

Freedom and Opportunity

STATE OF INDIANA OFFICE OF THE GOVERNOR

Indiana Statehouse, Second Floor Indianapolis, Indiana 46204

Fellow Hoosiers,

We need to unleash the productive side of our economy, while protecting and preserving our state's natural resources.

Federal laws like the Clean Air Act, Clean Water Act, and Safe Drinking Water Act establish baseline national standards for environmental protection, and states implement those standards within their borders.

Many states go further than the federal standards, and create a complex web of regulations for businesses and farmers to navigate.

Because I believe the federal standards are an appropriate baseline to strike the balance between growing our economy and protecting our environment, on March 12, 2025, I signed an executive order that Indiana will not go beyond those federal environmental standards, unless required by state law or deemed necessary by my office to address a specific need.

Government naturally drifts toward over-regulation, so my agencies were also directed to identify policies that are significantly raising the cost of living or not benefitting our environment.

This report is their findings on regulations and policies that are stifling innovation and raising the cost of living without achieving a safer and better environment for Hoosiers.

We can be good stewards of our environment without stifling growth through excessive government mandates, and I'm proud to be leading that initiative here in Indiana.

Working for every Hoosier,

Mike Braun



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT



Mike Braun

Governor

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Clint Woods Commissioner

To:	Governor Mike Braun
From:	Clint Woods, Commissioner, Indiana Department of Environmental Management (IDEM) William Anthony, General Counsel, IDEM
Subject:	IDEM Regulatory Review Report for Executive Order 25-38, Creating Opportunity Through Reduction of Excessive Environmental Regulation
Date:	July 1, 2025

Below is the Indiana Department of Environmental Management's initial assessment and response to its obligations under <u>Executive Order 25-38</u>, signed on March 12, 2025. Specifically, this report addresses the following provisions of the EO:

- "Agencies responsible for environmental regulations should identify state environmental regulations that are unduly burdensome, significantly raise the cost of living for Hoosiers, are not supported by current law and the best available science, or do not benefit Indiana's environment. These Agencies should report opportunities to revisit or rescind such state environmental regulations to the Governor's Office no later than July 1, 2025."
- "Any environmental rules or regulations currently in place in the State of Indiana that exceed an applicable federal requirement or limitation without explicit direction to do so in Indiana Code must be reviewed. The review shall be completed by October 31, 2025, with a written report provided to the Governor and the Legislative Council by December 31, 2025, providing an explanation for why the current rule or regulation is more stringent than federal standards, and whether maintaining this higher standard is necessary to protect human health or the environment, or otherwise benefits the community being regulated. The report should include specific justification supporting the need for maintaining more stringent regulation or recommend changes to bring the agency's regulatory framework in line with federal requirements, if appropriate."

INTRODUCTION

IDEM has undertaken several efforts to identify regulations that may be "unduly burdensome, significantly raise the cost of living for Hoosiers, ... not supported by current law and the best available science, or ... do not benefit Indiana's environment." EO 25-38. In Appendix A, IDEM provides an initial assessment of state environmental regulations that should be revisited based on these efforts. This list includes opportunities to streamline processes, remove unnecessary non-rule policy documents, eliminate unnecessary paperwork, extend permitting timeframes, rescind planning, prior approval, and certification requirements, as well as expand eligibility for certain

programs. Appendix B includes excerpts of comments from the public in response to an <u>IDEM</u> <u>solicitation</u> seeking feedback on rules that should be identified for review and potential rescission under EO 25-38.

IDEM has also begun a comprehensive review of its rules to identify those which exceed federal requirements and/or statutory authority in accordance with forthcoming reporting requirements in late 2025 but anticipates, based on prior reviews with related executive orders, that this universe of regulations is relatively small. Indiana Code, as well as previous Gubernatorial administrations, have limited IDEM's ability to promulgate rules that are more restrictive than federal regulations for decades. IDEM is committed to reducing regulatory burdens that do not benefit Hoosiers and the environment and intends to pursue changes to federal or state law or regulation that will allow Indiana to implement environmental policies that "support business development, job creation, and economic growth, while also striving to ensure responsible environmental protection and stewardship." EO 25-38.

ACTIONS IN RESPONSE TO EO 25-38

Since February of 2025, IDEM's senior leadership has undertaken a comprehensive review of its authorities under Title 13 of the Indiana Code, with a particular focus on unduly burdensome or unnecessary requirements across several categories (boards and commissions; public hearings and engagement; reporting requirements; permit and other fee programs; and enforcement). This review process has resulted in the identification of several areas for improved consistency, reduced burden, or provisions or programs that may be targeted for legislative or regulatory clarification or rescission.

In response to EO 25-38, IDEM also requested input from senior management in all of its program areas to assist in identifying any regulations and policies that are "unduly burdensome, significantly raise the cost of living for Hoosiers, are not supported by current law and the best available science, or do not benefit Indiana's environment." The regulations identified through this inquiry are included in Appendix A. Additionally, in response to both and EO 25-38 and EO 25-13, IDEM has developed a comprehensive snapshot of agency activities and related authorities. Many of the IDEM-identified opportunities for state regulations that are unduly burdensome, inconsistent with the law or best available science, or not environmentally beneficial correspond to federal environmental requirements. As a result, IDEM has identified and is pursuing both formal and informal opportunities to encourage the U.S. Environmental Protection Agency (U.S. EPA) and other federal bodies to re-evaluate these examples of federal overreach that result in unnecessary state regulation.

