

Environmental Quality Commission meeting

2020 ACDP Fee Structure

Agenda Item B, Action Item
May 7, 2020

Agenda Topics

- Overview of Air Contaminant Discharge Permits (ACDP);
- Overview of past and proposed fee increases;
- Public comment and small business impact mitigation efforts;
- New Basic ACDP; and
- DEQ Recommendation on EQC action.

Who is affected? ACDP Source Introduction



Basic Air Contaminant Discharge Permits (~198)

Simplest permits, smallest emitters

Rock Crushers, Auto body Shops, Crematories



General Air Contaminant Discharge Permits (~2062)

Simpler permits, smaller emitters

Gasoline stations, Dry Cleaners, Coffee Roasters, Grain Elevators



Simple Air Contaminant Discharge Permits (~149)

Simple and moderately complex permits, small-medium emitters

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



Standard Air Contaminant Discharge Permits (~154)

Complex permits, medium emitters

Particleboard, Plywood, Fuel Terminals, Semiconductor, Bakeries

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 approved*
 - A 2017 proposal (22%) did not receive legislative approval.
- 2020: **ACDP proposed increase**
 - 70% fee revenue increase; Estimated to provide sufficient funding through the 2023-2025 biennium.

Background: Policy Option Package

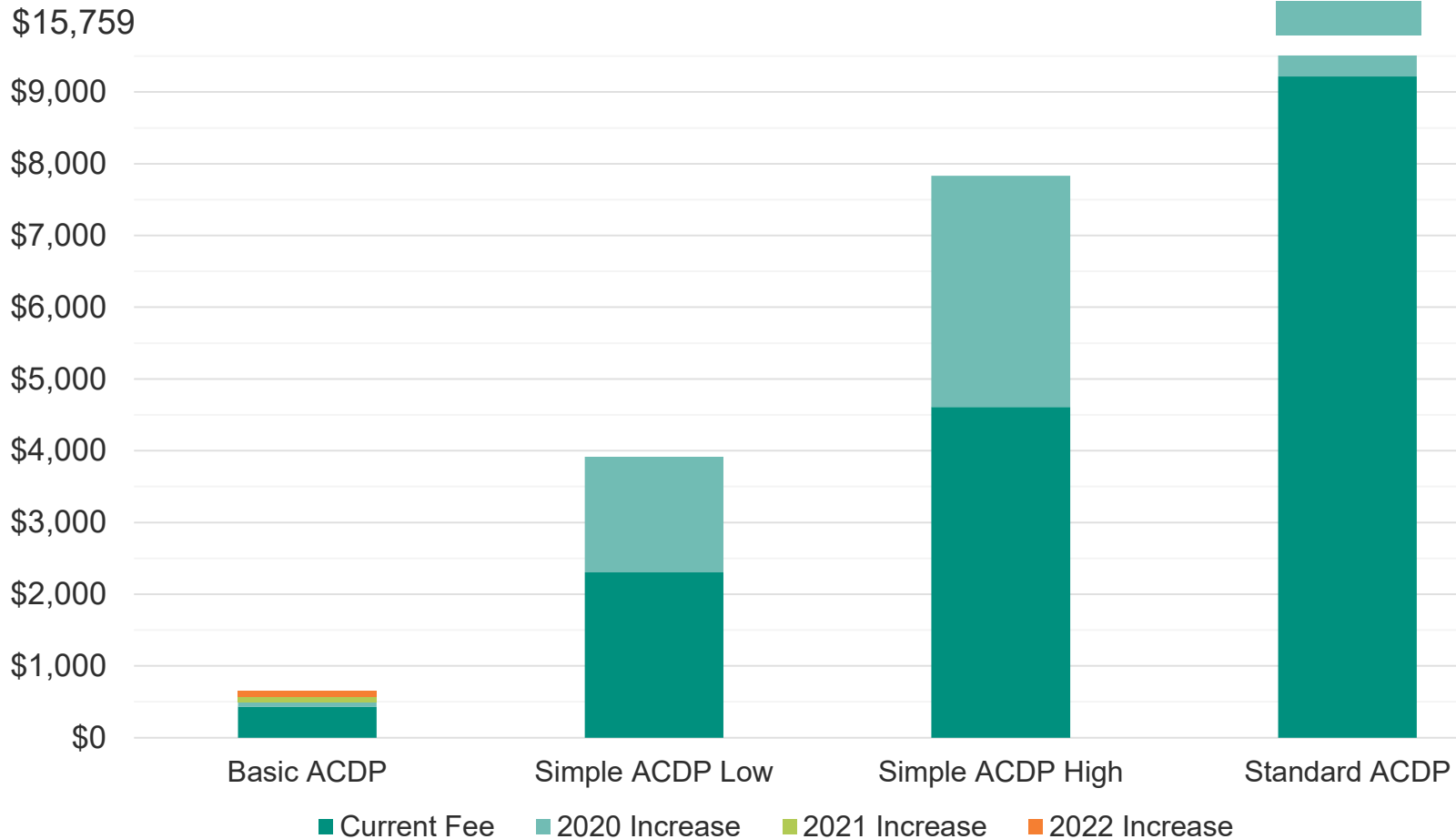
- 2019 Legislature Approval
 - Policy Option Package 116
 - House Bill 5017
- These provide authority for EQC to:
 - Increase fee revenue to hire 6 additional FTE and sustain the program through the 2025-2027 biennium; and
 - Phases in the positions on July 1, 2020

