

## Proposed Changes to Air Quality Permitting Fees

The Department of Ecology is proposing to adopt an Air Quality Fee Regulation, Chapter 173-455 WAC. The purpose of this rule proposal is to update fees to make Washington's permitting process for air pollution sources more financially self-sufficient. The revenue collected at the existing fee level does not cover the cost of processing a request.

This document provides information about how this rule proposal will affect permit applicants.

### Small business owner questions

#### **Q: In these tight economic times, why is Ecology raising fees?**

**A:** By law, Ecology charges a fee for reviewing an application to build a new source of air pollution or modify an existing source. Our current fees do not cover the cost of doing business. In addition, the state Legislature eliminated taxpayer funding support from the state's general fund for this permit work. Lawmakers authorized Ecology to increase fees to cover the full cost of reviewing and approving pre-construction permits or other actions.

#### **Q: What is Ecology proposing?**

**A:** Ecology is proposing 3 types of fees: a flat fee, an initial fee plus an hourly rate, and an hourly rate for special conditions.

**Flat fee:** A flat fee is for general orders, relocation notices, and permit extensions. A general order is a notice of construction permit that is issued for several similar sources at once. It provides a simplified and efficient way to meet the requirements for a permit. General orders are available for rock crushers, auto body shops, asphalt plants, concrete batch plants, dry cleaners, small boilers and emergency generators. A relocation notice is for a source that wants to move to another location (such as a rock crusher). A permit extension is available for a project that did not begin construction within 18 months of getting a permit.

### WHY IT MATTERS

Washington's permit review program helps protect human health and the environment from air pollution from industrial and commercial sources.

Current fees for new source review are not enough to pay for Ecology's permit review. Ecology must rely on money from the state's general fund to make up the difference. We will not be able to continue to do this because of reductions in the general fund. Having permit applicants pay the full cost of their permits will help the statewide budget deficit and prevent permit delays that could slow economic recovery.

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#### Special accommodations:

If you need this publication in an alternate format, call the Air Quality Program at 360-407-6800. Persons with hearing loss, call 711 for Washington Relay Service. Persons with a speech disability, call 877-833-6341.

Initial fee plus an hourly rate: If a review exceeds the number of hours included in the flat fee, Ecology will usually charge an initial fee plus an hourly rate. The bill will be based on the time spent on a project over the established hours. Ecology will issue a final permit once this bill is paid. This fee is for new permit applications, changes to existing permits, and reviews of impacts from toxic air pollutants above a certain threshold (called a second tier review).

Special conditions hourly rate: A source may contract with Ecology for up-front assistance in scoping out a project. For example, if you are planning to build a facility with a new type of process, you might want to contract with Ecology to help you work through challenges associated with the project. An hourly rate is also charged for drafting an approval to operate a non-road engine.

**Q: What is the Air Quality Program hourly rate for permit review?**

**A:** Ecology charges \$95 per hour.

**Q: How did Ecology come up with the \$95 per hour rate?**

**A:** The hourly rate reflects the salary and benefits for engineering review, plus overhead costs for the agency and the program.

**Q: When do we have to pay Ecology for permit review?**

**A:** You must include a check with your request. We will not begin working on your request until we receive the applicable fee. If we determine that another fee is due, we will stop work on your application until we receive the correct amount.

**Q: Why is there such a jump between the initial fee for a basic permit (\$1500) and a complex application (\$10,000)?**

**A:** Ecology originally wanted to have a fee in between the basic permit fee and the complex permit fee. However, we were not able to identify any permits that fall in the range between those two fees.

**Q: What does the initial fee cover?**

**A:** The initial fee covers a set number of hours of Ecology time. The number of hours varies depending on how long we think it may take us to review a request. For example, the initial fee for a basic project under minor new source review covers 16 hours of Ecology staff time. The initial fee for a Prevention of Significant Deterioration (PSD) permit covers 158 hours of Ecology staff time.

**Q: How likely is it that I will get a bill for additional work?**

**A:** It is likely you will get a bill for additional work on new permits or modifications to existing permits. This is because Ecology purposely set a low initial fee for smaller projects that will take less time to complete. You can help keep review costs low by submitting a detailed and complete application.

**Q: Why is the fee for a complex project for a minor permitting action based on an emission threshold?**

**A:** A permit writer may consider several factors in determining if a permit project is complex, including the number and complexity of emission units. Ecology thinks emission thresholds are the most concrete and reasonable basis for determining a project's complexity.

**Q: How does the hourly rate work?**

**A:** Ecology will track the number of hours spent on your project. If the number of hours exceeds the number of hours included in your initial fee, then you will receive a bill for that extra time.

**Q: How is Ecology accounting for time spent reviewing an application? How do I know who is spending or has spent time on my request?**

**A:** Ecology is developing a process for tracking staff time spent on permit review. You will be sent a bill at the end of the process if staff spent more time on your application than is covered by the initial fee.

**Q: If I withdraw my permit application before the permit is issued, do I have to pay Ecology for time spent reviewing my application?**

**A:** Yes. If you choose to withdraw the application, you will still need to pay for the work done on your permit.

**Q: Is Ecology changing the way they provide customer service?**

**A:** We will continue to provide pre-application assistance. Under the proposed fee system, Ecology will provide 2 hours of free consultation on each project. The purpose of the free consultation is to answer your questions, review your materials and explain the permitting process. This should be enough time for Ecology to determine if a permit application is needed.