IDEM is also reviewing state regulations under EO 25-38 in order to ensure that agency deregulatory priorities are also consistent with directives and activities under Executive Order 25-<u>06</u> ("Creation of the Office of Energy and Natural Resources"), <u>Executive Order 25-49</u> ("Encouraging Practical Approaches to Climate and Energy Solutions by Rejecting Social Cost of Greenhouse Gases and Climate Action Plans"), <u>Executive Order 25-50</u> ("Ensuring Economic Opportunity and Indiana's Energy Future by Supporting Life Extensions for Coal Energy Generation and Assessing Natural Gas Supplies"), <u>Executive Order 25-17</u> ("Promoting Freedom and Opportunity for Hoosiers by Reducing Regulation and Controlling Regulatory Costs"), <u>Executive Order 25-40</u> ("Increasing Opportunity for Indiana's Businesses and Hoosiers through Permitting Transparency and Accountability"), and <u>Executive Order 25-48</u> ("Creating Economic Opportunity and Securing Indiana's Energy Future through Advanced Nuclear Development").

In addition, during the week of May 27th, IDEM posted a <u>notice on its website</u> to request input from entities and individuals affected by Indiana's environmental regulations that meet EO 25-38 and other EO criteria to inform its evaluation of existing regulations. Comments were requested for submission on or before June 30, 2025, to <u>Efficiency@idem.in.gov</u>. Responses have been reviewed by IDEM senior management and Office of Legal Counsel, and illustrative excerpts of relevant comments have been incorporated in Appendix B. Additional relevant comments or findings from this solicitation will be incorporated into reports due October 31, 2025, and December 31, 2025, as appropriate. IDEM intends to compile, review, and make available these public comments in July 2025. In addition, IDEM will catalogue and provide copies of relevant comments for consideration by the Environmental Rules Board (ERB) at public meetings expected this year.

Building upon these internal review and external feedback processes, IDEM will also be reviewing non-rule policies and guidance as well as internal policies and standards for potential applicability under EO 25-38. IDEM has already undertaken a review of unnecessary or non-existent statutory boards and commissions.

Ind. Code ch. 13-13-8 establishes the ERB, which adopts rules under Ind. Code chs. 4-22-2 and 13-14-9. IDEM intends to solicit input from members of the ERB, as well as from affected parties, as part of the review requested under EO 25-38. The ERB's participation will be essential in implementing any regulatory changes suggested by this review.

Some potential barriers, limitations, and challenges for rescission of certain regulations pursuant to EO 25-38 include:

- Corresponding federal requirements, including in federal environmental statutes, U.S. EPA regulations, or grant agreements, may limit the ability of IDEM to fully address certain requirements or may impact IDEM's delegated environmental programs.
- The need to go through a fulsome and lengthy process, including approval by the Environmental Rules Board, public comment, and regulatory analysis, to rescind certain state regulations or non-rule policies.
- Support for certain state programs by stakeholders and the regulated community.
- Competing priorities, including directives under Title 13 and other executive orders.
- Personnel and succession challenges.

As discussed further below, because Indiana law has ensured for nearly the past two decades that IDEM does not pass rules that are more stringent than federal law, IDEM anticipates that many of the regulations identified through these solicitations will be regulations that are consistent with and required by federal environmental laws, regulations, or other policies. In order to better understand the underlying federal and statutory mandates and authorities associated with its rules, IDEM has undertaken a comprehensive review of its rules to identify: the cited statutory authority for each rule; whether the statute's rulemaking directive is permissive or mandatory; any federal

authority for the rule; any federal requirements on the same subject matter as the rule; and whether any of Indiana's delegated authority under federal law is contingent upon the rule. This analysis will be included in IDEM's final report for EO 25-38, due December 31, 2025.

IDEM will seek opportunities to effect changes to unduly burdensome federal requirements impairing Indiana's ability to provide "a stable, predictable, and fair environment for businesses and industries that contribute to the prosperity of our State." EO 25-38. IDEM will attempt to reduce unnecessary or burdensome environmental regulations prompted by federal laws or regulations through:

- Informal engagement with U.S. EPA. For example, IDEM has recently identified priority deregulatory actions through meetings with Trump administration leadership in U.S. EPA Region 5 as well as EPA's Office of the Administrator, Office of Air and Radiation, Office of Chemical Safety and Pollution Prevention, and Office of Land and Emergency Management as well as meetings and calls with the White House Council on Environmental Quality and Office of Management and Budget. These priority actions include swift approval of Indiana state plans for <u>national air quality standards for sulfur dioxide</u> and to address <u>pollution that impairs visibility for National Parks</u>. When these actions are complete, U.S. EPA will have recognized that all of Indiana meets or exceeds national standards for regional haze as well as <u>particulate matter, lead, carbon monoxide, nitrogen dioxide, and sulfur dioxide</u>
- Providing comments on forthcoming U.S. EPA reconsiderations, regulatory exemptions, and other rulemaking activities as well as resolutions of disapproval under the Congressional Review Act. EPA has recently announced plans to revisit or reconsider major rules with a significant impact on Indiana and IDEM, including the <u>Waters of the U.S. rule</u>, the 2024 particulate matter National Ambient Air Quality Standards, regulation of power plant greenhouse gas emissions under Section 111 of the Clean Air Act, effluent limitation guidelines for steam electric under the Clean Water Act, the Mercury and Air Toxics Standard, the 2009 endangerment finding on greenhouse gases, coal combustion residuals, and EPA's approach to interstate ozone transport and regional haze.
- Active participation in federal advisory committees as well as intergovernmental organizations to shape national deregulatory priorities in air, water, and land. For example, more than a half-dozen IDEM employees were nominated for EPA's recent solicitation for members of the agency's <u>Science Advisory Board</u> and <u>Clean Air Scientific Advisory Committee</u>.
- Support for actions by Indiana's Congressional delegation to right-size federal environmental requirements, including, e.g., encouraging Congress to <u>utilize the federal</u> <u>Congressional Review Act to counteract Biden EPA actions</u> allowing California to set national emissions standards for cars, trucks, RVs, and engines in a manner detrimental to Indiana manufacturers.
- Support for legal challenges to federal rules and actions that are unduly burdensome.

