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Illinois Pollution Control Board

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October 9, 2026

Kim Schultz
Executive Director
Joint Committee on Administrative Rules
700 Stratton Office Building
Springfield, IL 62706

Re: Second Notice for 35 Ill. Adm. Code 1220, Board Docket No. R26-17

Dear Ms. Schultz:

Please find enclosed the Second Notice for Proposed Amendments to the above Part.

Sincerely,

Don A. Brown
Clerk of the Board

Enclosures

SECOND NOTICE

Please note that this rulemaking is subject to a statutory deadline for Board adoption. Specifically, as the Illinois Environmental Protection Agency submitted its proposed rules to the Board on January 2, 2026, the Board must adopt the rules no later than one year after receipt of that proposal. 415 ILCS 5/22.23f(d).

1) Agency Name: Pollution Control Board

2) Title and Administrative Code Citation: Management of Used Electric Vehicle (EV) Batteries, 35 Ill. Adm. Code 1220

3) Date and Citation of Illinois Register: February 20, 2026, 50 Ill. Reg. 2313

4) Text and Location of any Changes from First Notice: See Attachment A.

5) Response to Codification Recommendations: No changes were requested by the Secretary of State.

6) Incorporations by Reference: In Section 1220.120(a), the Board incorporates the following material by reference:

   NFPA 51B, "Standard for Fire Prevention During Welding, Cutting, and Other Hot Work", 2024 Edition, National Fire Protection Association, 1 Batterymarch Park, Quincy, Massachusetts 02169-7471

   NFPA 72, "National Fire Alarm and Signaling Code", 2025 Edition, National Fire Protection Association, 1 Batterymarch Park, Quincy, Massachusetts 02169-7471.

7) Final Regulatory Flexibility Analysis:

   A) Summary of Issues Raised by Small Business: No comments were received from small businesses during first notice.

   B) Description of Actions and Alternatives Proposed by Small Business during First Notice: No actions or alternatives were proposed by small businesses during first notice.

8) Compliance with Section 5-30 of the APA and 1 Ill. Adm. Code 220.285: The Board complied with the applicable requirements by publishing the proposed rulemaking in the *Illinois Register*, posting the proposal and other rulemaking materials on the Board's website (https://pcb.illinois.gov/), providing opportunities for public comment and participation at public hearings, and considering the potential impacts of the proposed rules on small businesses, not-for-profit corporations, and small municipalities.

On April 7, 2026, the Department of Commerce and Economic Opportunity's Office of Small Business Regulatory Flexibility copied the Board on its response to JCAR's request for a small business impact analysis of the rulemaking proposal. That response states, "This rule may impose short-term costs on small businesses that store used EV batteries, particularly those requiring facility upgrades or falling under the registration threshold. Long-term benefits include reduced fire risk, clearer compliance expectations, and potential avoidance of costly incidents. Impacts will vary based on existing infrastructure, storage volumes, and ability to meet spacing and construction standards."

9) Evaluation of All First Notice Comments

A) List of Commenters: Illinois Environmental Protection Agency (IEPA); Office of the State Fire Marshal (OSFM)

B) Issues Raised and Board Analysis: The Board received substantive comments and suggestions from IEPA and OSFM during first notice. The Board evaluated those comments based on the rulemaking record, as well as the requirements of Section 22.23f of the Environmental Protection Act (Act), 415 ILCS 5/22.23f, and made revisions where appropriate. The specific issues raised and the Board's analysis of those issues are set forth below.

Subjects on Which Issues Were Raised: (1) the incorporation and updating of nationally recognized fire-safety standards; (2) the technical basis for the proposed battery-weight calculation and 5,000-kilogram threshold; (3) indoor storage configurations, including storage height, rack storage, fire detection, sprinkler systems, ventilation, and explosion protection; (4) outdoor storage containers, spacing, emergency access, ventilation, and runoff management; (5) contingency planning and emergency response, including coordination with local emergency planning committees and response to explosions; (6) inspection and post-incident monitoring requirements; (7) recordkeeping requirements, including battery chemistry; (8) battery tracking and transportation information, including transporter and vehicle information; (9) financial assurance, including the scope of covered costs; (10) financial assurance removal cost estimates; (11) financial assurance mechanisms; (12) appeal of IEPA decisions; (13) the technical feasibility of the proposed requirements; and (14) the economic reasonableness of the proposed requirements, including potential compliance costs.

Summary of Issues Raised and Board Analysis: The Board evaluated the issues raised during first notice and the technical information, comments, and recommendations in the record, and revised the proposed rules where appropriate. Generally, the Board updated the incorporated fire-safety standards and revised requirements concerning indoor and outdoor storage, fire protection, ventilation, explosion protection, runoff management, emergency response, inspections, and post-incident monitoring. The Board retained a single 17-kilogram-per-cubic-foot density factor for estimating battery weight when actual weight is unavailable and found that the resulting calculation provides a clear and workable basis for

determining whether the 5,000-kilogram threshold applies. The Board revised recordkeeping and battery-tracking requirements to clarify information concerning battery chemistry, Material Safety Data Sheets, transporters, and vehicle information. The Board clarified that financial assurance covers removal and closure activities rather than environmental remediation, revised requirements concerning removal cost estimates and financial assurance mechanisms, and clarified the IEPA decisions subject to appeal. The Board also considered technical feasibility and potential compliance costs, including potential upgrades to fire-protection systems, and found that the proposed requirements are technically feasible and economically reasonable and will not impose an unreasonable economic burden.

The Board's detailed evaluation of each issue follows.[1]

1. Incorporation by Reference and Fire-Safety Standards

Issues Raised

The Board questioned whether the proposed incorporation of the 2014 Edition of NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot Work, should be updated. PFQ 1.

OSFM commented that the proposed incorporation of the 2014 Edition of NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot Work, was outdated because the 2019 and 2024 Editions were available. OSFM recommended that the Board incorporate a more recent edition. OSFM also questioned whether NFPA 51B was sufficiently broad to address fire-prevention concerns associated with used EV battery storage and suggested consideration of the 2024 International Fire Code. PC 1.

IEPA explained that it had proposed the 2014 Edition and did not object to incorporation of the 2024 Edition. Tr.1; PFA 1.

[1] *Record Citation Abbreviations*. For purposes of this discussion, the following abbreviations refer to documents and hearing transcripts in the rulemaking record:

IEPA's Technical Support Document (TSD); the Board's March 3, 2026 pre-filed questions (PFQ 1); OSFM's March 16, 2026 public comment (PC 1); transcript of the March 19, 2026 hearing (Tr. 1); IEPA's March 19, 2026 pre-filed answers (PFA 1); DCEO Office of Small Business Regulatory Flexibility's April 7, 2026 small business impact analysis (DCEO SBIA); IEPA's May 6, 2026 supplemental responses (Supp.); the Board's May 19, 2026 additional pre-filed questions (PFQ 2); IEPA's June 2, 2026 pre-filed answers (PFA 2); transcript of the June 4, 2026 hearing (Tr. 2); and IEPA's July 1, 2026 post-hearing comment (PC 2).

Board's Analysis

Based on the Board's inquiry in PFQ 1, OSFM's recommendation, and IEPA's response, the Board updated the incorporated edition of NFPA 51B to the 2024 Edition.

The Board declined to replace NFPA 51B with the 2024 International Fire Code. Although OSFM suggested that the International Fire Code could provide a broader fire-safety standard, the record did not establish that incorporation of the International Fire Code was necessary to address the fire-prevention requirements applicable to used EV battery storage sites.

The Board also considered the fire alarm and detection requirements applicable to indoor storage. Section 1220.210(c)(4) requires an air-aspirating smoke detector system. The Board determined that the system should be installed in accordance with a nationally recognized standard and therefore added NFPA 72, National Fire Alarm and Signaling Code, 2025 Edition, to Section 1220.120.

Accordingly, Section 1220.120 incorporates NFPA 51B, 2024 Edition, and NFPA 72, 2025 Edition.

