



DEPARTMENT OF
ECOLOGY
State of Washington

Final Cost-Benefit and Least Burdensome Alternative Analyses

*Chapter 173-455 WAC
Air Quality Fee Regulation*

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**Final Cost-Benefit and
Least Burdensome Alternative Analyses**

Chapter 173-455 WAC
Air Quality Fee Regulation

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Executive Summary

In this rulemaking, Ecology is updating Chapter 173-455 WAC (Air Quality Fee Regulation). This rule action covers fees associated with periodic and annual sources.

Businesses that generate small and moderate amounts of air pollution must participate in the air quality source registration program. The registration program is necessary to ensure that sources of air pollution operate in a way that minimizes emissions to comply with the Clean Air Act and protect human health.

The registration information helps Ecology to:

- Maintain a current and accurate record of air pollution sources in Washington.
- Provide businesses with technical assistance on how to comply with Clean Air Act requirements.
- Verify that businesses are complying with air pollution control requirements.
- Evaluate the effectiveness of air pollution control strategies.
- Gather and verify emissions data.

Businesses generally report emissions either:

- Yearly in the case of annual registration program sources.
- Once every three years for periodic registration program sources.
- Once every six years for exempt registration program sources.

The adopted changes to the fee schedule include:

- Increasing general registration program fees for periodic sources.
- Re-establishing air quality registration fees for gasoline dispensing facilities.
- Adopting and clarifying the process for calculating registration program fees.
- Providing a method for making future fee increases.
- Making housekeeping changes to facilitate clarity and compliance.

Probable benefits include:

- Decrease in public risk of benzene exposure.
- Avoided decreases in program services.
- Clarification and improved compliance.
- Avoided decrease in program services.

Probable quantified costs include:

- \$112,980 per year in total increased permit fees.

Chapter 1: Background and Introduction

1.1 Introduction

This report reviews two of the economic analyses performed by the Washington State Department of Ecology (Ecology) to estimate the incremental expected benefits and costs of the adopted amendments to the Air Quality Fee Regulation (Chapter 173-455 WAC). These analyses – the Cost-Benefit Analysis (CBA) and Least Burdensome Alternative Analysis (LBA) – are based on the best available information at the time of publication.

The Washington Administrative Procedure Act (RCW 34.05.328) requires Ecology to evaluate significant legislative rules to “determine that the probable benefits of the rule are greater than its probable costs, taking into account both the qualitative and quantitative benefits and costs and the specific directives of the law being implemented.” Chapters 1 – 5 document that determination.

For the adopted amendments to the Air Quality Fee Regulation, this means Ecology must estimate the impacts of the rule changes on individuals, businesses, and the public. This includes changes in costs and changes in the value of the services provided for the fees paid. Estimated impacts are determined as compared to the existing regulatory environment—the way air quality fees would be regulated in the absence of the adopted rule amendments.

The existing regulatory environment is called the “baseline” in this document. It includes only existing regulation through laws and rules at federal, state, and local levels. It does not include elements such as guidance or unofficial standard practices in industry or business.

This document provides the public with an overview of the methods Ecology used to perform its analysis, and the most likely impacts found.

The APA also requires Ecology to “determine, after considering alternative versions of the rule ... that the rule being adopted is the least burdensome alternative for those required to comply with it that will achieve the general goals and specific objectives” of the governing and authorizing statutes. Chapter 6 documents that determination.

1.2 Description of the proposed rule amendments

The adopted rule:

- Increases general registration program fees for businesses that release small amounts of emissions and report those emissions every three years. These are periodic registration program sources.
- Re-establishes air quality registration fees for gasoline distributing facilities.
- Clarifies the process for calculating registration fees.

- Provides a method for making future fee increases.
- Addresses “housekeeping” changes necessary to improve the understanding and usability of the rule.

