



# **Air Operating Permit Regulation Fee Structure**

## Background

The 1990 amendments to the federal Clean Air Act establish requirements for a nationwide operating permit program for stationary sources of air pollution. The program is to be implemented by state and local permitting authorities. The Act requires that the operating permit program be funded entirely by fees assessed to permitted sources.

## Fee determination and allocation

- The state law requires Ecology to conduct a workload analysis each biennium and prepare an operating permit budget based on the results of the workload analysis.
- The state law establishes a three-tiered allocation methodology to ensure that Ecology's program costs are allocated equitably among permitted sources. For sources permitted by Ecology the three tiers are:
  - a flat fee (the same for all sources);
  - a fee amount based upon the amount of emissions; and
  - a fee amount based upon a complexity factor.
- Ecology's budget must cover the costs of administering the statewide operating permit program as well as the costs of permitting sources under Ecology's jurisdiction. Therefore, local agencies are billed 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 pollution control authority is responsible for collecting fees sufficient to cover its permitting costs from sources under its jurisdiction.

#### Accountability

The rule outlines a system for agency accountability. The components include:

- public participation during the fee determination process;
- tracking of revenues, time and expenditures; and
- a system of periodic fiscal audits, reports and performance audits.

#### Fee eligible activities

The rule enumerates the fee eligible activities for Ecology and the delegated local air pollution control authorities, echoing the list contained in the Washington law authorizing fee assessment.

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## **Rule development**

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

#### For more information

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