

Update on HB 3229 (§ 6): Research on Title V Alternative Fee Structures

Sept. 26, 2023

Overview

- Oregon Title V permitting program
- HB 3229 (§ 6) and required Title V research
- Research on Title V alternative fee structures
- Q&A session and discussion
- Request for Title V stakeholder feedback

Oregon DEQ Title V program

- EPA delegates the administration of the Title V program to states and local air agencies.
- DEQ's Title V permitting program regulates Oregon's major industrial sources.
- The program must be 100% funded through fees collected from the regulated major sources.

HB 3229

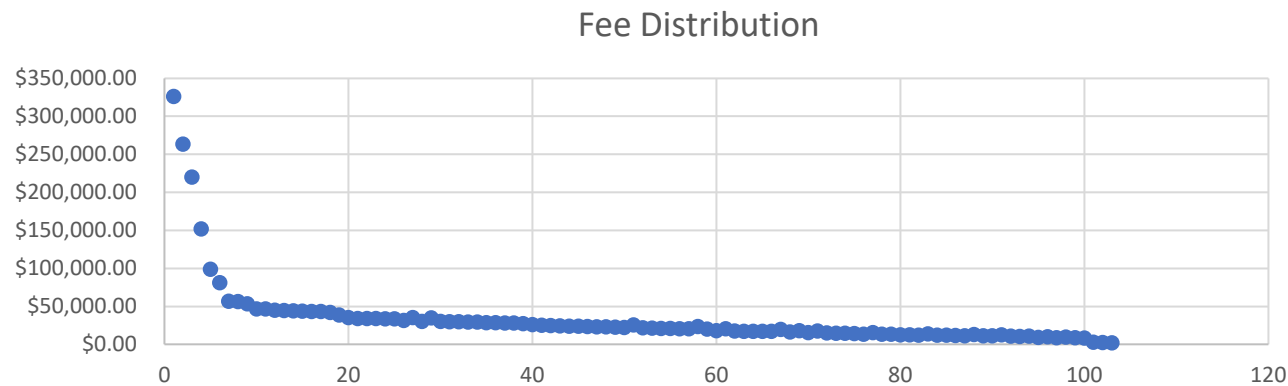
- Approved a 43% increase to base and emissions based fees for invoices sent in 2023.
- Established an additional 40% increase for 2024 invoicing cycle.
 - EQC adopted temporary rules to conform to the bill
 - Permanent rulemaking will complete in January 2024
- Sufficient revenue to avoid losing 11 positions.
 - Allows the program to restore vacancies over the coming years

