



Department of  
**Environment &  
Conservation**

# Title V Fee Diversification

August 23, 2022

# Agenda

- 9:00 a.m.      Welcome & Introductions  
*Michelle W. Owenby – Director, Division of Air Pollution Control*
- 9:10 a.m.      The Challenge & Options  
*Michelle W. Owenby – Director, Division of Air Pollution Control*
- 9:45 a.m.      Guided Discussion  
*Rudy Collins, Jan Compton, and Chuck Yoest - Office of External Affairs*
- 10:30 a.m.      Closing  
Submit additional comments via online survey before August 31.

# Clean Air Act & Code of Federal Regulations Part 70

- The federal Clean Air Act requires that Title V sources cover costs to administer the program, including direct and indirect costs.  
§502(b)(3)(A)
- Part 70 requires the owners or operators of sources to pay fees or the equivalent that are sufficient to cover the program costs and ensure that fees will be used solely for program costs. 40 CFR 70.9(a)
- The State program shall establish a fee schedule that results in the collection and retention of revenues sufficient to cover the permit program costs...40 CFR 70.9(b)(1)

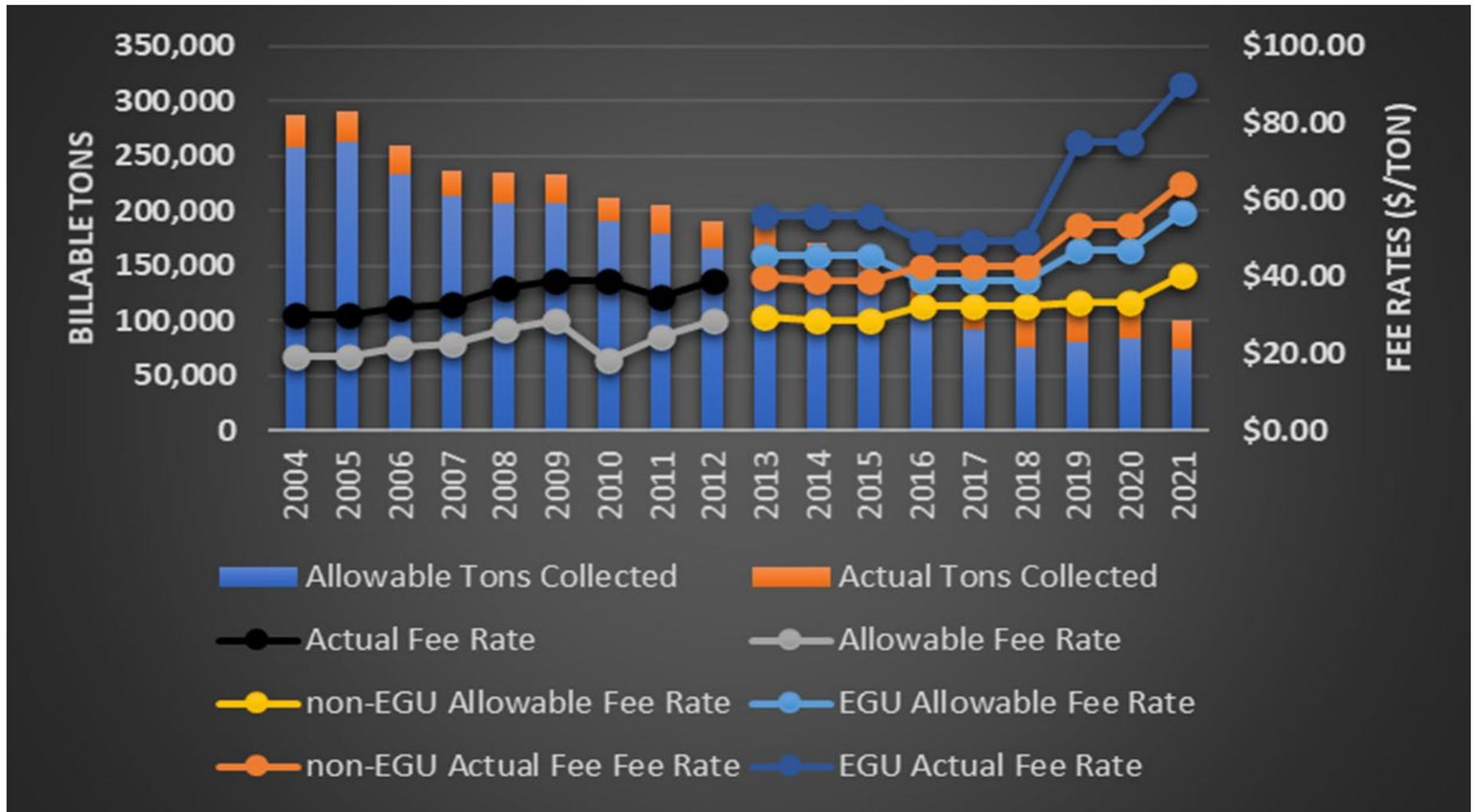
# Stages of Engagement

Date	Activity
August 11, 2022 10:30AM-noon Central	Meeting with Chamber
August 23, 2022 9:00AM-10:30AM Central	Webinar with Stakeholders to Present Background Information and Consider Many Non-Variable Funding Sources
September 14, 2022 9:30AM Central	Briefing with APC Board Meeting
September 20, 2022 9:00-10:30AM (Tentative) Central	Webinar with Stakeholders to Present Refined Fee Structure Diversification Options
October 1, 2022 – January 2023	Formal Rulemaking Process: Including a Formal Public Hearing
January 2023	APC Board Meeting for Review & Vote on rule

