

FEE REPORT FORM

Department of Environmental Protection
Agency

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Date

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Program: Chapter 92a, NPDES Permitting, Monitoring, and Compliance

NPDES Permit Fees

FEE COLLECTIONS:

Currently, the Department collects approximately \$750,000 per year in NPDES permit fees based on approximately 10,000 permits. The new proposed fee structure is designed to recover close to \$5 million per year.

Fees (Estimated)

	Prior Year	Current Year Projected	Future Year Projected	Future Year Projected	Future Year Projected	Future Year Projected
	FY-09	FY-10	FY-11	FY-12	FY-13	FY-14
Application Fee	\$550,000	\$575,000	\$ 690,000	\$ 908,000	\$ 926,000	\$ 944,000
Annual Fee	\$ 0	\$ 0	\$1,775,000	\$3,374,000	\$3,441,000	\$3,511,000
NOI Fee	\$ 96,000	\$100,000	\$ 200,000¹	\$ 400,000¹	\$ 408,000	\$ 416,000
Other ²	\$ 72,000	\$ 75,000	\$ 210,000	\$ 418,000	\$ 427,000	\$ 435,000
TOTAL	\$718,000	\$750,000	\$2,875,000	\$5,100,000	\$5,202,000	\$5,306,000

¹ Anticipated increase in fees for general permits

² Permit amendments and transfers

FEE TITLE AND RATE:

Current NPDES Permit Fees:

Individual Permits: The application fee for essentially all individual NPDES permits is \$500 per 5-year permit term. There are no annual fees.

General NPDES Permits: The fee for most general NPDES permits is \$100 per 5-year term.

Proposed NPDES Permit Fees:

(Attached as Tables 1 and 2)

FUND FEE IS DEPOSITED INTO: The Clean Water Fund

FEE OBJECTIVE: The objective of the fee structure is to recover all of the costs to the Commonwealth of administering the NPDES program. The proposed fee structure will cover only the Commonwealth's share of the cost of administering the NPDES permit program (about 40% of the total cost, with the other 60% covered by federal grant).

FEE RELATED ACTIVITIES AND COSTS:

1. Issue NPDES Permits

Activities: Environmental engineers and engineering specialists write the NPDES permits, a demanding process that overlaps with all aspects of locating, planning, and operating wastewater treatment facilities. Based on the information provided on the applications, permitting staff evaluate federal and Commonwealth technology-based treatment requirements, and calculate water quality-based treatment requirements based on the nature of the receiving water. The treatment requirements serve as the specifications that the facility will be designed or redesigned to achieve. NPDES permits are highly structured and complex documents that cover many aspects of the operation and performance of treatment facilities. Ultimately, the NPDES permit, together with the Water Quality management permit issued under Chapter 91, assures that the facility is properly designed and operated to achieve water quality standards in the streams and rivers of this Commonwealth.

The duties of the permit writer are primarily technical, but also includes site visits, meetings with the applicant or permittee, coordination with compliance personnel and field staff, preparation of public notice, and coordination of public hearing. NPDES permits are issued by the DEP regional offices. Staff engineers in central office provide technical and policy support.

Level of effort: Approximately 56 full-time staff maintaining 5000 individual permits and 5000 general permits. According to the federal database ICIS,

Pennsylvania ranks in the top three in the number of NPDES permits issued.

Cost: \$1,900,000

2. Compliance and Monitoring

Activities: Compliance Specialists initiate and track enforcement actions. They write NOV's (Notice of Violation), COAs (Consent Order Agreements), and legal documents in support of enforcement actions; enter enforcement action data in computer systems; meet with permittees; and serve as legal liaison between technical staff and regional counsel. Site visits may be required to ground truth resolutions or agreements. Water Quality Specialists are field staff that perform site inspections with the NPDES permit in hand. They verify compliance with permit conditions, which may include sampling of the effluent and affected surface waters, and review DMRs as required for facilities that need attention. These functions are performed almost exclusively at the regional offices.

Level of effort: Approximately 75 full-time staff.

Cost: \$2,600,000

3. Administrative and Training

Activities: Department administrative staff support all aspects of permitting, monitoring, and compliance at the regional offices. Central office staff provide internal training on specialized topics (e.g. water quality modeling).

Level of effort: 12 full-time staff

Cost: \$408,000

4. Other

Activities: Certain other specialized activities that directly support the NPDES permitting program are performed out of central office. These include Clean Water Act 316(a) (thermal variances) and 316(b) (design standards for cooling water intake structures) support and water quality standards support. NPDES Information Analysis staff track permit information, maintain the database, and provide required permit information to EPA. Regional biologists support site-specific field and habitat assessment studies.

Level of Effort: 11 full-time staff

Cost: \$374,000

ANALYSIS:

The Department's policy is that the program fee structure should support the Commonwealth's cost of running the program. With that goal, two decisions were required:

1. How to distribute the fees amongst the various classes of point sources.
2. Whether to implement annual fees in addition to application fees, and how to distribute the total cost between annual fees and application fees.