1.3 Reasons for the adopted rule amendments

1.3.1: History of existing rule

Air pollution control in Washington is based on federal, state and local laws and regulations. The federal Environmental Protection Agency (EPA), the Department of Ecology (Ecology), and local clean air agencies all regulate air quality. Ecology establishes rules, and implements and enforces air quality regulations in counties without a local clean air agency. Ecology also has statewide authority over primary aluminum plants, pulp mills, large commercial and industrial facilities subject to the federal Prevention of Significant Deterioration (PSD) Program, and emissions of specific toxic air pollutants that exceed specified levels.

If you are located in one of the following counties, you have a local clean air agency: Benton, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, Skagit, Skamania, Snohomish, Spokane, Thurston, Wahkiakum, Whatcom, or Yakima. Local clean air agencies may implement and enforce most state regulations. All local clean air agencies have their own regulations that may be more restrictive than those of Ecology, but not less.

Ecology regulates businesses with air emissions that are located in certain areas:

- Hanford Nuclear Reservation
- **Central Region:** Chelan, Douglas, Kittitas, Klickitat, and Okanogan Counties
- **Eastern Region:** Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Stevens, Walla Walla, Whitman Counties
- **Northwest Region:** San Juan County

Ecology also regulates specific types of businesses, such as:

- Kraft pulp and paper mills
- Primary aluminum mills
- Large industrial or commercial sources subject to the federal PSD program
- Emitters of specific toxic air emissions at rates higher than levels specified by rule.

Businesses that generate small and moderate amounts of air pollution must participate in the air quality source registration program. The registration program is necessary to ensure that sources of air pollution operate in a way that minimizes emissions to comply with the Clean Air Act and protect human health.

The registration information helps Ecology to:

- Maintain a current and accurate record of air pollution sources in Washington.
- Provide businesses with technical assistance on how to comply with Clean Air Act requirements.

- Verify that businesses are complying with air pollution control requirements.
- Evaluate the effectiveness of air pollution control strategies.
- Gather and verify emissions data.

Businesses generally report emissions either:

- Yearly in the case of annual registration program sources.
- Once every three years for periodic registration program sources.
- Once every six years for exempt registration program sources.

1.3.2: Reasons for adopted amendments

The following discusses the reasoning for each of the adopted amendments to Chapter 173-455 WAC.

1.3.2.1: Increases to general registration program fees for businesses that release small amounts of emissions and report those emissions every three years. These are called periodic registration program sources.

The air quality source registration program currently relies heavily on state tax dollars (the General Fund). Revenue from registration program sources funds about 60 percent of the cost of operating the program. This program is intended to be more self-supporting (RCW 70.94.151). To help cover the cost of the program and to reduce reliance on state taxes, the 2011 Legislature directed Ecology to increase the registration program fees by up to 36 percent (2ESHB 1087). Fees for annual registration program sources went into effect in 2012 following procedures and formula in the rule. This rule making increases the revenue on a programmatic basis by 35 percent for periodic sources. Exempt sources are not subject to a fee. This fee increase brings the registration program close to supporting 87 percent of the program.

1.3.2.2: Re-establishing air quality registration fees for gasoline dispensing facilities.

Gasoline recovery systems that are not routinely inspected for compliance with state and federal air quality requirements are much more likely to fail, putting the business and public at risk. Gasoline vapors contain toxic and carcinogenic chemicals. They also contain volatile organic compounds that contribute to ozone, another human health hazard. If safeguards are not in place, these harmful fumes may escape as gasoline is transferred into storage tanks or dispensed at the pump.

Controlling gasoline vapors reduces benzene exposures at and near gasoline dispensing facilities, contributes to continuing compliance with federal ozone standards, and conserves gasoline. Benzene exposure can lead to respiratory illness and cancer, particularly among employees.

Ecology is the sole air quality agency in the state that does not currently inspect the air quality requirements at a gasoline dispensing facility. This fee would allow for Ecology to conduct these inspections at facilities the agency regulates. For future years, these fees will be adjusted using the process described in 1.3.2.4.

