



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Air Quality

Air Quality Program Budget and Proposed Fee Concepts

**Citizens Advisory Council
January 16, 2017
Harrisburg, PA**

Tom Wolf, Governor

Patrick McDonnell, Secretary

Current Funding

- Clean Air Fund expenditures in FY 2016-17 were approx. \$27 million with a little over half being in personnel expenses.
- Clean Air Fund receipts were approx. \$22.6 million.
- The Clean Air Fund constitutes approx. 60% of the Air Quality Program budget.
- The General Fund and Federal Grants comprise the remaining 24% and 16%, respectively.

▶ Authority for Establishing Air Quality Fees

- The Air Pollution Control Act (APCA) requires the Environmental Quality Board (EQB) to establish fees to cover the costs of the Air Quality Program as required by the Clean Air Act (CAA), including the Small Business Assistance Program and Ombudsman.
- The EQB must also establish an annual air emission fee for regulated pollutants. This fee shall not apply to emissions of more than 4,000 tons for any regulated pollutant.
- The APCA also authorizes the EQB to establish fees to support activities which are not required by Section 502 of the CAA.

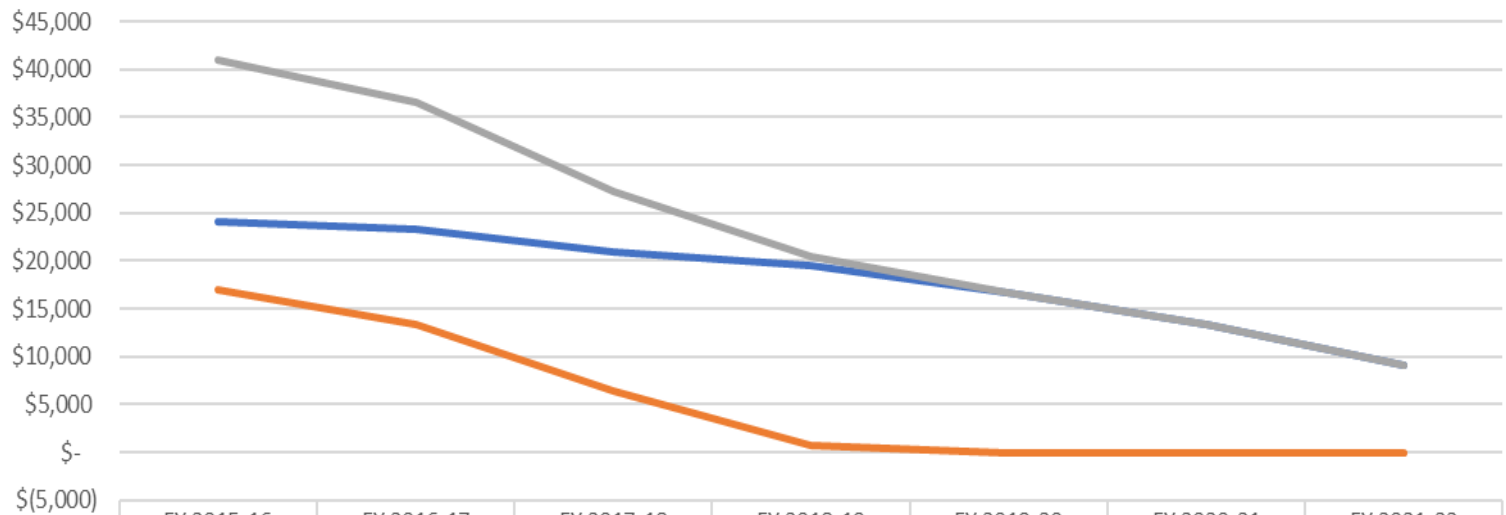
Pennsylvania Clean Air Fund

The Clean Air Fund is comprised of two executive appropriations:

- Title V Account for major source activities is supported by annual emission and major source permit fees.
- Non-Title V Account for non-major source activities is supported by civil penalties and permit fees.

