NOTICE OF INTENT

Department of Environmental Quality

Office of the Secretary

Legal Affairs Division

Exemptions from LAC 33:III.2103 (Storage of Volatile Organic Compounds)

(LAC 33:III.2103.G) (AQ402)

 Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that rulemaking procedures have been initiated to amend the Air regulations, LAC 33:III.2103.G (AQ402).

 This Rule will clarify that storage vessels subject to recordkeeping requirements of New Source Performance Standards (NSPS) can meet the criteria for exemption from LAC 33:III.2103 under LAC 33:III.2103.G. On March 8, 2024, the U.S. Environmental Protection Agency promulgated new regulations for sources in the oil and natural gas sector (i.e., 40 CFR 60 Subpart OOOOb – Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification or Reconstruction Commenced After December 6, 2022). 40 CFR 60.5365b(e) requires owners/operators of certain storage vessels that are not subject to the control requirements of Subpart OOOOb to keep “records of the potential for emissions calculation for the life of the storage vessel.”

Currently, storage vessels cannot be exempt from LAC 33:III.2103 if they are subject to NSPS. Because all new storage vessels storing crude oil or condensate and located at facilities in the crude oil and natural gas source category will now be subject to NSPS, the Rule will clarify that storage vessels cannot be exempt from LAC 33:III.2103 if they are subject to the control requirements of NSPS. The basis and rationale for this Rule are to clarify that storage vessels subject to recordkeeping requirements of NSPS such as 40 CFR 60 Subpart OOOOb can be exempt from LAC 33:III.2103. This Rule meets an exception listed in R.S. 30:2019(D)(2) and R.S. 49:963.B(3); therefore, no report regarding environmental/health benefits and social/economic costs is required.

**Family Impact Statement**

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

**Poverty Impact Statement**

This Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

This Rule has no known impact on small business as described in R.S. 49:974.1 - 974.8.

**Provider Impact Statement**

This Rule has no known impact on providers as described in HCR 170 of 2014.

**Public Comments**

 All interested persons are invited to submit written comments on the proposed Rule. Persons commenting should reference this proposed Rule by AQ402. Such comments must be received no later than June 10, 2025, at 4:30 p.m., and should be sent to William Little, Attorney Supervisor, Office of the Secretary, Legal Affairs Division, P.O. Box 4302, Baton Rouge, LA 70821-4302, by fax (225) 219-4068, or by E-mail to DEQ.Reg.Dev.Comments@la.gov. Copies of the proposed Rule can be purchased by contacting the LDEQ Public Records Center at (225) 219-3168. Check or money order is required in advance for each copy of AQ402. The proposed Rule is available on the Internet at https://deq.louisiana.gov/page/rules-regulations.

**Public Hearing**

A public hearing will be held on June 3, 2025, at 1:30 p.m. in the Galvez Building, Oliver Pollock Conference Room, 602 N. Fifth Street, Baton Rouge, LA 70802. Interested persons are invited to attend in person or via Zoom at https://deqlouisiana.zoom.us/j/6836133613?omn=94258719092 or by telephone by dialing (646) 255-1997 using the meeting ID 683 613 3613. Should individuals with a disability need an accommodation in order to participate, contact Doug Bordelon at the address given below or at (225) 219-1325.

 The proposed Rule is available for inspection at the following LDEQ office locations from 8 a.m. until 4:30 p.m.: 602 N. Fifth Street, Baton Rouge, LA 70802; 508 Downing Pines Road, West Monroe, LA 71292; State Office Building, 1525 Fairfield Avenue, Shreveport, LA 71101; 1301 Gadwall Street, Lake Charles, LA 70615; 111 New Center Drive, Lafayette, LA 70508; 110 Barataria Street, Lockport, LA 70374; 201 Evans Road, Bldg. 4, Suite 420, New Orleans, LA 70123.

 Aurelia S. Giacometto

 Secretary

**Title 33**

**ENVIRONMENTAL QUALITY**

**Part III. Air**

**Chapter 21. Control of Emission of Organic Compounds**

**Subchapter A. General**

**§2103. Storage of Volatile Organic Compounds**

 A. — F. …

 G. Exemptions. The provisions of this Section ~~(e.g., LAC 33:III.2103)~~ do not apply to:

 1. existing and new storage tanks, located in any parish other than the parishes of Ascension, Calcasieu, East Baton Rouge, Iberville, Livingston, Pointe Coupee, and West Baton Rouge, used for crude oil or condensate and having a nominal storage capacity of less than 420,000 gallons (1,589,900 liters) unless such new tanks are subject to the control requirements of New Source Performance Standards;

