

TENTATIVE AGENDA

State Of Tennessee
Regular Meeting
Air Pollution Control Board
Davy Crockett Tower, First Floor
Conference Room 1-A
500 James Robertson Parkway
Nashville, TN 37243-0582

In-Person and Remote Access Via Webex Webinar
(Webex Webinar Options Available-Details on the following page).

Wednesday, August 12, 2026
9:30 A.M. CT

Public Comments: If you wish to speak on topic(s) shown here, please print your name on the Sign-In sheet provided at the guest table or type your name into the Webex chat box. Someone will recognize you during the meeting for comments or questions.

AGENDA:

1. Welcome.
2. Roll Call.
3. Approval of June 10, 2026, board minutes. Pg. 3
4. Chelsea Materi, Extension Request for Construction Permit 978924 at BAE Systems Ordnance Systems Inc. – Holston Army Ammunition Plant B.O. 26-0010 Pg.13
Comments from the Public or Online Participants
5. Chelsea Materi, Extension Request for Construction Permit 980525 at BAE Systems Ordnance Systems Inc. – Holston Army Ammunition Plant B.O. 26-0011 Pg. 19
Comments from the Public or Online Participants

6. Chelsea Materi, Extension Request for Construction Permit 979082 at BAE Systems Ordnance Systems Inc. – Holston Army Ammunition Plant B.O. 26-0012 Pg. 27

****Comments from the Public or Online Participants****

7. James Johnston, FY2027 Workload Analysis B.O. 26-0013 Pg. 35

****Comments from the Public or Online Participants****

8. General Business:

9. Non-Title Five Workload Summary Pg. 77

10. Technical Secretary Remarks.

****Comments from the Public or Online Participants****

Final Remarks

Adjourn

The meeting will be held in compliance with Tennessee Code Annotated Section 8-44-108, as amended by Chapter 490 of the 1999 Public Acts of the Tennessee General Assembly. The meeting will be conducted permitting participation by electronic or other means of communication. Consequently, some members of the Tennessee Air Pollution Control Board are allowed to and may participate by electronic or other means of communication and may not be physically present at the announced location of the meeting.

This agenda is subject to change. For the latest board agenda, please contact:

Donna F. Brown (615) 981-3436 or

Donna.F.Brown@tn.gov (Email is preferred for prompt reply)

<https://tn.webex.com/tn/j.php?MTID=m4583b2d826fb697aef80ef21b8e75d20>

Air Pollution Control Board of the State of Tennessee

Regular Meeting Minutes

June 10, 2026

Call to Order and Attendance

On Wednesday June 10, 2026, at 9:34 A.M., the Air Pollution Control Board of the State of Tennessee (hereinafter referred to as the "Board") began its meeting on the 1st Floor of the Davy Crockett Tower, Conference Room 1-B.

Ms. Michelle Owenby, Director of the Division of Air Pollution Control, served as the Technical Secretary. Ms. Michelle Owenby, welcomed Board members and those in attendance.

The Vice-Chairman, Mayor Larry Waters, called the meeting to order and asked for a roll call.

Members Present (In Person)

- Ms. Tara Pedraza
- Dr. John Benitez
- Mr. Kyle Etheridge
- Mr. Michael Haverstick
- Ms. Catilin Roberts
- Mayor Ken Moore
- Ms. Amy Spann
- Mayor Larry Waters
- Mr. Jimmy West
- Steven Moore

Members Present (via Webex)

- Dr. Joshua Fu
- Mr. Nicholas Ramos

Members Absent

- None

Roll Call

Board Member	Vote
Ms. Tara Pedraza	Present
Dr. John Benitez	Present
Mr. Kyle Etheridge	Present
Mr. Michael Haverstick	Present
Ms. Caitlin Roberts	Present
Dr. Joshua Fu	Present
Mr. Stephen Moore	Present
Mayor Ken Moore	Present
Ms. Amy Spann	Present
Mr. Nicholas Ramos	Present
Mayor Larry Waters	Present
Mr. Jimmy West	Present

10 (ten) Board members were present in person, 2 (two) participated via Webex, and 0 (zero) were absent.

Approval of Minutes from May 13, 2026

The next item on the agenda was the approval of the minutes from May 13, 2026, Board meeting. The Vice-Chairman, Mayor Larry Waters, requested a motion to approve the minutes.

Mayor Ken Moore made a motion to approve the minutes, and Mr. Kyle Etheridge seconded the motion. The Vice-Chairman, Mayor Larry Waters, asked if there were any additions or corrections. Hearing none, the Vice-Chairman, Mayor Larry Waters, asked for a roll call.

Vote on May 13, 2026, Minutes

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The minutes were approved as presented.

Accidental Release Plans Rulemaking and Board Vote:

The Vice-Chairman, Mayor Larry Waters, called on John Bregger Jr. to present the Chapter 1200-03-32, Prevention of Accidental Release Plans Rulemaking.

Mr. John Bregger Jr. presented the finalized proposed rulemaking for revisions to Chapter 1200-03-32, Prevention of Accidental Releases. His presentation included background on the original purpose of the chapter, its connection to Title V Operating Permits in Tennessee, and a comparison between the current rule language and the proposed updates. He explained the need for the revised language and outlined the Division's rationale for transitioning the rule from control number 1200 to 0400.

Mr. Bregger also summarized the public comments received and TDEC-APC's responses to those comments. Following the presentation, the Board was asked to vote on the proposed revisions and authorize the Division to proceed with the remaining steps of the rulemaking process.

The Vice-Chairman, Mayor Larry Waters, requested a motion to approve the Chapter 1200-03-32, Prevention of Accidental Releases. Mr. Kyle Etheridge made a motion to approve the Board Order, and Mr. Stephen Moore seconded the motion. The Vice-Chairman, Mayor Larry Waters, asked for a roll call.

Chapter 1200-03-32, Prevention of Accidental Releases Vote:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes Chapter 1200-03-32, Prevention of Accidental Releases was approved as presented.

The proposed revisions to Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.06 General Permits:

The Vice-Chairman, Mayor Larry Waters, called on Ms. Lacey Hardin to present the proposed revisions to Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.06 General Permits.

Ms. Lacey Hardin presented proposed changes to (TAPCR) 1200-03-09-.06 General Permits. Ms. Hardin gave a short presentation that gave an overview of general permits and stated that the proposed revisions would allow the issuance of general permits to conditional major sources, which are sources that have opted out or avoided the requirement to obtain a Title V operating permit by accepting permit limitations. Ms. Hardin stated that only true minor sources are currently eligible for general permits under the provisions of this Rule.

The Vice-Chairman, Mayor Larry Waters requested a motion to approve revisions to Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.06 General Permits. Mayor Ken Moore made a motion, and Ms. Amy Spann seconded. The Vice-Chairman, Mayor Larry Waters asked for a roll call.

Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.06 General Permits Vote:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The proposed revisions to Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.06 General Permits were approved as presented.

The Vice-Chairman, Mayor Larry Waters, called on Ms. Michelle Oakes, manager of the Regulatory Development Section to present the renewal of the Certificates of Exemption (COEs), for Tennessee's four Local Air Pollution Control Programs.

Ms. Oakes provided background on the COEs that covered all four Board orders.

Tennessee's Air Quality Act in Title 68 allows local governments an exemption from state supervision, essentially to have their own air pollution control program. Additionally, the TCA provides that so long as the Board determines that Local Programs have provisions enacted that are not less stringent than those of the State, and that such provisions are being adequately enforced, the COE shall be granted.

These certificates can be for a duration of up to two years. Each of the current COEs expires on June 30, 2026. The new certificates are proposed for the period July 1, 2026, through June 30, 2028. The Technical Secretary is recommending renewal of each of the COEs as proposed.

It was noted that there is a list of items in section two of the Board orders for which the local air agency wishes to have authority. This authority must be explicitly granted by the Board and is limited to the language of the exemption.

Ms. Oakes then introduced representatives from each of the four local programs who briefly presented to the Board as the Board considered each board order.

Renewal of the Certificate of Exemption for Davidson County Board Order 26-003:

Ms. Oakes welcomed to the podium Mr. John Finke, Director, Division of Pollution Control for Metro Nashville and Davidson County, who briefly presented to the Board.

The Vice-Chairman, Mayor Larry Waters requested a motion to approve the Renewal of the Certificate of Exemption for Davidson County Board Order 26-003. Mr. Kyle Etheridge made a motion, and Ms. Amy Spann seconded. The Vice-Chairman, Mayor Larry Waters asked for a roll call.

Renewal of the Certificate of Exemption for Davidson County Board Order 26-003:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The Renewal of the Certificate of Exemption for Davidson County Board Order 26-003 was approved as presented.

Ms. Oakes welcomed to the podium Mr. Ron Drumeller, Director, Chattanooga/Hamilton County Air Pollution Control Bureau, who briefly presented to the Board.

The Vice-Chairman, Mayor Larry Waters requested a motion to approve the Renewal of the Certificate of Exemption for Hamilton County Board Order 26-004. Mayor Ken Moore made a motion, and Mr. Stephen Moore seconded. The Vice-Chairman, Mayor Larry Waters asked for a roll call.

Renewal of the Certificate of Exemption for Hamilton County Board Order 26-004:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The Renewal of the Certificate of Exemption for Hamilton County Board Order 26-004 was approved as presented.

Ms. Oakes welcomed to the podium Ms. Rebecca Larocque, Director, Division of Air Quality Management for Knox County, who briefly presented to the Board.

The Vice-Chairman, Mayor Larry Waters requested a motion to approve the Renewal of the Certificate of Exemption for Knox County Board Order 26-005. Mr. Kyle Etheridge made a motion, and Mayor Ken Moore seconded. The Vice-Chairman, Mayor Larry Waters asked for a roll call.

Renewal of the Certificate of Exemption for Knox County Board Order 26-005:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The Renewal of the Certificate of Exemption for Knox County Board Order 26-005 was approved as presented.

Ms. Oakes welcomed to the podium Mr. Wasim Khokhar, Technical Manager, Air Pollution Control Section in the Environmental Health Bureau for the Shelby County Health Department, who briefly presented to the Board.

The Vice-Chairman, Mayor Larry Waters requested a motion to approve the Renewal of the Certificate of Exemption for Shelby County Board Order 26-006. Dr. John Benitez made a motion, and Ms. Amy Spann seconded. The Vice-Chairman, Mayor Larry Waters asked for a roll call.

Renewal of the Certificate of Exemption for Shelby County Board Order 26-006:

Board Member	Vote
Ms. Tara Pedraza	Yes
Dr. John Benitez	Yes
Mr. Kyle Etheridge	Yes
Mr. Michael Haverstick	Yes
Ms. Caitlin Roberts	Yes
Dr. Joshua Fu	Yes
Mr. Stephen Moore	Yes
Mayor Ken Moore	Yes
Ms. Amy Spann	Yes
Mr. Nicholas Ramos	Yes
Mayor Larry Waters	Yes
Mr. Jimmy West	Yes

Result: The motion carried with 12 (twelve) affirmative votes. The Renewal of the Certificate of Exemption for Shelby County Board Order 26-006 was approved as presented.

Non-Title V Fee Rule Revision Board Briefing:

The Vice-Chairman, Mayor Larry Waters, called on Mr. Mark Reynolds to present the Non-Title V Fee Rule Revision Board Briefing.

Mr. Mark Reynolds, Division of Air Pollution Control, briefed the Board on the Non-Title V fee rule revision. Mr. Reynolds reviewed the statutory authority for air quality fees and the stakeholder engagement feedback. Mr. Reynolds stated that the proposed rule would revise the following Non-Title V fees: construction permit application fee, annual emission fee, conditional major review fee, and construction permit application revision fee. The proposed rule would also add a new fee for construction permit extension amendments for both Non-Title V and Title V sources and clarify certain provisions of the fee rule.

Uniform Administrative Procedures Act Board Briefing:

The Vice-Chairman, Mayor Larry Waters, called on Mr. Grant Ruhl to present the Uniform Administrative Procedures Act Board Briefing.

Mr. Grant Ruhl with the Office of General Counsel presented the Uniform Administrative Procedures Act to the Board.

Adjournment

There being no further business to discuss before the Board, nor members of the public wishing to address the Board, the meeting was adjourned at 11:15 A.M.

Approvals and Signatures

Approved at Nashville, Tennessee _____

Ms. Michelle Owenby, Technical
Secretary Tennessee Air Pollution
Control Board

Mayor Larry Waters, Vice-Chairman Tennessee
Air Pollution Control Board

Mr. David Salyers, Chairman Tennessee
Air Pollution Control Board

ORDNANCE SYSTEMS INC.
 4509 West Stone Drive
 Kingsport, Tennessee 37660-9982
 Telephone (423) 578-6000

June 15, 2026

Ms. Michelle Walker Owenby, Director
 Tennessee Department of Environment and Conservation
 Division of Air Pollution Control
 Davy Crockett Tower
 500 James Robertson Pkwy, 6th Floor
 Nashville, TN 37243

Reference: Extension request for Construction Permit 978924 at BAE Systems Ordnance Systems Inc.,
 Holston Army Ammunition Plant

Dear Ms. Owenby:

BAE Systems Ordnance Systems Inc. (OSI), operating contractor for Holston Army Ammunition Plant (HSAAP) in Kingsport, respectfully requests an extension for the following construction permit for the associated RDX expansion projects:

Permit Number	Source Number	Current Expiration Date	Requested Expiration Date	Source Description
978924	37-0028-133	8/31/26	2/28/28	Acetyl Refining Facility (startup in process)
	37-0028-134	8/31/26	2/28/28	Kettle Drying Facility (insignificant)
	37-0028-135	8/31/26	2/28/28	Analytical Lab (insignificant)

While source 133 is currently in the process of starting up, insignificant sources 134 and 135 will be completing construction, pre-startup activities, and commissioning activities into next year. For both sources, key dates and activities, based on current schedule expectations, are included in summary tables attached to this letter.

Permit 978924

Source 37-0028-133, Acetyl Refining Facility

As stated, this process is currently undergoing start-up activities. OSI is currently anticipating submission of the application to modify the Title V operating permit as required by this permit, in August. Full transition to operations has primarily been hindered due to pre-startup and commissioning activities, ensuring all government specifications and requirements are met.

Source 37-0028-134, Kettle Drying Facility

Delays in equipment fabrication and delivery have caused the original construction schedule to lengthen. The project team is currently expecting mechanical completion by winter of 2026 with commissioning completion and transition to operations by December 2027. For this source, commissioning completion is highly dependent on Government approval finished material.