Clean Air Fund Without Amendments

Clean Air Fund
(Thousand of Dollars)



	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
— Title V Account	\$24,058	\$23,266	\$20,879	\$19,577	\$16,693	\$13,291	\$9,107
— Non-Title V Account	\$16,942	\$13,337	\$6,410	\$801	\$0	\$0	\$0
— Clean Air Fund (Total)	\$41,000	\$36,603	\$27,289	\$20,378	\$16,693	\$13,291	\$9,107

Pennsylvania Clean Air Fund

- The Clean Air Fund supports:
 - Personnel
 - Equipment
 - Contracts
 - Grants
- A Title V emissions fee increase will support:
 - Development of an electronic permit application system for general permits.
 - Deployment of an electronic fee payment system
 - Potential additional staff.

Air Quality Staffing

Total and Filled Air Quality Program Positions
2009 - 2017



Title V Emissions Fees

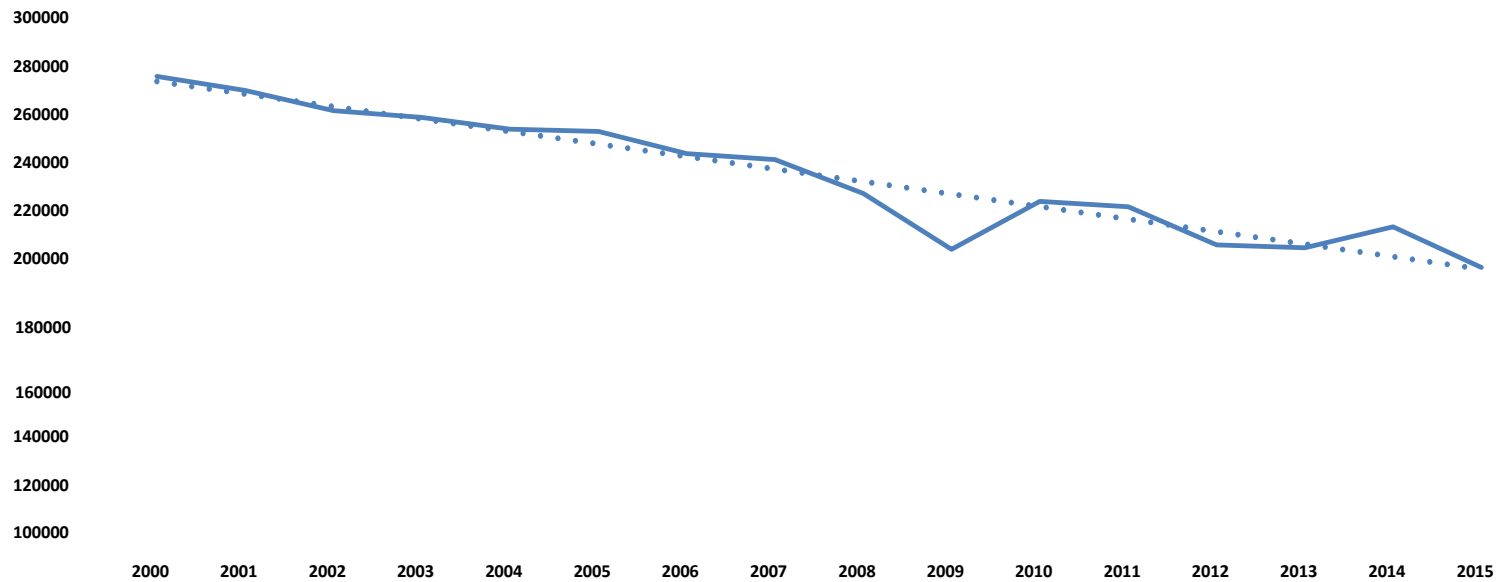
- The Title V emission fees required under § 127.705(a) are uniform throughout the commonwealth (DEP, Allegheny and Philadelphia Counties) and are collected for each ton of a regulated pollutant actually emitted up to a cap of 4,000 tons per pollutant per year.
- Title V emission fees have been collected since 1991, with the fee amount last changed in 2013. In that year the fee was set at \$85 per ton, increasing each year by the Consumer Price Index. We estimate the fee will be approx. \$93.87 for emission year 2019.

