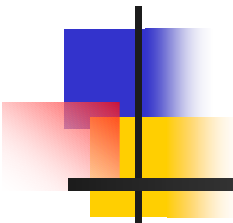


Proposed Rulemaking
Amending the Air Quality Fee Schedules
25 Pa. Code Chapters 121, 127 and 139



Environmental Quality Board
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Air Quality Fee Background

- Section 502(b) of the Clean Air Act (CAA) requires the Commonwealth to adopt rules that the owners/operators of all sources subject to Title V of the CAA pay an annual fee sufficient to cover all reasonable direct and indirect costs required to develop and administer the Title V Permit Program.
- Section 6.3 (a) of the Air Pollution Control Act (APCA) authorizes the Board to establish fees sufficient to cover the indirect and direct costs of administering the air pollution control plan approval process, operating permit program required by Title V and other requirements of the CAA including the cost of administering the Small Business Stationary Source Technical and Environmental Compliance Assistance Program and the Office of the Small Business Ombudsman.



Air Quality Fee Background

- Section 6.3 (a) of the APCA also authorizes the Board to establish fees by regulation to support the air pollution control program activities which are not covered by fees required by Section 502 of the CAA.
- Section 6.3 (c) of the APCA provides that the Board shall establish a permanent annual air emission fee as required for regulated pollutants by Section 502 of the CAA and other related requirements. This permanent emission fee shall not apply to emissions of more than 4,000 tons for any regulated pollutant.



Air Quality Fee Schedule Amendments

- DEP proposes to revise the existing air quality fee schedule to:
 - Increase the existing plan approval and operating permit fee schedule.
 - Increase the base annual emission fee for Title V facilities.
 - Establish new plan approval and operating permit fee categories including risk assessments.
 - Establish a fee schedule for source testing, test report reviews and continuous emission monitoring system audit and monitoring activities.



Air Quality Fee Schedule Amendments

- The proposed rulemaking adds 22 new terms and definitions to Chapter 121 to define certain activities and to clarify the “continuous emissions monitoring system” definition.
- The proposed rulemaking increases the plan approval and permit fee schedule.
- New fee-related proposals include:
 - Risk assessments and multi-pathway risk assessments.
 - Certain plan approval actions.
 - Requests for Determination.



Air Quality Fee Schedule Revision

- DEP is proposing to increase the base emissions fee for Title V facilities from \$54 to \$70 per ton for regulated pollutants up to 4,000 tons per pollutant.
- Subchapter D is added in Chapter 139 to establish fees for certain testing, auditing and monitoring activities related to source testing and oversight. These fees are for stack testing, test report reviews and auditing and monitoring activities related to continuous emission monitoring systems.



Air Quality Fee Schedule Revision

- Section 127.701 is revised to specify that DEP will provide the Board with an evaluation of the fees.
- DEP will also recommend any regulatory changes to the Board to address any disparity between the program income generated by the fees and the Department's cost of administering the air quality program with the objective of ensuring sufficient fees to meet program costs.



Estimated Fee Impact

- DEP estimates that in 2011, the proposed fee amendments will result in increased revenue as follows:
 - Title V Emission Fees - \$2.76 Million
 - Plan Approval/Operating Permit Fees - \$760,000
 - Source Testing/Auditing/Monitoring Fees - \$1.4 Million



Affected Parties

- The proposed amendments will affect the owners/operators of air pollution stationary sources that apply for or hold plan approvals and operating permits and Title V facilities, as defined in 25 Pa. Code Section 121.1.
- There are approximately 2500 permitted non-Title V facilities and an estimated 800 Title V facilities.



Advisory Committee Review

- On February 12, 2009, the Air Quality Technical Advisory Committee recommended EQB consideration of the proposed rulemaking.
- On February 17, 2009, the Citizens Advisory Council recommended that the proposed rulemaking should move forward to the Environmental Quality Board.
- On March 4, 2009, the proposed rulemaking was presented to the Small Business Compliance Advisory Committee.



Recommended

Public Participation Process

- DEP recommends a 60-day public comment period and three public hearings on the proposed rulemaking.
- If adopted as a final-form rulemaking, a revision to the State Implementation Plan will be submitted to the U.S. Environmental Protection Agency.



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