Source 37-0028-135, Analytical Lab

This project is currently estimating completion of construction and commissioning along with a transition to operations by February 2028. Some difficulties in timely procurement of materials and in construction execution, primarily with administration, structural, and utility areas of the building, have lengthened the original schedule.

Approaching Actions

There are two more notable actions for eventual discussion and review. For the analytical lab, source 135, information identified during the evaluation for this extension request indicates a modification to the current construction permit is needed. Although the extension is still required, a new construction permit application is planned once all data is collected and evaluations are completed. This is anticipated to occur in early fall. Extension requests for the expansion project phases II and IV, covered by construction permits 980525 and 979082, will be required. OSI envisions submitting these extension requests around September, once commissioning schedules become more definitive.

Mr. James Ogle serves as OSI's primary contact for air program issues and may be reached at (423) 578-6231 or by email at james.ogle@baesystems.us. Ms. Amy Crawford is a secondary contact and may be reached at (423) 578-6417 or by email at amy.crawford@baesystems.us. Please do not hesitate to contact Mr. Ogle or Ms. Crawford should questions arise or additional information be needed.

As the Responsible Official, I certify that to the best of my knowledge and based on information and belief formed after reasonable inquiry, the statements and information contained in this letter are true, accurate, and complete.

Sincerely,

BAE SYSTEMS Ordnance Systems Inc.

 On Behalf Of
Todd D. Hayes
General Manager

cc Environmental Affairs Files 1305/2026
HSAAP/Reed



Construction Permit 978924, Source 37-0028-135 (Analytical Lab) Timeline

Description	Date
Construction Permit Application Submitted	March 12, 2021
Permit Issuance	August 2, 2021
Final Design and Construction Contract Award from the Government	March 24, 2021
Design Completion	February 2022
Construction Start	September 2022
Permit Expiration Date	August 31, 2023
Construction Schedule Slippage (e.g. material lead times, barricade construction, performance issues with wall castings)	
First Extension Request Submitted	July 14, 2023
First Permit Extension Issued	August 15, 2023
First Extension Expiration Date	February 28, 2025
Second Extension Request Submitted	November 7, 2024
Board Hearing	January 8, 2025
Second Extension Issued	February 5, 2025
Second Extension Expiration Date	August 31, 2026
Construction Schedule Slippage - performance of the cast in place walls, structural steel, and related non-air pollution related building elements led to setbacks in wall placement execution which necessitated rework and progressed into overall project delays.	
Third Extension Request Submitted	June 2026
Completion of Construction Activities	September 2027
Inspections, Corrective Actions, Moving and Setting Up Equipment from Existing Lab, Equipment and Instrument Checkout, Commissioning	September – December 2027
Building Approved for Use by the Government	December 2027 to February 2028

Construction activities have occurred since September 2022 and there has not been a period of 18 months or more when construction was discontinued.

Construction Permit 978924, Source 37-0028-134 (Kettle Drying Facility) Timeline

Description	Date
Construction Permit Application Submitted	March 12, 2021
Permit Issuance	August 2, 2021
Final Design and Construction Contract Award from the Government	September 29, 2021 UCO (Unpriced Change Order) received allowing work to begin; contract definitized September 30, 2022
Construction Start	January 2023
Permit Expiration Date	August 31, 2023
First Extension Request Submitted	July 14, 2023
First Permit Extension Issued	August 15, 2023
First Extension Expiration Date	February 28, 2025
Second Extension Request Submitted	November 7, 2024
Board Hearing	January 8, 2025
Second Extension Issued	February 5, 2025
Second Extension Expiration Date	August 31, 2026
Delivery of Kettles (primary delay)	October 2025
Incorporation of best practices identified during commissioning of other similar projects to enhance the building's overall environmental and safety performance.	Ongoing
Third Extension Request Submitted	June 2026
Physical Construction Activities Complete	September to December 2026
Inspections, Corrective Actions, Operator Training, Equipment and Instrument Checkout, Water/Surrogate Material Trials, Live Trials, Generation of First Article Testing Material, Commissioning Completion	August 2026 – March 2027
Government Approval of FAT Material and for Building to Transition to Production Operation	December 2027

Construction activities have occurred since January 2023 and there has not been a period of 18 months or more when construction was discontinued.

In consideration of the Technical Secretary's recommendation, the Board grants the permit extension. Entered and approved by the following Board Members on August 12, 2026.

[illegible]

ORDNANCE SYSTEMS INC.
4509 West Stone Drive
Kingsport, Tennessee 37660-9982
Telephone (423) 578-6000

July 14, 2026

Ms. Michelle Walker Owenby, Director
Tennessee Department of Environment and Conservation
Division of Air Pollution Control
Davy Crockett Tower
500 James Robertson Pkwy, 6th Floor
Nashville, TN 37243

Reference: Extension request for Construction Permits 980525 and 979082 at BAE Systems Ordnance Systems Inc., Holston Army Ammunition Plant

Dear Ms. Owenby:

BAE Systems Ordnance Systems Inc. (OSI), operating contractor for Holston Army Ammunition Plant (HSAAP) in Kingsport, respectfully requests extensions for the following construction permits associated with the RDX expansion projects:

Permit Number	Source Number	Current Expiration Date	Requested Expiration Date	Source Description
980525	37-0028-128	1/31/27	7/31/28	Weak Acetic Acid Recovery Process (WAARP)
	37-0028-129	1/31/27	7/31/28	WAARP Tank Farm
	37-0028-130	1/31/27	7/31/28	Melt Cast (insignificant)
	37-0028-131	1/31/27	7/31/28	Wash Building
	37-0028-132	1/31/27	See source summary	ANSol Tank Farm (insignificant)
979082	37-0028-136	12/31/26	12/31/28	Nitration Facility

Source -129 has started up and -128 is expected to start up in July 2026, so a Title V permit modification should be submitted for those sources before January 31, 2027. However, sources -130, -131, and -132 are not expected to start up prior to expiration of the construction permit. For each of the sources except -132, summary tables of key dates and activities have been attached to this letter. Dates that are included for the projects' future activities are based on current schedule expectations.

980525, Sources 37-0028-128 and -129, WAARP and WAARP Tank Farm

As noted above, the WAARP tank farm is in operation, and the process is expected to start up this month. Since BAE is requesting an extension for the other sources included in this permit, we would also like to include these two sources in case something unexpected happens with the process equipment startup.

980525, Source 37-0028-130, Melt Cast Facility (insignificant)

Final construction activities are in progress. Equipment testing and instrument checkout is underway and almost complete. Items left to complete include water trials, inert trials, chemical trials, and production of first article testing (FAT) batches. The Government must approve the FAT batches and approve placing the building into production which signifies startup of the source. The current schedule indicates startup will occur prior to January 31, 2027, but it is always possible delays could occur.

980525, Source 37-0028-131, Wash Building

Final construction activities are in progress. Equipment testing and instrument checkout is underway and almost complete. Water trials are expected to occur in September with initial chemical trials currently planned to start in November. As with the other explosives production buildings, the Government must approve first article testing (FAT) batches and approve the building for production use before the source can be considered started up.

980525, Source 37-0028-132, ANSol Tank Farm

BAE submitted a 90% design to the government in September 2022. However, the government then decided to proceed in a different direction with the project. The U.S. Army Corps of Engineers (USACE) was awarded management of the project and they awarded a design-build contract to their subcontractor in May 2025. Their 65% design has been completed with 95% design completion expected in November of 2026. Construction is then expected to start in the Spring of 2027 with construction completion forecasted for September of 2028. Checkout and commissioning activities would then occur during fourth quarter of 2028 and first quarter of 2029. Due to the delays in project execution and possible changes that may occur with the design, a new application may be submitted in the future. In the meantime, it is requested to include this source in an extension for permit 980525.

979082, Source 37-0028-136, Nitration Facility

As noted previously, turnover of key personnel working on the project hindered execution of the original schedule. Structural steel erection began in January 2025, and construction completion is expected later this year with checkout and commissioning activities taking most of 2027 due to the complexity of this process. The requested extension date is to allow time to complete construction and commissioning, gain Government approval to place the building into production, conduct emissions testing, and submit the Title V permit modification application.

Mr. James Ogle serves as OSI's primary contact for air program issues and may be reached at (423) 578-6231 or by email at james.ogle@baesystems.us. Ms. Amy Crawford is a secondary contact and may be reached at (423) 578-6417 or by email at amy.crawford@baesystems.us. Please do not hesitate to contact Mr. Ogle or Ms. Crawford should questions arise or additional information be needed.

As the Responsible Official, I certify that to the best of my knowledge, and based on information and belief formed after reasonable inquiry, the statements and information contained in this letter are true, accurate, and complete.

Sincerely,

BAE SYSTEMS Ordnance Systems Inc.



Todd D. Hayes
General Manager

Enclosures

cc Environmental Affairs Files 1305/2026
HSAAP/Reed

Construction Permit 977642/980525, Sources 37-0028-128 and -129 (WAARP and WAARP Tank Farm) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Final Design and Construction Contract Award from the Government	September 24, 2020
Construction Start	April 21, 2021
Submittal of Revised BACT Analysis	June 22, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
New Construction Permit (980525) Issued	March 6, 2023
Construction Schedule Extended (key items included longer lead times than expected for some materials, challenges with field-fabricated tanks meeting explosive service standards, and heat exchanger fabrication)	April 2021 – December 2024
Equipment and Instrument Check-Out	July – February 2025
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 – Present	• Receipt of equipment • Installation of equipment, piping, wiring, instruments • Working through various punchlist items • Recertification of relief valves • Testing and checkout of equipment, instruments, and control system
37-0028-129 Tank Farm Startup	April 9, 2026 (Notification submitted April 13, 2026)
Water Trials	May – June 2025
Chemical Trials	June – July 2026
Startup*	July 2026
Emissions Testing*	September 2026
Submittal of Title V Modification Application (will incorporate emissions testing results); Submittal of Condenser Design Evaluations and Operating Plans*	December 2026
First Permit Extension Expiration Date	January 31, 2027

*Forecasted dates

BAE Systems plans to submit an application for a Title V significant modification for both 37-0028-128 and -129 prior to the expiration of permit 980525.

Construction Permit 977642/980525, Source 37-0028-130 (Melt Cast Facility) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Final Design and Construction Contract Award from the Government	March 30, 2021
Construction Start	August 2021
Submittal of Revised BACT Analysis (for other sources included in 977642)	June 22, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
New Construction Permit (980525) Issued	March 6, 2023
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 - present	Construction activities have been ongoing. The project has been working to complete modifications to the kettle and kettle lids to move from construction complete into commissioning. Currently, modifications to the kettle lids are the greatest risk to schedule, as their completion is linked to starting inert and performance trials. Electrical and instrument checkout has been ongoing and is expected to be complete by the end of July 2026.
Water Trials	July – August 2026
Inert Trials*	August – September 2026
Chemical Trials, Generation First Article Testing (FAT) Material*	September – October 2026
Government Approval of FAT Material and for Building to be Placed into Production*	December 2026
First Permit Extension Expiration Date	January 31, 2027

* Forecasted dates

Construction activities have occurred since August 2021 and there has not been a period of 18 months or more when construction was discontinued.

Construction Permit 977642/980525, Source 37-0028-131 (Wash Building) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Construction Bidding and Contract Negotiations	2021-2022
Submittal of Revised BACT Analysis	June 22, 2022
Construction Contract Award from the Government	November 4, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
Construction Start	February 27, 2023
New Construction Permit (980525) Issued	March 6, 2023
Construction Permit (977642) Expiration	May 14, 2023
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 - present	Construction activities have continued, including: • Receipt of equipment • Installation of equipment, piping, wiring, instruments, and lightning protection • Testing and checkout of equipment, instruments, and control system (ongoing)
Equipment and Instrument Check-out	May – August 2026
Water Trials*	September 2026
First Permit Extension Expiration Date	January 31, 2027
Chemical Trials including Generation of First Article Testing (FAT) material*	November 2026 – March 2027
FAT Material and Building Approved for Production Use by the Government (= startup) *	December 2026 – March 2027
Submittal of Design Evaluation and Monitoring Plan for Scrubber*	June 2027
Application Submittal for Operating Permit*	July 2027

*Forecasted dates

The Filtration and Wash Building was included in the Phase 2 expansion project submittal based on the expected timeline for work on this building to start. However, contract negotiations delayed the schedule, so construction started almost 3 years after the original permit #977642 was issued. Construction activities have occurred since February 2023 and there has not been a period of 18 months or more when construction was discontinued.

Construction Permit 979082, Source 37-0028-136 (Nitration Facility) Timeline

Description	Date
Construction Permit Application Submitted	May 18, 2021
Permit Issuance	November 5, 2021
Construction Contract Award from Army	December 9, 2022
Design Completion	Civil Package complete May 11, 2022. Additional packages followed allowing construction to start. Piping Design is estimated to be complete December 2024.
Construction Start	January 2023
Permit Expiration Date	December 31, 2023
First Extension Request Submitted	July 14, 2023
First Permit Extension Issued	August 15, 2023
Structural Steel Design Contract Award (delayed due to project personnel turnover)	December 20, 2023
Second Extension Request Submitted	November 7, 2024
Structural Steel Erection Start	January 2025
First Extension Expiration Date	June 30, 2025
Second Permit Extension Issued	February 5, 2025
February 2025 – present	Construction activities have been ongoing since February 2025. Delays have been attributable to Process Hazard Analysis and IFC (issue for construction) model review actions being implemented as well as delays in execution of scheduled activities by the general contractor.
Construction Completion*	Fourth Quarter 2026
Equipment and instrument check-out*	First and Second Quarter 2027
Second Extension Expiration Date	December 31, 2026
Water Trials; Inspections by BAE personnel and Government personnel; Approval by all parties to introduce chemicals*	Second Quarter 2027
Chemical Trials, Generation of First Article Testing (FAT) Material*	Third and Fourth Quarter 2027
Government Approval of FAT Material and for Building to be Placed into Production*	Fourth Quarter 2027
Emissions Testing*	Fourth Quarter 2027 or First Quarter 2028
Application Submittal*	Second Quarter 2028

*Forecasted dates

Construction activities have occurred since January 2023 and there has not been a period of 18 months or more when construction was discontinued.

In consideration of the Technical Secretary's recommendation, the Board grants the permit extension. Entered and approved by the following Board Members on August 12, 2026.

