

# ACDP Fee Increase 2020 Rulemaking Advisory Committee

## Air Operations

Nov. 12, 2019

Oregon DEQ Portland Office

# Introductions

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- Hello and welcome
- Introductions
  - DEQ Staff & Facilitator
  - Attendees
- Purpose of meeting

# Committee Charter

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- Review
- Discussion
- Questions

# Policy Option Package

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- Policy Option Package 116 (2019 Legislature)
  - 70% increase in ACDP Fee revenue
  - Part of DEQ's budget bill
  - Authorizes 6 additional FTE and sustains program
  - Phases in the positions and fee increase on July 1, 2020

# ACDP Fee Increase History

- 2008: ACDP increase
  - 20% across the board
- 2014: ACDP increase
  - 20% across the board
  - Estimated to provide sufficient funding through 2017
- 2017: **No increase**
  - A 2017 proposal did not receive legislative approval. DEQ subsequently eliminated 4 FTE to balance the budget for the 2017-2019 biennium.
- 2020: **ACDP proposed increase**
  - 70% fee revenue increase
  - Estimated to provide sufficient funding to the 2023-2025 biennium.

# Discussion

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- Policy Option Package 116
- Legislative approval
- Fee increase history
  
- Other

# ACDP Source Introduction



## Basic Air Contaminant Discharge Permits (194)

Simplest permits, smallest emitters

Rock Crushers, Ready Mix, Auto body Shops, Crematories



## General Air Contaminant Discharge Permits (1993)

Simpler permits, smaller emitters

Gasoline stations, Dry Cleaners, Coffee Roasters, Grain Elevators



## Simple Air Contaminant Discharge Permits (146)

Simple and moderately complex permits, small-medium emitters

Data Centers, Metal Foundries, Wastewater Treatment Plants, Printers, Publishers



## Standard Air Contaminant Discharge Permits (139)

Complex permits, medium emitters

Particleboard, Plywood, Fuel Terminals, Semiconductor, Bakeries

# Current Annual Fee Revenue (FY2019)

ACDP Type (Permit)	Current Annual Fee	Approx. # of Payees	Total Annual Revenue	Approx. % of Total Fee Revenue	CAO Fees
Basic	\$ 432	176	\$ 62,533	1.64%	\$151
General 1	\$ 864	360	\$ 313,587	8.24%	\$302
General 2	\$ 1,555	296	\$ 454,779	11.95%	\$544
General 3	\$ 2,246	120	\$ 258,258	6.79%	\$786
General 4	\$ 432	375	\$ 161,658	4.25%	\$151
General 5	\$ 144	786	\$ 114,497	3.01%	\$50
General 6	\$ 288	65	\$ 18,720	0.49%	\$100
Simple Low	\$ 2,304	55	\$ 126,720	3.33%	\$806
Simple High	\$ 4,608	97	\$ 446,976	11.75%	\$1612
Standard	\$ 9,216	143	\$ 1,307,296	34.35%	\$3225
<b>Approximate Total Fee Revenue for ACDP Program 2019: \$ 3,805,346</b>				<b>Annual fees as % of all fee revenue: 91%</b>	

