

Appendix 2. Calculating Rule Effectiveness (RE) Studies for Controlled Title V and Non-Title V Point Source Processes

A2.1 Introduction

Rule effectiveness (RE) studies are designed to assess the success of regulatory rules at controlling their targeted emissions. It is acknowledged that facilities and source categories subject to control techniques and devices mandated by rules do not always achieve 100% compliance with those requirements. Given this reality, the US EPA recommends the use of rule effectiveness studies to improve the quality of emission estimates presented in emission inventories.

Once an RE rate has been calculated, its value is applied to relevant sources at an individual process level, thus adjusting (i.e., increasing) emission estimates to reflect a lower degree of control efficiency. The formulas below illustrate how inclusion of rule effectiveness can significantly affect the resulting emission estimates:

Emissions before the application of rule effectiveness:

$$\begin{array}{rcl} \text{Uncontrolled Emissions} & \times & [1 - (\text{Control Efficiency})] = \text{Emissions with Control} \\ \mathbf{100 \text{ tons}} & \times & [1 - (\mathbf{0.90})] = \mathbf{10.0 \text{ tons}} \end{array}$$

Emissions including the application of rule effectiveness:

$$\begin{array}{rcl} \text{Uncontrolled Emissions} & \times & [1 - (\text{Control Efficiency} \times \text{RE})] = \text{Emissions with Control} \\ \mathbf{100 \text{ tons}} & \times & [1 - (\mathbf{0.90} \times \mathbf{0.83})] = \mathbf{25.3 \text{ tons}} \end{array}$$

In general, the RE rate is applied to all processes where a control device or control technique is in use. There are however some limitations to this blanket rule, as expressed in US EPA's most recent guidance:

...not all emission estimates involving use of a control device or technique need to be adjusted to account for RE...For example, a state or local agency may conclude that a control device that operates in conjunction with a continuous emissions monitor, or is equipped with an automatic shutdown device, may provide a sufficient level of assurance that intended emission reductions will be achieved, and therefore an adjustment for rule effectiveness is not necessary. Another example would be in instances where a direct determination of emissions, such as via a mass balance calculation, can be made. (US EPA, 2005)

Another complication in any attempt to apply a blanket RE percentage rate occurs where control device efficiencies are extremely high. Some categories of control devices routinely operate at efficiencies of 99% or greater (e.g., baghouses, thermal oxidizers). For these activities, even small adjustments through the application of RE can cause a dramatic increase in reported emissions. As an example, a process with a control device of 99.9% efficiency may report controlled emissions of 10 tons. If an RE rate of 85% were applied to this process, the adjusted emissions would total 1,508.5 tons (an increase of nearly 15,000%). In these types of instances, the department evaluated the affected processes on a case-by-case basis to determine the appropriateness of applying an RE adjustment.

A2.2 Calculating Rule Effectiveness Rates for Title V Facilities and Non-Title V Facilities

The observed compliance rate in some cases, such as multi-source Title V and non-Title V facilities, can be better described as a rate at which inspection staff issue violations. Inspection staff has a range of experience and training which influences their proficiency in issuing appropriate violations. There may be instances when a rule violation goes unnoticed by staff, or conversely a violation may be issued in error. Even when a compliance rate has a high statistical measure of accuracy, it can fail to reflect a number of programmatic measures that affect overall rule effectiveness; measures like the strength of rule language, departmental enforcement and penalty actions, inspector training programs, educational and public outreach efforts, etc. This reality is reflected in earlier US EPA guidance:

A percentage effectiveness rating is not enough to describe the compliance effectiveness of a rule for a source category. An SSCD [Stationary Source Compliance Division] study should attempt to link the rating to a regulatory agency's overall effort. The study should address the factors that affect the percentage effectiveness rating such as the compliance rate of the sources in a category, inspection frequency and thoroughness, the language of the rule (i.e., whether or not it has loopholes), and the reporting and recordkeeping by the regulatory agency. Evaluating these factors will provide a more complete evaluation of the effectiveness of a rule. (US EPA, 1994)

In order to incorporate all the salient factors described above, a matrix was created to produce a final RE rate. US EPA's latest guidance (2005) provides a listing of factors that can impact rule effectiveness rates (e.g., inspector training, frequency of inspections, media outreach, enforcement policies, recordkeeping requirements, etc.), grouped into major categories such as most important factors, important factors and other factors. The department used these suggested factors as the basis for developing the RE matrices contained in Tables A2-2 and A2-3.

