

DEPARTMENT OF ENVIRONMENTAL CONSERVATION



Division of Air Quality

Air Permits Program

Fixed Fee Support Paper

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Governor**

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Background:

In 1993, the Alaska Legislature directed the Department of Environmental Conservation to develop and implement a fee-based air quality permit program to meet the requirements of the new federal law – the 1990 Clean Air Act Amendments. To serve as the foundation of the fiscal note for the Alaska Legislature’s 1993 bill (HB 167), the department prepared a report (*Title V Proposed Permit Program Estimated Budget and Staffing January 1993*) estimating the amount of resources the new program would need and the expected permit fee rates. When the department adopted the final implementing regulations in December 1996, the funding and fee rates were based on this 1993 report. Both the department and legislature recognized that the funding and fee structure would need to be periodically evaluated and revised.

Alaska law established two types of fees: Permit Administration Fees and Emission Fees. This structure was designed by the Alaska Air Quality Legislative Working Committee and was adopted without significant change by the legislature. Alaska Law does not distinguish between fees for construction permits or operating permits. Alaska law requires that fees support the full costs of the entire permit program. Under the federal law, only the operating permit portion of the program must be funded by permit fees.

To apportion the cost of the permit program among the permitted facilities, the statute established a Permit Administration Fee and an Emission Fee. Permit Administration Fees are described under Alaska Statute 46.14.240. Permit Administration Fees are meant to recover the direct cost of providing services to a specific facility. Such services include preapplication assistance, completeness review, preparing permits, performing compliance inspections, etc. The department presently charges for these services per hour of technical work. The Emission Fees are described under Alaska Statute 46.14.250. The Emission Fees are meant to recover costs of the permit program not attributable to a specific facility. Such costs include rent, program management, program regulatory changes, administrative and accounting services, etc. The department charges this as an annual fee per ton of emissions.

In the fall of 2002, the Air and Water Quality Division Director and Air Permit Program Manager initiated a series of meetings with Alaskan stakeholders concerning the future of the Air Permit Program. The Air Permits Work Group consisted of representatives from the oil and gas, mining, electrical power, and fish processing industries, the military, and citizens organizations.

The work group made recommendations concerning construction permitting, Title V permitting and program funding. The recommendations called for making the Construction Permit Program more closely follow the revised federal 40CFR Part 51 (PSD/NSR – Prevention of Significant Deterioration / New Source Review) program and to incorporate the major new source review program reforms adopted by the EPA Administrator on November 22, 2002. With respect to Title V Permitting, the work group recommended that the department adopt a program based on the federal template codified in 40 CFR Part 70, the model on which most states have relied in developing

their Title V Programs. Implementing these recommendations requires that the department undertake a major rewrite and revision of the air permit program regulations in 18 AAC 50. In April 2003, the legislature passed HB 160 which more closely aligns the Alaska Air Permit Program with the federal programs as recommended by the Air Permits Working Group. Numerous regulatory changes and changes in business practices are underway now to fulfill the policy direction of the new law and the recommendations of the Air Permit Work Group. Making these changes is estimated to take two full years.

With respect to fees, the working group recommended that the fee structure for the Air Permit Program be revised to do away with the hourly Permit Administration Fees and to go to a system of fixed fees for air permits. The reason for this was that paying hourly fees for permit development work was not a predictable way for industry to estimate and budget for permitting costs. For complicated permits the work group recommended that negotiated project-specific fees be instituted. The new law (HB 160) requires a transition to the new fixed fee concepts in AS 37.10.050. By law the changes will occur in January 2005.

Alaska Statute 37.10.050 contains the statement: “Each resource agency shall, by regulation, establish a list of fixed fees for standard designated regulatory services that it provides. A fixed fee adopted under this subsection may not exceed the estimated average reasonable direct cost incurred by the resource agency in providing the standard designated regulatory service. The resource agency shall provide an explanation of the basis for the fixed fee.”

The Alaska Department of Environmental Conservation Air Permits Program provides services to the regulated community by issuing Title V Operating Permits and Construction Permits to stationary sources required to hold such permits under the Clean Air Act and state law. Included in these services is compliance assurance activity which involves review of data required to be submitted by stationary sources and on site inspections.

From the inception of the Title V program in December 1997, the permit administration fee rate has been set at \$78.00 per hour. In October 2003, the emission fee rate was raised from \$5.07 to \$12.52 per ton.

The purpose of this paper is to explain the rationale used to convert from a permit administration fee rate of \$78.00 per hour to a fixed fee for services which is required by Alaska Statute 37.10.052.

Methodology

AS 37.10.052 contains the statement: “Each resource agency shall, by regulation, establish a list of fixed fees for standard designated regulatory services that it provides. A fixed fee adopted under this subsection may not exceed the estimated average reasonable direct cost incurred by the resource agency in providing the standard designated

regulatory service. The resource agency shall provide an explanation of the basis for the fixed fee.”

The definition of “direct cost” appears later in the statute and reads as follows:

"direct cost" means the hourly rate of salary and benefits of each agency employee, including clerical staff, directly involved in providing a regulatory service, multiplied by the number of hours spent in performing the service, together with the expenditures for goods or third-party services made in providing that service; "direct cost" does not include

(A) the costs and salaries of administrative, support, or supervisory personnel who are not directly engaged in providing the service;

(B) other budgeted overhead expenses, including rent and utilities;

(C) interagency charges that would not meet the requirements of AS 37.10.052 - 37.10.058 if those charges had been incurred or invoiced by the agency providing the designated regulatory service;

(D) public consultation costs when the consultation is not required by law;

(E) costs related to an appeal of permit issuance by a person other than the applicant for that permit;

(F) expenses that are not reasonably necessary to comply with the law under which the service is provided; or

(G) travel expenses for inspecting businesses having not more than 20 employees¹;

