FINAL
ECONOMIC IMPACT ANALYSIS ERRATA
PER § 25-7-110.5(4), C.R.S.

For proposed revisions to
Colorado Air Quality Control Commission
Regulation Number 7 (5 CCR 1001-9)

I. INTRODUCTION

The Colorado Air Pollution Control Division (Division) submits the following Final Economic Impact Analysis Errata in conjunction with its proposed revisions to Colorado Air Quality Control Commission (AQCC) Regulation Number 7 (5 CCR 1001-9). On May 21, 2012, the Denver Metro/North Front Range ("DMNFR") area was designated as a Marginal nonattainment area for the 2008 8-hour Ozone National Ambient Air Quality Standard ("NAAQS"), effective July 20, 2012, with an attainment date of July 20, 2015 (77 Fed. Reg. 30088). On May 4, 2016, the U.S. Environmental Protection Agency ("EPA") published a final rule that determined that Colorado's Marginal ozone nonattainment area failed to attain the 2008 8-hour Ozone NAAQS and therefore reclassified the DMNFR area to Moderate, effective June 3, 2016, and required attainment of the NAAQS no later than July 20, 2018, based on 2015-2017 ozone season data.

Due to the reclassification, Colorado must submit revisions to its State Implementation Plan ("SIP") to address the Clean Air Act's ("CAA") Moderate nonattainment area requirements, as set forth in CAA § 182(b) and the final SIP Requirements Rule for the 2008 Ozone NAAQS (See 80 Fed. Reg. 12264 (March 6, 2015)). The SIP revision must include Reasonably Available Control Technology ("RACT") requirements for major sources of VOC and/or NOx (i.e. sources that emit or have the potential to emit 100 tons per year ("tpy") or more). Accordingly, the Regional Air Quality Council ("RAQC") and the Colorado Department of Public Health and Environment, Air Pollution Control Division ("Division") conducted a public process to develop SIP revisions and supporting revisions to Regulation Number 7.

In response to the reclassification, the Division requests that the Colorado Air Quality Control Commission ("Commission") consider proposed revisions to Regulation Number 7 to satisfy RACT SIP requirements for Moderate nonattainment areas by establishing categorical RACT requirements for major sources of VOC and/or NOx in the DMNFR. Specifically, the Division is proposing RACT requirements in Section XVI.D. for boilers, stationary combustion turbines, lightweight aggregate kilns, glass melting furnaces and compression ignition reciprocating internal combustion engines ("RICE") (collectively referred to as "stationary combustion equipment") located at major sources of NOx.

In this Final ~~Initial~~ Economic Impact Analysis Errata, the Division has assessed the costs and benefits associated with each of the proposed strategies based on the reasonably available data. In collecting this data, the Division has sought input from various stakeholders in an effort to

generate the most complete and accurate assessment of the costs and benefits of the proposed strategies. Where data was not reasonably available, the Division utilized assumptions that are set forth in this analysis. To the extent that additional data regarding the costs and benefits of the proposed strategies is made available, the Division will assess this data and, where appropriate, incorporate it into the Final Economic Impact Analysis required under AQCC Procedural Rules, Section V.E.7. The Division did not receive additional cost and benefit data to incorporate into the Final Economic Impact Analysis or Errata.

II. REQUIREMENTS FOR ECONOMIC IMPACT ANALYSIS

Section 25-7-110.5(4)(a), C.R.S. sets forth the requirements for the initial and final Economic Impact Analysis, as stated below:

> Before any permanent rule is proposed pursuant to this section, an initial economic impact analysis shall be conducted in compliance with this subsection (4) of the proposed rule or alternative proposed rules. Such economic impact analysis shall be in writing, developed by the proponent, or the Division in cooperation with the proponent and made available to the public at the time any request for hearing on a proposed rule is heard by the commission. A final economic impact analysis shall be in writing and delivered to the technical secretary and to all parties of record five working days prior to the prehearing conference. If no prehearing conference is scheduled, the economic impact analysis shall be submitted at least ten working days before the date of the rule-making hearing. The proponent of an alternative proposal will provide, in conjunction with the Division, a final economic impact analysis five working days prior to the prehearing conference. The economic impact analyses shall be based upon reasonably available data. Except where data is not reasonably available, or as otherwise provided in this section, the failure to provide an economic impact analysis of any noticed proposed rule or any alternative proposed rule will preclude such proposed rule or alternative proposed rule from being considered by the Commission. Nothing in this section shall be construed to restrict the Commission's authority to consider alternative proposals and alternative economic impact analyses that have not been submitted prior to the prehearing conference for good cause and so long as parties have adequate time to review them.

Per Section 25-7-110.5(2), C.R.S., the requirements of Section 25-7-110.5(4) shall not apply to rules which: (1) adopt by reference applicable federal rules; (2) adopt rules to implement prescriptive state statutory requirements where the AQCC is allowed no significant policy-making options; or, (3) adopt rules that have no regulatory impact on any person, facility or activity.

III. OVERVIEW OF PROPOSED REGULATORY CHANGES

The Division is proposing Regulation Number 7 revisions to add RACT requirements for any existing stationary combustion equipment at major sources of NOx. The adoption of major VOC and NOx source RACT is a specific Moderate nonattainment area requirement.

Pursuant to CAA Section 182(b), Colorado must provide RACT requirements in its SIP for major sources of VOC and/or NOx. The CAA does not define RACT. However, EPA has defined RACT as the "lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility." 44 Fed. Reg. 53762 (Sept. 17, 1979). RACT can be adopted in the form of emissions limitations or work practice standards or other operation and maintenance requirements as appropriate.

Colorado has major sources of VOC and/or NOx in the ozone nonattainment area. While many of these sources are subject to regulatory RACT requirements included in Colorado's SIP, other sources or source emissions points are subject to individual RACT requirements established in federally enforceable permits as a minor source RACT requirement or inclusion of an applicable federal New Source Performance Standard ("NSPS") or National Emission Standard for Hazardous Air Pollutants ("NESHAP"). However, as a Moderate nonattainment area, Colorado must include RACT in the SIP provisions for Colorado's major sources, and the Division proposes to do so on a categorical basis. Establishing RACT on a categorical basis is a distinctly different process from Colorado's minor source RACT permitting requirement found in Regulation 3, Part B, Section III.D.2. Minor source RACT permitting is specific to new or modified sources (i.e. sources that have already committed to a capital expenditure to construct or modify a process), and the designs of which can more easily accommodate changes prior to construction. Categorical RACT applies much more broadly to source category, including both existing sources/equipment and new/modified sources/equipment. This inclusion of existing equipment significantly impacts costs, as those sources are not already committed to a capital expenditure and any associated shut down to add controls. This ultimately impacts the decision on what controls are determined to be reasonably available, technologically and economically feasible for the source category as a whole. Thus, categorical RACT may in some cases be different from any RACT established for a specific source or piece of equipment under the minor source permitting RACT requirement. Generally, RACT is analyzed in terms of the cost per ton of pollutant reduced. Accordingly, sources with low emissions often show that additional emission controls are reasonably available and technically feasible but are not cost effective.

In order to satisfy the Moderate RACT SIP requirement to establish categorical RACT for all major sources of VOC and/or NOx in the DMNFR, the Commission initially incorporated by reference several NSPS or NESHAP on November 17, 2016. These RACT requirements became effective on January 1, 2017.[1] However, during that rulemaking, the Commission determined

[1] The Commission previously adopted source specific RACT requirements by incorporating by reference certain NSPS and NESHAP for several source categories. These requirements were previously contained in Regulation 7, Section XIX.D.-G. While the substantive requirements of these provisions will not change during this rulemaking,

that little, if any, additional controls could be implemented by certain major sources by the SIP submittal deadline of January 1, 2017. The Commission also determined that not all major sources or major source emission points were subject to existing regulatory RACT requirements in Regulation Number 7 or federally enforceable emission limits in Colorado's Regional Haze SIP.

