



Article XXI Air Pollution Control

Air Quality Permit Fee Amount and Regulation Changes

Board of Health
March 8, 2021





Request the Allegheny County Board of Health to approve minor changes to Permit Fee regulations to accommodate new affective dates and correct reassignment of certain fees to the Title V Air Quality Fund.

Request the Allegheny County Board of Health to approve the proposed Air Quality fee amounts.



Air Quality Fee Regulation Changes - State

- Pennsylvania approved state-wide (outside of Allegheny County) change in fees effective January 16, 2021.
- New application fees applicable January 17, 2021.
- Invoices for 2021 annual fees mailed to sources in late January or early February; payments due in March.
- Allegheny County proposed fees are set the same as the state, modified only to accommodate small differences in permitting procedures.



Air Quality Fee Regulation Changes

- Board of Health approval of regulations May 4, 2020.
- Setting of fee levels deferred until the state fees became final.
- Since state fees delayed until 2021, implementation dates have changed.



Proposed Changes since May 2020 Board

2103.40c. Annual Operating Permit Maintenance Fee. Beginning for calendar year 2021, an owner or operator of a source that has submitted an application for an operating permit under this Part shall pay an annual operating permit maintenance fee in the amount set by the Board of Health. For calendar year 2021, the annual operating permit maintenance fee is due on or ~~before December 31, 2020~~ *blank* [*Editor's Note: THE BLANK REFERS TO THE DATE 60 DAYS AFTER THE EFFECTIVE DATE OF ADOPTION OF THIS PROPOSED RULEMAKING.* For subsequent years, the annual operating permit maintenance fee is due on or before December 31 of each year for the next calendar year. The owner or operator shall pay the fee while such application is being reviewed and then during the term of any permit subsequently issued.

Explanation: to reset a deadline that has already passed.



Proposed Changes since May 2020 Board

2109.07b. Disposition of Monies Collected.

1. All interest received by the County under this Article as a result of ~~emissions~~ fees under **SECTIONS 2102.10.h, 2103.40.i, AND §2103.41.a.1** of this Article shall be paid into the Allegheny County Air Quality Fund for the major operating permit program.
2. All interest received by the County under this Article as a result of fees, other than the ~~emissions~~ fees under **SECTIONS 2102.10.h, 2103.40.i, AND §2103.41.a.1** of this Article, shall be paid into the Allegheny County Air Pollution Control Fund.

Explanation: to allow major source fees other than emission fees to be deposited into the Title V Air Quality Fund.



Proposed Changes since May 2020 Board

2109.08e. There is hereby established the "Allegheny County Air Quality Fund" for the major operating permit program which is specifically for the deposit of all ~~emission~~ fees, and related interest, and only such fees and interest, ~~required to be collected by the County~~ **UNDER THIS ARTICLE TO IMPLEMENT THE REQUIREMENTS OF** ~~by~~ Title V of the Clean Air Act, and the disbursement of such funds, and only such funds, solely to cover all of the costs of the County's air pollution control program required by Title V of the Clean Air Act. All funds received by the County under this Article as a result of ~~major source emissions~~ fees, and related interest, **COLLECTED FROM SOURCES THAT REQUIRE A MAJOR OPERATING PERMIT**, and only such funds, shall be paid into the Allegheny County Air Quality Fund for the major operating permit program.

Explanation: to allow major source fees other than emission fees to be deposited into the Title V Air Quality Fund.



New Miscellaneous Fees

- Request for Determination
- Installation Permit Risk Assessment Fee
- Installation/operating General Permit user fees
- Extension to installation permits (for construction delays, etc.)
- Modifications of an Installation Permit Application requiring certain reviews



Annual Fees Schedule

Pennsylvania

- Regulation final Jan 2021
- Invoices sent Jan for 2021
- Fees due Mar for 2021

- Invoices sent Oct 2021 for 2022
- Fees due Dec for 2022

- All future annual fees due December the year before

Allegheny County

- Expect County approval May 2021
- Invoices sent May 2021 for 2021
- Invoices due July for 2021