HB 3229 Section 6

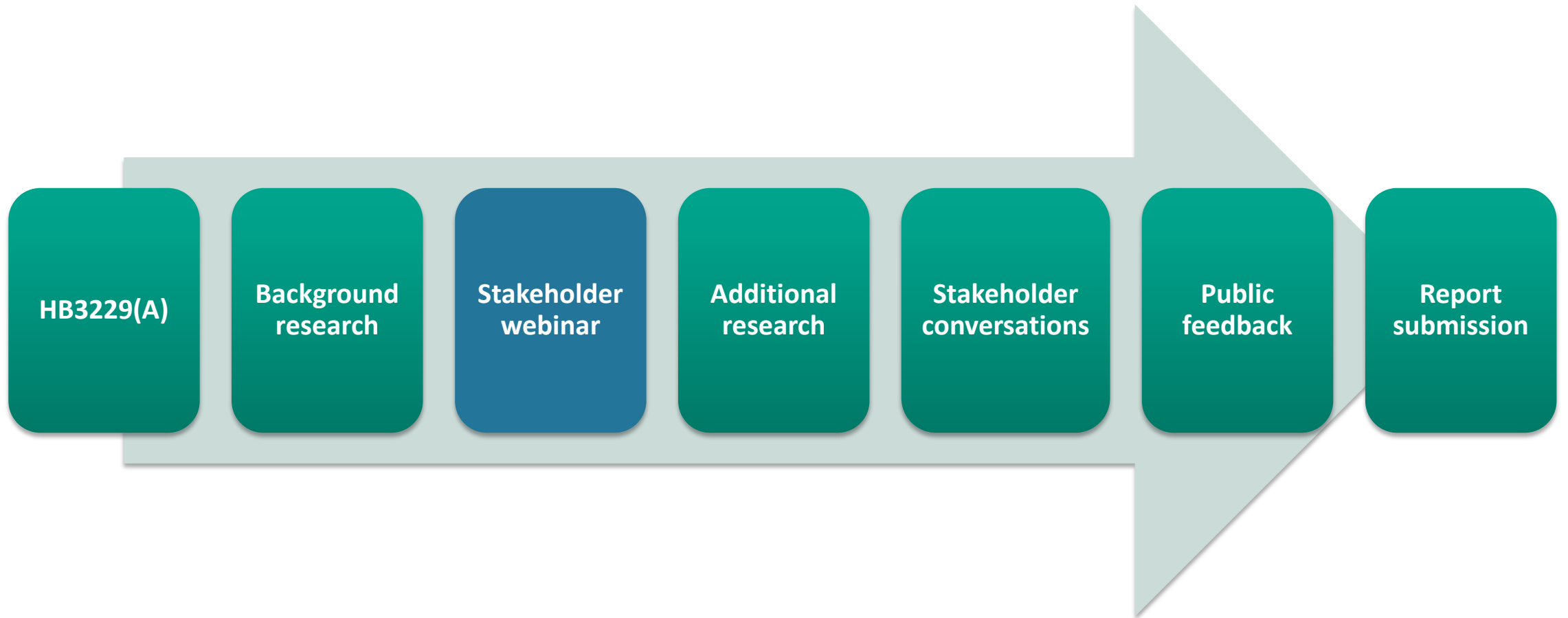
- DEQ “shall evaluate and make recommendations for alternative fee structures.”
 - Identify fee structures that require owners or operators of facilities subject to the federal operating permit program to pay fees commensurate with the regulatory complexity of the facility or permit.
 - Review the fee structures of other state and local government agencies that administer a federal operating permit program.

HB 3229 Section 6

- Ensure recommended fee structures result in fees that are sufficient to cover all reasonable direct and indirect costs of the federal operating permit program.
 - defined by section 502(b) of the federal Clean Air Act.
- Solicit and consider input from owners or operators of facilities subject to the federal operating permit program and program stakeholders.



