



## **Preliminary Regulatory Analyses:**

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Including the:

- Preliminary Cost-Benefit Analysis
- Least-Burdensome Alternative Analysis
- Administrative Procedure Act Determinations
- Regulatory Fairness Act Compliance

Chapter 173-455 WAC

Air Quality Fee Rule

By

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For the

**Air Quality Program**

Washington State Department of Ecology

Olympia, Washington

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# Department of Ecology's Regional Offices

## Map of Counties Served



<b>Southwest Region</b> 360-407-6300	<b>Northwest Region</b> 206-594-0000	<b>Central Region</b> 509-575-2490	<b>Eastern Region</b> 509-329-3400
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Region	Counties served	Mailing Address	Phone
<b>Southwest</b>	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
<b>Northwest</b>	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
<b>Central</b>	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 W Alder St Union Gap, WA 98903	509-575-2490
<b>Eastern</b>	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 N Monroe Spokane, WA 99205	509-329-3400
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# Preliminary Regulatory Analyses

Including the:

Preliminary Cost-Benefit Analysis

Least-Burdensome Alternative Analysis

Administrative Procedure Act Determinations

Regulatory Fairness Act Compliance

Chapter 173-455 WAC, Air Quality Fee Rule

Air Quality Program  
Washington State Department of Ecology  
Olympia, WA

**September 2022 | Publication 22-02-031**



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

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# Acronyms

AOP	Air Operating Permits
APA	Administrative Procedure Act
AQ	Air Quality
CBA	Cost-Benefit Analysis
Ecology	Washington State Department of Ecology
EE5	Environmental Engineer 5
EPA	US Environmental Protection Agency
FTE	Full Time Employee
LBA	Least Burdensome Alternative Analysis
NOC	Notice of Construction
NSR	New Source Review
PSD	Prevention of Significant Deterioration
RACT	Reasonably available control technology
RCW	Revised Code of Washington
RFA	Regulatory Fairness Act
SEPA	State Environmental Policy Act
WAC	Washington Administrative Code



# Executive Summary

This report presents the determinations made by the Washington State Department of Ecology as required under Chapters 34.05 RCW and 19.85 RCW, for the proposed amendments to the Air Quality Fee Rule (sections 031, 038, 050, 100, 120, 130, and 140; Chapter 173-455 WAC; the “rule”). This includes the:

- Preliminary Cost-Benefit Analysis (CBA)
- Least-Burdensome Alternative Analysis (LBA)
- Administrative Procedure Act Determinations
- Regulatory Fairness Act Compliance

The Washington Administrative Procedure Act (APA; RCW 34.05.328(1)(d)) 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 of this document describe that determination.

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 of this document describes that determination.

The APA also requires Ecology to make several other determinations (RCW 34.05.328(1)(a) – (c) and (f) – (h)) about the rule, including authorization, need, context, and coordination. Appendix A of this document provides the documentation for these determinations.

The Washington Regulatory Fairness Act (RFA; Chapter 19.85 RCW) requires Ecology to evaluate the relative impact of proposed rules that impose costs on businesses in an industry. It compares the relative compliance costs for small businesses to those of the largest businesses affected. Chapter 7 of this document provides the documentation for that analysis, when applicable.

All determinations are based on the best available information at the time of publication. We encourage feedback (including specific data) that may improve the accuracy of this analysis.

The proposed rule amendments would:

- Update the following fees:
  - Carbon dioxide mitigation WAC 173-455-050.
  - Reasonably available control technology (RACT) WAC 173-455-100.
  - New Source Review WAC 173-455-120.
  - Air pollution standards variance WAC 173-455-130.
  - Nonroad engine permit WAC 173-455-140.

- Establish a new streamlined process that will make it faster and more efficient for Ecology to increase fees for 2024 and beyond.
- Add new references.
- Improve readability and clarity.

#### Cost-Benefit Analysis: Costs

The updated New Source Review hourly fee rates would increase costs for future and some current permittees. Because the number and complexity of permit applications Ecology receives each year varies, we based our analysis on the average amount of funds the New Source Review program lacks every year due to the outdated fee schedule. This approach allows us to estimate the total costs of the updated hourly fee rates for permittees compared to the baseline.

Based on data from a seven-year period on Air Quality program funding and permit revenues and determined that average annual shortfall of the New Source Review program equals \$79,981.

The total 20-year present value for the cost of updated fees for permittees is \$1,774,989.

#### Cost-Benefit Analysis: Benefits

We consider that the streamlined process and predictable fee structure would support future planning by permitted industries. The new process would also reduce uncertainty for Ecology about our ability to recover costs and provide permitting services, as compared to the baseline.

In addition, Washingtonians would benefit from the updated hourly rate. It is important to note that although the total costs of administering the program are a proxy for the value of services provided in terms of issuing permits, they do not take into account the benefits of permits themselves.

The adjusted fees would allow Ecology to continue providing high quality services and issuing permits as needed to protect the air quality of Washington State. Ecology would also be able to collect higher fees as necessary to comply with the law's direction to collect fees from permittees to cover program costs. The consequences of underfunding the program are:

- Potential loss of time and revenue for business who's project are delayed because they don't have a permit.
- The gap between the fees charged and the cost to issue permits would continue to widen.

We conclude, based on a reasonable understanding of the quantified and qualitative costs and benefits likely from the proposed rule amendments, as compared to the baseline, that the benefits of the proposed rule amendments are greater than the costs.

#### **Least-Burdensome Alternative Analysis**

The authorizing statute for this rule is Chapter 70A.15 RCW, Washington Clean Air Act. Its goals and objectives related to this rulemaking are:

- RCW 70A.15.1005: Provides that it is the policy of the state that the costs of operating air pollution control programs shall be shared as equitably as possible among all sources whose emissions cause air pollution.
- RCW 70A.15.2210(1)-(2): Authorizes Ecology to collect fees to cover the costs of reviewing and processing Notice of Construction applications.
- RCW 70A.15.6270(3): Authorizes Ecology to collect fees to cover the costs to administer the carbon dioxide mitigation program.
- RCW 70A.15.2230(7) Authorizes Ecology to collect fees to cover the costs of developing, establishing, or reviewing categorical or case-by-case RACT requirements.

We considered the following alternative rule content, and did not include it in the proposed rule amendments.

- Keep existing fee schedule and lack of process for future fee updates.
- Keep existing structure and lack of process for future fee updates, but increase fees to fund program costs for 2023.