In addition to internal deliberations, the Department investigated the NPDES permit fee structures of other states. While there was substantial variation in how states distribute fees, there was broad consensus that larger dischargers pay higher fees. In some cases, additional fee multipliers were assessed for discharges with a higher environmental impact, as measured by pollutant loading or compliance history. Industrial dischargers usually pay greater fees, but not markedly so in most cases. Industrial dischargers of toxic pollutants sometimes pay higher fees. All of the states investigated have annual fees associated with NPDES permits, and most have application fees. There is no consensus as to the magnitude of the annual fee relative to the application fee.

While various combinations of these factors were considered, the following principles were determined to be most appropriate in terms of fairness to the regulated community, the resources expended by the Department, and the relative environmental impacts of different classes of facilities:

- Permit fees for industrial wastewater will be higher than fees for treated sewage. Permits for industrial wastewater are more variable and require greater resources to issue and maintain. Toxic and persistent pollutants are more often present in greater quantities in industrial discharges, with increased potential for adverse environmental impact relative to the conventional pollutants discharged in treated sewage.
- Permit fees will be higher for facilities with higher flows. Higher flows generally track with higher pollutant loadings and increased potential adverse environmental impact.
- Application fees for a new facility will be twice that for a reissued permit, reflecting the substantially greater resources required to issue an NPDES permit for a new facility. Setting application fees higher also better compensates the Department for processing applications for new permits that are submitted on a contingency basis, and that may or may not result in a facility being built.
- Annual fees will be implemented, and be designed to cover the ongoing costs associated with maintaining the permit coverage, including the cost of compliance inspections, sampling, and reports. Integrating annual fees into the process spreads the cost of the permit over the 5-year permit cycle, and this should help the permittee manage costs. It avoids penalizing facilities that may suspend or terminate permit coverage during the cycle.
- Annual fees and permit reissuance fees, which occur every five years, should be the same if practicable. Setting the annual fee to the same value as the permit reissuance fee means that permittees generally can count on a uniform fee every year when producing the annual budget.

RECOMMENDATION AND COMMENT:

The proposed rulemaking provides for a general review of the permit fee structure every three years, to assure that the fees continue to cover the cost of maintaining the program.

Table 1. Summary of NPDES Application Fees

Applications fees for individual NPDES permits for treated sewage are:

SRSTP	\$100 for new; \$100 for reissuance.
Small flow treatment facility	\$250 for new; \$250 for reissuance
Minor facility < 50,000 GPD	\$500 for new; \$250 for reissuance
Minor facility ≥ 50,000 GPD < 1 MGD	\$1,000 for new; \$500 for reissuance
Minor facility with CSO	\$1,500 for new; \$750 for reissuance
Major facility ≥ 1 MGD < 5 MGD	\$2,500 for new; \$1,250 for reissuance
Major facility ≥ 5 MGD	\$5,000 for new; \$2,500 for reissuance
Major facility with CSO	\$10,000 for new; \$5,000 for reissuance

Applications fees for individual NPDES permits for industrial waste are:

Minor facility not covered by an ELG	\$1,000 for new; \$500 for reissuance
Minor facility covered by an ELG	\$3,000 for new; \$1,500 for reissuance
Major facility < 250 MGD	\$10,000 for new; \$5,000 for reissuance
Major facility ≥ 250 MGD	\$50,000 for new; \$25,000 for reissuance
Mining activity.....	\$1,000 for new; \$500 for reissuance
Stormwater	\$2,000 for new; \$1,000 for reissuance

Application fees for individual NPDES permits for other facilities or activities are:

CAFO	\$1,500 for new; \$750 for reissuance
CAAP	\$1,500 for new; \$750 for reissuance
MS4.....	\$5,000 for new; \$2,500 for reissuance

Application fees for transfers of individual permits are:

SRSTP	\$50
Small flow treatment facility	\$100
Other domestic wastewater	\$200
Industrial waste	\$500

Application fees for amendments to individual permits are:

Amendment initiated by Department	No charge
Minor amendment	\$200
Major amendment	Same as reissuance permit fee

Table 2. Summary of NPDES Annual Fees

Annual fees for individual NPDES permits for discharges of domestic sewage are:

SRSTP	\$0
Small flow treatment facility	\$0
Minor facility < 50,000 GPD	\$250
Minor facility ≥ 50,000 GPD < 1 MGD	\$500
Minor facility with CSO	\$750
Major facility ≥ 1 MGD < 5 MGD	\$1,250
Major facility ≥ 5 MGD	\$2,500
Major facility with CSO	\$5,000

Annual fees for individual NPDES permits for discharges of industrial waste are:

Minor facility not covered by an ELG	\$500
Minor facility covered by an ELG	\$1,500
Major facility < 250 MGD	\$5,000
Major facility ≥ 250 MGD	\$25,000
Mining activity.....	\$0
Stormwater	\$1,000

Annual fees for individual NPDES permits for other facilities or activities are:

CAFO	\$0
CAAP	\$0
MS4	\$500

NOTES:

AEU	Animal Equivalent Unit
CAAP	Concentrated Aquatic Animal Production
CAFO	Concentrated Animal Feeding Operation.
CSO	Combined Sewer Overflow
GPD	Gallons per Day
MGD	Million Gallons per Day
MS4	Municipal Separate Storm Sewer System
SRSTP	Single-residence Sewage Treatment plant