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September 11, 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 Proposed New 35 Ill. Adm. Code 204, Prevention of Significant Deterioration, Amendments to 35 Ill. Adm. Code 101, 105, 203, 211, and 215, Board Docket R19-1.

Dear Director McCarthy:

I write to request that the Department of Commerce and Economic Opportunity conduct an economic impact study of the rulemaking proposal cited above. On July 2, 2018, the Illinois Environmental Protection Agency (IEPA) filed a proposal to amend the Board's air pollution regulations. The proposal seeks to establish a state Prevention of Significant Deterioration (PSD) permitting program in Illinois and the procedures for that program. On August 23, 2018, the Board accepted IEPA's proposal for public comment without sending it to first notice. IEPA proposes adding new Part 204 (Prevention of Significant Deterioration) to the Board's air pollution regulations, 35 Ill. Adm. Code Subtitle B, that largely reflect US EPA's PSD permit program regulations in 40 C.F.R. § 52.21. The proposal also amends the Board's procedural rules in 35 Ill. Adm. Code 101 and 105 to provide for appeals of PSD permit determinations to the Board. It also amends three Parts of the Board's current air pollution regulations: 35 Ill. Adm. Code 203, 211, and 215, to update relevant language to address both the federal PSD program and the new Part 204.

For the reasons below, we would appreciate your response to this request no later than October 26, 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
 - (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, 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 the 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 October 26, 2018. If I or my staff can provide any additional information, please let me know.

Thank you in advance for your prompt response.

Sincerely,



Katie Papadimitriou, Chairman
Pollution Control Board

cc: Don A. Brown, Clerk of the Board