



# PROPOSED RULE MAKING

## CR-102 (July 2022) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: September 07, 2022

TIME: 10:11 AM

WSR 22-18-100

Agency: Department of Ecology AO# 21-08

Original Notice

Supplemental Notice to WSR \_\_\_\_\_

Continuance of WSR \_\_\_\_\_

Preproposal Statement of Inquiry was filed as WSR 21-20-016 ; or

Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW \_\_\_\_\_.

Title of rule and other identifying information: (describe subject)

Ecology is proposing amendments to Chapter 173-455 WAC, Air Quality Fee Rule, in sections -038, -050, -100, -120, -130, and -140. Ecology is also proposing to add a new section -031.

For more information on this rulemaking visit: <https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-455>

### Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 13 2022	1:00 PM	Webinar  Join online and see instructions: <a href="https://waecy-wa.gov.zoom.us/meeting/register/tZ0odeGprDlpHNIQTapzEtSYVReHobOYLJcC">https://waecy-wa.gov.zoom.us/meeting/register/tZ0odeGprDlpHNIQTapzEtSYVReHobOYLJcC</a> For audio call US Toll number 1-253-215-8782 and enter access code 895 2812 9366, or to receive a free call back, provide your phone number when you join the event	Presentation, question and answer session followed by the hearing. We are holding this hearing via webinar. This is an online meeting that you can attend from any computer using internet access.

Date of intended adoption: February 15, 2023 (Note: This is NOT the effective date)

### Submit written comments to:

Name: Caitlin Cannon

Address: Send US mail to:

Department of Ecology  
Air Quality Program  
PO Box 47600, Olympia, WA 98504-7600

Or

Send parcel delivery services to:

Department of Ecology  
Air Quality Program  
300 Desmond Dr. SE, Lacey, WA 98503

Email: [Caitlin.Cannon@ecy.wa.gov](mailto:Caitlin.Cannon@ecy.wa.gov)

Fax: N/A

### Assistance for persons with disabilities:

Contact [Ecology ADA coordinator](#)

Phone: 360-407-6831

Fax: N/A

TTY: For Washington Relay Service or TTY call 711 or 877-833-6341

Other: Submit comments online:  
<https://aq.ecology.commentinput.com/?id=Zax2u>  
By (date) October 20, 2022

Email: [ecyADAcordinator@ecy.wa.gov](mailto:ecyADAcordinator@ecy.wa.gov)

Other: Visit <https://ecology.wa.gov/accessibility> for more information  
By (date) October 4, 2022

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

The proposed new rule:

- Section -031: Adds section -031 to establish a new process to update fees more frequently
- Updates the hourly fee rate to reflect the new Ecology rate:
  - Section -050 – Carbon dioxide mitigation fee
  - Section -100 – Fee related to reasonably available control technology (RACT)
  - Section -120 – New source review (NSR) fees
  - Section -130 – Air pollution standards variance fee
  - Section -140 – Nonroad engine permit fee
- Section -038: Updates to specify that greenhouse gas reporting fees are found in Chapter 173-441 WAC, Reporting of Emissions of Greenhouse Gases
- Section -100:
  - Relocates hourly fees pursuant to RCW 70A.15.2220 for replacement or substantial alteration of control technology to the permit fee section -120 to improve usability
- Removes fees from the text of the rule language and places them in a fee table for improved readability and to facilitate regular fee updates
- Updates the rule language to improve the readability and clarity
- Updates outdated references to Chapter 70.94 RCW throughout the rule to Chapter 70A.15 RCW

Updates are needed to recover program costs for permit issuance and to establish a new streamlined process for future fee revisions.

There is a widening gap between Ecology's Air Quality permit fees and permit program costs. These fees were established based on program costs in 2012. A workload analysis of Air Quality permitting hours billed between 2017 and 2021 across all job classes was performed to determine a new hourly rate which reflects current program costs. The cost calculated by the workload analysis was then rounded down to the nearest dollar to ensure permit fees do not exceed program costs.

