

3745-560-05

**Composting - closure cost estimate.**

(A) Closure cost estimate. The owner or operator of a class I or class II composting facility shall determine the closure cost estimate as follows:

(1) Class I composting facility. The closure cost estimate shall be based on the closure costs at the point in the operating life of the facility when the extent and manner of ~~its~~the operation would make the closure the most expensive, and shall be based on a third party conducting the closure activities. The closure cost estimate shall be documented as an itemized written estimate, in current dollars, of the cost of closure. Ohio EPA may require revisions to the closure cost estimate or to the closure financial assurance instrument.

(2) Class II composting facility. The closure cost estimate shall be calculated as follows:

(a) For facilities accepting solid wastes authorized in accordance with paragraph (B) of rule 3745-560-210 of the Administrative Code, two dollars and fifty cents per cubic yard, based on the ~~maximum~~operational capacity of the materials placement area, excluding the storage capacity of compost product, as specified in the authorizing document.

(b) For facilities accepting alternative materials ~~not authorized in accordance with paragraph (B) of rule 3745-560-210 of the Administrative Code,~~ eight dollars per cubic yard or the local disposal rate, whichever is higher, for the maximum amount of alternative materials authorized pursuant to rule 3745-560-205 of the Administrative Code that will be managed based on the ~~maximum~~operational capacity of the materials placement area, excluding the storage capacity of compost product, as specified in the authorizing document or that portion of the materials placement area designated for receiving and composting alternative materials specified in the log of operations.

(c) Class II composting facilities may request approval from the director of an alternative closure cost estimate that is lower than the estimate calculated in accordance with paragraphs (A)(2)(a) or (A)(2)(b) of this rule by submitting an application that demonstrates one of the following:

(i) For alternative materials, that the cost of disposal is equivalent to the cost of disposal for materials authorized in paragraph (B) of rule 3745-560-210 of the Administrative Code, and that the closure cost estimate for the material can be calculated at two dollars and fifty cents per cubic yard.

- (ii) The owner or operator has obtained authorization to land apply any material that is not a compost product on property owned by the owner or operator in compliance with Chapters 3734. and 6111. of the Revised Code.

~~Ohio EPA may require revisions to the closure cost estimate or to the closure financial assurance instrument.~~

- (B) Annual review of closure cost estimate. The owner or operator of a class I or class II composting facility shall annually review and make appropriate revisions to the closure cost estimate in accordance with paragraph (A) of this rule. ~~The review of the closure cost estimate for a class I composting facility shall include an adjustment of the closure cost estimate for inflation. The adjustment shall be made as specified in this paragraph, using an inflation factor derived from the annual implicit price deflator for gross domestic product as published by the U.S. department of commerce in the February issue of "Survey of Current Business" as described in rule 3745-500-03 of the Administrative Code. The inflation factor is the result of dividing the latest published annual deflator by the annual deflator for the previous year, and as follows:~~

- (1) For class I composting facilities, an adjustment for inflation shall be made. The adjustment shall be made as specified in this paragraph, using the preceding February inflation factor derived from the annual implicit price deflator for gross domestic product as published by the U.S. department of commerce. The inflation factor is the result of dividing the latest published annual deflator by the annual deflator for the previous year.

~~(1)(a)~~ (a) The first adjustment is made by multiplying the closure cost estimate by the inflation factor. The result is the adjusted closure cost estimate.

~~(2)(b)~~ (b) Subsequent adjustments are made by multiplying the most recently adjusted closure cost estimate by the most recent inflation factor.

- (2) For class II composting facilities, annually review and make appropriate revisions to the closure cost estimate to determine if the estimate accurately represents the cost to close the facility. The review shall take into consideration changes to the operational capacity, facility design and operations, changes to the materials placement area, changes to the amount of feedstocks, bulking agents, additives, and compost mixtures on site, and any other changes that would increase the cost of closure.

- (C) Review of closure cost estimates associated with modifications or amendments to registrations.

- (1) Upon issuance of a permit to install for a modification of an existing class I composting facility, the owner or operator shall review and make appropriate revisions to the closure cost estimate in accordance with paragraph (A) of this rule.
  - (2) Upon submittal of amendments to the registration of an existing class II composting facility, the owner or operator shall review and make appropriate revisions to the closure cost estimate in accordance with paragraph (A) of this rule.
- (D) The owner or operator of a class I or class II composting facility shall ensure financial assurance instruments account for increases in the closure cost estimate, and shall ensure that sufficient financial assurance is available for closure activities at all times during the operating life of the composting facility.
- (E) Ohio EPA may require revisions to the closure cost estimate or to the closure financial assurance instrument if the director determines that the operational capacity has increased or that the cost of closure exceeds the closure cost estimate.
- (F) If the closure cost estimate is five thousand five hundred dollars or less, no financial assurance is required.

Effective: 10/1/2018

Five Year Review (FYR) Dates: 11/14/2017 and 11/14/2022

CERTIFIED ELECTRONICALLY

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Certification

08/20/2018

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Date

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