The statute also defines the hourly rate of salary and benefits as follows: "hourly rate of salary and benefits" means the hourly increment of salary due the state employee under the salary schedule applicable to that employee, multiplied by 149 percent to account for the cost of employment benefits paid by the state to or on behalf of the employee;

The precepts and definitions given in the statute provide a road map as to how the legislature clearly intended that the fixed fees for standard designated regulatory services be determined. The fixed fees must be based upon the average reasonable direct cost incurred by the resource agency in providing the standard designated regulatory service. The average reasonable direct cost is not to include overhead costs, but is to be made up

¹ The State of Alaska Department of Law has confirmed the interpretation of “having not more than 20 employees” to mean that the entire company must have less than 20 employees in order for the costs not to be considered “direct costs.” If an inspector traveled to a small facility with less than 20 employees, but the facility was part of a larger company with more than 20 employees, the travel expenses of the inspector would be considered “direct costs” for the purpose of the statute AS 37.10.050.

primarily of the salary and benefit costs of the persons who were actually involved in performing the work.

Estimating Permitting Hours and Compliance Review Activity Hours

When creating the governing law in AS 37.10, the Alaska Legislature understood that shifting to flat fees for regulatory services would require that the initial fee rate would likely be based on an estimate of agency costs rather than tabulated actual cost. The law also provides that the agency must review its actual costs at least every four years and adjust the rates to match actual direct costs. The proposed fees presented here are largely based on estimated costs. The air permits program has been tracking actual costs for some work categories and where those values exist, they are compared to estimated costs. However since the air permits program is substantively changing in many ways, it is not appropriate to use historical actual costs for many work elements since the work tasks of the future will be different than the past to streamline the program in many ways.

In order to calculate fixed fees for Title V permits, the department estimated the hours it would take to produce a typical original Title V permit or to renew a Title V Permit. The department also made estimates of the amount of time it would take to produce minor permits for specific sources and for non-specific permit activities such as making amendments or designating pollution control projects etc.

The department made these estimates by grouping the types of Title V permits it had issued into categories of similar size or similar emission units. The groups of permit types were listed on one side of a sheet of paper. The tasks involved in producing a permit were identified along top of the sheet. Experienced permit writers from both the Title V, construction and program development sections were asked to make their estimates of the hours required using their best professional judgment of the hours required to perform the tasks. Based on the type, size and complexity of the source, the number of estimated hours could be quite variable depending on the task. The total estimated hours for each category of permit were summarized and averaged. Appendices B and C contain the hour estimates for permit renewals and recurring compliance activities. The group who made the estimates met several times to review the information collected and to adjust the data where anomalies were noted. Further workload analysis, quality control review and adjustments to the estimated hours may be done prior to the adoption of any final rule setting fixed fees.

A similar process was followed for estimating the hours required to produce a minor permit and to perform certain tasks such as modifying Title V permits or designating pollution control projects or plantwide applicability limits.

The estimated hours for each category of permit were then regrouped according to whether they were for Major Stationary Sources (PSD Size sources > 250 tons of any one pollutant) or if they were for Title V Major Sources (> 100 tons of any one pollutant). These two major divisions were then separated into Oil and Gas and Power Plant

subcategories. The estimated hours were combined for each new category by taking a weighted average of the estimates for the new groupings.

When the average hours had been identified for each category, these hours were multiplied by the average hourly rate for air permit program technical staff. This was the resulting Permit Administration Fee Rate the department determined from multiplying the average hourly rate for technical staff and multiplying by 149% to include benefits of department staff. In order to provide for an inflation adjustment the average hourly rate for Fiscal Year 2005 was adjusted to allow for increases anticipated in state labor contracts. These increases were averaged over the period from Fiscal Year 2005 through Fiscal Year 2009. The resulting hourly rate was \$53.07 per hour. The adjustment is shown in Appendix A. The estimated work hours multiplied by the hourly rate results in the agency cost to issue a permit that is valid for 5 years. The total staff cost was then divided by 5 to yield an annualized cost for the permit work.

After these permit costs had been determined the department added in an additional cost for administrative staff time for proofreading, preparing forwarding letters, copying documents, mailing documents, public notice preparation etc. Administrative staff hours costs were estimated at \$20.00 per hour with an estimated 4 hours required for each permit at the renewal once every five years. The \$80.00 cost was divided by 5 years and this contributed \$16.00 per year to the annual cost for all permits.

The department reviewed its costs for public notices and found that in Fiscal Year 2004 it had issued 28 public notices at a cost of \$9237.00. This resulted in an average cost for a public notice of approximately \$330.00 per permit. This average cost was divided by five years and this contributed \$66.00 per year additional cost in permit administration fees for each permit.

The department also made an estimate of travel costs that would be required to be included in permit administration fees for each permit. These costs totaled \$14,252.00 on an annual basis and were all associated with travel to 129 various facilities to perform compliance assurance work. These travel costs resulted in an annual charge of \$110.00 for travel to be added to each facility. Travel cost estimates are shown in Appendix L.

Listing of the Fixed Fees

Using the methodologies explained above the department arrived at the following proposed fixed fees for the different categories of permits listed. A sample calculation is provided in Appendix D to illustrate how the total 5 year costs as shown in the following two tables is converted to an annualized fee rate derived from summing the annualized permit issuance costs with clerical costs, public notices costs, travel costs and annual compliance review costs. The fees are set at the estimated agency costs for the service described:

Major Stationary Sources and Title V Major Sources

All fees are based on a staff costs of \$53.00 per hour and estimates of staff work hours. All costs are for a 5 year permit term. These costs will be invoiced on an annual basis. Relative sizes of sources based on potential to emit (PTE)

Major Stationary Sources (PSD Major > 250 TPY of 1 or more criteria pollutants)

Type of Permit	Size of Source	Description of Source	Permit Issuance Cost
Original Issue Construction	PSD Major	All	Negotiated
Original Issue Title V	PSD Major	All	Negotiated
Renewal Title V	PSD Major	CP, LR, VMT (Note 1)	Negotiated
Renewal Title V	PSD Major	Oil & Gas Sources (Note 2)	\$8165.00
Renewal Title V	PSD Major	Large Power Plants (Note 3)	\$7425.00
Renewal Title V	PSD Major	Small Power Plants (Note 4)	\$6575.00

Note 1 Chemical Plants, Large Refineries, Valdez Marine Terminal. See appendix E.

