

Cooper, Kathy

2874

**From:** Smith, James M.  
**Sent:** Monday, November 29, 2010 3:08 PM  
**To:** IRRRC  
**Subject:** FW: EQB Proposed Regulation - Commercial Fuel Oil Sulfur Limits for Combustion Units (#7-462 / IRRRC #2874)

#2874

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**From:** Elam M. Herr [mailto:eherr@psats.org]  
**Sent:** Monday, November 29, 2010 1:45 PM  
**To:** Smith, James M.  
**Subject:** RE: EQB Proposed Regulation - Commercial Fuel Oil Sulfur Limits for Combustion Units (#7-462 / IRRRC #2874)

Jim: We have reviewed the proposed rulemaking by the Environmental Quality Board pertaining to "Commercial Fuel Oil Sulfur Limits for Combustion Units" #7 -462 (IRRC # 2874) and offer the following comments.

In their Section Profile, Section III: Cost and Impact Analysis, # 18 they state that the "cost, savings, or both, to local governments cannot be precisely projected." Yet they go on in # 20 to state that "costs used below reflect *the lower cents per gallon* increase which was based on revamping existing desulfurization equipment." This is misleading in that they contend that the savings cannot be determined, and than say that the costs are based on the lower amounts to meet the upgrades. We would contend that the EQB should have reflected the potential higher cost in their computations so as to show the real cost of this regulation, and not a potentially unrealistic picture. By showing a lower cost and not knowing the potential savings could lead one to assume the cost to local government would be a wash when in reality no one actually knows.

Also, we would contend that those consumers, both residential and nonresidential, that presently have their systems maintained will continue to do so whether or not this regulation goes into effect due to industry recommendations. As such the potential savings will not be as high as projected in the proposal.

We are not debating whether this proposed rulemaking is good or not, what we are questioning is whether it is cost effective. Too often we see proposals that look good on paper only to potentially result in a cost/benefit ratio that does not justify itself. There is no state funding so the consumer and taxpayer will be responsible for the total cost.

As for the regulation itself, we do not see any real issues with it. We realize that local governments will be affected since they will be an ultimate consumer.

We appreciate the opportunity to provide you with our comments. Should you have any additional questions, please contact me. Elam

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