

Common Sense Initiative

Mike DeWine, Governor Jon Husted, Lt. Governor

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Business Impact Analysis

Agency, Board, or Commission Name: Ohio Environmental Protection Agency			
Rule Contact Name and Contact Information:			
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Regulation/Package Title (a general description of the rules' substantive content):			
DAPC – Particulate Matter Regulations			
Rule Number(s): <u>3745-17-01</u> , <u>3745-17-03</u> , <u>3745-17-04</u> , <u>3745-17-07</u> to <u>3745-17-14</u>			
Date of Submission for CSI Review: <u>January 19, 2023</u>			
Public Comment Period End Date: February 21, 2023			
Rule Type/Number of Rules:			
New/ rules	No Change/ rules (FYR?)		
Amended/ <u>11</u> rules (FYR? <u>Y</u>)	Rescinded/ rules (FYR?)		

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

a.		Requires a license, permit, or any other prior authorization to engage in or
	oper	rate a line of business.

- b. \square Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c.

 Requires specific expenditures or the report of information as a condition of compliance.
- d.

 Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

2. Please briefly describe the draft regulation in plain language.

Please include the key provisions of the regulation as well as any proposed amendments.

The rules in Ohio Administrative Code (OAC) Chapter 3745-17 establish requirements for the control of emissions of particulate matter from stationary emission sources. Particulate matter is one of the six criteria pollutants for which a National Ambient Air Quality Standard (NAAQS) has been established under the Clean Air Act (CAA). The intent of these rules is to limit emissions of particulate matter to allow the state of Ohio to attain and maintain the NAAQS for particulate matter.

3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

Rule Number	Authorizing Statute	Proposed Action
3745-17-01	3704.03(E)	Amend
3745-17-03	3704.03(E)	Amend
3745-17-04	3704.03(E)	Amend
3745-17-07	3704.03(E)	Amend
3745-17-08	3704.03(E)	Amend
3745-17-09	3704.03(E)	Amend
3745-17-10	3704.03(E)	Amend
3745-17-11	3704.03(E)	Amend

3745-17-12	3704.03(E)	Amend
3745-17-13	3704.03(E)	Amend
3745-17-14	3704.03(E)	Amend

4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

If yes, please briefly explain the source and substance of the federal requirement.

Section 110 of the CAA requires all states to develop a plan for attaining and maintaining the NAAQS. The rules in OAC Chapter 3745-17 establish requirements for the control of particulate matter emissions from various industries and industrial processes. These rules are a part of Ohio's control strategies for the attainment and maintenance of the NAAQS for particulate matter and are a part of Ohio's state implementation plan (SIP) under Section 110 of the CAA.

5. If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

The rules in this chapter do not exceed federal requirements. These rules are part of Ohio's strategy for the attainment and maintenance of the NAAQS for particulate matter as required by the CAA.

6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

The rules in OAC Chapter 3745-17 serve as part of Ohio's strategies for the control of particulate emissions and are a part of Ohio's strategy for the attainment and maintenance of the NAAQS for particulate matter as required in the CAA. The public purpose of this rule is to assist in the attainment of the NAAQS.

7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

Ohio EPA measures the success of the rules in this chapter through the fact that particulate matter pollution in Ohio has been on a steady decline since the first of the rules in this chapter were promulgated in 1972. In fact, as of 2019, Ohio achieved statewide attainment of the 2012 annual PM_{2.5} (fine particulate matter) NAAQS and the 2006 24-hr PM_{2.5} NAAQS through reductions in the emission of particulate matter attributed to the rules in this chapter.

Additionally, the requirements in this chapter are utilized in environmental permits issued to industries throughout the state. These permits identify the applicable air pollution control rules and regulations under which the source must operate and establishes monitoring, record keeping, testing, and reporting requirements by which the sources can demonstrate compliance

with the rules and regulations. Ohio EPA considers the rules a success when a source is issued a permit and can, thereby, commence operations in compliance with the applicable air pollution rules and regulations, including the rules and regulations in this chapter.

8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

These rules are not being proposed pursuant to any of these statutes.

Development of the Regulation

9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

If applicable, please include the date and medium by which the stakeholders were initially contacted.

Ohio EPA established an initial 30-day early stakeholder outreach period ending April 12, 2022. Ohio EPA Division of Air Pollution Control (DAPC) sent the notices of our request for comments electronically to the 2500+ members of Ohio EPA's electronic Interested Parties list for DAPC rulemaking. DAPC also posted the notice on our regulations and agency announcements websites.