 2. tanks 420,000 gallons (1,589,900 liters) or greater, located in any parish other than the parishes of Ascension, Calcasieu, East Baton Rouge, Iberville, Livingston, Pointe Coupee, and West Baton Rouge, used to store produced crude oil or condensate prior to lease custody transfer unless such tanks are subject to the control requirements of New Source Performance Standards;

 3. existing and new storage tanks in the parishes of Ascension, Calcasieu, East Baton Rouge, Iberville, Livingston, Pointe Coupee, and West Baton Rouge that are used for crude oil or condensate prior to lease custody transfer and that have a nominal storage capacity of less than 420,000 gallons (1,589,900 liters) unless such new tanks are subject to the control requirements of New Source Performance Standards;

 G.4. — J. …

 AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

 HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Nuclear Energy, Air Quality Division, LR 13:741 (December 1987), amended LR 15:1065 (December 1989), repromulgated LR 16:27 (January 1990), amended by the Office of Air Quality and Radiation Protection, Air Quality Division, LR 17:360 (April 1991), LR 18:1121 (October 1992), LR 20:1376 (December 1994), LR 21:1223 (November 1995), repromulgated LR 21:1333 (December 1995), amended LR 22:453 (June 1996), LR 22:1212 (December 1996), LR 24:20 (January 1998), LR 24:2242 (December 1998), LR 25:657 (April 1999), LR 25:852 (May 1999), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 26:2452 (November 2000), LR 28:1763 (August 2002), LR 30:1671 (August 2004), amended by the Office of the Secretary, Legal Affairs Division, LR 31:2439 (October 2005), LR 33:447 (March 2007), LR 33:2085 (October 2007), LR 36:2271 (October 2010), amended by the Office of the Secretary, Legal Division, LR 38:2751 (November 2012), amended by the Office of the Secretary, Legal Affairs Division, LR 52:

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**FOR ADMINISTRATIVE RULES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Person Preparing Statement:  | Corbet Mathis |  | Dept.:  | Environmental Quality |
| Phone:  | (225) 219-3437 |  | Office:  | Environmental Services |
| Return Address:  | 602 North Fifth Street |  | Rule Title:  | Exemptions from LAC 33:III.2103 (Storage of Volatile  |
|  |  |  |  | Organic Compounds) |
|  |  |  | Date Rule Takes Effect:  | Upon Promulgation |

SUMMARY

(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

1. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no anticipated implementation costs or savings to state or local governmental units as a result of the proposed rule change.

The current rule (LAC 33:III.2103) outlines the protocol for the storage of volatile organic compounds. Owners of crude oil and condensate storage vessels that are not subject to New Source Performance Standards (NSPS) are exempt from LAC 33:III.2103. The U.S. Environmental Protection Agency (EPA) promulgated new regulations for sources in the oil and natural gas sector that require owners/operators of certain storage vessels not subject to the control requirements to keep “records of the potential for emissions calculation for the life of the storage vessel.”

The proposed rule clarifies that owners of crude oil and condensate storage vessels will maintain exemption status from LAC 33:III.2103 unless the storage vessel is subject to New Source Performance Standards (NSPS) control requirements. New crude oil and condensate storage vessels (installed after December 6, 2022) that are subject to only record-keeping requirements of NSPS, will continue to be exempt from LAC 33:III.2103.

1. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no changes in revenues to the state and local governmental units as a result of the proposed rule change.

1. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

There are no costs or economic benefits to directly affected persons or non-governmental groups as a result of the proposed rule change. Since these entities are already required to calculate their emissions and maintain their records, no new costs are anticipated.

1. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated effect on competition or employment in the public or private sector as a result of the proposed rule change.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Signature of Head or Designee |  | Legislative Fiscal Officer or Designee |
| Aurelia S. Giacometto, Secretary |  |  |
| Typed Name & Title of Agency Head or Designee  |  |  |
|  |  |  |
| Date of Signature  |  | Date of Signature  |

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

1. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The current rule (LAC 33:III.2103) outlines the protocol for the storage of volatile organic compounds. Owners of crude oil and condensate storage vessels that are not subject to New Source Performance Standards (NSPS) are exempt from LAC 33:III.2103. The U.S. Environmental Protection Agency (EPA) promulgated new regulations for sources in the oil and natural gas sector that requires owners/operators of certain storage vessels not subject to the control requirements to keep “records of the potential for emissions calculation for the life of the storage vessel.”