Note 2 All North Slope & Cook Inlet Oil & Gas Sources, Platforms, etc. See appendix F.

Note 3 Large Power Plants include military base power plants. See appendix G.

Note 4 Small Power Plants include seafood processing facilities. See appendix H.

Title V Sources (Title V Major > 100 TPY of 1 or more criteria pollutants but < 250 TPY of any pollutant)

Type of Permit	Size of Source	Description of Source	Permit Issuance Cost
Original Issue Title V	Title V Major	Oil & Gas Sources (Note 1)	\$10,100.00
Renewal Title V	Title V Major	Oil & Gas Sources (Note 1)	\$ 6,735.00
Original issue Title V	Title V Major	Power Plants (Note 2)	\$ 9,945.00
Renewal Title V	Title V Major	Power Plants (Note 2)	\$ 6,630.00
General Permits	Title V Major	Diesel Power Plants (Note 3)	\$ 1,060.00

Note 1 All oil and gas sources of this size and including soil remediation units and incinerators of this size. See Appendix I.

Note 2 All power plants and seafood processing sources of this size. See Appendix J.

Note 3 All diesel general permits including original issues and renewals. See Appendix K.

General Note: If an existing source is modified in such a way that it would now fall into a different category and size, the permit fees and annual compliance fees will change to that of the new category upon issuance of the permit which authorizes the

change. A newly constructed source will be assigned a category and description based on its size and service at the time the original permit is issued.

Annual Costs for Compliance Review for Title V Installations

The costs shown in the table below are the annual costs for routine recurring compliance review activity. These activities consist of the semi annual facility operating report reviews and the reviews of the annual compliance certifications and an annualized cost for full compliance certifications which take place on a periodic scheduled basis. These costs will be assessed annually.

Category of Permit	Annual Compliance Review Cost
Major Stationary Source (PSD Major) Oil & Gas	\$2915.00
Major Stationary Source (PSD Major) Large Power Plant	\$1700.00
Major Stationary Source (PSD Major) Small Power Plant	\$1460.00
Title V Major Oil & Gas	\$2070.00
Title V Major Small Power Plant	\$1540.00
Title V Major (General Permit)	\$ 160.00

The Annual Compliance Review Costs are based on weighted averages of compliance estimates for different sources within each category of permits. See Appendix D.

Minor Permits Source Specific

Type of Permit	Type of Source	Notes	One – time Permit Issuance Cost	Annual Compliance Review Cost
Minor Permit	Asphalt Plant	Site Specific	\$3975.00	\$530.00
Minor Permit	Soil Remediation	Site Specific	\$5300.00	\$530.00
Minor Permit	Crusher	Site Specific	\$2650.00	\$530.00
Minor Permit	Asphalt Plant	GP3		\$530.00
Minor Permit	Soil Remediation	GP4		\$530.00
Minor Permit	Crusher	GP9		\$530.00
Minor Permit	Incinerator > 1000 lbs/hr capacity	Site Specific	\$7950.00	\$530.00
Minor Permit	Port of Anchorage Stationary Source	Site Specific	\$7950.00	\$530.00
Minor Permit	Coal Preparation Plant	Site Specific	\$6360.00	\$530.00

Other Minor Permits non specified sources

Except for the first stand-alone fast track permit listed in the table below, none of the other permits listed have annual compliance review costs. This is because the rest of the minor permits described in this table will be issued to existing sources which already have compliance review costs identified for them by source category.

Type of Minor Permit	One-time Permit Issuance Cost	Annual Compliance Review Cost
Any Fast Track permit for stand alone source in accordance with 18AAC 50.542 or modification of Title V Source	\$3975.00	\$530.00 (stand alone)
Add-on fee for permit that qualified for fast track but public comment period requested – new stationary source or modification	\$2650.00	N/A
Designate Plantwide Applicability Limit without ambient analysis	\$3975.00	N/A
Designate Plantwide Applicability Limit with ambient analysis	\$7950.00	N/A
Designation of a Pollution Control Project (Unlisted Technology)	\$4770.00	N/A
Designation of a Pollution Control Project (Listed Technology)	\$ 795.00	N/A

Annual Compliance Fixed Fees for Minor Permits

Type of Minor Permit	Annual Compliance Review Cost
General Permits	\$530.00
Stand Alone Minor Permits	\$530.00

Other Fixed Fees

Permit Activity Fixed Fees

Type of Permit Activity	One-time Issuance Cost
Fees for the permit activities listed here are payable upon application	
Administrative Revision of a Title V, Title I or Minor Permit (simple)	\$ 110.00
Administrative Revision of a Title V Title I or Minor Permit (complex)	\$ 795.00
Approval of a modeling protocol	\$1170.00
Fees for the permit activities listed here will be invoiced after the action is taken	
Source Test Plan Review or Source Test Result Review	\$ 400.00
Excess Emission or Permit Deviation Report Review	\$ 26.50
Fee Review in accordance with 18 AAC 15.190	\$ 110.00

Owner Requested Limits and Pre Approved Emission Limits Fixed Fees

Type of Limit	One –time Permit Issuance Cost
Owner Requested Limit to avoid classification or a Title V Permit	\$1990.00
Pre Approved Emission Limit for Diesel Plant	\$ 110.00
Pre Approved Emission Limit for Bulk Gasoline Storage Plant	\$ 110.00

Annual Compliance Fixed Fees for ORLs and PAELs

Type of Permit Avoidance Document	Annual Compliance Review Cost
Owner Requested Limits	\$110.00
Pre Approved Emission Limits for Diesel Power Plants or Bulk Gasoline Storage Plants	\$110.00

Open Burning

The fee for an open burning approval under 18 AAC 50.065 is \$110.00.