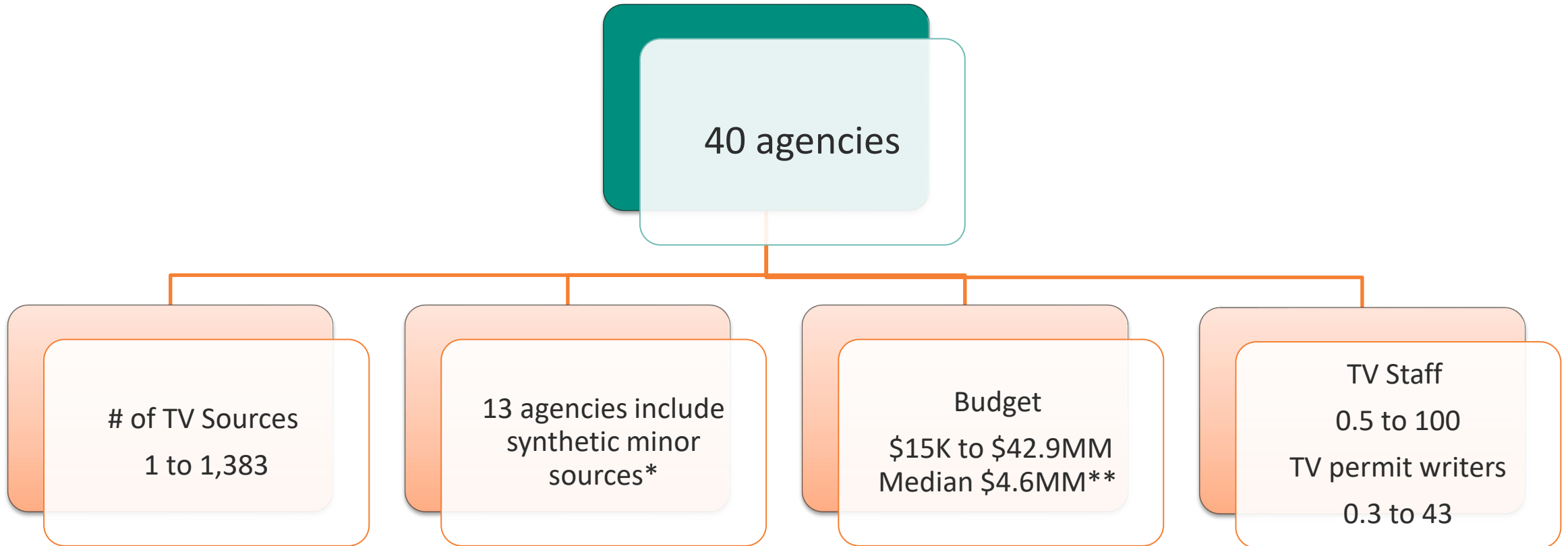
Process for Title V alternative fees report



NACAA Title V Fee Survey

- National Association of Clean Air Agencies is a national, non-partisan, non-profit association of air pollution control agencies:
 - 40 states
 - 117 local air agencies
 - District of Columbia
 - four territories
- 2023 NACAA member Title V fee survey