After considering alternatives to the proposed rule’s contents, within the context of the goals and objectives of the authorizing statute, we determined that the proposed rule represents the least-burdensome alternative of possible rule contents meeting the goals and objectives.

### Regulatory Fairness Act Compliance

The average affected small business likely to be covered by the proposed rule amendments employs about five people. The largest 10 percent of affected businesses employ an average of 3,225 people. Although the cost of processing a permit application vastly differs from one application to another, the average cost of fee increases per business is \$1,311. Based on cost estimates in Chapter 3, we estimated the following compliance costs per employee.

Table 1 Average Compliance Cost of Fee Increase

<b>Average cost of fee increase</b>	
Average small business employment	5
Average employment at largest ten percent of businesses	3225
Small business cost per employee	\$262
Largest business cost per employee	\$0.41

We conclude that the proposed rule amendments are likely to have disproportionate impacts on small businesses, and therefore Ecology must include elements in the proposed rule amendments to mitigate this disproportion, as far as is legal and feasible.

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on directly affected markets, accounting for dynamic adjustments throughout the economy. The model accounts for: inter-industry impacts; price, wage, and population changes; and dynamic adjustment of all economic variables over time.

In general, the impact on Washington economy is insignificant. The percent difference from year to year is 0% for all industries.

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on jobs in the state, accounting for dynamic adjustments throughout the economy.

The proposed rule amendments would result in transfers of money within and between industries, as compared to the baseline. The modeled impacts on employment are the result of multiple small increases and decreases in employment, prices, and other economic variables across all industries in the state. The results of REMI E3+ model show insignificant impact on jobs in the affected industries.

Table 2. Layoffs Resulting from Increased Production Costs

<b>Industry</b>	<b>Initial Jobs Impact</b>	<b>Jobs Impact in 20 years</b>
Whole state	-0.5	-0.4
Manufacturing	-0.03	-0.02
Farm	-0.07	-0.05
Construction	-0.09	-0.04
Utilities	-0.006	-0.005
Mining	-0.06	-0.04
Other Services	-0.004	-0.003

The values in the above table represent number of full time employees that would be laid off each year as a result of increased production costs. The number of FTEs decreased does not accumulate over year and represent single point data compared to the baseline.

Ecology considered all of the options from the RFA (19.85.030(2) RCW) for reducing impact on small businesses and maintained all legal and feasible elements in the baseline rule that reduce costs. In addition, Ecology considered the alternative rule contents discussed in Chapter 6, and excluded those alternatives that would have imposed excess compliance burden on businesses.

The baseline rule already includes the following elements, which are unchanged in the proposed rule amendments, to reduce costs to small businesses.

The baseline rule already allows Ecology to reduce costs for qualifying small businesses by fifty percent or three hundred and twelve dollars (\$312); whichever is greater. This is not changing.

Moreover, the baseline rule includes an extreme hardship reduction due to outstanding economic circumstances for qualifying small businesses. This is not changing.

In addition, the new streamlined process established in the proposed amendments to develop subsequent fee schedules may help small businesses better plan for permit expenses.

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# Chapter 1: Background and Introduction

## 1.1 Introduction

This report presents the determinations made by the Washington State Department of Ecology as required under Chapters 34.05 RCW and 19.85 RCW, for the proposed amendments to the Air Quality Fee Rule (sections 031, 038, 050, 100, 120, 130, and 140; Chapter 173-455 WAC; the “rule”). This includes the:

- Preliminary Cost-Benefit Analysis (CBA)
- Least-Burdensome Alternative Analysis (LBA)
- Administrative Procedure Act Determinations
- Regulatory Fairness Act Compliance

The Washington Administrative Procedure Act (APA; RCW 34.05.328(1)(d)) 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 of this document describe that determination.

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 of this document describes that determination.

The APA also requires Ecology to make several other determinations (RCW 34.05.328(1)(a) – (c) and (f) – (h)) about the rule, including authorization, need, context, and coordination. Appendix A of this document provides the documentation for these determinations.

The Washington Regulatory Fairness Act (RFA; Chapter 19.85 RCW) requires Ecology to evaluate the relative impact of proposed rules that impose costs on businesses in an industry. It compares the relative compliance costs for small businesses to those of the largest businesses affected. Chapter 7 of this document provides the documentation for that analysis, when applicable.

All determinations are based on the best available information at the time of publication. We encourage feedback (including specific data) that may improve the accuracy of this analysis.

### 1.1.1 Background

Chapter 70A.15 RCW Washington Clean Air Act (the law), is intended to preserve, protect, and enhance the air quality for current and future generations. A number of provisions of this law (RCW 70A.15.2210, 70A.15.2230, and 70A.15.6270) direct Ecology to collect fees from permittees to cover the costs associated with issuing air quality permits.

Most of the fees Ecology collects for reviewing and issuing air quality permits are covered in Chapter 173-455 WAC, Air Quality Fee Rule. Ecology has not increased air quality permit fees since 2012. This has caused a big gap between how much it costs to do the work and how much we are collecting in fees. The rule needs to be amended to increase the fees Ecology collects to recover our current costs to issue air quality permits. The amended rule also proposes a new streamlined process that will make it faster and more efficient for Ecology to update fees in the future. It will also provide more predictability to the regulated community.

## 1.2 Summary of the proposed rule amendments

The proposed rule amendment would:

- Update the following fees:
  - Carbon dioxide mitigation WAC 173-455-050.
  - Reasonably available control technology (RACT) WAC 173-455-100.
  - New Source Review WAC 173-455-120.
  - Air pollution standards variance WAC 173-455-130.
  - Nonroad engine permit WAC 173-455-140.
- Establish a new streamlined process that will make it faster and more efficient for Ecology to increase fees for 2024 and beyond.
- Add new references.
- Improve readability and clarity.

## 1.3 Reasons for the proposed rule amendments

Ecology's air quality permit fees have not been increase since 2012 and the current fees do not cover the cost of reviewing and issuing permits.

The new section (-031) establishes a consistent and predictable process for streamlined future fee adjustment. Ecology will create a program budget and workload analysis each year after 2023. If fee adjustments are needed Ecology may set new fees for a two year period following a public comment period. Our permit customers told us they would prefer more frequent incremental increases because it will better align with how they increase the fees for their customers.

## 1.4 Document organization

The remainder of this document is organized in the following chapters:

- **Baseline and the proposed rule amendments (Chapter 2):** Description and comparison of the baseline (what would occur in the absence of the proposed rule amendments) and the proposed rule requirements.