In brief, the compliance rate developed from inspection data accounts for 70% of the overall RE rate, while all other factors account for the remaining 30%. Each factor is scored individually, based upon the department's success in implementing that factor. As an example, the score for the factor "Compliance History" is the compliance rate developed from the study period inspection data, while the score for "Enforcement Penalties" is based upon the department's timely response to, and settlement of, observed violations associated with the subject rule or source category. The complete matrices for each applicable rule or source category for which rule effectiveness was addressed, are contained in Tables A2-2 and A2-3.

The following sections describe in further detail the data and methods used in the development of the remaining RE factors for Title V and non-Title V permitted facilities; results are summarized in Table A2-1 below.

Table A2-1. Compliance and rule effectiveness rates, by source category analyzed.

Source Category	Compliance Rate	Rule Effectiveness (RE) Rate
Title V Facilities	89.14% *	90.94%
Non-Title V Facilities	81.00% *	84.27%

** Compliance rates for both Title V and Non-Title V facilities are based upon 2008-2009 inspection data, and reflect compliance self-monitoring recordkeeping practice, in addition to violation data.*

For the emission processes that include a control device or technique that limits carbon monoxide, separate multi-rule RE rates have been calculated for permitted Title V and non-Title V facilities. Factor-based matrices have been utilized to develop RE rates for Title V and non-Title V facilities. Compliance rates for these sources are based upon two full years of data (2008 through 2009), as compliance information for these sources tends to be detailed (as reflected in the matrix). The compliance rate for these facilities also includes data on self-monitoring recordkeeping practices in addition to inspection data. The combination of monitoring data and inspection data comprise the ‘compliance rate’ section of the RE calculation matrix, and still account for 70% of the overall RE rate. The combined compliance rate for Title V facilities is 89.14% and 81.00% for non-Title V facilities, resulting in RE rates of 90.94% and 84.27% for Title V and non-Title V facilities, respectively, as shown in Tables A2–2 and A2–3 below.

A2.3 References

US EPA, 1994. Rule Effectiveness Guidance: Integration of Inventory, Compliance and Assessment Applications. EPA Rep. 452/R-94-001, January 1994.

US EPA, 2005. Emissions Inventory Guidance for Implementation of Ozone and Particulate Matter National Ambient Air Quality Standards (NAAQS) and Regional Haze Regulations. EPA Rep. 454/R-05-001, November 2005.

Table A2–2. Rule Effectiveness Matrix for Title V Facilities

A. Most important factors (2 criteria, each assigned weighting of 35% of total):

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Monitoring	94%	100%	97%	Source specific monitoring used for compliance purposes, and monitoring records filed with regulatory agency at least every 4 months.	35%	90%	31.5%
	87%	93%	90%	Source specific monitoring used as an indicator of compliance, and monitoring records filed with regulatory agency every 6 to 9 months.			
	81%	86%	84%	Source specific monitoring used as an indicator of compliance, and monitoring records filed with regulatory agency each year.			
	70%	80%	75%	General guidance exists for source specific enhanced monitoring, and monitoring records required but aren't submitted to regulatory agency.			
	< 70%	< 70%	35%	No requirements for any type of monitoring.			

Compliance History	94%	100%	97%	The facility has been in compliance for the past eight quarters.	35%	10 of 19 facilities	17.9%
	87%	93%	90%	The facility is believed to have been in compliance for the past eight quarters, although inspection frequency is such that this can't be positively confirmed.			
	81%	86%	84%	On schedule; the facility is meeting its compliance schedule.			
	70%	80%	75%	In Violation; facility is in violation of emissions and/or procedural requirements.		8 of 19 facilities	12.4%
	< 70%	< 70%	35%	High Priority Violator (HPV): the facility is in significant violation of one or more applicable requirement of the CAA.		1 of 19 facilities	0.6%
Sum:							30.9%

B. Other important factors (4 criteria, each assigned weighting of 3% of total):

Type of Inspection	94%	100%	97%	Inspections involve compliance test methods with a high degree of accuracy, such as stack testing or other types of precise emissions measurement.	3%	97%	2.9%
	87%	93%	90%	Inspections involve detailed review of process parameters & inspection of control equipment.			
	81%	86%	84%	Inspections involve review of process and inspection of control equipment.			
	70%	80%	75%	Inspections generally consist of only a records review.			
	< 70%	< 70%	35%	Inspections most likely consist of visual inspection (e.g., opacity), or drive by.			