ORDNANCE SYSTEMS INC.
4509 West Stone Drive
Kingsport, Tennessee 37660-9982
Telephone (423) 578-6000

July 14, 2026

Ms. Michelle Walker Owenby, Director
Tennessee Department of Environment and Conservation
Division of Air Pollution Control
Davy Crockett Tower
500 James Robertson Pkwy, 6th Floor
Nashville, TN 37243

Reference: Extension request for Construction Permits 980525 and 979082 at BAE Systems Ordnance Systems Inc., Holston Army Ammunition Plant

Dear Ms. Owenby:

BAE Systems Ordnance Systems Inc. (OSI), operating contractor for Holston Army Ammunition Plant (HSAAP) in Kingsport, respectfully requests extensions for the following construction permits associated with the RDX expansion projects:

Permit Number	Source Number	Current Expiration Date	Requested Expiration Date	Source Description
980525	37-0028-128	1/31/27	7/31/28	Weak Acetic Acid Recovery Process (WAARP)
	37-0028-129	1/31/27	7/31/28	WAARP Tank Farm
	37-0028-130	1/31/27	7/31/28	Melt Cast (insignificant)
	37-0028-131	1/31/27	7/31/28	Wash Building
	37-0028-132	1/31/27	See source summary	ANSol Tank Farm (insignificant)
979082	37-0028-136	12/31/26	12/31/28	Nitration Facility

Source -129 has started up and -128 is expected to start up in July 2026, so a Title V permit modification should be submitted for those sources before January 31, 2027. However, sources -130, -131, and -132 are not expected to start up prior to expiration of the construction permit. For each of the sources except -132, summary tables of key dates and activities have been attached to this letter. Dates that are included for the projects' future activities are based on current schedule expectations.

980525, Sources 37-0028-128 and -129, WAARP and WAARP Tank Farm

As noted above, the WAARP tank farm is in operation, and the process is expected to start up this month. Since BAE is requesting an extension for the other sources included in this permit, we would also like to include these two sources in case something unexpected happens with the process equipment startup.

980525, Source 37-0028-130, Melt Cast Facility (insignificant)

Final construction activities are in progress. Equipment testing and instrument checkout is underway and almost complete. Items left to complete include water trials, inert trials, chemical trials, and production of first article testing (FAT) batches. The Government must approve the FAT batches and approve placing the building into production which signifies startup of the source. The current schedule indicates startup will occur prior to January 31, 2027, but it is always possible delays could occur.

980525, Source 37-0028-131, Wash Building

Final construction activities are in progress. Equipment testing and instrument checkout is underway and almost complete. Water trials are expected to occur in September with initial chemical trials currently planned to start in November. As with the other explosives production buildings, the Government must approve first article testing (FAT) batches and approve the building for production use before the source can be considered started up.

980525, Source 37-0028-132, ANSol Tank Farm

BAE submitted a 90% design to the government in September 2022. However, the government then decided to proceed in a different direction with the project. The U.S. Army Corps of Engineers (USACE) was awarded management of the project and they awarded a design-build contract to their subcontractor in May 2025. Their 65% design has been completed with 95% design completion expected in November of 2026. Construction is then expected to start in the Spring of 2027 with construction completion forecasted for September of 2028. Checkout and commissioning activities would then occur during fourth quarter of 2028 and first quarter of 2029. Due to the delays in project execution and possible changes that may occur with the design, a new application may be submitted in the future. In the meantime, it is requested to include this source in an extension for permit 980525.

979082, Source 37-0028-136, Nitration Facility

As noted previously, turnover of key personnel working on the project hindered execution of the original schedule. Structural steel erection began in January 2025, and construction completion is expected later this year with checkout and commissioning activities taking most of 2027 due to the complexity of this process. The requested extension date is to allow time to complete construction and commissioning, gain Government approval to place the building into production, conduct emissions testing, and submit the Title V permit modification application.

Mr. James Ogle serves as OSI's primary contact for air program issues and may be reached at (423) 578-6231 or by email at james.ogle@baesystems.us. Ms. Amy Crawford is a secondary contact and may be reached at (423) 578-6417 or by email at amy.crawford@baesystems.us. Please do not hesitate to contact Mr. Ogle or Ms. Crawford should questions arise or additional information be needed.

As the Responsible Official, I certify that to the best of my knowledge, and based on information and belief formed after reasonable inquiry, the statements and information contained in this letter are true, accurate, and complete.

Sincerely,

BAE SYSTEMS Ordnance Systems Inc.



Todd D. Hayes
General Manager

Enclosures

cc Environmental Affairs Files 1305/2026
HSAAP/Reed

Construction Permit 977642/980525, Sources 37-0028-128 and -129 (WAARP and WAARP Tank Farm) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Final Design and Construction Contract Award from the Government	September 24, 2020
Construction Start	April 21, 2021
Submittal of Revised BACT Analysis	June 22, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
New Construction Permit (980525) Issued	March 6, 2023
Construction Schedule Extended (key items included longer lead times than expected for some materials, challenges with field-fabricated tanks meeting explosive service standards, and heat exchanger fabrication)	April 2021 – December 2024
Equipment and Instrument Check-Out	July – February 2025
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 – Present	• Receipt of equipment • Installation of equipment, piping, wiring, instruments • Working through various punchlist items • Recertification of relief valves • Testing and checkout of equipment, instruments, and control system
37-0028-129 Tank Farm Startup	April 9, 2026 (Notification submitted April 13, 2026)
Water Trials	May – June 2025
Chemical Trials	June – July 2026
Startup*	July 2026
Emissions Testing*	September 2026
Submittal of Title V Modification Application (will incorporate emissions testing results); Submittal of Condenser Design Evaluations and Operating Plans*	December 2026
First Permit Extension Expiration Date	January 31, 2027

*Forecasted dates

BAE Systems plans to submit an application for a Title V significant modification for both 37-0028-128 and -129 prior to the expiration of permit 980525.

Construction Permit 977642/980525, Source 37-0028-130 (Melt Cast Facility) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Final Design and Construction Contract Award from the Government	March 30, 2021
Construction Start	August 2021
Submittal of Revised BACT Analysis (for other sources included in 977642)	June 22, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
New Construction Permit (980525) Issued	March 6, 2023
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 - present	Construction activities have been ongoing. The project has been working to complete modifications to the kettle and kettle lids to move from construction complete into commissioning. Currently, modifications to the kettle lids are the greatest risk to schedule, as their completion is linked to starting inert and performance trials. Electrical and instrument checkout has been ongoing and is expected to be complete by the end of July 2026.
Water Trials	July – August 2026
Inert Trials*	August – September 2026
Chemical Trials, Generation First Article Testing (FAT) Material*	September – October 2026
Government Approval of FAT Material and for Building to be Placed into Production*	December 2026
First Permit Extension Expiration Date	January 31, 2027

* Forecasted dates

Construction activities have occurred since August 2021 and there has not been a period of 18 months or more when construction was discontinued.

Construction Permit 977642/980525, Source 37-0028-131 (Wash Building) Timeline

Description	Date
Construction Permit Application Submitted	October 24, 2019
Permit (977642) Issuance	May 15, 2020
Construction Bidding and Contract Negotiations	2021-2022
Submittal of Revised BACT Analysis	June 22, 2022
Construction Contract Award from the Government	November 4, 2022
Additional Information Submitted Regarding BACT Revision	November 11, 2022
Construction Start	February 27, 2023
New Construction Permit (980525) Issued	March 6, 2023
Construction Permit (977642) Expiration	May 14, 2023
Permit 980525 Expiration Date	March 5, 2025
First Extension Request Submitted	November 7, 2024
First Permit Extension Issued	February 27, 2025
February 2025 - present	Construction activities have continued, including: • Receipt of equipment • Installation of equipment, piping, wiring, instruments, and lightning protection • Testing and checkout of equipment, instruments, and control system (ongoing)
Equipment and Instrument Check-out	May – August 2026
Water Trials*	September 2026
First Permit Extension Expiration Date	January 31, 2027
Chemical Trials including Generation of First Article Testing (FAT) material*	November 2026 – March 2027
FAT Material and Building Approved for Production Use by the Government (= startup) *	December 2026 – March 2027
Submittal of Design Evaluation and Monitoring Plan for Scrubber*	June 2027
Application Submittal for Operating Permit*	July 2027

*Forecasted dates

The Filtration and Wash Building was included in the Phase 2 expansion project submittal based on the expected timeline for work on this building to start. However, contract negotiations delayed the schedule, so construction started almost 3 years after the original permit #977642 was issued. Construction activities have occurred since February 2023 and there has not been a period of 18 months or more when construction was discontinued.

Construction Permit 979082, Source 37-0028-136 (Nitration Facility) Timeline

Description	Date
Construction Permit Application Submitted	May 18, 2021
Permit Issuance	November 5, 2021
Construction Contract Award from Army	December 9, 2022
Design Completion	Civil Package complete May 11, 2022. Additional packages followed allowing construction to start. Piping Design is estimated to be complete December 2024.
Construction Start	January 2023
Permit Expiration Date	December 31, 2023
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February 2025 – present	Construction activities have been ongoing since February 2025. Delays have been attributable to Process Hazard Analysis and IFC (issue for construction) model review actions being implemented as well as delays in execution of scheduled activities by the general contractor.
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Chemical Trials, Generation of First Article Testing (FAT) Material*	Third and Fourth Quarter 2027
Government Approval of FAT Material and for Building to be Placed into Production*	Fourth Quarter 2027
Emissions Testing*	Fourth Quarter 2027 or First Quarter 2028
Application Submittal*	Second Quarter 2028

*Forecasted dates

Construction activities have occurred since January 2023 and there has not been a period of 18 months or more when construction was discontinued.

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
BUREAU OF ENVIRONMENT
DIVISION OF AIR POLLUTION CONTROL

IN THE MATTER OF

BAE Systems Ordnance Systems Inc.
(37-0028)

Request for PSD Permit Extension

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Order Number: 26-0012

BOARD ORDER

The following matter came before the Tennessee Air Pollution Control Board on August 12, 2026.

On July 14, 2026, BAE Systems Ordnance Systems Inc. (BAE) requested that the Technical Secretary extend the expiration date of PSD construction permit 979082. This permit was issued November 5, 2021, with an expiration date of December 31, 2023. Because of delays in completion of final design and obtaining resources, BAE requested an amendment to extend the expiration date, and Amendment #1 to this permit (issued August 15, 2023) extended the expiration date to June 30, 2025. A second extension was requested due to delays caused by turnover of key personnel and the complexity of the project, and Amendment #2 to this permit (issued February 5, 2026) extended the expiration date to December 31, 2026. BAE's July 14 request states that construction completion is expected by the fourth quarter of 2026, and estimates government approval of first article testing (FAT) material in the fourth quarter of 2027.¹

Tennessee Air Pollution Control Regulations (TAPCR) 1200-03-09-.01(4)(a)4 states:

Approval to construct shall become invalid if construction is not commenced within 18 months after issuance of an approved permit, if construction is discontinued for a period of 18 months or more, or if construction is not completed within 18 months of the completion date specified on the construction permit application. The Tennessee Air Pollution Control Board may grant an extension to complete construction of the source provided adequate justification is presented. An extension shall not exceed 18 months in time. The provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within 18 months of the projected and approved commencement date.

The letter dated July 14, 2026, provided by BAE stated construction of emission source 37-0028-136 began January 2023 (within 18 months of initial permit issuance) and was not discontinued for a period of 18 months or more. The July 14 letter states that turnover of key personnel working on the project has hindered execution

¹ Batches of each product specified for the building will be made for first article testing (FAT). Once the FAT batches are completed, work will pause while the government evaluates the material and information provided. The length of this evaluation time is unpredictable. Once the FAT batches are accepted and the government has approved the source for production purposes, the building will be able to produce material for subsequent use.

of the original schedule. It also states that delays have been attributable to Process Hazard Analysis and IFC (issue for construction) model review actions being implemented, as well as delays in execution of scheduled activities by the general contractor.

Based on the facts specified above, the Technical Secretary recommends that the Board extend the expiration date of this permit until June 30, 2028.

In consideration of the Technical Secretary's recommendation, the Board grants the permit extension. Entered and approved by the following Board Members on August 12, 2026.

Title V

Workload Analysis

Fiscal Year 2026-2027



Division of Air Pollution Control
August 12, 2026

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EXECUTIVE SUMMARY

Title V Workload Analysis
By the
State of Tennessee
Department of Environment and Conservation
Division of Air Pollution Control

Title V of the Clean Air Act (CAA) and its implementing regulations in 40 CFR Part 70 require the Division of Air Pollution Control to operate a Title V Operating Permit Program. Paragraph 502(b)(3) of the CAA and 40 CFR 70.9 require the collection of fees sufficient to fully fund the program. The proposed methods and estimated cost for implementation and operation of a federally approved CAA Title V Operating Permit Program (Title V Program) are described herein.

The CAA Amendments of 1990 included many changes and substantive differences in the body of regulations that comprise the CAA. None are as far reaching in effect as the regulations that detail the procedures for an operating permit program for air contaminant sources and for assessment and collection of fees to allow the regulated sources to pay for the permitting related activities. Each permitting authority identifies, inventories, assesses, and issues permits to all affected sources. Title V fee collection must provide the means for each state air pollution program or permitting authority to fully fund Title V work efforts.

The Division of Air Pollution Control (the Division or APC) within the Tennessee Department of Environment and Conservation (TDEC or the Department) is responsible for permitting and inspecting air contaminant sources in Tennessee. Upon review and acceptance of the Title V permitting program by the United States Environmental Protection Agency (EPA) on August 28, 1996, the Division became the State's major source Title V regulatory authority in 91 of 95 counties in Tennessee. Davidson, Hamilton, Knox and Shelby counties have local air pollution control programs that operate under Certificates of Exemption from the Tennessee Air Pollution Control Board (APC Board). These agencies regulate the Title V sources within their jurisdictions that are not owned by the State of Tennessee. Local air program activities are not addressed in this plan. TDEC retains the regulatory authority for state-owned sources in these counties.

Title V related activities are projected to require 62.2 full-time equivalent (FTE) positions in fiscal year 2026-2027 (FY2027).

This Implementation Plan consists of twelve (12) separate functional units within the Division, including the Small Business Environmental Assistance Program¹, which has various responsibilities and functions related to Title V. Briefly, these units are:

Administrative Services
Data Management
Director's Office
Small Business Environmental Assistance
Compliance Validation
Enforcement
Field Services
Permitting
Regulatory Development

¹ Subparagraph 502(b)(3)(A) of the CAA requires that the costs of programs established to fulfill the requirements of section 507 of the CAA (i.e., small business stationary source technical and environmental compliance assistance programs) be funded by Title V fees.