Covid-19 Related Changes

- Annual Fee Increase:
 - Modification to 3-year phase in for Basic and General ACDPs
 - ~87% of permit holders
- Delay hiring of approved positions

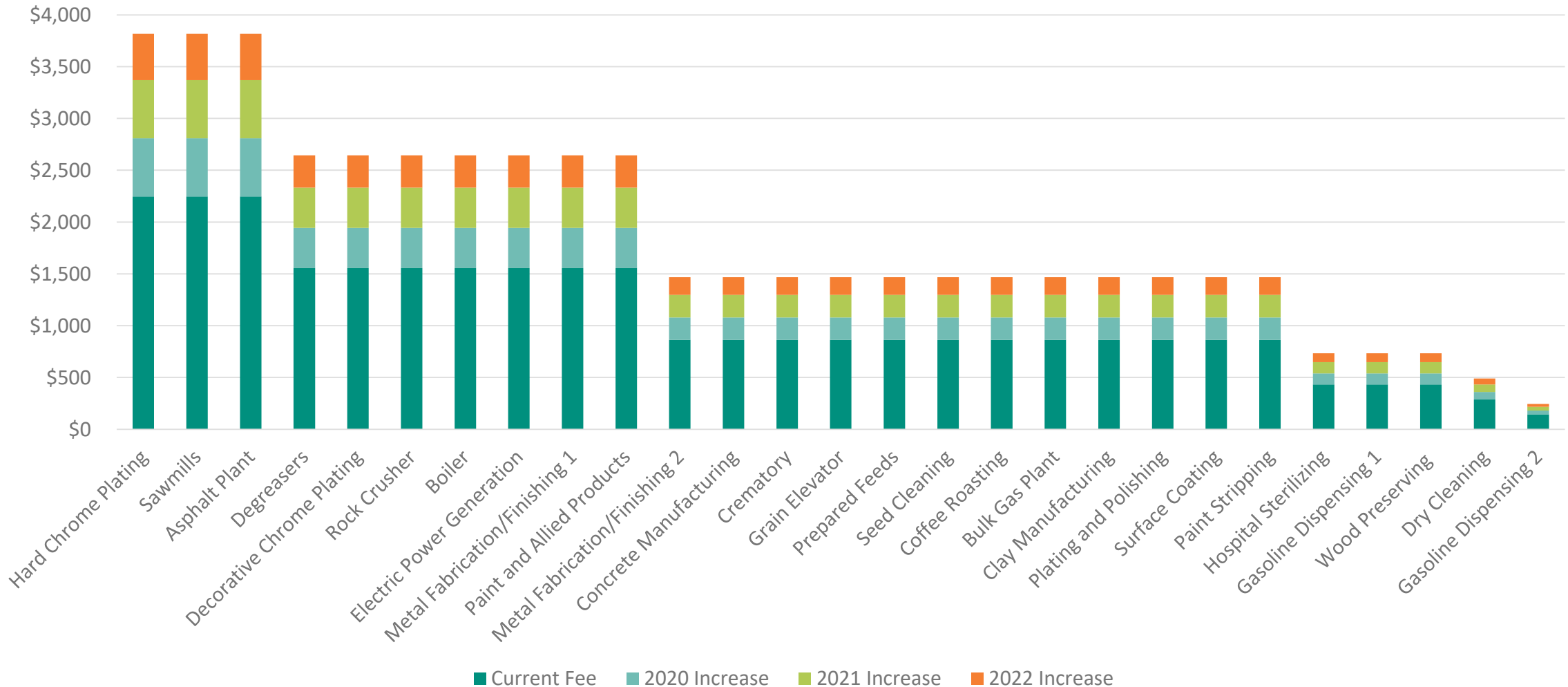
Permit Type	Total Increase over 3 years	2020 Increase	2021 Increase	2022 Increase
Basic ACDP	50%	15%	15%	20%
General ACDP	70%	25%	25%	20%