2. Battery Weight Estimation and the 5,000-Kilogram Threshold

Issues Raised

The Board questioned the basis for the proposed 17-kilogram-per-cubic-foot density factor used to estimate the weight of used EV batteries when actual weight is unavailable. The Board also questioned whether different density factors should apply to passenger vehicles, light-duty trucks, and heavy-duty EVs. PFQ 1.

IEPA explained that the 17-kilogram-per-cubic-foot factor was based on the weight and dimensions of a high-capacity Tesla battery and was intended to provide a conservative, worst-case estimate. PFA 1; Tr.1. IEPA subsequently considered separate density factors for different vehicle categories and consulted with industry experts. IEPA determined that separate density factors were not expected to be necessary and did not identify sufficient technical information to establish separate values. Supp.; PFA 2; Tr.2; PC 2.

Board's Analysis

The Board found that the record supports retaining a single density factor of 17 kilograms (38 pounds) per cubic foot and does not support adding separate density factors for different classes of EVs. IEPA provided a basis for the original density factor and characterized it as a conservative, worst-case estimate. Although the Board questioned whether the factor should differ for trucks and other heavy-duty EVs, IEPA subsequently considered separate factors and consulted with industry experts but did not identify sufficient technical information to establish separate values. The record therefore does not establish a sufficient technical basis for separate density factors.

The Board also changed "may" to "must" to require use of the prescribed calculation when the actual weight of a used EV battery is unknown. The Board found that the resulting calculation provides a clear and workable method for estimating battery weight and determining whether the 5,000-kilogram threshold applies.

3. Indoor Storage: Storage Configuration, Height, and Rack Storage

Issues Raised

OSFM recommended more restrictive requirements concerning indoor storage height, including consideration of a one-pallet-height limitation. OSFM also recommended prohibiting rack storage. OSFM expressed concerns that storage configurations could increase fire spread and affect the ability of fire-protection systems to address used EV battery hazards. PC 1.

IEPA proposed limits on storage height, including a five-foot limit for whole-room sprinkler storage and an eight-foot limit for rack storage below the ceiling, subject to the applicable fire-protection requirements. IEPA did not oppose rack storage if appropriate fire-protection measures were provided. Supp.; PFA 2.

Board's Analysis

The Board considered OSFM's recommended storage-height and rack-storage restrictions. The Board found that the record supports requirements limiting storage height and establishing conditions for rack storage but does not establish a sufficient basis for categorically prohibiting rack storage.

The Board therefore retained rack storage subject to the specified fire-protection and storage-height requirements, and clarified the application of the 900-square-foot limitation, pile size, separation, aisle space, ceiling clearance, and access requirements.

The Board found that these requirements appropriately address fire spread and emergency response while allowing storage configurations that can be adequately protected by the required fire-suppression systems.

4. Outdoor Storage: Containers, Spacing, Ventilation, and Runoff Management

Issues Raised

The Board questioned the proposed requirements concerning outdoor storage containers, including the type and availability of appropriate containers, container spacing, emergency access, and the relationship between the storage requirements and the 5,000-kilogram threshold. The Board also questioned whether the proposed requirements applied to whole used EV batteries or also to shredded batteries and battery components. The Board further questioned the scope of Part 1220, including whether the proposed requirements apply to used EV batteries awaiting recycling, reclamation, reuse, or disposal and how the requirements relate to activities such as charging, discharging, repair, testing, transportation, and active recycling or disassembly. Tr.1; PFQ 1; PFQ 2.

IEPA explained that the outdoor-storage requirements were based on principles in NFPA 855 and addressed container spacing, storage pads, emergency access, and runoff capture. IEPA also explained that commercially available fire-resistant containers are available for the regulated storage activities. Tr.1; PFA 1. IEPA clarified that Part 1220 regulates whole used EV batteries awaiting recycling, reclamation, reuse, or disposal and does not regulate active recycling or disassembly. IEPA also clarified the distinction between storage of whole used EV batteries and processing or storage of battery components or shredded batteries. Tr.1; PFA 2. IEPA proposed container-ventilation provisions and clarified that captured runoff must be managed in accordance with applicable Illinois requirements. Supp.; PC 2.

Board's Analysis

The Board found that the record supports requiring outdoor storage in enclosed, noncombustible, purpose-designed containers located

on concrete or asphalt pads and subject to specified separation and emergency-access requirements. These requirements are based on the fire-safety principles and storage practices identified in the record.

The Board found that requiring ventilation of outdoor storage containers is appropriate to address the potential accumulation of dangerous gases. The Board therefore retained the ventilation requirement proposed by IEPA.

The Board also considered whether the outdoor-storage requirements applied to whole used EV batteries or to shredded batteries and other battery components. IEPA clarified that Part 1220 regulates whole used EV batteries and not battery components or shredded batteries. The Board therefore removed references to shredded batteries from the storage-plan provisions.

The Board retained requirements concerning emergency access, including separated access points and spacing between storage containers. The Board considered whether additional external or remote-egress requirements were necessary but found that the record did not establish a need for requirements beyond those included in the rule.

The Board found that Part 1220 appropriately applies to the storage of used EV batteries awaiting recycling, reclamation, reuse, or disposal and does not establish requirements governing active recycling, disassembly, or other processing activities outside the scope of the proposed Part 1220. The Board therefore retained the rule's focus on storage of whole used EV batteries.

The Board also retained the requirement to capture runoff from outdoor storage and clarified that captured runoff must be managed in accordance with applicable Illinois requirements. The Board found that the resulting requirements are clear and technically supported by the record.

5. Contingency Planning and Emergency Response

Issues Raised

The Board questioned whether facilities subject to the contingency-planning requirements should consult with local emergency planning committees, particularly where the facilities are also subject to federal emergency-planning requirements. The Board also questioned whether the contingency-planning and

notification provisions should expressly address explosions that do not result in fire. Tr. 1.

IEPA agreed to consider consultation with local emergency planning committees and subsequently proposed requiring facilities to consult with the applicable local emergency planning committee. IEPA also explained that an explosion should be reported even if it does not result in a fire and proposed corresponding revisions to the contingency-planning and notification provisions. Tr.1; PFA 1; Supp.

Board's Analysis

The Board found that coordination with local emergency planning committees is appropriate for facilities subject to the contingency-planning requirements. The Board therefore retained the requirement for consultation with the applicable local emergency planning committee.

The Board also found that an explosion may present a significant emergency even when it does not result in a fire. The Board therefore retained express references to explosions in the provisions governing contingency-plan review and amendment and immediate IEPA notification.

The Board found that the resulting provisions appropriately address emergency coordination, plan maintenance, fires, explosions, notification, and emergency response.

6. Inspections and Post-Incident Monitoring

Issues Raised

The Board questioned the circumstances under which IEPA and local fire departments should be able to inspect used EV battery storage sites. The Board also questioned post-incident monitoring and the coordination necessary to determine whether a site can safely be reentered following an incident. PFQ 1; Tr.1.

IEPA responded to the Board's questions concerning inspections and proposed revisions addressing inspections, emergency response, and detection. IEPA also addressed post-incident response and monitoring. PFA 2. IEPA also suggested a 24-hour post-incident monitoring requirement. PC 2.

Board's Analysis

The Board found that inspection authority is necessary to assess compliance with Part 1220 and to facilitate safe emergency response. The Board clarified that IEPA may conduct an inspection upon request by IEPA or the owner or operator. The Board also clarified that the local fire department may conduct an inspection upon request by the owner or operator, IEPA, or the local fire department to assess fire-safety conditions and emergency response and to require modifications as appropriate.

The Board found that post-incident monitoring is appropriate to protect against hazards following an incident. The Board therefore revised the 24-hour monitoring requirement to require coordination with the local fire department or another emergency service to determine when the site may safely be reentered and to conduct the required monitoring.

The Board found that the resulting provisions appropriately address inspection authority, fire-safety assessment, emergency response, safe reentry, and post-incident monitoring.