Ecology discontinued its program due to budget constraints in the early 2000s. The existing \$100 fee remains in the rule. Consistent with Initiative 1053, the Legislature approved re-establishing the fee in 2012 (3ESHB 2127).

1.3.2.3: Clarifying the process for calculating registration program fees.

The previous rule contained a flat fee for periodic sources and a method for increasing fees for annual registration program fees based on the results of a workload model. Yearly annual registration source fees changed due to the number of sources and their emissions. This complex fee structure for annual sources was comprised of three components, a flat component based on the number of sources, a complexity component based on a complexity rating of 1, 3 or 5, and an emissions component based on the amount of billable emissions from the source. The adopted amendment simplifies the process and increases transparency by placing in the rule the 2012 fees for both annual and periodic sources as shown in the table below.

Table 1: Adopted 2012 Fee Rates for Annual and Periodic Sources

Annual registration fee rates	
Flat fee component	\$1057 per year
Complexity component	\$469 per complexity rating point of 1, 3, 5
Emissions component	\$16 per ton
Periodic registration fee rates	
Small source	\$450
Medium source	\$700
Large source	\$1,000

For future years, these fees will be adjusted using the process described in 1.3.2.4.

1.3.2.4 Provide a method for making future fee increases.

The previous rule provided a method for establishing fees each year for annual registration program sources. Adjusting most other fees in Chapter 173-455 WAC required a rule change. The adopted rule amendments simplify the process for increasing all fees in Chapter 173-455 WAC by establishing a uniform and transparent method. Fees can be adjusted on a biennial basis for each year in the biennium as necessary to achieve or maintain cost recovery. Fee increases must be justified by a workload analysis. The statute provides direction on activities that are cost recoverable and can be included in the analysis [RCW 70.94.151 and 152]. It is Ecology’s intent to increase fees frequently by smaller amounts however, the rule also allows flexibility to adjust it by larger amounts if justified by the workload analysis. Increases will have to be posted on the Air Quality Program website no later than November 30th of the preceding year an increase would take effect. In addition, a fee increase can be imposed only after the Legislature approves the increase as directed by Initiative 1185 ([RCW 43.135.055](#)).

1.3.2.5: Addressing “housekeeping changes” necessary to improve the understanding and usability of the rule.

The Source registration program was established in its previous form in 1995. In the ensuing 17 years, the fees for periodic sources remained at \$400. In 2007, Ecology consolidated air quality fees codified in several different rules into Chapter 173-455 WAC without altering any rule language from its original location. Registration fees were re-located to WAC 173-455-040. Currently within Ecology’s authority there are 19 annual sources, 323 periodic sources and 130 exempt sources.

In general, registration program sources are smaller businesses that fit into three categories. Annual sources represent larger registration sources. Periodic sources run through the middle and exempt are the smallest category. Large industrial and commercial businesses are regulated under the Air Operating Permit Program.

For periodic sources, the adopted amendments establish a three-tiered fee structure, based on the amount of annual emissions of various contaminants, for periodic sources as a better reflection of the workload associated with inspecting the source. Under the adopted amendments, 76 percent of the current periodic sources fall within the small fee category, 14 percent are medium sized and 10 percent are large.

WAC 173-491-030 established fees for gasoline loading terminals, bulk gasoline plants and gasoline dispensing facilities in 1991. These fees remained unchanged since 1991 and in 2007 were relocated to WAC 173-455-110.

1.4 Document organization

The remainder of this document is organized into the following sections:

- Baseline and adopted rule amendments (Chapter 2): Description and comparison of the baseline requirements to the adopted rule amendments.
- Likely costs of adopted rule amendments (Chapter 3): Analysis of the types and size of costs Ecology expects impacted entities to incur as a result of the adopted rule amendments.
- Likely benefits of adopted rule amendments (Chapter 4): Analysis of the types and size of benefits Ecology expects to result from the adopted rule amendments.
- Cost-benefit comparison and conclusions (Chapter 5): Discussion of the complete implications of the Cost-Benefit Analysis. Comments on the results.
- Least Burdensome Alternative Analysis (Chapter 6): Analysis of considered alternatives to the adopted rule amendments.