10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

Ohio EPA received two sets of comments from stakeholders during the Early Stakeholder Comment Period and made changes where appropriate. The comments received during the Early Stakeholder comment period and Ohio EPA's responses are presented below:

Comment 1: The Appendix applies paragraphs (B) and (D) of the rule to "City of Columbus (Figure A-8)" in Franklin County. However, it is not clear if the applicability is to the area incorporated into the "City of Columbus" as of today or to the limited area implied by the boundaries shown in Figure A-8, which appears to be a map of corporate boundaries in 1973.

We request that Ohio EPA review and clarify the City of Columbus boundaries intended to be incorporated by reference in OAC 3745-17-08. Clarity is needed to ensure City contracts contain terms and conditions that are compliant with state requirements. For example, when the City contracts for construction work and the Columbus Construction and Material Specifications specify Dust Control to be in accordance with OAC 3745-08 this might mean that City contractors working in different parts of the City are held to different standards. If this is the case, the City will need to be clear with contractors on this point.

If the map in Figure A-8 is to be retained, the Columbus Department of Public Utilities requests an explanation from Ohio EPA regarding the reasoning for the areas identified by this rule for enhanced control requirements as part of the SIP so this can be communicated to contractors and others working within the City. If Ohio EPA intends to modify the Appendix to depict the City's current corporate boundaries, please be aware that Columbus' boundaries now include parts of Delaware and Licking Counties in addition to the large portion of Franklin County, and maps for those counties may need added to the Appendix. (Alana R. Shockey, Assistant Director, Regulatory Compliance and Sustainability, Columbus Public Utility Department)

Response 1: OEPA understands the commenter's request but cannot update Appendix A at this time.

Per ORC 3704.03(E), Ohio EPA can only adopt and modify rules prescribing fugitive dust limitations and standards that are related, on an area-wide basis, to attainment and maintenance of ambient air quality standards. Since Franklin County is currently in attainment of the latest particulate matter NAAQS for PM 2.5, Ohio EPA will not be adding additional areas of The City of Columbus to Appendix A.

Comment 2: On March 10, 2022, Ohio EPA requested stakeholder input on potential amendments to rules in Ohio Administrative Code (OAC) Chapter 3745-17, "Particulate Matter Standard Rules." The rules in this chapter establish requirements for emissions of particulate matter from stationary sources such as fuel burning equipment, storage piles, roadways, and industrial processes. The rules in this chapter are part of Ohio's SIP to attain and maintain the NAAQS for PM as required by the CAA. Any amendments made to this chapter will be submitted to U.S. EPA as an amendment to Ohio's SIP.

Overview of Fugitive Dust Requirements for JSW Steel USA Ohio Inc. (JSW)

These comments are intended to provide OEPA insight to site manufacturing and configuration changes and to update historic regulations formerly applicable to the site.

Rule 3745-17-13 applies to sources located in Jefferson County, Ohio, and contains requirements specific to Mingo Junction Steel Works, LLC or any subsequent owner or operator of the site. There are five requirements in 3745-17-13(D) specific to the Mingo Junction site, including:

- (1) Roadways and parking areas (OEPA source number F001).
- (2) Hot metal transfer.
- (3) Reheat furnaces number 2 through 4 (OEPA source numbers P006 to P008).
- (4) Basic oxygen furnaces.
- (5) Desulfurization station.

Only two of the five requirements are applicable to the current site configuration. The site can no longer manufacture iron and the blast furnaces and basic oxygen furnaces

(BOFs) have been long removed from the site; and therefore, there is no hot metal transfer, BOF operation, and desulfurization at the site.

Roadways/parking areas and reheat furnaces still exist at the site.

(Matthew E. Caprarese P.E., Vice President, Engineering and HSE, JSW Steel USA)

Response 2: Ohio EPA appreciates the comment and has removed the emissions units that have been permanently shut down.

Comment 3: Roadways and Parking Areas

Although roadways and parking areas are still in use, the requirements contained in OAC 3745-17-13 (D) are outdated and overly burdensome to the site. Section (D) of the rule requires JSW (currently operating at the site of the former Mingo Junction Steel Works, LLC site) to follow a Work Practice Plan (WPP) contained in the Appendix to OAC 3745-17-13.

