



Department of
**Environment &
Conservation**

Non-Title V Fee Rule Revisions Stakeholder Webinar

October 21, 2025

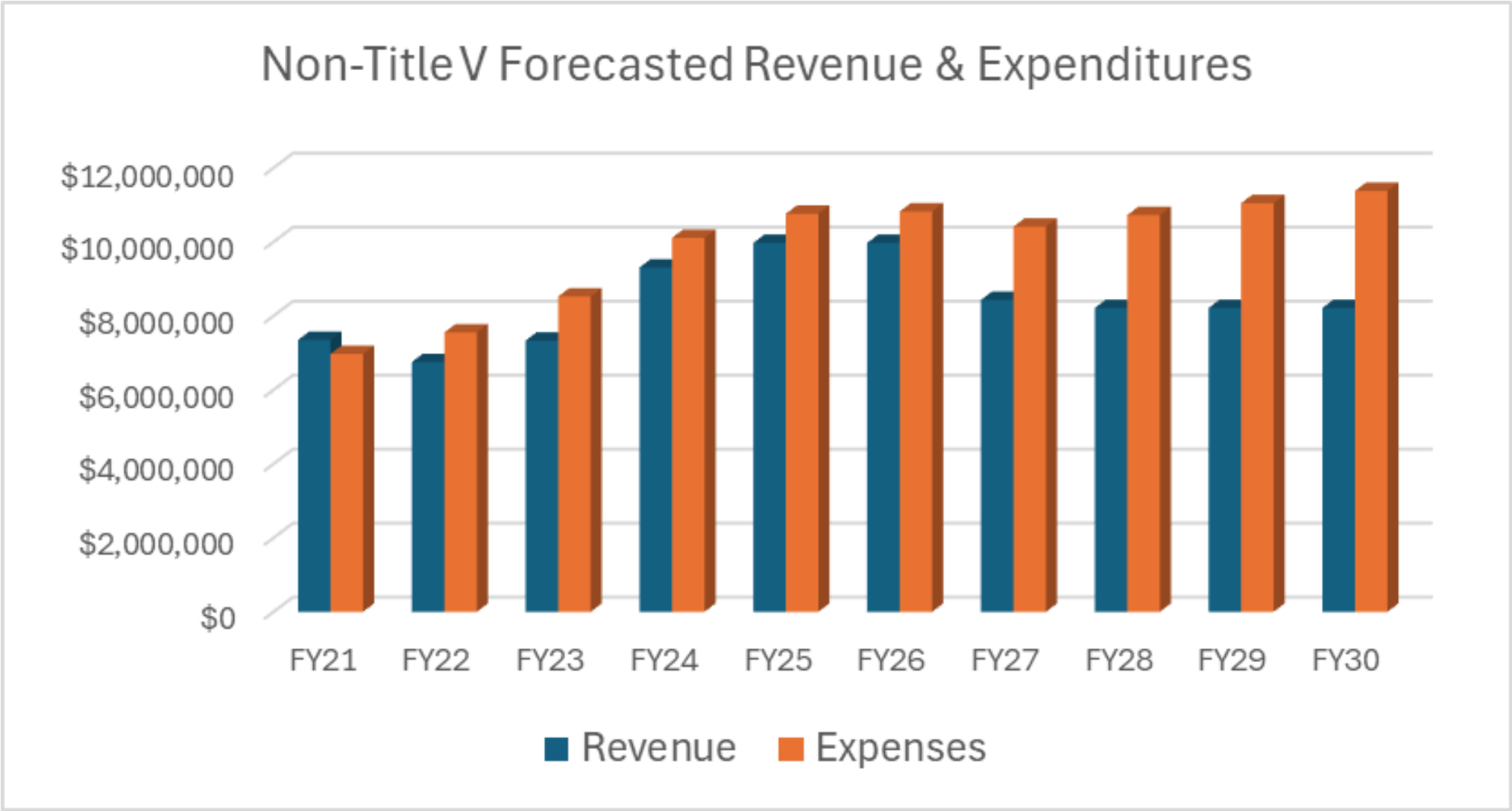
Overview of Fee Rule Revision

- Tennessee Department of Environment & Conservation (TDEC) Air Pollution Control Division (APC) is exploring a rule revision to increase Non-Title V fees
- Non-Title V facilities
 - Conditional Major and True Minor facilities
- Current expenses exceed revenue for the Non-Title V program
- TDEC has exhausted all options for decreasing expenses and increasing revenue before exploring a fee increase
- Fee increase is still to be determined
- TDEC is seeking stakeholder input