In addition to these efforts to encourage U.S. EPA to eliminate unduly burdensome federal requirements, IDEM will perform a detailed review of the rules that it administers and will provide a written report by December 31, 2025, as required by the EO 25-38.

IDEM is also undertaking several related activities consistent with EO 25-38:

- IDEM is exploring opportunities to secure or maintain "primacy" over key federal permitting programs, including for coal combustion residuals under the Resource Conservation and Recovery Act as well as lead and copper regulations under the Safe Drinking Water Act, in order to ensure that Hoosiers benefit from Indiana-specific programs that reflect our state's unique needs.
- Identification and pursuit of federal reforms to unleash reliable, affordable energy and to
 implement Governor Braun's <u>Executive Order 25-50</u> ("Ensuring Economic Opportunity and
 Indiana's Energy Future by Supporting Life Extensions for Coal Energy Generation and
 Assessing Natural Gas Supplies"). For example, <u>EPA took a recent action</u> to ensure that Indiana
 energy producers were not unnecessary penalized under federal air quality requirements for
 keeping coal-fired power plants open. Additionally, <u>Duke Energy Indiana recently announced
 a settlement</u>, aligned with Governor Braun's energy-related executive orders, to evaluate the
 continued operation of coal units at its Cayuga Generating Station in Vermillion County.
- <u>Senate Enrolled Act 103</u>, which was passed on a bipartisan basis by the Indiana General Assembly in April and signed by Governor Braun on May 6, directs IDEM to work with U.S. EPA to identify air pollution reduction and regulatory relief strategies to get Northwest Indiana removed from so-called "nonattainment" with federal ground-level ozone standards affecting the Chicago metropolitan area, including addressing air quality issues resulting from international, natural, interstate, and fire-related sources. This plan could help eliminate burdensome requirements, including emission inspection programs for light-duty vehicles and heavy-handed restrictions on economic growth, that result from this status.
- Consistent with Governor Braun's <u>Executive Order 25-49</u>, "Encouraging Practical Approaches to Climate and Energy Solutions by Rejecting Social Cost of Greenhouse Gases and Climate Action Plans," IDEM has <u>concluded its participation</u> in the participation in the U.S. EPA's Climate Pollution Reduction Grants (CPRG) program authorized under Section 60114 of the federal Inflation Reduction Act. Under EO 25-49, state agencies are directed to not develop or issue state plans or regulations for greenhouse gases without explicit authorization from the Indiana General Assembly and the Governor as well as to revisit and consider rescinding climate action plans by the end of 2025. While IDEM was awarded a small CPRG planning grant in July 2023, Indiana was notified in 2024 that it was not among the states selected for CPRG implementation grants.
- IDEM collaboration to implement executive orders that will position Indiana to be a leader in next-generation industries like <u>advanced nuclear development</u> and <u>recovery of "rare earth"</u> <u>metals and critical materials</u>. In April, <u>Indiana was selected to host an in-state retreat this</u> <u>summer on nuclear energy planning</u> by the U.S. Department of Energy and National Governors Association.

• Preparation for next-generation investments in artificial intelligence and data centers as well as growth in Indiana's energy, agriculture, and manufacturing sector, including through the development of a <u>comprehensive statewide water inventory and management plan</u>.

STATUTORY HISTORY

Title 13 of the Indiana Code, which is the primary statute for the state's environmental laws, has required that IDEM provide justification for any proposed rules that are more stringent than federal law beginning nearly twenty years ago, in 2006, with SEA 234, which codified the following language into Ind. Code §§ 13-14-9-3 and 13-14-9-4:

SECTION 8. IC 13-14-9-3, AS AMENDED BY P.L.2-2005, SECTION 54, AND AS AMENDED BY P.L.215-2005, SECTION 16, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) Except as provided in subsection (b), the department shall provide notice in the Indiana Register of the first public comment period required by section 2 of this chapter. A notice provided under this section must do the following:

(1) Identify the authority under which the proposed rule is to be adopted.

(2) Describe the subject matter and the basic purpose of the proposed rule. The description required by this subdivision must:

(A) include a listing of list all alternatives being considered by the department at the time of the notice; and must

(B) *include:* (*i*) *a statement indicating* **state** *whether each alternative listed under clause* (A) *is* **creates**:

(i) a restriction or requirement more stringent than a restriction or requirement *imposed under federal law*; or

(ii) a restriction or requirement in a subject area in which federal law does not impose restrictions or requirements;

(ii) a statement explaining how (C) state the extent to which each alternative listed under clause (A) that is not imposed under federal law-differs from federal law; and (iii) (D) include any information known to the department about the potential fiscal impact of each alternative under clause (A) that is not creates:

(i) a restriction or requirement more stringent than a restriction or requirement *imposed under federal law*; or

(ii) a restriction or requirement in a subject area in which federal law does not impose restrictions or requirements; and

(C) (E) set forth the basis for each alternative *listed under clause* (A).

