

**MEMORANDUM**

TO: Amanda Payton, Rules Coordinator, Ohio EPA
FROM: Mark Hamlin, Director of Regulatory Policy
DATE: October 9, 2013
RE: **CSI Review – Stage II Vapor Recovery Systems (OAC 3745-21-09)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of a single rule being proposed with amendments by the Ohio Environmental Protection Agency (OEPA). The rule package was submitted to the CSI Office for review on September 5, 2013, and the comment period was open through October 7, 2013. No comments were submitted during the review period.

OEPA is proposing to amend the rule to allow gasoline dispensing facilities in the Cleveland, Cincinnati, and Dayton metropolitan areas (24 counties in total) – which are currently required to install and maintain Stage II vapor recovery systems to reduce emissions at the point of fuel dispensing – to decommission these systems. According to the BIA submitted with the rule package, Stage II systems were required in these areas as a means to achieve compliance with National Ambient Air Quality Standards (NAAQS), but OEPA intends to phase out Stage II vapor recovery as a result of a waiver issued by the U.S. EPA on May 16, 2012. Shortly thereafter, OEPA convened a working group that included industry representatives to work through the development of decommissioning language. The CSI Office participated in those meetings as well.

As a result of those meetings, OEPA decided to address the decommissioning language in two

phases. In February 2013, the CSI Office reviewed an amendment that allowed exemptions from the Stage II requirements for new gas stations and gas stations undergoing complete demolition and rebuilding. That rule change took effect in April 2013. Since then, the stakeholder group has continued to meet to craft the rule language currently under review, which allows existing stations to decommission existing Stage II vapor recovery systems.

In its previous rule package, OEPA estimated that installing a new Stage II system costs a gas station between \$20,000 and \$60,000, and the annual testing of these systems can cost between \$2,000 and \$4,000. In contrast, the cost of maintaining low permeation hoses – which would replace the Stage II systems – is estimated at \$300 per year. As a result, OEPA rightly notes that the proposed amendments in this rule package reduce the adverse impact to businesses. Because of this fact, and the collaborative partnership the Agency created with the affected stakeholders, the rule package is justified.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Ohio EPA should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.