**This document provides transparency about DEQ’s proposed fees.**

If the rule proposal involves fee changes, complete this document, *FEE.EXCERPT-3.00*. Advance the number 3.00 to 3.01, 3.02, 3.0*x*, whenever there are substantive changes to this document through the review process.

**DAS Fee Approval Test**

For fees to become **effective**, DEQ must receive approval of all NEW, INCREASED or DECREASED fees from the Director of the Oregon Department of Administrative Services. There are several exemptions from DAS fee approval that may apply to these proposed fees:

[ORS 291.055(2)(d)](http://www.leg.state.or.us/ors/291.html) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.

[ORS 291.055(2)(m)](http://www.leg.state.or.us/ors/291.html) New or increased fees that are anticipated in the legislative budgeting process for an agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted budget for the agency.

**DAS Fee Approval Required**

Complete the following DAS Forms:

[107BF21 – Fee Approval](http://cms.oregon.gov/DAS/CFO/Pages/forms.aspx)  Save SP under 3-FeeApproval as FEE.APPROVAL-3.00

[107BF22 – Fee Change Detail](http://cms.oregon.gov/DAS/CFO/Pages/forms.aspx) Save SP under 3-FeeApproval as FEE.DETAIL-3.00

DAS agreed to accept the Fee section of this document in lieu of the cover letter requested on the back of the DAS forms. This section also captures most of the information that DAS requests through their review. Below the Fee section is an optional Fee analysis section that provides a format for supporting data. Use this section for information that **may be released** with the fee approval documents sent to the Department of Administrative Services, public notice or the EQC staff report.

Save fee analysis documents **not intended for release** in SharePoint folder 3-Fee Approval using the name *FEE.ANALYSIS.OptionalIdentifyier-3.0~*. Please keep all Excel worksheets in one workbook.

Delete this page before submitting the **Fee Approval Packet** to DAS. See SCHEDULE-0.0? for tasks.

[ORS 291.055(1)(d)](http://www.leg.state.or.us/ors/291.html) requires DEQ report fee changes to DAS within 10 days of adoption.

|  |
| --- |
| Fees |

The Oregon Environmental Quality Commission approval of this rule proposal would decrease existing fees for some smaller permittees that trigger the construction permitting program, also called New Source Review/Prevention of Significant Deterioration. EQC authority to act on the proposed fees is ORS 468.050

Brief description of proposed fees

The proposed fee would reduce the economic burden on smaller permittees that trigger the construction permitting program, the “State New Source Review” program.

Reasons

The current New Source Review program rules do not distinguish between requirements for facilities that emit more than the federal major source threshold and those that emit less. Federal law requires states to have both a major and a minor New Source Review program. The requirements for the major New Source Review program are very prescriptive. States have more flexibility in designing the minor New Source Review program if the state demonstrates that it will protect air quality. Currently Oregon requirements for minor and major New Source Review are the same. This limits DEQ’s ability to use the minor New Source Review program in the most effective way to protect air quality and enabling economic development.

The proposed rules for new and modified facilities would distinguish those facilities above the federal major source threshold from facilities below the threshold and establish a minor New Source Review program for smaller businesses called “State New Source Review.” Because the permitting for State New Source Review is not as prescriptive as major New Source Review, the proposed fee would address a less rigorous review for applications from smaller businesses. By adding the Best Available Control Technology fee separate from the New Source Review/Prevention of Significant Deterioration fee, it will enable DEQ to add the component fees for a standard Air Contaminant Discharge Permit, computer modeling and possibly the modeling BACT fee to determine fees for State New Source Review ($21,600 without a BACT analysis and $32,640 with a BACT analysis). Without the proposed fee, smaller businesses would be required to pay $50,400 for a New Source Review permit.

Fee proposal alternatives considered

DEQ considered leaving the fees the same for all businesses that trigger New Source Review but realized that was unfair to smaller businesses.

Fee payer

Very few businesses trigger the New Source Review permitting program. DEQ receives an average of 1 to 3 applications per year. DEQ cannot predict how many New Source Review permitting applications will be received so trends and workload statistics cannot be determined.

Affected party involvement in fee-setting process

DEQ calculated the fees for smaller businesses that trigger State New Source Review by adding the individual components of permitting, such as the cost of the permit modification, whether a control technology analysis is required and whether computer modeling is required to determine ambient air quality impacts to the surrounding area.

Summary of impacts

If the fees were not changed, all businesses that trigger New Source Review, both large and small businesses would pay $50,400 for the permit. Instead, small businesses will be able to pay either

Fee payer agreement with fee proposal

DEQ cannot predict which businesses would build or expand their facilities enough to trigger New Source Review but does predict that these businesses would agree that lower fees are better.

How long will the current fee sustain the program?

Enter text here

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |
| Program costs covered by fees | | | | $0 | |  | 0% |  |  |
| Program costs covered by General Fund | | | | $0 | |  | 0% |  |  |
| Fee last changed | | | | Mm/dd/yyyy | |  |  |  |  |
|  |  |  | | | | | | | |

How long will the proposed fee sustain the program?

Enter text here

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Expected change in revenue (+/-) | | $0 |  | 0% |  |  |
| Min GF required by statue/rule to fund program | | $0 |  | 0% |  |  |
| Proposed fee allows General Fund replacement | | $0 |  | 0% |  |  |
| Expected effective date | | mm/dd/yyyy |  |  |  |  |
|  |  |  | | | | |

Transactions and revenue

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Number of transactions** | **Number of Fee Payers** | **Impact on revenue (+/-)** | **Total revenue (+/-)** |  | |
| Current biennium | | | 0 | 0 | $0 | $0 |  |
| Next biennium | | | 0 | 0 | $0 | $0 |  |

Fee schedule

|  |  |
| --- | --- |
| **Part 3. Specific Activity Fees:** | |
| a. Non-Technical Permit Modification (1) | $432 |
| b. Non-PSD/NSR Basic Technical Permit Modification (2) | $432 |
| c. Non-PSD/NSR Simple Technical Permit Modification(3) | $1,440 |
| d. Non-PSD/NSR Moderate Technical Permit Modification (4) | $7,200 |
| e. Non-PSD/NSR Complex Technical Permit Modification (5) | $14,400 |
| f. PSD/NSR Modification | $50,400 |
| g. BACT Analysis | $11,040 |
| h. Modeling Review (outside PSD/NSR) | $7,200 |
| i. Public Hearing at Source's Request | $2,880 |
| j. State MACT Determination | $7,200 |
| k. Compliance Order Monitoring (6) | $144/month |
| l. GHG PSD Permit | $28,320 |

|  |  |  |  |
| --- | --- | --- | --- |
| Fee Description |  | Fee Amount (2007 Basis) | Proposed Fee Amount (+20%) |
| **GHG PSD Application** |  |  |  |
| a. Complex Modification fee |  | $12,000 | $14,400 |
| b. BACT Analysis |  | $9,200 | $11,040 |
| c. Public Hearing at Source's Request |  | $2,400 | $2,880 |
| TOTAL |  | $23,600 | $28,320 |