



GEORGIA
DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROTECTION DIVISION

Georgia Title V Permit Fees

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Georgia EPD - Air Protection Branch

Air Permit Fee Stakeholder Meeting
Atlanta, GA
January 17, 2020



CURRENT SITUATION

- In 2015 and 2016, several facilities retired or made changes that impacted permit fee revenue beginning in FY 2017 - loss of \$2.2 million/year
- In 2019, two additional coal-fired power plants retired which will impact permit fee revenue beginning in FY 2021 - loss of \$657,937/year
- Although emissions have decreased significantly, the workload has not



WHAT WE HAVE DONE

- **Built reserves in FY 2015, FY 2016, and FY 2017 to delay fee increases**
- **Convened Permit Fee Advisory Committee to explore options revenue**
- **Maximized use of PPG and I/M revenue**
- **Eliminated some Title V funded positions**
- **Implemented new application fees (50%) on March 1, 2019**
- **Evaluated strategies used in other states**



CURRENT FEE STRUCTURE

- Annual permit fees for NSPS sources, SM Sources, and Title V sources
- Title V sources pay Title V minimum fee or \$ per ton of emissions
 - Title V minimum fee is \$4,500
 - \$35.50/ton for non-EGUS
 - \$37.34/ton for EGUs
- Optional Expedited Fees
- Permit application fees that began March 1, 2019 for certain types of permits



FEES BY SOURCE CLASSIFICATION

Calendar Year 2017 Fees (FY 2019)

Fee Group	Fee Amount	Number of Sources	Total Fee
B ² Source with NSPS ⁶	\$1,500	86	\$129,000
SM ³ Fee	\$1,700	415	\$705,500
SM ³ and NSPS ⁶ Fee	\$3,200	316	\$1,011,200
Title V ⁴ Minimum Fee ¹	\$4,500	103	\$463,500
Title V ⁴ Minimum ¹ + NSPS ⁶	\$6,000	120	\$720,000
Title V ⁴ \$/ton ⁵	\$4,580-\$448,080	63	\$1,132,520
Title V ⁴ \$/ton ⁵ + NSPS ⁶	\$6,151-\$449,580	107	\$5,021,697
TOTAL		1,210	\$9,183,417

¹Includes HAPs only Major Title V Sources

²**B Source** - Minor Source (less than 100 TPY and less than HAPs threshold)

³**SM** - Synthetic Minor Source (source that takes a limit to stay below Major threshold limits)

⁴**Title V** - Major Source (greater than 100 TPY or greater than HAPs threshold)

⁵**\$/ton** - **\$37.34**/ton for coal-fired EGUs, **\$35.50**/ton for all other sources

⁶**NSPS** - New Source Performance Standards

“Total Fee” does not include expedited fees, application fees, and past due fees collected from previous fiscal years.



EXPEDITED PERMIT FEE REVENUE

- Looked at historic expedited permit fees to project future expedited fee revenue.

Fiscal Year	Amount
FY 2016	\$252,000
FY 2017	\$274,000
FY 2018	\$202,000
FY 2019	\$370,500

- Four-year average = **\$274,625**



CURRENT PERMIT APPLICATION FEES

Permit Type	Application Fees
Generic (Minor or Synthetic Minor) Permit	\$0
Title V Initial and Renewal	\$0
Off-Permit Change Request	\$0
No Permit Required Exemption	\$0
Minor Source Permit or Amendment	\$250
Name / Ownership Change	\$250
Permit-by-Rule	\$250
Synthetic Minor Source Permit or Amendment	\$1000
Title V Minor Modification with Construction	\$2000
Title V Minor Modification without Construction	\$2000
Title V Significant Modification with Construction	\$2000
Title V Significant Modification without Construction	\$2000
Title V 502(b)(10) Permit Amendment	\$2000
Major Source Permit not PSD or 112(g)	\$2000
PSD Permit	\$7500
112(g) Permit	\$7500
Nonattainment NSR Permit	\$7500

Permit Application fees were implemented on March 1, 2019



PROJECTED APPLICATION FEE REVENUE

- Looked at historic application fees to project future application fee revenue

Fiscal Year	Amount
FY2019 (4-months)	\$66,750
FY2020 (3-months)	\$77,250

- Projected Annual Revenue (rates in slide 7)
= $(\$66,750 + \$77,250) \times 12/7$
= **\$246,857**



