

**SMALL BUSINESS COMPLIANCE ADVISORY COMMITTEE
MEETING MINUTES
October 23, 2019**

Members Present: Dale Kaplan (Chair), Walter Schroth, Jeremy Hancher, Laura Edinger, Ed Boito

Others Present: Susan Foster, Nancy Herb, Samantha Harmon, Caroline Zepp, Julie Zorn, Bryan Oshinski, Margaret Parsons, Jordan McGregor, Randy Bordner, Susan Hoyle, Alexander Sload, Lucas Hershey, Sandra Schroth

Call to Order

The Small Business Compliance Advisory Committee's (SBCAC or Committee) October 23, 2019, meeting was called to order by the Chair, Dale Kaplan, at 10:00 a.m. in the Rachel Carson State Office Building, 12th Floor Conference Room, Harrisburg.

Introductions

Members of the SBCAC and the audience introduced themselves. The Committee welcomed Lucas Hershey as the new DEP representative responsible for DEP's Small Business Compliance Assistance Program, including coordination of the SBCAC meetings.

Administrative Items

Approval of Minutes from Previous Meeting

The April 17, 2019, draft SBCAC meeting minutes were approved unanimously as written.

Informational Items

Environmental Management Assistance Program (EMAP)

Jeremy Hancher, EMAP Program Manager, provided an update on EMAP activities. New EMAP brochures and bookmarks were recently developed to replace the older, outdated brochures. The new brochures and bookmarks were passed out for everyone to view.

Mr. Hancher reported that in the third quarter of 2019, EMAP received 32 requests for technical assistance; 15 of them were received through the EMAP hotline and 10 were through the EMAP website or internet searches. Six of the requests were from small businesses referred by DEP staff. Seven of the requests were referrals by PA SBDC business consultants. Of these, seven of the requests were for permit-related assistance, six air-related and one "other" request from a business that wanted to ensure environmental permit(s) could be obtained. EMAP environmental consultants conducted on-site assessments at nine small businesses, and there were five new EMAP clients during the quarter. EMAP provided 69 small businesses with in-depth

technical assistance. Major work output included: six Request for Determination (RFD) submittals; five Plan Approval applications; ten State-Only Operating Permit applications; and three Allegheny County Health Department (ACHD) installation/operating permit applications.

During the third quarter of 2019, EMAP assisted small businesses with issues related to property acquisition, construction and renovation projects, and abatement. EMAP assisted the owner of an existing dry-cleaning business concerned with demonstrating the absence of contamination in order to sell the business. EMAP also answered questions about lead-based paint standards for dust during a construction project and questions related to the purchase of an existing grocery store business.

Chair Kaplan asked how many universities are in the Pennsylvania Small Business Development Center (SBDC) network. Mr. Hancher replied that the SBDC network includes 17 universities. Chair Kaplan asked which SBDCs receive the most requests for EMAP services. Mr. Hancher said that he may be able to create a map of EMAP assistance requests to present at a future SBCAC meeting.

EMAP staff attended the annual training provided by the National Small Business Environmental Assistance Programs (SBEAP) in May at the EPA Region 5 offices in Chicago, IL. EMAP staff also attended the Pennsylvania Auto Recycling Trade Society (PARTS) Summit & Expo in Conshohocken on August 23, where they participated in a moderated Q&A session along with representatives from PennDOT and the Pennsylvania State Police.

EMAP fielded an interesting question from a farmer contacted by a solar developer seeking to lease the farmer's land in return for royalty payments. Mr. Schroth shared his experience related to this topic, explaining some of the benefits and concerns when deciding whether to lease property for solar development.

Small Business Ombudsman Report

Mr. Boito distributed an update on the status of the 2019-2020 Small Business Advantage (SBAG) grants. The SBAG program provides \$1,000,000 for projects to reduce energy use or pollution. So far, the program has received more than 90 applications and approximately \$436,000 has been awarded as of October 22, 2019, leaving \$564,000 in the program. Of the applications, four were ineligible for a variety of reasons. Mr. Boito noted that the majority (42) of applications were for energy efficient lighting. One interesting application was for an energy efficient pizza oven, which reduces energy consumption by 40%.

Mr. Boito pointed out that DEP has 6 regional offices in addition to DEP's central office in Harrisburg. He explained that much of the enforcement and inspections are conducted by the regional DEP offices.

Chair Kaplan suggested the National Federation of Independent Business (NFIB) write an article about the accomplishments of the grants. Mr. Boito offered to forward a

recent press release to Margaret Parsons at NFIB to use in an article about the SBAG program.

Mr. Schroth asked about the grant application process. Mr. Boito explained that the application and instructions are available online on the DEP website under “Small Business Advantage Grant.” He explained that there are instructional videos on the site to guide applicants through the process.

Susan Foster asked Mr. Boito to send press releases to the Bureau of Air Quality and to the SBCAC, so the Bureau and the SBCAC can help share information about the SBAG program. Mr. Boito agreed to do that.

Before moving on to the next item on the agenda, Chair Kaplan approved Michael McManus’ request to extend his voting privilege to Julie Zorn, who attended the meeting in his absence. The Committee then discussed the current Committee vacancies and the desirability of representation by small business owners from a variety of industries with relevant air quality concerns.