- **Likely costs of the proposed rule amendments (Chapter 3):** Analysis of the types and sizes of costs we expect impacted entities to incur as a result of the proposed rule amendments.
- **Likely benefits of the proposed rule amendments (Chapter 4):** Analysis of the types and sizes of benefits we expect to result from the proposed rule amendments.
- **Cost-benefit comparison and conclusions (Chapter 5):** Discussion of the complete implications of the CBA.
- **Least-Burdensome Alternative Analysis (Chapter 6):** Analysis of considered alternatives to the contents of the proposed rule amendments.
- **Regulatory Fairness Act Compliance (Chapter 7):** When applicable. Comparison of compliance costs for small and large businesses; mitigation; impact on jobs.
- **APA Determinations (Appendix A):** RCW 34.05.328 determinations not discussed in chapters 5 and 6.



# Chapter 2: Baseline and Proposed Rule Amendments

## 2.1 Introduction

We analyzed the impacts of the proposed rule amendments relative to the existing rule, within the context of all existing requirements (federal and state laws and rules). This context for comparison is called the baseline, and reflects the most likely regulatory circumstances that entities would face if the proposed rule was not adopted. It is discussed in Section 2.2, below.

## 2.2 Baseline

The baseline for our analyses generally consists of existing rules and laws, and their requirements. This is what allows us to make a consistent comparison between the state of the world with and without the proposed rule amendments.

For this rulemaking, the baseline includes:

- Chapter 70A.15 RCW Washington Clean Air Act.
- Chapter 173-455 WAC, Air Quality Fee Rule.

## 2.3 Proposed rule amendments

The proposed rule amendment would:

- Update the following fees:
  - Carbon dioxide mitigation WAC 173-455-050.
  - Reasonably available control technology (RACT) WAC 173-455-100.
  - New Source Review WAC 173-455-120.
  - Air pollution standards variance WAC 173-455-130.
  - Nonroad engine permit WAC 173-455-140.
- Establish a new streamlined process that will make it faster and more efficient for Ecology to increase fees for 2024 and beyond.
- Add new references.
- Improve readability and clarity.

### 2.3.1 Establish a process to revise future fees

#### Baseline

Currently the only way Ecology can increase air quality permitting fees is to propose changes through the formal rulemaking process. This typically takes over twelve months. The last time Ecology adopted rules to increase permit fees was 2012.

## Proposed

The proposed rule amendments would allow Ecology to increase permit fees every two years. The proposed process is outlined below.

Ecology would:

1. Prepare the draft annual budget.
2. Determine if the current fees cover costs. If they don't, proceed to step 3.
3. Draft a fee schedule that evenly distributes the increase across the permits where the current fee isn't covering costs.
4. Post the draft budget and draft fee schedule on Ecology's web site by August 1 of the year before the new fee schedule would go into effect.
5. Provide a 30-day public comment period on the draft budget and draft fee schedule.
6. Post the final budget and fee schedule on Ecology's website by December 1st of the year before the new fee schedule goes into effect.

## Expected impact

We expect the proposed rule amendment to benefit permitted industries because they would have more predictability about any future fee increases. This will allow them to better prepare for the changes. Our permit customers told us they would prefer more frequent incremental increases because it will better align with how they increase the fees for their customers.

## 2.3.2 Update hourly fee rates

### Baseline

The baseline permit fees were based on the 2012 hourly rate of \$95 for an Environmental Engineer 5 (EE5).

### Proposed

The proposed rule amendments would update the hourly fee rate to reflect the new rate for engineering review and processing of applications for permits.

Generally, Ecology is proposing to increase:

All hourly fees in the amended sections to match the new \$119/hour rate

All flat fees by 25 percent to match the increase from \$95/hour to \$119/hour

Initial fees are equal to the number of covered hours, multiplied by \$119.

Please see the "Draft Fee Schedule" for detailed calculations of the hour rate.<sup>2</sup>.

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<sup>2</sup> Draft fee schedule. Ecology. May, 2022. <https://ecology.wa.gov/DOE/files/40/40a4f695-cfe6-42d3-9c82-6eeb7f5aee96.pdf>

Ecology is also proposing to change the hourly rate for initial fees related to the prevention of significant deterioration (PSD) program. Each of these permits have a base fee which is calculated by an estimated number of hours multiplied by the hourly rate. The estimates for the necessary number of work hours are as follows:

- Written PSD applicability determinations – increased from 6 to 40 hours to reflect actual workload.
- PSD permit revisions – where the revision is not administrative or a major modification - reduced from 79 hours to 40 hours to reflect actual workload.
- Other fees: Second and third tier review fees initial hours reduced from 106 to 84 hours to reflect actual workload.

The new fees for New Source Review and other air permits would go into effect 31 days after the proposed rule changes are adopted. This is scheduled for February of 2023. The proposed new fee schedule is provided in the Appendix B.

### **Expected impact**

We expect permittees to incur increased costs associated with this proposed rule change. We also expect a benefit of closing the gap between fees charged and actual program costs. The proposed change would also allow Ecology to continue providing permitting services in a comprehensive and timely manner without pulling funding sources from other projects and programs. Permittees would benefit from timely service, without suffering losses in investments due to permitting timeline and development delays.

The New Source Review fee is charged to any owners or operators of new sources of air emissions that are required to submit a Notice of Construction application for any proposed new sources or emissions units<sup>3</sup>, including portable emission sources.

The number of air quality permit applications varies from year to year and it is hard to predict how many of the covered parties would be affected in the future. We analyzed permitting activity data provided by the AQ Program<sup>4</sup>. Based on the three years of quarterly data we found a variety of issued and renewed air quality permits, such as Notice of Construction (NOC) approval orders and Prevention of Significant Deterioration (PSD) permits. On average, we identified 32 initial or renewed permits and 29 revised permits for Ecology to process each year. We also found that there were 213 unique entities that applied for an Air Quality permit since the beginning of 2020.

The cost of issuing an air quality permit varies depending on the type of source and complexity of the permit. Ecology is authorized to charge fees as needed to cover the costs associated with issuing permits.

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<sup>3</sup> Such units can be new or expanding facilities, construction sites, etc.

<sup>4</sup> Date complete application was received. Dataset by AQ Program. Ecology, 2022.

### **2.3.3 Adding new references and to improving readability and clarity**

#### **Baseline**

The baseline rule refers to old laws and is missing key references. And some parts are unclear or poorly organized.