FEE REVENUE PROJECTIONS

	FY 2020 (2018 Fees)	FY 2021 (2019 Fees)
Annual Fees	\$9,183,417	\$8,525,480
Expedited Permit Fees	\$274,625	\$274,625
Permit Application Fees	\$246,857	\$246,857
Annual Revenue	\$9,704,899	\$9,046,962



EXPENSE PROJECTIONS

- Start with FY2019 actual expenses
- In FY2020, additional reductions in staffing paid with permit fee revenue
 - FY2020 no increase in fringe rate (FICA, FICA Medicare, Retirement, Health Insurance)
 - **2%** increase in salary
- In FY2021 (and beyond), assumed annual **1%** increase in fringe rate (FICA, FICA Medicare, Retirement, Health Insurance) and annual **3%** increase in salary



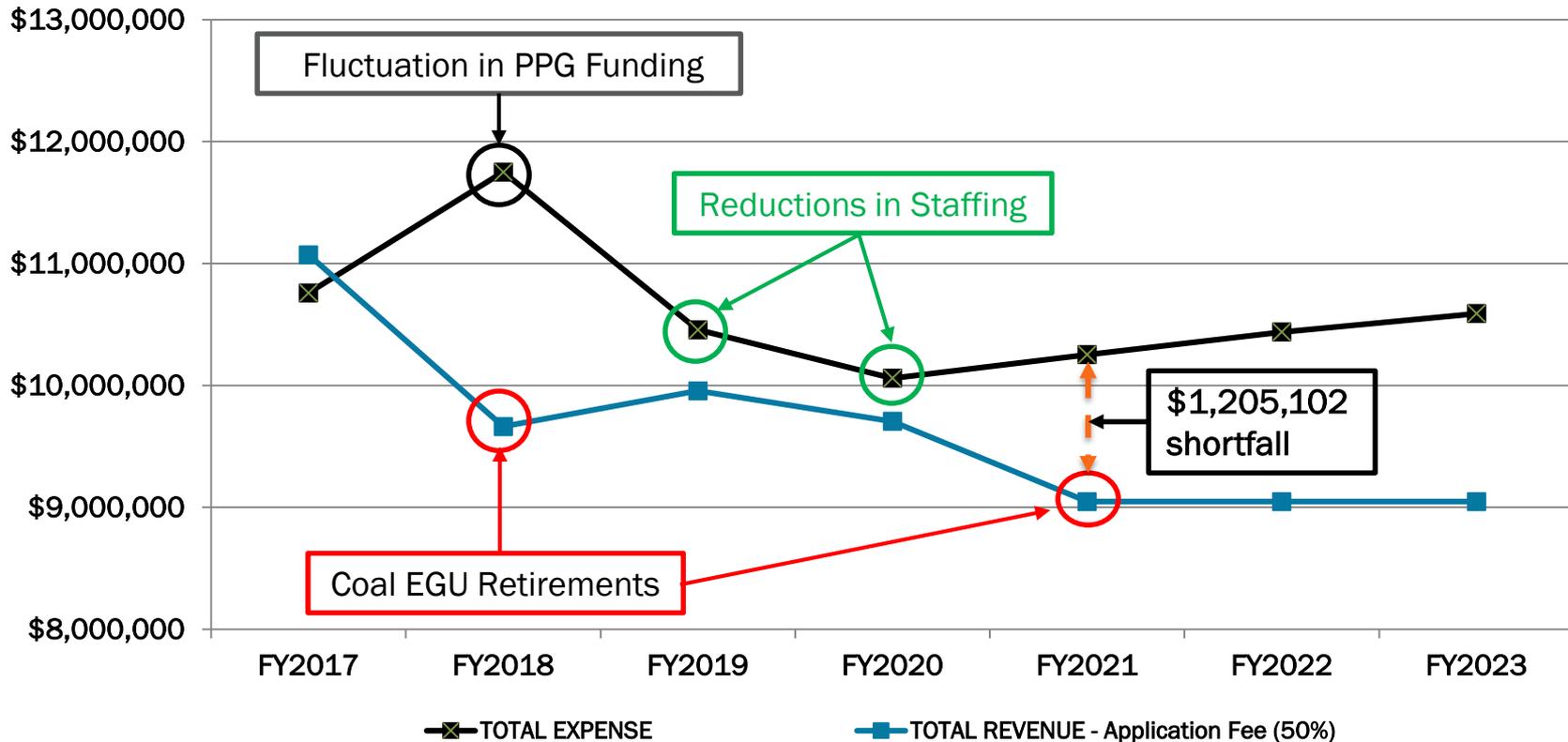
EXPENSE PROJECTIONS

FY 2019 Actuals	FY 2020 Projection	FY 2021 Projection
\$10,455,720	\$10,059,218	\$10,252,064