Justification for Update

Revisions to 3745-17-13 and Appendix, including the WPP, are necessary due to:

- 1. Property ownership changes,
- 2. Property and plant configuration changes,
- 3. Property boundaries,
- 4. Equipment and operational changes,
- 5. Advancements in dust control technologies and techniques, and
- 6. Particulate matter (PM10) attainment status of the area.

Roadway requirements are outdated:

- Since the Title V permit was issued in 2004, AP-42 emissions estimating methods changed to reflect more modern elements of estimating and controlling emissions from roadways. For example, for unpaved roads, AP-42 methods/factors were updated in 2006; and for paved roads, AP-42 methods/factors were updated in 2011.
- OAC 3745-17-13 appendix (of Work Practice Plan) and US EPA's Control of Open Fugitive Dust Sources (EPA-450/3-88-088) referenced in the appendix are well over 30 years old.
- The appendix and WPP was designed for an integrated iron and steel mill. The site is no longer operated as an IIS mill, but rather a mini-mill type configuration, with an EAF, not blast furnaces and BOFs, which require substantially more internal road transportation. This is mostly due to the various additional raw materials required, such as iron ore, coke, limestone, coal, and additional slag generation associated with integrated steelmaking.

Compliance with existing roadway fugitive dust permit requirements is overly burdensome since as reflected in Tables 3, 4, 7, 8, 9, and 10 requires substantial resources to comply with limited effectiveness. The existing program provides very

little flexibility to adjust to site conditions and changes in seasons. More importantly, equivalently effective programs with lower cross environmental media impacts are available as presented below.

Several of the overly burdensome requirements include:

- Specific chemical dust suppressant manufactured products asphaltic emulsion or acrylic soil cement.
- Specified Dust suppressant product dilution ratios
- Daily street sweeping of all paved roads with limited exceptions
- Daily weighing and recordkeeping of street sweepings by segment
- Engineering analyses of site characteristics
- Specified control/application equipment
- Mass PM10 emissions rate of 4.91 lbs/hour
- Recordkeeping and reporting (including maintenance and meteorological data)
- Control equipment specifications and maintenance with limited flexibility

Recommendations for Updates to OAC 3745-17-13 and Appendix (with WPP)

In general, the OAC 3745-17-13 rules, appendix and WPP contains outdated information largely stemming from JSW's former owners and fully integrated steelmaking operations. Current (JSW) property ownership, boundaries, and plant operating configurations allow for modern and more appropriate practices to minimize fugitive dust from roads and parking areas without the complications of the appendix, as well as affording the flexibility to revise the program to be performance based. For example, JSW has found the road dust chemical control application frequency as specified in OAC 3745-17-13 for unpaved roadways to not be adequate under all scenarios in summer months, and as such has had to implement daily watering and additional control applications – particularly for heavy equipment applications such as slab haulers and slag pot carriers. Conversely, in the winter months, when the cost of the prescribed chemical dust suppressant is nearly double, the material is most likely not needed or at least at the prescribed frequencies due to adequate moisture content being retained on roadway surfaces. Additionally, the daily sweeping requirements of paved roadways (regardless of operating schedule) is overly burdensome and an unnecessary cost and consumption of fossil fuels by the street sweeper. In general, JSW plans to incorporate the optimization of the Dust Control Work Practice Plan – if the opportunity is afforded – as part of our carbon emissions reduction strategy as an optimized program will likely have a substantial impact on the combustion of fossil fuels from street sweepers and chemical dust suppression application vehicles as well as the consumption of carbon/petroleum-based dust suppression chemicals.

Based on our experience and research, JSW proposes the following changes:

Proposed Changes #1:

JSW has provided OEPA updates of the identification and description of active roadways and parking areas in quarterly and annual reporting and will serve as the basis for the active roadways under the modern operating configuration.

Proposed Changes #2:

Replacement of the mass PM10 emissions rate, 4.91 lbs PM10/hour with requirements similar to other industrial sites that include restrictions such as "no visible particulate emissions" for a period of time not to exceed six minutes during any 60 minute period (for paved roads) and "no visible particulate emissions" for a period of time not to exceed 13 minutes during any 60 minute period (for unpaved roads) consistent with OAC 3745-17-07(B)(4) and (5).

