



Department of
**Environment &
Conservation**

Title V Fee Workshop 1

March 9, 2016

Agenda

- Workload Analysis Update
- State Survey Update
- Development of Options Matrix

Title V Permitting Workload Analysis

- Title V permitting is source-specific
- Workload analysis to be completed for a number of current permittees representative of various permitting scenarios
- Goal: Monetize costs of Title V permitting for a sample of permittees
- Workload analysis results to inform fee structure revisions
- Analysis representative of 5-year permitting cycle
- Estimated completion: Mid-April

Title V Fee Basis (40 C.F.R. §70.9(b))

The State program shall establish a fee schedule that results in the collection and retention of revenues sufficient to cover the permit program costs. These costs include, but are not limited to, the costs of the following activities as they relate to the operating permit program for stationary sources:

- Regulatory or guidance development
- Permitting activity
- Administrative costs of running the program
- Implementation and enforcement
- Emissions and ambient monitoring
- Modeling, analyses, or demonstrations
- Preparing inventories and tracking emissions; and
- Direct and indirect support to sources under the Small Business Stationary Source Technical and Environmental Compliance Assistance Program

Monetization of Title V Program Activities

Planned Analysis	Program Activity
<p>Title V program share allocated to permittee</p> <ul style="list-style-type: none"> • Pro rata based on share of number of Title V permits in given year • Pro rata based on share of total 2014 emissions without cap 	<p>Regulatory or guidance development</p> <p>Administrative costs of running the program</p> <p>Preparing inventories and tracking emissions</p> <p>Support of Small Business Environmental Assistance Program</p>
<p>Permittee-specific allocation of employee time in FYs 2011-2015</p> <ul style="list-style-type: none"> • Employee hours allocated to permittee in Smog Log • Hourly rate determined for employee base on salaries 	<p>Permitting activity</p>
<p>Permittee-specific allocation of employee time in FYs 2011-2015 where available or applicable</p> <ul style="list-style-type: none"> • Employee hours allocated to permittee in Smog Log • Hourly rate determined for employee base on salaries <p>AND/OR</p> <p>Title V program share allocated to permittee where specific allocation unavailable or not applicable</p> <ul style="list-style-type: none"> • Pro rata based on share of number of Title V permits • Pro rata based on share of total emissions without cap 	<p>Implementation and enforcement</p> <p>Emissions and ambient monitoring</p> <p>Modeling, analyses, or demonstrations</p>

Workload Analysis Permittees

Company	2014 Tons without Cap	Over Current Cap	EGU/Non-EGU	Subject to MACTs
Eastman	36,566.0	Yes	Non-EGU	Yes
TVA Cumberland	17,179.0	Yes	EGU	Yes
Jack Daniels	9,318.9	Yes	Non-EGU	No
Resolute Forest Products	12,879.9	No	Non-EGU	Yes
Bridgestone/Firestone Smyrna	868.5	No	Non-EGU	No
Johns Manville	561.6	No	Non-EGU	Yes
General Shale Brick	157.9	No	Non-EGU	No
MasterCraft Boat	137.9	No	Non-EGU	Yes

Pro Rata Shares of Workload Analysis Companies

Company	2014 Tons without Cap	Pro Rata Share Based on 2014 Program Emissions	Number of Title V Permits	Pro Rata Share Based on Program Number of Permits
Eastman	36,566.0	15.9%	29	11.11% - 18.24%
TVA Cumberland	17,179.0	7.5%	1	0.38% - 0.63%
Jack Daniels	9,318.9	4.1%	1	0.38% - 0.63%
Resolute Forest Products	12,879.9	5.6%	1	0.38% - 0.63%
Bridgestone/Firestone Smyrna	868.5	0.4%	1	0.38% - 0.63%
Johns Manville	561.6	0.2%	1	0.38% - 0.63%
General Shale Brick	157.9	0.07%	1	0.38% - 0.63%
MasterCraft Boat	137.9	0.06%	1	0.38% - 0.63%

Next Steps

- Understanding availability of data within Smog Log
 - Permittee-specific data
 - Staff time allocation to permittee data
- Gathering salary information for employees involved in Title V fee work generally and for specific permittees
- Allocation of APC staff time to specific program activities
 - Central Office APC Staff
 - Field Office APC Staff
 - General Council

