

Item E: Title V Fee Increase Temporary Rules

July 20, 2023

Overview

- Title V program and funding
- HB 3229, HB 5018, and Policy Option Package 110
- Proposed temporary rule
- Permanent rulemaking to restore Title V program

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 3229A, HB 5018 and Policy Package 110

HB 3229A	HB 5018 / Pkg 110
<p>Increases statutory base and emission fees</p> <ul style="list-style-type: none">• 43% effective immediately• Additional non-compounded 40% effective Jan. 1, 2024 <p>Provides authority to EQC for annual increases up-to 3%, effective Jan. 1, 2025</p> <p>Requires report back to the legislature on alternative fee structures</p>	<p>Restores positions otherwise cut due to a revenue shortfall</p> <p>Authorizes the EQC to adjust specific activity fees found in administrative rule</p>

Temporary Rule

DEQ proposes to implement the legislatively approved 43% budget increase for 2023. The temporary rule

- allows DEQ to include the fee increase for the 2023 invoicing cycle starting Aug. 1, 2023;
- provides necessary funding to begin replenishing the Title V program; and
- prevents increasing the permit renewal and new application backlog.

Title V Fee Permanent Rulemaking

DEQ will conduct a formal rulemaking, to permanently implement all increases authorized by HB 3229 (2023) and HB 5018 (2023). The rulemaking effort will include

- stakeholder engagement;
- review of Title V fee national trends and research; and
- a public notice process.

Questions?

Recommendation

I move that the Environmental Quality Commission:

1. For the reasons described in the DEQ staff report supporting this proposal, find that the failure to act promptly to adopt temporary rules will result in serious prejudice to the public interest and the interests of Title V permit holders; and
2. Adopt the temporary rule amendments attached to the DEQ staff report as Exhibit A as part of Chapter 340 of the Oregon Administrative Rules, to increase Title V fees, effective August 1, 2023.