



Non-Title V Fee Structure Engagement Strategy

September 2025

INITIATIVE AT-A-GLANCE	
GOAL	To meaningfully engage with pertinent stakeholders to obtain advice or comments for the Division of Air Pollution Control's (APC) Non-Title V (NTV) rulemaking. The goal of this effort is to determine how to enhance financial support for the Non-Title V program services provided by the Division in conjunction with stakeholders. To do this, we will explore potential NTV fee revisions.
DELIVERABLE	APC will work with TDEC's Offices of External Affairs (OEA) and General Counsel (OGC) in 2025 to execute a robust stakeholder engagement process around Non-Title V fee revisions to achieve the project goal.
SCOPE OF WORK	▪ Develop a stakeholder engagement plan ▪ Develop informational resources for the NTV fee effort ▪ Develop options for NTV fee structure ▪ Conduct informational and interactive webinars on fee structure options and to gather feedback ▪ Conduct webinars and potentially hybrid event to discuss options in-depth and gather feedback from stakeholders ▪ Determine and communicate fee structure changes and initiate the regulatory process ▪ Present final Rule to Air Pollution Control Board for adoption
TDEC POINT OF CONTACTS	▪ OEA: Jan Compton and Klarissa Kahill ▪ OGC: Wayne Gregory ▪ APC: Jimmy Johnston, Mark Reynolds, and Hannah Nodell
STAKEHOLDERS	▪ APC Board Members ▪ Non-Title V Regulated Community ▪ TN Chamber of Commerce and Industry ▪ Other Trade Associations or Groups ▪ Legislative Members ▪ TN Roadbuilders Association

TIMELINE	APC Board will need to vote on any fee changes no later than December 2026.
JUSTIFICATION	The NTV program is critical in maintaining and improving the air quality for public health in Tennessee. NTV sources are all sources of air pollution that require an air permit but are not considered major sources of air pollution. The NTV program is a practical and economically feasible method to use in regulating air pollution. Upon the legislature eliminating TN's Mobile Source Program (the legislature adopted Public Chapter 953 to eliminate the vehicle emissions program, signed by the Governor on May 15, 2018), APC requested additional state funds to cover the revenue loss of the eliminated program. The State/F&A agreed to increase the amount of State general funds, but it was lower than the amount TDEC requested. APC is also asked to revert a percentage of this amount back to the general fund every year. In 2024, The Tennessee Legislature gave APC approval to increase NTV fees; the environmental protection fund increased the fee limit from \$18.75 to \$38.00 dollars per ton. APC also received One-Time Federal Funding for various needs (e.g., ambient monitoring equipment purchases) over the past 10 years to help increase NTV revenue. However, the NTV fees have not increased since 2011, while the cost of operating the NTV program for facilities across Tennessee continues to rise each year in response to inflation and the implementation of the Tennessee Excellence, Accountability and Management (TEAM) Act. Enhancing the NTV fees will provide financial resources to continue services for the NTV program. The emitting sources in the NTV program are smaller sources such as rock quarries, metal fabrication, asphalt plants, chemical plants, and woodworking etc., but NTV program sources do not necessarily belong to smaller businesses. The volume of work performed for NTV facilities has also increased exponentially during Tennessee's economic growth from 2018 to present day.

STAKEHOLDER ENGAGEMENT PLAN

INTENT:

The stakeholder engagement plan allows the project team to devise a systematic approach to ensure expectations, decisions, risk/issues, and project status is delivered to the right stakeholder at the right time with the most efficient and effective level of information. TDEC plans to actively engage with stakeholders to understand and partner regarding financial strategies to address the challenges presented by increasing costs and workloads.

PLANNED ENGAGEMENT ACTIVITIES

August/September 2025: Internal project team meetings to outline strategy, goals, deliverables and timelines. OEA will send out initial MyEmma communications and will schedule initial Teams webinars.

October-December 2025: Creation of an informational website, sending of a regular news blast, and hosting an initial webinar.

- Present an initial menu of options and early framework for potential fee changes.
- APC to develop fee structure options. Present these options in a virtual format to the Non-Title V stakeholders. Use webinar and “breakout rooms” to facilitate discussion of the various topics presented and gain feedback through a live survey.
 - Near the time of the webinar, TDEC will provide stakeholders with a document outlining the concepts, framing the problem, and directing stakeholders to resources.
 - As a follow-up to the webinar, TDEC will provide a survey via email to customers asking them to identify issues, rank options, and provide general feedback.
 - October 2025: Meet with the TN Chamber of Commerce and Industry’s air pollution subcommittee and discuss the overall stakeholder engagement strategy.

November 2025: Creation and distribution of a public survey (comment card), hosting webinars to present refined fee structure options, potentially one in person event, and sending out follow-up feedback surveys after events. During this phase, we will continue to keep the website updated and send out periodical news blasts.

December 2025-January 2026: With the comments and insights gained from previous events, we will take the winter of 2025/2026 to draft the first version of the revised NTV fee draft rule.

Public survey/comment card will close, and the division will review all feedback received. They will then create a final draft rule that will begin the formal rulemaking review process within TDEC and the larger state government bureaucracy. This may take more than a year to complete. At the end of this process will be a public hearing. We anticipate that to take place in **August 2026**.

November-December 2026: The final rule will be introduced to the Division’s overseeing body, the Air Pollution Control Board. APC Board will review and vote on new proposed Non-Title V fee rule.