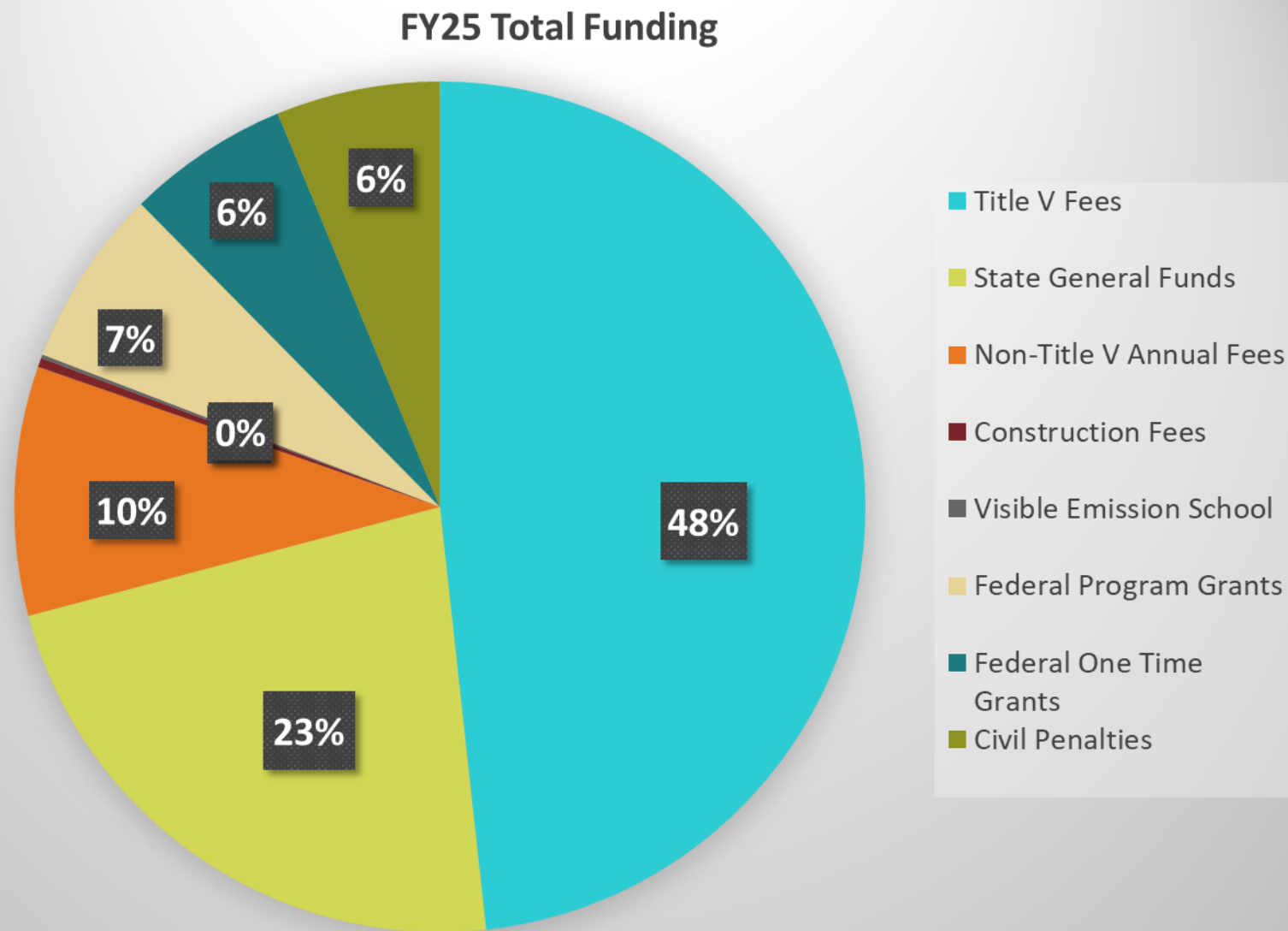
Title V source vs. Non-Title V source

- Title V (major) source
 - Potential to emit > 100 ton/yr for at least one criteria pollutant (PM, VOC, CO, NO_x, SO₂, Lead) or
 - Potential to emit > 10 ton/yr of a single hazardous air pollutant (HAP) or > 25 ton/yr of a combination of HAP's
- Non-Title V source
 - Conditional Major
 - Potential to emit greater than Title V thresholds
 - However, facility takes limits to stay below Title V thresholds
 - True Minor