Hourly Fees for Designated Regulatory Services

AS 37.10.05 contains the following language relating to hourly fees: “(a) Unless a negotiated service agreement reached under AS 37.10.052(b) or (c) provides otherwise, a resource agency charging a fee for providing a designated regulatory service other than a standard designated regulatory service for which a fixed fee has been established under AS 37.10.052 (a) shall, on a monthly basis, provide the person who will be billed for the service with an invoice for services performed during that month. The invoice must be reasonably convenient to the reader, and reasonably susceptible to audit. The invoice

must set out, in time increments of not greater than one quarter hour for each employee, and separately for each expenditure, the purpose of the time or expenditure in sufficient detail to permit a reasonable person to determine whether the time or cost was an actual and reasonable direct cost.”

The department was not able to estimate fixed fees for every possible regulatory service that it performs. The regulatory services that do not have fixed fees identified, or are not anticipated to be performed under negotiated agreements, are shown in the table below.

Designated Regulatory Services to be Charged at the Hourly Fee Rate	
Construction of any stationary source meeting emission rate criteria if it does not need a Major Source Construction Permit: New Stationary Source with emissions greater than 15TPY PM10, 40 TPY NOx, 40 TPY SO2, 0.6TPY Lead or 100 TPY CO within 10 kilometers of a non-attainment area	149% of the actual salary of the employee who performed the work, plus other direct costs.
Modification -- Less than major modification: For a stationary source with potential emissions greater than 15 TPY PM-10, 40 TPY NOx, 40 TPY SO2, or 100 TPY CO if within 10 kilometers of a non-attainment area, a modification resulting in an increase greater than 10 TPY of that pollutant, or 100 TPY for CO.	149% actual salary plus other direct costs.
Appeals or Adjudicatory Hearings of permit conditions or requirements (any permit) brought by the permit applicant*	149% salary plus other direct costs
Minor Revision of a Title V Permit	149% salary plus other direct costs
Significant Revision of a Title V Permit	149% salary plus other direct costs
Observe Source Test	149% salary plus other direct costs
Pre Application Assistance	149% salary plus other direct costs
Compliance Activities: Preparing NOV's, COBCs, SAs & CDs	149% salary plus other direct costs

* The department is proposing that the costs for dealing with appeals and adjudicatory hearings of any permit conditions or requirements brought by the permit applicant be charged as permit administration fees at the hourly rate in the table above. Some parties have expressed the opinion that the costs for these types of appeals should be funded by emission fees. Yet, AS 37.10.058(3) defining direct costs seems to conclusively clarify in sub-part (E) that appeal costs are direct costs but only if the appeal is brought by the

permit applicant. In light of the interest in this topic by some in the regulated community, the department is particularly interested in receiving comments on this topic

Negotiated Service Agreements under AS 37.10.050(b)

The items listed in the table below will be subject to Negotiated Service Agreements. This list is not necessarily all inclusive. Permit applicants may request a Negotiated Service Agreement for other types of permit actions as they deem appropriate or if accelerated processing of a particular permit is desired.

Construction Permit for a new emission unit with fuel input greater than 10 MMBtu/hr in an SO2 Special Protection Area IAW 50.502(c)(2)(B)
A new Major Stationary Source (Prevention of Significant Deterioration (PSD) Permit) under 18 AAC 50.306
A Major Stationary Source Performing a Major Modification
A Project subject to the permitting requirements of 42 USC 7412(i) Clean Air Act, Section 112(i)
Construction of new stationary sources or additions of emission units at stationary sources in any SO2 Special Protection Area, in the Nikiski Industrial Area or in Cook Inlet
Renewal of the Title V Permit of a Major Stationary Source Identified in Appendix E of this document
Major Stationary Source performing a modification and requesting a limit specifically to avoid review under the PSD regulations
Establish actual emission reductions to provide offsetting emissions to allow an increase in non-attainment air pollutant emissions at a new stationary source, major modification or PAL major modification
Revise Terms and Conditions of a Title I permit (complex)
Issue Notice of a MACT Approval under 18 AAC 50.321

Complex Permits and Negotiated Fees

For complex permit reviews, the work group recommended that negotiated project-specific fees be instituted. AS 37.10.050(b) describes the project-specific process as follows:

In the case of a designated regulatory service for which a resource agency has not established a fixed fee under (a) of this section, a resource agency shall, at the request of the person who will be billed for a designated regulatory service, attempt to reach a negotiated service agreement for provision of that service. A negotiated service agreement that is reached under this subsection is a contract that is enforceable by either party under generally applicable contract remedies provided by law. A negotiated service agreement reached under this subsection may include

- (1) the amount of the fee;

- (2) the structure or methodology by which the fee will be charged;
- (3) deadlines, sequences, or milestones for the provision of the regulatory service;
and
- (4) other matters reasonably related to the cost of, or procedures for, the provision of the regulatory service.

The complex permit category would include all Prevention of Significant Deterioration (PSD) permits. Complex permits also will include any construction of new stationary sources or additions of larger than insignificant emission units at facilities in any non-attainment area, within 10 kilometers of any non-attainment area, in any Sulfur Dioxide Special Protection Area, in the Nikiski Industrial Area, or in Cook Inlet. The complex permits also include all large refineries, chemical plants and the Valdez Marine Terminal.

All applications for complex permits would include the submittal of a non refundable retainer in the amount of \$5,300.00 and a proposed method for estimating the remainder of the permit costs. The \$5,300.00 retainer is based on the time (100 man hours estimated) it will take for department staff to evaluate the application for completeness and complexity and to formulate a preliminary estimate and to conduct the actual negotiation of the cost for the Negotiated Service Agreement to write the permit.

