

**SMALL BUSINESS COMPLIANCE ADVISORY COMMITTEE  
MEETING MINUTES  
April 22, 2020**

Members Present: Dale Kaplan, Walter Schroth, Jeremy Hancher, Ed Boito, Rebecca Oyler, Terrell Martin, Laura Edinger

Others Present: Susan Foster, Nancy Herb, Lucas Hershey, Sean Wenrich, Viren Trivedi, Jennie Demjanick, Susan Hoyle, Hayley Book, Allen Landis, Naishadh Bhatt, Kirit Dalal, Lisa Massaro, Liz Robinson, Robert Barkanic. Teresa McCurdy, Allen Karpman, Jason Muller, John Walliser, Kara Fetter, Jennifer Kane, Lee Ann Briggs

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Call to Order

The Small Business Compliance Advisory Committee's (SBCAC or Committee) April 22, 2020, meeting began at 10:02 a.m. via Webex conference call.

Introductions

Members of the SBCAC and panelists introduced themselves.

Committee welcomed new member Terrell Martin to SBCAC.

**Administrative Items**

Approval of Minutes from Previous Meeting

The January 22, 2020, draft SBCAC meeting minutes were approved 7-0-0 (Yes-No-Abstain) as written.

Member Elections Postponed

Due to circumstances with Covid19 and the SBCAC meeting not being held in person, member elections were postponed until the July meeting.

**Informational Items**

Environmental Management Assistance Program (EMAP)

Jeremy Hancher, EMAP Program Manager, provided an update on EMAP activities. EMAP staff are following Governor Wolf's stay-at-home orders and their respective Small Business Development Center's (SBDC) host university guidelines and restrictions. The toll-free EMAP environmental hotline is fully operational, and EMAP is requesting small businesses reach out and communicate with staff through electronic means.

Mr. Hancher reported that in the first quarter of 2020, EMAP received 41 requests for technical assistance; 20 of them were received through the EMAP hotline. Nine of the

requests were from small businesses referred by DEP staff, eight were air quality-related, and one was waste related. There were ten requests for permit related assistance, 8 air-related and 2 waste-related. EMAP environmental consultants conducted on-site assessments at 12 small businesses, and there were 7 new EMAP clients during the quarter. EMAP provided 80 small businesses with in-depth technical assistance. Major work output included: 5 Request for Determination (RFD); 4 Plan Approvals; 14 State-Only Operating Permit; 2 General Permits; and three Allegheny County Health Department (ACHD) installation/operating permits.

During the first quarter of 2020, EMAP assisted small businesses with a range of environmental issues. EMAP assisted small businesses with questions related to surface coating, diesel engines, emissions estimates from wood boilers and incinerators from a cemetery, help with AIMS/AES reporting, management of medical waste, residual waste regulations, storage tank removal, stormwater permitting and reporting, and safe drinking water requirements.

On March 4, 2020, EMAP participated in workshops with the Clarion SBDC in Franklin, PA. There were 22 small businesses registered for the meeting with 18 attending. The overall feedback on the meeting was positive. Speakers included representatives from the Department of Labor (DOL) Occupational Safety and Health Administration (OSHA), Pennsylvania IUP OSHA Program, DOL Wage and Hour Division, Clarion SBDC and EMAP, and DEP's Small Business Ombudsman, Ed Boito. The next workshop is scheduled for June 3 in DuBois, PA. It is unknown at this time if the workshop will keep its current schedule, be rescheduled, or converted to an online workshop.

Rebecca Oyler asked if there were any requests for assistance or questions about DEP's suspension of requirements due to Covid19. Jeremy was not aware of anyone asking him or EMAP staff about this. There is information posted on the EMAP and DEP websites.

#### Small Business Ombudsman Report

Mr. Boito provided an update on the status of the 2019-2020 Small Business Advantage (SBAG) grant. The application period for the grants closed on March 7, 2020. There was a record of 239 applicants over the past year, with 219 grants awarded for a total of \$999,999.61. The projects included 130 applications for lighting, 31 applications for medical equipment, 12 natural resource protection projects, and 46 categorized as other.