 - Potential to emit less than Title V thresholds
 - Front page of permit will specify Conditional Major or True Minor

Non-Title V Expenses and Revenue



How the Air Division is Funded



TDEC is considering increasing:

- Non-Title V Annual Fees
- Construction Fees

Efforts to Increase Non-Title V Revenue



State Funds – Significantly Increased Since 2022



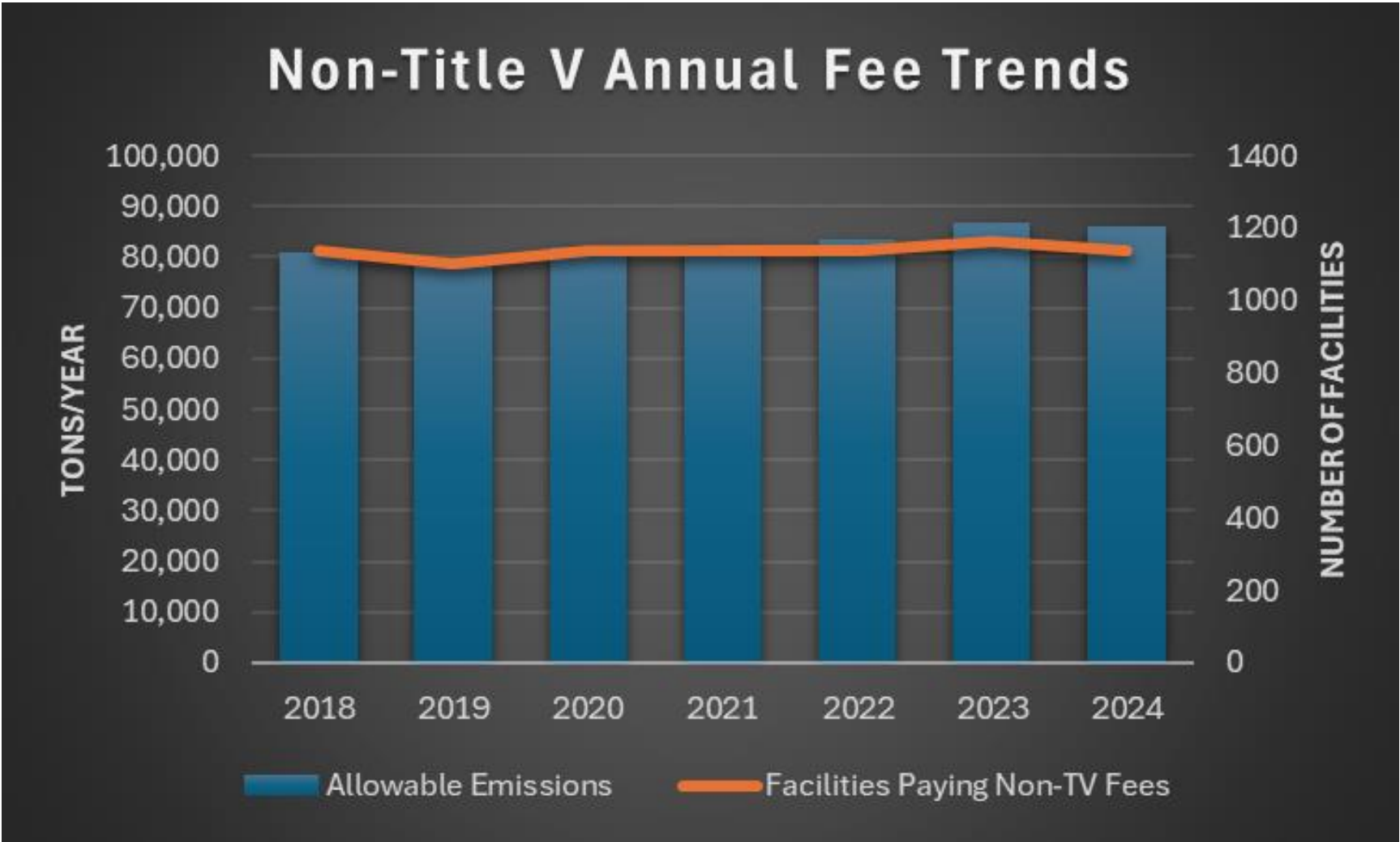
Federal Funds – Have received One-Time Funding for various needs (e.g., ambient monitoring equipment purchases)



