**Section 721.242 Cost Estimate**

a) The owner or operator of a reclamation or intermediate facility must have a detailed written estimate, in current dollars, of the cost of disposing of any hazardous secondary material as listed or characteristic hazardous waste, and the potential cost of closing the facility as a treatment, storage, and disposal facility.

1) The estimate must equal the cost of conducting the activities described in this subsection (a) at the point when the extent and manner of the facility's operation would make these activities the most expensive.

2) The cost estimate must be based on the costs to the owner or operator of hiring a third party to conduct these activities. A third party is a party that is neither a parent nor a subsidiary of the owner or operator. (See definition of "parent corporation" in 35 Ill. Adm. Code 725.241(d).) The owner or operator may use costs for on-site disposal in compliance with applicable requirements if the owner or operator can demonstrate that on-site disposal capacity will always exist over the life of the facility.

3) The cost estimate may not incorporate any salvage value that may be realized with the sale of hazardous secondary materials, or hazardous or non-hazardous wastes (if permitted by the Agency under 35 Ill. Adm. Code 725.213(d)), facility structures or equipment, land, or other assets associated with the facility.

4) The owner or operator may not incorporate a zero cost for hazardous secondary materials, or hazardous or non-hazardous wastes (if permitted by the Agency under 35 Ill. Adm. Code 725.213(d)) that might have economic value.

b) During the active life of the facility, the owner or operator must adjust the written cost estimate for inflation within 60 days prior to the anniversary date of the establishment of the financial instruments used to comply with Section 721.243. An owner or operator that uses the financial test or corporate guarantee must update its cost estimate for inflation within 30 days after the close of the firm's fiscal year and before submitting updated information to the Agency and USEPA under Section 721.243(e)(3). The adjustment may be made by recalculating the cost estimate in current dollars, or by using an inflation factor derived from the most recent Implicit Price Deflator for Gross National Product (Deflator) published by the U.S. Department of Commerce, as specified in subsections (b)(1) and (b)(2). The inflation factor is the result of dividing the latest published annual Deflator by the Deflator for the previous year.

1) The first adjustment is made by multiplying the cost estimate by the inflation factor. The result is the adjusted cost estimate.

2) Subsequent adjustments are made by multiplying the latest adjusted cost estimate by the latest inflation factor.

BOARD NOTE: The table of Deflators is available as Table 1.1.9. in the National Income and Product Account Tables, published by U.S. Department of Commerce, Bureau of Economic Analysis, National Economic Accounts, available on-line at the following web address:

https://apps.bea.gov/itable/?reqid=19&step=2&isuri=1&categories=survey

Select: Section 1-Domestic Product and Income

c) During the active life of the facility, the owner or operator must revise the cost estimate within 30 days after a change in a facility's operating plan or design that would increase the costs of conducting the activities described in subsection (a) or within 60 days after an unexpected event that increases the cost of conducting the activities described in subsection (a). The revised cost estimate must be adjusted for inflation, as specified in subsection (b).

d) The owner or operator must keep the following documents at the facility during the operating life of the facility: The latest cost estimate prepared under subsections (a) and (c) and, when this estimate has been adjusted under subsection (b), the latest adjusted cost estimate.

(Source: Amended at 48 Ill. Reg. 16813, effective November 7, 2024)