

Office of Regulatory Management
Economic Review Form

Agency name	State Water Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC25-120
VAC Chapter title(s)	9VAC25-120 - Virginia Pollutant Discharge Elimination System (VPDES) General Permit Regulation for Discharges From Petroleum Contaminated Sites, Groundwater Remediation, and Hydrostatic Tests
Action title	Reissuance of a General Permit for Use for the Discharge of effluent from groundwater remediation of contaminated sites, dewatering activities of contaminated sites and from hydrostatic tests
Date this document prepared	September 8, 2022

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment

levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

General permit regulations expire every 5 years and must be re-issued in order for permit coverage to be available to new permittees. If the general permit is not re-issued, the regulated community will need to obtain an individual permit to conduct the regulated activity. For this reason, the costs associated with obtaining an individual permit are compared with the costs associated with general permit coverage.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<p>9VAC25-120-70. Registration statement</p> <p>A permit fee is not required upon application for a general permit under this regulation.</p> <p>Direct Costs: The regulatory change reduces the permit cost from the \$10,200 cost of an individual permit to a \$0 general permit fee.</p> <p>Direct Benefits: The regulatory change provides a cost savings of \$20,295 every 5 years based on the \$4059 individual permit annual maintenance fee.</p> <p>9VAC25-120-70. There is no public notice requirement for a general permit - that is a change from the requirements for an individual permit.</p> <p>Public notice is required upon application for a new individual VPDES permit.</p> <p>Direct Costs: The regulatory change eliminates the requirement for a public notice and its associated publication cost.</p> <p>Direct Benefits: The regulatory change eliminates publishing charges for public notices and provides a cost savings of \$900 to the regulated community (permit applicant).</p>
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	<p>9VAC25-120-80. General permit.</p> <p>Monitoring requirements and costs remain the same for a general permit and an individual permit under the regulatory change.</p> <p>Direct Costs: Monitoring of the groundwater discharged from each well are required and cost an average of \$1500 per month for a project (\$9,000 for a six-month project). It is expected that conducting the monitoring, filling out the reporting form, and providing it to DEQ will involve 10-12 hours per year. The cost associated with this requirement is the same as the cost associated with the requirement for an individual permit.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$19,200	(c) \$19,200	
Direct Benefits	(b) \$21,195	(d) \$21,195	
(3) Benefits-Costs Ratio	1.1	(4) Net Benefit	\$1,995
(5) Indirect Costs & Benefits	The general permit regulation contains a number of specific instances of regulatory streamlining that may result in cost reductions. They include 1) simplified reporting for short-term projects; and 2) the reduction of monitoring from monthly to quarterly based on compliance history.		
(6) Information Sources	Permit fees and annual maintenance fees required by State Water Control Board regulations. Publishing fees charged by newspapers with general circulation within the Commonwealth Average monitoring costs reported by consultants		
(7) Optional			

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires an Individual VPDES permit fee (9VAC25-20 Form5)
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	<p>Direct Costs: An individual VPDES permit application for a new discharge requires a permit fee of \$10,200. Each permit term is 5 years.</p> <ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires the applicant to pay publishing charges for a public notice. (9VAC25-31-290) <p>Direct Costs: Every draft permit is required to provide a public notice, paid for by the applicant, by publication once in a newspaper of general circulation in the area affected by the discharge. The average cost of publication of a public notice is \$900 and is required upon application for a new permit.</p> <ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires water monitoring. (9VAC25-31-220) <p>Direct Costs: Monitoring of the groundwater discharged from each well are required and cost an average of \$1500 per month for a project (\$9,000 for a six-month project). It is expected that conducting the monitoring, filling out the reporting form, and providing it to DEQ will involve 10-12 hours per year.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$19,900	(c) \$19,900	
Direct Benefits	(b) 0	(d) 0	
(3) Benefits-Costs Ratio	0	(4) Net Benefit	-\$19,900
(5) Indirect Costs & Benefits			
(6) Information Sources	<p>Permit fees and annual maintenance fees required by State Water Control Board regulations Publishing fees charged by newspapers with general circulation within the Commonwealth Average monitoring costs reported by consultants</p>		
(7) Optional			

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

Agency Note: The creation of a regulatory change provides a general permit option as an alternative approach to an individual permit. This change reduces the regulatory burden on the regulated community.

(1) Direct Costs & Benefits	No regulatory alternatives were considered during this phase of general permit reissuance.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.

- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires an Individual VPDES permit fee (9VAC25-20 Form5) Direct Costs: An individual VPDES permit application for a new discharge requires a permit fee of \$10,200. Each permit term is 5 years. • The current regulatory requirement for an individual permit requires the applicant to pay publishing charges for a public notice. (9VAC25-31-290) Direct Costs: Every draft permit is required to provide a public notice, paid for by the applicant, by publication once in a newspaper of general circulation in the area affected by the discharge. The average cost of publication of a public notice is \$900 and is required upon application for a new permit. • The current regulatory requirement for an individual permit requires water monitoring. (9VAC25-31-220) Direct Costs: Monitoring of the groundwater discharged from each well are required and cost an average of \$1500 per month for a project (\$9,000 for a six-month project). It is expected that conducting the monitoring, filling out the reporting form, and providing it to DEQ will involve 10-12 hours per year.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$19,900

Direct Benefits	(b) \$19,900
(3) Indirect Costs & Benefits	The general permit regulation contains a number of specific instances of regulatory streamlining that may result in cost reductions. They include 1) simplified reporting for short-term projects; and 2) the reduction of monitoring from monthly to quarterly based on compliance history.
(4) Information Sources	Permit fees and annual maintenance fees required by State Water Control Board regulation Publishing fees charged by newspapers with general circulation within the Commonwealth Average monitoring costs reported by consultants
(5) Assistance	
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	No indirect costs or benefit impacts on families are expected due to the limited extent of changes being made to the general permit regulation.
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires an Individual VPDES permit fee (9VAC25-20 Form5)
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	<p>Direct Costs: An individual VPDES permit application for a new discharge requires a permit fee of \$10,200. Each permit term is 5 years.</p> <ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires the applicant to pay publishing charges for a public notice. (9VAC25-31-290) <p>Direct Costs: Every draft permit is required to provide a public notice, paid for by the applicant, by publication once in a newspaper of general circulation in the area affected by the discharge. The average cost of publication of a public notice is \$900 and is required upon application for a new permit.</p> <ul style="list-style-type: none"> • The current regulatory requirement for an individual permit requires water monitoring. (9VAC25-31-220) <p>Direct Costs: Monitoring of the groundwater discharged from each well are required and cost an average of \$1500 per month for a project (\$9,000 for a six-month project). It is expected that conducting the monitoring, filling out the reporting form, and providing it to DEQ will involve 10-12 hours per year.</p>
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$19,900
Direct Benefits	(b) \$19,900
(3) Indirect Costs & Benefits	The general permit regulation contains a number of specific instances of regulatory streamlining that may result in cost reductions. They include 1) simplified reporting for short-term projects; and 2) the reduction of monitoring from monthly to quarterly based on compliance history.
(4) Alternatives	
(5) Information Sources	<p>Permit fees and annual maintenance fees required by State Water Control Board regulation</p> <p>Publishing fees charged by newspapers with general circulation within the Commonwealth</p> <p>Average monitoring costs reported by consultants</p>

(6) Optional	
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Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

The general permit approach contains 348 requirements on the regulated community, whereas the individual permit contains 2177 requirements on the regulated community. The general permit provides a streamlined approach for the regulated community to utilize that is contains 1829 less requirements on the regulated community.

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
9VAC25-120	348	0	0	0