Fees – Have not Changed since 2011

Despite the increases in state and federal funding, a fee increase is being explored to keep up with expenses

Non-Title V Sources and Emissions Have Been Steady



Statutory Authority for Air Quality Fees

- Tennessee Environmental Protection Fund Act (TN Code § 68-203-103) directs TDEC to charge fees for services & functions it performs, including the following fees:
 - Permit processing fees
 - Permit maintenance fees
 - Emission fees
 - Other fees

Tennessee Environmental Protection Fund Act

- Prior to promulgating any fee increase, TDEC must review the basis for the fee increase and determine that the fee increase is warranted. The factors in this determination include:
 - Staffing needs
 - Ability to attract and retain quality staff
 - Feasible cost containment measures
 - Levels of federal grants and state appropriations
 - Ability of the program to maintain or improve its performance in carrying out its duties
- TDEC has reviewed these factors before determining that a fee increase is warranted

Stakeholder Engagement

- TDEC intends to execute a robust stakeholder engagement process to gather input on best approaches to increase fees using the following model:



- Stakeholder engagement plan is on TDEC [website](#)

Stakeholder Engagement

- Public meetings
 - Initial webinar today
 - Hybrid public meeting in early December 2025
 - In-person with remote access option
 - Based on feedback, TDEC will present different fee choices
- Website (tn.gov/environment/air/fees.html)
 - General fee information
 - Webinar recordings
 - Presentations

Stakeholder Engagement

- Send comments to TDEC
 - Email address (APC.Fee.Rule@tn.gov)
 - Comment card (on website)
 - Feedback surveys after webinars
- Join Listserv on website
 - News updates on fees

Stakeholder Engagement

- Draft the first version of the rule (Jan/Feb 2026)
 - Based on the comments received
- Public notice of draft rule with fee increases (June 2026)
 - 45-day comment period
 - Public hearing (August 2026)
- Air Pollution Control Board
 - Briefings (January & June 2026)
 - Vote on final fee rule (November 2026)

