

Office of Regulatory Management

Economic Review Form

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC5-145
VAC Chapter title(s)	Regulations for the Control and Abatement of Air Pollution; Permits for Stationary Sources of Pollutants Subject to Regulation; Regulation for General Administration
Action title	Regulations for Control of Greenhouse Gases
Date this document prepared	Exempt aviation and aerospace businesses from HFC requirements in conformance with the 2022 Virginia state budget (Rev. E22).

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.

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

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • All changes are mandated, and the agency is not exercising any discretion. • Item 379 #1c D of the 2022 Virginia State Budget directs the State Air Pollution Control Board to modify 9VAC5-145 prohibiting the use of certain hydrofluorocarbons to exempt such use in the manufacturing processes of aviation and aerospace businesses located in Virginia. Direct Costs: None. Direct Benefits: None. • A minor technical correction to the definition of "new" is being made. Direct Costs: None. Direct Benefits: None. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) None.	(c) None.	
Direct Benefits	(b) None.	(d) None.	
(3) Benefits-Costs Ratio	None.	(4) Net Benefit	None.
(5) Indirect Costs & Benefits	There may be indirect costs and benefits associated with this action; most likely benefits, as it is exempting a class of regulated entities from a regulatory requirement.		

(6) Information Sources	Virginia Employment Commission database; Comprehensive Environmental Data System (CEDS)
(7) Optional	Virginia Employment Commission data shows that of the 804 employers in the aeronautical and aerospace industry in Virginia, 97% of them are considered to be small businesses (i.e., fewer than 250 employees). Specific benefits for this sector cannot be determined, as these facilities are not required to report HFC emissions or product use at either the state or federal level, and no specific data is otherwise available. It is reasonable to assume that a benefit to this class of business may result via implementation of the state budget amendment, with no anticipated negative environmental effects.

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

Not required. All changes are mandated, and the agency is not exercising any discretion.

Table 1c: Costs and Benefits under an Alternative Approach

Not required. All changes are mandated, and the agency is not exercising any discretion.

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	None.
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.
(3) Indirect Costs & Benefits	None.
(4) Information Sources	Virginia Employment Commission database; Comprehensive Environmental Data System (CEDDS)
(5) Assistance	None.
(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	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.
(3) Indirect Costs & Benefits	None.
(4) Information Sources	Virginia Employment Commission database; Comprehensive Environmental Data System (CEDS)
(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	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.
(3) Indirect Costs & Benefits	There may be indirect costs and benefits associated with this action; most likely benefits, as it is exempting a class of regulated entities from a regulatory requirement.
(4) Alternatives	None.
(5) Information Sources	Virginia Employment Commission database; Comprehensive Environmental Data System (CEDS)
(6) Optional	Virginia Employment Commission data shows that of the 804 employers in the aeronautical and aerospace industry in Virginia, 97% of them are considered to be small businesses (i.e., fewer than 250 employees). Specific benefits for this sector cannot be determined, as these facilities are not required to report HFC emissions or product use at either the state or federal level, and no specific data is otherwise available. It is reasonable to assume that a benefit to this class of business may result via implementation of the state budget amendment, with no anticipated negative environmental effects.

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.

Table 5: Total Number of Requirements

These regulatory amendments do not place any additional regulatory requirements on the regulated community; rather, exempts a class of affected facilities from a regulatory requirement, and makes a minor technical correction that does not affect this exemption or the remainder of the regulation.. The exemption amendments are being adopted using the final exempt process as allowed by §2.2-4006 A 4 a of the Code of Virginia which allows for changes to be made to

regulations that are necessary to conform to changes in Virginia statutory law (in this case, the 2022 state budget) where no agency discretion is involved. The technical correction amendment is being adopted using the final exempt process as allowed by § 2.2-4006 A 3 of the Code of Virginia because it is only the correction of a technical error.