Operation & Maintenance	94%	100%	97%	Control equipment operators follow and sign daily O&M instructions.	3%	90%	2.7%
	87%	93%	90%	Control equipment operators follow daily O&M instructions.			
	81%	86%	84%	Control equipment operators follow daily or weekly O&M instructions.			
	70%	80%	75%	O&M requirements exist, but on no specific schedule.			
	< 70%	< 70%	35%	No specific O&M requirements.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Unannounced Inspections	94%	100%	97%	Routinely conducted.	3%	97%	2.9%
	87%	93%	90%	Sometimes done.			
	81%	86%	84%	Done, but infrequently.			
	70%	80%	75%	Rarely done.			
		< 70%	35%	Never done.			

Enforcement Penalties	94%	100%	97%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.	3%	97%	2.91%
	87%	93%	90%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
	81%	86%	84%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
	70%	80%	75%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
		< 70%	35%	Agency does not have sufficient authority to impose punitive measures towards violators.			

C. Other factors (9 criteria, each assigned weighting of 2% of total):

Compliance Certifications	94%	100%	97%	Source subject to Title V or other type of compliance certification.	2%	97%	1.94%
	87%	93%	90%	Source subject to Title V or other type of compliance certification.			
	81%	86%	84%	Source not subject to any type of compliance certification.			
	70%	80%	75%	Source not subject to any type of compliance certification.			
		< 70%	35%	Source not subject to any type of compliance certification.			

Inspection Frequency	94%	100%	97%	Source(s) are inspected once every 2 years or more frequently.	2%	97%	1.94%
	87%	93%	90%	Source(s) are inspected once every 3 years or more frequently.			
	81%	86%	84%	Source(s) are inspected once every 5 years or more frequently.			
	70%	80%	75%	Inspection of source(s) infrequent; > every 5 years.			
		< 70%	35%	Inspections rarely, if ever, performed.			

EPA HPV Enforcement	94%	100%	97%	Agency has sufficient resources to implement EPA's 12/22/98 HPV policy.	2%	97%	1.94%
	87%	93%	90%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy in most instances.			
	81%	86%	84%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy in most instances.			
	70%	80%	75%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy more often than not.			
		< 70%	35%	Resource constraints prohibit agency from implementing EPA's 12/22/98 HPV policy in most instances.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Operator Training	94%	100%	97%	Control equipment operators complete a formal training program on use of the equipment, and such program is kept up to date and has been reviewed by the regulatory agency.			
	87%	93%	90%	Control equipment operators complete formal training program, and such program is kept up to date and available for review by the regulatory agency upon request.			
	81%	86%	84%	Control equipment operators complete some amount of formal training.	2%	84%	1.68%
	70%	0.8	75%	Control equipment operators receive only on the job training.			
		< 70%	35%	Control equipment operators receive no specific training.			
Media Publicity	94%	100%	97%	Media publicity of enforcement actions.	2%	97%	1.94%
	87%	93%	90%	Media publicity of enforcement actions.			
	81%	86%	84%	Media publicity of enforcement actions.			
	70%	80%	75%	Media publicity of enforcement actions.			
		< 70%	35%	No media publicity of enforcement actions.			
Regulatory Workshops	94%	100%	97%	Regulatory workshops are available annually, and/or the implementing agency mails regulatory information packages each year.	2%	97%	1.94%
	87%	93%	90%	Regulatory workshops are available every 1-2 years, and/or the implementing agency mails regulatory information packages every 1-2 years.			
	81%	86%	84%	Regulatory workshops are available every 2-3 years, and/or the implementing agency mails regulatory information packages once every 2-3 years.			
	70%	80%	75%	Regulatory workshop not routinely available, but implementing agency mails regulatory information packages out about once every 2-3 years.			
		< 70%	35%	Regulatory workshops not routinely available. Implementing agency mails regulatory information packages infrequently, if ever.			
Inspector Training	94%	100%	97%	Inspectors must undergo 2 weeks of comprehensive basic training, and 1 to 2 weeks of source specific training, and such training is updated each year.			
	87%	93%	90%	Inspectors must undergo 1 to 2 weeks of basic training and 1 week of source specific training and such training is updated every 1-2 years.	2%	90%	1.80%
	81%	86%	84%	Inspectors must undergo 1 to 2 weeks of basic training and 3 to 5 days of source specific training, and such training is updated every 1-2 years.			
	70%	80%	75%	Inspectors must undergo 1 to 2 weeks of basic training and 1 to 3 days of source specific training, and such training is updated every 1-2 years.			
		< 70%	35%	Inspectors must undergo less than 5 days of basic training less than 3 days of source specific training, and such training is updated only every 2 years or less frequently.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Testing Guidelines	94%	100%	97%	Specific guidelines and schedule for testing and test methods exist.	2%	97%	1.94%
	87%	93%	90%	Specific guidelines on testing and test methods exist, but no schedule for testing.			
	81%	86%	84%	Specific guidelines on testing and test methods exist, but no schedule for testing.			
	70%	80%	75%	Specific guidelines on testing and test methods, but no schedule for testing.			
		< 70%	35%	Only general guidance on testing, or no mention of testing requirements.			