- For FY 2021, the revenue shortfall is projected to be **\$1,205,102**
- Expenses expected to grow slowly for FY 2021 and beyond
- Concerns about future fee revenue reductions



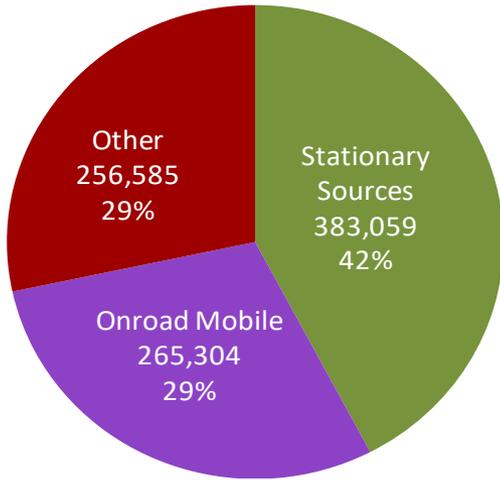
PERMIT FEE PROJECTIONS - STATUS QUO



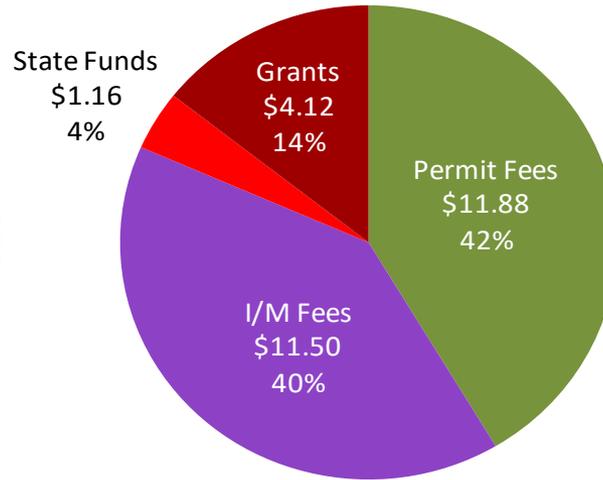
Note: Fees are collected 2 fiscal years (FY) after emission calendar year (CY)
Example: CY2018 emission fees are collected in FY2020 (07/01/19 - 06/30/20)



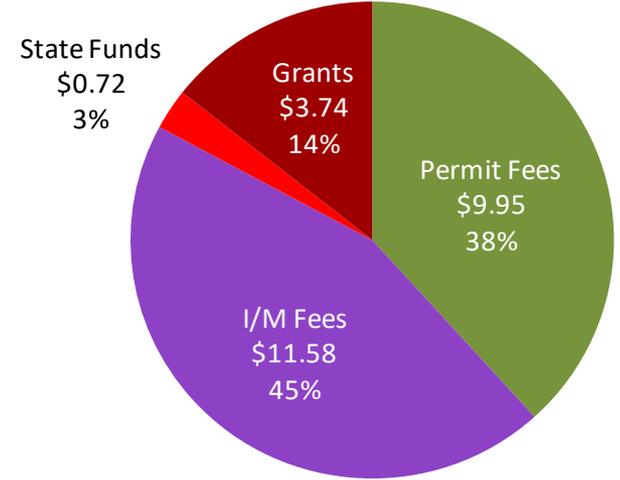
AIR PROGRAM EMISSIONS VS. REVENUE



GA Emissions¹
(SO₂ + NO_x + PM₁₀ + VOCs)



2016 Revenue
(based on 2014 TV Emissions)



2019 Revenue
(based on 2017 TV Emissions)

I/M Fees Distribution (\$4.02/test)

- 40% to APPLUS contractor (\$1.59/test)
- 25% to 13 counties (\$1.00/test)
- 35% to Georgia EPD (\$1.43/test)