Emissions Inventory & Fees
Ambient Monitoring Quality Control
Ambient Monitoring Quality Assurance

Functional unit activities are described in this Workload Analysis. Each unit has identified the portion of total workload that can be attributed to Title V activities. In addition to the activities described in this plan, support services are provided to the Division by other bureaus, divisions, and offices within TDEC and the Bureau of Environment (BOE). Each of the divisions and offices within TDEC are charged for these services in accordance with formulae established by TDEC and BOE. A portion of these TDEC General and Administrative (G&A) expenses are charged to Title V. These support services are described in the section of this plan entitled “TDEC General and Administrative Expenses”.²

² The part 70 presumptive fee rate (\$/ton) effective for the 12-month period of September 1, 2025, through August 31, 2026, is \$65.38. This fee rate represents a 2.65132% (or \$1.69) increase from the fee rate in effect for the prior 12-month period (\$63.69). This increase is based on a calculation of the average monthly change in the Consumer Price Index (All Urban Consumers) for the 12-month period of September 2024 through August 2025 as reported by the U.S. Bureau of Labor Statistics. This information is included for reference purposes only, since Tennessee’s Title V fees are not based on the federal presumptive minimum fee rate.

INTRODUCTION

Title V of the CAA mandates that states develop a major source operating permit program, commonly called the Title V Operating Permit Program. The CAA further mandates that the program be funded solely through fees collected from affected sources. Additionally, activities of a Small Business Assistance Program must be paid through these fee collections. Subparagraph 502(b)(3)(A) of the CAA requires that a state must establish a fee schedule that results in the collection and retention of revenues sufficient to cover the permit program costs.³ Should a state establish a fee schedule that would result in the collection and retention less than the amount that would be presumed to be adequate using the presumptive minimum fee approach, the state must provide a detailed accounting that its fee schedule meets the requirements of 502(b)(3)(A). The Tennessee APC Board has historically elected to prepare an annual workload analysis and set the fees for the upcoming year(s) instead of using the presumptive minimum approach.⁴

The workload analysis is prepared in accordance with Tennessee Air Pollution Control Regulation (TAPCR) 1200-03-26-.02(9)(d) to provide justification of fees to the public, the regulated community, and the EPA. Additionally, disclosure of this information leads to the development of informed consent and, therefore, acceptance of the program by stakeholders.

On June 11, 2025, the APC Board approved a Title V workload analysis that covered fiscal year 2025-2026 (FY2026). This workload analysis reflects the projected workload for fiscal year 2026-2027 (FY2027).

Many complex requirements are mandated in the CAA and the Part 70 regulations that serve to demonstrate that the state permitting agency will be able to carry out its responsibilities. Section 70.4(b)(8) calls for a description of the program, a demonstration of fiscal soundness of the planned program based on fee projections, and planning for adequate personnel to administer the program.

Tennessee has seen significant growth in new and expanding industry. This affects both Title V and non-Title V activity of the Division. The increased Title V activity related to this growth is reflected in this workload analysis.

This workload analysis is a projection based on workload data analyzed by the Division annually. Several things could happen that may impact the accuracy of this workload analysis and projection. These possibilities include but are not limited to:

- Changes in the air contaminant source population will alter the workload. Many sources have obtained “conditional major” status wherein they opt out of Title V by limiting their potential to emit via a federally enforceable limitation. The Division views the work effort to make a Title V source a conditional major source as Title V work. These sources require more frequent inspections and record reviews to verify that they are operating below the Title V thresholds; and
- Changes in applicable requirements mandated by EPA will alter the workload.

³ Subparagraph 502(b)(3)(B) of the CAA states that a fee program shall be deemed adequate if the amount of fees collected is no less than \$25 per ton of actual emission, as adjusted by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of such year exceeds the Consumer Price Index for the calendar year 1989 (i.e., the “presumptive minimum” fee).

⁴ EPA regulations promulgated to implement and more thoroughly describe Title V may be found at 40 CFR Part 70, section 70.9 of the federal regulations.

- Increased workload due to increased business activities at existing facilities and new facilities locating in the state.
- Decreased workload due to market changes impacting businesses.

ESTIMATION METHODS

The workload analysis is provided for each Division functional unit. Each unit's work plus the Title V work from the Small Business Environmental Assistance Program is described as it relates to the requirements of Title V. Estimated hours necessary to accomplish the task and, for some functional units, the numbers of tasks to be completed per year are projected.

Most of the work units in the Division track Title V and non-Title V time daily using the Division's database known as Smoglog. Smoglog allows most work units to track time spent on specific projects, such as a permit or inspection. For much of the work described in this workload analysis, Title V and non-Title V workload estimates for FY2027 are based on actual historical data from Smoglog. Some of the work is based on deadlines imposed by state or federal regulation or goals set by the Division.

Other work, such as administrative work and technical training, is not clearly attributable to Title V or non-Title V facilities. For those activities, data is used from the state of Tennessee's personnel management system known as Edison. All employees are required to enter work time into Edison. Activity that is clearly Title V or non-Title V is entered into Edison in a similar manner as it is in Smoglog. Activity that is not clearly Title V or non-Title V⁵, time is entered using a Title V/non-Title V "split" ratio. The split ratio is set based on a historical ratio of 52% Title V/48% non-Title V that was determined in FY2018. Because Edison allows expenses to be tracked on a program level, projected work that is not directly Title V or non-Title V related is based on the average Edison Title V/non-Title V ratio for that program.

For the two Ambient Monitoring programs, expenses are based on a study conducted in 2020. This study is discussed further in following sections. Non-personnel costs, such as rent and equipment are allocated in a similar manner as personnel expenses that are not clearly attributable to Title V or non-Title V facilities, allocated using the split ratio.

As a result of resource constraints within the Division's permitting program, the Division developed intentional backlogging procedures in 2020. Intentional backlogging is "setting aside" a permit application, permit amendment, or permit modification such that it will miss a regulatory deadline or Division goal. The intentional backlogging procedures include provisions for removing permits, amendments, and modifications from the intentional backlog and setting new issuance goals. This workload analysis includes the issuance of intentionally backlogged Title V permits and conditional major permits (as described above) that have been removed from the intentional backlog list and are scheduled to be issued in accordance with the intentional backlog procedures.

The number of full-time equivalents (FTEs) needed to conduct Title V work is determined by dividing the hours projected to complete the Title V work by 1,601.5 hours per employee.

The 1,601.5 hours of work time per employee is derived as follows:

Scheduled Payroll Hours per Year	=	1950
Less: Holiday ⁶ , Vacation & Sick Leave Hours (13.5 Days + 21 Days + 12 Days) X 7.5 hrs./day	=	<u>- 348.5</u>
Total Work Hours per Employee	=	<u>1601.5</u>

⁵ Non-Title V funding includes annual emissions fees paid by non-Title V facilities, construction permit application fees, modification permit application fees, visible emissions certification fees, section 103 and 105 air quality grant funds received from EPA, state appropriations, and civil penalties.

⁶ Note that the number of holidays per year increased by one with the addition of Juneteenth as a state holiday by the Tennessee General Assembly during the 2023 legislative session.

ADMINISTRATIVE SERVICES

During FY2026, a new Data Management team was created, utilizing existing staff from Administrative Services and filling two positions necessary for current and future data administration. As a result, some of the activities formerly included in the Administrative Services portion of the workload analysis have been moved to that section.

Administration (which is now referred to as Administrative Services) consists of an Administrative Services Manager, an Executive Administrative Services Assistant and three administrative professionals. Activities of this team involve work that is both directly and indirectly associated with the Title V Program. These activities include the following:

- Public Records Requests
- Public Notice Web Publishing
- Website Updates and Content
- Air Board Management & Support
- Human Resources
- Timekeeping
- Records Detention/Forms Tracking and Updates
- Legislative and EPA reporting
- Electronic File Storage Management
- Certification of Air Pollution Control Equipment for Tax Purposes
- Section 182(a)(3)B reporting (NOx/VOC actuals in ozone nonattainment areas)
- OSHA training coordination & registration for Central Office
- Educational Assistance Waiver
- Travel and Training Management
- Director and Leadership Support
- Meeting Planning
- In-office activities (i.e., confidential documents, mail, reception and guest services, etc....)

Workload supports 1.6 FTEs of Title V work for Administrative Services.

CALCULATION BASIS

Title V administrative activities are based on billing data compiled from FY2021 through FY2025 for the Administrative Services program.

ASSUMPTIONS

The percentage of Title V work is assumed to be the same as the average of FY2021 to FY2025 (41%) for all administration and data management activities. The reorganization of the Administrative Services team into Operations and Data Management began during FY2025 and thus, their workload was combined during this five-year period.

Table 1 - Administrative Services Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Administrative Support & Management	680	0.42
Budget, Compliance, and Reporting	524	0.33
Customer and Public Relations	597	0.37
Human Resources and Staff Development	659	0.41
Projects and Event Coordination	554	0.35
Web and Content Management	268	0.17
TOTAL	3282	2.05

DATA MANAGEMENT

The data management team was formed in FY2026 to meet growing data administration needs of the division, including a higher level of permitting correspondence and data entry due to increased permitting activity statewide as well as increased data quality assurance, compliance and governance expectations for the division's Smog Log database. It consists of a Data & Analytics Manager, a Data Steward, a Data Specialist, and two Data Producers.

Activities of this team involve work that is both directly and indirectly associated with the Title V Program. These activities include the following:

- Permit Documentation & Issuance
- Permit Database Entry and Management
- Fee invoicing and payment activities
- Processing Report and Notifications from Permittees
- Data Quality Control and Assurance for the Division's Database, Smog Log
- In-office activities (i.e., confidential documents, mail, reception and guest services, etc...)
- Data Governance Plan for APC
- Coordination with State of Tennessee-Strategic Technology Solutions, TDEC APEX support team, and TDEC GIS team

Workload supports 2.1 FTEs of Title V work for Data Management Team.

CALCULATION BASIS

Title V administrative activities are based on billing data compiled from FY2021 through FY2025 for the Administrative Services program.

ASSUMPTIONS

The percentage of Title V work is based on data from FY2021 to FY2025 (41%) for all administration and data management activities. The reorganization of the Administrative Services team into Operations and Data Management began during FY2025 and thus, their workload was combined during this five-year period.

Table 2 - Data Management Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Administration	656	0.41
Data	1230	0.77
Fees	82	0.05
Permits	513	0.32
Procurement & Supplies	600	0.37
Training	205	0.13
TOTAL	3286	2.05

DIRECTOR'S OFFICE

The Director's Office is responsible for overseeing the operation and performance of the Division, including the Title V Program. The Director serves as the Technical Secretary of the APC Board. The Director's Office is also responsible for coordinating and providing technical support to the APC Board, as well as providing support to the Tennessee Emergency Management Agency during emergency events, both natural and manmade, that impact ambient air quality. The Director's office provides program direction and oversight, coordinating Departmental goals with Division programs and providing reporting, support documents and informational documents for the Department and legislature concerning the operation of the Division. The Director's Office is also responsible for the financial performance of the Division and all associated grant management and support. Included in the Director's Office are individuals who provide leadership, management and technical support for multiple programs within the Division. For this workload analysis, the Director's Office includes the Director, the Deputy Director of Permitting and Regulatory Development, the Deputy Director of Environmental Measurement and Compliance Assurance, the technical lead for Environmental Measurement and Compliance Assurance, the Environmental Fellow, the Business Administrator, and the Grants Administrator. Activities of the Deputy Director for Field Services and the Field Services technical lead are included in the Field Services portion of this analysis. Activities of the technical lead for Permitting and Regulatory Development are included in the Permitting portion of this analysis.

Workload supports 3.3 FTEs of Title V work for the Director's Office.

CALCULATION BASIS

Title V workload is calculated by the number of existing staff assigned to the Director's Office in this Workload Analysis times the percentage of their workload that is estimated to be Title V related. Percent Title V workload for the Deputy Director for Permitting and Regulatory Development is the average of three programs (Permitting, Regulatory Development, and Emissions Inventory; average = 51%). The percent Title V workload for the Deputy Director and the technical lead (EC4) for Environmental Measurement and Compliance Assurance is the average of four programs, excluding PM2.5 grant-funded time (Technical Services, Quality Assurance, Compliance Validation, and Enforcement; average = 50%). The Title V percentage for each of these programs is based on billing data gathered during FY2021 through FY2025. Title V time for these three positions plus the Environmental Fellow is based on billing data compiled from FY2021 through FY2025 for the Administrative Services and Directors Office staff (41%).

ASSUMPTIONS

It is assumed that the Title V activities of the Deputy Director of Permitting and Regulatory Development, Deputy Director and the technical lead of the Environmental Measurement and Compliance Assurance programs are the same percentage as the average of the programs in which they lead. For all other positions, the percentage of work that is Title V is assumed to be the same as historical workload.

Table 3 - Director's Office Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Deputy Director of Permitting and Regulatory Development	817	0.51
Deputy Director and Technical Lead of Environmental Measurement and Compliance Assurance	1602	1.00
Three Other Director's Office Positions	2850	1.78
TOTAL	5269	3.29

SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PROGRAM

Section 507 of the CAA requires an environmental compliance assistance program in each state to support small businesses in understanding and complying with air quality regulations. The CAA also requires this program to be funded entirely with Title V fees. Tennessee's program provides confidential assistance free of charge to small businesses. Services include permitting assistance, onsite visits, training, a toll-free hotline, regulatory notifications, outreach, and guidance in preventing and eliminating non-compliance situations. A small business is defined as one that has 100 or fewer employees, is not a major stationary source, and meets the federal Small Business Act's definition of a small business.

REQUIRED PROGRAM COMPONENTS

State Ombudsman

The Small Business Ombudsman represents small business in regulatory matters, identifies and proposes solutions to small business technical and compliance problems.

Environmental Technical Assistance

Staff members provide technical, administrative, and permitting assistance. Staff members inform businesses of regulatory requirements in easy-to-understand language. When needed, staff members conduct on-site visits and provide training opportunities.

Compliance Advisory Panel (CAP)

An advisory panel comprised of individuals appointed by the Governor and the legislature, plus one Department representative, is required. The Panel advises and provides technical, administrative and evaluation assistance to the program. The CAP has at least seven-members on its panel.

PROGRAM ACTIVITIES

New Regulations/Sources

- Staff members review regulations, determine potentially impacted sources, develop a strategy for notification and assistance, develop compliance assistance tools, conduct training programs, and work with regulatory programs on outreach activities.
- Staff members assist the Division in developing regulations and programs that impact small businesses.
- Staff members assist potential new companies in understanding regulatory requirements.
- Staff members participate in monthly conference calls on regulations with other SBEAPs and EPA.