Follow-up Inspections	94%	100%	97%	Follow-up inspections always or almost always conducted (90 % of the time or more).	2%	97%	1.94%
	87%	93%	90%	Follow-up inspections usually conducted (approximately 75% of the time).			
	81%	86%	84%	Follow-up inspections sometimes conducted (approximately 50% of the time).			
	70%	80%	75%	Follow-up inspections infrequently conducted (approximately 25% of the time).			
		< 70%	35%	Follow-up inspections rarely or never conducted (10% of the time or less).			

Overall rule effectiveness score for Title V facilities:

90.94%

Table A2–3. Rule Effectiveness Matrix for Non-Title V Facilities

A. Most important factors (2 criteria, each assigned weighting of 35% of total):

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Monitoring	94%	100%	97%	Source specific monitoring used for compliance purposes, and monitoring records filed with regulatory agency at least every 4 months.			
	87%	93%	90%	Source specific monitoring used as an indicator of compliance, and monitoring records filed with regulatory agency every 6 to 9 months.			
	81%	86%	84%	Source specific monitoring used as an indicator of compliance, and monitoring records filed with regulatory agency each year.			
	70%	80%	75%	General guidance exists for source specific enhanced monitoring, and monitoring records required but aren't submitted to regulatory agency.	35%	75%	26.3%
		< 70%	35%	No requirements for any type of monitoring.			

Compliance History	94%	100%	97%	The facility has been in compliance for the past eight quarters.	35%	156 of 298 facilities	17.8%
	87%	93%	90%	The facility is believed to have been in compliance for the past eight quarters, although inspection frequency is such that this can't be positively confirmed.		10 of 298 facilities	1.1%
	81%	86%	84%	On schedule; the facility is meeting its compliance schedule.			
	70%	80%	75%	In Violation; facility is in violation of emissions and/or procedural requirements.		130 of 298 facilities	11.5%
		< 70%	35%	High Priority Violator (HPV): the facility is in significant violation of one or more applicable requirement of the CAA.		2 of 298 facilities	0.1%
Sum:							30.4%

B. Other important factors (4 criteria, each assigned weighting of 3% of total):

Type of Inspection	94%	100%	97%	Inspections involve compliance test methods with a high degree of accuracy, such as stack testing or other types of precise emissions measurement.			
	87%	93%	90%	Inspections involve detailed review of process parameters & inspection of control equipment.	3%	90%	2.7%
	81%	86%	84%	Inspections involve review of process and inspection of control equipment.			
	70%	80%	75%	Inspections generally consist of only a records review.			
		< 70%	35%	Inspections most likely consist of visual inspection (e.g., opacity), or drive by.			

Operation & Maintenance	94%	100%	97%	Control equipment operators follow and sign daily O&M instructions.			
	87%	93%	90%	Control equipment operators follow daily O&M instructions.	3%	90%	2.7%
	81%	86%	84%	Control equipment operators follow daily or weekly O&M instructions.			
	70%	80%	75%	O&M requirements exist, but on no specific schedule.			
		< 70%	35%	No specific O&M requirements.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score (= weight × value)
Unannounced Inspections	94%	100%	97%	Routinely conducted.	3%	97%	2.91%
	87%	93%	90%	Sometimes done.			
	81%	86%	84%	Done, but infrequently.			
	70%	80%	75%	Rarely done.			
		< 70%	35%	Never done.			

Enforcement Penalties	94%	100%	97%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.	3%	97%	2.91%
	87%	93%	90%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
	81%	86%	84%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
	70%	80%	75%	Agency has the authority to impose punitive measures, including monetary fines, towards violators such as in delegated Title V Operating Permit programs.			
		< 70%	35%	Agency does not have sufficient authority to impose punitive measures towards violators.			

C. Other factors (9 criteria, each assigned weighting of 2% of total):

Compliance Certifications	94%	100%	97%	Source subject to Title V or other type of compliance certification.	2%	75%	1.5%
	87%	93%	90%	Source subject to Title V or other type of compliance certification.			
	81%	86%	84%	Source not subject to any type of compliance certification.			
	70%	80%	75%	Source not subject to any type of compliance certification.			
		< 70%	35%	Source not subject to any type of compliance certification.			