For those sources that were not subject to other, existing regulatory RACT requirements, the Commission required owners or operators to submit a RACT analysis for the facility or specific emission points to the Division by December 31, 2017, to inform development of categorical RACT rules. In these RACT analyses, sources were required to identify potential options to reduce VOC and/or NOx emissions, depending on which pollutant(s) the source was major for, propose RACT, propose associated monitoring, propose a schedule for implementation, and include economic and technical information demonstrating why the proposal established RACT for the particular facility or emission point(s).

Based on the information provided in these RACT analyses as well as the Division's own in-depth review of rules adopted by Moderate nonattainment areas in other states and EPA guidance such as the RACT/BACT/LAER Clearinghouse, the Division proposes to adopt categorical RACT requirements in Section XVI.D. for stationary combustion equipment located at major sources of NOx in the DMNFR.

The requirements of Section XVI.D. only apply to sources in the DMNFR that were major for NOx as of June 3, 2016 (i.e. the effective date of the Moderate nonattainment reclassification). These proposed revisions may impact 23 facilities, represented by 17 companies, including utilities, refineries, natural gas production and other major manufacturing sectors.

The Regulation Number 7 rulemaking package proposes revisions that establish categorical RACT requirements for boilers, turbines, engines, lightweight aggregate kilns, and glass melt furnaces at major stationary sources of VOC and/or NOx located in the DMNFR ozone non-attainment area. Specifically, the proposed revisions consist of the following:

1. Establishing categorical RACT requirements for gaseous or liquid fuel fired boilers ≥ 100 million British thermal unit per hour ("MMBtu/hr") where NOx emissions must be less than or equal to 0.2 pound per million British thermal unit ("lb/MMBtu") standard;
2. Establishing a categorical RACT requirement for gaseous and liquid fired turbines ≥ 10 MMBtu/hr where turbines constructed before Feb 8, 2005 must comply with NSPS GG emission limits and monitoring requirements and turbines constructed after Feb. 8, 2005 must comply with NSPS KKKK emission limits and monitoring requirements;
3. Establishing categorical RACT requirements for liquid fueled compression ignition RICE ≥ 500 horsepower (hp) where NOx emissions must be less than or equal to 9.0 grams per brake horsepower hour (g/bhp hr);

---

the Section numbers will be changed to Sections XIX.A-D. Additionally, the turbine requirements that were previously contained in Regulation 7, Section XIX.C. have been moved to Section XVI.4.b.

4. Establishing categorical RACT requirements for lightweight aggregate kilns ≥ 50 MMBtu/hr where NOx emissions must be less than or equal to 56.6 lbs per hour;
5. Establishing categorical RACT requirements for glass melt furnaces where NOx emissions must be less than or equal to 1.2 lbs per ton of product produced;
6. Establishing necessary monitoring, recordkeeping and reporting to ensure compliance with the categorical RACT standards.
7. Establishing a 20% capacity factor exemption for stationary combustion ~~equipment~~ boilers at a major stationary source based on a 3-year rolling average.
~~7.~~8. Establishing a 10% capacity factor exemption for stationary combustion turbines and compression ignition RICE at a major stationary source based on a 3-year rolling average.

IV. ECONOMIC IMPACT ANALYSIS

A. Identification of the Industrial and Business Sectors that will be Impacted by the Proposal

The Division's assessment of the economic impact of the proposed categorical RACT standards is based on assessments of the estimated costs to the industry sectors that will be directly affected by the proposal and supporting industry sectors. The proposal could potentially have a direct economic impact on owners and operators of 23 major sources of NOx and/or VOC located within the DMNFR nonattainment area as of June 3, 2016. The proposed Regulation Number 7 Statement of Basis and Purpose lists the sources that are directly impacted by the proposal. For many of the 23 major sources analyzed by the Division, the proposal will likely have no direct economic impact since the affected combustion units at those facilities have already demonstrated and continue to demonstrate compliance with similar or more stringent requirements external to this proposal, such as federally enforceable permits or NSPS.