(3) Describe the relevant statutory or regulatory requirements or restrictions relating to the subject matter of the proposed rule that exist before the adoption of the proposed rule.

(4) Request the submission of alternative ways to achieve the purpose of the proposed rule.

(5) Request the submission of comments, including suggestions of specific language for the proposed rule.

(6) Include a detailed statement of the issue to be addressed by adoption of the proposed rule.

(b) This section does not apply to rules adopted under IC 13-18-22-2, IC 13-18-22-3, or IC 13-18-22-4.

(c) The notice required under subsection (a) shall be published electronically in the Indiana Register under procedures established by the publisher.

(SECTION 9. IC 13-14-9-4, AS AMENDED BY P.L.215-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) The department shall provide notice in the Indiana

Register of the second public comment period required by section 2 of this chapter. A notice provided under this section must do the following:

(1) Contain the full text of the proposed rule, as provided to the extent required under IC 4-22-2-24(c).

(2) Contain a summary of the response of the department to written comments submitted under section 3 of this chapter during the first public comment period.

(3) Request the submission of comments, including suggestions of specific amendments to the language contained in the proposed rule.

(4) Contain the full text of the commissioner's written findings under section 7 of this chapter, if applicable.

(5) Identify each element of the proposed rule that imposes a restriction or requirement on persons to whom the proposed rule applies that:

(A) is not more stringent than a restriction or requirement imposed under federal law; or

(B) applies in a subject area in which federal law does not impose a restriction or requirement.

(6) With respect to each element identified under subdivision (5), identify:

(A) the environmental circumstance or hazard that dictates the imposition of the proposed restriction or requirement to protect human health and the environment;

(B) examples in which federal law is inadequate to provide the protection referred to in clause (A); and

(C) the:

(i) estimated fiscal impact; and

(ii) expected benefits;

based on the extent to which the proposed rule exceeds is more stringent than the restrictions or requirements of federal law, or on the creation of restrictions or requirements in a subject area in which federal law does not impose restrictions or requirements.

(7) For any element of the proposed rule that imposes a restriction or requirement that is not imposed under more stringent than a restriction or requirement imposed under federal law or that applies in a subject area in which federal law does not impose restrictions or requirements, describe the availability for public inspection of all materials relied upon by the department in the development of the proposed rule, including, if applicable:

- (A) health criteria;
- (B) analytical methods;
- (C) treatment technology;

(D) economic impact data;

(E) environmental assessment data;

(F) analyses of methods to effectively implement the proposed rule; and

(G) other background data.

(b) The notice required under subsection (a) shall be published electronically in the Indiana Register under procedures established by the publisher.

In 2016, with HEA 1082 (P.L. 218-2016), a new subsection (b)(2) to Ind. Code § 13-14-9-4 was added, which requires presentation of any proposed rule that is more stringent than a restriction or requirement under federal law to be submitted to the legislative services agency, who shall present the notice to the General Assembly's legislative council.

(2) If any element of the proposed rule to which the notice related imposes a restriction or requirement that is more stringent than a restriction of

requirement imposed under federal law, shall be submitted in an electronic format under IC 5-14-6 to the executive director of the legislative services agency who shall present the notice to the legislative council established by IC 2-5-1.1-1

That language was later removed by HEA 1623 (P.L. 249-2023), though IDEM is still required to affirmatively follow additional steps with respect to any requirements more stringent than federal law in its published notices under Ind. Code § 13-14-9-4 and include such information in any regulatory analysis submitted pursuant to Ind. Code § 4-22-2-22.7. HEA 1082 also prevented any proposed rule that is more stringent than a restriction or requirement imposed under federal law from becoming effective until the adjournment sine die of the regular session of the general assembly that begins after the department provides notice of the proposed rule.

(c) If the notice provided by the department concerning a proposed rule identifies, under subsection (a)(5), an element of the proposed rule that imposes a restriction more stringent than a restriction or requirement imposed under federal law, the proposed rule shall not become effective under this chapter until the adjournment sine die of the regular session of general assembly that begins after the department provides the notice.

This law was initially passed in 2016, but did not take effect until 2017, when the next Indiana General Assembly overrode former Governor Pence's veto. That language has carried forward in a substantially similar manner and is codified at Ind. Code § 13-14-9-4(b). Since 2017, IDEM has not attempted to present a restriction or requirement that was more stringent than federal law to the legislative services agency or the legislative council, nor has it provided the requisite notice under Indiana law that it intends to. These provisions remain in place, providing the General Assembly the opportunity to review, and, if necessary, make statutory changes to deal with any such rules before they become effective.

In addition, certain IDEM programs that differ from federal environmental programs, including permitting associated with Confined Feeding Operations and permitting for isolated wetlands, have been specifically authorized by the General Assembly.