Individual/Source Specific Permits



Basic ACDP Activity/Source	Permit Threshold
Autobody Shops in the Portland area	Over 25 cars painted per year
Concrete Manufacturing	Over 5,000 but less than 25,000 cubic yards per year
Crematory Incinerators	Less than 20 tons per year input
Boilers	10 MMBTU/hr or more, but less than 30 MMBTU/hr heat input (smaller units)
Prepared Feeds/Grain Elevators	More than 1,000 but less than 10,000 tons per year throughput
Rock Crushing	More than 5,000 but less than 25,000 tons per year
Surface Coating Operations	Over 250 gallons per month

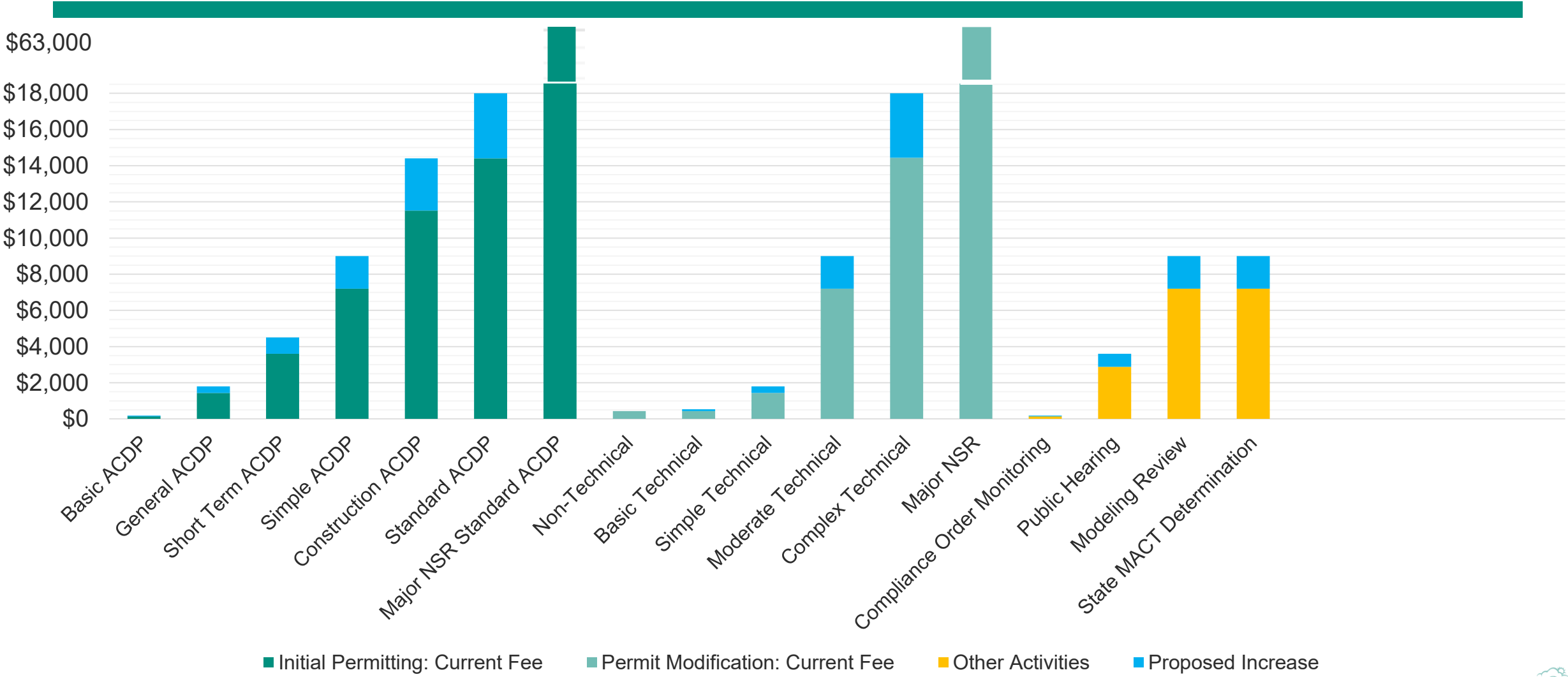
General Permit Annual Fees



Annual Fee Revenue

ACDP Type (Permit)	Current Annual Fee	Approx. # of Payees	Total Annual Revenue	Proposed Annual Fee (Dec. 2023 and on)	Proposed Annual Revenue
Basic	\$432	176	\$62,533	\$648	\$114,048
General 1	\$864	360	\$313,587	\$1,469	\$528,840
General 2	\$1,555	296	\$454,779	\$2,644	\$782,624
General 3	\$2,246	120	\$258,258	\$3,818	\$458,160
General 4	\$432	375	\$161,658	\$734	\$275,250
General 5	\$144	786	\$114,497	\$245	\$192,570
General 6	\$288	65	\$18,720	\$490	\$31,850
Simple Low	\$2,304	55	\$126,720	\$3,917	\$215,435
Simple High	\$4,608	97	\$446,976	\$7,834	\$759,898
Standard	\$9,216	143	\$1,307,296	\$15,759	\$2,253,537

Specific Activity Fees



Specific Activity Fee Frequency

Specific Activity Type	Current Fee	2015	2016	2017	2018	2019
Moderate Technical	\$7,200	3	3	3	3	5
Complex Technical Permit Mod	\$14,440		1	2	2	1
Major NSR	\$50,400	1	2			
Modeling Review	\$7,200		1		2	2