Title V Emission Fees: Neighboring States

State	Title V Permit Emission Fees payable in 2015/2016	Emissions Cap tons per year	Number of Active Title V Facilities
Connecticut	\$300.82 per ton, minimum \$5000, maximum \$950,000	No	67
Delaware	\$5,700 to \$277,020 and user fees \$3,950 to \$350,000	7,500	134
Illinois	\$21.50 per ton up to \$294,000 (based on allowable emissions)	13,675	455
Maryland	\$57.73 per ton of actual emissions plus \$5,000.00 base fee	No	122
Michigan	\$51.15 per ton + facility charge \$250 to \$5,250	4,500 to 6,100	390
New Jersey	\$116.30 per ton	No	260
New York	\$60 to \$90 per ton + \$2,000 base fee	7,000	417
N. Carolina	\$31.92 per ton + \$6,919 base fee	4,000	279
Ohio	\$48.49 per ton	4,000	532
Pennsylvania	\$86.73 per ton	4,000	569
Rhode Island	\$469 per ton	No	34
Virginia	\$60.91 per ton + maintenance fee \$1,577 to \$10,519	4,000	276
West Virginia	\$47.95 per ton	4,000	207

Title V Emissions

Emissions (tons) on which Title V emission fees are paid.



Proposed New Fees

- Modification of the existing fees would affect approximately 569 Title V facilities and approximately 2,100 permitted non-Title V facilities. It would also impact the owners/operators of approximately 7,000 asbestos projects per year. Proposed new fees would be established for:
 - Review of Request for Determination (RFD) of Changes of Minor Significance and Exemption from Plan Approval/Operating Permit Risk Assessment Review.
 - Plantwide Applicability Limits.
 - Review of ambient air modeling associated with certain plan approval applications.
 - Notification of Asbestos Abatement and Demolition/Renovation.

Proposed Amended Fees

- Application fees for plan approvals including new source review (NSR), prevention of significant deterioration (PSD), new source performance standards (NSPS), and maximum achievable control technology (MACT).
- Application fees for operating permits.
- Annual operating permit administration fee.
- General plan approval and general operating permits (GPs).
- Title V emission fees.

Summary of Proposed Permitting Fees: Non-Major Facility

Description	Proposed Section	# of Facilities	Current Fee	Current Revenue	2019 2023		Net Change
					Proposed Fee	Proposed Revenues	
Plan Approval (PA) Base Fee, Subchapter B	127.702(b)	125	\$1,000	\$125,000	\$2,500	\$312,500	\$187,500
Plan Approval with NSPS, NESHAPs & MACT	127.702(d)	87	\$1,700	\$147,900	\$2,500	\$217,500	\$69,600
PA- Minor Modification, Extension & Transfer of Ownership	127.702(g)	428	\$300	\$128,400	\$1,700	\$727,600	\$599,200
PA- Significant Modification, Reassessment of control technology	127.702(h)(1)	6	\$0	\$0	\$2,500	\$15,000	\$15,000
PA- Significant Modification, Ambient Impact Analysis	127.702(h)(2)	2	\$0	\$0	\$9,000	\$18,000	\$18,000
Non-Title V: Revision (amendment) & Modification (minor and significant)	127.703(b)(1)	140	\$375	\$52,500	\$1,500	\$210,000	\$157,500
Non-Title V Operating Permit: New & Renewal (base fees not including NSPS & MACT), Subchapter F	127.703(b)(1)	487	\$375	\$182,625	\$1,500	\$730,500	\$547,875
Non-Title V Operating Permit to incorporate NSPS, NESHAPs & MACT, Subchapter F	127.703(b)(2)	87	\$0	\$0	\$2,500	\$217,500	\$217,500
Annual Operating Permit Administration Fee for Non-Title V Facility	127.703(c)	2100	\$375	\$787,500	\$0	\$0	-\$787,500
Annual Operating Permit Maintenance Fee for Non-Title V Facility - not a Synthetic Minor (Natural Minor)	127.703(c)(1)	1345	\$0	\$0	\$2,000	\$2,690,000	\$2,690,000
Annual Operating Permit Maintenance Fee for Synthetic Minor Facility	127.703(c)(2)	755	\$0	\$0	\$2,500	\$1,887,500	\$1,887,500
Request for Determination - Meets the APCA definition of small business stationary source (Operating Permit or both Plan Approval&Operating Permit)	127.702(i)(1); 127.703(d)(1); 127.704(d)(1)	650	\$0	\$0	\$400	\$260,000	\$260,000
Request for Determination - Does not meet the APCA definition of small business stationary source (Operating Permit or both Plan Approval&Operating Permit)	127.702(i)(2); 127.703(d)(2); 127.704(d)(2)	350	\$0	\$0	\$600	\$210,000	\$210,000
Asbestos Notification	127.709	3000	\$0	\$0	\$300	\$900,000	\$900,000
Total:				\$1,423,925		\$8,396,100	\$6,972,175

