

SMALL BUSINESS IMPACT STATEMENT

Amendment of RCSA Section 22a-174-20

Aboveground Storage Tanks

Prior to adopting a new section or amendment, section 4-168a of the Connecticut General Statutes (CGS) requires that each state agency consider the effect of such action on small businesses as defined in CGS section 4-168a. When such regulatory action may have an adverse effect on small businesses, CGS section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Control of Volatile Organic Compound Emissions – Aboveground Storage Tanks (AST)

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Explanation: The proposed revisions to RCSA section 22a-174-20(a) are based on a model rule developed by the Ozone Transport Commission (OTC) and are proposed to limit emissions from the storage of volatile organic compounds (VOCs). The OTC model rule is based on a New Jersey AST regulation ([N.J.A.C. 7:27-16.2](#)). Under the proposal, owners and operators of large AST storing VOC with a vapor pressure of 0.75 pounds per square inch (psi) or greater are responsible for meeting certain VOC control requirements, that vary with the type of AST.

None of the large AST identified in the DEEP inventory are located at facilities classified as small businesses. Since most of the proposed provisions apply only to large AST, the proposal will have little or no direct impact on small businesses. The only provision that may affect a small business owner is the requirement that a tank with a volume of 2000 gallons or greater be painted white. This requirement should not result in any significant cost to a small business owner because 10 years are allowed for compliance so that painting can occur within the tank owner and operator's regular maintenance cycle. As owners of tanks generally make use of all available methods to prevent loss of product, it is likely that any business that could benefit from painting a tank has so done.

The proposal is not likely to impact small businesses by influencing the retail price of fuel. Many of the tanks subject to the requirements of section 22a-174-20(a) are used to store gasoline and gasoline additives. DEEP cannot precisely estimate the impact of the proposal on consumer prices of gasoline, but the impact is expected to be negligible, for the following reasons:

- The New Jersey Department of Environmental Protection estimated (using the maximum value of cost-effectiveness to calculate the most conservative estimate) annualized compliance cost to industry of less than \$0.01 per gallon of gasoline as a result of the New Jersey AST regulation. The compliance costs to Connecticut owners and operators will be less than in New Jersey since the Connecticut proposal affect fewer tanks and includes fewer provisions than the New Jersey rule.
- AST owners and operators are allowed up to ten years to comply with requirements for which a tank must be temporarily taken out of service, thus minimizing or eliminating operational disruptions and any associated costs.

The proposed amendments will have no affect on the price of diesel fuel or heating oil. Those fuels have vapor pressures of less than 0.75 psi and their storage is, therefore, not subject to the requirement of this proposal.