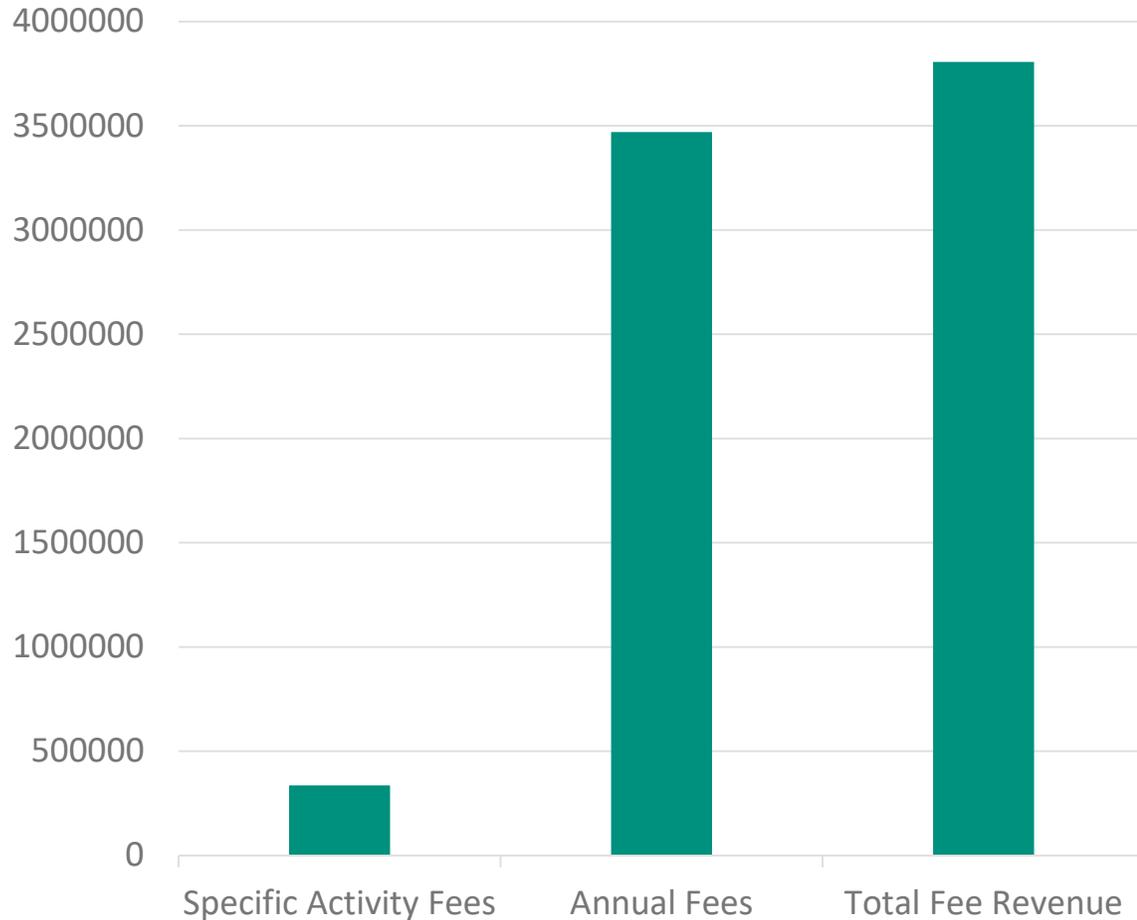


# Specific Activity Fees (FY2019)

Activity	Current Fee	Approx. # of payees	Total Annual Revenue	Approx. % of Total Fee Revenue
Non-Technical Permit Modification	\$ 432	111	\$ 49,113	1.3%
Simple Technical Permit Modification	\$ 1,440	4	\$ 5,760	0.16%
Moderate Technical Permit Modification	\$ 7,200	5	\$ 36,000	1%
Complex Technical Permit Modification	\$ 14,440	1	\$14,440	0.4%
Modeling Review	\$ 7,200	2	\$ 14,400	0.4%
Public Hearing at Source's Request	\$ 2,880	1	\$ 2,880	0.08%
Initial Permitting Fees	\$ Varies	82	\$213,728	5.93%
<b>Approximate Total Fee Revenue for ACDP Program 2019: \$ 3,805,346</b>			<b>Activity fees as % of all fee revenue: 9%</b>	