B. Direct Costs to the Primary Affected Business or Industrial Sectors

1. Categorical RACT for Boilers

The Division reviewed technical information submitted by the operators of 32 boilers located at twelve major stationary sources of NOx and/or VOC located in the DMNFR ozone nonattainment area. Based on a review of operator provided information, other states RACT regulations, EPA NSPS regulations and EPA guidance including the RACT/BACT/LAER Clearinghouse, the Division proposes to establish a boiler categorical RACT standard of 0.2 lbs/MMBtu (for gaseous and liquid fuel-fired) based on a 30-day rolling average that applies to boilers with a design heat input ≥ 100 MMBtu/hr. The proposed boiler categorical RACT standard is consistent with the federal NSPS Subpart Db, which establishes NOx standards of performance for steam generating units > 100 MMBtu/hr constructed, modified, or reconstructed after June 19, 1984. Low utilization boilers that operate below a 20% capacity factor (based on a 3-year rolling average) are exempt from the categorical RACT standard and the associated monitoring requirements.

Potentially, there are 35 boilers[2] that are subject to the categorical RACT standard. There are 16 boilers below the heat input applicability threshold of 100 MMBtu/hr that are subject to Regulation Number 7 combustion process adjustment requirements but not the numerical standard for categorical RACT. The Division does not anticipate additional RACT compliance costs for complying with the combustion process adjustment requirements or monitoring, recordkeeping and reporting for these 16 boilers beyond what is currently required in existing permits.

There are 19 boilers with a design heat input rating ≥ 100 MMBtu threshold that are potentially subject to the categorical RACT standard. Presently, the Division estimates that nine boilers have low utilization that is below the 20% capacity factor exemption threshold. If low utilization boilers maintain their current levels of operation, the estimated compliance costs are minimal because only record keeping is necessary, which is already required in existing permits. For the nine boilers with low utilization, the Division cannot predict the number of boilers, if any, that may incur compliance costs in the future because a higher boiler utilization results in the loss of the capacity factor exemption. However, many of these boilers have historically operated at low utilization, primarily during the winter months, and owners and operators could carefully manage the boiler usage over a three year rolling period to remain below the capacity threshold.

If any of these nine boilers were to increase operations to the extent that the calculated 3-year annual average capacity factor is equal to or greater than 20%, then compliance with the RACT NOx standard would be triggered and the source would have three years to comply. The three year compliance period allows sufficient time for the operator to install additional controls (if necessary) and purchase continuous emissions monitoring system ("CEMS") equipment (if a CEMS is not already being operated) and make the necessary installation preparations. Four of the nine capacity factor exempted boilers are already equipped with a NOx CEMS. The costs for the installation, operation, and maintenance of CEMS are analyzed in Section B.6 below.

During the three year compliance period, a boiler could potentially operate at a lower capacity and thereby regain the 20% capacity factor exemption because the capacity factor is calculated using a 3-year rolling average of fuel burned. Nonetheless, the boiler would be subject to a source test provision within 180 days from the date when the capacity factor exceeds the 20% threshold, unless the source already has a CEMS. The purpose of the source test provision is to accurately determine the boiler NOx emissions rate and ascertain compliance with the standard.