The proposed rule clarifies that owners of crude oil and condensate storage vessels will maintain exemption status from LAC 33:III.2103 unless the storage vessel is subject to New Source Performance Standards (NSPS) control requirements. New crude oil and condensate storage vessels (installed after December 6, 2022) that are subject to only record-keeping requirements of NSPS, will continue to be exempt from LAC 33:III.2103.

1. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

On March 8, 2024, the U.S. Environmental Protection Agency (EPA) promulgated new regulations for sources in the oil and natural gas sector (i.e., 40 CFR 60 Subpart OOOOb – Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification or Reconstruction Commenced After December 6, 2022). 40 CFR 60.5365b(e) requires owners/operators of certain storage vessels not subject to the control requirements of Subpart OOOOb to keep “records of the potential for emissions calculation for the life of the storage vessel.”

Under current rules, storage vessels cannot be exempt from LAC 33:III.2103 if they are subject to NSPS. Since all new storage vessels storing crude oil or condensate and located at facilities in the crude oil and natural gas source category will now be subject to NSPS, the rule will clarify that storage vessels cannot be exempt from LAC 33:III.2103 if they are subject to “the control requirements of” NSPS. New crude oil and condensate storage vessels (installed after December 6, 2022) that are subject to only record-keeping requirements of NSPS, will continue to be exempt from LAC 33:III.2103.

1. Compliance with Act 11 of the 1986 First Extraordinary Session
2. Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No, the proposed rule change will not result in any increase in the expenditure of funds.

(2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

 (a) YES. If yes, attach documentation.

(b) NO. If no, provide justification as to why this rule change should be published at this time

 N/A

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

 No costs or savings to state agencies are anticipated as a result of the proposed rule change.

|  |  |  |  |
| --- | --- | --- | --- |
| **COSTS** | **FY 25** | **FY 26** | **FY 27** |
| PERSONAL SERVICES | $0 | $0 | $0 |
| OPERATING EXPENSES | $0 | $0 | $0 |
| PROFESSIONAL SERVICES | $0 | $0 | $0 |
| OTHER CHARGES | $0 | $0 | $0 |
| EQUIPMENT | $0 | $0 | $0 |
| MAJOR REPAIR & CONSTR. | $0 | $0 | $0 |
| **TOTAL** | **$0** | **$0** | **$0** |
| **POSITIONS (#)** | **0** | **0** | **0** |

1. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

There are no anticipated costs to implement the proposed rule change.

1. Sources of funding for implementing the proposed rule or rule change.

|  |  |  |  |
| --- | --- | --- | --- |
| **SOURCE** | **FY 25** | **FY 26** | **FY 27** |
| STATE GENERAL FUND | $0 | $0 | $0 |
| AGENCY SELF-GENERATED | $0 | $0 | $0 |
| DEDICATED | $0 | $0 | $0 |
| FEDERAL FUNDS | $0 | $0 | $0 |
| OTHER (Specify) | $0 | $0 | $0 |
| **TOTAL** | **$0** | **$0** | **$0** |

1. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funds are required to implement the proposed rule change.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

No impact on local governmental units is anticipated due to the proposed rule change.
2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

There will be no costs or savings to local governmental units, so no funding sources will be affected as a result of the proposed rule change.

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

1. What increase (decrease) in revenues can be anticipated from the proposed action?

No increase or decrease in revenues to state and local governmental units is anticipated as a result of the proposed rule change.

|  |  |  |  |
| --- | --- | --- | --- |
| **REVENUE INCREASE/DECREASE** | **FY 25** | **FY 26** | **FY 27** |
| STATE GENERAL FUND | $0 | $0 | $0 |
| AGENCY SELF-GENERATED | $0 | $0 | $0 |
| DEDICATED | $0 | $0 | $0 |
| FEDERAL FUNDS | $0 | $0 | $0 |
| LOCAL FUNDS | $0 | $0 | $0 |
| **TOTAL** | **$0** | **$0** | **$0** |

\*Specify the particular fund being impacted.

1. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

No impact on revenue is anticipated from the proposed rule change.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

1. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

There are no costs or economic benefits to directly affected persons, small businesses, or non-governmental groups as a result of the proposed rule change. Since these entities are already required to calculate their emissions and maintain their records, no new costs are anticipated.

1. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

No impact on receipts or income of the directly affected persons or non-governmental groups is

is anticipated as a result of the proposed rule change.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment

 in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There will be no effect on competition or employment in the public or private sector.