

Idaho Department of Environmental Quality

Title V Fee Program



Rulemaking Purpose

- Revise the fee structure of a Clean Air Act mandated air permitting program.
- Known as the Title V program
- Administered by DEQ

Clean Air Act Requirements

- Major industrial sources of air pollution:
 - Obtain a Title V operating permit
 - Pay on-going annual fees to cover the costs of a Title V program

Why we are here today?

- Idaho National Laboratory (INL) has been paying \$500K in annual fees for many years
- January 2018: INL decreased its' emissions to no longer need a Title V permit or to pay annual fees
- To cover this significant loss, DEQ must negotiate a revision to the current fee structure to ensure funding.
- DEQ will realize this loss in SFY2020

Title V Revenues

- DEQ collects approximately \$1.5 million annually from Title V facilities, which included the \$500K from INL
- The number of paying TV facilities has decreased slightly over the years:
 - 48 in FY2012
 - 43 in FY2014
 - 41 in FY2018 (foresee a few more next year)

Title V Expenditures

- SFY2018 \approx \$1,495,395
- SFY2014 \approx \$1,492,374
- Demonstrating DEQ has been fairly consistent over the years

Summary

- DEQ evaluated options to at least replenish the \$500,000 loss from INL
- With that loss in SFY2020 program expenditures will begin to exceed fee revenues by \$500,000/year
- Essentially depleting the fund balance by approximately March 2022

Summary... Continued

- We considered the timing of a fee change
- The earlier we implement the better
 - Begin collecting new fees as early as July 1, 2020 (SFY2021; July 2020 – June 2021)
 - If approved by the 2020 legislature, should provide consistent funding until approximately SFY2027
 - Let's look at some graphics

Proposed Rule: Step 1

**Current Rule: Per/ton fee
\$39.48**

| Emissions (tons/year) | Maximum Fee |
|-----------------------|--------------|
| 4,500 and above | \$143,000.00 |
| 3000- 4,499 | \$71,500.00 |
| 1,000 – 2,999 | \$35,100.00 |
| 500 - 999 | \$25,025.00 |
| 200 – 499 | \$10,725.00 |
| 0-199 | \$3,575.00 |

**Proposed Rule: Per/ton fee
\$51.06**

| Emissions (tons/year) | Maximum Fee |
|-----------------------|--------------|
| 4,500 and above | \$184,899.00 |
| 3000- 4,499 | \$92,449.50 |
| 1,000 – 2,999 | \$45,384.30 |
| 500 - 999 | \$32,357.33 |
| 200 – 499 | \$13,867.43 |
| 0-199 | \$4,622.48 |

The per/ton fee in 2006 was set at the EPA presumptive minimum to run a Title V program. To be consistent we increased it to the 2018 value of \$51.06. The Maximum fees were scaled proportionately: $51.06/39.48 = 1.293$.

This captures 30% of the amount DEQ needs cover the costs of the Title V program

Proposed Rule: Step 2

Current fee for service cap is \$20K

In 2018, 6 facilities were capped at \$20K.

Fee for service proposed cap is \$60K

In 2018, no facilities would reach the cap at \$60K.

In past years the \$60K would have been reached.

This captures 30% of the amount DEQ needs cover the costs of the Title V program

Proposed Rule: Step 3

Current Rule: Fixed annual fee

| Emissions (tons/year) | Fee |
|-----------------------|-------------|
| 4,500 and above | \$42,900.00 |
| 3000- 4,499 | \$28,600.00 |
| 1,000 – 2,999 | \$22,750.00 |
| 500 - 999 | \$11,050.00 |
| 200 – 499 | \$7,150.00 |
| 0-199 | \$3,575.00 |

Proposed Rule: Fixed annual fee

| Emissions (tons/year) | Fee |
|-----------------------|-------------|
| 4,500 and above | \$93,951.00 |
| 3000- 4,499 | \$62,634.00 |
| 1,000 – 2,999 | \$49,822.50 |
| 500 - 999 | \$24,199.50 |
| 200 – 499 | \$15,658.50 |
| 0-199 | \$7,829.25 |

The fixed annual fee (based on emissions) was increased to make up the difference needed to cover the costs of the DEQ's Title V program.

This captures 40% of the amount DEQ needs cover the costs of the Title V program

Thank you