7. Recordkeeping: Battery Chemistry and Material Safety Data Sheets

Issues Raised

The Board questioned whether the recordkeeping provisions should include information concerning battery chemistry and whether Material Safety Data Sheets should be maintained at storage sites. Tr.1; Tr.2.

IEPA indicated that battery chemistry information should be included when available and agreed to consider a requirement concerning Material Safety Data Sheets (MSDS). Tr.1; PFA 1; Tr.2. IEPA subsequently proposed revisions addressing these recordkeeping requirements. PC 2.

Board's Analysis

The Board found that available battery chemistry information can assist IEPA and emergency responders in understanding the batteries stored at a site. The Board therefore retained requirements for inclusion of battery chemistry information when available.

The Board also found that applicable Material Safety Data Sheets should be maintained at the site. The Board limited this requirement to applicable MSDSs concerning used EV batteries stored at the site. The requirement

does not require an owner or operator to create or obtain an MSDS when no applicable document exists.

8. Battery Tracking and Transportation Information

Issues Raised

The Board questioned whether "transporter" in the battery-tracking provisions referred to a RCRA transporter or merely the physical transporter of the batteries and whether the proposed provisions would create a manifest-like transportation system. Tr.1. The Board also questioned what information the owner or operator should obtain when battery chemistry is unavailable and how the owner or operator could obtain vehicle make, model, and year information when the transporter does not provide it. Tr.2.

IEPA clarified that "transporter" refers to the physical transporter of the batteries and that Part 1220 does not independently regulate transportation. Tr.1; PFA 1. IEPA also proposed removing references to special-waste-hauler permits and transporter registration numbers. Supp. IEPA explained that vehicle information may be obtained from serial numbers, other identifying markers, or available databases and proposed that the owner or operator obtain the vehicle make, model, and year when that information is not provided by the transporter. Tr.2; PC 2.

Board's Analysis

The Board found that Part 1220 should regulate recordkeeping associated with movement of used EV batteries to and from a storage site without establishing an independent transportation regulatory program. The Board therefore retained requirements concerning transporters, dates, quantities or weights, and destinations while removing references that could suggest that Part 1220 establishes special-waste transportation requirements.

The Board also found that the owner or operator should be responsible for obtaining vehicle make, model, and year information when that information is not readily available from the transporter. The Board therefore clarified the applicable provisions to distinguish the transporter's responsibility for providing the required receipt from the owner or operator's responsibility for obtaining additional identifying information.

The Board found that the resulting requirements provide sufficient information to track used EV batteries without creating an independent transportation regulatory program.

9. Financial Assurance: Scope of Covered Costs

Issues Raised

The Board questioned whether the financial assurance requirement would include environmental remediation following a release or fire and whether the removal cost estimate would include remediation necessary to meet Tiered Approach to Corrective Action Objectives (TACO). Tr.1.

IEPA explained that financial assurance is intended to cover removal and closure activities and not environmental remediation following a release. IEPA explained that remediation following a release would instead be addressed through applicable enforcement and corrective-action requirements. Tr.1; PFA 1.

Board's Analysis

The Board found that financial assurance under Part 1220 should cover removal and closure activities and should not extend to environmental remediation following a fire, explosion, or release. The Board therefore retained the financial assurance requirement as limited to the applicable removal and closure obligations.

The Board found that this limitation appropriately defines the financial assurance obligation, distinguishes those costs from environmental remediation that may be addressed under other applicable requirements, and limits the financial burden imposed by the rule.

10. Financial Assurance: Removal Cost Estimates

Issues Raised

The Board questioned whether the "current approved removal cost estimate" would be reviewed and approved by IEPA, how removal costs would be determined, and whether the timing for submission of the estimate was sufficiently clear. The Board also identified a potential inconsistency between the removal cost estimate requirement and the annual registration requirement applicable to sites meeting the 5,000-kilogram threshold. Tr.1.

IEPA explained that it would review and approve removal cost estimates and that owners and operators would determine the estimates using site-specific information and local costs for transportation and removal. IEPA also explained that the estimate should be based on the maximum number of used EV batteries stored at the site during the year. Tr. 1; PFA 1. IEPA agreed to address the timing provisions and subsequently proposed revisions addressing Agency rejection of a removal cost estimate. Tr. 1; PFA 1; PC 2.

Board's Analysis

The Board found that removal cost estimates should be based on site-specific information and local costs for transportation and removal of the batteries. The Board therefore retained requirements addressing the content and annual preparation of removal cost estimates.

The Board also found that the removal cost estimate requirement should be separate from the annual registration requirement. The statutory registration requirement applies to sites meeting or exceeding the 5,000-kilogram threshold, while the removal cost estimate requirement is not limited in the same manner. The Board therefore removed the requirement that the removal cost estimate be submitted with annual registration and made the corresponding revision to Section 1220.205.

The Board also clarified the procedure following IEPA rejection of a removal cost estimate. An owner or operator may submit a corrected estimate within 30 days or appeal IEPA's decision under Section 1220.615(c). The Board found that the resulting provisions provide a clear process for preparing, reviewing, correcting, and appealing removal cost estimates.

11. Financial Assurance Mechanisms

Issues Raised

The Board questioned whether language stating that an owner or operator "may" use the financial assurance mechanisms identified in Part 1220 could be interpreted to permit mechanisms other than those identified in the rule. The Board also identified an incorrect cross-reference to the provisions governing multiple financial mechanisms. Tr.1.

IEPA agreed that the provision should require use of the financial assurance mechanisms identified in Part 1220 and agreed to the corresponding cross-reference correction. Tr.1;PFA 1.

Board's Analysis

The Board found that the financial assurance provisions should clearly identify the mechanisms available to satisfy the statutory requirement. The Board therefore changed "may" to "must" in the applicable provision and retained the listed mechanisms: a trust, surety bond, letter of credit, or combination of permitted mechanisms.

The Board also corrected the cross-reference in Section 1220.625 to Section 1220.630, which governs the use of multiple financial mechanisms. The Board found that the resulting provisions clearly identify the available financial assurance mechanisms and how they may be used in combination.

12. Appeals of IEPA Decisions

Issues Raised

The Board questioned whether the reference to a "permit denial" in the financial assurance provisions accurately described the IEPA actions identified as appealable. The Board also questioned whether an IEPA determination concerning whether a storage site meets the 5,000-kilogram threshold should be appealable. Tr.1.

IEPA agreed that the appeal provisions should characterize the applicable actions as IEPA Final Decisions rather than permit denials. IEPA agreed that refusal to approve a written removal cost estimate should be an appealable action and reviewed whether a determination concerning the 5,000-kilogram threshold should be appealable. Tr. 1; PFA 1; Supp.; PFA 2.

Board's Analysis

The Board found that the actions identified in Section 1220.615 are IEPA determinations rather than permit decisions. The Board therefore replaced the reference to a "permit denial" with a reference to an "Agency Final Decision" under Part 105 of the Board's procedural rules, 35 Ill. Adm. Code 105.

The Board also added refusal to approve a written removal cost estimate as an appealable action because IEPA's determination

directly affects the owner or operator's financial assurance obligation.

The Board further clarified that an IEPA determination concerning whether a storage site meets the 5,000-kilogram threshold is an appealable action. The Board found that these revisions accurately describe the IEPA actions subject to review and provide an appropriate mechanism for appeal.

13. Technical Feasibility

Issues Raised

OSFM raised concerns concerning implementation of the proposed fire-safety requirements, including the potential need for specialized expertise and the capability of existing sprinkler and detection systems to address used EV battery hazards. OSFM identified implementation considerations concerning sprinkler systems, fire pumps, water supplies, specialized detection, storage configurations, explosion protection, and emergency response. PC 1.