The new section (-031) establishes a consistent and predictable process for streamlined future fee adjustment. Ecology will create a program budget and workload analysis each year after 2023. If fee adjustments are needed Ecology may set new fees for a two year period following a public comment period. Industry has communicated with Ecology that they prefer more frequent incremental increases rather than infrequent significant fee increases, and they use frequent (often annual) incremental increases for their customers as well. The new fee adjustment process will allow Ecology to charge fees that cover program costs and give permittees small cost adjustments that occur predictably.

**Reasons supporting proposal:** Current fees do not cover current program costs. Chapter 70A.15 RCW directs Ecology to charge fees to cover program costs. The updated fees will cover permitting program costs.

The new streamline process to update fees will guide regular, smaller adjustments to fees. This allows permittees to better anticipate small future fee adjustments and allows Ecology to continue charging adequate fees.

**Statutory authority for adoption:** Chapter 70A.15 RCW, Washington Clean Air Act

**Statute being implemented:** Chapters 70A.15.2210, .2230, and .6270 RCW

**Is rule necessary because of a:**

- |                         |   |  |
|-------------------------|---|--|
| Federal Law?            | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| Federal Court Decision? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| State Court Decision?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

If yes, CITATION: 42 U.C.W. 7661-7661f and Chapter 70A.15 RCW

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** N/A

**Type of proponent:**  Private  Public  Governmental

**Name of proponent:** (person or organization) Washington Department of Ecology

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Caitlin Cannon	Lacey, WA	360-489-4046

Implementation:	Sanjay Barik Karin Baldwin	Union Gap Spokane	509-379-1464 509-329-3452
Enforcement:	Sanjay Barik Karin Baldwin	Union Gap Spokane	509-379-1464 509-329-3452

**Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?**  Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Is a cost-benefit analysis required under [RCW 34.05.328](#)?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name: Caitlin Cannon  
Address: Department of Ecology  
Air Quality Program  
PO Box 47600  
Olympia, WA 98504-7600  
Phone: 360-489-4046  
Fax: N/A  
TTY: For Washington Relay Service or TTY call 711 or 877-833-6341  
Email: [Caitlin.Cannon@ecy.wa.gov](mailto:Caitlin.Cannon@ecy.wa.gov)  
Other: N/A

No: Please explain:

**Regulatory Fairness Act and Small Business Economic Impact Statement**  
Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

**(1) Identification of exemptions:**  
This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.  
Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

<input checked="" type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(b) (Internal government operations)	<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(e) (Dictated by statute)
<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(c) (Incorporation by reference)	<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(f) (Set or adjust fees)
<input checked="" type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(d) (Correct or clarify language)	<input checked="" type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(g) (i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4) (does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of how the above exemption(s) applies to the proposed rule:

**(2) Scope of exemptions:** *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):

Ecology baselines are typically complex, consisting of multiple requirements fully or partially specified by existing rules, statutes, or federal laws. Where the proposed rule differs from this baseline of existing requirements, it is typically subject to (i.e., not exempt from) analysis required under the Regulatory Fairness Act (RFA; Chapter 19.85 RCW) based on meeting criteria referenced in RCW 19.85.025(3) as defined by the Administrative Procedure Act in RCW 34.05.310. The Small Business Economic Impact Statement (SBEIS) below includes a summary of the baseline for this rulemaking, and whether or how the proposed rule differs from the baseline. We identify relevant RFA exemptions (if any) for each set of requirements.

- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

**(3) Small business economic impact statement:** *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. \_\_\_\_\_
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

This Small Business Economic Impact Statement (SBEIS) presents the:

- Compliance requirements of the proposed rule.
- Results of the analysis of relative compliance cost burden.
- Consideration of lost sales or revenue.
- Cost-mitigating action taken by Ecology, if required.
- Small business and local government consultation.
- Industries likely impacted by the proposed rule.
- Expected net impact on jobs statewide.

A small business is defined by the Regulatory Fairness Act (chapter 19.85 RCW) as having 50 or fewer employees. Estimated costs are determined as compared to the existing regulatory environment—the regulations in the absence of the rule. The SBEIS only considers costs to “businesses in an industry” in Washington State. This means that impacts, for this document, are not evaluated for government agencies.

The existing regulatory environment is called the “baseline” in this document. It includes only existing laws and rules at federal and state levels.