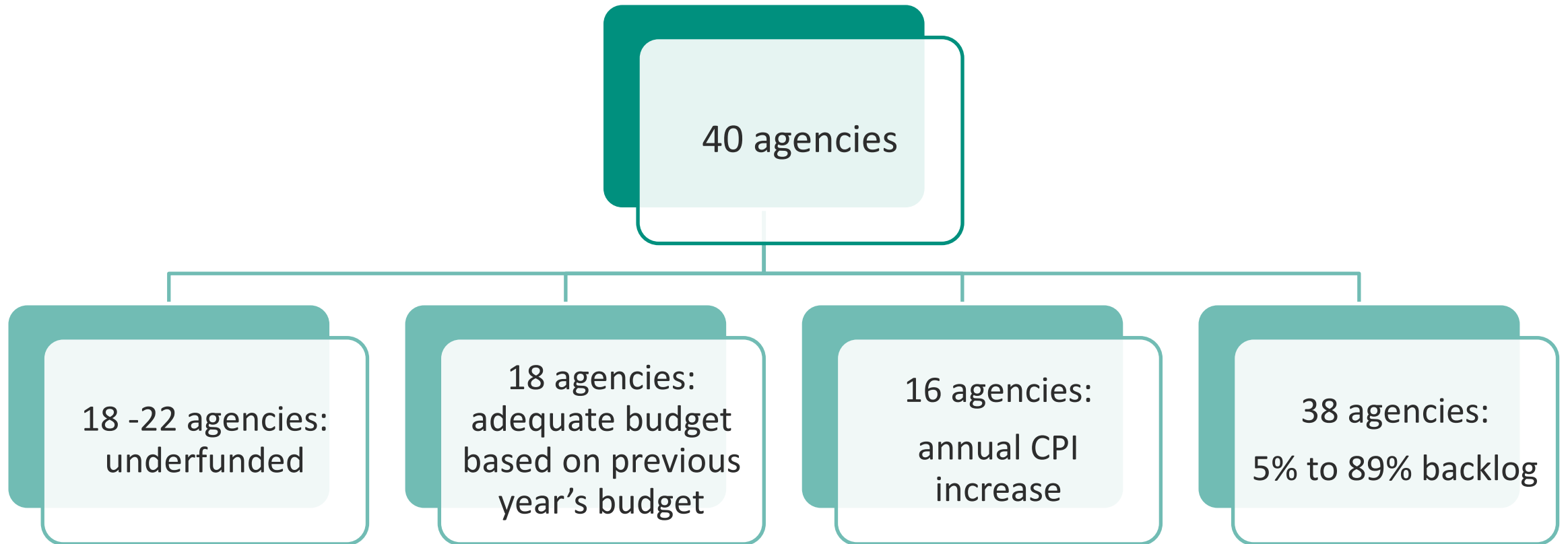
NACAA Title V Fee Survey



*synthetic minor sources take limits to avoid TV permitting

**median for state agencies, not locals

NACAA Title V Fee Survey



Emission Fees - Pollutants

Pollutants

23 agencies:
charge for criteria
pollutants + Hazardous
Air Pollutants/Toxic Air
Contaminants

8 agencies:
charge for criteria
pollutants only

2 agencies:
charge for H₂S

1 agency:
charges for CO also

Emission Fees

37 agencies:
emissions
decreased
over time

Emission Fees
(\$/ton)