IEPA explained that the proposed fire-safety provisions were based on recognized fire-prevention and safety practices, existing fire codes, and measures commonly available and used for fire protection, including air-aspirating smoke detectors, automatic sprinkler systems, fire barriers, and fully enclosed containers. IEPA also explained that it consulted with the Morris Fire Chief and an industry expert concerning emergency-response protocols and protections. PFA 1; TSD; Supp.; PFA 2.

Board's Analysis

The Board considered OSFM's technical concerns, including concerns regarding deflagration analysis and explosion protection, together with the technical information provided by IEPA and the revisions to the proposed requirements during the proceeding. The Board incorporated several of OSFM's recommendations, including requirements concerning smoke detection, sprinkler systems, storage configuration, explosion protection, and emergency response.

The Board found that the resulting requirements are based on recognized fire-safety practices, existing fire codes, and fire-protection measures that are available for use by regulated facilities. Although implementation may require some facilities to

modify or upgrade existing fire-protection systems, the record does not establish that the proposed requirements are technically infeasible.

The Board therefore found that the proposed rules are technically feasible within the meaning of Section 27(a) of the Act, 415 ILCS 5/27(a).

14. Economic Reasonableness and Potential Compliance Costs

Issues Raised

OSFM questioned whether existing sprinkler systems at facilities storing used EV batteries would be capable of addressing the hazards and noted that some facilities may require upgrades to sprinkler systems, fire pumps, water supplies, or specialized detection systems. PC 1.

IEPA stated that costs associated with the proposed requirements would arise from necessary fire-safety measures and did not anticipate significant costs or an undue economic burden. IEPA also addressed the financial assurance requirements and the assumptions used to estimate removal costs. TSD; Tr.1; PFA 1.

The Board requested an economic impact study from the Department of Commerce and Economic Opportunity (DCEO) under Section 27(b) of the Act, 415 ILCS 5/27(b). DCEO did not provide the requested economic impact study, and no participant commented on the lack of one. Tr.1; Tr.2. Separately, DCEO's Office of Small Business Regulatory Flexibility identified potential short-term costs for small businesses associated with facility upgrades and registration requirements and potential long-term benefits from reduced fire risks, clearer compliance requirements, and avoidance of costly incidents. DCEO SBIA.

Board's Analysis

The Board recognized that some facilities may incur costs to comply with the proposed requirements, including costs associated with upgrading sprinkler systems, fire pumps, water supplies, detection systems, or other fire-protection measures. The Board also recognized that costs may vary depending on a facility's existing infrastructure, storage configuration, and quantity of used EV batteries.

The Board considered those potential costs together with the statutory requirements of Section 22.23f, the fire and environmental risks identified in the record, and the human-health, environmental, and public-safety purposes of the proposed rules.

The Board also considered the financial assurance requirement. The Board found that limiting financial assurance to removal and closure costs, rather than including environmental remediation costs following a fire, explosion, or release, limits the financial burden imposed by that requirement.

The Board considered the information concerning potential impacts on small businesses. DCEO SBIA identified potential short-term compliance costs and potential long-term benefits associated with the proposed requirements. The Board considered these potential costs and benefits together with the other information in the record concerning the economic effects of the proposed requirements.

After considering the entire record, the Board found no evidence establishing that the proposed requirements would impose an unreasonable economic burden. The Board therefore concluded that the proposed rules are economically reasonable within the meaning of Section 27(a) of the Act and will not have an adverse economic impact on the people of the State of Illinois.

C) Change in the Rule: See Attachment A.

D) Public Hearing Requests: No public hearing requests were received. However, the Board held two public hearings, one on March 19, 2026, and the other on June 4, 2026.

10) Justification and Rationale:

A) Changes in Statutory Language: Public Act 103-1006 (eff. Jan. 1, 2025) amended the Act, 415 ILCS 5, by adding provisions governing used EV battery storage (Section 22.23e, which was renumbered as Section 22.23f (P.A. 104-417 (eff. Aug. 15, 2025))). Section 22.23f(d) of the Act, 415 ILCS 5/22.23f(d), directs IEPA to propose, and requires the Board to adopt, rules governing used EV battery storage sites. The statute specifies that the rules must include requirements concerning end-of-life battery receipt, handling, storage, and transfer; fire-prevention standards; contingency planning and emergency response; recordkeeping; reporting; and financial assurance. Section 22.23f also establishes registration requirements for a storage site that stores 5,000 kilograms or more of used EV batteries at any one time. The proposed Part 1220 implements these statutory requirements and establishes standards intended to

address the fire, explosion, thermal-runaway, and environmental risks associated with the storage of used EV batteries.

IEPA submitted its proposed rules to the Board on January 2, 2026, and Section 22.23f(d) of the Act requires the Board to adopt the rules no later than one year after receipt of IEPA's proposal. Thus, the one-year statutory deadline is January 2, 2027. But because January 2, 2027, falls on a Saturday, 35 Ill. Adm. Code 101.300(a) provides that the deadline is the next business day, i.e., January 4, 2027. Accordingly, the Board is proceeding on an expedited schedule to complete the Second Notice and final adoption process within the statutory timeframe.

B) Changes in Board Policy, Procedures, or Structure: None.

C) Citations to Federal Laws, Rules, or Regulations, or Funding Requirements: None.

D) Court Decisions: None.

E) Other Reasons: The rapid expansion of the EV market has resulted in a large number of used EV batteries entering the end-of-life stream, and these batteries pose heightened fire hazards due to their chemistry and the potential for thermal runaway. As IEPA explained in its proposal to the Board, the legislation behind the rules "was in response to high-profile fires involving batteries, including at battery storage facilities in Morris and Madison, Illinois." Proposal at 44. "The Morris fire ignited at an old paper mill storing an estimated 184,000 lbs. (83,461 kg) of lithium chemistry batteries" and "[i]nvestiagations suggest one contributing factor in this dire could have been improper storage of batteries with other flammable components." *Id*.

The proposed rules are intended to minimize the risks that EV battery fires present to human health, the environment, and public safety by establishing a comprehensive regulatory framework for the management of used EV batteries. These rules include requirements for indoor and outdoor storage, fire prevention and emergency response, recordkeeping and reporting, removal, and financial assurance.

11) Name of Agency Representative:

Richard R. McGill, Jr.
Illinois Pollution Control Board
60 E Van Buren St, Suite 630
Chicago, Illinois 60605
richard.mcgill@illinois.gov

12) State Mandates Questionnaire: The completed State Mandates Questionnaire is included in this submittal.

13) Economic & Budgetary Effects Analysis: The completed Agency Analysis of Economic and Budgetary Effects of Proposed Rulemaking is included in this submittal.

14) New or Revised Forms: IEPA is developing forms referenced in Part 1220, including registration, records, and financial assurance forms. On June 4, 2026, IEPA provided the Board with draft financial assurance forms, including an Irrevocable Standby Letter of Credit, a Surety Bond Guaranteeing Payment, a Trust Agreement, and a Certificate of Acknowledgement. See Public Comment 3 in Board docket R26-17. The rulemaking record does not establish that these draft financial assurance forms, or any other forms referenced in Part 1220, have been finalized.

ATTACHMENT A

SECOND NOTICE CHANGES

AGENCY: Management of Used Electric Vehicle (EV) Batteries (35 Ill. Adm. Code 1220; 50 Ill. Reg. 2313)

1. In line 6, change "EV" to "ELECTRIC VEHICLE (EV)"

2. In line 23, add "Indoor" before "Storage" delete "of Used EV Batteries Within Buildings"

3. In line 24, add "Outdoor" before "Storage" delete "of Used EV Batteries Outdoors"

4. In line 28, change "SUBPART E" to "SUBPART C"

5. In line 29, change "SUBPART F" to "SUBPART D"

6. In line 63, add "This Part applies to used EV battery storage sites regulated under" before "Section 22.23f", change "," to "." after "[415 ILCS/22.23f]",

7. In line 63, change "sets forth" to "Section 22.23f specifies",

8. In line 65, change "relative to" to "concerning"

9. In line 66, change "Nothwithstanding" to "Despite"

10. In line 69, add “before” and delete “prior to”

11. In line 71, delete "and"

12. In line 74, delete "." add "; and"

13. After line 74, add "d) Any local fire department or other emergency response entity responding to a used EV battery fire."

