



IPC Illinois Pollution Control Board

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Cynthia Santos

Carrie Zalewski



CHICAGO OFFICE

James R. Thompson Center
100 West Randolph
Suite 11-500
Chicago, IL
60601-3233

Main: 312-814-3620
FAX: 312-814-3669
TTY: 866-323-1677



SPRINGFIELD OFFICE

1021 N. Grand Ave. East
P.O. Box 19274
Springfield, IL
62794-9274

Main: 217-524-8500
FAX: 217-524-8508



WEB SITE

www.ipcb.state.il.us

March 22, 2018

Sean McCarthy, Director
Department of Commerce and Economic Opportunity
100 W. Randolph St., Suite 3-400
Chicago, Illinois 60601

Re: Request for Economic Impact Study for Amendment to 35 Ill. Adm. Code 205, Emissions Reduction Market System, Board Docket R18-22

Dear Director McCarthy:

I write to request that the Department of Economic Opportunity conduct an economic impact study of the rulemaking proposal cited above. On February 22, 2018, the Illinois Environmental Protection Agency (IEPA) filed a proposal to establish a "sunset" date of April 30, 2018, for the Emissions Reduction Market System (ERMS). IEPA states that ERMS no longer provides additional emission reductions or environmental benefit so that a "sunset" will eliminate unnecessary regulation.

For the reasons below, we would appreciate your response to this request no later than May 7, 2018.

Section 27(b) of the Environmental Protection Act requires the Board to

- (1) request that the Department of Commerce and Economic Opportunity 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

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- (C) the cost per unit of pollution reduced and the variability in cost based on the size of the facility and the percentage 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 new 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) (2016).

Although there is no decision deadline in this rulemaking, the Board intends to proceed promptly and has scheduled hearings on May 10, 2018, and June 17, 2018. In the interest of administrative economy, the Board would like to combine the hearing required by Section 27(b) with a hearing on the substantive merits of IEPA's proposal. Under these circumstances, the Board respectfully asks that you determine whether the Department of Commerce and Economic Opportunity will conduct an economic impact study on the proposal and respond no later than May 7, 2018. If I or my staff can provide any additional information, please let me know.

Thank you in advance for your prompt response.

Sincerely,

The seal of the State of Illinois is visible in the background, featuring an eagle with a shield, holding an olive branch and arrows, with a banner in its beak that reads 'STATE SOVEREIGN, NATIONAL UNION'. The seal also includes the date 'AUG. 26th 1818' and the year '1818'.

Katie Papadimitriu, Chairman
Pollution Control Board

cc: Don A. Brown, Clerk of the Board