

Agenda Item: 14-22 **Request for 30-Day Waiver and to Proceed to Comment and Hearing on Revising Permit Term to Reflect S.L. 2013-413 (522)**

Explanation:

The Environmental Management Commission (EMC) is requested to approve a waiver of its 30-day rule and one or more public hearings to consider amendments to rules that set an eight-year permit term for non-Title V facilities.

The General Assembly enacted S.L. 2013-413, An Act to Improve and Streamline the Regulatory Process in Order to Stimulate Job Creation, to Eliminate Unnecessary Regulation, to Make Various Other Statutory Changes, and to Amend Certain Environmental and Natural Resources Laws. Part V, Section 29 of the Session Law amended G.S. 143-215.108 to require non-Title V air quality permits to be issued for a term of eight years. The rules found in 15A NCAC 02Q .0308, *Final Action on Permit Applications*, need to be revised to reflect this change in the length of permit term for consistency with the statute.

Due to the proposed rule change, over 2,400 private sector facilities receive regulatory relief from delaying periodic consulting firm charges to prepare an emission inventory required at permit renewal. About six percent of permit renewals are the result of implementation efforts by two of North Carolina local government air programs. The Division of Air Quality and these local air programs will eventually experience both increases and decreases in permit renewal workload as the transition to 8-year permit term occurs. The fiscal impacts of extending the non-Title V permit term from five years to eight years are estimated to be \$0.6 million to \$1.4 million during the sixth through eighth years (2019 through 2021), but there is no fiscal impact during the first five years (2014 through 2018). During the 40 year period of this analysis, there are 15 years for which the fiscal impact ranges between \$0 and \$512,000 in additional costs when compared to the regulatory baseline. The maximum annual impacts occur in the seventh and eighth year of these repeating eight-year cycles when total cost savings reach \$1.5 million. The opportunity costs and savings to State and local government agencies, along with the private sector, cause substantial economic impacts, as defined in the Administrative Procedures Act in N.C.G.S. 150B-21.4 meaning that the estimated impacts exceed \$1,000,000 in a 12-month period. However, the rule change itself has no impact beyond that created by the underlying statute since its purpose is solely to bring the related rule into agreement with the revised statute.

Recommendation:

The Director recommends that the Commission approve the waiver, proposed rules and fiscal note along with authorizing a public hearing(s) on these items and that the Chairman appoint a member(s) of the Commission to serve as a hearing officer(s).