

1. from Theresa Elliott:

Question: Something changed in 2014 that nearly doubled our fees in 2015.

Response: The fee rule for fiscal year 2014 introduced the initial concept of a base fee (instead of a minimum fee) that was different from the current base fee. Under this base fee, set at \$7,500 in lieu of the \$7,500 minimum fee, sources with total allowable emissions of 250 tons per year, excluding carbon monoxide (CO), paid only the base fee. Sources with total allowable emissions above 250 tons per year paid \$7,500 and the dollar per ton fees plus the base fee. Some sources did see significant increases in their fees, in some cases nearly double what they paid previously, under this structure. It was replaced in fiscal year 2016 by a return to the \$7,500 minimum fee and higher dollar per ton rates.

2. from cjones@azr.com:

Question: Do you think that the decrease in fee collections has anything to do with companies switching to paying via actual emissions vs allowable?

Response: Yes, some of the decrease in fees is due to facilities switching from determining their fees based on allowable emissions to actual emissions. Facilities in Tennessee have historically been allowed to change their calculation method from allowable to actual and vice versa. However, until 2015, that change could only be made upon renewal of the facility's Title V permit, which occurs approximately every 5 years. In 2015, the Air Pollution Control Board changed the Title V rule to allow facilities to make this change every year, as long as they submitted their intent to do so by December 31st of the year prior to the year in which fees would be due. As a result, a number of facilities have switched from allowable to actual emissions as the basis for paying fees. However, the majority of the reduction in fees is due to a reduction in actual emissions. Over the past few years many facilities, both Electrical Utility Generating Units (EGUs) and non-EGUs, have switched from burning coal to burning natural gas, have retired older coal-fired boilers, and have made other changes in their processes which have resulted in emission reductions. As an illustration of this change, actual emissions of sulfur dioxide, nitrogen oxides, particulate matter, and volatile organic compounds (the four pollutants which make up the majority of the fee-based emissions) from Tennessee's Title V facilities reported to EPA's National Emissions Inventory dropped from 220,201 tons in 2011 to 100,819 tons in 2017. Further reductions have happened since 2017. This decrease is evidenced by the fact that all ambient air quality monitors are currently measuring compliance with all federal clean air standards.

Response:

3. from Theresa Elliott:

Question: I love this tool, used it in the past. Is this newest tool available on TDEC's website?

Response: Yes, there are two new Title V fee analysis tools, one for 2021 fees and one for 2022 fees. Both are available on the TDEC website at <https://www.tn.gov/environment/program->

[areas/apc-air-pollution-control-home/apc/permits-air/permit-fees/title-v-permit-fees.html](https://www.tn.gov/environment/areas/apc-air-pollution-control-home/apc/permits-air/permit-fees/title-v-permit-fees.html) or by going to www.tn.gov/environment then selecting “Permitting”, “Air Permits”, “Permit and Annual Emission Fees”, and “Title V Fees”

4. from Chad:

Question: The minimum fee due is the base fee (\$5000) plus the Minimum Fee (\$9000) for total of \$14,000?

Response: The minimum fee is not added to the base fee. As illustrated on page 23 of the presentation, a facility should determine its **calculated fee** based on emissions multiplied by the appropriate fee rate. The **total fee** is then determined by adding the **base fee** to the **calculated fee**. Then, the facility should compare the **total fee** against the **minimum fee**. If the **total fee** is less than the **minimum fee**, then the facility pays the **minimum fee**. If **total fee** is equal to or exceeds the **minimum fee**, the facility should pay the total fee. The **minimum** fee is NOT added to the **total fee**. There are Title V Fee Summary forms on the Title V fee website (see above) that facilities should use when reporting their actual emissions for fee purposes (i.e., their AEAR reports). This form automatically calculates a facility’s total fee and will prevent a facility from incorrectly adding the minimum fee to the base fee or total fee. The Division plans on launching a new web portal, known as SLEIS, that facilities will use to submit their AEAR reports. This web portal will also calculate a facility’s fees and ensure that the base and minimum fees are correctly applied.

Note: There was an error on page 28 of the presentation. That slide indicated that the proposed base fee for 2022 fees is \$5000. The proposed base fee for 2022 fees is \$6000. A corrected presentation has been posted on the Title V Fees website.