

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name 10 CSR 26-2.021 Applicability
Type of Rulemaking Amendment

II. SUMMARY OF FISCAL IMPACT

Classification by types of the business entities which would likely be affected:	Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Owners of emergency generator tanks <ul style="list-style-type: none">• Hospitals• Nursing or Health Care facilities• Communication facilities and structures (e.g. cellular phone companies)• Banks• Food storage facilities• Data storage facilities• Other owners and operators of underground storage tank systems	Approximately 900 tanks at 425 facilities 93% are privately owned Only one contractor indicated he did not meet the training requirements	\$8,370 (every 5 years) or \$1,674 (annually) \$7,440 one-time cost split between all owners (93% of the one-time cost to one contractor)

III. Worksheet

See calculations in Section IV below.

IV. Assumptions

The Department is proposing changes to old, lined tanks that are typically beyond their warranty and life-expectancy. These regulations are being changed to ensure that these tanks are being inspected and repaired in a way that confirms that they remain leak-free as long as they are operational. EPA's UST regulation changes include modifications to the interior lining regulations. Specifically, their regulations require interior lined tanks be closed/replaced if the interior lining fails. The Department's proposed alternative requirements for interior linings, include:

- (1) Linings must meet the new UL 1856 installation standard,
- (2) Technicians must be certified (technicians must be certified to do work in almost every other aspect of UST service),
- (3) Documentation must include photographs,
- (4) An additional, less costly inspection option,
- (5) A new technology that allows repair of a lined tank that might otherwise, under the federal regulations, have to be closed.

While pieces of this regulation may be more costly than the new regulation, the proposed interior lining rule must be considered in its entirety as an alternative to the EPA federal regulation, including the closure requirement.

Furthermore, the Department is only aware of four companies that conduct interior lining installation and repair work in Missouri. Of those four companies, three of them already comply or are in the process of complying with the proposed regulations. As such, the proposed regulations have no associated increased costs to three of the four (including the two predominant companies) in Missouri. As the cost to permanently close a tank can be around \$15,000-\$20,000, the cost for the alternative interior lining rule package, which includes more detailed interior lining requirements, but doesn't require permanent closure in the event of a failure, is a less costly requirement than the federal version of the same rule package.

The one contractor that does not already meet the proposed regulations indicated that it would cost approximately \$8,000 total to comply with the training and certification requirements. This is a one-time cost, which we assume will be passed down to the tank owners (split between privately public owners). He indicated that he believed his product is already tested to be certified under UL1856; as such, there would be no additional costs to comply with this requirement for his company.

As for the additional documentation requirements, he indicated that he already does the additional documentation at some of the sites where he conducts interior lining inspections and installations. According to state records, he conducted approximately 13% of the interior lining inspections and installation; as he already complies with the additional documentation requirements at some of his sites, the Department used 10% of the lined tanks requiring additional documentation for the purposes of this RIR. The

company that would need the additional documentation indicated that this would likely cost around \$250 per *facility* report. As we have about 900 active lined steel tanks at approximately 355 facilities, this would leave approximately 35 lined tank facilities that would need additional documentation for the lining inspections and installations. With an expected 36 facilities needing additional documentation, costing \$250 per facility report, we expect a total cost every five years (the interior lining inspection cycle) of \$9,000, so the average *annual* cost is \$1,800.

Please note, the federal alternative would likely require permanent closure of some of these tanks, which could cost \$15,000-\$20,000 per tank.

Also included in this proposed rule is an additional, alternative interior lining inspection option. Some facilities opt to use interstitial monitoring to comply with tank release detection requirements. This monitoring could be used to meet the interior lining inspection. If a site is using interstitial monitoring, the Department could accept 12 months of interstitial monitoring records in lieu of the standard interior lining inspection. As an interior lining inspection can cost \$2,000-\$5,000 per tank, this is a potential significant cost savings per lined tank.

Based on our data, it appears that 93% of the sites are privately owned; the remaining 7% are publically owned.