Paperwork for all grants has been submitted, and the deadline to complete funded projects is June 30, 2020. There are approximately 55 projects that have not yet been completed. Most grantees have indicated they plan to complete their projects, although there are a few projects that will not be completed due to complications with the Covid19 outbreak. Additional projects may be affected if businesses are unable to afford their portion of the project cost.

Over the past month or so, Mr. Boito has received calls related to the need for government assistance during the Covid19 outbreak. Mr. Boito is providing information to these businesses on the state and Federal programs available to assist small businesses. A recent example was a \$5,000 grant from the U.S. Chamber of Commerce foundation. Mr. Boito is also providing business owners with contact information for DCED and for their local SBDC.

Ms. Oyler asked whether the 50 percent match for SBAG is in the statute or part of a regulation or policy. Mr. Boito responded that it is part of the program guidelines. The program was created in 2004 as a matching program. If the 50 percent match were to be modified, it would be a policy change.

### **Action Item**

#### Action Item – Reasonably Available Control Technology (RACT) III Draft Proposed Rulemaking

Sean Wenrich presented Reasonably Available Control Technology RACT III Draft Proposed Rulemaking. The proposed rulemaking sets additional RACT requirements in accordance with the 2015 Ozone National Ambient Air Quality Standards (NAAQS). The rulemaking would amend Chapter 129 (relating to standards for sources) and adopt new RACT emission limitations for major stationary sources of oxides of nitrogen (NO<sub>x</sub>) and volatile organic compound (VOC) emissions that were in existence on or before August 3, 2018. The proposed compliance date for these stationary sources is January 1, 2023, which is the latest date required by the 2015 Ozone NAAQS.

Mr. Kaplan had a question about a slide showing a table of proposed changes for natural gas-powered turbines. He asked what these turbines are typically used for. Mr. Wenrich answered that the end uses for many of these turbines would be for natural gas compression and transmission, and that the larger turbines would be most significantly impacted by the regulation.

Mr. Schroth asked how much this regulation will help air quality in Pennsylvania, and whether there is information that quantifies the net benefit. Mr. Wenrich replied that DEP has not quantified the benefit to Pennsylvania, as all but five counties in the state are meeting the ozone NAAQS, and this rule will help for the entire state to meet that goal. DEP may estimate the NO<sub>x</sub> and VOC emission reductions resulting from the rule, however there is no plan to model predicted ozone concentrations. The primary reason for the rule is that it is a federal requirement. Mr. Schroth mentioned the importance of telling a story of success and being able to show that DEP's efforts in adopting these rules generates results.

Ms. Oyler asked for more information on how the requirements in the proposed regulation meet EPA requirements. Mr. Wenrich explained that it is more than just EPA requiring these changes, as it is a statutory requirement in the Clean Air Act for states to re-evaluate RACT requirements when the ozone NAAQS are revised. Data is evaluated on specific sources where lower limits can reasonably be attained based on

available technology and cost. The proposed rulemaking package will lay all of this out. Ms. Oyler asked if the rulemaking package will make a comparison with other states and Mr. Wenrich stated that DEP will make sure to include such a comparison.

Mr. Hancher asked how many facilities in the state would be subject to the requirements in the rule, and if any small businesses would be affected. Mr. Wenrich said that is still being evaluated, but this information will be included in the Regulatory Analysis Form (RAF). He also mentioned that the number of impacted small businesses should be similar to RACT 2. Mr. Bhatt added that in the RACT 2 RAF, there were 20 small businesses identified as major sources of NOx and VOC.

Mr. Kaplan reviewed the concurrence letter with the Committee. Mr. Schroth offered a motion to concur with DEP's recommendation to forward the RACT 3 draft proposed rulemaking to the Environmental Quality Board (EQB) for consideration. Ms. Edinger seconded the motion. The Committee approved the motion by a vote of 7-0-0.