# Title V Fee Engagement webpage

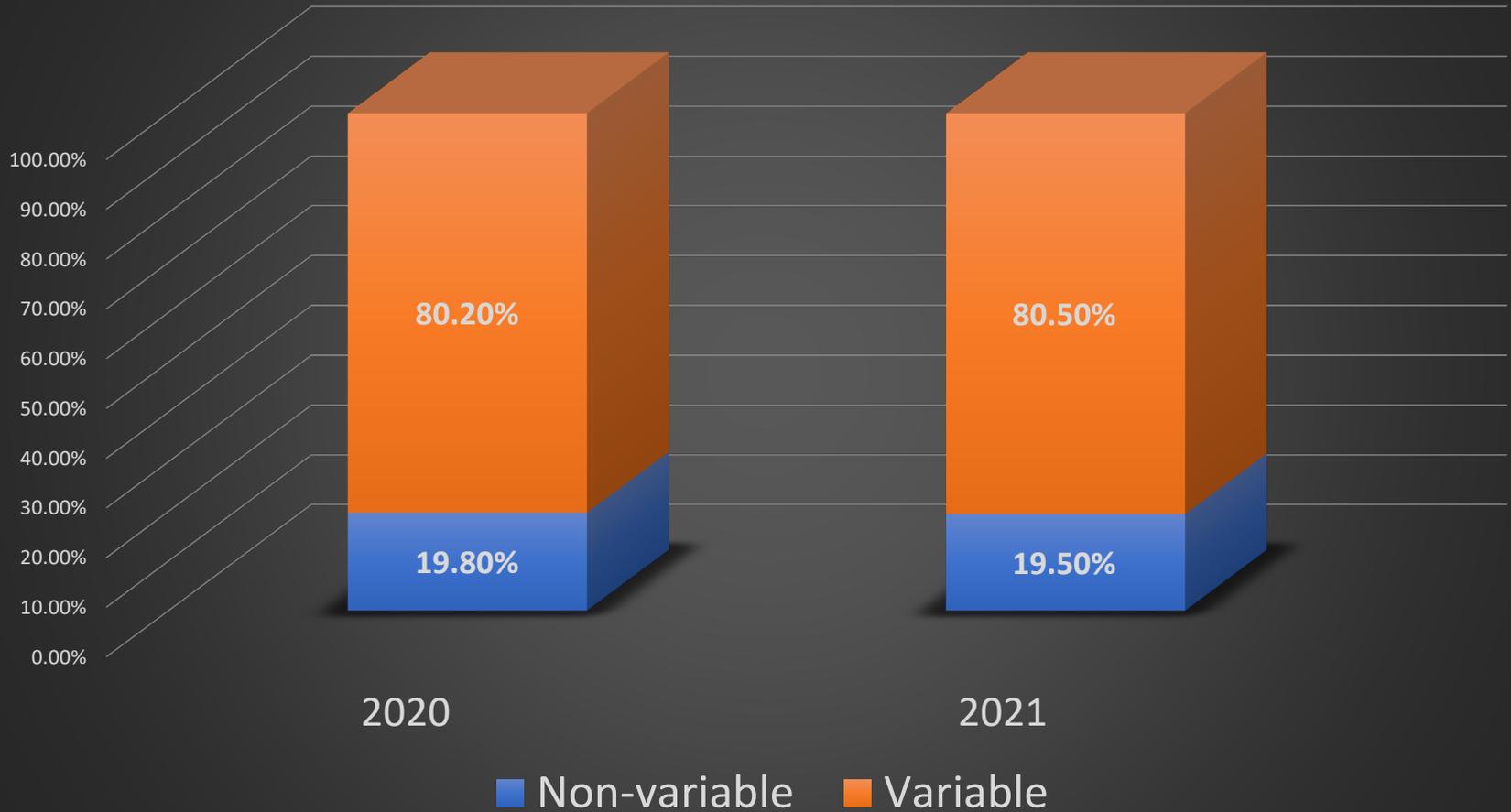
<https://www.tn.gov/environment/program-areas/apc-air-pollution-control-home/apc/title-v-fee-engagement.html>

# Why Diversification?



# Current Fee Structure

## Title V Fees



# Takeaways from August 11 Engagement Meeting

- Is there a goal for the variable and non-variable percentages in the fee structure for the future state?
  - Specific percentages were not identified however a recommendation to increase non-variable
  - Recommendation to look at options that result in a non-variable increase of 3% per year for 3 years
- What variable and non-variable fee options should we collect further feedback in this August 23 engagement?
  - Recommendation for broad review of variable and non-variable options
  - Recommendation not to consider raising the 4,000 ton cap, adding automatic adjustment using the CPI, and adding expedited permit fees

# Tennessee

Variable	Non-Variable
Dollar per ton fee	Base fee
Construction application permit fee(graduated scale based on emissions)	Minimum fee
Re-work Construction Application permit fee* <ul style="list-style-type: none"> <li>Adjust the graduated scale based on emission</li> <li>Various fees based on type of permit(PSD/non-PSD; nonattainment NSR)</li> <li>Individual services within each construction permit (e.g.-each BACT Analysis, each Air Quality Analysis)</li> </ul>	Complexity fee that covers complex work associated with NSPS and NESHAPs
Amendments or modifications to permit fee(e.g.-amendments to construction permits, significant modifications, minor modifications, administrative amendments, operational flexibility, 502(b)(10) change, insignificant activity, exemption letters, reopening for cause)	AEAR(Actual Emissions Analysis Required) review fee
PAL(Plant-wide Applicability Limit) permit fee(per pollutant)	Acid rain permit fee
Source test review fee	Report review fee
Initial operating permit fee	In-stack continuous emission monitor(CEM) audit fee
Requested Board variance fee	Renewal of operating permit fee
Source-Specific SIP revision	Emission inventory review fee
Initial conditional major permit fee(going from Title V to Conditional Major)	