This information is excerpted from Ecology's complete set of regulatory analyses for this rulemaking. For complete discussion of the likely costs, benefits, minimum compliance burden, and relative burden on small businesses, see the associated Regulatory Analyses document (**Ecology publication no. 22-02-031, August 2022**)

**COMPLIANCE REQUIREMENTS OF THE PROPOSED RULE, INCLUDING PROFESSIONAL SERVICES**

**Baseline**

The baseline for our analyses generally consists of existing rules and laws, and their requirements. This is what allows us to make a consistent comparison between the state of the world with and without the proposed rule amendments.

For this rulemaking, the baseline includes:

- Chapter 70A.15 RCW Washington Clean Air Act.
- Chapter 173-455 WAC, Air Quality Fee Rule.

**Establish a process to revise future fees**

**Baseline**

Currently the only way Ecology can increase air quality permitting fees is to propose changes through the formal rulemaking process. This typically takes over twelve months. The last time Ecology adopted rules to increase permit fees was 2012.

**Proposed**

The proposed rule amendments would allow Ecology to increase permit fees every two years. The proposed process is outlined below.

Ecology would:

1. Prepare the draft annual budget.
2. Determine if the current fees cover costs. If they don't, proceed to step 3.
3. Draft a fee schedule that evenly distributes the increase across the permits where the current fee isn't covering costs.
4. Post the draft budget and draft fee schedule on Ecology's web site by August 1 of the year before the new fee schedule would go into effect.
5. Provide a 30-day public comment period on the draft budget and draft fee schedule.
6. Post the final budget and fee schedule on Ecology's website by December 1st of the year before the new fee schedule goes into effect.

**Expected impact**

We expect the proposed rule amendment to benefit permitted industries because they would have more predictability about any future fee increases. This will allow them to better prepare for the changes. Our permit customers told us they would prefer more frequent incremental increases because it will better align with how they increase the fees for their customers.

#### **Relevant Exemptions**

RCW 34.05.310 (4)(b), RCW 34.05.310 (4)(g)(ii)

#### **Update hourly fee rates**

##### **Baseline**

The baseline permit fees were based on the 2012 hourly rate of \$95 for an Environmental Engineer 5 (EE5).

##### **Proposed**

The proposed rule amendments would update the hourly fee rate to reflect the new rate for engineering review and processing of applications for permits.

Generally, Ecology is proposing to increase:

- All hourly fees in the amended sections to match the new \$119/hour rate
- All flat fees by 25 percent to match the increase from \$95/hour to \$119/hour

Initial fees are equal to the number of covered hours, multiplied by \$119.

Ecology is also proposing to change the hourly rate for initial fees related to the prevention of significant deterioration (PSD) program. Each of these permits have a base fee which is calculated by an estimated number of hours multiplied by the hourly rate. The estimates for the necessary number of work hours are as follows:

- Written PSD applicability determinations – increased from 6 to 40 hours to reflect actual workload.
- PSD permit revisions – where the revision is not administrative or a major modification - reduced from 79 hours to 40 hours to reflect actual workload.
- Other fees: Second and third tier review fees initial hours reduced from 106 to 84 hours to reflect actual workload.

The new fees for New Source Review and other air permits would go into effect 31 days after the proposed rule changes are adopted. This is scheduled for February of 2023. The proposed new fee schedule is provided in the Preliminary Regulatory Analyses.

##### **Expected impact**

We expect permittees to incur increased costs associated with this proposed rule change. We also expect a benefit of closing the gap between fees charged and actual program costs. The proposed change would also allow Ecology to continue providing permitting services in a comprehensive and timely manner without pulling funding sources from other projects and programs. Permittees would benefit from timely service, without suffering losses in investments due to permitting timeline and development delays.

The New Source Review fee is charged to any owners or operators of new sources of air emissions that are required to submit a Notice of Construction application for any proposed new sources or emissions units, including portable emission sources.

The number of air quality permit applications varies from year to year and it is hard to predict how many of the covered parties would be affected in the future. We analyzed permitting activity data provided by the AQ Program. Based on the three years of quarterly data we found a variety of issued and renewed air quality permits, such as Notice of Construction (NOC) approval orders and Prevention of Significant Deterioration (PSD) permits. On average, we identified 32 initial or renewed permits and 29 revised permits for Ecology to process each year. We also found that there were 213 unique entities that applied for an Air Quality permit since the beginning of 2020.