- Invoices sent Oct 2021 for 2022
- Fees due Dec for 2022

- All future annual fees due December the year before

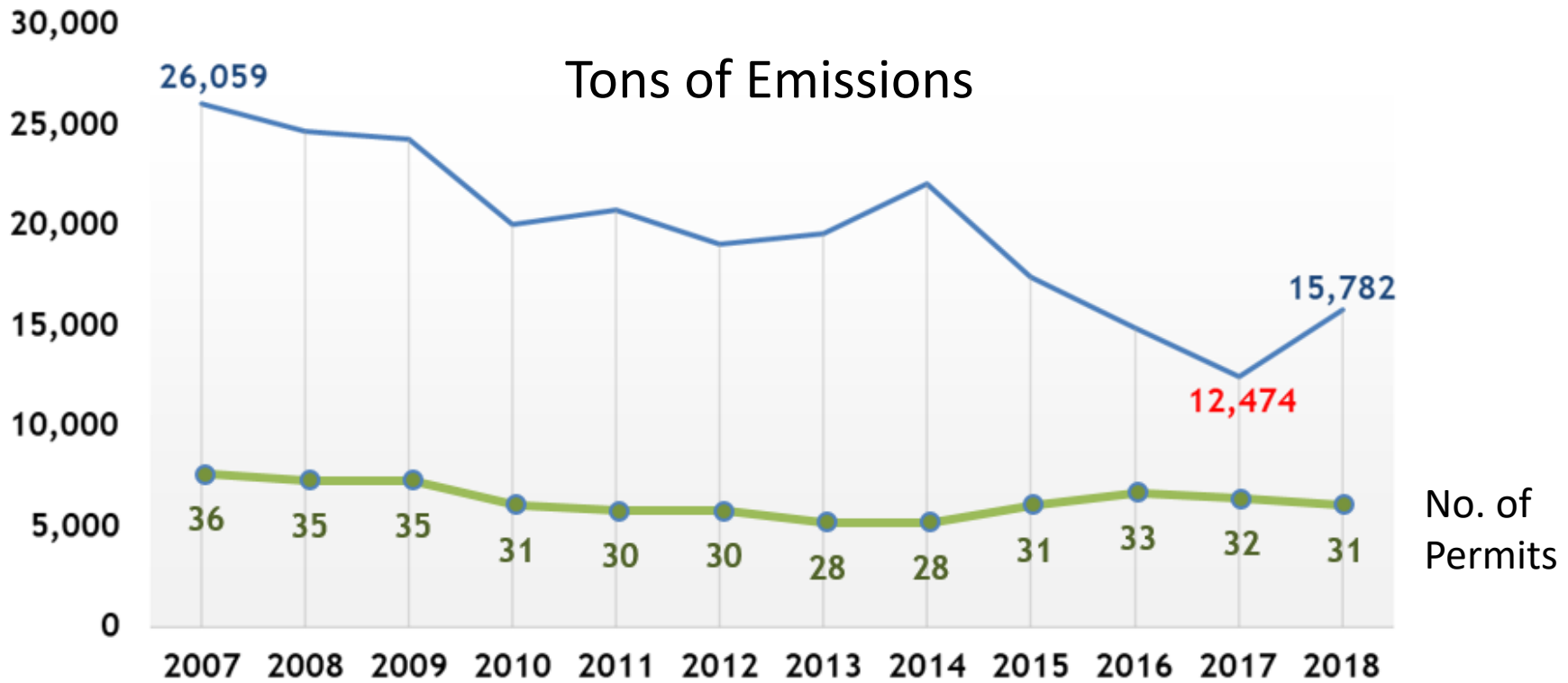


Need for Fee Change

- Inflation costs (31% since fees last set 2005)
- Increased staff (7 in last 2 years)
- Federal requirement that major sources pay costs to enforce major sources
- Fulfill needs “to be consistent with state”
- Emission fees for major sources increased each year to adjust for inflation (CPI)
- Decreasing emission fees while work increases



Need for Fee Change



Emission fees have been going down while the number of source remain the same, and work increases



Currently

- EPA Grants
- Asbestos fees
- Major and minor source installation permit fees
- Annual administration fees for major and minor sources
- Method 303 inspections

Air Pollution Control Fund

Proposed

- EPA Grants
- Asbestos fees
- Minor source installation permit fees
- Annual maintenance fees for minor sources
- Method 303 inspections

- Emission fees from major sources

Air Quality Fund ("Title V")

- Major source installation permit fees
- Major source annual maintenance fees
- Emission fees from major sources



ACHD fees to be consistent with PA DEP

- Title V permitting implementation agreement between ACHD, PA DEP and EPA states that “[a]s necessary, ACHD shall modify the [Title V] permit fee schedule to be **consistent with the DEP fees.**”
- Emission Fees are set by the state and increased each year by the consumer price index.



Comparison with the State Fee Needs

Pennsylvania

DEP prepared “Fiscal Analysis and Fee Report.” only reviewed staff time directly with permitting, but did not include compliance & enforcement actions, regulation development, air quality monitoring, fixed and operating costs.

Allegheny County

ACHD performed a workforce analysis of permitting section. Next year ACHD performed a workforce analysis of the remainder of the program.

Though difficult to compare precisely, the time and efforts to complete the work are very similar between the county and the state.



