INCREMENTAL COST-EFFECTIVENESS ANALYSIS

PROPOSED NEW RULE 67.12.1 – POLYESTER RESIN OPERATIONS

Health and Safety Code Section 40920.6(a) requires air districts to identify one or more potential control options that achieve at least the same benefit as the proposed rule, assess the cost-effectiveness of those options, and calculate the incremental cost-effectiveness of each identified option. Incremental cost-effectiveness is defined as the difference in control costs divided by the difference in emission reductions between two potential control options achieving the same emission reduction goal.

The primary objectives in proposing new Rule 67.12.1 are to ensure ongoing compliance with federal requirements to implement current Reasonably Available Control Technology (RACT) and state requirements to adopt all feasible measures applicable to polyester resin operations. The proposed new rule will reduce volatile organic compound (VOC) emissions by specifying more stringent VOC limits for polyester resin materials and cleaning materials. Similar requirements are already implemented in other air districts in California and compliant materials are widely available in the marketplace and already used by most affected businesses.

There are no potential control options providing equivalent emission reductions from polyester resin operations other than the mandatory use of add-on emission control systems, which could cost upwards of $200,000. Due to high costs, this control option would have very unfavorable cost-effectiveness and incremental cost-effectiveness values and is therefore not feasible.

Most affected facilities already voluntarily comply with the proposed new rule, so no additional costs would be incurred. For those few facilities that must use new materials, compliant polyester resin materials are widely available and equally priced, or only marginally more expensive. The higher incremental cost of the new materials is still much lower than the cost of controls.