EXECUTIVE MANDATES

In 2010, the State Budget Agency set forth Financial Management Circular #2010-4, which applied to promulgation of all IDEM administrative rulemaking or amendments or modifications to existing rules, which required a detailed fiscal impact analysis and a cost benefit analysis, and in 2013 and again in 2015, Executive Orders established a "Regulatory Moratorium" to suspend administrative agency rulemaking and specific requirements for requesting an exception to the moratorium. In 2023 and 2024, additional changes were made by the General Assembly to the rulemaking process for all state agencies, which require a detailed fiscal and impact analysis, as described in Ind. Code §§ 4-22-2-22.7 and 4-22-2-22.8, and within the Indiana Office of Management & Budget's <u>Regulatory Analysis Template</u>.

CONCLUSION

IDEM is committed to ensuring that its regulatory actions are consistent with statutory authority, supported by the best available science, and not unduly burdensome. IDEM has identified several opportunities to clarify or rescind existing policies and regulations, and intends to complete the additional reviews identified above and submit additional reports as specified in EO 25-38.

APPENDIX A

The following regulations and non-rule policy documents have been identified by IDEM to revisit and/or repeal, in collaboration with the Environmental Rules Board and subject to the public notice and other administrative requirements of Ind. Code chs. 4-22-2 and 13-14-9:

- Underground Storage Tank (UST) Notification Forms (Ind. Code 13-23-1-2(c)(8), 329 IAC 9-2-2): State regulations currently require re-submittal of a form for any change at a facility in addition to federal requirements for form submittal after an ownership change or new tank installation. These requirements are duplicative, burdensome, and unnecessary. IDEM recommends removing certain facility changes that trigger submittal of a new form, such as facility type, location, name, financial responsibility, and minor UST system modifications. This would require a rule change, and changes to state UST implementation may also trigger the need for new state program approval (even if they better align with federal program).
- Removal of Requirement for Prior Approval for Fire Training Open Burning (326 IAC 4-1-4.1): The current rule requires prior approval for burning not exempted under 326 IAC 4-1-3 and 4-1-4. This includes fire training. These requirements are burdensome. IDEM recommends removing the requirement to obtain prior approval for fire training conducted by fire departments. This would require a rule change and potential federal approval of revisions to Indiana's State Implementation Plan.
- Streamline National Pollution Discharge Elimination (NPDES) Permit Schedule of Compliance (Ind. Code § 13-18-3-2.6; 327 IAC 5-2-12 DS; 327 IAC 5-2-12.1 GL): Directives regarding the allowable length of time for facilities to meet newly imposed permit limitations are out-of-date and inconsistent between waters in the Great Lakes basin and downstate waters. The three-year maximum for downstate dischargers is often impractical and unreasonable considering five is allowed by EPA. IDEM recommends clarifying in statute and allow a maximum five-year schedule of compliance for all waters of the state. No federal approval should be required.
- Biomass Digester Definition of Biomass/Appropriate Feedstock (Ind. Code ch. 13-20-10.5, 329 IAC 11.5): The code allows for digestion of both biomass and appropriate feedstocks but does not allow for digestion of appropriate feedstocks only. A waste defined as appropriate feedstock also requires a land application permit where a biomass does not. IDEM recommends statutory and rule changes to change the definition of what qualifies as biomass and what qualifies as appropriate feedstock or change the code to allow for appropriate feedstock only digesters in 329 IAC 11.5. No federal approval should be required.

- Eliminate or Revise Requirement to Submit Emissions Reduction Plan for Malfunctions (326 IAC 1-6-6): This rule requires the submittal of a plan to reduce emissions resulting from malfunctions that occur at permitted sources. Prior to a recent rule change, this obligation did not apply to FESOPs or Title V sources. IDEM recommends revising the rule to either remove the requirement or make it less burdensome on sources. This would require a rule change and potential federal approval of revisions to Indiana's State Implementation Plan.
- Remove Requirement for IDEM Certification for Certain Tax Deductions (Ind. Code § 6-11-12-35.5): Current code directs IDEM to determine if certain systems or devices quality for tax deductions. This requirement is unnecessary and IDEM does not have expertise in this area. IDEM recommends a statutory change to remove this requirement (or change the responsibility to a county assessor or other appropriate entity).
- Expand Flexibility in Use of Electronic Waste Funds (Ind. Code 13-20.5). IDEM's electronic waste registration and recycling funds are currently limited to the expenses of administering the fund. IDEM recommends statutory changes to expand eligibility in order to enhance collection activities and provide additional outreach.
- Extend Certain Waste Permit Terms to 10 Years (329 IAC 3.1-13-15; 329 IAC 10-12-1). Currently, IDEM permits for solid and hazardous waste range from 3 to 5 years. Extending the timeframe of these permits would reduce paperwork burdens associated with renewals and improve Indiana's competitiveness. IDEM revisiting associated rules and considering changes to reduce these burdens in association with a review of accompanying fee structure.
- Streamline the Process for Alternative Thermal Effluent Limits Under Section 316(a) of the Clean Water Act (327 IAC 5-7). The process for facilities unable to meet thermal water quality standards to study, develop, and seek approval of alternative thermal effluent limits (ATELs) can be burdensome and create uncertainty. There are currently 14 permitted facilities in Indiana with ATELs. IDEM recommends revisiting the agency's 2015 Section 316(a) Thermal Guidance Document based on feedback from affected stakeholders.
- Rescind IDEM Nonrule Policy Documents <u>Enf-001</u> (Penalty Policy For Underground Storage Tank/Leaking Underground Storage Tank Requirements) and <u>Enf-002</u> (Civil Penalty Policy), which have been incorporated into the Indiana Administrative Code. IDEM anticipates that additional Nonrule Policy Documents will be rescinded, amended, and/or incorporated into rule or statute based on feedback received in response to its solicitation for input related to EO 25-38 and other executive orders, as well as through internal reviews and collaboration with the ERB.