Current Non-Title V fees that could increase

- Currently charge Non-Title V fees for:
 - Annual emission fees
 - \$18.75 per ton allowable emissions
 - New law allows a maximum emission fee rate of \$38.00 per ton
 - Conditional Major permit review fee
 - Annual Fees for Facilities Covered by General Permit
 - Application fees
 - Construction and Combined Construction and Operating Permits
 - \$7,500 is maximum allowed by law
 - General permit Construction Fees

Conditional Major Permit Review Fee

- Conditional Major Sources pay an annual “permit review fee”
 - Aids in covering cost of inspections and report reviews

Total Allowable (Tons Per Year)	Review Fee
0-50 Tons/Year	\$250
50.1 – 100 Tons/Year	\$500
100.1 – 250 Tons/Year	\$1,000
250.1 and up	\$2,000

General Permit Category	Review Fee
Asphalt plants	\$500

General Permit Annual Fees

- General permit, Annual emission fee

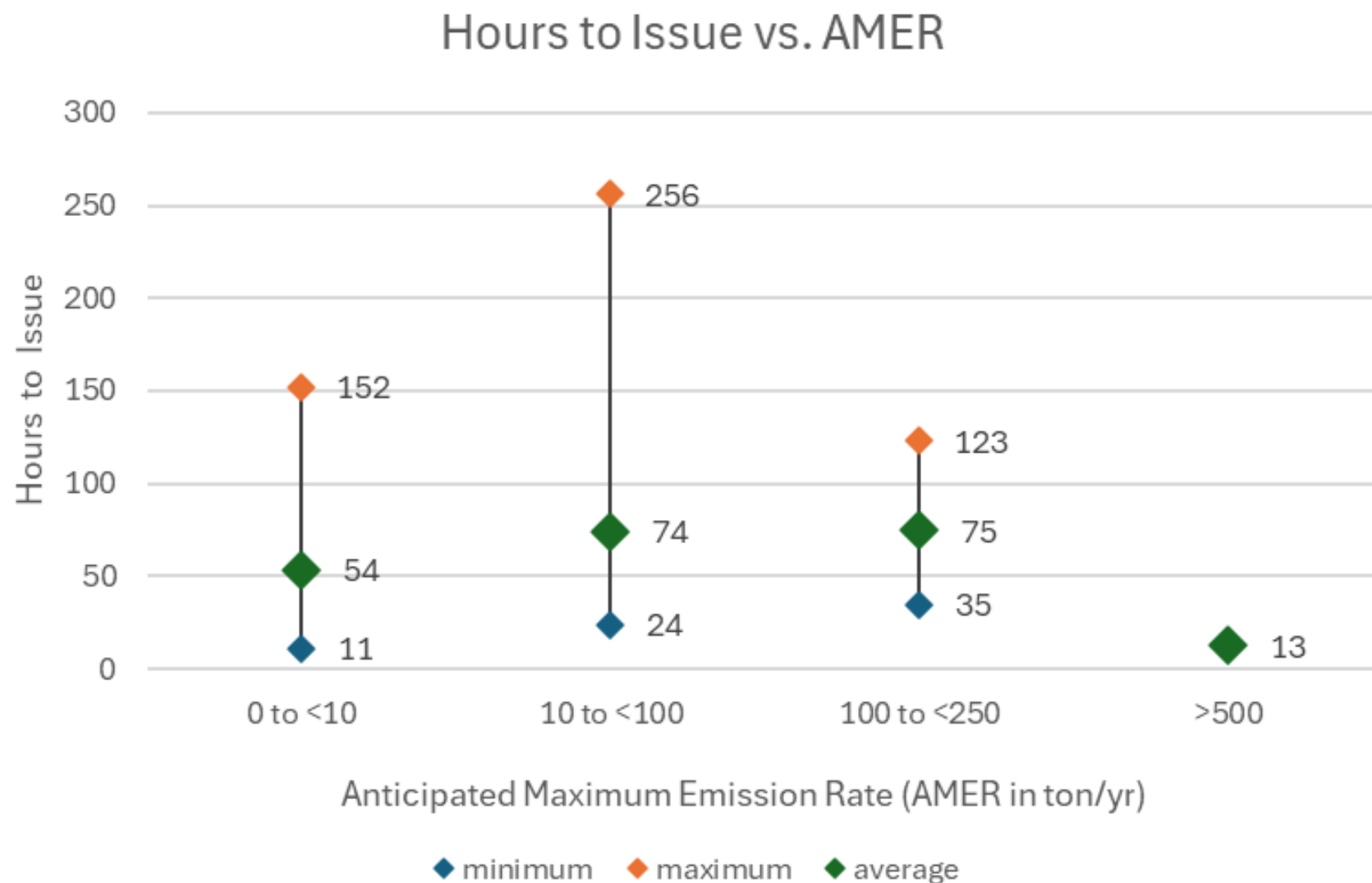
General Permit Category	Annual Emission Fee
Perchloroethylene and Petroleum Solvent Dry Cleaners	\$0
Concrete batch plants (<10 TPY)	\$0
Concrete batch plants (>10 TPY)	\$400
Portable rock crushers at true minor facilities	\$1,000
Portable rock crushers at conditional major facilities	\$1,000
Asphalt plants	\$1,000