Chapter 2: Baseline and Adopted Rule Amendments

2.1 Introduction

In this chapter, Ecology describes the baseline to which the adopted rule amendments are compared. The baseline is the regulatory context in the absence of the amendments being adopted.

Ecology also describes, in this chapter, the adopted rule amendments, and identifies which will likely result in costs or benefits (or both), and require analysis under the APA. Here, Ecology addresses complexities in the scope of analysis, and indicates how costs and benefits are analyzed and discussed in chapters 3 and 4 of this document.

2.2 Baseline

In most cases, the regulatory baseline for CBAs is the existing rule. Where there is no existing rule, federal and local regulations are the baseline. In the case of the adopted amendments to the Air Quality Fee Regulation, the previous rule comprises the baseline. The regulatory baseline is the way air quality fees would be assigned if the rule were not adopted – that is, based on previously existing laws and rules. The baseline does not include guidance and practices commonly used in existing permit fee determination and behavior if they are not required by a law, rule, permit, et cetera.

The adopted rule amendments:

- Increase general registration program fees for businesses that release small amounts of emissions and report those emissions every three years. These are periodic registration program sources.
- Re-establish air quality registration fees for gasoline distributing facilities.
- Insert the rates used to calculate the 2012 annual source registration fee and removes the existing process in the rule to calculate these fees. The 2012 annual source fee rates were established following the existing method in the rule and then increased by 36 percent as approved by the Legislature.
- Provide a new method for making future fee increases for most fee rules in Chapter 173-455 WAC. This change does not result in any additional fee increases at this time.
- Address “housekeeping” changes necessary to improve the understanding and usability of the rule. Housekeeping changes include, but are not limited to, consolidating registration program fees in one location, correcting word use, clarifying that an applicant could use the \$200 PSD applicability determination fee for pre-application assistance beyond the standard pre-application meeting, and updating the general orders. Ecology is continuing our current practice of holding a pre-application meeting between applicants and staff.

2.2.1: Increase periodic registration fees

Previously, the yearly fee for periodic sources, regardless of their rate of emissions of contaminants was a flat fee of \$400 per year.

The adopted rule amendments increase fees and establish a three-tiered fee structure based on the amount of annual emissions of various contaminants for periodic sources.

This represents a cost to the affected businesses.

2.2.2: Fees for gasoline dispensing facilities regulated by Ecology

Previously, gasoline dispensing facilities regulated by Ecology were subject to a flat fee of \$100 per year. Ecology has not collected this fee since the early 2000's. Even though the fee has not been imposed, the analysis compared the impacts to the existing rule.

The adopted rule amendments increase fees for gasoline dispensing facilities regulated by Ecology. Facilities are subject to inspection and yearly fees based on their number of storage tanks dispensing a gasoline-based product.

This represents a cost to the affected businesses and a societal benefit due to the periodic inspections diminishing the likelihood of failure.

2.2.3: Clarification of process for calculating registration program fees.

The previous rule contained a flat fee for periodic sources and a method for increasing fees for annual registration program fees based on the results of a workload model. Yearly fees for the annual registration program changed due to the number of sources and their emissions.

The adopted amendment increases transparency by placing the 2012 fees and rates in the rule.

This represents a benefit to both affected businesses and Ecology.

2.2.4: Future fee increases

The previous rule provided a method for establishing fees each year for annual registration program sources. Adjusting most other fees required a rule change.

The adopted amendments base fee increases on a workload analysis, linking the fees to the cost of implementing the program. This allows more frequent, smaller increases in fees.