APPENDIX B

IDEM received approximately 1,000 comments in response to its solicitation for input related to EO 25-38 and other executive orders. While a number of these comments provided general feedback on related executive orders, below are illustrative excerpts of comments identifying IDEM regulations and programs that may be worth revisiting or rescinding. As noted previously, IDEM intends to compile and review these public comments as well as to catalogue them for consideration by IDEM as well as the Environmental Rules Board. Examples of specific public comments responsive to IDEM's solicitation on EO 25-38:

- "[Indiana-Kentucky Electric Corporation] supports establishment of a State Coal Combustion Residuals (CCR) Permit Program that is consistent with the federal CCR Rule.... The State CCR Permit Program will create an ascertainable standard by which entities will understand and be prepared for final closure of their CCR surface impoundments. The State CCR Permit Program will create a more efficient process for IDEM and provide regulatory clarity for the regulated community."
- "Currently, municipalities with controlled discharge lagoons have to verify the flow in their stream (stream gauging) that they discharge to on a yearly basis. It has been our experience (we help a few Towns with their stream gauging) that the flow doesn't change that much. It would be great if the yearly stream gauging could be changed to once every five years to coincide with their NPDES permit renewal. This would save money for the Towns since they wouldn't have to pay us yearly to verify their stream gauge."
- "I don't know if this comes under IDEM's control, but the automobile emission testing requirement for certain counties is especially burdensome to us seniors who only drive 10,000 miles a year or less."
- "IDEM statutes should be enacted or revised to be clear to give the requesting authority for the regional sewer district formation clear oversight and authority to remove any board member at will or to dissolve the sewer district altogether."
- "Consider modifying requirements such as 'wet signatures' to allow for permitting submissions through online portals, which would streamline the process and reduce paperwork.... IDEM's onsite inspections of utilities could be reduced based upon system performance as opposed to just calendar frequency to reduce IDEM staff travel time and costs.... Change weekly [combined sewer overflow] reports to monthly or quarterly."
- "I'm writing to suggest that Indiana changes procedures to incorporate by reference the Code of Federal Regulations (CFR) into Indiana State rules.... While I nor others may not agree with every new rule promulgated at the federal level, those rules are in force, and require compliance. Given that Indiana State Law requires rules be no more stringent than Federal rules, rapid adoption of Federal Rules into those of Indiana, would be most efficient adoption. In addition, while historically most new Federal rules are more stringent than the ones they replace or amend, the possibility exists that new rules can become less stringent and ease regulatory burdens."

- "Initiate a Comprehensive Review of All Environmental Permit Fees. Benchmark Fees to Maintain Competitiveness: In line with Executive Order 25-38, Indiana's permit fees must be benchmarked against competitor states to ensure regulatory costs do not hinder economic growth. The [Indiana Manufacturers Association] acknowledges that certain fees, such as the FESOP annual maintenance fees may be necessary to ensure stable funding for compliance programs, a comprehensive review is necessary. Address Significant Fee Disparities: Significant disparities hinder economic opportunity and warrant immediate review and reduction. Create a Fair and Equitable Fee Structure: A comprehensive analysis should evaluate the fairness of the entire fee system. A complete review can ensure that all fees are reasonable. Promote a Stable and Predictable Regulatory Environment: The goal of this comprehensive review should be to establish a permit fee framework that is transparent, predictable, and aligned with the state's economic development objectives. This will provide the business community with the certainty needed for long-term planning and investment in Indiana. Conclusion: We urge a broad analysis of all IDEM permit fees, including air, water, and land permits. Focusing on a single permit type in isolation can create an unbalanced and uncompetitive fee structure over the long term. A holistic review is needed to assess the cumulative regulatory cost for Indiana's manufacturers."
- "The majority of coal mining facilities in Indiana qualify for the NPDES General permit, which is outlined in regulation at 327 IAC 15-7. The existing Stare regulation is similar to the Federal Effluent Limit guidelines (ELG) located at 40 CFR 434. Peabody fully supports the use of a general NPDES permit program for coal mining in Indiana. This is extremely important for the mining industry because, as will be explained below, mining operations are dynamic and in a constant state of change as the operation moves across the landscape extracting coal resources.... Peabody is aware of the current revision process for the Indiana General Permit. Peabody generally supports the current process to update this permit to ensure Indiana's aquatic resources are adequately protected. However, IDEM must ensure that any updates to pollutants of concern, sampling frequencies, or effluent limits are adequately justified, necessary, and cost-efficient.... The U.S. Environmental Protection Agency (USEPA) recently announced the agency's 'Powering the Great American Comeback Initiative', in which USEPA identified several utility regulations that will be reconsidered.... As these regulations are reevaluated and in some cases rewritten into proposed and final rules, it will be important for Indiana agencies to continue to review and implement Federal rule changes in associated State regulations. Several of these aforementioned rules had indirect but significant impact on the coal industry through over-regulation of the utility industry. Peabody supports the current administration's efforts to identify and revise unnecessary and overly-burdensome regulations that have been imposed on the utility and fossil fuel industries."
- "[T]he requirement to include aerosol coatings for compliance determinations under 326 IAC 8-2-9 is unduly burdensome and exceeds the requirements set forth by the EPA for Subpart MMMM. The rule should be amended to exempt the aerosol cans according to the EPA standard."

