

Document: IC 13-14-9 Notice, **Register Page Number:** 28 IR 3684

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TITLE 326 AIR POLLUTION CONTROL BOARD

LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
(317) 232-9855

ADMINISTRATIVE RULE FISCAL IMPACT STATEMENT

PROPOSED RULE: LSA Document #04-200

DATE PREPARED: Mar 21, 2005

STATE AGENCY: Air Pollution Control Board

DATE RECEIVED: Feb 10, 2005

FISCAL ANALYST: Valerie Ruda

PHONE NUMBER: 317-232-9867

Digest of Proposed Rule: This rule adds 326 IAC 10-5 to reduce nitrogen oxides for lean-burn internal combustion engines (ICE). It amends 326 IAC 10-3-3, 326 IAC 10-4-1, 326 IAC 10-4-2, 326 IAC 10-4-3, 326 IAC 10-4-13, 326 IAC 10-4-14, and 326 IAC 10-4-15 to make U.S. EPA required and other formatting amendments. The rule also amends 326 IAC 10-4-9 to correct energy efficiency formulas.

Governmental Entities: *State:* This rule places no unfunded mandates upon state government. *Local:* This rule places no unfunded mandates upon any local government unit.

Regulated Entities: This rule implements the second phase of the U.S. EPA's NOx SIP Call rule, of which the first phase was issued in 1998. Phase II of the NOx rule requires that nitrogen oxide emissions in Indiana be further reduced by 4,263 tons per year. According to the Indiana Department of Environmental Management, two regulated entities will be affected by this rule. Between the two entities, 17 internal combustion engines (ICEs) will require the purchase of emission-reducing equipment.

According to data provided by the two entities, it will cost approximately \$16 M to purchase the equipment for the 17 engines. The first entity estimates it will cost \$1M per engine, for its seven engines, for capital and operating costs to install the emission-reducing equipment. It will also cost \$10,000 per engine for emission monitoring. The second entity estimates it will cost between \$225,000 and \$1.3 M for direct and indirect costs based on the 10 engines' sizes. The entity also reported that emission-reducing equipment has already been installed on two engines at a cost of \$600,000 per engine.

Information Sources: Cost estimates from Panhandle Energy as provided through IDEM; ANR Pipeline (El Paso) email, January 18, 2005.

The Air Pollution Control Board gives notice that following publication of the Legislative Services Agency Fiscal Impact Statement, for LSA Document #04-200, the date of the public hearing for consideration of final adoption, printed at 28 IR 2780, has been scheduled.

IC 13-14-9-5 requires that a board may not final adopt a rule with an estimated economic impact on regulated entities that is greater than five hundred thousand dollars (\$500,000), until a copy of the legislative services agency fiscal impact statement required under IC 4-22-2-28 is printed in the Indiana Register. Because proposed rule LSA Document #04-200 was final adopted by the Air Pollution Control Board on August 3, 2005, in the absence of satisfying the requirement of IC 13-14-9-5(a)(2)(C), the rule must be refinal adopted. The Notice of Public Hearing appears below:

Notice of Public Hearing

Under IC 4-22-2-24, IC 13-14-8-1, IC 13-14-8-2, and IC 13-14-9, notice is hereby given that on October 5, 2005, at 2:00 p.m., at the Pike County Courthouse, Auditorium, 801 Main Street, Petersburg, Indiana, the Air Pollution Control Board will hold a public hearing on proposed amendments to 326 IAC 10-3 and 326 IAC 10-4 and new rule 326 IAC 10-5.

The purpose of this hearing is to receive comments from the public prior to final adoption of these rules by the board. All interested persons are invited and will be given reasonable opportunity to express their view concerning the proposed amendments and new rule. Oral statements will be heard, but, for the accuracy of the record, all comments should be submitted in writing.

Additional information regarding this action may be obtained from Suzanne Whitmer, Rules Development Section, Office of Air Quality, (317) 232-8229 or (800) 451-6027, press 0, and ask for extension 2-8229 (in Indiana). If the date of this hearing is changed, it will be noticed in the Change in Notice of Public Hearing section of the Indiana Register.

Individuals requiring reasonable accommodations for participation in this event should contact the Indiana Department of Environmental Management, Americans with Disabilities Act coordinator at:

Attn: ADA Coordinator

Indiana Department of Environmental Management

100 North Senate Avenue

Indianapolis, Indiana 46204

or call (317) 233-0855 or (317) 232-6565 (TDD). Speech and hearing impaired callers may also contact the agency via the Indiana Relay Service at 1-800-743-3333. Please provide a minimum of 72 hours' notification.

Copies of these rules are now on file at the Office of Air Quality, Indiana Government Center-North, 100 North Senate Avenue, Tenth Floor East, Indianapolis, Indiana and are open for public inspection.

Kathryn A. Watson, Chief
Air Programs Branch
Office of Air Quality