# Annual Fees and Activity Fees

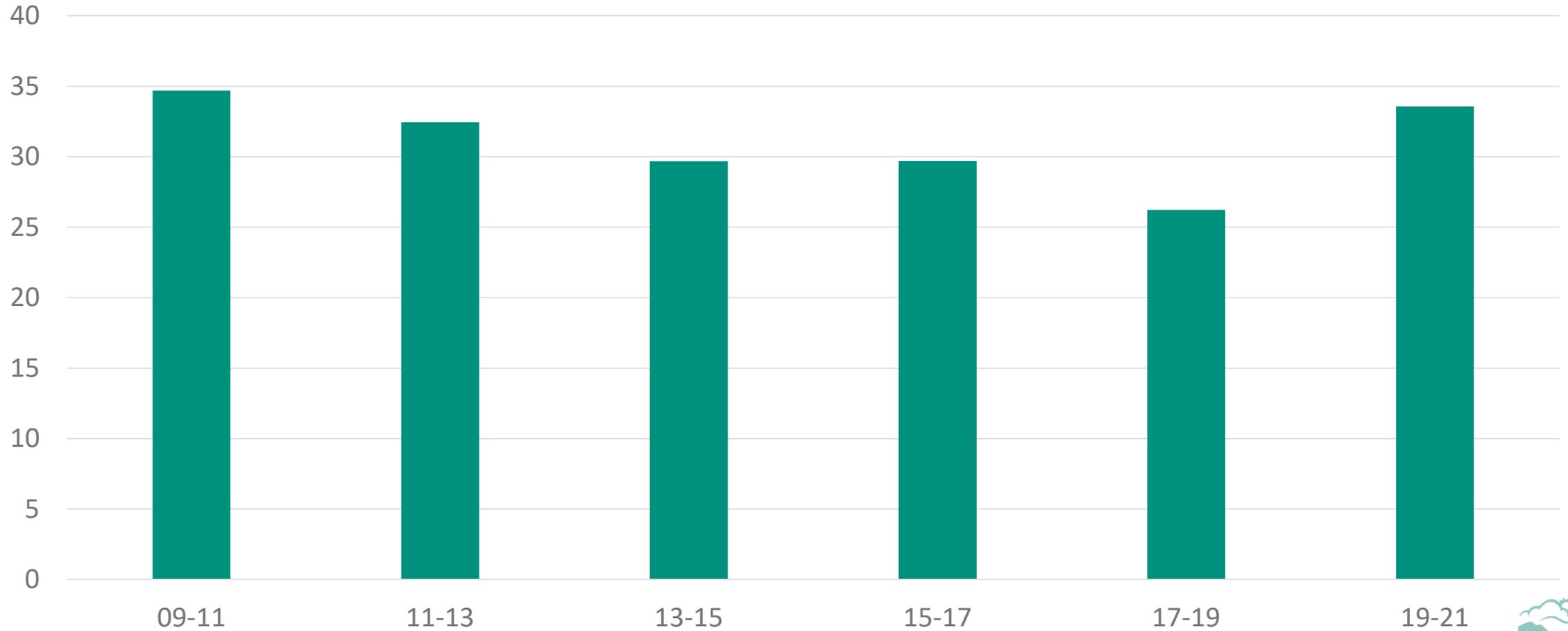


Revenue Source	Approx. Revenue	% of Total Fee Revenue
Annual Fees	\$ 3,469,025	91%
Specific Activity Fees	\$ 336,321	9%