Existing Sources

- Staff members respond to small business compliance and permitting questions.
- Staff members monitor enforcement reports. This can be used to determine sectors with compliance problems and develop compliance assistance strategies.
- Staff members assist companies in meeting permit conditions, including developing tools to meet recordkeeping requirements.
- Staff members assist companies in resolving non-compliance issues, as well as assisting companies in utilizing the Department's self-disclosure audit policy.

Workload supports 2.0 FTEs of Title V work for the Small Business Environmental Assistance Program.

CALCULATION BASIS

Title V of the CAA requires activities of the small business assistance programs and the small business ombudsman be funded by Title V fees. Thus, the number of FTEs is based on the current staffing levels of the SBEAP program.

ASSUMPTIONS

It is assumed that the SBEAP is fully staffed, and that workload reflects historical levels.

Table 4 - Small Business Environmental Assistance Program Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Compliance assistance	1609	1.00
Workshops/training events	805	0.50
Material development	402	0.25
Regulatory Development/Notification	201	0.13
Administration/Other	201	0.13
TOTAL	3218	2.01

COMPLIANCE VALIDATION

The Compliance Validation Program's primary responsibilities involve the oversight and review of emissions performance tests and continuous emissions monitoring systems conducted and operated by regulated facilities to ensure compliance with state and federal air quality standards and permit conditions.

The Compliance Validation Program maintains the capability to conduct stack testing. The program also retains the capability to address special situations ensuring that all staff conducting stack test observations are adequately trained to competently observe stack testing conducted by contractors or facility personnel. Observation of stack testing ensures that all proper testing procedures are followed, and that facility operation is representative of typical operation. Observation of stack testing, followed by a technical review of the testing reports constitutes a major Division effort to validate that the emissions values reported from Title V facilities are as accurate as possible. Continuous Emission Monitoring Systems (CEMS) are utilized by some Title V facilities to determine compliance on an on-going basis. Compliance Validation conducts audits of CEMS data to ensure the data submitted is accurate and reviews emissions reports of CEM data to verify compliance with emission standards. Compliance Validation conducts Visible Emission Evaluator Certification (VEE) schools to train state and industry personnel to certify compliance with visible emission standards. The majority of the work done by this group involves facilities related to Title V.

Responsibility for asbestos renovation and demolition activities are housed within the Compliance Validation Program, but this activity is not considered Title V. The "Other Compliance Validation Activity" category includes activities such as administrative report preparation, file clean-up, regulatory and SIP work, and special projects.

Workload supports 4.6 FTEs of Title V work for this program.

CALCULATION BASIS

Projected workload is based on estimated total workload for FY2026 and average hours per activity based on 2023 to 2025 data. Asbestos demolition and renovation work is funded entirely by non-Title V funds. Data from the Division's Smoglog database was used to determine Title V percentages (70.6%) for most activities. Program management, training, and other compliance validation activity are based on the 2021-2025 average Title V percentage for the entire program (50%).

ASSUMPTIONS

It is assumed that FY2027 workload will be similar to historical workload.

Table 5 - Compliance Validation Program Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Stack Testing	0	0.00
Source Test Validation	3702	2.31
In-Stack Monitor Data Validation	169	0.11
In-Stack Monitor Report Review	93	0.06
Visible Emissions Evaluation School	950	0.59
Visible Emissions Data Validation	138	0.09
Program Management	771	0.48
Training	750	0.47
Other Compliance Validation Activity	715	0.45
TOTAL	7288	4.56

ENFORCEMENT

The Enforcement program is responsible for processing violations discovered in Tennessee by individuals, Division staff, other government agencies, and facilities. Processing of violations includes responding to the regulated community when a violation occurs, issuing Technical Secretary's Orders, issuing letters resolving noncompliance, and tracking penalties and compliance schedules in orders. Additionally, Enforcement staff track and quality assure (QA) compliance-related data using Smog Log. Much of this data is available to the public via the departmental data-viewer website. This program also serves as a point of contact in enforcement matters between the Division and EPA Region 4.

The Enforcement program is also responsible for management and further development of the Division's Oracle database known as Smog Log, including writing and modifying code in development and then implementing revisions with the assistance of the State of Tennessee's Strategic Technology Solutions. Enforcement staff review requests from Division staff for additional features and evaluate what should be implemented as time and resources allow.

Enforcement staff members update EPA's Compliance and Enforcement database (Integrated Compliance Information System [ICIS-Air]) on a weekly basis, ensuring the data in the Smog Log database is properly reflected in ICIS-Air. This includes entering and quality assuring all applicable data entered in ICIS-Air. The data reported to ICIS-Air includes inspections, report reviews, stack tests, continuous emission monitoring audits, formal and informal enforcement actions, penalties assessed and collected, Federally Reportable Violations, High Priority Violations, facility status (Title V, non-Title V, CM), applicable air programs, facility operational status, etc. The data reported to ICIS-Air is available to the public via EPA's ECHO website.

Workload supports 3.2 FTEs of Title V work for this program.

CALCULATION BASIS

The total amount of workload for the program is estimated based on historical time and activity. Billing data compiled from FY2021 through FY2025 indicated that 49% of the Enforcement program work is Title V related.

ASSUMPTIONS

Much of the Enforcement Program workload is based on violations reported or discovered by the Division. The Division does not project future violations. Therefore, enforcement activity and other activity of the program (database and computer-related) is assumed to be the same as historical workload.

Table 6 - Enforcement Program Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Enforcement Related Activities	2553	1.59
ICIS-Air Data Management	419	0.26
Smoglog Development	447	0.28
APC Data Management	116	0.07
Computer Hardware/Software Support	29	0.02
Training	649	0.40
Special Projects	196	0.12
Program Management	741	0.46
TOTAL	5150	3.20

FIELD SERVICES

Field Services program staff are located throughout the state in seven Environmental Field Offices: Johnson City, Knoxville, Chattanooga, Cookeville, Nashville, Columbia, and Jackson. A Deputy Director oversees the entire program with the technical assistance of a TDEC-Environmental Consultant 4 (EC4).

RESPONSIBILITIES

The Field Services program has the following responsibilities:

- Conduct Comprehensive Evaluations on Title V facilities
- Review the majority of the Title V semi-annual reports (SARs) and annual compliance certifications (ACCs), and review some MACT and NSPS reports
- Operation and maintenance of the state's ambient air monitors
- Review and provide feedback regarding Title V draft permits
- Investigation and resolution of complaints associated with Title V facilities
- Issuance of Notices of Violation; assistance to the Enforcement Program, TDEC's Office of General Counsel, and EPA's Office of Enforcement and Compliance Assurance pertaining to enforcement of violations discovered by the Field Services Program
- Special projects as assigned (only those projects related to Title V issues are included here)
- Responding to inquiries from citizens, EPA, local and state officials, and the regulated community regarding Title V sources
- Responding to emergency response incidents at Title V facilities
- Participation in public meetings and hearings
- Maintenance of reports, records, and other correspondence
- Attendance at training sessions to stay knowledgeable about federal and state requirements, and remain familiar with source types and new emission control devices
- Management of the field offices to ensure that the field services program operates efficiently

Workload supports 14.2 FTEs of Title V work for this program.

CALCULATION BASIS

The number of Title V inspections is based on the current Compliance Monitoring Strategy Plan. Title V facilities are generally inspected on a biennial basis unless the division receives a complaint on the facility, the facility is categorized as a "mega-site," or the facility had compliance issues during the previous on-site inspection. Total inspection workload is based on the number of planned inspections and average inspection time. Average inspection time is based on the actual time from federal FY2024 (October 1, 2024, through September 30, 2025). Report reviews is the workload required for Title V Semi-Annual Report and Annual Compliance Certification reviews, Title V NESHAP report reviews, 62% of the NSPS report reviews, and 77% of the miscellaneous reports and plan reviews. The estimated time is based on the number of expected reports and the average report review time for FY2024 and FY2025, adjusted to reflect reports expected in FY2027. Compliant Investigations are based on the number of complaints received in FY2025, the percentage of those that involved Title V facilities (3.9%), and average time for complaint investigations for FY2024 and FY2025. Workload associated with the ambient monitoring network is based on planned workload for FY2027 and a 2020 study of the ambient monitoring cost allocation (see Ambient Monitoring Quality Assurance section of this workload analysis). Meetings and Administrative activities are based on the default funding split for all Division general activities (52% Title V/48% non-Title V). The remaining time is based on actual activity during FY2025.

ASSUMPTIONS

It is assumed that on-site inspections of Title V sources will generally be conducted on a biennial basis unless the division receives a complaint on the facility, the facility is categorized as a “mega-site”, or the facility had compliance issues during the previous on-site inspection. It is assumed that the average time for each inspection, report review time, and the percentage of complaints related to Title V sources will be similar to historical levels.

Table 7 - Field Services Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Title V Inspections	5702	3.56
Report Reviews	2528	1.58
Complaint Investigations	256	0.16
Ambient Monitoring	2808	1.75
Training	2294	1.43
Review of Draft Permits	192	0.12
Special Projects	1209	0.75
Program Management	3174	1.98
Meetings	1820	1.14
Administrative Activities	2860	1.79
Environmental Assistance	103	0.06
TOTAL	22,843	14.32

PERMITTING

Permitting staff are based in the Nashville Central Office and the Knoxville Environmental Field Office. The permitting program consists of four sector-based permitting sections. Each section consists of one Environmental Manager 3, one Environmental Consultant 3, and six permit writers. A Deputy Director oversees the entire program with the technical assistance of a TDEC-Environmental Consultant 4 (EC4) and a TDEC Environmental Consultant (EC3) that handles complex permitting issues. The Deputy Director's time is included in the Director's office.

RESPONSIBILITIES

The Permitting program has the following responsibilities:

- Issuance of Title V operating permits and permit renewals
- Issuance of conditional major permits for facilities that are currently Title V sources
- Issuance of construction permits to Title V facilities
- Issuance of administrative amendments, minor modifications, and significant modifications to Title V operating permits, as well as operational flexibility determinations
- Issuance of Prevention of Significant Deterioration (PSD) and Non-Attainment New Source Review (NSR) construction permits
- Issuance of initial and renewal plantwide applicability limit (PAL) permits
- Planning and participation in public meetings and hearings regarding specific permit applications and draft permits
- Review of most MACT and NSPS reports, some Title V semi-annual reports (SARs), some annual compliance certifications (ACCs), and review of plans required by MACT and GACT standards (the remaining MACT and NSPS reports, SARs, and ACCs are reviewed by the Field Services Program)
- Issuance of Notices of Violation, assistance to the Enforcement Program, TDEC's Office of General Counsel, and EPA's Office of Enforcement and Compliance Assurance pertaining to enforcement of violations discovered by the Permit Program
- Review of Title V fee Actual Emissions Analysis Required report (AEAR) calculations
- Special projects as assigned (only those projects related to Title V issues are included here)
- Attendance at training sessions to stay knowledgeable about federal and state requirements, and remain familiar with source types and new emission control devices
- Management of the sections to ensure that the permitting program operates efficiently

Table 8 is a projection of the hours that will be necessary to review and complete current and new submittals, conduct report reviews, perform Title V related fee duties, enforcement, special projects, and for necessary technical training.

Workload supports 18.5 FTEs of Title V work for this program.

CALCULATION BASIS

Title V operating permit and CM(TV) workload (initial and renewal) is based on the number of non-backlogged applications with regulatory deadlines in FY2027 plus intentionally backlogged applications that are due to be issued in FY2027 in accordance with the intentional backlogging procedures. Title V significant modifications, minor modifications, administrative amendments, insignificant activity determination requests, and operational flexibility/502(b)(10) changes, NSR permits (major and minor), and amendments to construction permits are based on historical trends. One Title V reopening for cause and one initial PAL are included in the estimate for FY2027. No PAL renewal applications will be due in FY2026. Since the deadline for PAL renewal permits is 365 days, no PAL renewals are required in FY2027. No CAIR/Acid Rain permits are due for renewal in FY2027. The number of reports projected to be reviewed is based on the number that are currently due over the course of a year that will be reviewed by permit staff.

Workload for each permitting activity is calculated by multiplying the estimated number of each activity by the average estimated time for each type of activity. The time it takes to complete each permitting activity is based on actual activity data during FY2025 (FY2023 to FY2025 for PSD permits). The Title V portion of program management, training, special projects, and other permitting time is based on the default funding split for all Division general activities (52% Title V/48% non-Title V).

ASSUMPTIONS

It is assumed that the number and complexity of NSR permits (major and minor), insignificant activity requests, operational flexibility/502(b)(10) changes, minor NSR amendment applications, Title V significant modification, minor modification, and administrative amendments, are consistent with historical averages. It is assumed that additional staff will be hired and trained such that sufficient resources are available to issue intentionally backlogged Title V and CM(TV) permits in accordance with the Division's intentional backlogging procedures. It is assumed that the number of reports required to be reviewed by the permit program will remain unchanged. It is assumed that one new PAL application will be received in FY2027. It is assumed that one Title V re-opening for cause will be issued in FY2027. The Division currently has nine backlogged CAIR/Acid Rain renewal applications. It is assumed that these will be incorporated into the Title V renewal permits for the facilities and the workload is included there. It is assumed that the time to complete permitting activities is the same as historical averages. The EC4 assigned to the Permitting, Regulatory Development, and Emissions Inventory/Fee Programs, conducts work for all three programs as well as for the Division as a whole. For the sake of this workload analysis, and since most regulatory development, fee-related, and Division support work involves permitting issues, all EC4 workload is included with the permitting program. EC4 work that is not included in one of the specific permitting categories is included in the special projects total.