If the source test shows the emission unit may not be able to meet compliance with the standard the source has three potential options available: (1) decrease boiler operations in future years to regain the capacity factor exemption, (2) consider the installation of upgraded combustion controls on the boiler or (3) consider boiler retirement. The cost of regaining the capacity factor exemption is considered negligible, but could involve costs associated with lost boiler steam production opportunities that are impossible to quantify. However, the cost of regaining and maintaining a capacity factor exemption is likely less costly than the cost of the second option of installing upgraded combustion controls that may be necessary to comply with the categorical RACT standard. Boiler emission control cost information submitted to the Division generally

[2] The Division's Initial Economic Impact Analysis listed 32 boilers at major sources in the DMNFR, however for one source, 4 identical boilers are permitted under one source ID, which increases the total number of boilers to 35.

shows, with the exception of 3 boilers tentatively expected to retire, that some form of low NOx burners or ultra-low NOx burners are technically feasible and cost effective at reducing NOx emissions. The third option – boiler retirement, is not considered RACT, but it is important to acknowledge all boilers constructed after the NSPS Subpart Db applicability date (1984) already must comply with the proposed categorical standard, so any boilers potentially not complying are at least 33 years old and may be poor candidates for further capital investments because of challenges retrofitting older equipment. The average age of the nine units that will likely meet the capacity factor exemption is about 50 years old.

The remaining ten boilers that are not below the 20% capacity factor exemption include six boilers with NOx emissions reported below the RACT standard and four boilers that report NOx emissions above the RACT standard. The four boilers above the RACT standard use AP-42 emission factors to estimate NOx emissions.

Since categorical RACT requires demonstrating compliance with a NOx standard, the use of an AP-42 emission factor is not appropriate, hence a source test is required to ascertain emissions and compliance with the categorical RACT standard. In the situation where the source test indicates boiler emissions are above the 0.2 lb/MMBtu RACT standard, the source would have three years from the loss of the exemption to demonstrate compliance.

2. Categorical RACT for Stationary Combustion Turbines

The Division reviewed technical information submitted by the operators of 13 stationary combustion turbines located at eight major stationary sources of NOx and/or VOC located in the DMNFR ozone nonattainment area. Based on a review of operator provided information, other states RACT regulations, EPA NSPS regulations and EPA guidance including the RACT/BACT/LAER Clearinghouse, the Division proposes to establish a stationary combustion turbine categorical RACT standard consistent with existing NSPS requirements for stationary combustion turbines, specifically 40 CFR Part 60, Subparts GG and KKKK. The Division also proposes applicability criteria consistent with NSPS for heat input thresholds and dates of construction, modification, or reconstruction, except that turbines constructed prior to the applicability date for NSPS GG must, under the proposal, meet the NSPS GG emission limitations and monitoring requirements, if an exemption does not apply. Three grandfathered turbines that were analyzed for this proposal predate NSPS GG, and could theoretically require emission controls and CEMS in the future, if their three year rolling average capacity factors were to exceed 20%. The cost of CEMS is analyzed in Section B.6 below. The three grandfathered turbines, however, have historically operated at very low capacities (some as low as 0%), and it is expected that there will be no economic impact to the owners or operators of the grandfathered turbines since they will likely meet the capacity factor exemption.

The proposed categorical RACT standard averaging period is a 30-day rolling average for turbines equipped with CEMS. For turbines not equipped with CEMS but already subject to NSPS GG or KKKK, owners and operators are allowed to demonstrate continued compliance consistent with the applicable NSPS by utilizing source testing. See Section B.6 below for cost information on source testing. Low utilization turbines that operate below a ~~20%~~10% capacity

factor (based on a 3-year rolling average of annual heat input) are exempt from the RACT standard.

In summary, the direct economic impact to owners and operators of affected stationary combustion turbines is expected to be negligible, since those owners and operators are already required to meet the limits and monitoring requirements of the applicable NSPS provisions, with the exception of the three grandfathered low capacity turbines that predate NSPS GG.