Range from
\$18.38 to
\$1,751

2 agencies
charge more for
HAPs

\$36 vs \$239
\$18.38 vs \$38.28

1 agency charges
less for HAPs

\$104.11 vs
\$43.84

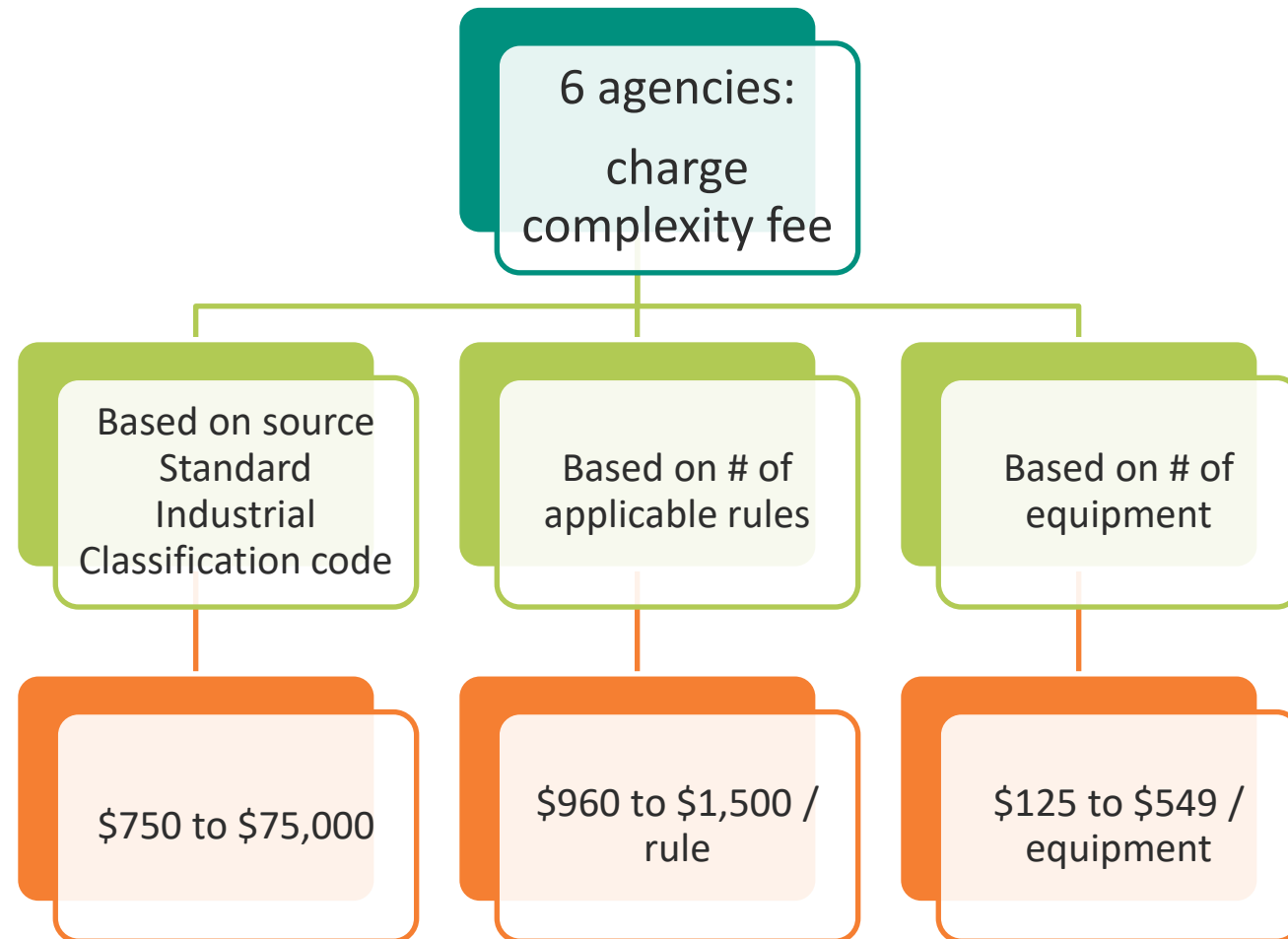
20 agencies
have a cap on
fees

4,000 to 7,500
tons

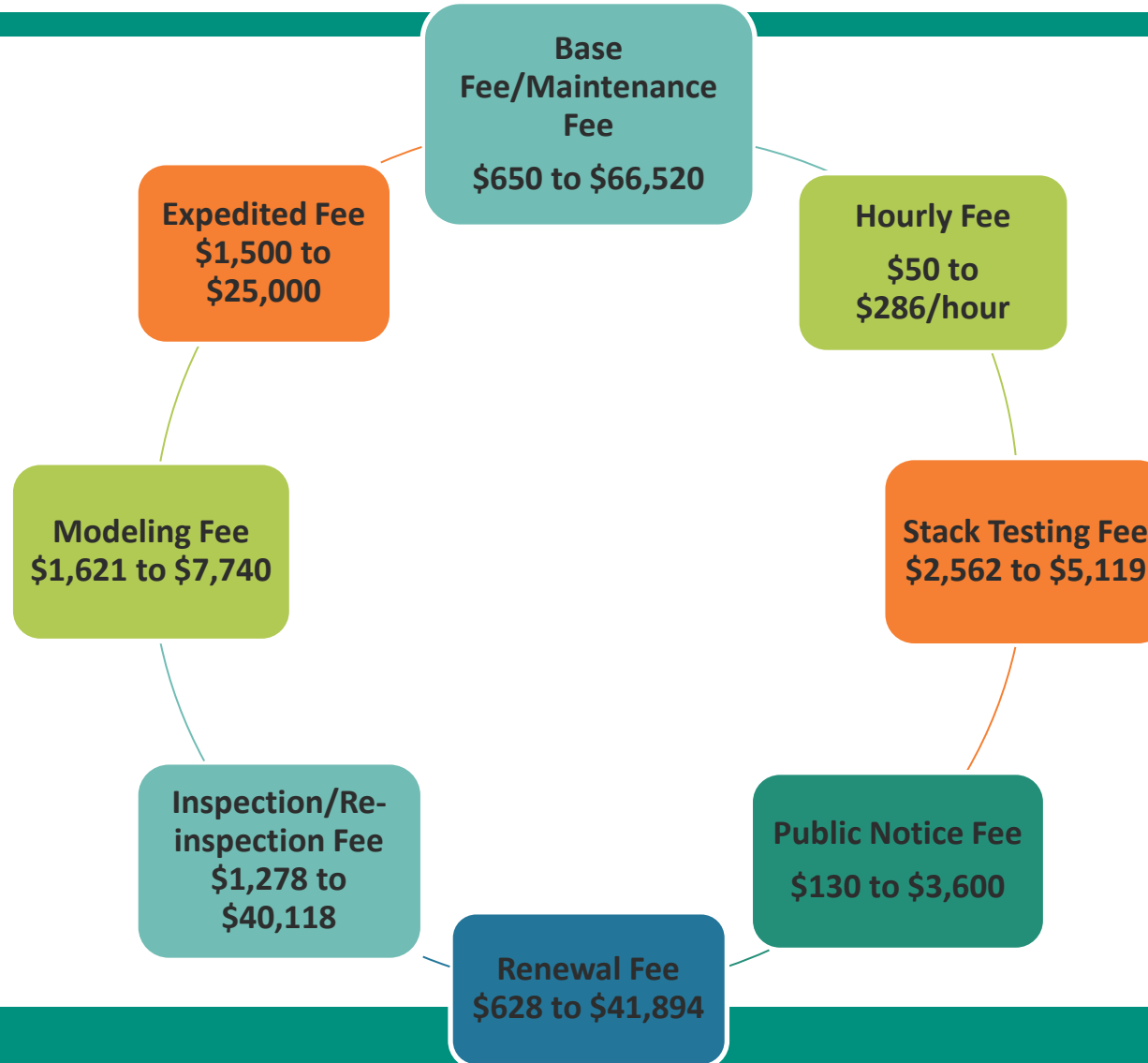
3 agencies
charge more for
higher
emissions

