Other Costs & Benefits (Non-Monetized)	None.	

(4) Assistance	Noe.
(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: Describe the direct costs of this proposed change here. There are no direct costs to families associated with this regulatory action.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change. There are no indirect costs to families associated with this regulatory action.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here. See Table 1a. Families will benefit, as will all other affected parties, from regulatory certainty and clarity.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change. See Table 1a.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) None.
(3) Other Costs & Benefits (Non-Monetized)	None.	
(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 &	<p>Direct Costs: Describe the direct costs of this proposed change here. See Table 1a.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p>
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<p>Benefits (Monetized)</p>	<p>See Table 1a.                      Direct Benefits: Describe the direct benefits of this proposed change here.                      See Table 1a. Small businesses will benefit, as will all affected parties, from regulatory certainty and clarity.                      Indirect Benefits: Describe the indirect benefits of the proposed change.                      See Table 1a.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) None.</p>	<p>(b) None.</p>
<p>(3) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>None.</p>	
<p>(4) Alternatives</p>	<p>None.</p>	
<p>(5) Information Sources</p>	<p>See Table 1a.</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.

*Change in Regulatory Requirements*

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
	(M/A):	0	3	0	+3
	(D/A):				N/A
	(M/R):	0	3	0	+3
	(D/R):				N/A
<b>Grand Total of Changes in Requirements:</b>					(M/A): +3 (D/A): N/A (M/R): +3 (D/R): N/A

**Key:**

*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
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)*

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>
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).