Table 8 - Permitting Title V Workload

ACTIVITIES	ESTIMATED PERMITTING ACTIONS	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Title V Permits – new sources	16	1740	1.08
Title V Permits – renewals	78	9164	5.72
Significant Modifications	16	272	0.17
Re-opening for Cause	1	27	0.02
Minor Modifications	66	2204	1.38
Administrative Amendments	30	279	0.17
Operational Flexibility and 502(b)(10) Changes	24	151	0.09
Title V Insignificant Activity Determinations	26	156	0.10
Title V General Permit Notices of Coverage	0	0	0.00
Conditional Major Permits for Sources that are Currently Title V (CM(T5))	5	245	0.15
Non-major NSR construction permits	28	3542	2.21
Major NSR permits	2	780	0.49
Amendments to construction permits for Title V sources	25	210	0.13
Initial PAL permits	1	135	0.08
PAL Renewals	0	0	0.00
CAIR and Acid Rain Permits	0	0	0.00
Semiannual Report and Annual Compliance Certification Review	78	226	0.14
MACT, NSPS, and Miscellaneous Report Review	377	908	0.57
AEAR Report Review	133	399	0.25
Program Management	-	2860	1.79
Training	-	2340	1.46
Special Projects	-	936	0.58
Other Title V Permitting Time ⁷	-	3120	1.95
TOTAL		29,694	18.53

⁷ Other Permitting time includes assisting with complaint investigations, corresponding with EPA, work with multi-jurisdictional organizations, corresponding/assisting the public, enforcement activity, fee support, and administrative activity.

REGULATORY DEVELOPMENT

The Regulatory Development program has the following responsibilities:

- Development of revisions to Tennessee's air quality rules
- Development of revisions to Tennessee's State Implementation Plan (SIP)
- Computer modeling (dispersion modeling) to support the Division's permitting program
- Photochemical computer modeling to support air quality planning, the development of SIPs and special projects
- Policy analysis and development to assist the Division's Environmental Fellow and TDEC's Policy Office or to address air quality-specific issues
- Attendance at training sessions to stay knowledgeable of federal and state regulatory and SIP requirements, and technical training related to air pollution sources and controls
- Local program coordination with the four local air programs (Nashville/Davidson, Memphis/Shelby, Chattanooga/Hamilton, and Knoxville/Knox) to ensure local air regulations are as stringent as State requirements, as well as other oversight and coordination duties
- Management of the program to ensure it operates efficiently

Workload supports 4.1 FTEs of Title V work for this program.

CALCULATION BASIS

Program activities are based on expected federal regulatory requirements, state regulatory needs, and anticipated special projects. Data from FY2021 and FY2025 indicates that 48% of all activity is Title V-related. Permit modeling (which mostly involves PSD permitting) is assumed to be 90% Title V-related based on historical data.

ASSUMPTIONS

Time is based on upcoming federal requirements and activities as well as projected permit modeling workload.

Table 9 - Regulatory Development Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Rule Development	923	0.58
SIP Development	615	0.38
Photochemical Modeling	999	0.62
Permit Modeling	1441	0.90
Local Program Support	461	0.29
Special Projects	769	0.48
Project Management	384	0.24
Training	231	0.14
Other Activities ⁹	769	0.48
TOTAL	6592	4.11

⁹ Other activities include Air Pollution Control Board support, corresponding/assisting the public, interaction with EPA and multi-jurisdictional organizations, and administrative activity.

EMISSIONS INVENTORY AND FEES

The Emissions Inventory and Fees program has the following responsibilities:

- Collecting, quality assuring, and reporting annual and triennial¹⁰ emissions inventories from stationary sources
- Developing and submitting triennial emissions inventories for on-road mobile, non-road mobile and area source inventories (non-Title V work not included in this analysis)
- Managing the Division's Air Emission Inventory databases and updating EPA's databases
- Implementation of the Combined Emissions Reporting System (CAERS) for collecting annual and triennial emissions inventories including training of regulated sources
- Implementation of the MYTDEC Forms system for on-line Title V fee AEAR reports
- Requesting and collecting (SIP-required) annual NOx and VOC emission statements from sources in applicable counties and providing technical assistance to those sources
- Providing technical support to the Department's Division of Fiscal Services pertaining to air permit-related fee invoicing and tracking of fee payment
- Delinquent Title V fee collection
- Title V fee AEAR tracking, review, data management, and, when necessary, enforcement
- Annual Title V fee invoicing
- Revisions to Title V fee system
- Special projects as assigned (only those projects related to Title V issues are included here)
- Attendance at training sessions to stay knowledgeable about federal and state emissions inventory requirements and technical training related air pollution sources and controls
- Management of the program to ensure it operates efficiently

Workload supports 2.4 FTEs of Title V work for this program.

CALCULATION BASIS

Workload for each task is estimated based on actual time from FY2023 to FY2025 as adjusted to account for annual and triennial emission inventory schedules. The percent of the program's existing work that is Title V related is based on billing data from FY2021 through FY2025 indicating that 60% of the Emissions Inventory, Fees, and Special Projects program work was Title V related.

ASSUMPTIONS

It is assumed that the percentage of work related to Title V is consistent with historical workload plus upcoming federal requirements and activities. It is assumed Implementation of CAERS will require similar resources as the previous emissions inventory system, SLEIS.

¹⁰ On July 25, 2023, U.S. EPA proposed revisions to the federal emissions reporting rule. Among other things, this proposed rule includes mandatory reporting of Hazardous Air Pollutants and increased the reporting frequency for all point sources from triennially to annually. In the "Overview Fact Sheet Proposed Updates to the AERR", EPA states "For states, local, and certain tribal air agencies, estimated annual costs are \$335,000 per agency, on average, from 2024 to 2026, and \$326,000 per agency, on average, beginning in 2027, the year the proposed rule would be fully implemented."

Table 10 - Emissions Inventory and Special Projects Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Emission Inventory	1922	1.20
Fee Collection and Support	961	0.60
Special Projects	96	0.06
Training	192	0.12
Administration	96	0.06
Program Management	577	0.36
TOTAL	3844	2.40

AMBIENT MONITORING QUALITY CONTROL

Two functional units are responsible for the Division's Ambient Monitoring Network, the Quality Control program and the Quality Assurance program. The primary responsibility of the Quality Control program is to monitor ambient air quality across the state to assess compliance with national ambient air quality standards. This is accomplished by working with Field Services staff to operate and maintain a network of air monitoring stations throughout the state that record air quality data that is subsequently stored in EPA's national database. The work requires on-going evaluation of all monitoring sites to ensure that each site conforms to federal ambient air quality monitoring site criteria and remedying or relocating the sites to the extent necessary to render the site compliant. Monitors require bench and field servicing to ensure all components of the monitors comply with manufacturer specifications and EPA requirements and are calibrated to assure they give a true reading of air quality. Shelter maintenance is also required to make certain the internal shelter temperatures meet federal requirements, that the shelters have no air/water intrusion leaks, that periodic theft and vandalism damages are rectified, and that the electrical/data communication lines are properly connected. In the event of a lightning strike or other weather-related incidences, significant effort must be undertaken to restore the site's operability in a timely manner. While ambient air monitors measure the emissions impact of all types of air contaminant sources, a portion of the sources are Title V facilities which pay a portion of monitoring expenses.

Workload supports 2.8 FTEs of Title V work for this program.

CALCULATION BASIS

Projected workload is estimated based on actual time and activity data from FY2023 through FY2025. The Division receives CAA section 103 grant funds each year to partially fund the Quality Control program's personnel costs. As a result, approximately 12.5% of the Ambient Monitoring program's personnel costs is paid using section 103 funds. Upon request of the Air Pollution Control Board, the Division determined the proper cost allocation for the ambient monitoring network (which includes both the Quality Control program and the Quality Assurance program as well as a portion of the Field Services program) based on the sources of air pollutants and precursors in Tennessee. The findings of this analysis were presented to the board on June 10, 2020, and showed, that after subtracting the portion of the PM2.5 network funded by section 103 funds, the proper cost allocation is 52% Title V and 48% non-Title V. When combining these percentages, the projected Quality Control workload is estimated to be 45.5% Title V, 42% non-Title V, and 12.5% section 103.

ASSUMPTIONS

It is assumed that there will be no significant changes to the network as the result of federal or state requirements¹¹.

¹¹ Appendix D of 40 CFR Part 58 requires two ozone monitors for any metropolitan statistical area (MSA) with a population between 350,000 and 4 million. The population of the Clarksville MSA is expected to exceed 350,000 in the near future. This area currently has one ozone monitor in Hopkinsville, Kentucky. Once the population threshold is exceeded, APC intends to site a second ozone monitor in Clarksville, Tennessee.

Table 11 - Quality Control Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Data Management – Input	14	0.01
Data Verification	1681	1.04
Document Development	68	0.05
Equipment Repair, Calibration, and Certification	1229	0.77
Monitoring Site Evaluation and Documentation	163	0.10
EPA Technical Systems Audit	27	0.02
Personnel Activities	375	0.23
Program Management	637	0.40
Special Projects	73	0.05
Training	205	0.13
TOTAL	4472	2.80

AMBIENT MONITORING QUALITY ASSURANCE

Two functional units are responsible for the Division's Ambient Monitoring Network, the Quality Control program and the Quality Assurance program. The Quality Assurance program provides an independent review of ambient air quality monitoring measurements and data reduction/reporting of those measurements prior to uploading the data to EPA's national ambient air database. This process is referred to as data validation. The program is also responsible for the coordination, development, and review of standard operating procedures (SOPs) for each type of ambient air monitor used, Quality Assurance Project Plans (QAPPs), and any other documents that may be necessary to ensure that quality procedures have been developed and are being followed by operators of ambient air monitors in Tennessee for regulatory purposes. Having data that is trusted to be accurate is essential for compliance with federal requirements, regulatory decision making, and for the public to know, with assurance, the quality of the air they breathe.

In addition to developing quality assurance documents and making certain that they are followed, the program staff periodically audits monitoring sites operated within Tennessee's State or Local Air Monitoring Stations (SLAMs) network and sites at industrial facilities and within the Great Smoky Mountains National Park. The purpose of these audits is to ensure that ambient data being collected for evaluating regulatory compliance meet quality standards. If issues arise during these performance audits, staff are responsible for coordinating a corrective action plan with the monitoring site operation personnel to minimize data loss.

The meteorology staff members are responsible for air quality forecasting. These staff members use meteorological parameters and current air quality conditions to predict future air quality. The forecast information is provided to the public so informed decisions can be made to protect health and to plan activities that lessen impact on air quality during high pollution days.

Workload supports 2.7 FTEs of Title V work for this program.

CALCULATION BASIS

Projected workload is based on time and activity data for the two most recent years and knowledge of upcoming workload. The Division receives CAA section 103 grant funds to partially fund the Quality Assurance's personnel cost. Using the same calculations as described in that section, projected Quality Assurance program workload is assumed to be 12.5% section 103, 45.5% Title V, and 42% non-Title V.

ASSUMPTIONS

It is assumed that there will be no significant changes to the network as the result of federal or state requirements¹¹.

Table 12 - Quality Assurance Title V Workload

ACTIVITIES	ESTIMATED TITLE V HOURS/YR	ESTIMATED TITLE V FTE/YR
Air Quality Forecasting	728	0.45
AQS Data Validation	455	0.28
Field Auditing	387	0.24
Local Program Field Auditing	410	0.26
Audit Equipment Repair, Calibration, and Certification	364	0.23
Certification and Calibration for Local Programs	137	0.09
EPA Technical Systems Audit	11	0.01
Personnel Activities	319	0.20
Program Management	592	0.37
Document Development	319	0.20
SOP Development	46	0.03
Training	410	0.26
Special Projects	228	0.14
TOTAL	4406	2.76

SUMMARY OF FTEs BY FUNCTIONAL UNIT

The following table shows the projected FY2027 FTEs needed to complete all Title V activities as indicated in this workload analysis. In addition, the actual Title V FTEs for the past four fiscal years (FY2021 through FY2025) and projected Title V FTEs for FY2026 from the FY2026 Title V Workload Analysis are presented below.

Table 13 - Summary of FTEs by Functional Unit

Functional Unit	FY2021 Actual FTEs	FY2022 Actual FTEs	FY2023 Actual FTEs	FY2024 Actual FTEs	Actual FY2025 FTEs	Projected FY2026 FTEs	Projected FY2027 FTEs
Administrative Services ¹²	3.5	3.7	3.0	2.9	3.6	4.1	
Admin. Services – Operations ¹²							2.1
Data Management ¹²							2.1
Director's Office	2.6	3.1	2.3	2.7	3.7	2.9	3.3
Small Business Assistance	1.5	2.0	2.0	2.0	2.0	2.0	2.0
Compliance Validation	3.7	3.9	4.4	4.1	4.7	4.6	4.6
Enforcement	2.4	2.2	2.4	2.5	2.5	2.5	3.2
Field Services	12.7	12.6	13.7	13.7	13.1	13.5	14.3
Permitting	12.6	13.6	11.9	13.7	13.4	17.7	18.5
Regulatory Development	2.6	2.2	2.9	3.2	4.2	4.3	4.1
Emissions Inventory and Fees	2.8	2.5	1.7	1.8	2.5	2.4	2.4
Quality Control	2.6	2.5	2.7	2.8	3.4	2.7	2.8
Quality Assurance	2.1	2.1	2.7	2.4	2.7	2.7	2.8
Total Title V FTEs	48.0	48.4	47.7	51.8	55.8	59.4	62.2

¹² The Administrative Services team was reorganized into two different work units during FY2026 – Administrative Services and Data Management. The new organizational structure is reflected starting with FY2027.

TDEC GENERAL AND ADMINISTRATIVE EXPENSES

In addition to Title V eligible costs incurred directly by the Division, the Division is assessed charges by the BOE and TDEC for a number of activities provided by the other areas of the Department to support the activities of the Division. Some of the Title V related support activities and the offices that provide them are listed below.

- Commissioner, Bureau of Environment Deputy Commissioner and staff, and the Deputy Commissioners of the Bureau of Operations, Strategy, & Engagement and their staff – management and organizational support, legislative services
- Communications Office – media relations, website management, strategic messaging, video production, and social media engagement
- Division of Stakeholder Engagement – outreach and communication to department stakeholders, including local government, other government agencies, the regulated community, public interest groups, and citizens; public meeting and hearing support; sustainable practices, and management of the Small Business Environmental Assistance Program
- Division of People and Organizational Development – all personnel related services including human resources, talent management, employee relations, workplace safety & risk management, and continuous process improvement
- Office of General Counsel – rulemaking and SIP development support, enforcement activity, administrative legal services, policy and guidance interpretation and development, emergency response, risk and safety planning
- Division of Internal Audit - facilitates the promotion of good governance by performing audit, assurance, and consulting services that address key risks central to TDEC’s strategies and objectives and helps improve internal controls, transparency, and accountability of operations.
- Office of Policy & Planning – support with rule, SIP, and policy development that require in-depth research, strategic planning, NEPA review coordination, comparison to other state or national programs, and coordination with other state agencies or entities
- Division of Fiscal Services – budget development and management as coordinated with the overall department budget, fee collections, and centralized accounting
- Operational Administrative Services – procurement of all necessary equipment and supplies, including monitoring network assets and field and office supplies, equipment inventory and asset management, grants and contracts, and vehicle management
- Business & IT Solutions Office – physical and digital records management, data governance, and information technology strategy & support
- Field Office administrative support staff – support APC Field Services, Compliance Validation, Permitting, and Technical Services staff in seven field offices

G&A expenses are charged to the Division according to formulae based on the percentage of the Division’s budget in proportion to that of other BOE division budgets and special reserve funds and the Division’s headcount. The Division’s G&A expenses are charged to Title V funds, non-Title V funds, and federal grants.