14. In line 78, delete "shall be" add "is", change "such" to "that", change "shall" to "will"

15. In line 87, change "such as" to "like"

16. In line 92, change "be applicable" to "apply"

17. After line 95, add " c) The requirements of this Part do not supersede or otherwise override any requirements under the Emergency Planning and Community Right-to-Know Act ("EPCRA"), 42 U.S.C. §§ 11001-11050, and the Illinois Emergency Planning and Community Right-to-Know Act ("IEPCRA"), 430 ILCS 100."

18. In line 99, delete "the purposes of",

19. In line 101, change "set forth" to "specified"

20. In line 106, add "[Illinois]" before "*Environmental*"

21. In line 110, add "“Deflagration” means an ignition that propagates at a lower speed than the speed of sound."

22. In line 113, after "*Code*." Add " This definition includes any passenger vehicles, light-duty trucks, and semi-trucks, but does not include e-bikes, e-scooters, or other personal means of transportation that are not intended to carry more than one person. "

23. In line 118, after "*batteries*" add ". "EV battery" encompasses the entire battery pack of an EV, and any individual modules removed from an EV battery that are whole and intact, but does not include the individual cells of an EV battery. "

24. After line 118, add the following definitions:

    ""Explosion" means any ignition event that results in a pressure wave, either originating from within an EV battery or externally.

    "Fire" means any ignition of a flammable source (e.g., flammable internal EV battery components or vented flammable gases), either within an EV battery or externally."

25. In line 120-121, delete "that is"

26. After line 125, add the following definition ""Ignition" means the process of initiating self-sustaining combustion."

27. After line 135, add the following definition ""Thermal runaway" means any self-sustaining reaction within an EV battery that causes a continuous rise in temperature."

28. In line 139, delete "but is not limited to," add "uninstalled EV"

29. In line 140, delete "rather than installed in an electric vehicle"

30. In line 141, after second "storage site" add "This term does not include any batteries that are damaged, cracked, leaking, or defective."

31. In line 145, after "reference" add "that are available from National Fire Protection Association (NFPA), 1 Batterymarch Park, Quincy, MA 02169-7471:"

32. In line 148, move comma before the closing quotation mark so the sentence reads "Hot Work," rather than ""Hot Work"," and change "2014" to "2024"

33. In line 148-149, delete "National Fire Protection Association (NFPA), 1 Batterymarch

Park, Quincy, MA 02169-7471"

34. After line 149, add "NFPA 72, "National Fire Alarm and Signaling Code," 2025 Edition."

35. In line 155, change "may" to "must"

36. In line 156, delete "the purposes of"

37. In line 161, delete "the purposes of"

38. In line 168, change "Owners and operators" to "The owner or operator"

39. In line 169, change "are" to "is"

40. In line 173, delete "a)", change "Owners and operators" to "The owner or operator", before "must" add "of any battery storage site who stores used EV batteries"

41. In line 175, change "1)" to "a)"

42. In line 178, change "2)" to "b)"

43. In line 179, change ":" to "."

44. In line 181, change "3 " to "c)"

45. In line 184, change "4)" to "d)"

46. In line 188, change "5)" to "e)"

47. In line 189, change "accordance" to "compliance"

48. In line 190, delete "but not limited to"

49. In line 193, change "A)" to "1)"

50. In line 196, change "B)" to "2)"

51. After line 198, add "f) Any runoff due to a used EV battery fire, explosion, thermal runaway, deflagration, or other damage to stored used EV batteries must be captured and disposed of in compliance with all applicable Illinois administrative rules."

52. In line 199, change "6)" to "g)", after "which" delete "more than"

53. In line 200, after "pounds)" add "or more"

54. In line 203, change "A)" to "1)", after "Agency" add "by February 1 of each calendar

year"

55. In line 204, after "Agency." add "For this Part:

A) A used EV battery storage site that stores 5,000 kilograms or more of used EV batteries at any time in the year must register within 10 days of storing 5,000 kilograms or more of used EV batteries; and

B) Any used EV battery storage site that at any point stores 5,000 kilograms or more of used EV batteries is considered as having 5,000 kilograms or more of used EV batteries until the following February 1."

56. In line 206, change "B)" to "2)"

57. In line 209, change "C)" to "3)", change "Subpart E" to "Subpart C"

58. In line 212, change "7)" to "h)"

59. In line 216, change "8)" to "i)", after "with" delete "all of"

60. In line 219, change "A)" to "1)"

61. In line 221, delete "but not limited to"

62. In line 222, after the "EV batteries" change "." to "; and"

63. In line 224, change "B)" to "2)"

64. In line 228, change "9)" to "j)"

65. In line 229 -230, after "analyzed" delete "and" add ". Any deflagration analysis must be completed by a Fire Protection Engineer or registered design professional with expertise in fire protection engineering, or a similarly qualified individual. If the potential for a deflagration exists,"

66. In line 230, after "explosion protection" delete "meeting industry standards" add "and gas ventilation to prevent the build-up of dangerous gases", after "installed" delete "if the potential for a deflagration exists." add "to meet industry standards."

67. In line 231, after "explosion protection" add "or gas ventilation"

68. In line 233, after the second "records" add "available"

69. After line 234, add

"k) Following any fire, explosion, or thermal runaway event, the owner or operator must coordinate with the local fire department or other emergency service

regarding the safety of returning to the used EV battery storage site. If the local fire department or other emergency service determines that the site is safe to enter, the owner or operator must, for the first 24 hours after the event, monitor all stored used EV batteries for any subsequent fire, explosion, thermal runaway, or deflagration.

l) Used EV battery storage sites must be available for inspection by the Agency upon request by the Agency or the owner or operator. Used EV battery storage sites must also be available for inspection by the local fire department upon request of the owner or operator, the Agency, or the local fire department to assess fire-safety conditions and facilitate emergency response.

1) Upon inspection by a local fire department, it may determine if a facility is storing used EV batteries in a manner that allows emergency responders to safely respond to a fire or explosion incident. If a local fire department determines that the used EV battery storage site's storage methods would not allow the local fire department to address a fire or explosion, the used EV battery storage site must modify its storage method to comply with the local fire department's needs for fire or explosion response.

2) If the Agency determines that a used EV battery storage site contains 5,000 kilograms or more of used EV batteries, the Agency's determination may be appealed to the Board as an Agency Final Decision under 35 Ill. Adm. Code 105."

70. In line 236, add "Indoor" before "Storage" delete "of Used EV Batteries Within Buildings"

71. In line 238, change "Owners and operators" to "The owner or operator", change "any" to "a", change "who store" to "that stores"

72. In line 239, change "meet the requirements of" to "comply with"

73. In line 241, change "Used EV batteries must not be stored within a building unless" to "Any building used for the storage of used EV batteries must"

74. In line 243, change "All of the building's" to "Have all", before "doors" delete "are", after "order" add "at all times", change "are" to "be"

75. In line 246, change "The building is" to "Be", change "has" to "have"

76. In line 249, change "The building is not" to "Not be"

77. In line 251, change "within a building" to "indoors"

78. In line 253, after "piles" delete "of" add "within a room", delete "greater" add "more"

79. In line 257, change "accordance" to "compliance"

80. In line 274, after "smoke detector system" add ", installed in accordance with NFPA 72, incorporated by reference in Section 1220.120,"

81. In line 278, after "system" add "designed and installed as determined by an analysis performed by a Fire Protection Engineer or registered professional with expertise in fire protection engineering or similarly qualified individual and a ventilation system to prevent the dangerous buildup of gases."

82. After line 278, add "6) Rooms where used EV batteries are stored must be capable of capturing runoff generated from any used EV battery fire, explosion, thermal runaway, deflagration, or other damage, or firefighting activities for disposal in compliance with all applicable Illinois administrative rules."