\$60/ton for < 1000 tpy
\$70/ton for 1000-2000 tpy
\$80/ton for 2000-5000 tpy
\$90/ton for >5000 tpy

Complexity Fee



Other Types of Fees



Washington Ecology Title V Fees

Total program cost for FY23 = \$2,441,459

- Subtract development/oversight from 7 locals = \$2,326,587
- $\$2,326,587 / 3 = \$775,429$ for flat fee, complexity and emissions
 - Flat: $\$775,429 / \#$ of TV facilities
 - Complexity: $\$775,429 / \text{total hours charged} * \text{hours/facility}$
 - Emissions: $\$775,429 / \text{total tons} = \$57.78/\text{ton} * \text{tons/facility}$
- Rebates if over collecting

Idaho Title V Fees

Three-part fee:

1) Fixed annual fee

Emissions (tons/year)	Fixed Annual Fee
4500 and above	\$70,785
3000 – 4499	\$47,190
1000 – 2999	\$37,540
500 – 999	\$18,235
200 – 499	\$11,800
0 – 199	\$5,900

2) Presumptive minimum fee

Emissions (tons/year)	Maximum Fee
4500 and above	\$181,000
3000 – 4499	\$91,000
1000 – 2999	\$44,400
500 – 999	\$31,500
200 – 499	\$13,500
0 – 199	\$4,550

3) Fee for service: not to exceed \$45,000

Mississippi Title V Fees

Emissions Tiered Minimum	
Emissions (tons)	Fees (\$)
0-10	\$370
>10-50	\$1,850
>50-100	\$3,700

Maintenance Fee	
# of Applicable Standards	Maintenance Fees (\$)
0-2	\$1,500
3-5	\$4,000
>5	\$10,000

Q&A and Discussion

- If complexity is used as a factor to set future Title V fees, what should Oregon consider when defining "complexity" and what weight should complexity be given?
- What other factors should DEQ consider when researching and evaluating alternative Title V fee structures?
- What additional information would help you evaluate and understand alternatives?

Next Steps

- Continued stakeholder engagement and outreach
- Review of stakeholder feedback and recommendations
- No later than December 31, 2023, the department shall submit its findings and recommendations in a report, in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to the environment.

Submit feedback by Oct. 31, 2023

DEQ encourages stakeholders to email feedback and recommendations on Title V alternative fee structures to AQpermits@deq.oregon.gov