Southeastern State Title V Fee Mechanisms Research

- Research Approach
- Question Topic Areas:
 - Current Title V fee rates
 - Fee pollutants
 - Fee basis
 - Automatic annual adjustment and value used
 - Maximums for Title V sources
 - Minimums for Title V fees
 - Application/permitting fees and/or add on fees
 - Other funding sources
 - Title V fee revenues, emissions, and sources
 - Revenue reduction concerns

Fees (\$/ton), Fee Pollutants, and Basis

State/Program	Fee (\$/ton)	Fee Pollutants	Basis
MS	\$41.00	All regulated pollutants except CO, GHG, 112(r), Title VI	Actuals or Allowables (optional)
SC	\$48.27	All regulated pollutants except CO, GHG, 112(r), Title VI	Actuals (new facilities pay on allowables prior to operation)
AL	\$42 (Sept. 2015)	PM, PM10, PM2.5, NOx, SO2, VOCs, HAPs	Actuals
FL	\$30.00 (can be set between \$25-\$35 as necessary to operate the program)	All regulated pollutants for which a numeric limit is specified in the most recent permit except CO and GHGs.	Actuals
KY	\$76.80 for FY2016 (2014 emissions) (applies to facilities who emit over 25TPY of "Fee Pollutants")	PM10, NO2, SO2, VOC	Actuals
VA	\$60.91 for FY2016 (applies to facilities who emit over 10TPY of "Fee Pollutants" aka non VOC/PM/HAPs)	PM, NOx, SOx, VOCs, Lead	Actuals
WV	46.28 for FY2017 (previous fee = \$26.00 base fee + CPI = \$42.80); incomesue due to CPI increase and \$2 Director increase	PM (filterable & condensable), NOx, SO2, VOCs, HAPs, Lead, CFCs	Actuals
TN	\$43 (non-EGU)	All regulated pollutants except CO and GHGs on the basis of being a GHG.	Actuals or Allowables (declare chosen option when app submitted)
	\$49.50 (EGU)		
GA	\$37.34 (major sources with a coal fired EGU)	PM (filterable and condensible), NOx, SO2, VOCs	Hybrid: If have a permit limit, pays on allowables. If there is no permit limit pays on actuals.
	\$35.50 (all other major sources)		
NC	\$31.78	All regulated air pollutants except CO, 112(r), and Title VI	Actuals

Automatic Annual Adjustment

State/Program	Automatic Annual Adjustment
MS	No
	(annual evaluation based on program cost)
SC	Yes
	(based on CPI)
AL	No
	(annual evaluation based on program cost)
FL	No
	(annual evaluation based on program cost)
KY	No
	(annual evaluation based on program cost)
VA	Yes
	(based on CPI)
WV	Yes
	(based on CPI [also base fee can be adjusted +/- \$2 by Director annually]) CPI value came from EPA Guidelines, uses 1993 as base year
TN	No
	(annual evaluation based on program cost)
GA	No
NC	Yes
	(based on CPI)

Maximums for Sources and Minimums for Fees

State/Program	Maximums	Minimums
MS	4000TPY/pollutant	\$250/facility
SC	4000TPY/pollutant	Do not charge fee for less than 1 ton
AL	4000TPY/pollutant	None
FL	4000TPY/pollutant	\$50 (general permit facilities)
		\$250 (all others)
KY	4000TPY/pollutant	\$150 (applies to facilities who emit less than 25TPY; if over 25TPY then pay per ton rate)
VA	4000TPY/pollutant	if less than 10 tons of billable tons, not billed
WV	4000TPY/pollutant	Pay on calculated fee or State Program Fee (\$200-\$10,000 based on source category) , whichever is greater
TN	4000TPY/pollutant	\$7,500
GA	4000TPY/pollutant (possibly lower for coal EGUs depending on heat input- pay set amount based on large or small size regardless of how much they operate)	\$4,500
NC	4000TPY/pollutant	None