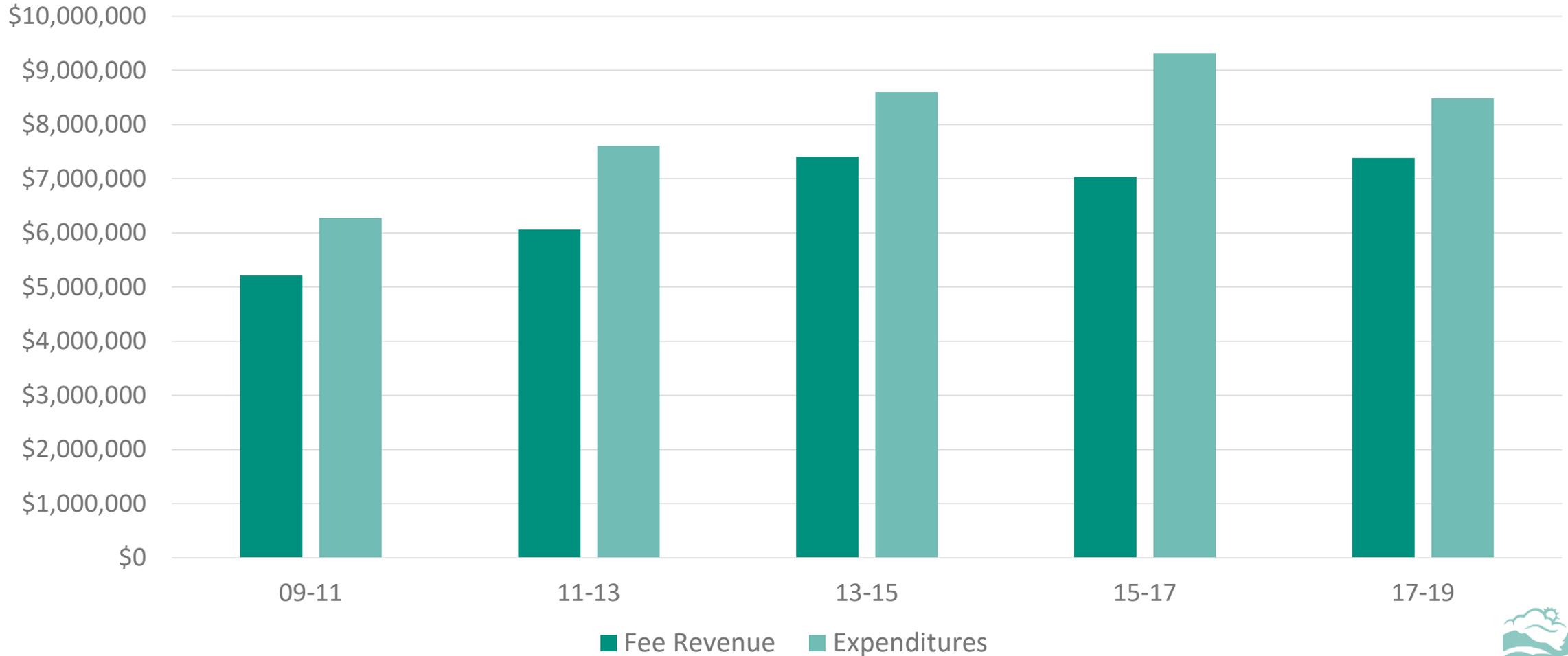
Total Fee Revenue
\$ 3,805,346



# ACDP 'Full Time Equivalent' Information



# Fee Revenue and Expenditures



# Discussion

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- ACDP/Permit types
- Fee revenue sources
- ACDP program FTE
- Revenue and expenditures
  
- Other

# Fee Increase Options

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- Across the board increase; or combination of...
  - Annual fee increase, specific activity fee increase, and construction notification fee
- Adjust GHG fee percentage
- New Basic ACDP

# Across the Board Increase All ACDP Annual Fees

Permit Type	Current Fee	70% Increase
Basic ACDP Fee	\$ 432	\$ 734
General ACDP Fee, Class One	\$ 864	\$ 1,469
General ACDP Fee, Class Two	\$ 1,555	\$ 2,644
General ACDP Fee, Class Three	\$ 2,246	\$ 3,818
General ACDP Fee, Class Four	\$ 432	\$ 734
General ACDP Fee, Class Five	\$ 144	\$ 245
General ACDP Fee, Class Six	\$ 288	\$ 490
Simple ACDP, Low Fee	\$ 2,304	\$ 3,917
Simple ACDP, High Fee	\$ 4,608	\$ 7,834
Standard ACDP	\$ 9,216	\$ 15,667