The cost of issuing an air quality permit varies depending on the type of source and complexity of the permit. Ecology is authorized to charge fees as needed to cover the costs associated with issuing permits.

##### **Relevant Exemption**

RCW 34.05.310 (4)(g)(ii)

#### **Adding new references and to improving readability and clarity**

##### **Baseline**

The baseline rule refers to old laws and is missing key references. And some parts are unclear or poorly organized.

##### **Proposed**

The proposed rule amendments would update the following references:

- Section -038: Update the list of fees not included in Chapter 173-455 WAC to note that greenhouse gas reporting fees are found in Chapter 173-441 WAC, Reporting of emissions of greenhouse gases
- Update outdated references to Chapter 70.94 RCW throughout the rule to Chapter 70A.15 RCW

The proposed rule amendments would also clarify and organize language and requirements to improve clarity and facilitate compliance. Other changes are necessary to make rule provisions consistent.

##### **Expected impact**

We do not expect any behavioral impact from these changes. However, the proposed rule amendments may reduce transitory costs such as time spent trying to understand the rule requirements and how to comply.

##### **Relevant Exemption**

RCW 34.05.310 (4)(d)

**COSTS OF COMPLIANCE: EQUIPMENT**

Compliance with the proposed rule, compared to the baseline, is not likely to impose additional costs of equipment.

**COSTS OF COMPLIANCE: SUPPLIES**

Compliance with the proposed rule, compared to the baseline, is not likely to impose additional costs of supplies.

**COSTS OF COMPLIANCE: LABOR**

There is a high variability between the number and complexity of permit applications Ecology receives each year. We chose to base our analysis on the average gap between the New Source Review permit fees and actual program costs every year due to the outdated fee schedule. This approach allows us to roughly predict the total costs of the proposed new hourly fee rates for the permittees compared to the baseline.

Based on a seven-year period of data on Ecology’s funding and revenues, the average annual underfunding of the New Source Review program is equal to \$79,981.

Ecology analyzes impacts over a 20-year time span from the time of rule adoption, which is typically enough time to reflect consequences of a rulemaking. To take into account the new process for updating New Source Review and other air permitting fees for year 2024 and beyond, we adjusted future average annual costs by previously estimated changes per biennium by 4.7 percent. Note that biannual costs increase at a nominal rate, meaning that it reflects wage increases for each period in 2022 dollars.

To reflect the inflation effects over a 20-year period we calculate the total 20-year present value based on the current real discount rate for the change caused by updated fees that would result in increased costs for all permittees. The total 20-year present value for the change caused by the adjusted fees is \$1,774,989.

As described in the Preliminary Regulatory Analyses for this rulemaking, we determined an average of 32 initial or renewed permits and 29 revised permits (for an average total of 61 permit actions) for Ecology to process each year. Although the cost of processing a permit application vastly differs from one application to another, the average cost of fee increases per business is \$1,311. Please see the table below for an example of the difference of initial fees for review of a permit application for a new source or for the modification of an existing source with an emissions increase.

Action	Current	Proposed	Difference
Basic project	\$1,520	\$1,904	\$384
Complex project	\$10,070	\$12,614	\$2,544

**COSTS OF COMPLIANCE: PROFESSIONAL SERVICES**

Compliance with the proposed rule, compared to the baseline, is not likely to impose additional costs of professional services.

**COSTS OF COMPLIANCE: ADMINISTRATIVE COSTS**

Where applicable, Ecology estimates administrative costs (“overhead”) as part of the cost of labor and professional services, above.

**COSTS OF COMPLIANCE: OTHER**

N/A

**COMPARISON OF COMPLIANCE COST FOR SMALL VERSUS LARGE BUSINESSES**

We calculated the estimated per-business costs to comply with the proposed rule amendments, based on the costs estimated in the Preliminary Regulatory Analyses for this rulemaking. In this section, we estimate compliance costs per employee.

As discussed in in the Preliminary Regulatory Analyses, there is a high variability between the number and complexity of permit applications Ecology receives each year. We chose to base our analysis on the average gap between the new source review permit fees and actual program costs every year due to the outdated fee schedule. This approach allows us to roughly predict the total costs of the proposed new hourly fee rates for the permittees compared to the baseline.