This represents a potential benefit to affected firms and a benefit to Ecology.

2.2.5: “Housekeeping” changes

Housekeeping changes are exempt from analysis. Establishing categories for tiers of fees is exempt from the analysis but the impact of those fees will be discussed related to the fee changes for annual and periodic registration.

Chapter 3: Likely Costs of the Adopted Amendments

3.1 Introduction

The current analysis will focus on only those costs generated by adopted amendments that are not exempt from analysis. These include:

- Increasing periodic registration fees.
- Imposing fees on gasoline dispensing facilities.

3.2 Affected entities

Within Ecology’s authority, there are 323 registered periodic businesses and 416 gasoline dispensing facilities.

3.3 Costs

3.3.1 Increase periodic registration fees

Fees charged to periodic registration sources depend on their level of emissions. Table 1 shows the estimated costs resulting from the fee increases.

Table 2: Aggregate cost of adopted fees on periodic sources

Category	Proposed Yearly Fee	Number of Sources	Aggregate Cost	Cost increase
Small	\$450	245	\$ 110,250	\$50
Medium	\$700	46	\$ 32,200	\$250
Large	\$1,000	32	\$ 32,000	\$600
Total			\$ 174,450	

Under the previous \$400 fixed fee structure, total costs are \$129,200 annually. Therefore the additional cost attributable to the rule amendment is the difference between the current fee and the proposed new fees – a total of \$45,250 annually.

3.3.2 Implementing fees on gasoline dispensing facilities regulated by Ecology

Under the previous \$100 fixed fee structure, total costs are \$41,600 annually. The new fee is \$130 for each storage tank dispensing gasoline. For the 416 facilities within Ecology’s authority, this will result in total fees of \$109,330 annually. The additional cost attributable to the rule amendment is the difference between the previous fee and the adopted new fees – a total of \$67,730 annually.

Table 3: Aggregate annual cost of adopted fees on annual sources

Number of Tanks	Proposed Yearly Fee	# Sites	Aggregate Cost
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1	\$130	133	\$17,290
2	\$260	157	\$40,820
3	\$390	111	\$43,290
4	\$520	14	\$7,280
5	\$650	1	\$650
Total		416	\$109,330

3.4 Total costs

Total costs are estimated to be \$112,980 per year.

Chapter 4: Likely Benefits of the Adopted Amendments

The current analysis will focus on only those benefits generated by adopted amendments that are not exempt from analysis. These include:

- Imposing fees on gasoline dispensing facilities regulated by Ecology.
- Clarification of process for calculating registration program fees.
- Providing a method for future fee increases.
- Additional benefits.

4.1 Implementing fees on gasoline dispensing facilities regulated by Ecology

4.1.1. Decrease in public risk of benzene exposure

Routine inspection of gasoline recovery systems will decrease the chance of failure. This results in benefits in the form of diminished risk of benzene exposure at and near gasoline dispensing facilities. Benzene exposure can lead to respiratory illness and cancer, particularly among employees. Inspection also contributes to continuing compliance with federal ozone standards, and conserves gasoline because loss from evaporation is reduced. While quantifying this benefit with any degree of certainty is not possible with available data, it clearly exists.

4.2 Clarification of the process for calculating registration program fees

By simplifying the fee increase process and stating the fees for 2012 directly in the rule, businesses will benefit by knowing the fees in advance and being better able to plan.

4.3 Providing a method for future fee increases

Should a fee increase require formal rule change, the process can be costly, requiring hundreds of staff-hours on the part of Ecology. Avoiding this process, as included in the adopted rule, results in a benefit. The adopted amendments further simplify the process and allow flexibility in setting fees.

4.4 Additional benefits

4.4.1 Avoided decreases in program services

The adopted rule amendments raise registration fees in order to maintain funding for the registration program. In light of the current budget situation for the State's General Fund, and the Legislature's choice to authorize fee changes and increases, the baseline scenario (no fee increases) would likely result in cuts to staff, program services, or both.

