

SMALL BUSINESS IMPACT STATEMENT

Agency submitting regulation:

Department of Environmental Management, Office of Air Resources

Subject matter of regulation:

Air Pollution Control Regulation No. 8 – Sulfur Content of Fuels

ERLID No:

7711, (Supersedes ERLID# 4503)

Statutory authority:

Rhode Island General Laws § 42–17.1–2(s) and 23–23, as amended

Other agencies affected:

None.

Other regulations that may duplicate or conflict with the regulation:

None.

Describe the scope and objectives of the regulation:

Regulation No. 8 limits the sulfur content of fuels stored for sale, offered for sale, sold or delivered for use in Rhode Island.

What was the rationale for establishing this regulation?

To limit the quantity of sulfur dioxide emissions entering the atmosphere from the burning of fuels. During the combustion process, sulfur in the fuel reacts with oxygen to form sulfur dioxide. Exposure to sulfur dioxide can cause difficulty breathing, including changes in the body's ability to take a breath or breathe deeply, or take in as much air per breath. Long term exposure to sulfur dioxide can cause changes in lung function and aggravate existing heart disease.

Sulfur dioxide is also a major component of acid rain since it mixes with water vapor in the atmosphere, reacting to produce sulfuric acid. Acid rain can damage forests and crops, change the acidity of soils, and make lakes and streams acidic and unsuitable for aquatic life. Sulfur dioxide also contributes to the decay of building materials and paints, including monuments and statues.

In addition, sulfur dioxide reacts in the atmosphere to form sulfates and other sulfur oxides. Gaseous sulfur oxides can react with other compounds in the atmosphere to form small particles called particulate matter. These particles penetrate deeply into sensitive parts of the lungs and can cause or worsen respiratory disease, such as emphysema and bronchitis, and can aggravate existing heart disease, leading to increased hospital admissions and premature death.

EPA has set air quality standards for sulfur oxides and particulate matter. The National Ambient Air Quality Standard for sulfur dioxide and particulate matter is designed to protect against exposure to these pollutants. EPA regulates these pollutants by developing human health-based and/or environmentally-based criteria for setting permissible levels. The Office of Air Resources is required by EPA to measure and monitor the ambient air levels of sulfur dioxide and particulate matter in the state.

In 2009, Rhode Island adopted its Regional Haze State Implementation Plan Revision, committing to various control measures representing Rhode Island's "fair share" contribution towards achieving the reasonable progress visibility goals in the MANE-VU region by 2018. (EPA established 5 regional planning organizations to coordinate regional haze efforts. Rhode Island is a member of one of these regional organizations, the Mid-Atlantic Northeast Visibility Union (MANE-VU)). These measures included a two-phased reduction in the sulfur content of fuel oils.

Does the rationale still exist?

Yes, the requirement to regulate the sulfur content of fuels still exist as the sulfur content of fuel oil from the refinery can differ.

Is the rationale still relevant?

Yes, the rationale to regulate and reduce the emissions of sulfur dioxide in the atmosphere is still a major concern for protection of human health and the environment and to reduce visibility impacts.

Business industry (s) affected by the regulation:

Any business/industry which combusts fuel oil either for space heating needs or process needs.

Types of businesses included in the industry (s):

Any type of business may be subject to the regulation. Applicability is determined based on the type of fuel used by the business for their process and/or heating needs.

Total number of small businesses included in the regulated industry (s)

The number of small businesses that could be included in the regulated industry is not quantifiable. The regulation limits the sulfur content of fuel oil used or sold in Rhode Island and is not based on quantity of fuel used.

Number of small businesses potentially subject to the proposed regulation:

The number of small businesses potentially subject to the regulation is not quantifiable.

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Very few small businesses have ever contacted this office for assistance with clarification of this regulation and/or receive assistance with compliance issues.

What is the cost to your agency of establishing and enforcing this regulation?

The cost to our agency to establish and enforce is minimal. A regulation limiting the sulfur content of fuel oil has been in place since 1971.

What would the consequences be if the regulation did not exist?

If this regulation did not exist and the sulfur content of fuel oil was uncontrolled, the emissions of sulfur dioxide would increase leading to increases in respiratory disease, heart disease, and acid-rain deposition.

Effective date used in cost estimate:

Not applicable.

1.	Yes	No ✓	Do small businesses have to create, file, or issue additional reports? <i>Additional reports do not need to be created, filed, or issued.</i>
2.	Yes	No ✓	Do small businesses have to implement additional recordkeeping procedures? <i>If requested, any entity would be required to demonstrate that they were in compliance with the regulation if using fuel oil. This could be in the form of a fuel certification issued by the fuel oil supplier or a fuel oil analysis.</i>
3.	Yes	No ✓	Do small businesses have to provide additional administrative oversight? <i>Additional administrative oversight would be in the form of maintaining the fuel oil certification or analysis on file.</i>
4.	Yes	No ✓	Do small businesses have to hire additional employees in order to comply with the proposed regulation? <i>The regulation does not require the source to hire additional employees in order to comply with the regulation.</i>
5.	Yes	No ✓	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? <i>Compliance with regulation does not require the source to hire other professionals in order to comply with the regulation.</i>
6.	Yes	No ✓	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? <i>The regulation does not impose new requirements or require any purchases or capital investments in order to comply with the regulation.</i>
7.	Yes	No ✓	Are performance standards more appropriate than design standards? <i>Performance standards if they were in the form of an emission limitation, as opposed to a limit on the fuel oil sulfur content, would be more burdensome.</i>
8.	Yes ✓	No	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? <i>The regulation requires facilities to make records available to DEM on request.</i>

9.	Yes	No ✓	Does the regulation have the effect of creating additional taxes and/or fees for small businesses? <i>No addition fees are imposed by this regulation.</i>
10.	Yes	No ✓	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? <i>The regulation does not require small businesses to provide educational services to keep up-to-date with the regulatory requirements.</i>
11.	Yes	No ✓	Is the regulation likely to <i>deter</i> the formation of small businesses in RI? <i>The regulation does not have an effect on small businesses that would influence it's stability in any way. The regulation is consistent with requirements in neighboring states.</i>
12.	Yes	No ✓	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI? <i>The limitations on sulfur content of fuel oil are similar to those in many Northeast states, so the regulation is unlikely to encourage small businesses in RI.</i>
13.	Yes	No ✓	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? <i>It is unlikely that the compliance requirements imposed by this regulation could be made less stringent for small businesses. There are no reporting requirements for small businesses.</i>
14.	Yes	No ✓	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? <i>The deadlines for compliance are intended to be consistent with those in other Northeast states.</i>
15.	Yes	No ✓	Can the compliance or reporting requirements be consolidated or simplified for small businesses? <i>The compliance requirements are already simplified. There are no reporting requirements.</i>
16.	Yes	No ✓	Can performance standards for small businesses replace design or operational standards? <i>Performance standards if they were in the form of an emission limitation, as opposed to a limit on the fuel oil sulfur content, would be more burdensome.</i>
17.	Yes	No ✓	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? <i>No adverse impacts are known to impact small businesses from this regulation. The Department believes the lower allowable sulfur content for fuel oils will have a net beneficial economic impact on small businesses.</i>
18.	Yes	No ✓	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.