#### **Proposed**

The proposed rule amendments would update the following references:

- Section -038: Update the list of fees not included in Chapter 173-455 WAC to note that greenhouse gas reporting fees are found in Chapter 173-441 WAC, Reporting of emissions of greenhouse gases
- Update outdated references to Chapter 70.94 RCW throughout the rule to Chapter 70A.15 RCW

The proposed rule amendments would also clarify and organize language and requirements to improve clarity and facilitate compliance. Other changes are necessary to make rule provisions consistent.

#### **Expected impact**

We do not expect any behavioral impact from these changes. However, the proposed rule amendments may reduce transitory costs such as time spent trying to understand the rule requirements and how to comply.

# Chapter 3: Likely Costs of the Proposed Rule Amendments

## 3.1 Introduction

We analyzed the likely costs associated with the proposed rule amendments, as compared to the baseline. The proposed rule amendments and the baseline are discussed in detail in Chapter 2 of this document.

## 3.2 Cost analysis

The proposed rule amendment would:

- Update the following fees:
  - Carbon dioxide mitigation WAC 173-455-050.
  - Reasonably available control technology (RACT) WAC 173-455-100.
  - New Source Review WAC 173-455-120.
  - Air pollution standards variance WAC 173-455-130.
  - Nonroad engine permit WAC 173-455-140.
- Establish a new streamlined process that will make it faster and more efficient for Ecology to increase fees for 2024 and beyond.
- Add new references.
- Improve readability and clarity.

### 3.2.1 Establish a new streamlined process to revise future fees

We do not expect any increased costs for permittees associated with this proposed rule change.

### 3.2.2 Update hourly fee rates

The proposed rule notes in WAC 173-455-120(1)(c) that:

A project may be subject to multiple fees set forth in this section. For example, a project may be subject to both minor and major New Source Review permit fees and second or third tier review. In addition, a project may be subject to fees under WAC 173-455-050 and -100.

There is a high variability between the number and complexity of permit applications Ecology receives each year. We chose to base our analysis on the average gap between the New Source Review permit fees and actual program costs every year due to the outdated fee schedule. This approach allows us to roughly predict the total costs of the proposed new hourly fee rates for the permittees compared to the baseline.

Based on a seven-year period of data on Ecology’s funding and revenues, the average annual underfunding of the New Source Review program is equal to \$79,981.

Ecology analyzes impacts over a 20-year time span from the time of rule adoption, which is typically enough time to reflect consequences of a rulemaking. To take into account the new process for updating New Source Review and other air permitting fees for year 2024 and beyond, we adjusted future average annual costs by previously estimated changes per biennium by 4.7 percent<sup>5</sup>. Note that biannual costs increase at a nominal rate, meaning that it reflects wage increases for each period in 2022 dollars.

To reflect the inflation effects over a 20-year period we calculate the total 20-year present value<sup>6</sup> based on the current real discount rate for the change caused by updated fees that would result in increased costs for all permittees. The total 20-year present value for the change caused by the adjusted fees is \$1,774,989.

As described in Chapter 2, we determined an average of 32 initial or renewed permits and 29 revised permits (for an average total of 61 permit actions) for Ecology to process each year. Although the cost of processing a permit application vastly differs from one application to another, the average cost of fee increases per business is \$1,311. Please see Table 10 below for an example of the difference of initial fees for review of a permit application for a new source or for the modification of an existing source with an emissions increase.

Table 3. Example of differences in current and proposed initial fees.

Action	Current	Proposed	Difference
Basic project	\$1,520	\$1,904	\$384
Complex project	\$10,070	\$12,614	\$2,544

### 3.2.3 Changes to the Proposed Rule Amendments with No Impact

We do not expect any material impact on stakeholders from the following proposed rule changes:

- Update rule sections for new references
- Update rule language to improve readability and clarity.

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<sup>5</sup> Draft Fee schedule. New Source Review Fees Hourly Rate Analysis. November, 2021.

<https://ecology.wa.gov/DOE/files/40/40a4f695-cfe6-42d3-9c82-6eeb7f5aee96.pdf>

<sup>6</sup> This standard is consistent with principles in federal guidance and historic analytical practices. Present value is defined as the value of a consequence occurring at the present time that has the same effect on wellbeing as a future consequence, and calculated by discounting the monetary value of each future consequence by a factor that depends on the date it occurs. Ecology calculates present values based on the historic average real rate of return on US Treasury I-Bonds since 1998. US Treasury Department (2022).

[http://www.treasurydirect.gov/indiv/research/indepth/ibonds/res\\_ibonds\\_iratesandterms.htm](http://www.treasurydirect.gov/indiv/research/indepth/ibonds/res_ibonds_iratesandterms.htm)

In this analysis, we calculated present values based on a real discount rate of 0.9 percent – the historic average rate at the time of the analysis.

# Chapter 4: Likely Benefits of the Proposed Rule Amendments

## 4.1 Introduction

We analyzed the likely benefits associated with the proposed rule amendments, as compared to the baseline. The proposed rule amendments and the baseline are discussed in detail in Chapter 2 of this document.

## 4.2 Benefits analysis

The proposed rule amendment would:

- Update the following fees:
  - Carbon dioxide mitigation WAC 173-455-050.
  - Reasonably available control technology (RACT) WAC 173-455-100.
  - New Source Review WAC 173-455-120.
  - Air pollution standards variance WAC 173-455-130.
  - Nonroad engine permit WAC 173-455-140.
- Establish a new streamlined process that will make it faster and more efficient for Ecology to increase fees for 2024 and beyond.
- Add new references.
- Improve readability and clarity.

### 4.2.1 Establish a new streamlined process to revise future fees

We expect the proposed rule amendment to benefit permitted industries because they would have more predictability about any future fee increases. This will allow them to better prepare for the changes. Our permit customers told us they would prefer more frequent incremental increases because it will better align with how they increase the fees for their customers. The new process would also reduce uncertainty for Ecology about our ability to recover costs and provide permitting services, as compared to the baseline.

### 4.2.2 Update hourly fee rates

We expect that Washingtonians would benefit from the updated hourly rate. It is important to note that although the total costs of administering the program are a proxy for the value of services provided in terms of processing and issuing permits, they do not take into account the benefits of permits themselves.