Summary of Proposed Permitting Fees: Major Facility

Description	Proposed Section	# of Facilities	Current Fee	Current Revenue	2019 - 2020		Net Change
					Proposed Fee	Proposed Revenues	
NSR Plan Approval (base fees not including NSPS & MACT), Subchapter E	127.702(c)	5	\$5,300	\$26,500	\$10,000	\$50,000	\$23,500
Plan Approval Application for case by case MACT	127.702(e)	1	\$8,000	\$8,000	\$12,000	\$12,000	\$4,000
PSD Plan Approval (base fees not including NSPS & MACT), Subchapter D	127.702(f)	5	\$22,700	\$113,500	\$35,000	\$175,000	\$61,500
Title V Operating Permit: Extension, Modification, Revision, Subchapter G	127.704(b)(1)	95	\$750	\$71,250	\$1,500	\$142,500	\$71,250
Title V Operating Permit: New & Renewal (base fees not including NSPS, MACT), Subchapter G	127.704(b)(1)	93	\$750	\$69,750	\$1,500	\$139,500	\$69,750
Title V Operating Permit to incorporate NSPS, NESHAPS & MACT, Subchapter G	127.704(b)(2)	100	\$0	\$0	\$2,500	\$250,000	\$250,000
Title V Operating Permit to incorporate PAL	127.704(b)(3)	1	\$750	\$750	\$15,000	\$15,000	\$14,250
Annual Operating Permit Administration Fee for Title V Facility	127.704(c)	30	\$750	\$22,500	\$0	\$0	-\$22,500
Annual Operating Permit Maintenance Fee for Title V Facility	127.704(c)	500	\$0	\$0	\$5,000	\$2,500,000	\$2,500,000
Risk Assessment Analysis - Inhalation only	127.708(b)	10	\$0	\$0	\$10,000	\$100,000	\$100,000
Risk Assessment Analysis - Multi-pathway	127.708(c)	1	\$0	\$0	\$25,000	\$25,000	\$25,000
Total:				\$312,250		\$3,409,000	\$3,096,750

NOTE: The proposed Revenues reflect option 2 (see slide 11 for options)



Permit Fees: Neighboring States

Plan Approval Application Fees	Proposed PA	NJ	OH	WV	DC	VA	MD	DE
Base fee: Source is not subject to NSPS, NESHAP, PSD and NSR requirements. Section 127.702(b).	\$2,500	\$820	\$400	\$1,000	None	None	\$800	\$165
Source is subject to NSPS and state requirements. Section 127.702(b) and (d).	\$5,000	\$5,054	\$1,000	\$2,000	None	\$524	\$2,000	\$165
Source is subject to NSPS, MACT, nonattainment area NSR and state requirements. Section 127.702(b), (c), and (d).	\$17,500	\$50,000	\$3,750	\$14,500	None	\$31,697	\$20,500	\$1,290
Source is subject to NSPS, MACT, PSD and state requirements. Section 127.702 (b), (d), and (f).	\$42,500	\$50,000	\$3,750	\$14,500	None	\$31,697	\$20,500	\$1,290
Source is subject to NSPS, MACT, PSD, NSR and state requirements. Section 127.702(b), (c), (d), and (f).	\$52,500	\$50,000	\$3,750	\$14,500	None	\$31,697	\$40,500	\$1,290