TITLE V EXPENSE ESTIMATES

An important step in developing a Title V fee system is to estimate future expenses to determine if projected revenue, together with the available reserve balance, is sufficient to fund the Title V permitting program. As mentioned earlier, federal regulations preclude the use of non-Title V funds for funding Title V activities. Thus, a failure to collect sufficient funds through the Title V fee system would have significant ramifications on the efficacy of Tennessee's Title V Program and economic development within the state and could eventually lead to federal intervention. Therefore, when designing a Title V fee system, the Division plans for a reserve at year-end to account for unexpected expenses and unanticipated reductions in fee revenue.

Historical and projected expenses are broken down into four categories: 1) salaries, longevity, and bonuses, 2) benefits, 3) APC G&A Expenses, and 4) TDEC G&A Expenses. APC G&A expenses include expenses such as travel, rent and utility costs for ambient monitoring sites, shipping costs, maintenance and repair costs, third-party professional and administrative expenses, office supplies, field and laboratory supplies, equipment purchases, and charges from other state agencies for services such as telephone and computer services, office rent, liability insurance, general accounting, purchasing, human resources, and legal services. TDEC G&A expenses are described earlier in this document.

Personnel costs: Personnel costs include salaries, benefits, longevity¹³ and bonus pay¹⁴. Personnel costs are based on the number of positions for each functional unit for FY2027 based on demonstrated workload. Longevity and bonus costs are added to regular salaries based on historical levels. Benefit costs are approximately 45% of salary costs.

APC G&A Expenses: APC G&A expenses are forecasted based on historical trends.

TDEC G&A expenses: Not-to-exceed TDEC G&A expenses are provided by TDEC's Budget and Financial Planning Division.

¹³ Longevity pay is based on years of service once an employee has been in state service a certain number of years. Staff hired July 1, 2015, or later are not eligible for this benefit.

¹⁴ Bonus pay is a feature of the Tennessee TEAM Act's Pay-for-Performance system that awards employees for advanced and outstanding performance.

Table 14 - Historical and Projected Title V Expenses

Expense Description	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Projected FY2026	Projected FY2027
Regular Salaries, Longevity, & Bonus	\$3,546,448	\$3,485,437	\$3,449,044	\$3,693,953	\$3,809,843	\$4,342,793	\$4,687,332	\$5,100,000	\$5,400,000
Benefits	\$1,503,257	\$1,463,404	\$1,429,963	\$1,611,779	\$1,691,175	\$1,906,703	\$1,964,130	\$2,200,000	\$2,300,000
APC General & Administrative Expenses	\$653,654	\$628,698	\$529,628	\$638,178	\$630,020	\$744,956	\$813,683	\$900,000	\$900,000
TDEC General & Administrative Expenses	\$0 ¹⁵	\$0 ¹⁵	\$850,291	\$891,375	\$750,201	\$916,289	\$1,344,117	\$1,300,000	\$1,400,000
Grand Total	\$5,703,359	\$5,577,539	\$6,321,925	\$6,835,285	\$6,881,239	\$7,910,741	\$8,809,262	\$9,500,000	\$10,000,000

¹⁵ No TDEC G&A expenses were charged to the Division in FY2019 or FY2020.

FISCAL MANAGEMENT

The Division has established an accurate financial accounting structure and work practices such that Division and Department expenses can be monitored and properly allocated. This system has been institutionalized within the Division and will continue in FY2027.

The Division will continue, in FY2027, to use travel and training resources efficiently and utilize video conferencing tools effectively.

HISTORICAL TITLE V FEE AND EXPENSE DATA

Tables 15 through 18 on the following pages show historical Title V information. Table 15 is based on income and expenses during each fiscal year, which runs from July 1 through June 30. Table 16 provides emission and fee information for annual fees (dollar per ton fee, base fee, and Title V modification fee) following the Title V fee system that became effective July 1, 2024¹⁶. Table 17 provides information on construction and opt-out application fees collected during each fiscal year starting with Fiscal Year 2023, which is when Title V facilities became subject to construction permit application fees¹⁷. That table reflects the rule revisions that became effective July 1, 2024, as well as the fee structure prior to that date. Table 18 provides emissions and fee information for each year of the Title V fee program between 2002 and 2024. Each row in Tables 16 and 18 contains information about the Title V fees that were due in a particular year based on that year's fee rates. In each year, the fees for a particular year are due in two different fiscal years. This table is intended to illustrate the trends in emissions and fee collections for each year's Title V fee system.

The four tables present information in slightly different time periods. Historically, Title V annual fees were based on allowable or actual emissions from July 1 of one year to June 30 of the next (i.e., the state fiscal year) and due on July 1. Since it was usually impossible for a company to determine and report actual emissions on June 30, fees based on actual emissions were usually received after July 1, which is the next fiscal year. Since interest and late penalties don't apply until a fee is 15 days late, a large portion of Title V fees were received between July 1 and July 15. There is also a provision in the fee rules that allow some companies (those paying on an actual or mixed emissions basis) to apply for a 90-day extension on reporting and paying fees. Thus, facilities that could not submit payments by July 15 could, and frequently did, request extensions until September 29 each year without incurring penalties. Both of these situations resulted in a significant amount of Title V fees being collected in the fiscal year following the year in which the fees are based. This is reflected in fiscal year 2015-2016 during which the financial practice of allowing payments received between July 1 and July 15 to be credited for the previous fiscal year ended.

In 2018, the Title V fee deadlines changed with calendar year-based fees (which became an option to fiscal year-based fees) due on April 1 of each year. For fiscal year-based fees, an estimated 60% of a facility's fees were due on April 1 with the remainder due July 1. In 2024, the deadline for final payment of fiscal year-based fees was changed to August 1 (eliminating the need for 90-day extensions for most fiscal year-based fee payers). Fees based on allowable emissions are also due April 1. Ninety-day extensions are still available for facilities who determine fees based on actual emissions. However, with these changes, a much larger percentage (approximately 95%) of Title V fees are now collected in the year in which the fees are based.

Note that the collected tons indicated in Table 18 excludes allowable and reported actual tons for facilities that paid the minimum fee.

¹⁶ Changes included 1) adding a "base fee" ranging from \$10,000 to \$75,000 based on the number of applicable federal air quality standards (e.g., NSPS and NESHAPs), 2) removing the \$10,000 minimum fee, 3) adding fees for Title V Minor Modifications (\$2,800) and Significant modifications (\$5,000), 4) changing the non-PSD construction permit application fee for Title V facilities to a flat fee of \$7,000, 5) adding fees for PSD and Nonattainment New Source Review permit applications) (\$70,000), Initial Plantwide Applicability Limit (PAL) permits of \$10,000 per pollutant, and Title V Opt-Out Permits (\$18,000), and 6) changing the fee for changes to permit applications for Title V facilities from one-half of the original application fee, not to exceed \$500, to a flat fee of \$750.

¹⁷ Application fees ranged from \$100 to \$5,000 based on the Anticipated Maximum Emission Rate or Anticipated Maximum Emissions Increase of the proposed facility or modification. Fees for changes to permit applications were one-half of the original application fee, not to exceed \$500. These fees had previously only applied to non-Title V facilities.

Table 15 - Historical Title V Collections and Expenses

Fiscal Year	Fees	Interest, penalties, and internet processing fees	Transfer In	Expenditures	Balance
2002-2003					\$1,387,223.12
2003-2004	\$5,780,573.30	\$17,261.10		\$5,299,426.96	\$1,885,630.56
2004-2005	\$5,773,095.32	\$33,124.15		\$6,289,281.06	\$1,402,568.97
2005-2006	\$6,806,903.33	\$62,547.16		\$6,604,384.65	\$1,667,634.81
2006-2007	\$6,170,217.54	\$67,707.22		\$6,993,064.19	\$912,495.38
2007-2008	\$7,116,004.10	\$35,456.47		\$7,254,796.79	\$809,159.16
2008-2009	\$7,939,773.17	\$21,518.17		\$6,613,669.61	\$2,156,780.89
2009-2010	\$7,587,853.93	\$9317.34		\$6,415,182.16	\$3,338,770.00
2010-2011	\$5,800,630.50	\$5527.40		\$7,261,266.44	\$1,883,661.46
2011-2012	\$6,336,163.20	\$1636.87		\$7,463,530.81	\$757,930.72
2012-2013	\$6,891,980.16	\$1113.83		\$6,844,668.87	\$806,355.84
2013-2014	\$6,844,856.89	\$9484.30		\$6,543,335.07	\$1,117,361.96
2014-2015	\$7,040,610.80	\$1129.83		\$6,694,005.01	\$1,465,097.58
2015-2016	\$5,321,521.83	\$2108.31	\$1,919,777.74 ¹⁸	\$6,094,831.92	\$2,613,673.54
2016-2017	\$4,617,895.15	\$9697.10		\$5,687,186.70	\$1,554,079.09
2017-2018	\$6,293,711.88	\$945.29		\$6,818,383.34	\$1,030,352.92
2018-2019	\$6,347,961.86	\$5268.62		\$5,703,359.09	\$1,591,187.35
2019-2020	\$5,774,457.15	\$7320.71		\$5,577,539.13	\$1,795,426.09
2020-2021	\$6,088,563.08	\$1355.56		\$6,321,925.04	\$1,589,911.20
2021-2022	\$6,204,515.21	\$114.00		\$6,835,285.12	\$1,277,400.69
2022-2023	\$7,365,769.12 ¹⁹	\$4756.93		\$6,881,239.32	\$1,942,272.68
2023-2024	\$6,980,140.77	\$52,195.25 ²⁰		\$7,912,579.16	\$1,015,594.93
2024-2025	\$9,524,812.62	\$2,715.24		\$8,809,262	\$1,733,860.79

¹⁸ During fiscal year 2015-2016, the Division determined that \$1,919,777.74 in non-Title V expenses had been charged to Title V fees over a several year period. This was corrected at the end of FY2015-2016, resulting in an increased Title V fee balance at the beginning of FY2016-2017.

¹⁹ Includes construction application fees for Title V sources starting with FY2022-2023.

²⁰ Includes interest earned on funds in Title V Environmental Protection Fund account as well as interest paid by fee payers for late payments.

Table 16 - Historical Title V Annual Fees – 2025 and beyond

Year Fees Due	Number Companies /Facilities	\$/Ton Allowable Emissions	\$/Ton Actual Emissions	Allowable Tons	Actual Tons	Total \$/ton Fee Due	Base Fee*	Total Base Fee Due	Title V Modification Fees	Title V Mod Fees Due	Total Annual Title V Fees Due	Total Annual Title Fees Paid*
2025 Non-EGU	208	\$48.50	\$70.50	64,163.59	19,071.52	\$4,347,742	\$10,000 to \$75,000	\$3,925,000	\$2800/\$5000	\$2800	\$8,275,542	\$8,275,542
2025 EGU	9	\$68.00	\$98.50	12,015	6833	\$1,490,059	\$10,000 to \$75,000	\$245,000	\$2800/\$5000	\$0	\$1,735,059	\$1,735,059

*The Air Pollution Control Board granted variance to four facilities (all air curtain incinerators) to reduce their base fee to \$3000 for 2025.

** eight facilities invoices were prorated

***as of December 11, 2025

Table 17 - Historical Construction Permit Application Fees for Title V Facilities

Fiscal Year	Non-PSD Application Fee	Number of non-PSD Construction Permit Applications	Non-PSD Application Revision Fee	Number of non-PSD Permit Application Revisions	PSD Application Fee	Number of PSD Permit Applications	Conditional Major to Title V (CM(TV)) Fee	Number of CM(TV) Permit Applications	Initial PAL Fee (per pollutant)	Number of Initial PALs	Total Title V Construction Permit Application Fee Paid
2024-2025	\$7000	19	\$3500	0	\$70,000	1	\$18,000	2	\$10,000	0	\$246,000
2023-2024	see below	15	see below	18	see below	2	n/a		n/a		\$25,000
2022-2023	see below	14	see below	3	see below	1	n/a		n/a		\$14,850

Table 18 - Historical Tonnage Projections & Collections and Historical Fees – 2002 to 2024