# +% Specific Activity Fees

Activity Type	Current Fee	25% Increase	50% Increase
Short Term Activity ACDP	\$3,600	\$4,500	\$5,400
<b>Basic ACDP (Initial Permitting)</b>	\$144	\$180	\$216
<b>Assignment to General ACDP (Initial Permitting)</b>	\$1,440	\$1,800	\$2,160
<b>Simple ACDP (Initial Permitting)</b>	\$7,200	\$9,000	\$10,800
Construction ACDP	\$11,520	\$14,400	\$17,280
<b>Standard ACDP (Initial Permitting)</b>	\$14,400	\$18,000	\$21,600
Standard ACDP (Major NSR or Type A State NSR)	\$50,400	\$63,000	\$75,600
<b>Non-Technical Permit Modification</b>	\$432	\$540	\$648
Basic Technical Permit Modification	\$432	\$540	\$648
Simple Technical Permit Modification	\$1,440	\$1,800	\$2,160
Moderate Technical Permit Modification	\$7,200	\$9,000	\$10,800
Complex Technical Permit Modification	\$14,400	\$18,000	\$21,600
Major NSR or Type A State NSR Permit Modification	\$50,400	\$63,000	\$75,600
Modeling Review (Outside of Major NSR or Type A State NSR)	\$7,200	\$9,000	\$10,800
Public Hearing at Source's Request	\$2,880	\$3,600	\$4,320
State MACT Determination	\$7,200	\$9,000	\$10,800
Compliance Order Monitoring (monthly)	\$144/mo	\$180/mo	\$216/mo

# Discussion

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- Questions, thoughts, or initial feedback so far
- Annual fee VS. specific activity fees?
  - Limitations to certain specific activity increases
- Considerations on percentages to specific activities?
  
- Other

# Notice of Intent to Construct

Emission levels	Type 1	Type 2
Significant Emission RATE (SER)	Change not eligible for Type 1 if above de minimis.	
De minimis emission rate		Change eligible for Type 1 as it is below de minimis.
--No emission changes--		
Emissions reductions		

# Fee for Notice of Intent to Construct Application

- Fee for Type 2 changes only (OAR 340-210)
- Basic or General sources may be eligible for fee credit
- Fee estimate based on average of ~7 hours staff time
  
- OAR 340-216-8020 table 2, part 4. ‘Specific Activity Fees’
  - Addition of:

Activity Type	Current Fee	Proposed Fee
Notification of Intent to Construct Type 2	N/A	\$720



# Example Fee Scenarios

ACDP Type (Permit)	Current Annual Fee	70% Increase to Annual w/no increase to Specific Activity Fees	Annual Fee w/ +25% Specific Activity + NC	Annual Fee w/ +50% Specific Activity + NC
Basic	\$ 432	\$ 734	\$713	\$691
General 1	\$ 864	\$ 1,469	\$1,426	\$1,382
General 2	\$ 1,555	\$ 2,644	\$2,566	\$2,488
General 3	\$ 2,246	\$ 3,818	\$3,706	\$3,594
General 4	\$ 432	\$ 734	\$713	\$691
General 5	\$ 144	\$ 245	\$238	\$230
General 6	\$ 288	\$ 490	\$475	\$461
Simple Low	\$ 2,304	\$ 3,917	\$3,802	\$3,686
Simple High	\$ 4,608	\$ 7,834	\$7,603	\$7,373
Standard	\$ 9,216	\$ 15,667	\$15,206	\$14,746

# Adjust Greenhouse Gas Reporting Fee Percent

Part 2. Annual Fees: (Due date 12/1 <sup>1</sup> for 1/1 to 12/31 of the following year)		
Short Term Activity ACDP		\$NA
Basic ACDP		\$432.00
General ACDP	(A) Fee Class One	\$864.00
	(B) Fee Class Two	\$1,555.00
	(C) Fee Class Three	\$2,246.00
	(D) Fee Class Four	\$432.00
	(E) Fee Class Five	\$144.00
	(F) Fee Class Six	\$288.00
Simple ACDP	(A) Low Fee	\$2,304.00
	(B) High Fee	\$4,608.00
Standard ACDP		\$9,216.00
Greenhouse Gas Reporting, as required by OAR 340, Division 215		12.5% of the applicable annual fee in Part 2

