

Title V Permit Program Annual Report

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Title V Permit Program

- Background
- Current status
- Fee increases

Title V Permit Program

- Refers to “Title V” of the Federal Clean Air Act of 1990
- Title V facilities are those which emit
 - 100 tons/year of regulated pollutants, or
 - 10 tons/year of any hazardous air pollutant, or
 - 25 tons/year of all hazardous air pollutants
- *Title V air permit program MUST be funded only by Title V permit fees*

Title V Permit Program

- North Carolina Clean Air Act Advisory Council, Final Report (1992)
 - Program is more than just issuing the initial permit, it includes all aspects of running the program
 - Air modeling, analyzing process change requests, inspections, responding to complaints, evaluating test results, monitoring, public participation, small business assistance, legal counsel

Authority for Title V Permit Fees

- NCGS § 143-215.3A authorizes fees
 - Set by the EMC, 15A NCAC 02Q .0203
- Statute allows a surplus balance
 - Compensate for temporary dips or delays in revenue streams
- Rebates offered to industry if surplus is too large

Title V Permit Program

- North Carolina has 300+ Title V facilities
 - Utilities (Duke Energy, Progress Energy)
 - Manufacturing facilities (Goodyear, Firestone, Triangle Brick, Blue Ridge Paper)
 - Other industrial sites (Nucor, PCS Phosphate)
 - Animal processing plants (Smithfield, Perdue)
 - Public landfills, universities, and hospitals
- Over 600 other facilities have accepted operating restrictions to opt out of the Title V program
 - Still permitted, but not subject to Title V

Title V Permit Program

- Fee structure
 - One-time permit application fee
 - Five-year renewals are no-cost
 - All Title V facilities
 - Annual flat basic permit fee
 - Annual variable tonnage fee
 - Certain Title V facilities, depending on geographical locale
 - Additional annual flat nonattainment area fee, applied in counties that do not attain the Federal air quality standards
 - Caps
 - Variable tonnage fee is capped at 4,000 tons per pollutant

Title V Permit Fees

- Fees were initially set in 1994
 - Annual inflation adjustment is allowed, but not always applied

Year	Tonnage Factor	Basic Permit Fee	Nonattainment Area Added Fee
1994	\$14.63	\$5,100	\$2,600
2007	\$18.10	\$6,311	\$3,297

Title V Program: Looming Deficits

- No Consumer Price Index (CPI) adjustment for a number of years, revenues were flat
- Expenses increased
 - Office space, utilities, other support costs
 - Recent legislative pay raises to employees
 - Zero appropriations
 - Must be met through permit fees
- Increase revenue or decrease expenses

Title V Program: Looming Deficits

- Workload is not decreasing
 - Growing state economy
 - Increasing regulatory demands
 - Tighter environmental standards (ozone, fine particles)
 - New issues (climate change)
- Maintain service to industry and public
 - Timely permit issuance
 - Timely response to concerns

Proposed Permit Fee Increases

- Discussed concept with affected industry this summer
- Took draft rule to the EMC in September
- Public hearing was held in November
- Anticipate that EMC will approve rules in January
- Fee increases would become effective in February/March

Proposed Fee Increases

Year	Tonnage Fee	Basic Permit Fee	Nonatt't Area Added
2007	\$18.10	\$6,311	\$3,297
2008	\$22.50	\$6,500	\$3,500
2009	\$25.00	\$6,500	\$3,500
2010	\$27.50	\$6,500	\$3,500
2011	\$30.00	\$6,500	\$3,500
2012 and on	Ann.CPI	Ann.CPI	Ann.CPI