Year Fees Due	Number Companies /Facilities	\$/Ton Allowable Emissions	\$/Ton Actual Emissions	Minimum/Base Fee*	Total Tons Collected	Allowable Tons Collected	Actual Tons Collected	Companies Actually Paying Min./Base	\$ Amount Collected
2024 Non-EGU	201	\$48.50	\$70.50	\$10,000/\$6000	77,899	59,116	18,783	42	\$5,154,503
2024 EGU	9	\$68.00	\$98.50	\$10,000/\$6000	16,864	8849	8015	0	\$1,470,679
2023 Non-EGU	198	\$48.50	\$70.50	\$10,000/\$6000	83,382	62,876	20,506	40	\$5,783,309
2023 EGU	9	\$68.00	\$98.50	\$10,000/\$6,000	18,922	8015	10,907	0	1,673,376
2022 non-EGU	200	\$40.20	\$64.20	\$9000/\$5000	87,035	66,415	20,620	46	\$5,095,923
2022 EGU	9	\$57.00	\$90.00	\$9000/\$5000	17,593	8015	9578	0	\$1,363,867
2021 non-EGU	198	\$40.20	\$64.20	\$9000/\$5000	86,598	66,363	20,235	55	\$5,134,053
2021 EGU	9	\$57.00	\$90.00	\$9000/\$5000	14,313	8015	6298	0	\$1,068,698
2020 non-EGU	202	\$33.50	\$53.50	\$7500/\$4000	96,985	76,901	20,084	55	\$4,383,491.96
2020 EGU	9	\$47.00	\$75.00	\$7500/\$4000	19,850	6535	13,315	0	\$1,341,788.20
2019 non-EGU	204	\$33.50	\$53.50	\$7500/\$4000	93,206	73,181	20,024	59	\$4,386,631.42
2019 EGU	9	\$47.00	\$75.00	\$7500/\$4000	20,420	8264	12,156	0	\$1,336,098.20
2018 non-EGU	201	\$32.50	\$43.00	\$7500	86,627	63,343	19,284	107	\$3,780,175.97
2018 EGU	9	\$39.00	\$49.50	\$7500	26,737	12,323	14,414	1	1,201,499.94
2017 non-EGU	205	\$32.50	\$43.00	\$7500	108,057	76,008	21,292	98	\$3,916,319.73
2017 EGU	9	\$39.00	\$49.50	\$7500	28,235	16,532	11,719	0	\$1,224,857.24
2016 non-EGU	205	\$32.50	\$43.00	\$7500	100,365	81,260	19,105	97	\$4,059,712.98
2016 EGU	11	\$39.00	\$49.50	\$7500	41,259	36,603	4656	4	\$1,691,011.45
2015 non-EGU	205	\$28.50	\$39.00	\$7500	114,977	99,567	15,410	200 (83 only paid base)	\$4,692,656.26
2015 EGU	10	\$45.50	\$56.00	\$7500	49,781	47,616	2165	10 (1 only paid base)	\$2,362,785.29
*2014 non-EGU	201	\$28.50	\$39.00	\$7500	121,396	103,650	17,746	200	\$4,646,138.70
*2014 EGU	10	\$45.50	\$56.00	\$7500	48,802	46,648	2154	10	\$2,318,133.81
2013 non-EGU	211	\$29.50	\$40.00	\$7500	125,576	105,256	20,320	102	\$4,096,563.73
2013 EGU	9	\$45.50	\$56.00	\$7500	60,425	58,110	2315	3	\$2,795,416.43
2012	214	\$28.50	\$39.00	\$7500	190,232	165,782	24,450	108	\$6,167,959.21
2011	220	\$24.50	\$35.00	\$6500	204,961	179,953	25,008	106	5,800,630.50
2010	221	\$28.50	\$39.00	\$7500	211,344.7	191,346	19,999	111	\$7,587,853.93
2009	239	\$28.50	\$39.00	\$7500	232,996	206,725.8	26,271	110	\$7,939,773.17
2008	243	\$26.50	\$37.00	\$7500	234,615.4	207,541.6	27,073.8	119	\$7,317,445.36
2007	244	\$22.50	\$33.00	\$5000	236,936.8	214,385.8	22,551	96	\$6,095,634.93
2006	250	\$21.50	\$32.00	\$4500	259,420	232,764	26,656	92	\$6,000,240.56
2005	264	\$19.50	\$30.00	\$3500	290,030.7	262,405.1	27,625.6	80	\$5,874,970.52
2004	267	\$19.50	\$30.00	\$2500	287,381.9	258,052.4	29,329.5	56	\$6,032,675.99
2003		\$17.50	\$28.00						\$
2002		\$13.00	\$21.70						\$

*For FY 2013-2014, the Division replaced the minimum fee of \$7500 with a base fee of \$7500. All sources with total allowable emissions (excluding CO) of 250 TPY or less paid only the base fee. All sources with total allowable emissions (excluding CO) greater than 250 TPY paid the base fee plus their total tonnage (excluding CO) times the applicable \$/ton value (actual, allowable, or mixed basis). This is also the case for 2014-2015. In 2015-2016, the base fee was replaced with the minimum fee. A base fee was re-instated in 2018-2019 and the minimum fee was retained. Starting with 2025, the minimum fee was eliminated, and the flat base fee was replaced with a staggered base fee that is determined by the number of applicable federal requirements.

Table 19 - Historical Federal Presumptive Minimum Fee

Effective	Fee Rate
Sept 1989 – Aug 1990	\$ 25.00
Sept 1990 – Aug 1991	\$ 26.21
Sept 1991 – Aug 1992	\$ 27.59
Sept 1992 – Aug 1993	\$ 28.43
Sept 1993 – Aug 1994	\$ 29.30
Sept 1994 – Aug 1995	\$ 30.07
Sept 1995 – Aug 1996	\$ 30.93
Sept 1996 – Aug 1997	\$ 31.78
Sept 1997 – Aug 1998	\$ 32.65
Sept 1998 – Aug 1999	\$ 33.21
Sept 1999 – Aug 2000	\$ 33.82
Sept 2000 – Aug 2001	\$ 34.87
Sept 2001 – Aug 2002	\$ 36.03
Sept 2002 – Aug 2003	\$ 36.60
Sept 2003 – Aug 2004	\$ 37.43
Sept 2004 – Aug 2005	\$ 38.29
Sept 2005 – Aug 2006	\$ 39.48
Sept 2006 – Aug 2007	\$ 41.02
Sept 2007 – Aug 2008	\$ 41.96
Sept 2008 – Aug 2009	\$ 43.75
Sept 2009 – Aug 2010	\$ 43.83
Sept 2010 – Aug 2011	\$ 44.48
Sept 2011 – Aug 2012	\$ 45.55
Sept 2012 – Aug 2013	\$ 46.73
Sept 2013 – Aug 2014	\$ 47.52
Sept 2014 – Aug 2015	\$ 48.27
Sept 2015 – Aug 2016	\$ 48.49
Sept 2016 – Aug 2017	\$ 48.88
Sept 2017 – Aug 2018	\$ 49.85
Sept 2018- Aug 2019	\$ 51.06
Sept 2019 – Aug 2020	\$ 52.03
Sept 2020 – Aug 2021	\$ 52.79
Sept 2021 – Aug 2022	\$ 54.37
Sept 2022 – Aug 2023	\$ 58.55
Sept 2023 – Aug 2024	\$ 61.73
Sept 2024 – Aug 2025	\$ 63.69
Sept 2025 – Aug 2026	\$ 65.38

Table 20 - Historical Part 71 Fees

Effective	Fee Rate
Calendar Year 1996	\$ 32.00
Calendar Year 1997	\$ 32.88
Calendar Year 1998	\$ 33.78
Calendar Year 1999	\$ 34.35
Calendar Year 2000	\$ 34.98
Calendar Year 2001	\$ 36.07
Calendar Year 2002	\$ 37.27
Calendar Year 2003	\$ 37.86
Calendar Year 2004	\$ 38.72
Calendar Year 2005	\$ 39.61
Calendar Year 2006	\$ 40.84
Calendar Year 2007	\$ 42.43
Calendar Year 2008	\$ 43.40
Calendar Year 2009	\$ 45.25
Calendar Year 2010	\$ 45.33
Calendar Year 2011	\$ 46.00
Calendar Year 2012	\$ 47.11
Calendar Year 2013	\$ 48.33
Calendar Year 2014	\$ 49.15
Calendar Year 2015	\$ 49.93
Calendar Year 2016	\$ 50.16
Calendar Year 2017	\$ 50.56
Calendar Year 2018	\$ 51.56
Calendar Year 2019	\$ 52.81
Calendar Year 2020	\$ 53.81
Calendar Year 2021	\$ 54.60
Calendar Year 2022	\$ 56.23
Calendar Year 2023	\$ 60.56
Calendar Year 2024	\$ 63.85
Calendar Year 2025	\$ 65.88
Calendar Year 2026	\$ 67.62

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
BUREAU OF ENVIRONMENT
DIVISION OF AIR POLLUTION CONTROL

IN THE MATTER OF

2027 Title V Workload Analysis

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Order Number: 26-013

BOARD ORDER

The 2026-2027 Title V Workload Analysis, as prepared by the Division of Air Pollution Control, was approved by the following Board Members on August 12, 2026. The Workload Analysis is the mechanism used by the Division of Air Pollution Control to determine the Title V annual fees needed to operate the Title V operating permit program in compliance with federal law for recommendation to the Air Pollution Control Board. This Workload Analysis provides an estimate of the manpower and funding needed to support the Title V program in state fiscal year 2026-2027 to ensure compliance with federal law.

This Workload Analysis projects that 62.2 full-time employee hours and \$10,000,000 will be needed to conduct Title V-related work in fiscal year 2026-2027.

Category	Projected FY27 Title V Expenses
Regular Salaries, Longevity, and Bonuses	\$5,400,000
Benefits	\$2,300,000
Air Pollution Control General and Administrative Expenses	\$900,000
TDEC General and Administrative Expenses	\$1,400,000
Total	\$10,000,000

Approved on August 12, 2026, by the members of the Tennessee Air Pollution Control Board as follows:

Non-Title V Workload Summary

The following is a summary of Fiscal Year 2026-2027 Non-Title V workload. The number of FTEs reported in this summary was developed using methods similar to those used in the Division's Fiscal Year 2026-2027 Title V Workload Analysis.

Table 1 - Administrative Services Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Administrative Support & Management	978	0.61
Budget, Compliance, and Reporting	754	0.47
Customer and Public Relations	860	0.54
Human Resources and Staff Development	948	0.59
Projects and Event Coordination	798	0.50
Web and Content Management	386	0.24
TOTAL	4724	2.95

Table 2 - Data Management Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Administration	944	0.59
Data	1770	1.11
Fees	118	0.07
Permit by Rule Notices of Authorization	300	0.19
Permits	738	0.46
Procurement & Supplies	863	0.54
Training	295	0.18
TOTAL	5028	3.14

Table 3 - Director's Office Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Deputy Director of Permitting and Regulatory Development	785	0.49
Deputy Director and Technical Lead of Environmental Measurement and Compliance Assurance	1602	1.00
Three Other Director's Office Positions	3555	2.22
TOTAL	5942	3.71

Table 4 - Compliance Validation Program Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Stack Testing	0	0.00
Source Test Validation	1542	0.96
In-Stack Monitor Data Validation	70.4	0.04
In-Stack Monitor Report Review	38.7	0.02
Visible Emissions Evaluation School	395.8	0.25
Visible Emissions Data Validation	57.4	0.04
Asbestos NESHAP R/D Notifications	1215	0.76
Asbestos NESHAP R/D Inspections	475	0.30
Program Management	771	0.48
Training	750	0.47
Other Compliance Validation Activity	715	0.45
TOTAL	6030	3.77

Table 5 - Enforcement Program Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Enforcement Related Activities	2657	1.66
ICIS-Air Data Management	436	0.27
Smoglog Development	465	0.29
APC Data Management	121	0.08
Computer Hardware/Software Support	30	0.02
Training	678	0.42
Special Projects	204	0.13
Program Management	772	0.48
TOTAL	5363	3.35

Table 6 - Field Services Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Non-Title V Inspections	9197	5.74
Report Reviews	1228	0.77
Complaint Investigations	6306	3.94
Ambient Monitoring	2592	1.62
Training	2781	1.74
Review of Draft Permits	608	0.38
Special Projects	1791	1.12
Program Management	3026	1.89
Meetings	1680	1.05
Administrative Activities	2680	1.67
Environmental Assistance	747	0.47
Environmental Response	447	0.28
TOTAL	33,083	20.67

Table 7 - Projected Permitting Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Construction Permits	3580	2.24
Combined Construction and Operating Permits at TM Sources	2563	1.60
Combined Construction and Operating Permits at CM Sources	2233	1.39
True Minor Operating Permits	5606	3.50
Conditional Major Operating Permit Renewals	2385	1.49
General Permits	108	0.07
General Permit Notices of Coverage	2115	1.32
Exemptions and Insignificant Activity Determinations	1607	1.00
Off-Permit Changes	294	0.18
Non-Title V Permit Amendments	1472	0.92
Report Reviews	188	0.12
Program Management	2640	1.65
Training	2160	1.35
Special Projects	864	0.54
Other Title V Permitting Time ¹	2880	1.80
TOTAL	30,695	19.17

¹ Other Permitting time includes assisting with complaint investigations, corresponding with EPA, work with multi-jurisdictional organizations, corresponding/assisting the public, enforcement activity, fee support, and administrative activity.

Table 8 - Regulatory Development Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Rule Development	999	0.62
SIP Development	666	0.42
Photochemical Modeling	1083	0.68
Permit Modeling	160	0.10
Mobile Source Model Analysis	320	0.20
Transportation Conformity	320	0.20
Local Program Support	500	0.31
Special Projects	833	0.52
Project Management	416	0.26
Training	250	0.16
Other Activities ²	833	0.52
TOTAL	6380	3.99

Table 9 - Emissions Inventory and Special Projects Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Emission Inventory	1281	0.80
Fee Collection and Support	641	0.40
Special Projects	64	0.04
Training	128	0.08
Administration	64	0.04
Program Management	384	0.24
TOTAL	2562	1.60

² Other activities include Air Pollution Control Board support, corresponding/assisting the public, interaction with EPA and multi-jurisdictional organizations, and administrative activity.

Table 40 - Quality Control Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Data Management – Input	16	0.01
Data Verification	2014	1.26
Document Development	82	0.05
Equipment Repair, Calibration, and Certification	1472	0.92
Monitoring Site Evaluation and Documentation	195	0.12
Personnel Activities	450	0.28
Program Management	763	0.48
Special Projects	120	0.07
Training	245	0.15
TOTAL	5357	3.34

Table 11 - Quality Assurance Non-Title V Workload

ACTIVITIES	ESTIMATED NON-TITLE V HOURS/YR	ESTIMATED NON-TITLE V FTE/YR
Air Quality Forecasting	872	0.54
AQS Data Validation	545	0.34
Field Auditing	463	0.29
Local Program Field Auditing	491	0.31
Audit Equipment Repair, Calibration, and Certification	436	0.27
Certification and Calibration for Local Programs	164	0.10
Personnel Activities	382	0.24
Program Management	709	0.44
Document Development	382	0.24
SOP Development	55	0.03
Training	491	0.31
Special Projects	286	0.18
TOTAL	5276	3.29

SUMMARY OF FTEs BY FUNCTIONAL UNIT & PROJECTED EXPENSES

The following tables show the projected FY2027 FTEs needed to complete all Non-Title V activities including the projected expenses.

Table 52 - Summary of FTEs by Functional Unit

Functional Unit	Projected FY2027 FTEs
Admin. Services ^{Error!} Bookmark not defined.	3.0
Data Management	3.1
Director's Office	3.7
Compliance Validation	3.8
Enforcement	3.4
Field Services	20.7
Permitting	19.2
Regulatory Development	4.0
Emissions Inventory and Special Projects	1.6
Quality Control	3.3
Quality Assurance	3.3
Total Non-Title V FTEs	69.1

Table 13 - Projected Non-Title V Expenses

Expense Description	Projected FY2027
Regular Salaries, Longevity, & Bonus	\$5,600,000
Benefits	\$2,400,000
APC General & Administrative Expenses	\$1,200,000
TDEC General & Administrative expenses	\$950,000
Grand Total	\$10,150,000