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ILLINOIS POLLUTION CONTROL BOARD

ORIGINAL RECEIVE

January 23, 2008

Jack Lavin, Director Department of Commerce and Economic Opportunity OF ILLINOIS 620 East Adams Street, S-6 Springfield, Illinois 62704

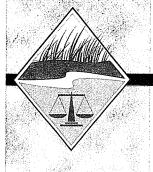
Re: Request for Economic Impact Study for: <u>Section 27 Proposed Rules for</u> <u>Nitrogen Oxide (NOx) Emissions From Stationary Reciprocating Internal</u> <u>Combustion Engines and Turbines: Amendments to 35 III. Adm. Code Parts</u> <u>211 and 217</u>, (R07-19)

Dear Director Lavin:

On January 10, 2008, the Board granted the Illinois Environmental Protection Agency's (Agency) motion to proceed with an amended proposal in Section 27 Proposed Rules for Nitrogen Oxide (NOx) Emissions From Stationary Reciprocating Internal Combustion Engines and Turbines: Amendments to 35 Ill. Adm. Code Parts 211 and 217, (R07-19). Because this proposal is different from the rulemaking that was the subject of a previous request for an economic impact study, I am writing to request that your Department conduct an economic impact study concerning this amended proposal. The rulemaking is intended to control nitrogen oxide (NO_x) emissions from specified engines and turbines that are frequently associated with gas pipelines.

The following is a brief synopsis of the history of this rulemaking proposal. On April 6, 2007, the Agency filed a rulemaking proposal intended to reduce emissions of NO_x from stationary reciprocating engines and turbines, which the Board docketed as R07-18. In an order dated May 17, 2007, the Board concluded that the Agency's entire proposal was not "required to be adopted" by the Clean Air Act (CAA) under Section 28.5 of the Environmental Protection Act (Act). Accordingly, the Board bifurcated the proposal by continuing to consider only the portion applicable to the 28 internal combustion engines affected by the NO_x State Implementation Plan (SIP) Call Phase II under Section 28.5. The Board directed the publication of the remainder of the Agency's proposal for first notice under Sections 27 and 28 of the Act in docket R07-19 without commenting on the merits of the proposal.

On June 15, 2007, the hearing officer issued an order scheduling a first hearing beginning September 18, 2007 in Springfield and a second hearing beginning November 5, 2007 in Chicago.



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On August 23, 2007, the Agency filed a motion to cancel the scheduled hearings and associated deadlines. In an order dated August 27, 2007, the hearing officer granted the motion. At the direction of the hearing officer, the Agency has since filed two status reports, a first on October 31, 2007, and a second, on November 19, 2007, which indicated that the Agency would file an amended proposal with the Board before the end of December 2007. On December 20, 2007, the Agency filed its "Motion to Proceed with Amended Proposal and Withdraw Testimony." This is the proposal that is the subject of this economic impact study request.

Since 1998, Section 27 (b) of the Environmental Protection Act has required the Board to:

1) "request that the Department of Commerce and Economic Opportunity (formerly the Department of Commerce and Community Affairs) conduct a study of the economic impact of the proposed rules. The Department may within 30 to 45 days of such request produce a study of the economic impact of the proposed rules. At a minimum, the economic impact study shall address a) economic, environmental, and public health benefits that may be achieved through compliance with the proposed rules, b) the effects of the proposed rules on employment levels, commercial productivity, the economic growth of small businesses with 100 or less employees, and the State's overall economy, and c) the cost per unit of pollution reduced and the variability of company revenues expected to be used to implement the proposed rules; and

(2) conduct at least one public hearing on the economic impact of those rules. At least 20 days before the hearing, the Board shall notify the public of the hearing and make the economic impact study, or the Department of Commerce and Economic Opportunity's explanation for not producing an economic impact study, available to the public. Such public hearing may be held simultaneously or as a part of any Board hearing considering such new rules." 415 ILCS 5/27(b) (2004).

I would greatly appreciate a response from you concerning DCEO's position on whether it will perform the economic impact study by February 28, 2008.

If I, or my staff, can provide you with any additional information, please let me know.

Thank you in advance for your prompt response. Sincerely,



GOVERNOR

Rod R. Blagojevich

CHAIRMAN G. Tanner Girard, Ph.D.

ILLINOIS POLLUTION CONTROL BOARD

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G. Tanner Girard Acting Chairman Pollution Control Board

cc: Warren Ribley, DCEO John T. Therriault, Assistant Clerk of the Board

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