



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Bureau of Air Quality

# **Proposed Rulemaking: Air Quality Fee Schedule Amendments**

**(25 Pa. Code Chapter 127)**

**Environmental Quality Board  
December 18, 2018**

Tom Wolf, Governor

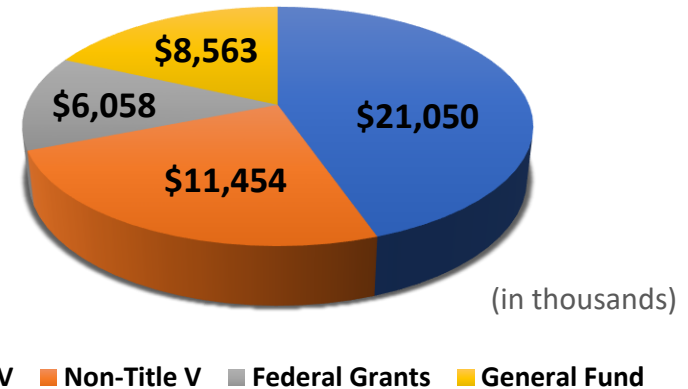
Patrick McDonnell, Secretary

# ▶ Background for Air Quality Fee Schedules

- Section 110 of the Clean Air Act (CAA) – adequate personnel, funding, and authority
- 40 CFR 70.9(a) – owners and operators of Title V sources pay annual fees
- Section 6.3(a) of the Air Pollution Control Act (APCA) – authorizes the Environmental Quality Board (EQB) to establish fees to support the authorized air pollution control program and Title V permit program
- December 14, 2013 PA Bulletin – revised base Title V annual emission fee would not be sufficient for long-term solvency of Clean Air Fund
- March 18, 2015 Federal Register – the United States Environmental Protection Agency (EPA) may take action if funds become insufficient to sustain the Title V permitting program

# Pennsylvania Clean Air Fund

- The Clean Air Fund supports:
  - Personnel
  - Equipment
  - Contracts
  - Grants
  - Indirect



- The proposed fee increases will support:
  - Primarily maintain staff
  - Development of additional electronic permit and fee applications
  - Deployment of a mobile inspection platform leading to more efficient compliance inspections and complaint response
- The proposed rulemaking is based upon a comprehensive Clean Air Fund Fiscal Analysis and Fee Report prepared by the Department.

# Pennsylvania Clean Air Fund

The Clean Air Fund is comprised of two special fund appropriations:

- Title V Account - annual emission and major source permit fees.
- Non-Title V Account (Mobile and Area Source) - permit fees for non-major facilities, all civil penalties.

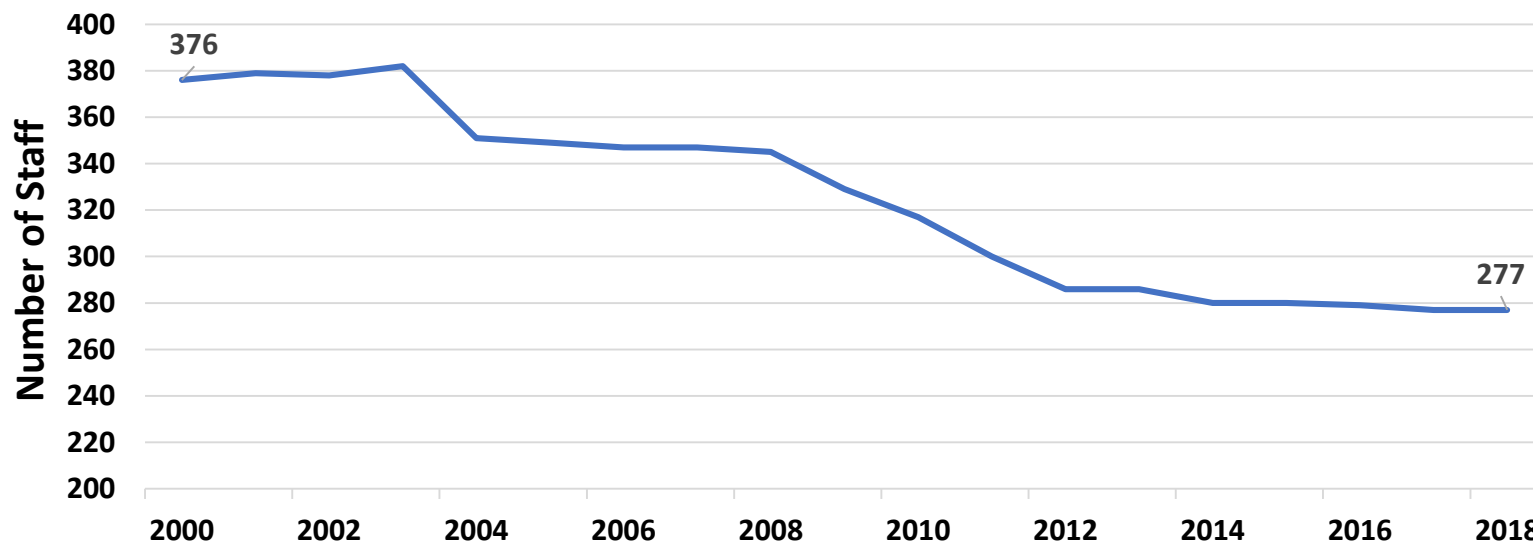
## Shortfall (in thousands of dollars)

