



SMALL BUSINESS IMPACT STATEMENT

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: Connecticut Department of Energy & Environmental Protection (DEEP)

Subject of Regulation: Control of nitrogen oxides emissions from fuel-burning equipment at major stationary sources of nitrogen oxides. §§ 22a-174-22, 22a-174-22e

Contact person: Merrily A. Gere (860-424-3416)

Date prepared: 21 January 2016

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

This proposal impacts the major sources of nitrogen oxides in the state, and a “major source” is defined in section 22a-174-1 of the Regulations of Connecticut State Agencies based on the overall amount of nitrogen oxides that all the emitting units at a facility may emit in one year. The major sources of NOx in Connecticut (some of which are no longer operating) are listed below. DEEP does not believe that any of the regulated facilities qualify as small businesses.

Covanta Bristol, Inc.*
Covanta Projects of Wallingford, L.P. (formerly CRRA/Wallingford)*
MIRA/Mid-Connecticut*
Covanta Southeastern Connecticut Company (formerly American Ref-Fuel of Southeast Connecticut)*
Wheelabrator Bridgeport, L.P.*
Wheelabrator Lisbon Inc. *
Algonquin Gas Transmission Company, Cromwell
Allnex USA, Inc. (formerly Cytec Industries, Inc.)
Bridgeport Energy LLC
Connecticut Natural Gas Corporation
Electric Boat Corporation
Frito Lay
Hamilton Sundstrand
Kleen Energy Systems, LLC
Kimberly Clark
Lake Road Generating Co, L.P.
MDC
Milford Power Co, LLC
Norwalk Hospital
Plainfield Renewable Energy LLC
Pratt & Whitney Div UTC, East Hartford
Pratt & Whitney, Middletown
PSEG Power Connecticut LLC, New Haven Harbor Station
ReEnergy Sterling Limited Partnership (formerly Exeter Energy)
RockTenn CP, LLC (formerly Smurfit-Stone Container Corp.)
Sikorsky Aircraft Corporation
University of Connecticut, Storrs
U.S. Navy Sub Base
Yale University/Central Power Plant
Yale School of Medicine aka Sterling
Algonquin Windsor Locks LLC
Capitol District Energy Center
Connecticut Jet Power, LLC
MIRA South Meadows
Devon Power, LLC
Dominion Nuclear Connecticut, Incorporated
Fusion Paperboard (formerly Cascades Boxboard)
Middletown Power, LLC
Montville Power, LLC
Pfizer Inc.
PSEG Power Connecticut LLC, Bridgeport Harbor

*The municipal waste combustor units at these facilities are not subject to RCSA section 22a-174-22e, but other nitrogen oxides (NOx) emitting equipment at the facility is subject. NOx emissions from municipal waste combustors are regulated by RCSA section 22a-174-38.



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State Agency Submitting Proposed Amendment: Connecticut Department of Energy & Environmental Protection (DEEP)

Subject of Regulation: High daily NOx emission units at non-major sources of NOx. §§ 22a-174-22, 22a-174-22f.

Contact person: Merrily A. Gere (860-424-3416)

Date prepared: 21 January 2016

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

This proposal regulates nitrogen oxides (NO_x) emitting fuel-burning emission units that are located at non-major sources of NO_x. A companion regulation, RCSA section 22a-174-22e, is proposed to regulate NO_x emissions from fuel-burning emission units located at major sources of NO_x. While DEEP is able to identify every facility that is a major source of air pollutants in Connecticut, because owners of such major sources are required to obtain air emission permits, DEEP does not have the same level of knowledge about non-major sources of air pollution as many of such sources operate under a "permit-by-rule" which does not require an approval from or notification to DEEP.

Some of the high-emitting equipment at non-major sources of NO_x in Connecticut are known to DEEP if the source operates under a General Permit to Limit Potential Emissions. Of those known sources, some may qualify as small businesses, but DEEP is not aware of specific instances. It is possible that some NO_x-emitting equipment owned by small businesses will become subject to section 22a-174-22f after the adoption of the section, but DEEP has no method to identify such sources or estimate the overall number or degree of impact on such sources. However, such sources are now regulated by RCSA section 22a-174-22, which will be repealed with the adoption of RCSA sections 22a-174-22e and 22a-174-22f. Currently, RCSA section 22a-174-22 requires record keeping by owners of sources who will become subject to RCSA section 22a-174-22f. Also, as RCSA section 22a-174-22f is designed for the owners of equipment that is lower emitting than the equipment regulated by section 22a-174-22e, the section has significantly less burdensome requirements. However, if an emission unit subject to section 22a-174-22f exceeds a certain daily emissions level, the unit then becomes subject to the more substantial requirements of RCSA section 22a-174-22e. The additional requirements are designed to limit daily NO_x emissions as high levels of daily NO_x emissions in the summer months are a significant air quality and public health concern.

Section 22a-174-22f adds one requirement for the owner of an emission unit that is subject to this section, compared with the requirements under RCSA section 22a-174-22. However, the applicability of RCSA section 22a-174-22f is designed to eliminate some of the smallest emission units that are currently subject to RCSA section 22a-174-22 based on an emission unit's capacity, a factor readily known to the owner. In this manner, the section is designed to limit the impact on small business owners. The new requirement added by section 22a-174-22f is an annual tune-up. The tune-up provision will result in an additional cost for the emission unit owner if the emission unit is not currently tuned annually as a good maintenance practice. The cost of a tune-up varies with the size of the unit, type of unit and fuel type. For example, the New York Department of Environmental Conservation estimates that an annual tune-up for a boiler will fall into the range of \$457 - \$11,416 per ton of NO_x emitted. Most of the regulated emission units are small, so tune-up costs will likely be towards the lower end of this range.