State MACT Determination	\$7,200					
Nontechnical (includes Name Change)	\$432	94	90	169	108	89
Simple Technical	\$1,440	8	3	2	6	2
Public Hearing Request	\$2,880		3	1	1	2

*One state MACT determination conducted in the 1990's

Public Comment

- DEQ received comments from 12 different commenters covering an array of topics from support to objection.
- DEQ made changes to the draft rules based on comments received (waiving construction notification for Basic and General ACDPs).
- 6 comments in opposition to the increase
- 4 comments in support of the increase
- 4 Alternatives

Alternatives Commented

- Raise Specific Activity Fees
- Increase Penalty Amounts for AQ Violations
- Modify Basic/General Permitting for Auto Body Shops
- Establish Smaller/Slower Fee Increase

Small Business Impact Mitigation

- Basic ACDP: lower and slower increase;
- General ACDP: slower increase;
- Non-Technical Permit Modification: no increase;
- Type 2 Construction Fee: waive for Basic and General ACDP
- New Basic ACDP: for relatively simple sources;
- Less fee revenue for these changes. Specific Activity fee increases to supplement/make up the difference

Criteria for New Basic

Current: Simple ACDP required

85. All other sources, both stationary and portable, not listed herein which would have actual emissions, if the source were to operate uncontrolled, of 5 or more tons per year of direct PM_{2.5} or PM₁₀ if located in a PM_{2.5} or PM₁₀ nonattainment or maintenance area, or 10 or more tons per year of any single criteria pollutant if located in any part of the state.