83. In line 280, change "6)" to "7)", delete "All rooms" add "Rooms", delete "not", change "fewer than" to "at least", change "2" to "two"

84. In line 282, change “2” to “two”

85. In line 284, change "7)" to "8)", delete "batteries" add "battery", change "not be placed or accumulated within 2 feet of the room ceiling." to "be stored according to one of the following height requirements: A) For used EV batteries stored with a whole room sprinkler system, the storage height must not exceed five feet including the height of a pallet, if used. B) For used EV batteries stored on racks with a per rack fire suppression system: i) Used EV batteries may be stored up to 8 feet below the ceiling; and (ii) Rack storage must not exceed 35 feet in height."

86. In line 287, delete "the requirements in", and delete "more than"

87. In line 288, after "pounds)" add "or more", change "located" to "stored"

88. In line 289, change " owners and operators" to " owner or operator"

89. In line 297, delete "whole or shredded,"

90. In line 299, delete ", at a minimum,"

91. In line 305, delete "adhered to" add "complied with"

92. In line 317, change "Subpart E" to "Subpart C"

93. In line 319, add "Outdoor" before "Storage" delete "of Used EV Batteries Outdoors"

94. In line 321, change "Owners and operators" to "The owner or operator", change "store" to "stores"

95. In line 327, change "are" to "must be",

96. In line 328, after "non-combustible" add "and allow for the venting to prevent the buildup of dangerous gases"

97. After line 333, add "3) Containers must be capable of capturing runoff generated from any used EV battery fire, explosion, thermal runaway, deflagration, or other damage, or firefighting activities for disposal in compliance with all applicable Illinois administrative rules."

98. In line 335, change "3)" to "4)",

99. In lines 333-334, delete "a minimum of" add "at least"

100. In line 328, change "4)" to "5)", delete "a minimum of" add "at least"

101. In line 357, change "5)" to "6)"

102. In line 361, change "2" to "two"

103. In line 362, change "2" to "two"

104. In line 365, change "6)" to "7)"

105. In line 367, delete "in excess of" and replace with "exceeding", delete "that"

106. In line 370, delete "the requirements in", delete "more than"

107. In line 371, after "pounds)" add "or more"

108. In line 372, delete "owners and operators" add " owner or operator"

109. In line 379, delete "whole or shredded"

110. In line 382, delete ", at a minimum,"

111. In line 387, delete "and"

112. After line 387, add "C) Includes the following certification signed by the owner or operator: "I certify that this battery storage plan has been developed in consultation with the local fire department and that a copy of this battery storage plan has been filed with the local fire department.""

113. In line 389, "C)" to "D)", delete "adhered to" add "complied with", add "and" after "times"

114. In line 391, delete " The plan must include the following certification signed by the owner or operator: "I certify that this battery storage plan has been developed in consultation with the local fire department and that a copy of this battery storage plan has been filed with the local fire department.""

115. In line 400, change "Subpart E" to "Subpart C"

116. In line 404, delete "Owners and operators" add "The owner or operator",

117. In line 405, delete "more than" after "pounds)" add "or more"

118. In line 407, after "department," add "and if subject to EPCRA, a local emergency planning committee,"

119. In line 423, delete ", such as" add "like"

120. In line 436, delete “and”

121. In line 438, delete "Is maintained on site, adhered to at all times, made available for inspection and photocopying by the Agency during normal business hours. The plan must include" add "Includes"

122. In line 444, add after "department" "and, if the used EV battery storage site is subject to EPCRA, the local emergency planning committee, " add "; and" at the end.

123. After line 445, add "8) Is maintained on site, always complied with. and made available for inspection and photocopying by the Agency during normal business hours."

124. In lines 447-448, delete "at all times" add "always"

125. In line 452, after "fire" add "or explosion"

126. In line 473, after "fire" add "or explosion"

127. In line 474, change "accordance" to "compliance"

128. In line 481, delete ", at a minimum"

129. In line 484, delete "owners and operators" add "owner or operator"

130. In line 518, delete "thereform"

131. In line 525, change "SUBPART E" to "SUBPART C"

132. In line 529, delete " owners and operators" add " owner or operator"

133. In line 530, change "located" to "stored" change "are" to "is"

134. In line 537, change "accordance" to "compliance"

135. In line 539, change "accordance" to "compliance" delete "and"

136. In line 541, change "accordance" to "compliance", delete "." add "; and"

137. After line 541, add "4) Any applicable Material Safety Data Sheets for used EV batteries stored at the used EV battery storage site."

138. In line 543, change "subpart" to "subsection"

139. In line 545, after "hours" add "."

140. In line 549, delete "Upon" add "The owner or operator of a used EV battery storage site upon"

141. In line 549, after "batteries" delete "at the used EV battery storage site, the owner or operator of the used EV battery storage site"

142. In line 151, after "must include" delete "all of"

143. In line 552, after "the name" delete "and special waste hauler permit number"

144. In line 555, after "site" delete "; and"

145. In line 556, after "site" add "; and the battery chemistry, or if unavailable, the make, model, and year of the vehicle from which the used EV battery was removed. Unless readily available from the transporter, the owner or operator must obtain information on the make, model, and year of the vehicle from which a used EV battery was removed."

146. In line 558, delete "Upon" add "A transporter upon", after "from" delete "the" add "a"

147. In line 558-559, after "site" delete ", the transporter"

148. In line 559, after "operator" add "of the storage site"

149. In line 560, delete "all of"

150. In line 561, after "name" delete "and registration number"

151. In line 563, after "site;" add "the battery chemistry, or if unavailable, the make, model, and year of the vehicle from which the used EV battery was removed;"

152. In line 564, after "batteries." add " The owner or operator of the used EV battery storage site must obtain information on the make, model, and year of the vehicle from which a used EV battery was removed if that information is not provided by the transporter."

153. In line 566, delete "Owners and operators" add "The owner or operator", after "of" add "a", change "sites" to "site"

154. In line 567-68, delete ", but not limited to"

155. In line 575, after "operator" add "of the used EV battery storage site"

156. In line 576, after "include" delete "all of"

157. In line 584, delete "the" add "a"

158. In line 586, delete "at a minimum,"

159. In line 592, delete ", but not limited to"

160. In line 595, after "day" delete "and" add ","

161. In line 597, after "day" add "and the chemistry, or if unavailable, the make, model, and year of the vehicle from which the battery was removed. Unless readily available from the transporter, the owner or operator must obtain information on the make, model, and the year of the vehicle from which a used EV battery was removed"

162. In line 599, delete "and registration number"

163. In line 606, after "site" add "during the operating day, and the chemistry, or if unavailable, the make, model, and year of the vehicle from which the battery was removed. Unless readily available from the transporter, the owner or operator must obtain information on the make, model, and the year of the vehicle from which a used EV battery was removed"

164. In line 619, change "the" to "a"

165. In line 627, delete "but not limited to"

166. In line 645, delete "January 31" add "February 1"

167. In line 650, after the second "the" add "used EV"

168. In line 652, change "his or her" to "that person's"

169. In line 670, change "Copies" to "The owner or operator of a used EV battery site must retain copies", after "Subpart" delete “must be retained by the owner and operator of the battery storage site"

170. In line 671, after "and" change "must be made" to "make them", after "hours" delete "of the operator"

171. In line 675, Change "SUBPART F" to "SUBPART D"

172. In line 679, change "Except to the extent exempted by subsection (b), owners and operators" to "The owner or operator"

173. In line 680, change "prior to" to "before", delete "of"

174. In line 681, after "batteries" add ", except for the sites exempted under subsection (b)"

175. In line 683, delete "Owners and operators" add "The owner or operator"

176. In line 683-684, delete "meeting the qualifications below" add "where the real estate of the site is owned by the following"

177. In line 686, delete "c) Battery storage sites where the real estate of the site is owned by:"

178. In line 699, change "pursuant to" to "under", after "Section 1220.620" add "until the owner or operator is released from financial assurance requirements under Section 1220.610"

179. In line 701, after "subsection" delete "(b)"

180. In line 703, delete "that is"

181. In line 704, change "pursuant to" to "under"

182. In line 708, change "pursuant to" to "under"

183. In line 722, after the second "the" add "used EV"

184. In line 734, change "an" to "the"

185. In line 735, after "plan" add ",", change "order that" to "the"

186. In line 738, delete "The following Agency actions" add "The owner or operator of a used EV battery storage site", change "be appealed to" to "appeal", after "the" add "following Agency actions to the"

187. In line 783-739, delete "a permit denial pursuant to" add "an Agency Final Decision under"

188. In line 748, delete "or"

189. In line 750, add "; or"

190. After line 750, add "6) A refusal to approve a written estimate of removal costs."

191. In line 756, delete "This cost estimate must be submitted by the owner or operator along with the annual registration required under Section 22.23f(c) of the Act. Any", add "1) A", after "estimate" add "under this subsection", add "2) If the Agency rejects a written estimate, the owner or operator may submit a corrected written estimate within 30 days of the rejection notice."