ACHD and DEP Permit Analysis

Estimated Time to Issue

	DEP's hours per permit	ACHD's hrs. per permit by level of complexity				
		I	II	III	IV	V
Installation Permits	110	18	20	125	300	824
Minor Source Operating Permits	50	18	18	157		
Synthetic Minor Operating Permits	No Analysis	18	18	157	560	958
Major Source Operating Permits	131			157	560	958
Request for Determination	No Analysis	2.5	4.5			
General Permit	No Analysis	2				



Proposed Fees

Permit Type	Current Fee	Proposed Fee		
		2021-2025	2026 - 2030	2031 +
Annual Operating Permit Administration Fee				
Major Source	\$750.00	N/A	N/A	N/A
Minor Source	\$375.00	N/A	N/A	N/A
Annual Operating Permit Maintenance Fee				
Major Source	(new)	\$8,000	\$10,000	\$12,500
“Co-located Major Source”	(new)	\$2,000	\$2,500	\$3,100
Synthetic Minor Source	(new)	\$4,000	\$5,000	\$6,200
Minor Source	(new)	\$2,000	\$2,500	\$3,100
“Small” Minor Source	(new)	\$500	\$500	\$500



“Small” Minor source

Not in regulation, but in the fee table.

A “Small” minor source is a subset of sources that would not have been charged an annual fee under the state schedule, but rather paid a fee under the state general permit program.

These include sources that consist only of small boilers, emergency generators, and crematories.



Annual Fee Changes

<u>Type</u>	<u>QTY</u>	<u>2019/2020</u>			<u>2021</u>		
		<u>Rate</u>	<u>Total by Category</u>	<u>Deposit Acct</u>	<u>Rate</u>	<u>Total by Category</u>	<u>Deposit Acct</u>
Collocated Minor	3	\$375	\$1,125	APCF	\$2,000	\$6,000	TV
Major	28	750	21,000	APCF	8,000	224,000	TV
Minor	243	375	91,125	APCF	2,000	486,000	APCF
Small Minor	100	375	37,500	APCF	500	50,000	APCF
Synthetic	43	375	16,125	APCF	4,000	172,000	APCF
Total	417		\$166,875		Total	\$938,000	



Air Pollution Control Fund with Fee Change

<u>Income</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Budget</u>
EPA Grant	\$ 1,005,883	\$ 1,094,302	1,094,302	1,094,302
Asbestos	578,284	667,231	566,535	611,858
Minor Source Permits	150,750	187,309	893,333	536,000
Synthetic Permits	16,125	20,036	286,667	172,000
Permit Applications	88,000	88,000	113,667	126,250
PA Dept of Labor Asbestos	60,016	54,900	54,900	54,900
Method 303 Inspections	481,522	492,495	502,344	512,391
Total Income	\$ 2,380,580	\$ 2,604,273	3,511,748	3,107,701
Method 303 - Keramida	458,592	469,042	478,423	487,991
Total Expenses	\$ 2,581,144	\$ 2,939,306	2,962,629	3,017,182
Surplus/(Deficit)	(200,564)	(335,033)	549,119	90,519

There is a one-time increase in annual permit fees in 2021, since invoices for both part of 2021 and 2022 will be charged in 2021.



Air Quality Fund (“Title V Fund”) with Fee Changes

<u>Income</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Budget</u>
Title V Fees	\$ 1,442,025	\$ 1,512,668	\$ 1,375,000	\$ 1,350,000
Major Source Permits	-	-	383,333	230,000
Interest	94,410	27,913	30,000	35,000
Permit Applications	-	-	40,833	61,250
Total Income	\$ 1,536,435	\$ 1,540,581	1,829,166	1,676,250
<u>Expenses</u>				
Total Expenses	\$ 1,610,831	\$ 1,741,026	1,678,864	1,664,895
Net Income/(Loss)	(74,396)	(200,445)	150,302	11,355

Previous to this regulation change, only major source emission fees were deposited into the Air Quality Fund. With this change all fees related to major source will be deposited in this fund.

There is a one-time increase in annual permit fees in 2021, since invoices for both part of 2021 and 2022 will be charged in 2021.



Permit Type	Regulation Section	Current Fee	Proposed Fees			
			2021-2025	2026 - 2030	2031 +	
Installation Permits (IP) - cumulative						
Installation Permit	2102.10.b.1	\$1,000	\$2,500	\$3,100	\$3,900	
IP – Prevention of Significant Deterioration (PSD) analysis	2102.10.b.2	\$22,700	\$32,500	\$40,600	\$50,800	
IP – ACHD Establishment of a MACT standard	2102.10.b.3	\$8,000	\$9,500	\$11,900	\$14,900	
IP – Source subject to § 2102.06 (New Source Review)	2102.10.b.4	\$5,300	\$7,500	\$9,400	\$11,800	
IP – Source subject to existing NSPS/NESHAP/MACT standards (cumulative; 3 standards max.)	2102.10.b.5	\$1,700	\$2,500	\$3,100	\$3,900	
IP – Plantwide Applicability Limit (PAL), to cease a PAL or to increase a PAL	2102.10.b.6 2102.10.b.7	(new)	\$7,500	\$9,400	\$11,800	
Installation Permit Modifications						
Minor Modification to an Installation Permit	2102.10.c	\$300	\$1,500	\$1,900	\$2,400	
Modification to an Installation Permit Application – Reassessment of control technology	2102.10.d.1	(new)	\$2,500	\$3,100	\$3,900	
Modification to an Installation Permit Application – Ambient Impact Analysis	2102.10.d.2	(new)	\$9,000	\$11,300	\$14,100	
Transfer of Ownership	2102.03.e	25% of OP app. fee	\$750	\$900	\$1,100	
Extension of an Installation Permit	2102.04.g	(new)	\$750	\$900	\$1,100	