# Existing Basic Criteria

## Part A: Basic ACDP

- 1 Autobody repair or painting shops painting more than 25 automobiles in a year and that are located inside the Portland AQMA.
- 2 Concrete manufacturing including redimix and CTB, both stationary and portable, more than 5,000 but less than 25,000 cubic yards per year output.
- 3 Crematory incinerators with less than 20 tons/year material input.
- 4 Natural gas and propane fired boilers of 10 or more MMBTU/hour but less than 30 MMBTU/hour heat input constructed after June 9, 1989 that may use less than 10,000 gallons per year of #2 diesel oil as a backup fuel.
- 5 Prepared feeds for animals and fowl and associated grain elevators more than 1,000 tons/year but less than 10,000 tons per year throughput.
- 6 Rock, concrete or asphalt crushing, both stationary and portable, more than 5,000 tons/year but less than 25,000 tons/year crushed.
- 7 Surface coating operations whose actual or expected usage of coating materials is greater than 250 gallons per month but does not exceed 3,500 gallons per year, excluding sources that exclusively use non-VOC and non-HAP containing coatings, e.g., powder coating operations.

# Draft Criteria for New Basic

Sources eligible for this Basic ACDP must meet all of the following criteria:

- a. The source is not subject to any category listed on the ‘activities and sources’ of Table 1 OAR 340-216-8010 besides Part B #85;
- b. The permittee has requested an enforceable limit on their PTE to below Table 1 OAR 340-216-8010 Part B #85 permitting thresholds, as applicable depending on the source’s location through one or both of the following:
  - i. A limit on hours of operation;
  - ii. A limit on production;
- c. Control devices are not required to be used or otherwise accounted for to maintain PTE limits below Table 1 OAR 340-216-8010 Part B #85 permitting thresholds;
- d. The source is not subject to any of the following regulations: NSPS, NESHAP, or State MACT; and
- e. The source is not subject to any of the specific industry or operation standards in OAR 340, divisions 232, 234, or 236.
- f. DEQ has determined that the source is not required to conduct source testing and source testing for emission factor verification will not be required.

85

# New Basic ACDP

- New category for OAR 340-216 Table 1 part A
- Fees proposed to align with General ACDP fee class 1

	Permit Type	Current Annual Fee	Annual Fee w/ 70% Increase
Current Part B.85 Sources	Simple ACDP (Low/High)	\$2,304/\$4,608	\$3917/\$7,834
<b>Some Part B.85 Sources</b>	<b>New Basic ACDP</b>	\$2,304/\$4,608 <b>(Simple fee)</b>	<b>\$1,469</b>
	General ACDP Class 1	\$864	\$1,469
Other Part A Basic Sources	Basic ACDP	\$432	\$734

# Review of Proposals

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- Across the board increase; or combination of:
  - Annual fee increase, specific activity fee increase, NC Type 2 fee
- New Basic ACDP
- GHG fee percentage adjustment
- Questions? Topics for further discussion?

# Other Options Considered

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- September workshop: solicited ideas from outside the agency
- Modify/move sources to different annual fee classes
- Add new fee classifications for Simple/Standard ACDP

# Open Discussion

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- Follow-up meeting for December
  - Any specific questions to be answered?
- Previous topics to revisit in more detail?
- Other topics the committee would like to discuss
- Committee discuss obtaining public input (*based on public attendance*)

# Next Steps

- **Next Steps:**
  - DEQ review, analyze, and incorporate committee feedback
  - Rule proposal and Fiscal Advisory Committee meeting
  - Public notice and comment
  - Environmental Quality Commission action

Fiscal Advisory Committee Meeting	Public Notice & Comment	EQC Vote	Specific Activity Increases	Annual Fee Invoice Increase
Dec 9, 2019	Jan/Feb 2020	May 2020	July 2020	Sept-Oct 2020

# Meeting Adjourn

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- Reiterate any action items assigned
- Thank you for your time and input