After a review of the proposed method of estimating costs and an evaluation of the complexity of the permit, department staff will meet with the applicant to negotiate the final fee for the project. If the department and the permit applicant fail to reach agreement on the costs for a complex permit after a reasonable amount of negotiation time has passed, the department will conclude that negotiations have failed and that the project, if it is to go forward, will proceed on a time and material basis. Other permit applications may also be determined to fall into the complex permits category at the discretion of the department.

As part of a negotiated service agreement the department can entertain requests for priority expedited processing of construction permit projects if the applicant desires such processing.

When time permits the department intends to publish protocols and guidelines for these types of Negotiated Service Agreements.

EMISSION FEES

Emission Fees will continue to be required for Title V permits and some stand-alone minor permits. The department changed the emission fee rate from \$5.07 per ton to \$12.52 per ton on October 16, 2003. While the conversion from hourly permit administration fees under the previous text of AS 46.14.240 to the new law tied to AS 37.10 will result in a revenue decrease to the department, DEC would prefer not to change the emission fee rate at this time unless it is very clear that a serious overall

financial shortfall for program will occur. This notice does not reflect an increase in the emission fee rate. If the department concludes that it must seek an increase in the emission fee rate, a separate public notice will be issued.

The PAEL sources and ORL holders will begin paying annual fixed Permit Administration Fees for the first time in January 2005. The newly imposed fixed Permit Administration Fees are intended to include compliance costs which make up the majority of the department costs for operation of the PAEL and ORL permit avoidance program.

Appendix A Calculation of Air Permit Program Hourly Rate for Technical Personnel

PCN	Job Classification	Range	Step	Houly	BU	Location
18-7040	Env Eng. Assoc. II			40.73	SS	Juneau
18-7154	Env. Tech I	10	B	14.81	GP	Fairbanks
18-7271	Env. Eng. I	21	K	37.91	GP	Juneau
18-7280	Env. Engineer I			57.94	GP	Deadhorse
18-7299	Env. Spec. II	16	D	23.50	GG	Fairbanks
18-7301	Env.Eng. Assoc.	20	D	30.92	GG	Fairbanks
18-7361	Env. Eng. Assoc.	20	D	29.74	GP	Juneau
18-7382	Env. Eng. Assoc.	20	D	29.74	GP	Juneau
18-7419	Env. Eng. Assoc	20	B	28.93	GP	Fairbanks
18-7422	Env Eng. Asst II	18	F	27.88	GP	Fairbanks
18-7423	Env. Eng. I	21	L	39.33	GP	Juneau
18-7474	Env. Eng. Assoc.			35.41	GG	Anchorage
18-7488	Env. Eng. Assoc.	20	L	36.74	GG	Anchorage
18-7586	Env. Spec. III			32.15	GG	Juneau
18-7612	Env. Eng. Asst. II	18	D	25.96	GP	Anchorage
18-7647	Env. Eng. Assoc.			38.21	GG	Fairbanks
18-7660	Env. Eng. Assoc.	20	F	31.76	GG	Juneau
18-7662	Env. Eng. Assoc.			35.41	GP	Anchorage
18-7665	Env Eng. Asst II	18	B	24.26	GP	Juneau
18-7691	Env. Eng. Assoc. II	22	D	33.95	SS	Anchorage
18-7734	Env. Eng. Assoc.	20	B	27.82	GP	Anchorage
18-7735	Env Spec IV	20	G	32.76	GP	Anchorage
18-7736	Env. Spec. III	18	C	25.09	GP	Anchorage
18-7451	Env. Eng. Assoc			36.74	GG	Juneau
18-7670	Env. Eng. Assoc.	20	D	29.74	GP	Juneau
18-7746	Env Spec IV	20	B	27.82	GP	Anchorage

Department of Law attorney costs	
Totals	
Average	
149% of average	

\$72.47
\$907.72
\$32.42
\$48.30

FY 2005	FY2006	FY2007	FY2008	FY2009		
	Plus 3.5%	Plus 5.5% (3.5%merit & 2% raise)	Plus 5.5% (3.5% merit & 2% raise)	Plus 5.5% (3.5% merit & 2% raise)	Total	Average
\$48.30	\$49.99	\$52.73	\$55.64	\$58.70	\$265.36	\$53.07

Appendix B Title V Renewal Hour Estimates from the Workload Study

Title V Permits Renewal Estimates	Number of Persons Responding	Range of Estimates	Average
Platforms	5	66 - 207	123.2
Large Seafood	5	66 - 243	128.9
Coal Fired > 1000 tpy	4	46 - 253	157.3
Coal Fired < 1000 tpy	4	46 - 152	112.3
Turbine Electric Generators	5	47 - 154	107.8
Diesel Power Plants	5	45 - 153	101.7
Natural Gas Fired Steam Plants	5	46 - 252	125.4
Self Sufficient Mine (large)	5	46 - 274	154.7
Externally powered mine	5	46 - 175	104.7
Small Mine or related facility	5	45 - 155	102.4
Refineries, Chem Plants & VMT	5	90 - 500	274.7
Small Refining Operations	5	58 - 204	114.1
Soil Remediation Units	4	43 - 152	98.25
Incinerators	4	62 - 195	124.12
Terminals & Tank Farms	5	58 - 152	99.5
Bulk Drilling Mud Facilities	3	76 - 124	98.6
Cook Inlet Oil (Onshore)	5	66 - 159	115.6
Large North Slope Oil > 1000 tpy	5	90 - 271	169.6
Small North Slope Oil < 1000 tpy	5	58 - 160	110.6
Active Alyeska Pump Station	4	98 - 254	162.3
Ramp Down Alyeska Pump Station	4	51 - 136	101
GP1 facility	3	2 - 108	53.3
GP1A facility	3	2.5 - 108	53.5
Landfills	3	105.5 -158	132.8