192. In line 761, delete "In addition, the" add "The"

193. In line 763, delete ", but not limited to,"

194. In line 771, delete ", at a minimum,"

195. In line 782, change "may" to "must"

196. In line 784, change "1220.640" to "1220.630"

197. In line 790, change "." to ":"

198. In line 792, add "d)" before "Financial"

199. In line 796, delete "An" and add "The"

200. In line 797, delete "These mechanisms listed in Section 1220.625 include trust funds, surety bonds guaranteeing payment, and letters of credit. These", add "The"

201. In line 799, after "must be" add "used", after "1220.640" add "for trust funds", after "1220.645" add "for surety bonds guaranteeing payment", after "1220.650" delete "respectively" add "for letters of credit"

202. In line 802, change “An” to “The”

203. In line 805, delete "Sections 1220.640, 1220.645, and 1220.650 to provide for removal" add "Section 1220.625"

204. In line 810, change “An” to “The, delete "this Subpart" add "Section 1220.625"

205. In line 812, after "address" add ","

206. In line 816, after "owner" add "'s "

207. In line 821, change "An" to "The"

208. In line 835, delete "(c)"

209. In line 870, delete "in" add "equal to"

210. In line 874, delete "as of" add "on", after "the" add "date of the"

211. In line 876, delete "furnish" add "submit to"

212. In line 877, delete "with"

213. In line 878, after "fund" delete "within 30 days after the evaluation date"

214. In line 880, delete "furnished" add "submitted"

215. In line 898, delete "in excess of" and replace with "exceeding"

216. In line 901, change "an" to "the"

217. In line 902, change "he or she" to "they"

218. In line 903, delete "in excess of" and replace with "exceeding"

219. In line 906, after "practicable" add ", but within 120 days"

220. In line 907, change "pursuant to" to "under", delete "(g) but not more than 120 days following the Agency's receipt of the request"

221. In line 909, delete "such", after "funds as" add "specified by"

222. In line 910, delete "specifies"

223. In line 915, change "an" to "the"

224. In line 922, after "practicable" add ", but within 120 days"

225. In lines 923-924, delete ", but no more than 120 days following the Agency's receipt of the itemized bills"

226. In line 925, delete "in accordance with" add "according to", after "removal plan" add A)"

227. In line 928, change "such" to "the", after "as " add "specified by"

228. In line 929, delete "specifies", delete "in accordance with" add "according to"

225. In line 932, delete "3)" add "B)", delete "such" add "the", delete "as is"

226. In line 934, delete "such"

227. In line 937, delete "In the event", add "C) If"

228. In line 941, change "A)" to "i"

229. In line 944, change " B)" to "ii"

230. In line 947, change " C)" to "iii"

231. In line 950, change " D)" to "iv"

232. In line 954, change "An" to "The", change "satisfy" to "meet"

233. In line 958, delete ", at a minimum,"

234. In line 963, delete ", at a minimum,"

235. In line 967, change "An" to "The"

236. In line 969, delete "in accordance with" add "according to"

237. In line 976, delete "pursuant to the requirements of" add "under"

238. In line 990, after "The" add "surety"

239. In line 992, delete "in accordance with" add "according to"

240. In line 996, change "accordance" to "compliance"

241. In line 1005, after "the" add "used EV"

242. In line 1010, change "pursuant to" to "under"

243. In line 1038, change "accordance" to "compliance"

244. In line 1071, change "An" to "The"

245. In line 1082, change "An" to "The", change "satisfy" to "meet"

246. In line 1097, delete ", at a minimum"

247. In line 1102, change "An" to "The", change "satisfy" to "meet"

248. In line 1104, change "pursuant to" to "under"

249. In line 1111, delete "pursuant to the requirements of" to "under"

250. In line 1126, delete "in accordance with" add "according to"

251. In line 1129, delete "one or more"

252. In line 1136, change "pursuant to" to "under"

253. In line 1139, change "Within" to "Fails to provide additional or substitute financial assurance under this Subpart within"

254. In line 1141, delete ", fails to provide additional or substitute financial assurance under this Subpart"

255. In line 1164, change "accordance" to "compliance"

256. In line 1202, change "An" to "The"

STATE MANDATES ACT QUESTIONAIRE

Agency: Pollution Control Board

Part/Title: Part 1220 (35 Ill. Adm. Code 1220) Management of Used Electric Vehicle (EV) Batteries

Illinois Register Citation: 50 Ill. Reg. 2313, February 20, 2026

1. Does this rulemaking affect any of the following:

X	Municipality	X	Other Unit of Local Govt.
X	County	X	School District
X	Township	X	Community College Dist.

2. Does this rule require any of the above entities to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues?

   Yes No X Number of units affected N/A

   If yes, please estimate the amount of additional expenditures necessitated by this rulemaking per unit of government: $ N/A

   Note: If the dollar amount, or total number of units affected is unknown, please outline and attach to this form an explanation of the steps taken by the agency to determine the approximate expense of the rulemaking, and the number of units affected.

   If no, please explain why the rule does not necessitate such additional expenditures.

   New Part 1220 provides for owners or operators of used EV battery storage site to consult with local fire departments in specified circumstances, but the rules do not require a municipality, county, township, other unit of local government, school district, or community college district to establish, expand, or modify its activities in such a way as to necessitate additional expenditures from local revenues. If one of these entities chooses to store used EV batteries, however, the entity must comply with new Part 1220, which applies to owners or operators of used EV battery storage sites. Even in that case, it is not anticipated that compliance with the rules' requirements will impose significant costs or create undue burdens. The rules were developed using industry standard fire safety protocols for handling large format batteries and require that used EV batteries be stored consistent with existing fire codes and fire safety best management practices. The rules also call for use of common and readily available industry materials and systems for fire detection and spread prevention. And a used EV battery storage site is not subject to the rules' financial assurance requirements if the real estate of the site is owned by a unit of local government. In addition, compliance with the rules' management standards for used EV battery storage may help to minimize or avoid environmental remediation costs and reduce liability exposure.

3. Were any alternatives that do not necessitate additional expenditures considered?

   Yes No X

   As discussed in No. 2 above, the rules do not necessitate additional expenditures from local revenues. The Board notes, however, that based on the rulemaking record, it is unaware of any less intrusive or less costly alternative method of achieving the purposes of Section 22.23f of the Environmental Protection Act, 415 ILCS 5/22.23f.

   If yes, please list these alternatives and explain why they were rejected. N/A

4. What are the policy objectives of the rulemaking? (Please be specific)

   The rulemaking implements Section 22.23f of the Environmental Protection Act (added by Public Act 103-1006 (eff. Jan. 1, 2025)). Section 22.23f(d) requires the Illinois Environmental Protection Agency (IEPA) to propose, and the Board to adopt, rules governing used EV battery storage sites. The policy objectives of new Part 1220 are to protect public health, safety, and the environment from risks associated with battery fires, explosions, thermal runaway, and runoff. EV batteries pose a heightened fire hazard due to their highly stored energy. Plus, because of the unique chemistry of EV batteries, EV battery fires are difficult to extinguish through conventional means.