The adjusted fees would allow Ecology to continue providing high quality services and issuing permits as needed to protect the air quality of Washington State. Ecology would also be able to collect higher fees as necessary to comply with the law's direction to collect fees from permittees to cover program costs. The consequences of not covering the program costs would potentially delay permittees' projects as a result of delayed permit issuance, causing financial and time losses for those businesses. Underfunding the program would impact Ecology's ability to achieve its mission.

#### **4.2.3 Update rule sections for new references and improving readability and clarity**

We do not expect any behavioral impact, although the clarification of, and ease of compliance with, the rule may reduce transitory costs such as time spent determining what the law requires or how to comply.



# Chapter 5: Cost-Benefit Comparison and Conclusions

## 5.1 Summary of costs and benefits of the proposed rule amendments

### Costs

The updated New Source Review hourly fee rates would increase costs for future and some current permittees. Because the number and complexity of permit applications Ecology receives each year varies, we based our analysis on the average amount of funds the New Source Review program lacks every year due to the outdated fee schedule. This approach allows us to estimate the total costs of the updated hourly fee rates for permittees compared to the baseline.

Based on data from a seven-year period on Air Quality program funding and permit revenues and determined that average annual shortfall of the New Source Review program equals \$79,981.

The total 20-year present value for the cost of updated fees for permittees is \$1,774,989.

### Benefits

We consider that the streamlined process and predictable fee structure would support future planning by permitted industries. The new process would also reduce uncertainty for Ecology about our ability to recover costs and provide permitting services, as compared to the baseline.

In addition, Washingtonians would benefit from the updated hourly rate. It is important to note that although the total costs of administering the program are a proxy for the value of services provided in terms of issuing permits, they do not take into account the benefits of permits themselves.

The adjusted fees would allow Ecology to continue providing high quality services and issuing permits as needed to protect the air quality of Washington State. Ecology would also be able to collect higher fees as necessary to comply with the law's direction to collect fees from permittees to cover program costs. The consequences of underfunding the program are:

- Potential loss of time and revenue for business who's project are delayed because they don't have a permit.
- The gap between the fees charged and the cost to issue permits would continue to widen.

We conclude, based on a reasonable understanding of the quantified and qualitative costs and benefits likely from the proposed rule amendments, as compared to the baseline, that the benefits of the proposed rule amendments are greater than the costs.

## 5.2 Conclusion

We conclude, based on a reasonable understanding of the quantified and qualitative costs and benefits likely to arise from the proposed rule amendments, as compared to the baseline, that the benefits of the proposed rule amendments are greater than the costs.

# Chapter 6: Least-Burdensome Alternative Analysis

## 6.1 Introduction

RCW 34.05.328(1)(c) requires Ecology to “...[d]etermine, 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.” The referenced subsections are:

- (a) Clearly state in detail the general goals and specific objectives of the statute that the rule implements;
- (b) Determine that the rule is needed to achieve the general goals and specific objectives stated under (a) of this subsection, and analyze alternatives to rule making and the consequences of not adopting the rule;
- (c) Provide notification in the notice of proposed rulemaking under RCW 34.05.320 that a preliminary cost-benefit analysis is available. The preliminary cost-benefit analysis must fulfill the requirements of the cost-benefit analysis under (d) of this subsection. If the agency files a supplemental notice under RCW 34.05.340, the supplemental notice must include notification that a revised preliminary cost-benefit analysis is available. A final cost-benefit analysis must be available when the rule is adopted under RCW 34.05.360;
- (d) 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 statute being implemented.

In other words, to be able to adopt the rule, we are required to determine that the contents of the rule are the least burdensome set of requirements that achieve the goals and objectives of the authorizing statute(s).

We assessed alternative proposed rule content, and determined whether such alternatives met the goals and objectives of the authorizing statute(s). Of those that would meet the goals and objectives, we determined whether those chosen for inclusion in the proposed rule amendments were the least burdensome to those required to comply with them.

## 6.2 Goals and objectives of the authorizing statute

The goals and objectives of the authorizing statute are as follows.

The authorizing statute for this rule is Chapter 70A.15 RCW, Washington Clean Air Act. Its goals and objectives related to this rulemaking are:

- RCW 70A.15.1005: Provides that it is the policy of the state that the costs of operating air pollution control programs shall be shared as equitably as possible among all sources whose emissions cause air pollution.

- RCW 70A.15.2210(1)-(2): Authorizes Ecology to collect fees to cover the costs of reviewing and processing Notice of Construction applications.
- RCW 70A.15.6270(3): Authorizes Ecology to collect fees to cover the costs to administer the carbon dioxide mitigation program.
- RCW 70A.15.2230(7) Authorizes Ecology to collect fees to cover the costs of developing, establishing, or reviewing categorical or case-by-case RACT requirements.

## **6.3 Alternatives considered and why they were excluded**

We considered the following alternative rule content, and did not include it in the proposed rule amendments for the reasons discussed in each subsection below.

- Keep existing fee schedule and lack of process for future fee updates
- Keep existing structure and lack of process for future fee updates, but increase fees to fully fund program costs for 2023

### **6.3.1 Keep existing fee schedule and lack of process for future fee updates**

This alternative does not meet the goals and objectives of the statute. Ecology determined that this alternative was not feasible due to a widening gap between air quality permit fees and permitting program costs. Ecology is not able to use other revenue sources to make up for the shortfall in fees collected.

### **6.3.2 Keep existing structure and process but increase fees to fully fund program**

This alternative is potentially more burdensome than the proposed rule, and does not meet the goals and objectives of the statute because the existing process creates uncertainty for the regulated community regarding the future costs of compliance. The proposed rule language enables Ecology to collect fees that more accurately reflect the cost of staff time and other program costs associated with reviewing and issuing permits.

## **6.4 Conclusion**

After considering alternatives to the proposed rule's contents, within the context of the goals and objectives of the authorizing statute, we determined that the proposed rule represents the least-burdensome alternative of possible rule contents meeting the goals and objectives.

# Chapter 7: Regulatory Fairness Act Compliance

## 7.1 Introduction

The Regulatory Fairness Act (RFA; RCW 19.85.070) requires Ecology to perform a set of analyses and make certain determinations regarding the proposed rule amendments. This chapter presents the:

- Analysis of relative compliance cost burden.
- Consideration of lost sales or revenue.
- Cost-mitigating elements of the rule, if required.
- Small business and local government consultation.
- Industries likely impacted by the proposed rule.
- Expected impact on jobs.