Appendix C Recurring Compliance* Hour Estimates from the Workload Study

Recurring Annual Compliance Hours	Number of Persons who responded	range of estimates	AVERAGE
Platforms	7	31.5 - 61.5	42.0
Large Seafood	7	13.1 - 50.5	33.9
Coal Fired > 1000 tpy	7	13.1 - 45	32.1
Coal Fired < 1000 tpy	7	9.9 - 46	29.7
Turbine Electric Generators	7	9.9 - 51.5	30.4
Diesel Power Plants	7	6.5 - 43	26.0
Natural Gas Fired Steam Plants	7	9.9 - 61.2	33.8
Self Sufficient Mine (large)	7	19.8 - 60.5	40.5
Externally powered mine	7	13.1 - 41.2	31.7
Small Mine or related facility	7	11.9 - 49.2	31.2
Refineries, Chem Plants & VMT	7	37 - 104	67.9
Small Refining Operations	7	24.6 - 52	41.5
Soil Remediation Units	6	9.9 - 46	26.5
Incinerators	6	9.9 - 43	28.9
Terminals & Tank Farms	7	24.6 - 58.6	41.1
Bulk Drilling Mud Facilities	5	6.5 - 30	22.8
Cook Inlet Oil (Onshore)	7	24.6 - 67.3	40.2
Large North Slope Oil > 1000 tpy	7	35.8 - 164.6	75.4
Small North Slope Oil < 1000 tpy	7	36.5 - 88	49.9
Active Alyeska Pump Station	6	24.6 - 71	47.7
Ramp Down Alyeska Pump Station	6	9.6 - 43.5	24.3
GP1 facility	5	3 - 21.5	14.4
GP1A facility	5	3 - 21.75	15.8
Landfills	6	9.9 - 47.2	29.0

* Recurring Compliance activities include the review of facility operating reports, the review of annual compliance certifications, the performance of full compliance evaluations both on-site and off-site, and the performance of facility inspections. All of these activities are performed on a predictable scheduled basis. The hour estimates of annual recurring compliance activity are used as the basis for the annual compliance component of the annual fixed fee for the Title V and stand-alone Minor Permits.

Appendix D Time Weighting Calculations

PSD MAJOR OIL & GAS SOURCES

Source Category	Number of Sources	Average Hours Estimated for Renewal	Source Hours
Offshore Oil Platforms	14	120	1680
Cook Inlet Onshore	2	115	230
Large North Slope Sources	21	170	3570
Active Pump Stations	6	120	720
Ramped Down Pump Station	5	70	350
Totals	48		6550
Weighted Average		136 hours	

PSD MAJOR LARGE POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Renewal	Source Hours
Coal Fired > 1000 TPY	4	155	620
Coal Fired < 1000 TPY	2	110	220
Turbine Electric Generators	10	105	1050
Nat Gas Fired Steam Plants	2	125	250
Large Mines	2	150	300
Totals	20		2440
Weighted Average		122 hours	

PSD MAJOR SMALL POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Renewal	Source Hours
Seafood Processing	3	130	390
Diesel Power Plants	13	100	1300
Totals	16		1690
Weighted Average		106 hours	

TITLE V MAJOR OIL & GAS SOURCES

Source Category	Number of Sources	Average Hours Estimated for Renewal	Source Hours
Soil Remediation Units	4	100	400
Incinerators	5	125	625
Terminals & Tanks Farms	8	100	800
Cook Inlet Onshore	6	115	690
Small North Slope Oil	2	110	220
Totals	25		2735
Weighted Average		109 hours	

TITLE V MAJOR SMALL POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Renewal	Source Hours
Seafood Processing	5	130	650
Turbine Electric Generators	4	105	420
Diesel Power Plants	8	100	800
External Powered Mine	2	100	200
Bulk Drilling Mud	1	70	70
Totals	20		2140
Weighted Average		107 hours	

Time Weighting Calculations for Compliance

PSD MAJOR OIL & GAS SOURCES

Source Category	Number of Sources	Average Hours Estimated for Compliance	Source Hours
Offshore Oil Platforms	14	42	588
Cook Inlet Onshore	2	40	80
Large North Slope Sources	21	75	1575
Active Pump Stations	6	48	288
Ramped Down Pump Station	5	24	120
Totals	48		2651
Weighted Average		55 hours	

PSD MAJOR LARGE POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Compliance	Source Hours
Coal Fired > 1000 TPY	4	32	128
Coal Fired < 1000 TPY	2	30	60
Turbine Electric Generators	10	30	300
Nat Gas Fired Steam Plants	2	34	68
Large Mines	2	40	80
Totals	20		636
Weighted Average		32 hours	

PSD MAJOR SMALL POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Compliance	Source Hours
Seafood Processing	3	34	102
Diesel Power Plants	13	26	338
Totals	16		440
Weighted Average		27.5 hours	

TITLE V MAJOR OIL & GAS SOURCES

Source Category	Number of Sources	Average Hours Estimated for Compliance	Source Hours
Soil Remediation Units	4	26	104
Incinerators	5	29	145
Terminals & Tanks Farms	8	41	328
Cook Inlet Onshore	6	40	240
Small North Slope Oil	2	75	150
Totals	25		967
Weighted Average		39 hours	

TITLE V MAJOR SMALL POWER PLANTS

Source Category	Number of Sources	Average Hours Estimated for Compliance	Source Hours
Seafood Processing	5	34	170
Turbine Electric Generators	4	30	120
Diesel Power Plants	8	26	208
External Powered Mine	2	32	64
Bulk Drilling Mud	1	23	23
Totals	20		585
Weighted Average		29 hours	

SAMPLE CALCULATION

This calculation is for a PSD Major Oil and Gas facility renewal of permit.