**Q: What is a pre-application meeting?**

**A:** This is a meeting with you and Ecology staff to talk about your project before you submit a permit application. It is common to hold these meetings for large industrial projects and for air toxics reviews. The purpose of the meeting is to review your project and explain our permitting process, timelines and our expectations.

**Q: Ecology is holding a public hearing on my draft permit. Will I be charged for this?**

**A:** Yes. Ecology charges for the time spent organizing and preparing for a project's hearing. Several staff participate in hearings. Staff charging to a hearing could include an outreach specialist, a hearings officer, a permit engineer, an Ecology manager, and/or a toxicologist.

## General Order questions

### **Q: How has Ecology changed the fees for a General Order?**

**A:** Ecology divided general orders into two types: Category A and Category B. We will charge fees based on whether State Environmental Review Act (SEPA) review has been completed. Category A fees range from \$500 to \$875. Category B fees range from \$875 to \$1160.

### **Q: Which categories are included in a Category A General Order?**

**A:** Category A includes the existing general orders, except for asphalt plants. There are existing general orders for:

- autobody repair shops;
- concrete batch plants;
- rock crushers (stationary);
- rock crushers (portable);
- diesel powered emergency generators;
- gas powered emergency generators;
- percholoroethylene dry cleaners; and
- small water heater and steam generating boilers.

### **Q: Which categories are included in a Category B General Order?**

**A:** Category B includes portable and stationary asphalt plants and new general orders that have not yet been adopted.

### **Q: Why does the asphalt plant general order cost more than the other general orders?**

**A:** Ecology issued the asphalt plant general order on January 25, 2011. The higher fee reflects the complexity of the general order and helps pay for Ecology's development costs.

### **Q: What is a State Environmental Protection Act or SEPA review?**

**A:** SEPA is a state law that requires state and local agencies to consider the likely environmental consequences of a proposal before approving or denying it. Most regulations focus on particular aspects of a proposal, while SEPA requires the identification and evaluation of probable impacts to all elements of the built and natural environment.

The SEPA process most often begins when you submit the first permit application to a state or local agency.

**Q: What documents must I fill out if a SEPA review is required?**

**A:** You must complete a SEPA checklist and include it with your application. Ecology or the lead local air quality agency will review the checklist to decide if they have enough information to identify potential harmful environmental effects of your proposal, or if they need more information.

**Q: If I plan to move my operations to a location that already underwent SEPA review, do I need to do anything?**

**A:** Yes. Include a copy of the SEPA checklist and the agency determination when you turn in your application or relocation notice.

**Q: Why is SEPA only mentioned in the general order fees?**

**A:** All permit actions must comply with SEPA. The flat fee for general orders is based on whether Ecology needs to review the SEPA documents (higher fee) or whether that review has occurred already (lower fee). For other permits, SEPA review is included in the project review.

**PSD source questions****Q: In the past, I would include information in my application to my permitting agency that showed my project wasn't subject to the PSD program. Sometimes my permitting agency would ask Ecology to review my information to confirm this assessment. Ecology would then send the air agency a written decision. What do I do now?**

**A:** Ecology will continue to provide two hours of free consultation to discuss the project with you and your local air quality agency. However, if you want Ecology to prepare a determination that your project is not subject to PSD review, then you must submit an official request and pay the \$500 fee for this work. The \$500 fee covers 5 hours of staff time to review the documentation and prepare a response. If the work takes longer, Ecology will send you a bill for the extra time. You must pay this bill before we will send you the determination.

**Q: Why did the fee for a PSD permit modification go down?**

**A:** Ecology lowered the initial fee for a typical PSD permit to give applicants an economic incentive to provide a thorough and complete application. A project request that includes a well-written permit application and support materials (such as a draft permit and a draft technical support document) is more likely to be completed within the number of hours covered by the fee.

**Toxics review questions**

**Q: Has Ecology changed the way it handles an air toxics review, also known as a second or third tier review?**

**A:** Under the new fee system, you must include the \$10,000 fee with the request for Ecology to review the health impact assessment protocol. Ecology staff time spent on scoping and reviewing the protocol will be counted toward the 106 hours allocated for the review.

**Q: How can I comment on the proposed changes to air quality permitting fees?**

**A:** You can testify at any of these public hearings:

Lacey: April 5, 2011  
Open house: 6 pm  
Hearing: 7 pm  
Dept. of Ecology, 300 Desmond Drive SE

Ellensburg: April 6, 2011  
Open house: 5:30 pm  
Hearing: 6:30 pm  
Hal Holmes Center, 209 N. Ruby Street

Spokane: April 7, 2011  
Open house: 5:30 pm  
Hearing: 6:30 pm  
Dept. of Ecology, 4601 N. Monroe St  
You can also email your comments to [AQComments@ecy.wa.gov](mailto:AQComments@ecy.wa.gov) or mail them to:

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The comment period ends April 15, 2011. Comments must be received by 5:00 pm.