Government of the District of Columbia Office of the Chief Financial Officer



Jeffrey S. DeWittChief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson

Chairman, Council of the District of Columbia

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FROM: Jeffrey S. DeWitt

Chief Financial Officer

DATE: November 25, 2015

SUBJECT: Fiscal Impact Statement - Control of Hazardous Air Pollutants

Regulations Approval Resolution of 2015

REFERENCE: Draft Resolution as shared with the Office of Revenue Analysis on

September 29, 2015

Conclusion

Funds are sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the resolution.

Background

The Clean Air Act of 1970 and its subsequent revisions establish clean air standards for the country, and provide for the regulation of emissions and hazardous air pollutants. The Act created the National Emission Standards for Hazardous Air Pollutants (NESHAP), which include emissions standards for over 200 hazardous air pollutants which non-mobile sources of pollution (i.e. buildings) might emit. States may adopt the NESHAP standards or their own stricter standards. In the District, the Department of Energy and Environment's Air Quality Division ensures pollution sources operate within clean air regulations through the issuance of permits to those sources.

The proposed resolution adopts the federal NESHAP emissions standards by reference for a number of hazardous air pollutants. These include the following source categories:

- Perchloroethylene used in dry cleaning facilities;1
- Chromium emissions from hard and decorative chromium electroplating and chromium anodizing tanks;
- Halogenated solvent cleaning:²

¹ The District also bans the use of perchloroethylene for cleaning after January 1, 2029 (D.C. Law 18-336; D.C. Official Code 8-108.03).

The Honorable Phil Mendelson

FIS: "Control of Hazardous Air Pollutants Regulations Approval Resolution of 2015," Draft Resolution as shared with the Office of Revenue Analysis on September 29, 2015

- The printing and publishing industry;
- Publicly owned treatment works;3
- Stationary reciprocating internal combustion engines;⁴
- Hospital and other ethylene oxide sterilizers;⁵
- Gasoline dispensing facilities;
- Paint stripping and miscellaneous surface coating operations at area sources;
- Industrial, commercial, and institutional boilers; and
- Area source plating and polishing operations.

Any violations of these regulations are punishable by a fine up to \$10,000, imprisonment up to 90 days, or both.

Financial Plan Impact

Funds are sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the resolution. Any enforcement costs associated with implementation of this resolution can be absorbed within the existing resources of the Department of Energy and Environment. Any potential fine revenues cannot be accurately projected at this time.

 $^{^2}$ Regulation of a cleaning machine that uses methylene chloride, perchloroethylene, trichloroethylene, 1-trichloroethane, carbon, tetrachloride, or chloroform.

³ Publicly owned treatment works includes wastewater treatment, sewer, and collection facilities.

⁴ The regulations do not adopt the federal standards that allow internal combustion engines to be used as emergency demand response programs (programs to maintain reliability or alleviate demand during peak energy usage). Thus, these engines can only be used for emergency power outage situations.

⁵ Regulation of the use of one ton or more of ethyl oxide used to sterilize in a sterilization chamber and ten or more tons in an aeration room.