Inspection Frequency	94%	100%	97%	Source(s) are inspected once every 2 years or more frequently.	2%	97%	1.94%
	87%	93%	90%	Source(s) inspected every 3 years or more frequently.			
	81%	86%	84%	Source(s) inspected every 5 years or more frequently.			
	70%	80%	75%	Inspection of source(s) infrequent; > every 5 years.			
		< 70%	35%	Inspections rarely, if ever, performed.			

EPA HPV Enforcement	94%	100%	97%	Agency has sufficient resources to implement EPA's 12/22/98 HPV policy.	2%	97%	1.94%
	87%	93%	90%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy in most instances.			
	81%	86%	84%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy in most instances.			
	70%	80%	75%	Agency's resources allow it to implement EPA's 12/22/98 HPV policy more often than not.			
		< 70%	35%	Resource constraints prohibit agency from implementing EPA's 12/22/98 HPV policy in most instances.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score(= weight × value)
Operator Training	94%	100%	97%	Control equipment operators complete a formal training program on use of the equipment; the program is kept up to date and has been reviewed by the regulatory agency.			
	87%	93%	90%	Control equipment operators complete formal training program, and such program is kept up to date and available for review by the regulatory agency upon request.			
	81%	86%	84%	Control equipment operators complete some amount of formal training.			
	70%	0.8	75%	Control equipment operators receive only on the job training.	2%	75%	1.5%
		< 70%	35%	Control equipment operators receive no specific training.			
Media Publicity	94%	100%	97%	Media publicity of enforcement actions.	2%	97%	1.94%
	87%	93%	90%	Media publicity of enforcement actions.			
	81%	86%	84%	Media publicity of enforcement actions.			
	70%	80%	75%	Media publicity of enforcement actions.			
		< 70%	35%	No media publicity of enforcement actions.			
Regulatory Workshops	94%	100%	97%	Regulatory workshops are available annually, and/or the implementing agency mails regulatory information packages each year.	2%	97%	1.94%
	87%	93%	90%	Regulatory workshops are available every 1-2 years, and/or the implementing agency mails regulatory information packages every 1-2 years.			
	81%	86%	84%	Regulatory workshops are available every 2-3 years, and/or the implementing agency mails regulatory information packages once every 2-3 years.			
	70%	80%	75%	Regulatory workshop not routinely available, but implementing agency mails regulatory information packages out about once every 2-3 years.			
		< 70%	35%	Regulatory workshops not routinely available. The implementing agency mails regulatory information packages infrequently, if ever.			
Inspector Training	94%	100%	97%	Inspectors must undergo 2 weeks of comprehensive basic training, and 1 to 2 weeks of source specific training, and such training is updated each year.			
	87%	93%	90%	Inspectors must undergo 1 to 2 weeks of basic training and 1 week of source specific training and such training is updated every 1-2 years.	2%	90%	1.80%
	81%	86%	84%	Inspectors must undergo 1 to 2 weeks of basic training and 3 to 5 days of source specific training, and such training is updated every 1-2 years.			
	70%	80%	75%	Inspectors must undergo 1 to 2 weeks of basic training and 1 to 3 days of source specific training, and such training is updated every 1-2 years.			
		< 70%	35%	Inspectors must undergo less than 5 days of basic training less than 3 days of source specific training, and such training is updated only every 2 years or less frequently.			

Factor	Range		Midpt. value	Description	Weight	Value assigned to MCAQD	Score(= weight × value)
Testing Guidelines	94%	100%	97%	Specific guidelines and schedule for testing and test methods exist.	2%	97%	1.94%
	87%	93%	90%	Specific guidelines on testing and test methods exist, but no schedule for testing.			
	81%	86%	84%	Specific guidelines on testing and test methods exist, but no schedule for testing.			
	70%	80%	75%	Specific guidelines on testing and test methods, but no schedule for testing.			
		< 70%	35%	Only general guidance on testing, or no mention of testing requirements.			

Follow-up Inspections	94%	100%	97%	Follow-up inspections always or almost always conducted (90 % of the time or more).	2%	97%	1.94%
	87%	93%	90%	Follow-up inspections usually conducted (approximately 75% of the time).			
	81%	86%	84%	Follow-up inspections sometimes conducted (approximately 50% of the time).			
	70%	80%	75%	Follow-up inspections infrequently conducted (approximately 25% of the time).			
		< 70%	35%	Follow-up inspections rarely or never conducted (10% of the time or less)			

Overall rule effectiveness score for non-Title V facilities:

84.27%