Proposed Changes #3:

JSW will develop an updated site-specific Work Practice Plan and associated inspection program to ensure effective dust control with the simultaneous goals of complying with 3745-17-07(B)(4) and (5). The new WPP will also focus on minimizing cross media environmental impacts. The new WPP elements are expected to include more emphasis on BMPs such as more frequent use of water for suppression, creation of vegetated areas for certain berms, and evaluation of more advanced and eco-friendly dust suppression products and application techniques.

JSW will align the new WPP with more recent permits by incorporating best available control measures to minimize or eliminate visible emissions of fugitive road dust.

These BACM can include:

- A. Speed reduction,
- B. Good housekeeping practices,
- C. Watering,
- D. Resurfacing as needed,
- E. Chemical stabilization,
- F. Daily monitoring,
- G. Annual PM10 emissions limits, and
- H. Recordkeeping, including continued quarterly deviation reports.

Proposed Changes/Redline of 3745-17-13

- (D) The "JSW Steel USA Ohio, Inc. Facility" (OEPA premise number 0641090010) or any subsequent owner or operator of the "JSW Steel USA Ohio, Inc. Facility" south facility located at 540 1500 Commercial Avenue, Mingo Junction, Ohio shall comply with all the following:
- (1) For the roadways and parking areas (OEPA source number F001), this facility shall comply with the a work practice plan approved by OEPA in the appendix to this rule for the control of fugitive dust.
- (2) For the hot metal transfer operation from railcar to charge ladle (OEPA source number F009), the particulate emissions from the baghouse serving this source shall not exceed 3.5 pounds per hour.

- (2 3) For the reheat furnaces number 2 through 4 (OEPA source numbers P006 to P008), the particulate emissions from each furnace shall not exceed 6.0 pounds per hour.
- (3 4) [Reserved.]
- (5) For the basic oxygen furnaces (OEPA source numbers P904 and P905), the total particulate emissions from the scrubbers serving these sources shall not exceed 8.86 pounds per hour.
- (6) For the desulfurization station (OEPA source number P907), the particulate emissions from the baghouse serving this source shall not exceed 3.71 pounds per hour.

OAC 3745-17-13 Appendix

The appendix to 3745-17-13 can be wholly deleted and replaced with general guidance for roadway and parking area fugitive emissions control Work Practice Plan potentially including the following elements:

- 1. Annual allowable emissions rates (for PM10)
- 2. Identify and describe all new roadway and parking area segments
- 3. Implement BACM, in light of seasonal changes, including:
- a. Defined speed limits/reduction,
- b. Police good housekeeping practices,
- c. Watering,
- d. Resurfacing poor roadways/areas,
- e. Chemical stabilization,
- f. Daily monitoring by environmental/management team,
- g. Annual PM10 emissions limits, and
- h. Recordkeeping, including continued quarterly deviation reports.

(Matthew E. Caprarese P.E., Vice President, Engineering and HSE, JSW Steel USA)

Response 3: Ohio EPA has reviewed both the comments and suggestions and believes the commenter may have a valid argument. Ohio EPA, is however, unable to make the requested changes at the present (except for those addressed in comment 1) due to the time constraints of this rulemaking and the late arrival of this comment. Ohio EPA will address this comment in an upcoming rulemaking.

Ohio EPA is also unable to update your address until it has been changed within the regulatory system. To make this change please work with your local office to execute the change in AirServices.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

The rules in this chapter are based upon multiple technical analyses that are required by U.S. EPA in their particulate matter rules and guidance. In order to develop a SIP to demonstrate attainment with the particulate matter standard, Ohio EPA must analyze facility emissions, meteorology, terrain, and other factors. Ohio EPA worked with each facility gathering extensive data on emissions levels and used that data along with other technical inputs to perform computer aided dispersion modeling to predict what reductions in emissions levels were necessary in order to ensure these areas attained the standard by the required attainment date. These analyses are made available to the entities and the general public for input and are submitted as part of Ohio's SIP to support the regulations.

12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives? Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to comply.

The rules in this chapter were originally promulgated in the early 1970's and then expanded in the early 1990's based on a requirement for Ohio EPA to establish a method to attain and maintain the particulate matter NAAQS. In order to achieve the particulate matter NAAQS, emissions of particulate matter required control, and establishing emissions limits based on computer modeling is a well-established method for achieving these goals. The use of emissions limits gives industry a tangible number which they can plan around and measure themselves against. Once the NAAQS is attained, the emission limits then serve as a standard through which companies can maintain compliance with the standard.