Permit Type		Regulation Section	Current Fee	Proposed Fee		
				2021-2025	2026 - 2030	2031 +
Major Operating Permits						
	Operating Permit Application ²	2103.40.a.1	\$750	\$5,000	\$6,300	\$7,900
	Operating Permit Renewal or Reissuance	2103.40.a.1	OP app. fee	\$4,000	\$5,000	\$6,300
	Annual Operating Permit Maintenance Fee	2103.40.c	\$750	\$8,000	\$10,000	\$12,500
	“Co-located Major Source” ³ - Annual Maintenance Fee	2103.40.c	\$750	\$2,000	\$2,500	\$3,100
	Application for Plantwide Applicability Limit (PAL), to cease a PAL or to increase a PAL	2103.40.e 2103.40.f	(new)	\$10,000	\$12,500	\$15,600
	Minor Modification of Operating Permit	2103.40.a.1	OP app. fee	\$1,500	\$1,900	\$2,400
	Significant Modification of Operating Permit	2103.40.a.1	OP app. fee	\$4,000	\$5,000	\$6,300
	Administrative Amendment of Operating Permit	2103.14.b.3	25% of OP fee	\$1,500	\$1,900	\$2,400
	Transfer of Ownership	2102.03.e	25% of OP app. fee	\$1,500	\$1,900	\$2,400



Permit Type	Regulation Section	Current Fee	Proposed Fee		
			2021-2025	2026 - 2030	2031 +
Minor and Synthetic Minor Source Operating Permits (OP)					
Operating Permit Application	2103.40.a.1	\$375	\$2,500	\$3,100	\$3,900
Operating Permit Renewal or Reissuance	2103.40.a.1	OP app. fee	\$2,100	\$2,600	\$3,300
Synthetic Minor Source – Annual Operating Permit Maintenance Fee	2103.40.c	\$375	\$4,000	\$5,000	\$6,200
Minor Source – Annual Operating Permit Maintenance Fee	2103.40.c	\$375	\$2,000	\$2,500	\$3,100
“Small Minor Source” ⁴ – Annual Operating Permit Maintenance Fee	2103.40.c	\$375	\$500	\$500	\$500
Minor Modification of Operating Permit	2103.40.a.1	OP app. fee	\$1,500	\$1,900	\$2,400
Significant Modification of Operating Permit	2103.40.a.1	OP app. fee	\$2,000	\$2,500	\$3,100
Administrative Amendment of Operating Permit	2103.14.b.3	25% of OP fee	\$1,500	\$1,900	\$2,400
Transfer of Ownership	2102.03.e	25% of OP app. fee	\$1,500	\$1,900	\$2,400



Permit Type	Regulation Section	Current Fee	Proposed Fees		
			2021-2025	2026 - 2030	2031 +
Risk Assessment Analysis					
Risk Assessment Analysis – Inhalation only for modeling	2102.10.e.1	(new)	\$10,000	\$12,500	\$15,600
Risk Assessment Analysis – Multi-pathway	2102.10.e.2	(new)	\$25,000	\$31,300	\$39,100
Miscellaneous Fees					
Request for Determination – For small business stationary source (35 P.S. §4003)	2102.10.f	(new)	\$400	\$500	\$600
Request for Determination – For a non-small business stationary source (35 P.S. §4003)	2102.10.f	(new)	\$600	\$800	\$1,000

In addition to existing asbestos fees

Permit Type	Regulation Section	Current Fee	Proposed Fee 2020 ¹
Abrasive Blasting			
Abrasive Blasting Annual Permit Administrative Fee	2105.51.d.2	\$600	\$600
Asbestos Abatement			
Asbestos Abatement Permit Amendment (Secondary Permit)	2105.62.h.8.A.i(a)(2) 2105.62.h.8.A.ii(a)(2) 2105.62.h.8.D.i(b)	minimum fee amount of \$150 (refer to regulation to calculate fee amount)	minimum fee amount of \$200 (refer to regulation to calculate fee amount)