3. Categorical RACT for Compression Ignition Engines

The Division reviewed technical information submitted by the operators of 29 liquid fuel-fired compression ignition engines at two major stationary sources of NOx located in the DMNFR ozone nonattainment area. Based on a review of operator provided information, other states RACT regulations, EPA NSPS regulations and EPA guidance including the RACT/BACT/LAER Clearinghouse, the Division proposes to establish a limit of 9.0 g/bhp-hr for compression ignition engines with a maximum design power output greater than or equal to 500 hp. All of the engines analyzed that could potentially be affected by the proposal operate as backup emergency engines, and therefore, only during emergencies and for testing purposes. The Division anticipates the economic impact of the proposal on owners and operators of the 29 potentially affected engines will be negligible since each engine should be exempt from the emission limitations and monitoring requirements of the proposal due to low capacity factors (i.e. <~~20%~~10%) and/or are engines with uncontrolled actual emissions less than 5 tons NOx per year. In the event that an engine no longer meets the requirements for an exemption, potential costs could result from required source tests every two years and combustion modifications needed to comply with the categorical emission standard. See Section B.6 below for cost information on source testing. Maintaining records necessary to demonstrate the exemption are anticipated to have no economic impact, as maintaining records of fuel use is already required by existing permits. See Section B.6 below for an analysis of monitoring, recordkeeping, and reporting costs. There are seven engines below the 500 hp threshold that must meet combustion process adjustment requirements. The anticipated economic impact of combustion process adjustment is considered negligible.

4. Categorical RACT for Lightweight Aggregate Kilns

The Division reviewed technical information submitted by the operator of a lightweight aggregate kiln with a maximum design capacity > 50 MMBtu/hr that operates in the DMNFR nonattainment area. Based on a review of operator provided information, other states RACT regulations, EPA NSPS regulations and EPA guidance including the RACT/BACT/LAER Clearinghouse, the Division proposes to establish a NOx emission limit of 56.6 lb/hr on a 30-day rolling average basis for this source category. The Division expects that the lightweight aggregate kiln analyzed for this proposal will be capable of meeting the proposed emission limitation by monitoring emissions on a continuous basis and by reducing coal use. Fuel use data for recent years shows a shift toward increased firing of natural gas compared to coal than in years past. Continuing to operate in this manner should result in NOx emissions below the

proposed standard. Since the facility is not currently equipped with a Continuous Emission Rate Monitoring System ("CERMS"), the primary costs associated with demonstrating compliance with the proposed emission limitation will be from the initial capital costs and ongoing costs of installing and maintaining a NOx CERMS. The Division's cost analysis for installing and maintaining NOx CERMS is discussed in Section B.6 below.

5. Categorical RACT for Glass Melt Furnaces

The Division reviewed technical information submitted by the operators of two glass melt facilities with four glass melt furnaces that operate in the DMNFR nonattainment area. Based on a review of operator provided information, other states RACT regulations, EPA NSPS regulations and EPA guidance including the RACT/BACT/LAER Clearinghouse, the Division proposes to establish a NOx emission limit of 1.2 lbs NOx/ton of glass pulled. Each of the furnaces identified are either already equipped with or are in the process of being equipped with the necessary controls to meet the proposed emission limitation of 1.2 lbs NOx/ton of glass pulled. In the situation where the glass melting furnace is operated at less than 35% of maximum designed production, the data for such days may be excluded from the 30-day rolling average for purposes of demonstrating compliance, but good air pollution control practices and continuous emission monitoring would continue to apply. ~~Moreover, e~~Each glass melt furnace is already equipped with a NOx CERMS, as required by the proposal. Therefore, the economic impact of this proposal on the owners and operators of glass melt furnaces is expected to be negligible.