The average affected small business likely to be covered by the proposed rule amendments employs about five people. The largest 10 percent of affected businesses employ an average of 3,225 people. Although the cost of processing a permit application vastly differs from one application to another, the average cost of fee increases per business is \$1,311. Based on cost estimates in the Preliminary Regulatory Analyses, we estimated the following compliance costs per employee.

Average cost of fee increase	
Average small business employment	5
Average employment at largest ten percent of businesses	3225
Small business cost per employee	\$262
Largest business cost per employee	\$0.41

In the Preliminary Regulatory Analyses, we also described an example of the difference of initial fees for review of a permit application for a new source or for the modification of an existing source with an emissions increase. Table below shows ranges of compliance costs per employee based on estimates from the example.

<b>Cost of compliance differences</b>	<b>Low</b>	<b>High</b>
Average small business employment	5	5
Average employment at largest ten percent of businesses	322	322
Small business cost per employee	\$77	\$509
Largest business cost per employee	\$0.12	\$0.80

We conclude that the proposed rule amendments are likely to have disproportionate impacts on small businesses, and therefore Ecology must include elements in the proposed rule amendments to mitigate this disproportion, as far as is legal and feasible.

Note that this example is illustration of initial fees. In reality, project may be subject to several different fees and Ecology has observed that small businesses frequently get less complex and therefore lower fee permits.

**CONSIDERATION OF LOST SALES OR REVENUE**

Businesses that would incur increased costs under the proposed rule amendments could experience reduced sales or revenues if the proposed rule amendments significantly affect the prices of the goods they sell. The degree to which this could happen is strongly related to:

- Each business’s production and pricing model (whether additional lump-sum costs would significantly affect marginal costs).
- The specific attributes of the markets in which they sell goods, including the degree of influence each firm has on market prices.
- The relative responsiveness of market demand to price changes.

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on directly affected markets, accounting for dynamic adjustments throughout the economy. The model accounts for: inter-industry impacts; price, wage, and population changes; and dynamic adjustment of all economic variables over time.

The proposed rule amendments affect a wide variety of businesses. Those industries that are more able to control their pricing, likely due to geographic restrictions in various types of construction, for example, may trade off price increases for reduced sales (which may or may not result in reduced revenue). Industries with greater competition, such as various service industries, may not be as able to control their pricing, and would not see associated impacts to sales and revenue. In general, the impact on Washington economy is insignificant. The percent difference from year to year is 0% for all industries. Table below shows absolute economic indicators for years 2022 and 2041.

<b>Industry</b>	<b>Impact on Output in 2022, in 2022 thousand dollars</b>	<b>Impact on Output in 2041, in 2022 thousand dollars</b>
Whole state	-31.6	-18.3
Manufacturing	26	-8.5
Farm	-16.7	-16.7
Construction	-7.6	-2.6
Utilities	-5.8	-5.3
Mining	-9.0	-8.5
Other Services	-1.8	-1.4

**MITIGATION OF DISPROPORTIONATE IMPACT**

The RFA (19.85.030(2) RCW) states that:

“Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. The agency must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

- Reducing, modifying, eliminating substantive regulatory requirements.
- Simplifying, reducing, eliminating recordkeeping and reporting requirements.
- Reducing the frequency of inspections.
- Delaying compliance timetables.
- Reducing or modifying fine schedules for noncompliance.
- Any other mitigation techniques including those suggested by small businesses or small business advocates.”

We considered all of the above options, the goals and objectives of the authorizing statutes (as described in the Preliminary Regulatory Analyses for this rulemaking.), and the scope of this rulemaking. We limited compliance cost-reduction methods to those that:

- Are legal and feasible.
- Meet the goals and objectives of the authorizing statute.

- Are within the scope of this rulemaking.

Ecology considered all of the above options and maintained all legal and feasible elements in the baseline rule that reduce costs. In addition, Ecology considered the alternative rule contents discussed in the Preliminary Regulatory Analyses for this rulemaking, and excluded those alternatives that would have imposed excess compliance burden on businesses.

The baseline rule already includes the following elements, which are unchanged in the proposed rule amendments, to reduce costs to small businesses.