A small business is defined by the RFA as having 50 or fewer employees, at the highest ownership and operator level. Estimated compliance costs are determined as compared to the baseline (the regulatory environment in the absence of the proposed rule amendments, limited to existing federal and state requirements). Analyses under the RFA only apply to costs to “businesses in an industry” in Washington State. This means the impacts, for this part of our analyses, are not evaluated for government agencies.

## 7.2 Analysis of relative compliance cost burden

We calculated the estimated per-business costs to comply with the proposed rule amendments, based on the costs estimated in Chapter 3 of this document. In this section, we estimate compliance costs per employee.

As discussed in Chapter 2, there is a high variability between the number and complexity of permit applications Ecology receives each year. We chose to base our analysis on the average gap between the New Source Review permit fees and actual program costs every year due to the outdated fee schedule. This approach allows us to roughly predict the total costs of the proposed new hourly fee rates for the permittees compared to the baseline.

The average affected small business likely to be covered by the proposed rule amendments employs about five people. The largest 10 percent of affected businesses employ an average of 3,225 people. Although the cost of processing a permit application vastly differs from one application to another, the average cost of fee increases per business is \$1,311. Based on cost estimates in Chapter 3, we estimated the following compliance costs per employee.

Table 4. Compliance costs increase per employee

<b>Average cost of fee increase</b>	
Average small business employment	5
Average employment at largest ten percent of businesses	3225
Small business cost per employee	\$262
Largest business cost per employee	\$0.41

In chapter 3, we also described an example of the difference of initial fees for review of a permit application for a new source or for the modification of an existing source with an emissions increase. Table 12 below shows ranges of compliance costs per employee based on estimates from the example.

Table 5. Range of compliance costs increase per employee based on the example of differences in current and proposed initial fees.

<b>Cost of compliance differences</b>	<b>Low</b>	<b>High</b>
Average small business employment	5	5
Average employment at largest ten percent of businesses	3225	3225
Small business cost per employee	\$77	\$509
Largest business cost per employee	\$0.12	\$0.80

We conclude that the proposed rule amendments are likely to have disproportionate impacts on small businesses, and therefore Ecology must include elements in the proposed rule amendments to mitigate this disproportion, as far as is legal and feasible.

Note that this example is illustration of initial fees. In reality, project may be subject to several different fees and Ecology has observed that small businesses frequently get less complex and therefore lower fee permits.

### 7.3 Loss of sales or revenue

Businesses that would incur increased costs under the proposed rule amendments could experience reduced sales or revenues if the proposed rule amendments significantly affect the prices of the goods they sell. The degree to which this could happen is strongly related to:

- Each business’s production and pricing model (whether additional lump-sum costs would significantly affect marginal costs).
- The specific attributes of the markets in which they sell goods, including the degree of influence each firm has on market prices.
- The relative responsiveness of market demand to price changes.

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on directly affected markets, accounting for dynamic adjustments throughout the economy. The model accounts for: inter-industry impacts; price, wage, and population changes; and dynamic adjustment of all economic variables over time.

The proposed rule amendments affect a wide variety of businesses (see 7.6, below). Those industries that are more able to control their pricing, likely due to geographic restrictions in various types of construction, for example, may trade off price increases for reduced sales (which may or may not result in reduced revenue). Industries with greater competition, such as various service industries, may not be as able to control their pricing, and would not see associated impacts to sales and revenue.

In general, the impact on Washington economy is insignificant. The percent difference from year to year is 0% for all industries. Table below shows absolute economic indicators for years 2022 and 2041.

Table 6. Impact on output

Industry	Impact on Output in 2022, in 2022 thousand dollars	Impact on Output in 2041, in 2022 thousand dollars
Whole state	-31.6	-18.3
Manufacturing	26	-8.5
Farm	-16.7	-16.7
Construction	-7.6	-2.6
Utilities	-5.8	-5.3
Mining	-9.0	-8.5
Other Services	-1.8	-1.4

## 7.4 Action taken to reduce small business impacts

The RFA (19.85.030(2) RCW) states that:

“Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. The agency must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

- a) Reducing, modifying, eliminating substantive regulatory requirements.
- b) Simplifying, reducing, eliminating recordkeeping and reporting requirements.
- c) Reducing the frequency of inspections.
- d) Delaying compliance timetables.
- e) Reducing or modifying fine schedules for noncompliance.
- f) Any other mitigation techniques including those suggested by small businesses or small business advocates.”

We considered all of the above options, the goals and objectives of the authorizing statutes (see Chapter 6), and the scope of this rulemaking. We limited compliance cost-reduction methods to those that:

- Are legal and feasible.
- Meet the goals and objectives of the authorizing statute.
- Are within the scope of this rulemaking.

Ecology considered all of the above options and maintained all legal and feasible elements in the baseline rule that reduce costs. In addition, Ecology considered the alternative rule contents discussed in Chapter 6, and excluded those alternatives that would have imposed excess compliance burden on businesses.

The baseline rule already includes the following elements, which are unchanged in the proposed rule amendments, to reduce costs to small businesses.

The baseline rule already allows Ecology to reduce costs for qualifying small businesses by fifty percent or three hundred and twelve dollars (\$312); whichever is greater. This is not changing.

Moreover, the baseline rule includes an extreme hardship reduction due to outstanding economic circumstances for qualifying small businesses. This is not changing.

In addition, the new streamlined process established in the proposed amendments to develop subsequent fee schedules may help small businesses better plan for permit expenses.

In addition, the streamlined process established in the proposed rule amendments to develop subsequent fee schedules using a public process allows Ecology to adapt fees more efficiently while taking into account up-to-date economic context for small businesses.

## 7.5 Small business and government involvement

We involved small businesses and local governments in our development of the proposed rule amendments, as follows:

- Ecology held two webinars for stakeholders concerning the proposed rule amendments on May 19 and June 8, 2022.
- The following stakeholders attended the webinars: Central WA concrete, Par Pacific, Simplot, WSPA, HF Sinclair, NW Pulp and Paper, Granite Construction Company.
- Stakeholder meeting notices and materials and project updates were sent to the groups identified above and posted to Ecology’s rulemaking website.

## 7.6 North American Industry Classification System (NAICS) codes of impacted industries

The proposed rule amendments likely impacts the following industries, with associated NAICS codes. NAICS definitions and industry hierarchies are discussed at <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017>.