   In its rulemaking proposal to the Board, IEPA stated that battery fires have resulted in "significant environmental and economic impacts on the communities in which they occurred." Proposal at 44. By mitigating used EV battery fires, the rules seek to prevent releases of harmful contaminants into the air, land, surface waters, and groundwater. IEPA's proposal further explained that the legislation behind rules "was in response to high-profile fires involving batteries, including at battery storage facilities in Morris and Madison, Illinois." *Id.* "The Morris fire ignited at an old paper mill storing an estimated 184,000 lbs. (83,461 kg) of lithium chemistry batteries" and "[i]nvestigations suggest one contributing factor in this fire could have been improper storage of batteries with other flammable components." *Id*.

5. Please explain why the policy objectives of this rule cannot be achieved in the absence of the rule or through a rule that does not create a State Mandate.

   As discussed in No. 2 above, the rules do not create or enlarge a State Mandate. As noted in No. 4 above, Section 22.23f(d) of the Environmental Protection Act requires the Board to adopt rules governing used EV battery storage sites. Further, Section 22.23f(d) specifies subject areas that these Board rules must address: receipt, handling, storage, and transfer of end-of-life batteries; fire prevention; contingency planning and emergency response; recordkeeping; reporting; and financial assurance. Accordingly, by statute, the Board must adopt the rules. Moreover, the Board is not aware of a non-regulatory or voluntary approach that would achieve the policy objectives of this rulemaking.

AGENCY ANALYSIS OF ECONOMIC AND BUDGETARY EFFECTS OF PROPOSED RULEMAKING

Agency: Pollution Control Board

Part/Title: 35 Ill. Adm. Code 1220: Management of Used Electric Vehicle (EV) Batteries

Illinois Register Citation: February 20, 2026, 50 Ill. Reg. 2313

1. Anticipated effect on State expenditures and revenues.

   (a) Current cost to the agency for this program/activity.

   Unknown, as the Board does not separately track personnel or administrative costs associated with individual rulemakings or programs. Moreover, as for the Board's current cost attributable to this program, the Board notes that the management of used electric vehicle (EV) batteries under 35 Ill. Adm. Code 1220 is a new program.

   (b) If this rulemaking will result in an increase or decrease in cost, specify the fiscal year in which this change will first occur and the dollar amount of the effect.

   With the establishment of the used EV batteries program, the Board may receive related filings initiating appeals, enforcement actions, and requests for regulatory relief. In handling these proceedings, the Board will incur personnel and administrative costs as it does for all its proceedings. Again, however, the Board does not break its costs down by case type or program. No increase or decrease in the Board's costs is anticipated as a result of this rulemaking.

   FY: N/A

   $: N/A

   (c) Indicate the funding source, including Fund and appropriation lines, for this program/activity.

   The Board's funding source for handling all its case types is the General Appropriations Act (P.A. 104-464, H.B. 111 S.A. 3). The Board does not have specific appropriation lines for specific case types or programs, including those concerning used EV batteries. Our appropriated funds cover the salary and benefits (personnel-related expenses) for Board staff. Our appropriations come from the following funds: Fund 0072 (Underground Storage Tank), Fund 0091 (Clean Air Act Permit), Fund 0294 (Used Tire Management Fund), Fund 0944 (Environmental Protection & Inspection), and Fund 0277 (Pollution Control Board). Fund 0277 maintains the payments from the Board's filing fees. Salaries and benefits are not paid from this fund; only some non-personnel operational

expenses. Most non-personnel operational expenses are paid from a non-appropriated account, Fund 0207, which receives an annual allocation from the Environmental Protection Trust Fund. The Budget Implementation Act (P.A. 104-466, H.B. 2949 S.A. 3) sets the Board's filing fees and provides for an annual filing fee adjustment.

(d) If an increase or decrease in the costs of another State agency is anticipated, specify the fiscal year in which this change will first occur and the estimated dollar amount of the effect.

Agency: Illinois Environmental Protection Agency (IEPA)

FY: 2027

$: Unknown. IEPA anticipates personnel time associated with implementation of the rule, including registration and financial assurance review. IEPA did not provide a dollar estimate of these personnel costs.

(e) Will this rulemaking have any effect on State revenues or expenditures not already indicated above? Specify effects and amounts.

No such effect is expected.

2. Economic effect on persons affected by the rulemaking.

(a) Indicate the economic effect and specify the persons affected:

Negative. However, as discussed below, it is not anticipated that compliance with the rules' requirements will impose significant costs or create undue burdens.

Persons affected: Any owner or operator of one or more used EV battery storage sites.

Dollar amount per person: Site-specific and cannot be quantified from the information in the rulemaking record. Costs will depend on the amount of used EV batteries stored, the facility's existing infrastructure and practices, storage configuration, and existing fire-prevention and emergency-response measures.

Total statewide cost: Cannot be quantified from the available record because the number of affected facilities and their existing conditions and practices are not known.

(b) If an economic effect is predicted, please briefly describe how the effect will occur.

The rules require used EV battery storage sites to comply with management standards for explosion protection and indoor and outdoor storage of used EV batteries, as well as requirements for financial assurance. Additional requirements, including those for registration, contingency planning, emergency response, recordkeeping, and reporting, would apply only to a site that stores 5,000 kilograms or more of used EV batteries at any one time. Accordingly, affected facilities may incur costs to comply with requirements concerning fire prevention and suppression, fire detection and sprinkler systems, storage configurations, ventilation and explosion protection, runoff containment, emergency planning, recordkeeping and reporting, removal of used EV batteries, and financial assurance, as applicable.

The amount of the economic effect will vary based on site-specific conditions and existing practices. The record does not contain sufficient information to quantify the resulting costs on a per-facility or statewide basis. However, the rules were developed using industry standard fire safety protocols for handling large format batteries and require that used EV batteries be stored consistent with existing fire codes and fire safety best management practices. The rules also call for use of common and readily available industry materials and systems for fire detection and spread prevention.

In addition, compliance may help to minimize or avoid environmental remediation costs and reduce liability exposure. As IEPA stated in its proposal to the Board, battery fires have resulted in "significant environmental and economic impacts on the communities in which they occurred." Proposal at 44.

(c) Will the rulemaking have an indirect effect that may result in increased administrative costs? Will there be any change in requirements such as filing, documentation, reporting or completion of forms? Compare to current requirements.

The rulemaking will impose additional administrative requirements for facilities subject to new Part 1220, including registration, recordkeeping, reporting, contingency and battery storage plans, certifications, and financial assurance documentation, as applicable. These requirements may result in administrative costs associated with filing, documentation, recordkeeping, reporting, and completion of IEPA-prescribed forms. The Board cannot quantify those costs because the record does not contain sufficient information regarding the number of affected facilities or their existing administrative practices.

Not all used EV battery storage sites are subject to the same administrative requirements. For a site that stores 5,000 kilograms or more of used EV batteries at any one time, the rules require registration, recordkeeping, reporting, battery storage plans, and contingency plans. With an exception noted below, used EV battery storage sites, including sites below the 5,000-kilogram threshold, are subject to the financial assurance requirements. The owner or operator of one or

more used EV battery storage sites would be required to maintain financial assurance (through a trust fund, surety bond, or letter of credit or a combination of these) and annually submit to IEPA a written cost estimate for removing the maximum number of used EV batteries to be accumulated at any one time. Financial assurance must be maintained in an amount equal to or greater than the current approved removal cost estimate. However, a used EV battery storage site is not subject to the financial assurance requirements if the real estate of the site is owned by the United States or one of its agencies, the State of Illinois or one of its agencies, or a unit of local government.