The baseline rule already allows Ecology to reduce costs for qualifying small businesses by fifty percent or three hundred and twelve dollars (\$312); whichever is greater. This is not changing.

Moreover, the baseline rule includes an extreme hardship reduction due to outstanding economic circumstances for qualifying small businesses. This is not changing.

In addition, the new streamlined process established in the proposed amendments to develop subsequent fee schedules may help small businesses better plan for permit expenses.

### **SMALL BUSINESS AND LOCAL GOVERNMENT CONSULTATION**

We involved small businesses and local governments in our development of the proposed rule amendments, as follows:

- Ecology held two webinars for stakeholders concerning the proposed rule amendments on May 19 and June 8, 2022.
- The following stakeholders attended the webinars: Central WA concrete, Par Pacific, Simplot, WSPA, HF Sinclair, NW Pulp and Paper, Granite Construction Company.
- Stakeholder meeting notices and materials and project updates were sent to the groups identified above and posted to Ecology's rulemaking website.

### **NAICS CODES OF INDUSTRIES IMPACTED BY THE PROPOSED RULE**

The proposed rule amendments likely impacts the following industries, with associated NAICS codes. NAICS definitions and industry hierarchies are discussed at <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017>.

- 327992 Mineral processing - (Not Rock Crushing)
- 33641 Manufacturing - Specialty
- 112112 Cattle Feedlot
- 115114 Seed Cleaner
- 212313 Rock Crusher
- 221112 Boiler - Diesel/Hog/Natural Gas
- 221320 Wastewater Treatment Plant
- 238320 Paintbooth - Non Autobody
- 311119 Animal Feed Manufacture
- 311225 Canola Oil Seed Press
- 311423 Dehydrator
- 311999 Food Processing - Nutrient Extraction
- 312140 Mint Distillery
- 321999 Wood Products
- 322120 Manufacturing - Paper
- 322211 Manufacturing - Natural Fiber Products
- 322299 Manufacturing - Natural Fiber Products
- 324121 Asphalt
- 324122 Asphaltic Cement
- 325199 Chemical Plant - Synthetic/Organic Chemical Mfg
- 325314 Fertilizer Manufacturer
- 325315 Composting
- 326140 Manufacturing - Polystyrene
- 327320 Concrete
- 331314 Smelter - Primary
- 331511 Foundry - Ferrous
- 331529 Foundry - Non Ferrous
- 331920 Coffee Roaster
- 332813 Metal Anodizing/Plating
- 333241 Food Processing - General
- 336612 Manufacturing - Boat
- 424510 Grain Handling > 10 million bushels
- 424710 Gasoline - Terminal
- 518210 Generators - Emergency
- 562212 Landfill - Open
- 611519 Firefighter Training Center
- 811121 Paintbooth - Autobody
- 812220 Crematory Human/Animal
- 812320 Laundry - Dry Cleaners

**IMPACT ON JOBS**

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on jobs in the state, accounting for dynamic adjustments throughout the economy.

The proposed rule amendments would result in transfers of money within and between industries, as compared to the baseline. The modeled impacts on employment are the result of multiple small increases and decreases in employment, prices, and other economic variables across all industries in the state. The results of REMI E3+ model show insignificant impact on jobs in the affected industries.

Industry	Initial Jobs Impact	Jobs Impact in 20 years
Whole state	-0.5	-0.4
Manufacturing	-0.03	-0.02
Farm	-0.07	-0.05
Construction	-0.09	-0.04
Utilities	-0.006	-0.005
Mining	-0.06	-0.04
Other Services	-0.004	-0.003

The values in the above table represent number of full time employees (FTEs) that would be laid off each year as a result of increased production costs. The number of FTEs decreased does not accumulate over year and represent single point data compared to the baseline.

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name: Caitlin Cannon  
Address: Department of Ecology  
Air Quality Program  
PO Box 47600  
Olympia, WA 98504-7600I  
Phone: 360-489-4046  
Fax: N/A  
TTY: For Washington Relay Service or TTY call 711 or 877-833-6341  
Email: Caitlin.Cannon@ecy.wa.gov  
Other: N/A

<b>Date:</b> September 7, 2022	<b>Signature:</b> 
<b>Name:</b> Heather Bartlett	
<b>Title:</b> Deputy Director	