One time Permit Cost = \$53/hr x 136 hours = \$7208.00

$\$7208 / 5 = \1441.60 annual permit cost

To this we must add \$16.00 annualized administrative/clerical costs

Plus \$66.00 annualized public notice costs

Plus \$110.00 annualized travel costs

$\$1441.00 + \$16.00 + \$66.00 + \$110.00 = \$1633.00$ annual permitting cost (\$8165.00 on a 5 year basis)

To this we must add the annual compliance costs $\$53.00 \times 55 = \2915.00

Total annual Permit Administration Fee = $\$1633 + \$2915 = \$4548.00$

Appendix E Identified Major Stationary Sources

Appendix E Chemical Plants, Large Refineries, Valdez Marine Terminal			
Source Name	Permit Number	PTE	Classification
AGRIUM	083TVP01	8273 total	PSD major
Alyeska Valdez Marine Terminal	082TVP01	7214 total	PSD major
Conoco Phillips Kenai LNG Plant	090TVP01	2528 total	PSD major
Tesoro Kenai Refinery	035TVP01	2372 total	PSD major
Flint Hills North Pole Refinery	071TVP01	991 total	PSD major

Appendix F Major Stationary Sources (PSD Major) Oil & Gas

Source Name	Permit Number	PTE	Classification
Alyeska PS1	072TVP01	1501 total	PSD major
Alyeska PS2	073TVP01	1465 total	PSD major
Alyeska PS3	074TVP01	1295 total	PSD major
Alyeska PS4	075TVP01	1205 total	PSD major
Alyeska PS6	076TVP01	2311 total	PSD major
Alyeska PS7	077TVP01	1775 total	PSD major
Alyeska PS8	078TVP01	1989 total	PSD major
Alyeska PS9	079TVP01	2368 total	PSD major
Alyeska PS10	080TVP01	3608 total	PSD major
Alyeska PS12	081TVP01	2365 total	PSD major
BP 5 Drilling Rigs	455TVP01	1640 total	PSD major
BP BOC	188TVP01	1674 total	PSD major
BP CCP	166TVP01	16,446 total	PSD major
BP CGF	270TVP01	13,265 total	PSD major
BP END	181TVP01	5243 total	PSD major
BP FS1	167TVP01	3910 total	PSD major
BP FS2	268TVP01	4974 total	PSD major
BP FS3	269TVP01	5580 total	PSD major
BP GC1	182TVP01	6485 total	PSD major
BP GC2	183TVP01	3193 total	PSD major
BP GC3	184TVP01	3779 total	PSD major
BP LPC	272TVP01	3367 total	PSD major
BP MPU	200TVP01	1383 total	PSD major

BP SIP	170TVP01	2731 total	PSD major
BP STP	271TVP01	763 total	PSD major
CIPL Christy Lee Platform	189TVP01	5868 total	PSD major
CIPL Drift River Terminal	190TVP01	2742 total	PSD major
Conoco Phillips Tyonek Platform	091TVP01	719 total	PSD major
Phillips Alpine	489TVP01	2711 total	PSD major
Phillips CPF1	267TVP01	5324 total	PSD major
Phillips CPF2	273TVP01	3986 total	PSD major
Phillips CPF3	171TVP01	3355 total	PSD major
Phillips Kuparuk STP	172TVP01	527 total	PSD major
Tesoro Kenai Pipeline Terminal	033TVP01	9059 total	PSD major
Unocal Anna	062TVP01	683 total	PSD major
Unocal Baker	063TVP01	590 total	PSD major
Unocal Bruce	064TVP01	1746 total	PSD major
Unocal Dillon	065TVP01	870 total	PSD major
Unocal Dolly Varden	060TVP01	2457 total	PSD major
Unocal Granite Pt Platform	066TVP01	2532 total	PSD major
Unocal Grayling	069TVP01	1238 total	PSD major
Unocal King Salmon	068TVP01	1931 total	PSD major
Unocal Monopod	067TVP01	1512 total	PSD major
Unocal Steelhead	009TVP01	1208 total	PSD major
Unocal Swanson River Field	059TVP01	5244 total	PSD major
XTO Energy Platform A	084TVP01	1527 total	PSD major
XTO Energy Platform C	085TVP01	1517 total	PSD major

Appendix G Major Stationary Source (PSD Major) Large Power Plants

Appendix G PSD Major Stationary Sources Large Power Plants			
Source Name	Permit Number	PTE	Classification
AEL&P Lemon Creek	209TVP01	2320 Total	PSD Major
AML&P Generation Plant One	202TVP01	8590 total	PSD major
AML&P Generation Plant Two	203TVP01	5132 total	PSD major
Arctec Services Clear Air Force	318TVP01	4470 total	PSD major
Aurora Energy	315TVP01	3185 total	PSD major
BP CPS	186TVP01	7672 total	PSD major
Chugach Beluga River	106TVP01	7084 total	PSD major
Chugach Bernice Lake	086TVP01	1761 total	PSD major
Chugach International Station	164TVP01	1634 total	PSD major
GVEA Chena 6	174TVP01	1908 total	PSD major
GVEA Healy	173TVP01	3479 total	PSD major
GVEA North Pole	110TVP01	10,569 total	PSD major
GVEA Zehnder	109TVP01	3721 total	PSD major
Kennecott Greens Creek Mine	302TVP01	857 total	PSD major
Teck Cominco Mine	290TVP01	5373 total	PSD major
University of Alaska Fairbanks	316TVP01	1724 total	PSD major
USA Ft Richardson	237TVP01	2415 total	PSD major
USA Ft Wainwright	236TVP01	9635 total	PSD major
USAF Eareckson	307TVP01	2307 total	PSD major
USAF Eielson	264TVP01	4041 total	PSD major
USAF Elmendorf (CH&PP)	291TVP01A	2227 total	PSD major