Construction Permit Application Fee Schedule

- Construction and Combined Construction and Operating permits, except General permits
- Fee rate based on anticipated maximum emission rate
- Most fees are \$100, \$500, or \$1,000

Anticipated Maximum Emission Rate	Permit Fee
Less than 10 Tons/Year	\$100
10 to < 100 Tons/Year	\$500
100 to < 250 Tons/Year	\$1,000
250 to < 500 Tons/Year	\$2,000
500 to < 1000 Tons/Year	\$3,000
1000 to < 5000 Tons/Year	\$4,000
5000 and Greater Tons/Year	\$5,000

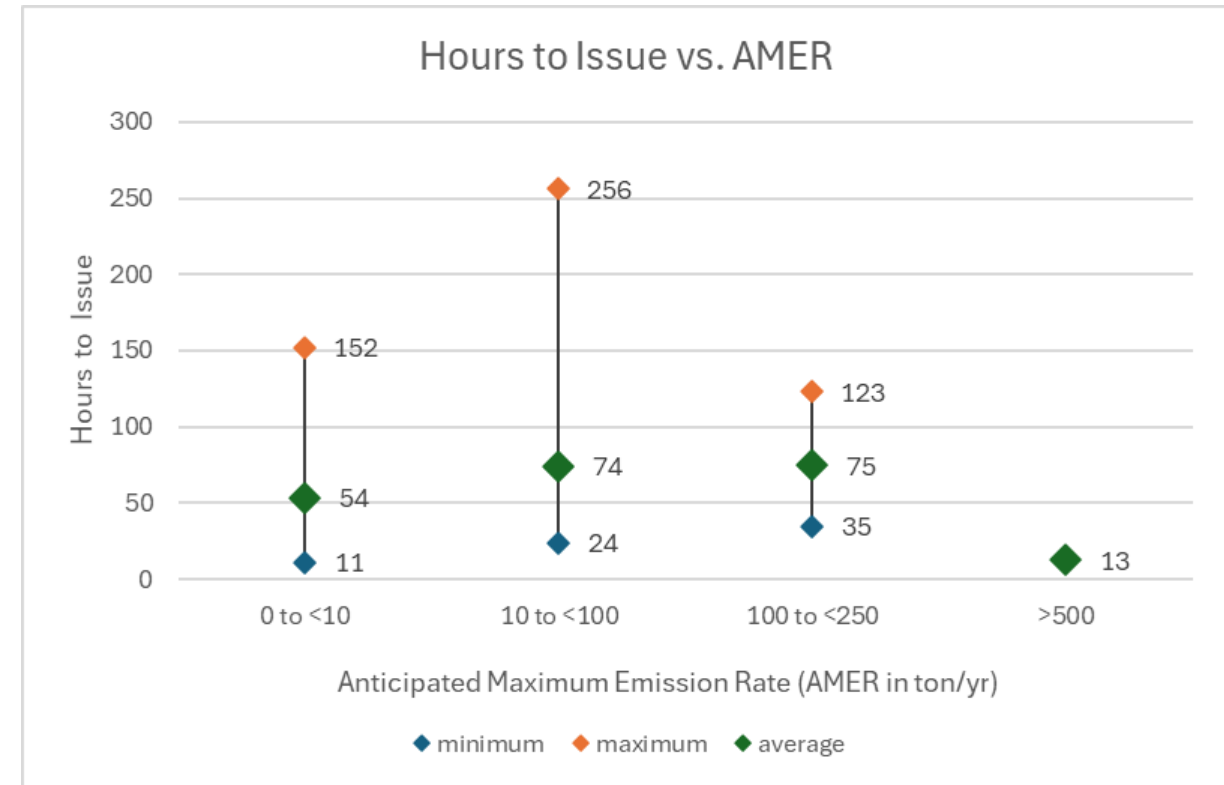
Hours for Construction Permit Issuance



- Anticipated Maximum Emission Rate (AMER)
- Minimum, Maximum, and Average Hours to issue a construction permit

Hours for Construction Permit Issuance

- The cost to the Division of issuing a construction permit is directly related to the number of hours it takes to issue the permit.
- While there does appear to be a correlation between average hours to issue a permit and AMER at the lower end of the chart (below 100 tons/yr), it is not as significant as the increase in application fee.
- There does not appear to be a correlation between AMER and hours to issue above 100 tons/yr.
- There is a wide range in hours (about an order of magnitude) for each range of AMER.



Construction Permit Application Fee Schedule

- General permits

General Permit Category	Permit Fee
Perchloroethylene and Petroleum Solvent Dry Cleaners	\$100
Concrete batch plants	\$100
Portable rock crushers	\$100
Asphalt plants	\$250
Air Curtain Incinerators	\$500