	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17
Revenue	\$21,919	\$20,011	\$18,696	\$22,953	\$25,794	\$25,345
Expenditures	<u>\$22,765</u>	<u>\$28,662</u>	<u>\$26,449</u>	<u>\$26,681</u>	<u>\$27,515</u>	<u>\$32,504</u>
	<b>- \$846</b>	<b>- \$8,651</b>	<b>- \$7,753</b>	<b>- \$3,728</b>	<b>- \$1,721</b>	<b>- \$7,159</b>

# ▶ Reducing Costs of Air Quality Program

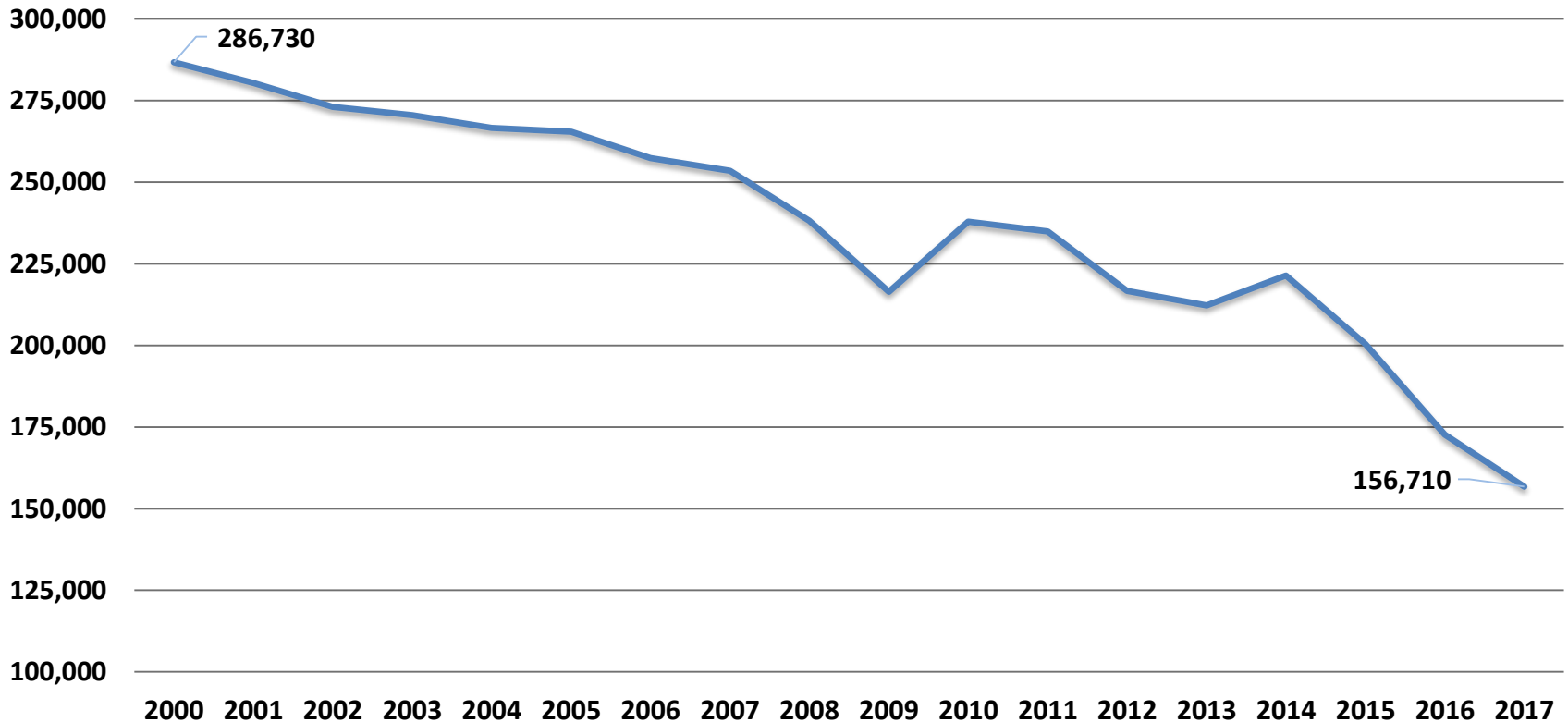
The Department has sought to maintain a balance between Clean Air Fund revenue and expenditures by reducing costs, including:

- ✓ Streamlining Permit SOPs
- ✓ Online Request for Determination application form
- ✓ General Permits for 19 source categories
- ✓ Not filling open staff positions – 99 positions eliminated since 2000 (-26%)



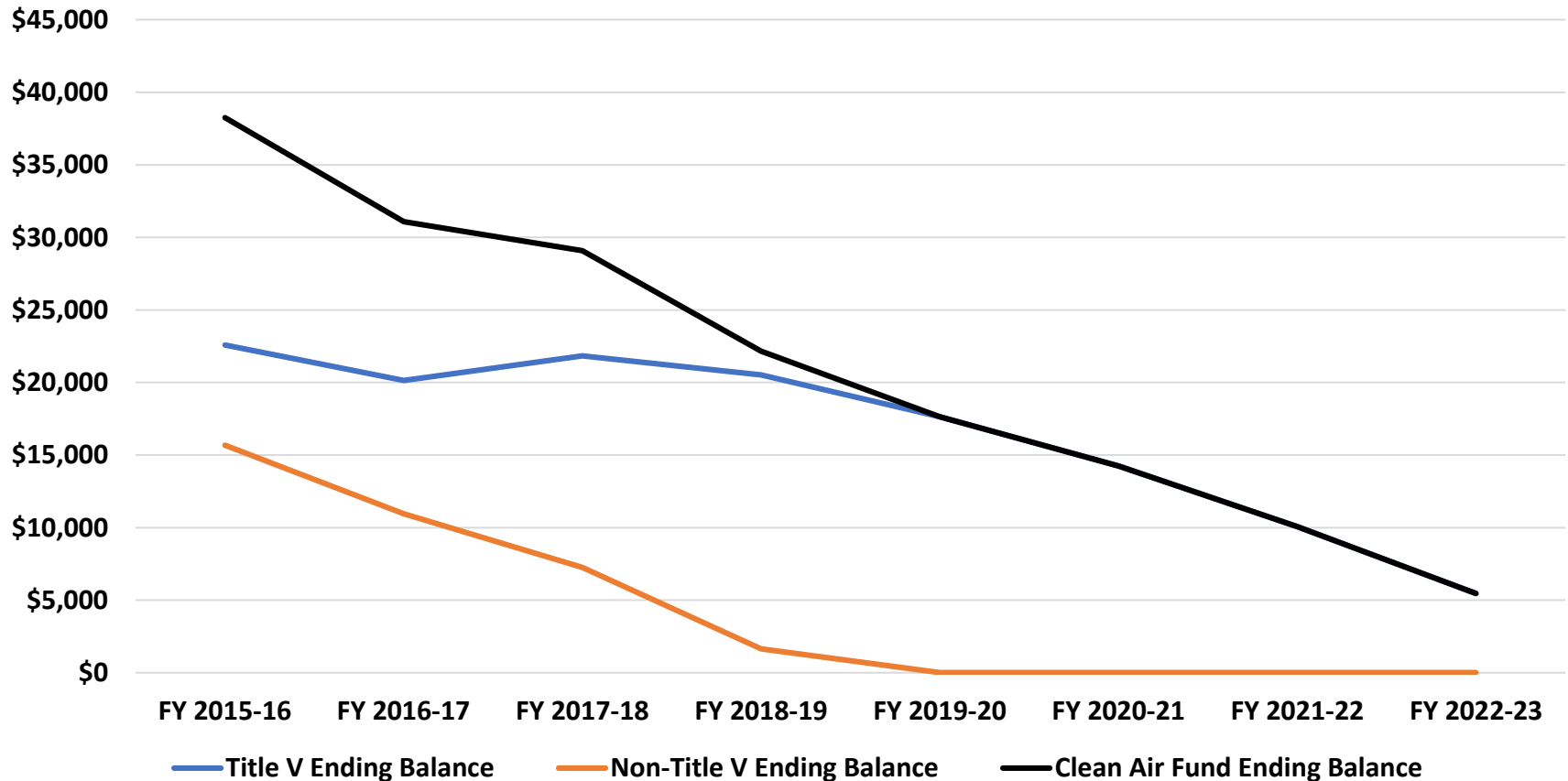
# Title V Emissions

## Tons of Emissions Upon which Title V Fees are Paid



# Clean Air Fund without Proposed Fee Increases

(in thousands of dollars)



# Proposed New Fees

- The proposed rulemaking will affect approximately 500 Title V facilities and 2,100 non-Title V facilities permitted by DEP. The proposed rulemaking will also impact the owners/operators of approximately 5,000 asbestos projects per year.
- Fee schedules are proposed for:
  - Review of Request for Determination (RFD) Forms
  - Plantwide Applicability Limit (PAL)
  - Annual Operating Permit Maintenance Fees
  - Review of Ambient Air Modeling associated with certain Plan Approval Applications
  - Notifications of Asbestos Abatement and Demolition/Renovation
  - Claims of Confidential Information



# Proposed Amended Fees

- The proposed rulemaking also amends the existing air quality fees for the following:
  - 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
- Proposes that General Plan Approval and General Operating Permit (GP) fees will be set when GPs are issued or modified by the Department, and the associated fee will be published in the *Pennsylvania Bulletin*.

# ▶ Annual Operating Permit Maintenance Fees

- Annual operating permit maintenance fees are proposed for the following air quality operating permits:
  - Natural Minor - \$2,000
  - Synthetic Minor - \$2,500
  - Title V - \$10,000
- The annual operating permit maintenance fee would be due on or before December 31 of each year for the next calendar year.
- The proposed annual operating permit maintenance fee would spread the cost of maintaining the program across more permitted facilities, making the fund less dependent on a small number of large sources.

# Proposed Title V Fees

	Existing Fees	Proposed
Title V Emission Fee Per Ton	\$93.87	\$93.87
Emission Fee Revenue	\$15,230,000	\$15,230,000
Maintenance Fee Per Facility	\$0	\$10,000
Maintenance Fee Revenue	\$0	\$5,000,000
Number of Facilities Paying 90%	102	310
Other Permit Fee Revenue	\$435,125	\$1,371,800
<b>Total Title V Revenue Starting in 2021</b>	<b>\$15,665,125</b>	<b>\$21,601,800</b>