- "Modernize Continuous Emissions Monitoring (326 IAC 3-5-1). Issue: Indiana's rules require continuous emissions monitoring (CEMS) for large fossil fuel sources—boilers, refineries—under 326 IAC 3-5-1. Maintaining CEMS systems can cost between \$50,000-\$100,000 yearly per unit (installation, calibration, data compliance). Still, these systems are crucial for tracking key pollutants like SO₂, NO_x, PM_{2.5} that directly impact public health. Proposal: Allow conditional waivers from CEMS if a facility uses an equivalent method (e.g., advanced portable monitors, remote sensing, or periodic third-party audits) that reliably tracks emissions. Models like this are used in 326 IAC 1-6-1, and are viable in other Midwestern states. Benefit: Facilities can save on CEMS while IDEM still gets accurate pollution data. Communities maintain protection, and IDEM saves on oversight effort—no loss in environmental quality."
- "Indiana's pork farmers are serious about protecting the environment because they live in the communities where their farms are located. In many instances, Indiana's confined feeding control laws are more stringent than their federal Clean Water Act counterparts, and Indiana Pork is supportive of this. Indiana's regulatory structure offers protection against nuisance litigation and other environmentally related lawsuits. Farmers can use records indicating regulatory compliance as an indication that negligence was not a factor, which is very important when trying to utilize Indiana's Right to Farm law as an affirmative defense. (IC 32-30-7-9).... IC 13-18-10-2 discusses the notification requirements expected of an applicant requesting approval for a confined feeding operation under IC 13-18-10-1. The only portion of a proposed new facility or the proposed expansion of an existing facility that should require public notice is new manure containment capacity.... Our specific recommendations are the following: Amend IC 13-18-10-2(b) to limit its applicability only to construction of new or increased manure storage capacity and update State Form 55051 and 327 IAC 19 accordingly. Eliminate all reference to adjoining landowner notice in State Form 55051."
- "I ran a small business in Indiana that employed approximately 40 people for 8 years and then I bought an ownership stake in the company and was responsible for the P&L for another six years at which time I sold my interest to my partners and retired in 2020. I found IDEM to be well run and I do not feel their regulations are burdensome. I especially appreciate their confidential self audit program where they will come to your facility and conduct an audit and will not contact the enforcement arm, if they find problems. I think most companies want to comply and programs like this help to provide awareness and compliance.... I did read an article that their permitting process can be slow and we only had one need to secure a permit and the process was timely, but if they do often take an excessive amount of time to approve things I would support trying to streamline that."
- "The City of Angola has struggled with the approval of Chloride variance relief within our IDEM Sanitary Permit. This water quality regulation has put an undue burden on city tax payers that will result in a negative environmental impact if implemented. My request with Executive Order 25-38 is to examine chloride limit requirements that are burdensome and are raising the cost of living for residents in the City of Angola."
- "The river temperature requirements outlined in Sec. 6.(b)(4) of 327 IAC 2-1-4 (Minimum Surface Water Quality Criteria) should be reviewed and updated to reflect current river conditions. It is becoming increasingly more frequent where the ambient mixed river

temperature at the intakes is at the maximum limit or even exceeds the established limitation. Adjusting the water temperature limits to better align with natural conditions of the Ohio and White Rivers and streams in addition to accounting for low flow conditions would also alleviate substantive challenges with operating the generating fleet to provide reliable service to customers in the region while supporting the health of the aquatic life."

- "IDEM should revise the following highlighted references as follows: (1) Replace 'office of environmental adjudication' with 'office of administrative law proceedings.' (2) Replace 'environmental law judge' with 'administrative law judge.' Neither the office of environmental adjudication nor environmental law judges exist anymore. As a result, these rules 'are not supported by current law.'"
- "326 IAC 8: Volatile Organic Compound Rules For the most part, the VOC rules in 326 IAC 8 appear to be reasonable and practically result in emission reductions. There are some changes to these rules which could be made to improve the efficiency of these rules. First, Rule 8-3 should not apply to nearly all cleaning operations which use a material containing carbon to clean an item or article. Facilities with low emissions, for example, less than 15 lb/day of VOC emissions, should be exempt from the rule. Cleaning operations which use cleaning solutions which are mostly water but contain small amounts of carbon-containing chemicals should also be exempt. The rule only exempts cleaning solutions containing less than 1% VOC content this could be raised to something higher 5% or 10% without appreciably increasing VOC emissions. Second, if the operations regulated under an Article 8 rule are subject to US EPA NESHAP regulations in 40 CFR 63, there should be an option in the Article 8 rule. In almost all cases, the Part 63 NESHAP rules are more stringent than the Article 8 rules. It would simplify compliance for facilities if they could comply with one set of rules that achieves the same or better emission reductions."
- "Indiana's effluent limits should align with federal limits. Under 327 IAC 5, IDEM implements
 the Pollution Control Standards (PCS) set forth by the Ohio River Valley Water Sanitation
 Commission (ORSANCO) for discharges into the Ohio River. IDEM's permit drafting process
 considers ORSANCO's standards along with EPA guidelines to establish effluent limits,
 adopting the more stringent of the two. It is important to note that ORSANCO's PCS' and the
 associated compact do not include any mechanisms to compel member states to adhere to these
 standards. ORSANCO recognizes the rights of individual states. IDEM's current water quality
 standards are instrumental in safeguarding the health and well-being of Indiana's citizens while
 also preserving the integrity of the environment. In light of these considerations, it is
 recommended that compliance with ORSANCO standards be removed from the IAC to
 streamline regulatory processes."
- "While IDEM certainly has a responsibility to review PE-certified design drawings submitted as part of a CFO application and the authority to comment on them and ask for additional information, it would be a better use of resources for all parties if IDEM provided more professional deference and respect for PE-certified design drawings submitted as part of a CFO application. IDEM is responsible for evaluating whether or not the proposed design protects water resources through containment and management of manure; they are not responsible for