Application/ Permitting Fee and Other Funding Sources

State/Program	Application/Permitting Fee	Other Funding
MS	None	None
SC	None	Annual Maintenance Fee
		(\$500-\$10,000; depends on actual emissions)
AL	Permitting fees are charged for construction activities which require an Air Permit or Synthetic Minor Operating Permit (SMOP) and for modifications to units with existing permits.	None
FL	None AFTER they have received their initial TV UNLESS they trigger new source PSD	Enforcement is funded through 105 Grants and vehicle tag fees. (Fees fund all permitting & compliance activities.)
KY	None	NATTS funding (\$84,000) for monitoring a facility
VA	Yes, except for administrative amendments (increases annually based on CPI, which is calculated using Dept. of Labor for urban customers number)	Annual Maintenance Fee (increase annually based on CPI), funds from I/M program
WV	None	Permit transfer fee \$200
TN	None	None
GA	Yes	\$1700 SMOP fee, \$1500 NSPS fee
	(only for expedited issuance)	get % from I/M program
NC	*Yes	*Annual Permitting Fee i.e. Maintenance Fee
	(some fees increase annually based on CPI)	(some fees increase annually based on CPI)

FY2015 Total Revenues, Emissions, and Sources

State/Program	Total Title V Revenues for FY2015	Total Tons of Emissions for FY2015 (tons)	Total Number of Sources
MS	n/a	n/a	280
SC	n/a	n/a	250
AL	\$8,700,000 (estimate)	209,539	306
FL	n/a	n/a	n/a
KY	\$13,360,000	176,000	permit 1,200; only bill 692 (others are just monitored)
VA	\$9,700,000 (estimate)	138,000	679
WV	\$6,329,128 (FY2016)	145,198	160 major sources, also collect fees from deferred sources
TN	\$7,040,610	167,500	215
GA	\$11,820,153	n/a	n/a
NC	n/a	n/a	300 (estimate)

Virginia Example

- 2016 Emissions Fee Rate = \$60.91/ton
- 2016 Permit Application Fees:

Application For	2016 Application Permit Fee
Title V Permit	\$21,039
Title V Permit Renewal	\$10,519
Title V Permit Modification (except administrative)	\$3,681
Title V General Permit	\$525
Major NSR Permit	\$31,558
Major NSR Permit Amendment	\$7,363
State Major Permit	\$15,779
Minor NSR Permit (not also a state major permit)	\$1,577
Minor MSR Permit Amendment (except administrative)	\$788
State Operating Permit	\$7,363
State Operative Permit Amendment (except administrative)	\$3,681

Virginia Example Con't

- 2016 Annual Permit Maintenance Fees:

Stationary Source Type	2016 Maintenance Fee
Title V Complex Major Source	\$10,519
Title V Major Source	\$3,681
Title Source By Rule	\$1,577
Synthetic Minor 80% Source	\$1,051

Options Matrix

Option/Concept	Goal(s) Addressed	Notes	Owner (group)
Rate Increase	Budget shortfall; long term financial stability; administrative ease		
Cap removal/raise	Equitable responsibility for program costs; administrative ease		
Formula for rate in regulation; administratively adjusted/applied by board	Long term financial stability; administrative ease		
CPI/inflation adjustment	Long term financial stability; administrative ease		
One fee for all sources	Administrative ease	Retain actual & allowable	
Adjust report and pay	Long term financial stability	Move to March annually	

Options Matrix Continued

Option/Concept	Goal(s) Addressed	Notes	Owner (group)



Title V Fee Meeting

March 9, 2016

1:30 pm

Sign In Sheet – PLEASE PRINT

NAME	COMPANY	EMAIL ADDRESS
Mike Harvestick	Nissan	mike.harvestick@nissan-usa.com
Earl Hollis	Batesville	earl.hollis@batesville.com
Don Houston	TVA	DPHouston@TVA.GOV
Steu Gossett	Eastman	sgossett@eastman.com
Don Haines	Florm	dhaines@flormusa.com
Richard Hall	PCA	
Holley Hanes	General Motors	holley.hanes@gm.com
Tony Babb	CEC	tbabb@CECINC.COM
Alisa Hatmaker	Alcoa	alisa.hatmaker@alcoa.com
Lacey Hardin	TDEC- APC	lacey.hardin@tn.gov
Jimmy Johnston	TDEC- APC	^{James} Jimmy .johnston@tn.gov
Margaret Jayce	TDEC- POL	Margaret.jayce@tn.gov
Kendra Abkeowitz	"	Kendra.abkeowitz@tn.gov
Amy Spanna	Engasa	ASpanna@engasa.com
David Dewberry	CECO Door	David@dewberry@assasblo.com
Michael K Stagg	Waller Lawden	michael.stagg@wallerlaw.com
J. Wayne Cropp	Baker Donelson	jwcropp@bakerdonelson.com
Billy Stepp	Armstrong Flooring	BStepp@Armstrongflooring.com