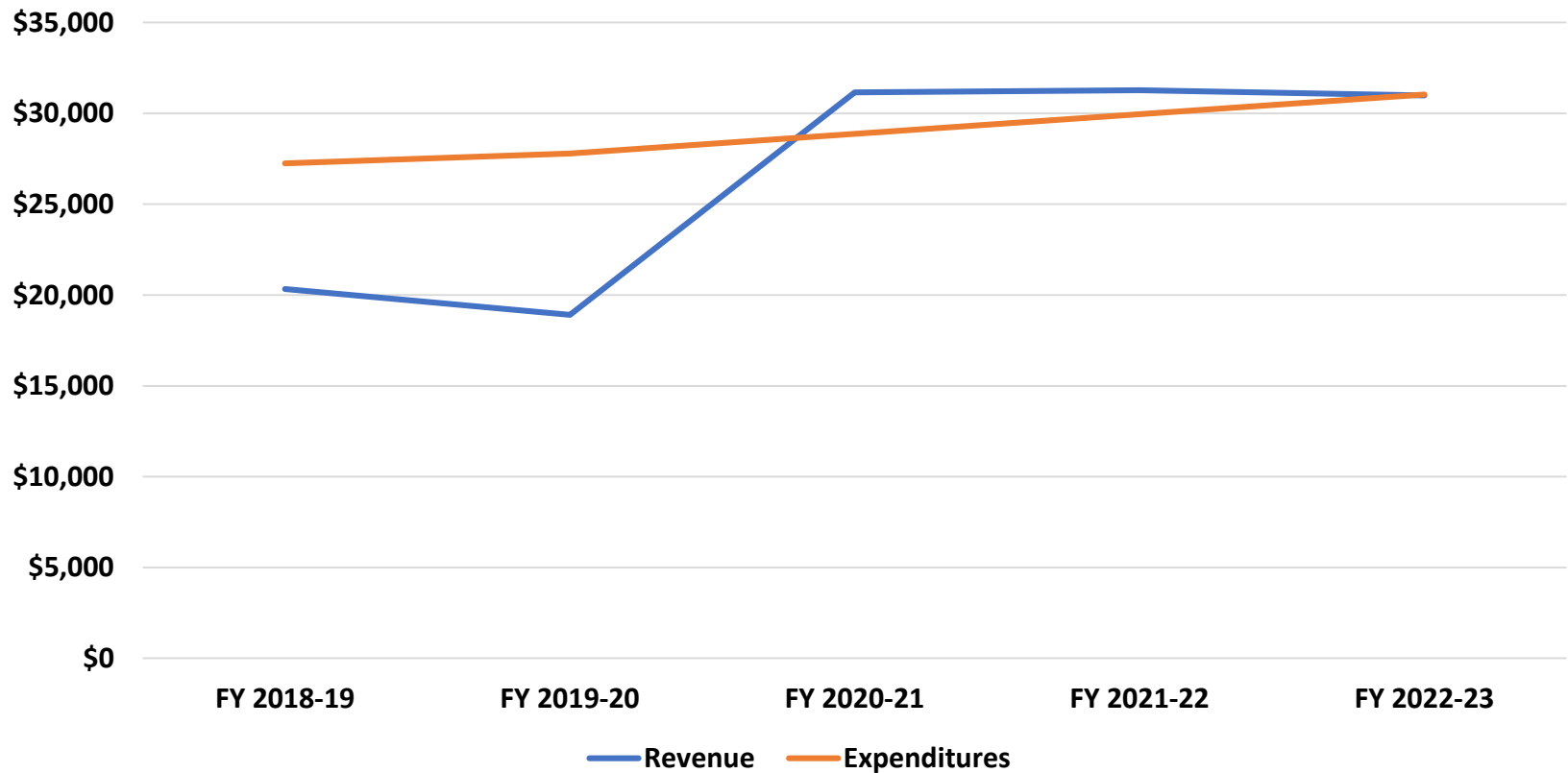
- The per-ton emission fee does not change from the existing fee
- Revenue spread across larger number of facilities

# Proposed Non-Title V Fees

	Existing Fees	Proposed
Plan Approval Application	\$259,000	\$605,500
Operating Permit	\$203,250	\$1,091,300
Annual Administration	\$787,500	\$0
Annual Maintenance	\$0	\$4,577,500
Requests for Determination	\$0	\$260,000
Asbestos Notifications	\$0	\$1,500,000
Risk Assessments	\$0	\$10,000
Confidential Information Claims	\$0	\$1,800
<b>Total Non-Title V Revenue Starting in 2021</b>	<b>\$1,249,750</b>	<b>\$8,046,100</b>

# Clean Air Fund with Proposed Fees

(in thousand of dollars)



# Advisory Committee Review

- The following committees concurred with the Department's recommendation to move the proposed rulemaking to the EQB for consideration:
  - Air Quality Technical Advisory Committee (AQTAC) – June 14, 2018
  - Citizens Advisory Council (CAC) - July 17, 2018
  - Small Business Compliance Advisory Committee (SBCAC) – July 25, 2018
- The CAC provided a letter of concurrence supporting the proposed rulemaking, along with the following comments:
  - Don't perform unnecessary modeling or risk assessment work.
  - Don't charge for extensions due to a Department delay.
  - Allow submission of applications by "reputable express service."

## ➤ Recommendation and Public Participation

- The Department recommends the adoption of this proposed rulemaking. The proposed rule will have a 60-day public comment period and three public hearings.
- If adopted as a final-form rulemaking, a revision to the State Implementation Plan will be submitted to the EPA.



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