#### CO<sub>2</sub> Budget Trading Program

Hayley Book presented an overview of the CO<sub>2</sub> Budget Trading regulation that DEP is developing in order to participate in the Regional Greenhouse Gas Initiative (RGGI). The regulation is an effort directed by Governor Wolf's Executive Order of October 2019, titled "Commonwealth Leadership in Addressing Climate Change through Electric Sector Emissions Reductions," directing the Department to draft a regulation and bring it to the EQB, by July 31, 2020. This Executive Order focuses on reducing CO<sub>2</sub> emissions from the electric generation industry, which represents approximately 30% of Pennsylvania's greenhouse gas (GHG) emissions.

Ms. Book explained that RGGI is a collaborative group of 10 states in the Northeast and Mid-Atlantic with an agreement to reduce greenhouse gas emissions using a regional trading program. In joining the initiative, Pennsylvania will have an emissions budget, and carbon allowances will be traded on a market. Proceeds from the sale of those allowances will flow back to the Commonwealth for reinvestment in projects such as energy efficiency, renewable energy, and other air quality benefits. The program specifically focuses on reductions from large fossil fuel-fired electric power plants that emit carbon dioxide.

Mr. Schroth asked whether this rule will result in Pennsylvania simply shutting down powerplants and having our energy shipped in from other states. If this is the case, Pennsylvania's numbers would look better, but this would result in additional emissions from outside of the state. Ms. Book replied that there is modeling being done looking at changes in electricity transmission inside and outside of Pennsylvania as a result of this rule. She also mentioned that RGGI states reinvest a substantial portion of auction proceeds into air pollution reduction programs.

Ms. Oyler urged the Department to take a step back and consider the circumstances associated with the Covid19 crisis, as she believes this is likely the worst time to move forward on this initiative, as it is a massive program that will have an unknown impact on

the economy. She feels that too much has changed since the outbreak, and DEP needs to reassess the timeline. Ms. Book responded that DEP has adjusted the timeline to provide advisory committees with request time to evaluate the modeling and regulation and will have modeling results available tomorrow. She feels that the regulation and associated revenue can be an important part of Pennsylvania's economic recovery.

Mr. Hancher asked what feedback DEP is getting from industry related to the rule. Ms. Book said that most industry questions relate to how the rule will affect their business so they can better understand the impact.

#### Concepts for the Phasedown of Hydrofluorocarbons (HFC)

Lucas Hershey provided a concepts overview for the phasedown of HFC in Pennsylvania. Mr. Hershey's presentation reviewed the regulatory history of HFCs, current state level efforts to address increasing emissions of HFCs, HFC emission trends in Pennsylvania, along with providing an overview of the U.S. Climate Alliance and their HFC model rule. DEP plans to present a draft proposed rulemaking for advisory committee consideration in the Fall of 2020.

Mr. Schroth mentioned that the year 2025 is only five years from now and asked whether the emission reductions proposed in the Governor's Executive Order are being tracked. Mr. Hershey replied that statewide emissions are being tracked. Mr. Landis added that the emission reductions are calculated as part of Pennsylvania's GHG Inventory, which is reported annually, although on a delay with the most up-to-date inventory being 2016. The 2016 inventory showed an 18% reduction in GHGs from 2005 levels. The GHG inventory is available on DEP's website.

Mr. Schroth asked what the cost difference is between HFC's versus replacement refrigerants. Mr. Hershey replied that many of the replacement refrigerants are more expensive, but an exact difference in cost cannot be given as there are many different replacement chemicals, and prices are not static. Mr. Hershey pointed out that this is something DEP will continue to evaluate while developing the rule.

Mr. Hancher asked if there would be a requirement for businesses to report HFC use. Mr. Hershey replied that Pennsylvania is evaluating appropriate recordkeeping requirements to include in the rule. Requirements for labeling and recordkeeping have varied among states adopting HFC regulations.

#### Adjournment

The SBCAC meeting was adjourned at 12:20 p.m.