13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

The Ohio EPA is the only agency having jurisdiction over the control of air pollution, and is specifically directed, under Section 3704.03 of the Revised Code to develop rules for the control of emissions of air pollutants. The rules in this chapter are unique within the Ohio EPA and do not duplicate the rules of this or any other agency.

14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

Ohio EPA's particulate matter rules have been in place since the early 1970s. The particulate matter standards in this chapter are used in development of air pollution control permits issued under Ohio's New Source Review permitting program in OAC Chapter 3745-31 and Title V permitting program in OAC Chapter 3745-77. The permits list the emission standards that the facilities are required to achieve and the reporting and recordkeeping requirements to

document that the standards are being achieved, all of which are included in OAC Chapter 3745-17.

Adverse Impact to Business

- 15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:
 - a. Identify the scope of the impacted business community, and
 - b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.

Chapter 3745-17 has been in the OAC since 1972 and facilities subject to these rules have long since installed controls and continue to operate them under the terms of their air pollution control permits.

A major area of emphasis with this rulemaking is to remove facility-specific rule language for facilities and emissions units which are permanently shut down. There is no cost of compliance for these facilities as they no longer exist and the exercise is purely administrative to remove unneeded rule language and avoid confusion.

For a new facility that would need to comply with the rules in this chapter, the cost of compliance can range from a few hundred dollars for a control technology such as a work practice or raw material change, to a few million dollars for the installation and operation of a mechanical control device. All of the entities previously required to incur the cost of compliance with these rules did so a number of years ago and these rules are often less stringent than other federal programs that regulate particulate matter emissions that have been adopted since these rules were first developed. Even the monitoring and record keeping provisions of these rules are often satisfied by the requirements in more recent federal rules.

Ultimately, the requirements imposed by these rules are incorporated into air pollution permits. These permits usually are already required under a different chapter of the revised code. These requirements will also include the methods for maintaining records and submitting reports. The estimated costs discussed above include any additional costs associated with the permit process as well as the cost of any recordkeeping or reporting required to fulfill the requirements of these rules.

16. Are there any proposed changes to the rules that will <u>reduce</u> a regulatory burden imposed on the business community? Please identify. (Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors).

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

The state of Ohio is required by the CAA to enact rules to bring particulate matter nonattainment areas into attainment. Once the NAAQS is attained, the rules are then converted to fulfill the requirements under the CAA for Ohio's maintenance plan for maintaining the particulate matter NAAQS.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

The rules in this chapter do not provide exemptions or alternatives. All facilities wishing to operate the regulated processes in the applicable areas must achieve the emission limits outlined in the rules as required by the CAA.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

The Ohio EPA uses enforcement discretion; fines and penalties for facilities committing a first-time violation are typically waived.

20. What resources are available to assist small businesses with compliance of the regulation?

The following resources are available:

- Ohio EPA's Office of Compliance Assistance and Pollution Prevention (OCAPP) is a non-regulatory program that provides information and resources to help small businesses comply with environmental regulations. OCAPP also helps customers identify and implement pollution prevention measures that can save money, increase business performance and benefit the environment. Services of the office include a toll-free hotline, on-site compliance and pollution prevention assessments, workshops/training, plain-English publications library and assistance in completing permit application forms. Additional information is available at https://epa.ohio.gov/divisions-and-offices/environmental-financial-assistance/about-defa/office-of-compliance-assistance-and-pollution-prevention.
- Ohio EPA also has a permit assistance web page (https://epa.ohio.gov/divisions-and-offices/directors-office/regulatory-permitting-assistance) that contains links to several items to help businesses navigate the permit process, including the Permit Wizard, Answer Place, Ohio EPA's Guide to Environmental Permitting and eBusiness Center.

- Ohio EPA maintains the Compliance Assistance Hotline 800-329-7518, weekdays from 8:00 a.m. to 5:00 p.m.
- US. EPA Small Business Gateway also has information on environmental regulations for small businesses available at http://www.epa.gov/smallbusiness/ and a Small Business Ombudsman Hotline 800-368-5883.
- Ohio EPA's DAPC maintains a SIP Development section through which SIP related rulemaking is performed. DAPC rule writer Paul Braun, the primary contact for this rulemaking, is available to answer questions. He can be reached by calling 614-644-3734 or by e-mail at paul.braun@epa.ohio.gov.