¹Based on most recently available inventory (2017 emissions for point sources and fires, 2014 emissions for all other categories)



COMPARISON TO OTHER STATES

- In the Southeast, only FL and NC have lower \$/ton fees, but these states also have other fund sources (e.g., gas tax and vehicle tag fees)
- 7 states in the SE have higher permit fees than GA

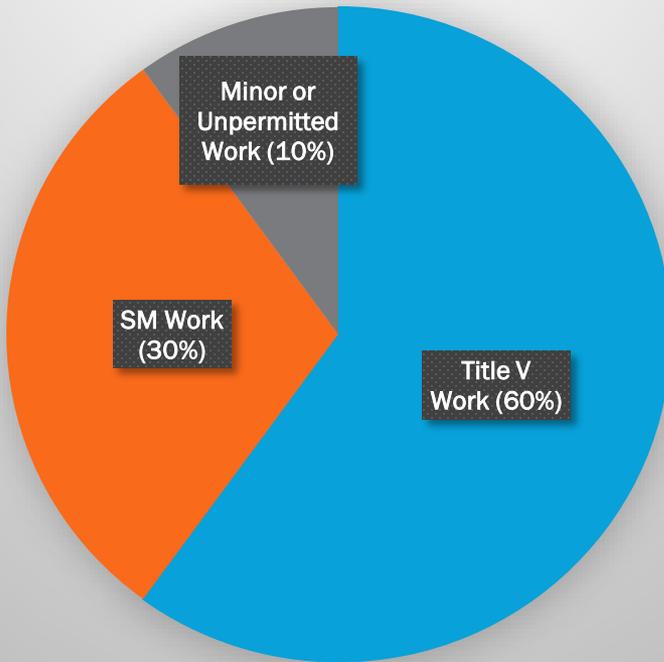
Permit Fee	Virginia	Georgia
\$/ton	\$83.96	\$35.50 or \$37.34

Permit Application Fees	Virginia	Georgia
SM Permit	\$5,500	\$1,000
Title V Modification	\$4,400	\$2,000
Title V Initial Permit	\$38,500	\$0

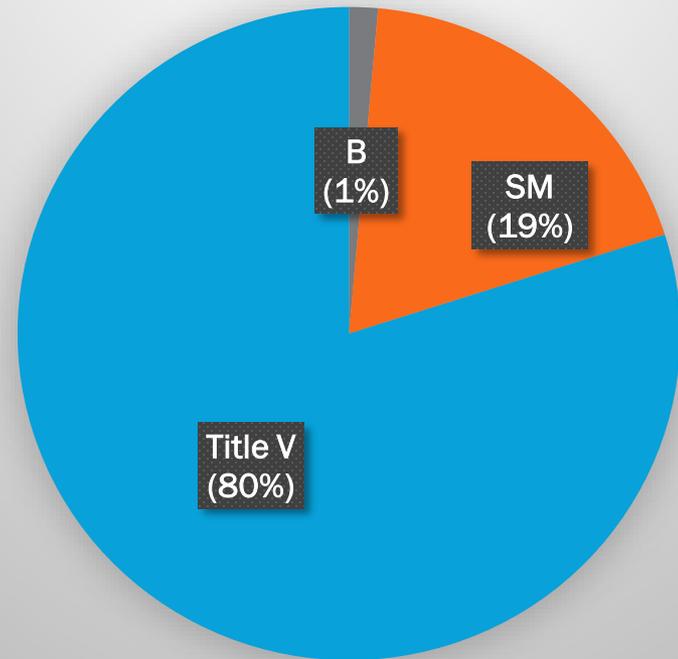


CURRENT WORKLOAD BREAKDOWN VERSUS FEE COLLECTION

Current Workload for Staff
Paid with Permit Fee
Funding



FY 2019 Fee Revenue by
Source Classification



Fees from Title V sources are subsidizing work on SM, B and unpermitted sources... and that trend has been increasing.