- 327992 Mineral processing - (Not Rock Crushing)
- 33641X Manufacturing - Specialty



- 112112 Cattle Feedlot
- 115114 Seed Cleaner
- 212313 Rock Crusher
- 221112 Boiler - Diesel/Hog/Natural Gas
- 221320 Wastewater Treatment Plant
- 238320 Paintbooth - Non Autobody
- 311119 Animal Feed Manufacture
- 311225 Canola Oil Seed Press
- 311423 Dehydrator
- 311999 Food Processing - Nutrient Extraction
- 312140 Mint Distillery
- 321999 Wood Products
- 322120 Manufacturing - Paper
- 322211 Manufacturing - Natural Fiber Products
- 322299 Manufacturing - Natural Fiber Products
- 324121 Asphalt
- 324122 Asphaltic Cement
- 325199 Chemical Plant - Synthetic/Organic Chemical Mfg
- 325314 Fertilizer Manufacturer
- 325315 Composting
- 326140 Manufacturing - Polystyrene
- 327320 Concrete
- 331314 Smelter - Primary
- 331511 Foundry - Ferrous
- 331529 Foundry - Non Ferrous
- 331920 Coffee Roaster
- 332813 Metal Anodizing/Plating
- 333241 Food Processing - General
- 336612 Manufacturing - Boat
- 424510 Grain Handling > 10 million bushels

- 424710 Gasoline - Terminal
- 518210 Generators - Emergency
- 562212 Landfill - Open
- 611519 Firefighter Training Center
- 811121 Paintbooth - Autobody
- 812220 Crematory Human/Animal
- 812320 Laundry - Dry Cleaners

## 7.7 Impact on jobs

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on jobs in the state, accounting for dynamic adjustments throughout the economy.

The proposed rule amendments would result in transfers of money within and between industries, as compared to the baseline. The modeled impacts on employment are the result of multiple small increases and decreases in employment, prices, and other economic variables across all industries in the state. The results of REMI E3+ model show insignificant impact on jobs in the affected industries.

Table 7: Impacts on jobs

Industry	Initial Jobs Impact	Jobs Impact in 20 years
Whole state	-0.5	-0.4
Manufacturing	-0.03	-0.02
Farm	-0.07	-0.05
Construction	-0.09	-0.04
Utilities	-0.006	-0.005
Mining	-0.06	-0.04
Other Services	-0.004	-0.003

The values in the above table represent number of full time employees that would be laid off each year as a result of increased production costs. The number of FTEs decreased does not accumulate over year and represent single point data compared to the baseline.

## References

Chapter 70A.15 RCW Washington Clean Air Act

Chapter 173-455 WAC, Air Quality Fee Rule

Date complete application was received. Dataset by AQ Program. Ecology, 2022.

Draft fee schedule. Ecology. May, 2022. <https://ecology.wa.gov/DOE/files/40/40a4f695-cfe6-42d3-9c82-6eeb7f5aee96.pdf>

Report for commercial and industrial air permits, issued over the last quarter. Dataset by AQ Program. Ecology, 2022.

Revenues from AQ fees. Dataset by Ecology, June 2022.

US Treasury Department (2022).

[http://www.treasurydirect.gov/indiv/research/indepth/ibonds/res\\_ibonds\\_iratesandterms.htm](http://www.treasurydirect.gov/indiv/research/indepth/ibonds/res_ibonds_iratesandterms.htm)

## **Appendix A: Administrative Procedure Act (RCW 34.05.328) Determinations**

A. RCW 34.05.328(1)(a) – Clearly state in detail the general goals and specific objectives of the statute that this rule implements.

See Chapter 6, section 6.2 (Goal and objectives of the authorization statute).

B. RCW 34.05.328(1)(b) –

1. Determine that the rule is needed to achieve the general goals and specific objectives of the statute.

See Chapters 1 and 2.

2. Analyze alternatives to rulemaking and the consequences of not adopting this rule.

Chapter 70A.15 RCW directs Ecology to charge air quality permitting fees to cover direct and indirect costs. Ecology needs to adjust fees to match current costs in order to recover costs. The consequence of not adopting the proposed changes is to continue charging at the rate established in 2012 which no longer covers program costs.

See Chapter 6 (Least Burdensome Alternative Analysis) for discussion of alternative rule content considered.

C. RCW 34.05.328(1)(c) - A preliminary cost-benefit analysis was made available.

When filing a rule proposal (CR-102) under RCW 34.05.320, Ecology provides notice that a preliminary cost-benefit analysis is available. At adoption (CR-103 filing) under RCW 34.05.360, Ecology provides notice of the availability of the final cost-benefit analysis.

See Chapter 3 (Likely Costs of the Proposed Rule Amendments), Chapter 4 (Likely Benefits of the Proposed Rule Amendment), and Chapter 5 (Cost-Benefit Comparison and Conclusions) for the preliminary cost-benefit analysis that will be made available with the CR-102.

D. RCW 34.05.328(1)(d) – Determine that probable benefits of this rule are greater than its probable costs, taking into account both the qualitative and quantitative benefits and costs and the specific directives of the statute being implemented.

See Chapters 1 – 5.

E. RCW 34.05.328 (1)(e) - Determine, after considering alternative versions of the analysis required under RCW 34.05.328 (b), (c) and (d) 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 in Chapter 6.

See Chapter 6.

F. RCW 34.05.328(1)(f) - Determine that the rule does not require those to whom it applies to take an action that violates requirements of another federal or state law.

This proposed rule amendment would not require covered parties to violate existing federal and state laws and rules. Ecology is adjusting the existing air quality permitting fees to recover actual program costs.

G. RCW 34.05.328 (1)(g) - Determine that the rule does not impose more stringent performance requirements on private entities than on public entities unless required to do so by federal or state law.

The fees in this rule apply to all facilities that require air quality permits issued by Ecology. They may apply to both private and public entities.

H. RCW 34.05.328 (1)(h) Determine if the rule differs from any federal regulation or statute applicable to the same activity or subject matter.

No

If yes, the difference is justified because of the following:

- (i) A state statute explicitly allows Ecology to differ from federal standards.
- (ii) Substantial evidence that the difference is necessary to achieve the general goals and specific objectives stated in Chapter 6.

I. RCW 34.05.328 (1)(i) – Coordinate the rule, to the maximum extent practicable, with other federal, state, and local laws applicable to the same subject matter.