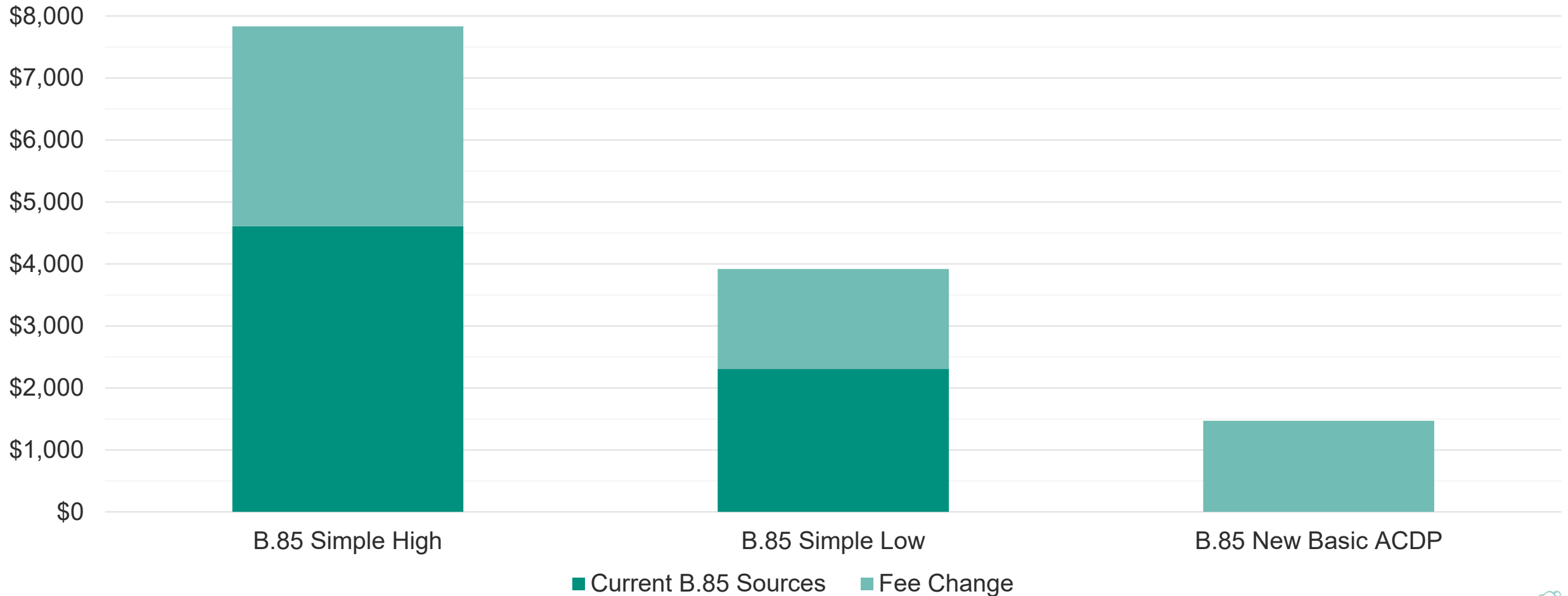
Proposed: Basic ACDP optional

Sources subject to permitting under number 85 if all of the following criteria are met:

- a. The source is not subject to any category listed on this table other than Part B number 85;
- b. The source has requested an enforceable limit on their actual emissions, if the source were to operate uncontrolled, to below number 85 of this table 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 to maintain emissions levels compliant with 8.b above;
- d. The source is not subject to a 40 C.F.R. part 60, part 61, or part 63 standard (NSPS or NESHAP);
- e. The source is not subject to any standard in OAR chapter 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.

New Basic ACDP

Current B.85 Sources and Proposed New Basic ACDP Option



Rulemaking Timeline

Activity/Event	Date(s)
Informal Workshop w/ stakeholders	9/24/19
Rules Advisory Committee	11/12/19
Fiscal Advisory Committee	12/9/19
Public Comment Period	1/27/20 – 3/2/20
Public Hearing	2/27/20
EQC meeting	5/7/20 – 5/8/20
Specific Activity Fee Increases	7/1/2020
First Invoices with Increased Annual Fees	~9/15/2020 (due 12/1/2020)

Questions?

- Topics Covered:
 - Overview of Air Contaminant Discharge Permits (ACDP);
 - Overview of past fee increases;
 - Overview of proposed fee increases;
 - Public comments/alternatives;
 - Small business impact mitigation efforts;
 - New Basic ACDP; and
 - Changes due to Covid-19 impacts

DEQ Recommendation to the EQC

DEQ recommends that the Environmental Quality Commission:

- Adopt the proposed rules in Attachment A of the staff report as part of Chapter 340 of the Oregon Administrative Rules; and
- Approve incorporating these rule amendments into the Oregon Clean Air Act State Implementation Plan under OAR 340-200-0040; and
- Direct DEQ to submit the SIP revision to the U.S. Environmental Protection Agency for approval.