

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

SPS 361, 364

3. Subject

Mechanical Ventilation Systems for Minor Repair Garages

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

The 2009 International Mechanical Code (IMC) section 502.16 adopted by the Wisconsin Department of Safety and Professional Services requires a ventilation rate of one cubic foot per minute per twelve cubic feet of shop volume in repair garages servicing natural gas vehicles (NGVs). Generally, the mechanical ventilation system must operate continuously with two exceptions. The air movement in the shop should be as uniform as possible from the floor to the ceiling with inlets uniformly arranged on exterior walls near floor level and outlets at the high point of the room on exterior walls or the roof. These IMC requirements apply to both major and minor garages maintaining NGVs.

IMC section 502.16 provides minimal benefit in terms of safety at minor repair garages. The 2009 International Fire Code (IFC) section 2211.7 consists of a similar and nearly identical provision for ventilation as IMC 502.16; however, it contains an exception for minor repair garages. The exception included in IFC 2211.7 implies that the activities performed on natural gas vehicles at minor repair garages result in minimal additional fire hazard and that exempting these facilities does not compromise safety. Wisconsin has not adopted chapter 22 of the IFC.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

This rule was posted for 14 days for economic impact comments and none were received.

11. Identify the local governmental units that participated in the development of this EIA.

None. This rule does not affect local government units.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The Department believes that the proposed revisions will have little or no adverse economic impact. Positive economic impacts due to exempting small repair facilities from needing full-scale natural-gas ventilation systems could approach \$110,000 per facility and \$6,000,000 per year.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Exempting minor repair garages from the requirements of IMC section 502.16 will save minor repair garage owners from the significant costs of compliance. Industry experts estimate that the upfront design and construction costs associated with upgrading a mechanical ventilation system to comply with IMC 502.16 at a small (four bay) garage approach

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roughly \$110,000. This estimate includes preliminary engineering and construction assessment and design costs, permitting, exhaust fans, a roof ladder, a gas detection system, shunt trip heaters, wall louvers for makeup air, an air handling unit, and construction management costs, when applicable. After installation the ventilation system additionally imposes substantial annual maintenance and operational costs. These substantial upfront design and construction costs and additional annual costs dissuade minor repair garage owners from becoming code compliant.

14. Long Range Implications of Implementing the Rule

Industry experts estimate that within the next five years up to 50 new CNG retail fueling locations could open in Wisconsin for a total of 70 stations in the state. Once a critical mass of CNG fueling stations is reached, fleet owners in Wisconsin metropolitan areas will find it more practical and profitable to adopt CNG vehicles necessitating an influx of possibly several hundreds of CNG compliant minor repair garages. Therefore, exempting minor repair garages from the requirements of IMC section 502.16 will not only save garage owners hundreds of thousands of dollars, but also could help facilitate the expansion of vehicles fueled by CNG.

15. Compare With Approaches Being Used by Federal Government

None.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: The Illinois Fire Marshal has adopted the National Fire Protection Agency 101: Life Safety Code, which requires mechanical ventilation for fuel dispensing areas (NFPA 30A 7.5.1, 7.5.2, 7.5.3, and 7.5.4). It only requires that gas detection systems be interlocked with an existing mechanical ventilation system for garages repairing LNG engine fuel systems (NFPA 30 A 7.4.7.2 and 7.4.6.3). The code has no specific requirements for CNG maintenance facilities. The 2009 IMC and IFC have been adopted with limitations by various local governments in Illinois. Section 2211.7 of the IFC includes an exemption for repair garages where work is not performed on the fuel system and is limited to exchange of parts and maintenance requiring no open flame or welding.

Iowa: The Iowa State Fire Marshal has adopted the 2009 International Fire Code including IFC 2211.7, under 661 IAC 201.2 (1). Section 2211.7 of the IFC includes an exemption for repair garages where work is not performed on the fuel system and is limited to exchange of parts and maintenance requiring no open flame or welding.

Michigan: The 2009 IMC and IFC have been adopted with limitations by various local governments in Michigan. Section 2211.7 of the IFC includes an exemption for repair garages where work is not performed on the fuel system and is limited to exchange of parts and maintenance requiring no open flame or welding.

Minnesota: The Minnesota Department of Labor and Industry has adopted the 2006 International Fire Code including IFC 2211.7 which includes an exemption for repair garages where work is not performed on the fuel system and is limited to exchange of parts and maintenance requiring no open flame or welding (MN R 7511.0090).

17. Contact Name

Katie Paff

18. Contact Phone Number

608-261-4472

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Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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