GOAL OF PROPOSED CHANGES

- **Future stability of funding for delegated permitting program**
- **Future funding sources reflective of the changing workload in the Air Protection Branch**
 - Title V program mature
 - Workload breakdown for non-Title V sources has increased



PROPOSED ADDITIONAL ADJUSTMENTS

Fee Increase Type	Increase
Complete phase-in of permit application fees	Double all current permit application fees (complete phase-in)
Raise the annual synthetic minor permit fees	Increase from \$1,700 year to \$2,200 per year
Raise the annual NSPS Fee	Increase from \$1,500 to \$2,000
Increase expedited permit fees	25% increase in all current expedited permit fees
Add an annual maintenance fee for Title V sources	\$800 per year for each Title V source



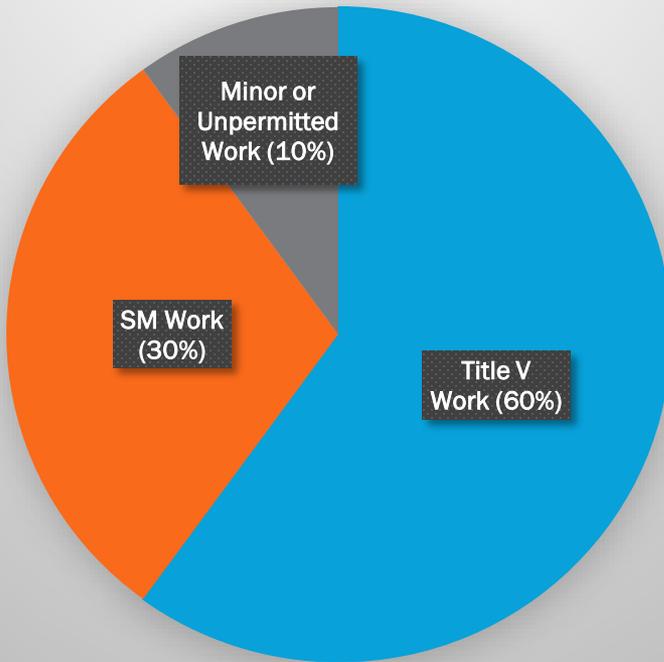
IMPACT OF PROPOSED ADJUSTMENTS

Fee Group	Fee Amount	Number of Sources	Total Fee	Difference (\$)	Difference (%)
B NSPS	\$2,000	86	\$172,000	\$43,000	33%
SM	\$2,200	415	\$913,000	\$207,500	29%
SM and NSPS	\$4,200	316	\$1,327,200	\$316,000	31%
Title V Min	\$4,500 + \$800 Maintenance Fee	103	\$545,900	\$82,400	18%
Title V Min + NSPS	\$6,500 + \$800 Maintenance Fee	120	\$876,000	\$156,000	22%
Title V \$/ton	Varies, \$800 Maintenance Fee	62	\$734,040	\$49,600	7%
Title V \$/ton + NSPS	Varies, \$800 Maintenance Fee	106	\$4,949,640	\$137,800	3%
Phase-in of Permit Application Fees	varies		\$493,714	\$246,857	100%
Increase Expedited Fees	varies		\$343,281	\$68,656	25%
TOTAL			\$10,354,775	\$1,307,813	14%