Section 502(b) of the federal Clean Air Act [42 U.S.C. § 7661a(b)] sets forth the minimum elements for a permit program that is administered by a state or local air agency. Subsection (b)(3) requires state and local laws that provide for the collection of fees "sufficient to cover all reasonable (direct and indirect) costs required to develop and administer" its title V permit program. The Washington Clean Air Act, RCW 70A.15, implements this federal requirement by authorizing the collection of fees as needed to cover actual program costs for processing and issuing air quality permits. In particular:

- RCW 70A.15.2210(1)-(2): Authorizes Ecology to collect fees to cover the costs of reviewing and processing Notice of Construction applications.
- RCW 70A.15.6270(3): Authorizes Ecology to collect fees to cover the costs to administer the carbon dioxide mitigation program.
- RCW 70A.15.2230(7) Authorizes Ecology to collect fees to cover the costs of developing, establishing, or reviewing categorical or case-by-case RACT requirements.

The proposed rule amendments are consistent with these state and federal requirements.

## Appendix B: Updated Hourly Fee Rates

Table 8. 2023 fees for review of a permit application for a new source or for the modification of an existing source with an emissions increase (WAC 173-40-110 and 173-400-110(3))

<b>Action</b>	<b>Proposed Initial Fee</b>	<b>Proposed Hourly Rate</b>
Basic Project	\$1,904 for up to 16 hours of review	\$119 per hour starting at 17 hours
Complex Project	\$12,614 for up to 106 hours of review	\$119 per hour starting at 107 hours

Table 9. 2023 fees for review of a requested change to an existing order of approval (WAC 173-400-111(7) and (8))

<b>Action</b>	<b>Proposed Initial Fee</b>	<b>Proposed Hourly Rate</b>
Correcting a mistake by ecology in a permit	No fee	No fee
Administrative or simple change	\$357.00 for up to 3 hours of review	\$119.00 per hour starting at 4 hours
Complex change	\$1,190.00 for up to 10 hours of review	\$119.00 per hour starting at 11 hours
Permit extension request (WAC 173-400-111(7))	\$119.00	Not applicable

Table 10. 2023 Fees for review of an application for coverage under a general order of approval (WAC 173-400-560)

<b>Type of source seeking coverage under a general order of approval</b>	<b>SEPA review complete</b>	<b>SEPA review required</b>
Portable and Stationary Concrete batch plants (No. 08-AQG-002)	\$625.00	\$981.00
Perchloroethylene dry cleaners using less than 2100 gallons per year (No. 06-AQG-003)	\$625.00	\$981.00
Stationary and portable rock crushers (No. 11AQ-GO-001)	\$625.00	\$981.00
Small water heaters and steam generating boilers (No. 08-AQ-G003)	\$625.00	\$981.00
Automobile body repair and refinishing shops (No. 08-AQG-001)	\$625.00	\$981.00
Portable and stationary asphalt plants (No. 10AQ-GO-01)	\$1,093.00	\$1,450.00
Dairy manure anaerobic digesters (No. 12AQ-GO-01)	\$1,093.00	\$1,450.00
Any other source seeking coverage under a general order of approval	\$1,093.00	\$1,450.00

Table 11. 2023 Fees for review of a relocation notice for a portable source (WAC 173-400-036)

<b>Action</b>	<b>SEPA review complete</b>	<b>SEPA review required</b>
Portable source has approval order issued by a clean air agency	\$187.00	\$543.00
Portable source has approval order issued by Ecology	No fee	\$365.00

Table 12. 2023 fees for review of a request to establish a voluntary emission limit (WAC 173-400-091)

<b>Action</b>	<b>Initial Fee</b>	<b>Hourly Rate</b>
Review of request to establish a voluntary emission limit (WAC 173-400-091)	\$714.00 for up to 6 hours of review	\$119.00 per hour starting at 7 hours

Table 13. 2023 fees for review of a request to replace or substantially alter control technology without an increase in emissions (RCW 70A.15.2220)

<b>Action</b>	<b>Initial Fee</b>	<b>Hourly Rate</b>
Review notice of construction application	No initial fee	\$119.00 per hour
Review RACT analysis and determination for affected emission unit	No initial fee	\$119.00 per hour



Table 14. 2023 fees for review of a request for prevention of significant deterioration (PSD) determination

<b>Action</b>	<b>Initial Fee</b>	<b>Hourly Rate</b>
Written PSD applicability determination (WAC 173-400-720)	\$4,760.00 for up to 40 hours of review	\$119.00 per hour starting at 41 hours
Pre-application assistance beyond the application assistance meeting ecology provides	\$714.00 for up to 6 hours of review	\$119.00 per hour starting at 7 hours
PSD permit application – new (WAC 173-400-720 and 173-400-730)	\$18,802.00 for up to 158 hours of review	\$119.00 per hour starting at 159 hours
PSD permit application – limited to greenhouse gases	\$9,401.00 for up to 79 hours of review	\$119.00 per hour starting at 80 hours
PSD permit revision – administrative (as defined in WAC 173-400-750(3))	\$2,380.00 for up to 20 hours of review	\$119.00 per hour starting at 21 hours
PSD permit revisions – revision not administrative or major modification	\$4,760.00 for up to 40 hours of review	\$119.00 per hour starting at 41 hours
PSD permit revision – major modification (WAC 173-400-720)	\$18,802.00 for up to 158 hours of review	\$119.00 per hour starting at 159 hours
Permit extension request (WAC 173-400-730(5))	\$625	No hourly fee

Table 15. 2023 fees for nonattainment area major New Source Review

<b>Action</b>	<b>Initial Fee</b>	<b>Hourly Rate</b>
Notice of construction application (WAC 173-400-830)	\$18,802 for up to 158 hours of review	\$119.00 per hour starting at 159 hours
Change in permit conditions –major modifications for an order issued under WAC 173-400-830	\$18,802 for up to 158 hours of review	\$119.00 per hour starting at 159 hours
Change in permit conditions under WAC 173-400-111(8)-action not subject to mandatory public comment under WAC 173-400-171(3)	\$2,380 for up to 20 hours of review	\$119.00 per hour starting at 21 hours
Changes in permit conditions – all other changes	\$9,401 for up to 79 hours of review	\$119.00 per hour starting at 80 hours
Permit extension request (WAC 173-400-111(7))	\$625	No hourly fee

Table 16. 2023 fees for review of plant-wide applicability limits (WAC 173-400-720)

<b>Action</b>	<b>Initial Fee</b>	<b>Hourly Rate</b>
Plant-wide applicability limits – establish new limits	\$18,802.00 for up to 158 hours of review	\$119.00 per hour starting at 159 hours
Plant-wide applicability limits – all other requests	\$9,401.00 for up to 79 hours of review	\$119.00 per hour starting at 80 hours