With current coverage of about 60 percent of program costs coming from fees (based on internal analysis of the historic ratio of collected fees to program costs), with the remainder subsidized by the General Fund, these cuts could be significant. In addition,

the degree of the cuts is unclear, (as the General Fund funds numerous agencies and programs). Uncertainty exists in future levels of available state funds as well, both nominally and relative to expenditures.

Reducing the number of staff in the program would likely result in a reduced ability to maintain current levels of service, increasing the possibility that businesses were not in compliance with air pollution control requirements with a possible increase in emissions of air pollutants, and decreasing provision of technical assistance for businesses on how to comply with Clean Air Act requirements.

Ecology could not confidently quantify the costs resulting from a reduced and over-capacity program. The benefit of avoiding these costs, under the adopted rule, was considered qualitatively in this analysis.

Chapter 5: Cost-Benefit Comparison and Conclusions

Ecology separately calculated the qualitative and quantified net benefits of the adopted rule amendments, accounting for likely costs and benefits of the adopted changes.

Probable benefits include:

- Decrease in public risk of benzene exposure.
- Avoided decreases in program services.
- Clarification and improved compliance.
- Avoided decrease in program services.

Probable net quantified costs include:

- Increased periodic registration source fees.
- Gasoline vapor inspection system fees for facilities regulated by Ecology.

The adopted amendments result in a total of \$112,980 per year in increased fees.

Conclusion

Based on the combined qualitative and quantitative net benefits that Ecology finds to be likely under the adopted rule (as compared to the existing rule), Ecology concluded that the benefits of the adopted rule will most likely exceed the probable costs.

Chapter 6: Least Burdensome Analysis

RCW 34.05.328(1)(e) requires Ecology to “determine, after considering alternative versions of the rule and the analysis required under (b), (c), and (d) of this subsection, that the rule being adopted is the least burdensome alternative for those required to comply with it that will achieve the general goals and specific objectives stated under (a) of this subsection.”

6.1 Conclusion

Based on research and analysis required by RCW 34.05.328(1)(e) the Department of Ecology determines:

There is sufficient evidence that the adopted rule is the least burdensome version of the rule for those who are required to comply, given the goals and objectives of the law for Ecology to propose the rule.

6.2 Alternatives considered

There were ten alternatives considered:

1. Do nothing;

Registration Program Alternatives

2. Increase existing flat fee for periodic sources by 36%;
3. Charge a fee for exempt registration sources;
4. Alternative fee for tiered periodic fee sources;
5. Performance-based fees for periodic sources;
6. Activity-based fees (time and materials) for periodic sources; and

Gasoline dispensing facility alternatives

7. Fee per gasoline dispensing facility;
8. Fee per filling point (compartment) in gasoline dispensing facility;
9. Fee based on gasoline throughput.

10. The adopted rule revisions.

Alternative 1: Do nothing

Maintaining the existing periodic source fee would likely result in reducing the number of staff in the program. This would likely result in a reduced ability to maintain current levels of service, increasing the possibility that businesses were not in compliance with air pollution control requirements with a possible increase in emissions of air pollutants, and decreasing provision of technical assistance for businesses on how to comply with Clean Air Act requirements.

Maintaining the existing fee for gasoline dispensing facilities would underfund the inspection program. Ecology would not restart the inspection program if it was not self-supporting.

Registration Program Fee Alternatives

Alternative 2: Increase existing flat fee for periodic sources by 36 percent

This approach provides an across-the-board increase so all sources pay the same fee. This one-size-fits-all model is simple and easy to understand. However, this option fails to take into account differing complexities at sources. A complex source pays the same as a simple one so smaller business tends to subsidize the fee for the few larger sources.