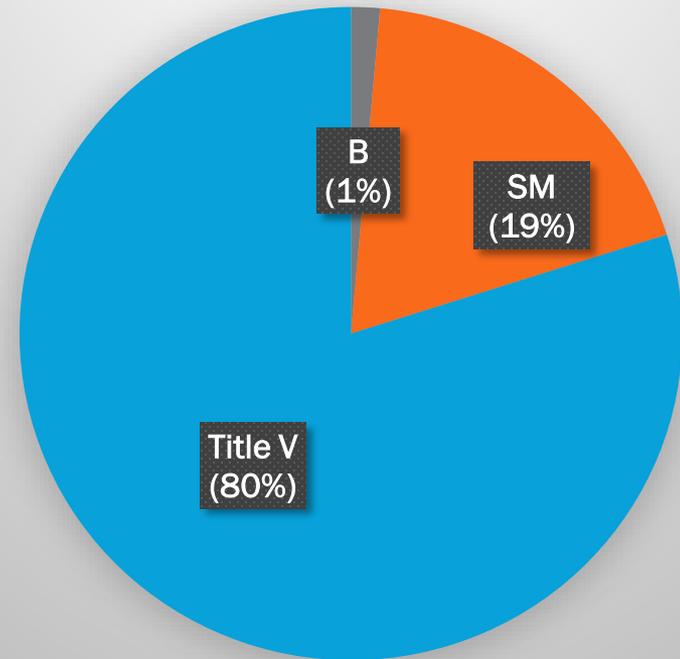


CURRENT WORKLOAD BREAKDOWN VERSUS FEE COLLECTION

Current Workload for Staff
Paid with Permit Fee
Funding



FY 2019 Fee Revenue by
Source Classification

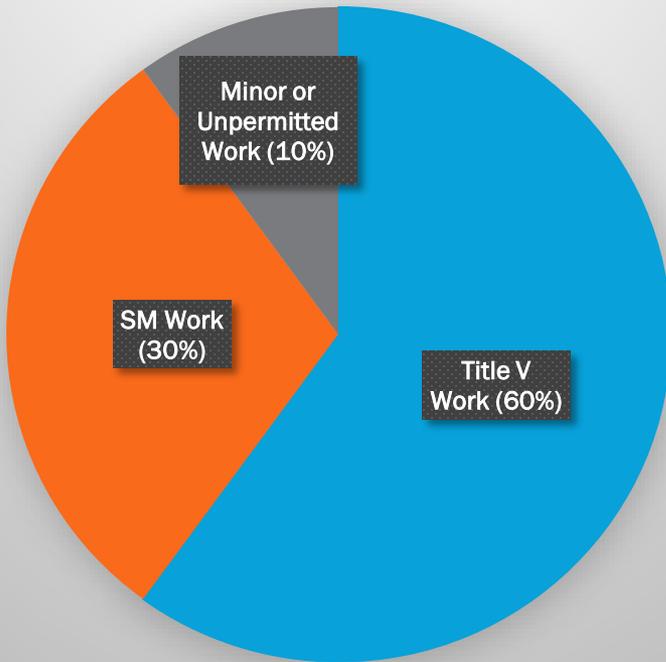


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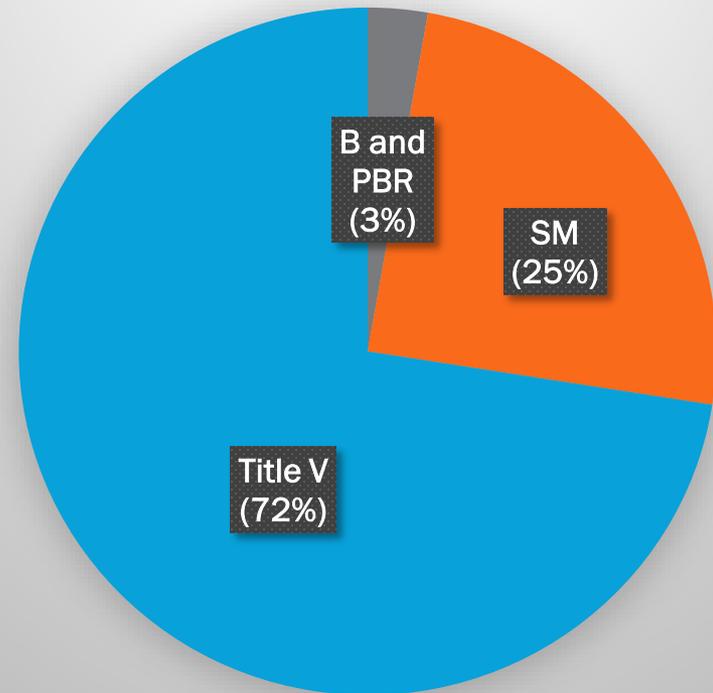


PROPOSED CHANGES MOVE TOWARDS A MORE EQUITABLE DISTRIBUTION OF FEES

Current Workload for Staff Paid with Permit Fee Funding



Impact on Proposed Fee Revenue Changes



Fees from Title V sources are still subsidizing work on SM, B and unpermitted sources, but not as much.



2020 RULEMAKING TIMELINE

- **January 24, 2020**
 - Initial public comments due on the draft rule changes
 - <https://epd.georgia.gov/air-protection-branch-technical-guidance-0/types-air-quality-permits/air-permit-fees>
- **February 2020**
 - Brief Board on FY2021 fee revisions
- **March/April 2020**
 - Public comment period and public hearing
- **May 2020**
 - Request Board adoption for FY2021 fee revisions
- **July 1, 2020 (1st day of FY2021)**
 - New fees become effective during FY 2021
 - Annual fees due September 1, 2020
 - Change in expedited fees and permit application fees effective March 1, 2021