

# Air Pollution Control Program Permit Fee Proposal

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## History of Fee Stakeholder Process

- House Bill 28 (2013)
- Senate Bill 968 (2014)
- Revised Statute of Missouri 643.079.10

### Outcome:

- Review of Fee Structure with stakeholders
- Submit Proposed Fee Structure to Commission
- Start rulemaking process after commission approval

## Fee Stakeholder Meetings:

- 5 Meetings in 2014
  - (April 24, May 19, June 16, August 21, August 28)
- January 29, 2015
- April 30, 2015
- May 19, 2015 (2)
- May 26, 2015
- Additional emails and communications sent to stakeholders.

All presentations and summaries:

<http://dnr.mo.gov/env/apcp/airadvisory/apcpstakeholder.htm>

## Air Program Revenue/Expenditures

- Facing ~\$3.5 Million shortfall by FY2019
- Decreased expenditures in the last five years  
(Examples: Eliminated several positions, holding vacancies, reduced training, reduced monitoring network, eliminated local agency funding and eliminated use of permit contractors.)
- ~ 50% of the Air Program's revenue is from emission fees, ~2% permit fees, ~2% asbestos fees and ~17% is from the Gateway Vehicle Inspection Program fees. (Balance is predominantly from federal funding. The Air Program does not receive general revenue from the state.)

## Emission and Asbestos Fees

- Emission Fee – Through a 2014 stakeholder process, the emission fee will increase to \$48 per ton starting in January 2016 (for 2015 calendar year emissions)
  - The emission fee fund currently covers some asbestos and permit work
  - Increased emission fee will increase revenue ~\$1.28 million in FY2016
- Asbestos fees proposed and presented last month are anticipated to cover 100% of asbestos program expenditures. If approved asbestos fees would increase January 2017.

## Permit Fees

- Permit fees have not increased since created, most in 1992
- Not realistic for permit fees to cover 100% of permit work
- Stakeholder proposal presented today would increase revenue approximately \$486,000
- Any increase in permit fees minimizes the need to revisit increasing emission fees in the near future



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## Permit Fee Proposal Based on Stakeholder Discussion

Fee Type	Current Fee	Fees Proposed for Commission Review
Portable Source Filing/Review Fee	\$200/Application	<b>\$300</b>
Construction Permit Review Fee	\$50/Review Hour	<b>\$75</b>
Construction Permit Filing Fee (Deminimis & Minor)	\$100/Application	<b>\$250</b>
Construction Permit Filing Fee - Major Prevention of Significant Deterioration (PSD)	\$100/Application	<b>\$5,000</b>
Vapor Recovery Permit Filing Fee	\$100/Application	<b>No fee adjustment</b>
Operating Permit Filing Fee (Basic)	\$100/Application	<b>\$500</b>
Operating Permit Filing Fee (Intermediate & P70)	\$100/Application	<b>Tiered \$750 - \$6,000</b>



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## Operating Permits - Fees Intermediate and Part 70

- 5 Year Permit
- Current fee is \$100 filing fee per application
  - \$20 per year
- No hourly review fee
- Time spent on permit application ranges from 6 hours to 200 hours
  - No average
  - Majority is between these 2 extremes

## Part 70/Intermediate Operating Permit Fee Tiered approach

### Filing Fee based on complexity of permit

1. Base fee based on # Emission Units
2. Additions to Base Fee
  - Major items that add to workload of writing permit (not all)
3. Total #1 and #2 for Fee Amount – not to exceed a set maximum

## Tiered approach Additions to Flat/Base Fee - Options

1. New Source Performance Standards (NSPS)
2. Maximum Achievable Control Technology (MACT) standards
3. National Emission Standards for Hazardous Air Pollutants (NESHAP)
4. Compliance Assurance Monitoring (CAM) Plans
5. Subject to Acid Rain
6. Confidentiality Request



## Base Fee

Emission Points	Approximate Number Permits**	Approximate Number That would pay Base Fee Only**	Base Fee
0-30	350	123	\$750
31-60	75	17	\$1,000
61-90	20	4	\$1,250
over 91	35	7	\$1,500

\*\* Approximate numbers for reference and discussion purposes



## Additions to Base Rate

	Column A	Column B	Column C
Name	Enter #	Amount	Add to Base Rate
NSPS (Enter # standards applicable to installation)		\$1,000	Column A *Column B
MACT/NESHAP (Enter # standards applicable to installation)		\$1,500	Column A *Column B
CAM (Enter # plans per installation)		\$1,000	Column A *Column B
Confidentiality Request (Enter 1 if submitted/ 0 if not)		\$500	Column A *Column B
Acid Rain (Enter 1 if applicable/0 if not)		\$500	Column A *Column B
		<b>Total Added to Base Rate:</b>	<b>Total Column C</b>



## Part 70/Intermediate Filing Fee

- Filing Fee = Base Rate + Additions
- Minimum Fee = Base rate (\$750 - \$1500)
- Maximum Fee = \$6,000
- Filing Fee Structure same - initial & renewals
- Examples of how to calculate fee in application instructions
- Overpayment/underpayment addressed prior to issuance of permit



## Part 70/Intermediate Filing Fee Other considerations

- Major Modifications
  - No charge – many are wrapped into Part 70
- Minor modifications
  - No charge
- Off Permit changes
  - No Charge

## Fee Stakeholder Input

- Mostly letters/emails of support
- Questions about the large increase on operating permit fees
  - How to address future standards
- Question/concern about hourly review fee

## Response to Stakeholder Input

- Construction Permit Hourly Review fee  
\$75 (was discussed at \$100)
- Operating Permit Fee – tiered approach
  - 5 year permit, no hourly review fee
  - Comparable to other states
  - Clarified future standards in draft rule
- Committed to a review of permit process  
with Stakeholders starting 1<sup>st</sup> Quarter 2016

## Timeline for Rulemaking- tentative

- Mid-August: Conference Call MACC meeting for commission to vote on start of rulemaking
  - August 17, 2015 – File proposed rulemaking with SOS
  - September 15, 2015 – Rulemaking published in Missouri Register, start of public comment period
- October 29, 2015 – Permit Rules Public hearing
- November 2015 – MACC meeting to vote on adoption of permit fee rules
- December 1, 2015 – File order of Rulemaking
- January **2017** - Rulemaking(s) effective.
  - Fee(s) take effect **January 1, 2017**

Division of Environmental Quality Director: Leanne Tippet Mosby

Date: August 3, 2015

Nothing in this document may be used to implement any enforcement action or levy any penalty unless promulgated by rule under chapter 536 or authorized by statute.