Alternative 3: Charge a fee for exempt registration sources

When Ecology began this rule-making, exempt sources paid no fee though once every six years they submitted an emissions inventory and were inspected by Ecology. We considered charging this group a fee that was half of the periodic fee because their workload was half of the periodic source category. In evaluating the workload, we determined that inspecting a source results in the bulk of the ongoing work. We evaluated the value gained from inspecting this source category compared to the cost of imposing a new fee, and decided to discontinue routine inspections of this group. Routine inspections of exempt sources will occur when the source switches to the periodic or annual source category due to increased emissions (possibly due to increased production). Submitting an emissions inventory every six years remains a requirement.

Alternative 4: Alternative fee for tiered periodic fee sources

Ecology considered setting the fees for the small, medium and large source categories at \$400, \$800 and \$1200. A \$400 small source fee means that 74 percent of the sources would not have a fee increase at the cost of doubling and tripling the fees for the other two categories. Our stakeholders requested that the small source fee be increased so all categories share in the impact of an increase.

Alternative 5: Performance-based fees for periodic sources

Sources that were not complying with the terms of their permit (air quality requirements) would pay a higher fee for a year or two after they came back into compliance. This would place the additional cost of compliance on the sources generating the additional workload. The base fee would (flat fee or tiered-fee) need continue to fund the program because the number of sources that might be subject to this fee is unknown and would vary from year to year. To accommodate the increased revenue from this add-on fee, we would need to reduce the percentage increase for the base fee to stay within our legislatively assigned constraint. It was not possible to determine this figure.

Alternative 6: Activity-based fees (time and materials) for periodic sources

Activity based fees require agency staff to carefully track their time and bill sources after the work is completed. Periodic sources lose the certainty of knowing what their yearly fee is in advance so it is not possible to plan for the bill. The yearly bills would vary widely depending on what work Ecology conducted. A bill for preparing and reviewing the emissions inventory information would be considerably smaller than the cost of an inspection (preparing for an inspection, traveling to the inspection, conducting the inspection, and post-inspection work).

Gasoline Dispensing Facility Fee Alternatives

Alternative 7: Fee per gasoline dispensing facility

A fee per station is a simple fee and easily understood because all sources pay the same fee. The one-size-fits-all model fails to take into account differing complexities at sources. A station with more tanks and fill points takes longer to inspect. A complex station pays the same as a simple one so smaller business tends to subsidize larger sources.

Alternative 8: Fee per filling point (compartment) in gasoline dispensing facility

A fee per filling point is the best reflection of the cost of conducting the inspection. However, this method is the most complicated to understand and explain, and results in the most fees. The number of tanks per site varies from one to five, and the number of compartments or gasoline fill points vary from one to three fill points per tank. This alternative results in a lower and a higher fee than the per tank fee. However fewer stations would pay the lowest fee (eight percent compared to 32 percent). The two lowest fee represent 45 percent of the stations compared to 70 percent of the stations for the per tank fee.

Alternative 9: Fee based on gasoline throughput

Assigning a fee based on the volume of gasoline aligns the fee with the economic vitality of a station as well its air pollution. Ecology was unable to determine gasoline throughput by station. Without accurate data, we couldn't establish accurate fees to support the program budget.

Alternative 10: Adopted rule revisions

Periodic source fee

The three-tiered structure separates the sources into three groupings based on their emissions. Emissions are a reasonable surrogate for the complexity of the source. Under this structure, 76% of the businesses will see a 13 percent fee increase, which is significantly lower than the fee increase resulting from Alternative 2.

Gasoline dispensing facilities

A fee per storage tank dispensing gasoline aligns with the existing fee structure for the fee for an Underground Storage Tank. Business is familiar with this structure because that is the basis for their existing Underground Storage Tank fee. The smallest businesses appear to benefit the most from this alternative. These stations tend to have one tank with multiple compartments for different grades of gasoline. A larger station will have multiple tanks because they can afford the installation costs. 70 percent of stations will have a fee of \$260 or \$130.

A-1