

EIB 21-27

Day 3 Hearing Summary

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In the Matter of Proposed New Regulation, 20.2.50 NMAC - Oil and Gas Sector – Ozone Precursor Pollutants

Wednesday, September 22 was Day 3 of the New Mexico Environmental Improvement Board (EIB) hearing on the New Mexico Environment Department's (NMED's) proposed ozone precursor rule.

Day 3 Highlights

- The bulk of today's testimony focused on cost analyses of the rule. A NMOGA witness presented the results of their analysis of the costs to industry of the rule. NMED and several non-governmental organizations (NGOs) presented testimony arguing that, based on alleged deficiencies in the NMOGA cost analysis, it should be given no weight by the Board.
- NMED estimates the cost of the rule at \$215 million per year over the first five years but has not presented clear testimony regarding whether or how those costs will change over time.
- NMED presented testimony that, unlike federal rules, there is no requirement to conduct a full regulatory impact analysis of costs and benefits of the proposed rule under the relevant New Mexico statutes.
- NMED also presented testimony regarding the rule's definition of "small business facility" and the reduced regulatory burdens under the rule for those facilities. A witness for the Independent Petroleum Association of New Mexico (IPANM) offered an alternate and more expansive view of how to define small business facilities.
- No GCA witness testified on Day 3.

Looking Ahead to Day 4

- Expected topics: final testimony regarding "small business facility" definition; one witness on air dispersion modeling; testimony regarding the Applicability section of the rule; testimony regarding the Definitions section of the rule; then the General Provisions in Section 112 of the rule.
- Assuming the hearing progresses to the Section 112 general provisions, the GCA's first witness, Mark Copeland, will present testimony relating to Section 112 and the Equipment Monitoring Tag/Compliance Database Report requirements included in the proposed rule and one NGO's suggestion to include compliance self-reporting in the rule.
- The GCA will have four witnesses present testimony relating to Section 113 and the regulation of engines; however, the hearing may not reach Section 113 until Friday 9/24.