



# Focus on Air Operating Permit Fee Structure

From the Department of Ecology's Air Quality Program

The 1990 amendments to the federal Clean Air Act require a nationwide operating permit program for stationary sources of air pollution. State and local permitting authorities implement the program. The program is funded entirely by fees from permitted sources.

## How are fees determined and allocated?

Washington State law requires the following:

- The Department of Ecology (Ecology) must conduct a workload analysis each biennium, and prepare an operating permit budget based on the results.
- Ecology's program costs are equitably distributed among permitted sources. This is done through a three-tiered process. For sources permitted by Ecology, the three tiers are:
  - A flat fee (the same for all sources);
  - A fee amount based on the amount of emissions; and
  - A fee amount based on the complexity of the source.
- Ecology's budget must cover the costs of administering the statewide operating permit program, as well as the costs of permitted sources under Ecology's jurisdiction. Therefore, Ecology bills local agencies for their portion of the program development and oversight costs. These costs are passed on to the sources in their jurisdictions.
- Each delegated local air quality agency is responsible for collecting fees from sources in its jurisdiction that are sufficient to cover its permitting costs.

## How are agencies held accountable for the fees they receive?

The state Air Operating Permit rule outlines a system for accountability. This system includes:

- Public participation during the fee determination process;
- Tracking of revenues, time, and expenditures; and
- A system of periodic fiscal audits, reports, and performance audits.

## What activities are fee-eligible?

The rule lists the fee-eligible activities for Ecology and delegated local air quality agencies. It echoes the list contained in the Washington State law authorizing fee assessment.

## How was the rule developed?

The state law authorizing fees and the rule was developed through extensive stakeholder input. An advisory committee was made up of representatives of the regulated and environmental communities, local and federal agencies, tribes, and other interested individuals. Most aspects of the rule are prescribed by the state law authorizing the fees.

## For more information

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