

# HB 3229: Maintain Effective Federal Air Quality Permit Program

House Climate, Energy, and Environment

February 27, 2023

# OUTLINE

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- Title V Program Structure
- Title V Budget
- HB 3229 overview
  - Short Term – two years in statute
  - Long Term – work with stakeholders on more sustainable fee structure

# Clean Air Act Delegation: Title V Program

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- EPA delegates the administration of the Title V program to Oregon.
- Condition of the delegation that we can issue and enforce permits.
- Failure to reasonably administer the program can result in revocation of the program.

# Delegation cont.

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- Program must be 100% funded by fees collected by the program.
  - Clean Air Act section 502(b)(3)(A) requires states to establish and collect sufficient fees from Title V facilities to fund all reasonable Title V program costs.
  - Oregon Revised Statute 468A.315 requires the department to collect permit fees sufficient to cover all direct and indirect costs associated with running the program.
- We have flexibility in how we configure the fees, but they must be sufficient to administer the program.
- As federal rules become more complex so does administration of the program.

# What the permit fees fund

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- Issuing permits containing complete compliance information
- Enforcing permit requirements
- Monitoring reporting
- Training for permittees
- Small Business Stationary Source Technical and Environmental Compliance Assistance Program.

# National theme of declining permit revenues

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- Common theme in jurisdictions.
- Decrease in permitted sources plus more stringent federal emissions standards have lowered revenues and increased costs.
  - 114 in 2013-2015
  - 102 in 2022
- More complicated federal standards require additional staff-time for permits and inspections.
- Oregon permit costs comparable to similar jurisdictions with similar major source profiles.

# Title V fee increase history

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- Outside of CPI increases, Title V Fees have not had a large increase since 2011
- Oregon permitting revenue has decreased 11.4% since 2013-2015, but staff demands remain the same.
- Title V Fees typically increased annually by a CPI factor, under 2% most years.
- During the pandemic the commission did not implement a CPI increase.

# Proposed fees comparable or less than neighbors

Fee Type	Oregon proposed	Idaho	Alaska	WA Ecology	Spokane	Puget Sound* Now
Annual fee	\$15,730	\$5,900 - \$70,785	\$2,065 - \$7,433	\$29,166	\$3,000	\$17,875 - \$71,500
Facility fee/ Complexity fee	NA	NA	\$4,679 - \$8,219	\$76.91/hour	Based on workload, divided among sources	NA
Emission fee/ton	\$110	\$52.79	\$84.29	\$45.02	\$75	\$30 for CO, \$60 for NOx, PM10, SO2, VOC, HAP
Total Fees: Example with 100 tons/yr	\$26,730	\$11,179 - \$76,064	\$15,173 - \$24,081	\$33,668 (+ complexity fee)	\$10,500 (+ facility fee)	\$23,875 - \$77,500



# HB 3229/Policy Option Package 110

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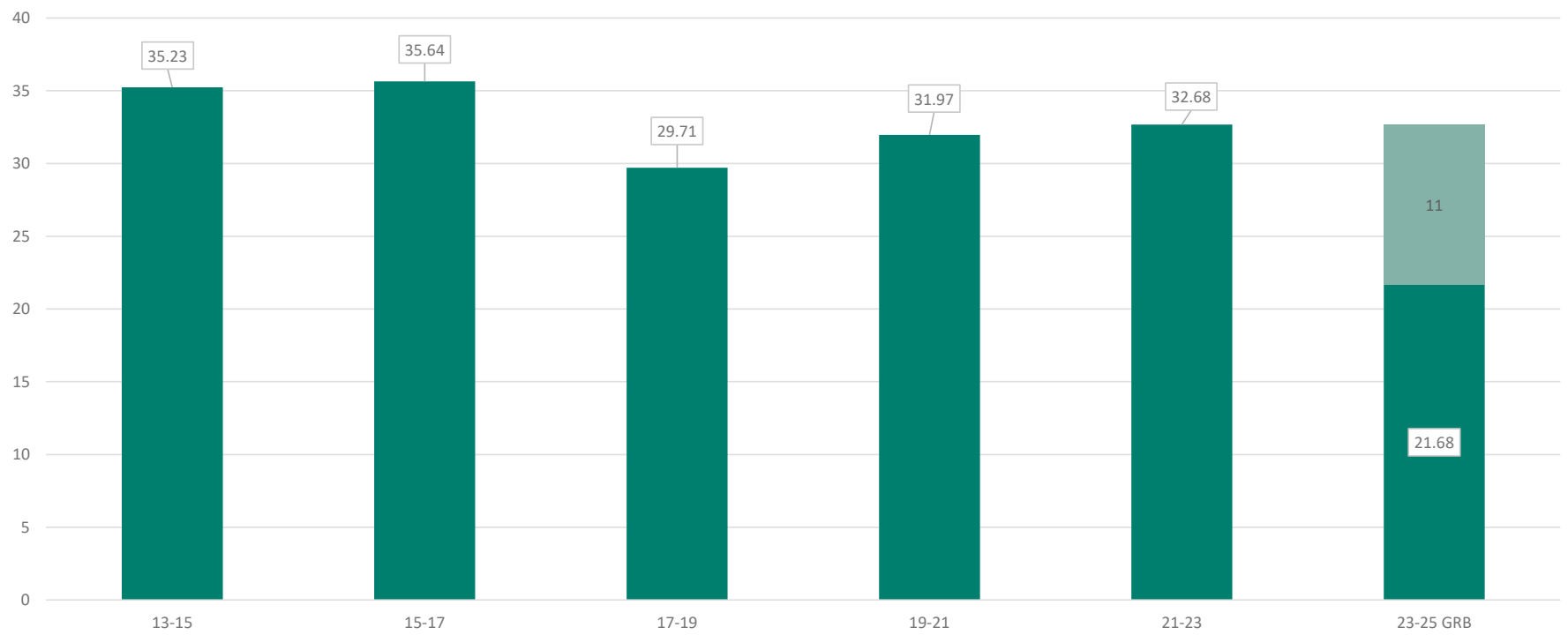
- The bill will increase fees by a total of 83% over two years:
  - 80% 2023 invoice year,
  - 3% 2024 invoice year.
- 2023 increase in base fee from \$8,744 to \$15,730.
- 2023 increase in emission fees from \$61 to \$110.
- Increases annual revenue by \$2,874,707, spread across all permittees.

# HB 3229/Policy Option Package 110 cont.

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- Provides future authority to the EQC to develop a fee structure, subject to legislative approval for 2025 and beyond.
  - Creates stakeholder process to inform long-term fee structure.
  - Provides for routine fee increases, capped by the increased cost of operating the program or 3%, whichever is less.

# Title V FTE



# Failure to maintain adequate resources

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- Eliminate nearly 1/3 of the Title V permitting program.
- Significantly delay processing of permit applications, and worsening renewal backlog.
- Reduce oversight of emissions from regulated facilities.
- Reduce technical assistance to permittees.
- Jeopardize Oregon's delegation to manage the program.

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# Questions?