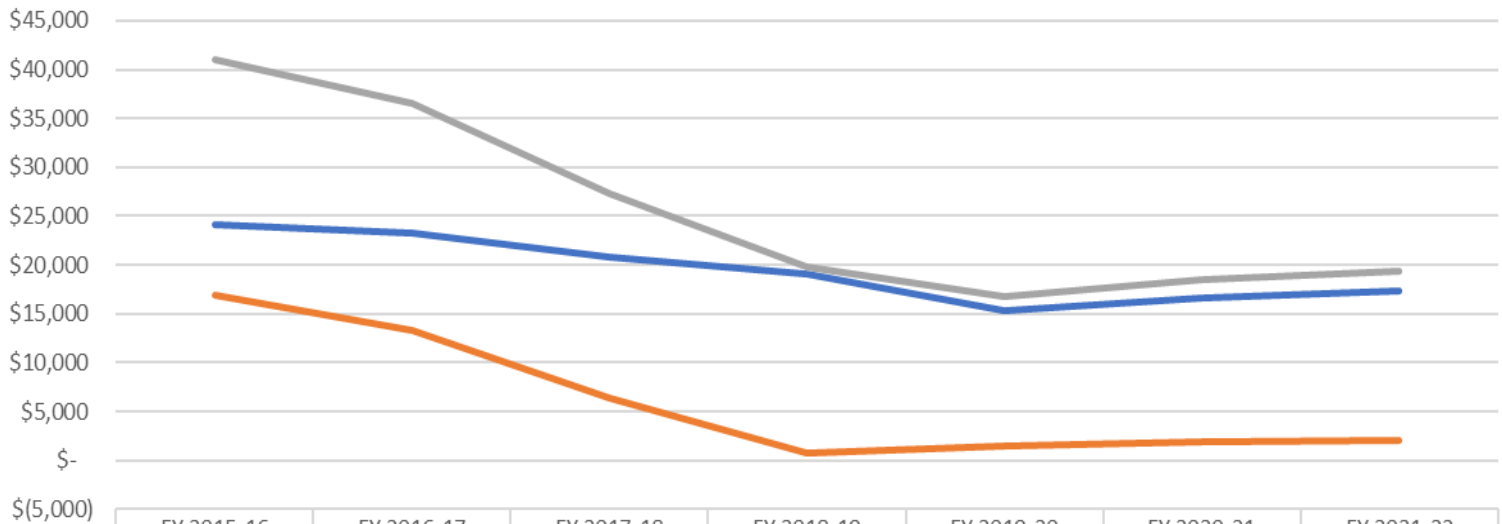
Title V Emission Fee Options

Options for Title V Fees Due on 9/1/2020

	Existing	Option 1	Option 2	Option 3
Title V Emission Fee per ton	\$93.87	\$93.87	\$110.00	\$118.00
Emission Fee Floor	\$0	\$0	\$0	\$5,000
Emission Fee Revenue	\$14,901,397	\$14,901,397	\$17,461,125	\$19,467,082
DEP regulated facilities that pay 90% of the Title V emissions fee	98	98	98	134
Maintenance Fee per year	\$0	\$10,000	\$5,000	\$0
Maintenance Fee Revenue	\$0	\$5,000,000	\$2,500,000	\$0
Other Permit Fee Revenue	\$303,500	\$647,000	\$647,000	\$647,000
Total Title V Facility Revenue	\$15,204,897	\$20,548,397	\$20,608,125	\$20,114,082

Clean Air Fund with Amendments

Clean Air Fund
(Thousand of Dollars)



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Non-Title V Account	\$16,942	\$13,337	\$6,410	\$801	\$1,444	\$1,829	\$2,034
Clean Air Fund (Total)	\$41,000	\$36,603	\$27,289	\$19,849	\$16,815	\$18,462	\$19,394



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