6. Monitoring, Recordkeeping and Reporting Requirements

The Division estimates the cost of a source test to determine the NOx emissions rate of a stationary combustion unit ranges from approximately $4,000 to 8,000 depending on contractor fee schedules and location with respect to the source. Some sources may elect to install CEMS or CERMS to comply with the proposal. For purposes of this EIA, the primary difference between CEMS and CERMS is that CERMS may require a stack gas flow rate monitoring system in conjunction with a NOx and diluent (O2 or CO2) analyzer system. The Division estimates that the capital cost of utilizing a NOx CEMS or CERMS to demonstrate compliance with a proposed RACT emission limit largely depends on the existing infrastructure at an affected combustion unit. For example, many of the combustion units affected by this proposal are already equipped with CEMS or CERMS for monitoring NOx emissions, and therefore, the cost of demonstrating compliance with the monitoring requirements for those combustion units should be negligible, as capital and ongoing costs have already been imposed. Conversely, some emission units may not be equipped with any existing CEMS infrastructure, and the Division estimates that capital costs for those sources may range from approximately $150,000 – $200,000 (excluding staffing), depending on the complexity of the monitoring system. The annual cost of operating a CEMS (including staffing, recordkeeping and reporting) is conservatively estimated to be $26,000 without capital recovery and $49,000 with capital recovery, and the annual cost of operating a CERMS (including staffing, recordkeeping and reporting) is conservatively estimated to be $37,000 without capital recovery and $64,000 with capital recovery. It is possible that for facilities with substantial safety requirements, such as at a refinery, the costs of installing and maintaining CEMS could be considerably more.

The CEMS and CERMS costs of this section were estimated using EPA's Continuous Emission Monitoring System Cost Model. Capital cost estimates include planning, equipment, support facilities, hardware, installation, certification, and the development of a QA/QC plan. Annual cost estimates include day-to-day activities, annual relative accuracy test audits, cylinder gas audits, recordkeeping and reporting, and annual quality assurance and operations and maintenance review and update.

7. ~~20%~~ Capacity Factor Exemptions for Stationary Combustion Equipment

The Division reviewed the technical information submitted by 17 companies representing 23 major stationary sources of NOx and/or VOC located in the DMNFR ozone nonattainment area. In recognition that some equipment may have low emissions because of limited use, the Division proposes to establish a 20% capacity factor exemption (averaged over a 3-year rolling period) for ~~stationary combustion equipment~~ boilers and a 10% capacity factor exemption for stationary combustion turbines and compression ignition engines that would otherwise be subject to the proposed categorical emission standards and monitoring requirements. For limited use equipment, the combustion process adjustment requirements still apply as RACT. ~~The capacity factor exemption is applicable to all source categories affected by the proposal. However, major sources such as glass melt furnaces and lightweight aggregate kilns that operate on a continuous basis for extended periods are unlikely to meet the low capacity exemption.~~ There are no additional costs associated with maintaining equipment records on annual operating capacity because existing permits require this record keeping. Sources that could have a potential economic impact from the proposal may reduce or eliminate the economic impact of the proposal by limiting operation of their potentially affected stationary combustion equipment below ~~20%~~the respective proposed capacity exemptions.

C. RACT Technical Support Document

The Division has developed a technical support document that summarizes the RACT cost information submitted by the operators. This TSD will be published on 6/18/18.

D. Economic Impact of the Proposal on the Supporting Business and Industrial Sectors Associated with the Primary Affected Business or Industry Sectors

The proposal could impose minor costs to the customers of the primary affected industry sectors if costs of compliance with the proposal are passed on to customers or rate payers. Quantifying indirect costs of the proposal to supporting businesses and industry sectors is not feasible as the facilities within each affected source category have a number of mechanisms available to comply with the proposal or meet an exemption.

Primary affected businesses that choose to install CEMS or CERMS will likely need to contract services from CEMS providers. Therefore, CEMS providers could see a positive economic benefit from the proposal. Moreover, if any emission testing occurs due to this rule, whether it be for purposes of demonstrating compliance with emission limits or for simple diagnostic/engineering purposes, companies that provide source testing services may see additional business and economic benefit. In the event that a primary effected business chooses

to install controls on an affected unit, it is likely that the emission control design and installation would be contracted, and the businesses that receive those emission control design and installation contracts would see an economic benefit from the implementation of this proposal. Moreover, if an owner or operator of an affected unit chooses to replace a piece of combustion equipment in lieu of complying with the proposal, the provider and installer of the replacement equipment would see an economic benefit.