FORM # 1

FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS

1. Nevada Division of Environmental Protection
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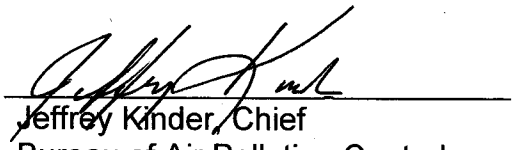
May 18, 2015



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2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.

3. Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.300 establishes specific authority of the SEC regarding operating permit requirements for sources of air contaminants.

   SPECIFIC CHANGES:

   The NDEP is proposing to amend NAC 445B.22097, "*Standards of quality for ambient air.*" We are proposing to revise the Nevada side of the ambient air quality standards table in NAC 445B.22097 to further align it with the national ambient air quality standards (NAAQS) currently in effect. The proposed regulation revises the annual fine particulate matter ($PM_{2.5}$) standard in the Nevada side of the standards table from 15.0 to 12.0 micrograms per cubic meter and removes the annual PM_{10} standard. New definitions for $PM_{2.5}$ and PM_{10} are also proposed to clarify that direct gaseous emissions from a source that condense to form particulate matter at ambient temperatures are included in those terms, as required by federal regulation.

4. NEED FOR AND PURPOSE:

   These amendments are in response to a federal requirement. When the U.S. Environmental Protection Agency (USEPA) promulgates a new or revised NAAQS, states must submit a plan which provides for implementation, maintenance and enforcement of such standard. Clean Air Act § 110(a)(1). The proposed amendments address the implementation of the USEPA's December 14, 2012 $PM_{2.5}$ NAAQS revision, as well as clarify and simplify the particulate matter regulations.

5. ECONOMIC EFFECTS:

(a) Regulated Business/Industry. The economic effect of this regulation can only be determined on a case-by-case basis for each affected business. If the environmental evaluation shows that the emissions from a business are expected to exceed the air quality standards, the business must revise its operating procedures or install controls to reduce emissions. The cost will range from no cost to the cost of installing emission controls appropriate to the individual situation.

It is important to note that the proposed $PM_{2.5}$ standard is already a federal standard with which industry must comply regardless of whether the USEPA or the NDEP implements it. If USEPA must implement the standard, it will do so remotely, in a unilateral manner, with little experience of Nevada's industry and without the NDEP's commitment to support economic development. In contrast, the NDEP has active working relationships with the regulated industry and is well positioned to develop Nevada-specific implementation strategies with industry that are effective and as unobtrusive as possible.

The repeal of the PM_{10} annual standard relieves the regulated industry from the burden of having to model for compliance with that standard in permit applications.

(b) Public. The proposed regulation will have beneficial effects in terms of improved health and welfare. In accordance with the Clean Air Act, the primary NAAQS are established to protect against adverse effects of polluted air on human health, including protection of "sensitive" populations such as asthmatics, children, and the elderly. The cleaner the emissions are the less health effects will be experienced by those persons downwind of the facility. In addition, the emissions reductions will also benefit public welfare. Public welfare protection includes protection against decreased visibility and damage to animals, crops, vegetation, and buildings.

In California, for example, which is nonattainment for $PM_{2.5}$, the costs of installing controls and changing operating procedures is estimated to be between $53 million and $350 million, while the corresponding benefits (decreased mortality rates, fewer hospital admissions) are estimated to be $3.6 billion to $8.2 billion.[1] The USEPA was unable to determine direct health benefits, but it did analyze the co-benefits derived from reducing NO_2 as a precursor to the formation of $PM_{2.5}$. The USEPA estimates that the benefit-per-ton removed ranges from $5,200-$13,000/ton based on a discount rate of three percent.[2]

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[1] Regulatory Impact Analysis for the Final Revisions to the National Ambient Air Quality Standards for Particulate Matter, USEPA, Office of Air Quality Planning and Standards, Health and Environmental Impacts Division (Feb. 28, 2013), available at http://www.epa.gov/ttnecas1/regdata/RIAs/finalria.pdf. (last viewed December 10, 2014).

[2] Final Regulatory Impact Analysis (RIA) for the NO2 National Ambient Air Quality Standards (NAAQS), USEPA, Office of Air Quality Planning and Standards, Health and Environmental Impact Division, Air Benefit-Cost Group (January 2010) at 4-12, available at http://www.epa.gov/ttnecas1/regdata/RIAs/FinalNO2RIAfulldocument.pdf. (last viewed December 10, 2014).

(c) Enforcing Agency. There will be an incremental cost to the agency of implementing the required federal regulation, but such cost is built in to the current fee structure of the Bureau of Air Pollution Control.

6. The proposed amendments do not overlap any other State regulations. They adopt a federal regulation into State regulation.

7. The proposed amendments are no more stringent than what is established by federal law.

8. The proposed amendments do not address fees.