Draft Final-Form Rulemaking for Control of Sulfur Emissions from No. 2 and Lighter Commercial Fuel Oil

Bryan Oshinski presented the draft final-form rulemaking on the Revision of Sulfur Limits in No. 2 and Lighter Commercial Fuel Oil. He started by providing background on the basis of the rulemaking.

The proposed rulemaking was published in the *Pennsylvania Bulletin* on July 9, 2019. Public hearings were held on August 6, 7, and 8 in Pittsburgh, Norristown and Harrisburg. The public comment period closed on September 9, 2019.

The proposed rulemaking included a reduction in the allowable sulfur content limit for No. 2 and lighter fuel oil from 500 ppm (0.05%) to 15 ppm (0.0015%) with a proposed compliance date of 60 days after the effective date. The proposal included a “sell-through” provision to allow No. 2 and lighter fuel oil stored on-site by the ultimate consumer by 59 days after the effective date to be used on and after 60 days after the effective date.

During the public comment period 23 commentators provided comments, 22 supported the proposed rulemaking, and 1 opposed the proposed rulemaking. The Independent Regulatory Review Commission (IRRC) had two comments. Comments were submitted by distributors, marketers, trade groups, a pipeline company, Pennsylvania Senator Scott Hutchinson, and the State of New York. Supporters cited cost savings for consumers and distributors, regional consistency, and emission reductions. The primary concern of the commentator opposed to the proposal related to a small transmix refinery, which does not have the equipment necessary to produce No. 2 fuel oil that meets the 15 ppm sulfur limit. There were also comments requesting a biodiesel/biofuel requirement along with a request for a fixed compliance date instead of 60 days after the effective date of the regulation.

Mr. Schroth asked if the group was asking for biodiesel to be included in fuel and if biodiesel has a high sulfur content. Mr. Oshinski said that biodiesel does not contain sulfur and is allowed but not required to be in No. 2 fuel oil. DEP did not add a requirement for biodiesel because that was outside of the scope of the rulemaking.

The draft final-form rulemaking would reduce the sulfur content limit of No. 2 and lighter fuel oil from 500 ppm to 15 ppm and set a compliance date of September 1, 2020. It includes a sell-through provision allowing No. 2 and lighter fuel oil stored on-site by the ultimate consumer by August 31, 2020, to be used on and after September 1, 2020.

Mr. Hancher asked about some of the small business comments that were received, for example the comment about the small transmix refinery. Mr. Oshinski explained that the small transmix refinery would have to install new equipment to remove sulfur from the fuels that they refine to be able to meet the 15 ppm sulfur content limit, and it would be expensive for them. The transmix facility will still be able to market their distillate oil to Ohio, West Virginia, and Virginia, as those states do not have a 15 ppm limit. The facility also can continue to market other, heavier fuel oil grades.

There was a discussion related to sulfur content limits in fuel oil in Philadelphia. Philadelphia and Allegheny counties operate local air quality programs and may adopt regulations for their jurisdictions as long as they are not less stringent than the state requirements.

Chair Kaplan reviewed the concurrence letter with the Committee. Mr. Schroth offered a motion to concur with DEP's recommendation to move the draft final-form rulemaking to the Environmental Quality Board (EQB) for consideration. Mr. Boito seconded the motion. The Committee approved the motion unanimously by a vote of 7-0-0.

Driving PA Forward

Samantha Harmon presented an update on the Driving PA Forward suite of grant and rebate programs funded by Pennsylvania's share of the Volkswagen settlement. The funding will be used to fund the following eight programs:

- Class 8 Local Freight Truck or Transit Bus
- Class 4-7 Truck or Class 4-8 School Bus or Shuttle Bus
- Forklift, Airport Ground Support Equipment or Port Cargo Handling Equipment
- Ferry, Tug, or Freight Switcher
- Clean Diesel
- Electric Vehicle (EV) Fast Charging or Hydrogen Fuel Cell Equipment
- Level 2 (Light Duty) Electric Vehicle Charging Equipment
- Ocean-Going Vessel Shorepower

Ms. Harmon showed the storyboard style website that includes the program background and provides links to applications and program guidelines. She explained that the Clean Diesel program is the most robust and broad program. It includes grants for the replacement of construction equipment, buses, stationary equipment, and more – with 2.6 million in grants available for 2019. Chair Kaplan asked what percentage of

equipment replacement costs are refunded through the program, and Ms. Harmon explained that normally 25% of replacement costs are covered with a maximum of 60%, and electric projects generally give a higher level of reimbursement.

Ms. Harmon also reviewed the other grant and rebate programs for buses, ocean-going vessels, electric cargo handling, and marine and freight rail switches.

Ms. Harmon explained that PA has an EV roadmap that was released this past summer. The EV roadmap is an overall plan for targeting electric vehicle infrastructure for the state.

Approval of 2020 Meeting Schedule

The proposed 2020 meeting schedule was approved unanimously.

Other Business/Discussion

Mr. Schroth expressed his appreciation for the posters DEP displayed in the room showing long-term emission trends for the criteria pollutants SO_x, NO_x, VOC, PM₁₀, and PM_{2.5}. The posters illustrate the striking emission reductions that have been achieved. Mr. Schroth noted the importance of recognizing the success the Commonwealth has had in reducing emissions. He thinks that this good story has not been told enough.

Mr. Schroth asked when an overview of the monitored air quality will be presented to the Committee. DEP noted the request for a presentation at an upcoming meeting.

Adjournment

The SBCAC meeting was adjourned at 11:58 a.m.