Non-Title V Fee Increases Up for Consideration

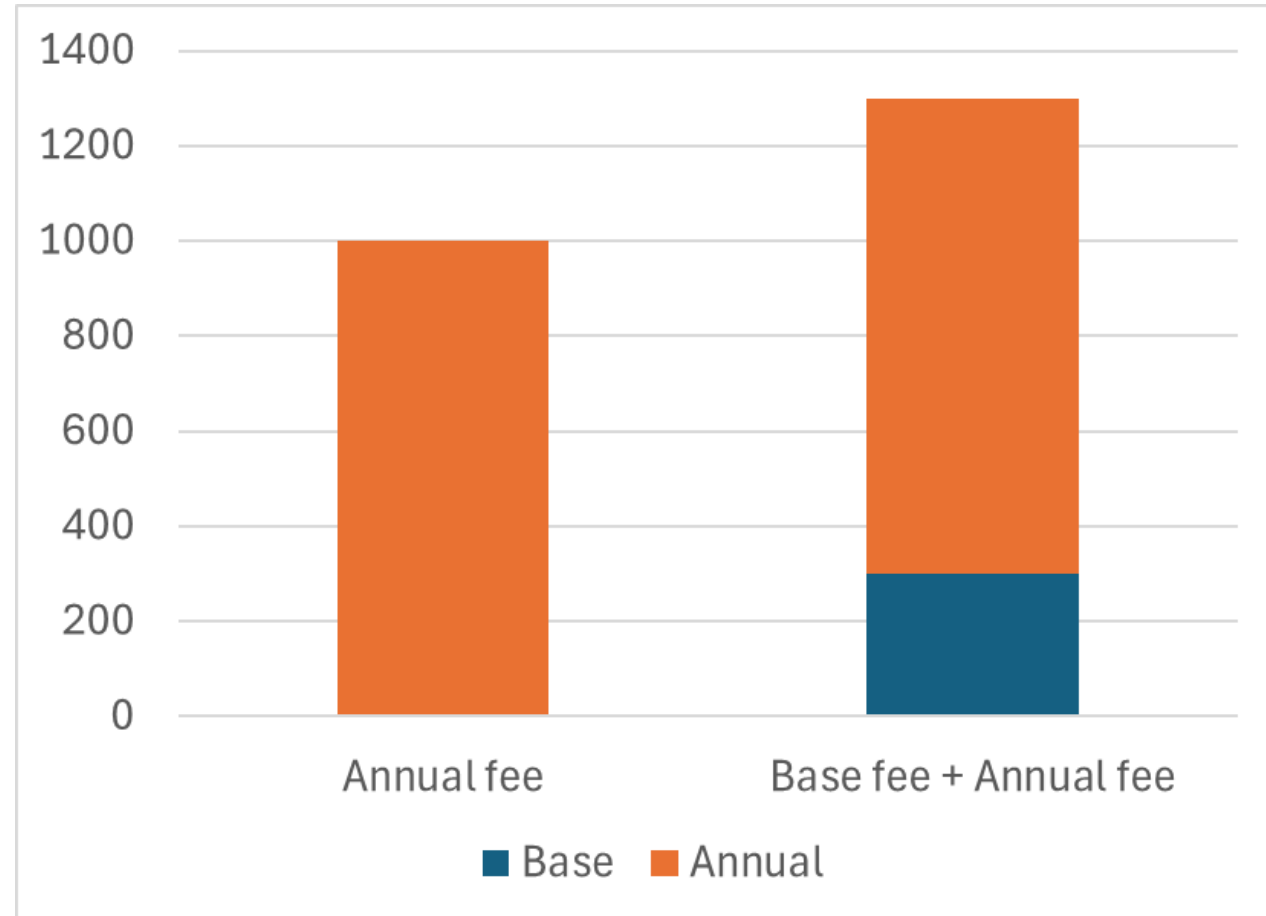
- Currently do **NOT** charge Non-Title V fees for:
 - Permit-by-rule (PBR)
 - Gas Stations, Auto Body Shops, and Emergency Generators
 - Operating permits
 - Insignificant activity determinations
 - Fees for services provided by TDEC
 - Model review
 - Stack test observation and review

Non-Title V Fee Increases Up for Consideration

- Currently do **NOT** charge Non-Title V fees for:
 - Off-permit changes
 - Physical/operational change where emissions do not exceed allowable emission permit limit
 - Requires notification to TDEC, but not a new permit
 - Permit Amendments
 - Extending permit expiration date
 - Incorporating requirements of a construction permit into an operating permit
 - Ownership change
 - Base fee

Base Fee Example

- Annual fee
 - Paid annually
 - \$18.75 per ton allowable
 - Total allowable =53 ton/year
 - \$1,000 per year
- Base fee
 - Paid annually
 - Fixed amount paid by all facilities
 - \$300 per year



Survey Question #1

The non-Title V fee system currently consists of the following: construction permit application fee, annual dollar per ton fee, and annual review fee for conditional major sources. Which of the following additional fee elements should be considered? Please select all that apply:

- a) Add an annual base fee for all non-Title V sources
- b) Increase annual dollar per ton fee
- c) Fee for amending a permit
- d) Fee for off-permit changes
- e) Fee for operating permit
- f) Fee for insignificant activity determination
- g) Fee for stack test observation
- h) Fee for permit by rule
- i) Fee for modeling services

Survey Question #2

When submitting a construction permit application, do you support:

- a) Maintaining a graduated fee structure based on anticipated actual emission rates of the sources being permitted
- b) A flat fee

Breakout Rooms