evaluating many other aspects of a CFO's design – that is the responsibility of the applicant and the staff they hire to design their operation. CFOs are required to be constructed according to the design approved through the CFO permitting process. IDEM Technical Inspectors visit CFOs during construction to evaluate whether or not CFOs are being constructed as designed, and CFO permittees are required to submit amendments or facility changes for anything that differs from the approved design."

- "Our company operates a private aircraft fuel system at a public airport located in Indiana. We are currently required to purchase 'Pollution Insurance' in lieu of a 'Performance Bond' to guarantee clean up in case of a spill event as a requirement operate the system. Site Specific Pollution Insurance is very costly and difficult to obtain due to the lack of Insurance underwriters willing to offer it. The same financial guarantees can be made with a Performance Bond as we have provided in the past. Any assistance with this would be greatly appreciated."
- "Hoosier Energy respectfully requests that IDEM revisit, and potentially revise, its training program for inspectors and permit writers. Hoosier Energy understands that the agency has experienced significant retirements and departures among staff. With those departures, the agency will see a loss of decades of institutional knowledge. Hoosier Energy believes that this provides an excellent opportunity to revamp training opportunities for IDEM staff to ensure that as much institutional knowledge as possible passes on to the next generation and that newer inspectors and permit writers develop a deep understanding of the facilities and processes that the agency regulates."
- "[T]he [National Waste and Recycling Association or NRWA's] request[s that] ...329 IAC 10-20-23 [be modified] to make it mirror 40 C.F.R. § 258.20 (including specifically the requirements that inspections happen before the working face and automatically requiring removal within 90 days), [and] the Indiana Chapter of the NWRA requests that IDEM also modify 329 IAC 10-20-23 to require IDEM to use enforcement discretion in where hazardous wastes have been sent to [municipal solid waste landfills or MSWLs] when MSWLs have followed best industry practices in their waste acceptance processes."
- "Indiana law already requires IDEM to report and justify any proposed new rules that are deemed 'more stringent' than federal law. See Ind. Code §§ 13-14-9-3 and -4. In any proposed rulemaking, IDEM engages in three rounds of public notice and comment. The public notices must identify and justify, with detailed explanation and supporting documentation, any element of a proposed rule that IDEM believes exceeds federal law. Ind. Code § 13-14-9-4(a). The proposed rule must also be approved by the Environmental Rules Board ('ERB') that is made up of 16 members, 11 appointed by the Governor, who represent various constituencies including business, manufacturing, construction, agriculture, labor, and other industry interests. And assuming the rule is approved by the ERB, it is not effective until the Indiana legislature has had an opportunity to review and veto it. Ind. Code § 13-14-9-4(b)."
- "Rose Acre Farms is very familiar with the federal laws and regulations surrounding confined feeding operations. We, at this point, are not questioning those regulations and request that Indiana not change anything relating to those rules and regulations. We are also aware that Indiana's laws and regulations are stricter than those required by the federal laws and

regulations. We have encouraged Indiana, and specifically IDEM, to have regulations more stringent than the federal regulations. We firmly believe the stricter regulations and laws have benefited Indiana livestock operations by offering protection against lawsuits, such as nuisance lawsuits and other environmentally associated lawsuits. As a corollary to this, if state laws and regulations are reduced to match federal requirements, then it has been the experience in Indiana over the last several decades that counties will enact livestock regulations. Numerous counties have tried, and some have implemented livestock regulations that end up making Indiana a patchwork of livestock regulations. This becomes extremely inefficient for livestock producers as they try to understand and comply with the myriad of county regulations.... Current IDEM regulations have been developed over several decades with the livestock sector working with IDEM to develop scientifically based and workable regulations that not only help protect the environment but also allow a workable solution for the vast majority of livestock operations in the State. Rose Acres also supports current regulations surrounding manure storage areas and lagoons. Again, those regulations have been developed over several decades. They are not only scientifically based and protect the environment, but also allow workable solutions for livestock operations."

• "There needs to be an easy and systematic way for individuals, businesses, communities, and especially city and county (local) governments to easily track or be alerted to existing [environmentally restrictive covenants or ERCs]. A real-estate transaction has a way to identify any deed notices or recordations that may be placed on a property, such as an ERC; this is accomplished through a title search (assuming one is required by a lender or smartly requested by a cash buyer). However, any unmonitored change in use, new ERC filings, zoning changes, planning approvals may not identify the existence of an ERC and this would put the public at risk. Furthermore, there is not a method to audit or track ERCs for ongoing compliance."