Appendix H Major Stationary Source (PSD Major) Small Power Plants

Appendix H PSD Major Stationary Sources Small Power Plants			
Source Name	Permit Number	PTE	Classification
Alyeska Seafoods Unalaska	241TVP01	363 total	PSD major
AP & T Haines	226TVP01	622 total (410 NOx)	PSD Major
Bethel Utilities	205TVP01	1245 total	PSD major
CVEA Glennallen	287TVP01	1261 total	PSD major
CVEA Valdez	286TVP01	1518 total	PSD major
Ketchikan Bailey Power House	108TVP01	1398 total	PSD major
Kodiak Electric Tagura Rd	211TVP01	3793 total	PSD major
Kotzebue Electric Association	196TVP01	445 total	PSD major
Naknek Electric Association	323TVP01	908 total	PSD major
Nome Joint Utility System	210TVP01	1705 total	PSD major
Nushagak Electric Cooperative	214TVP01	497 total	PSD major
St. Paul Power Plant	319TVP01	520 total (427 NOx)	PSD major
Unalaska DHPP	215TVP01	844 total (633 NOx)	PSD major
Unisea Dutch Harbor	088TVP01	892 total	PSD major
Westward Seafoods Dutch Harbor	433TVP01	835 total	PSD major

Appendix I Title V Major Oil & Gas Sources & Soil Remediation Units

Appendix I Title V Major Oil & Gas Sources & Soil Remediation Units			
Source Name	Permit Number	PTE	Classification
Alaska Interstate Construction	244TVP01	308 (all)	TV major
Alliance Steel Portable SRU	320TVP01	308 all	TV major
BP BADAMI	417TVP01	370 total	TV major
BP PBOC	274TVP01	291.4 total (131 NOx)	TV major
Forest Oil West McArthur River	276TVP01	459 total (214 NOx)	TV major
Harbor Enterprises Skagway	296TVP01	183 total	TV major
Marathon Kenai Gas Field 14-6	094TVP01	447 total	TV major
Marathon Kenai Gas Field 34-31	087TVP01	526 total (249 CO)*	TV major
Marathon Beaver Creek	070TVP01	502 total (249 CO)*	TV major
OIT Moose Creek	325TVP01	100 total	TV major
Petro Marine Homer Bulk Plant	043TVP01	100 total	TV major
Remtech	497TVP01	340 total	TV major
Tesoro Anchorage Terminal	034TVP01	103 (all VOC)	TV major
Unocal Cook Inlet Onshore Drllg	061TVP01	302 total	TV major
Unocal Trading Bay Production	058TVP01	535 total	TV major
Flint Hills Anchorage Terminal	235TVP01	306 total	TV major

Appendix J Title V Major Power Plants

Appendix J Title V Major Sources Small Power Plants			
Source Name	Permit Number	PTE	Classification
AEL&P Auke Bay	208TVP01	564 total (249 NOx)*	TV major
Alyeska PS5	098TVP01	469 total	TV major
AP & T Craig	223TVP01	373 total (249 NOx)*	TV major
AP & T Skagway	224TVP01	352 total (249 NOx)*	TV major
AP & T Tok	225TVP01	353 total (249 NOx)*	TV major
Barrow Utilities	191TVP01	537 total (227 NOx)	TV major
Cordova Orca	221TVP01	351 total (249 NOx)*	TV major
CVEA Dayville Rd Cogen Plant	494TVP01	406 total	TV major
Fairbanks Gold Mining Ft Knox	053TVP01	248 total (134 NOx)	TV major
Halliburton Deadhorse	295TVP01	388 total (249 NOx)*	TV major
Icicle Northern Victor	416TVP01	374 total (225 NOx)	TV major
Kodiak Electric Nyman	180TVP01	439 total (249 NOx)*	TV major
Kodiak Fishmeal	220TVP01	201 total	TV major
Peter Pan King Cove	243TVP01	528 total (249 NOx)*	TV major
TDX Deadhorse Power Plant	227TVP01	512 total (246 NOx)*	TV major
Teck Cominco Port	289TVP01	418 total (245 NOx)*	TV major
THREA Hoonah	021TVP01	320 total (249 NOx)*	TV major
THREA Kake	303TVP01	339 total (245 NOx)*	TV major
Trident Akutan	231TVP01	540 total (220 NOx)*	TV major
Trident Sand Point	232TVP01	541 total (246 NOx)*	TV major
USA Ft Greely	238TVP01	377 total	TV major

Appendix K Title V Major Sources Diesel General Permits

Appendix K Title V Major Sources Diesel General Permits			
Source Name	Permit Number	PTE	Classification
City of Adak	056GP1A01	370 total (249 NOx)	TV major
City of Galena	242GP1A01	370 total (249 NOx)	TV major
NSB Nuiqsut	352GP1A01	370 total (249 NOx)*	TV major
NSB Point Hope	350GP1A01	370 total (249 NOx)*	TV major
NSB Wainwright	586GP1A01	370 total (249 NOx)*	TV major
Unalakleet Power Plant	217GP1A01	370 total (249 NOx)*	TV major
Unalaska Valley Power	211GP101		TV Major
Wrangell Power and Light	443GP1A01	370 total (249 NOx)*	TV major
Yakutat Power	105GP1A01	370 total (249 NOx)*	TV major

APPENDIX L

ESTIMATED TRAVEL COSTS

Basis FY2005 on-site FCE schedule

On-site FCES	Travel	M&IE*	Other	Total Cost	Location	Comments
APSC TAPS	\$800	600	60	\$1,460.00	TAPS	Two three-day road trips
Agrium	\$250	\$200	100	\$550.00	Kenai	Two days in field
APT Skag	\$250	\$42	50	\$342.00	Skagway	Day Trip
CEA Bernice	\$200	42	50	\$292.00	Kenai	Day Trip
Phillips NGL	\$200	42	50	\$292.00	Kenai	Day Trip
Phillips Tyonek	\$200	42	50	\$292.00	Kenai	Day Trip
CIPL Christy Lee	\$600	42	50	\$692.00	Kenai	Day Trip two sites
CIPL Drift River				\$0.00	Kenai	Day Trip two sites
XTO Platform A	\$200	42	50	\$292.00	Kenai	Day Trip two sites
XTO Platform C				\$0.00	Kenai	Day Trip two sites
Envirotech Nikiski	\$200	42	50	\$292.00	Kenai	Day Trip
Forest Oil Kustatan	\$200	42	50	\$292.00	West Cook Inlet	Day Trip--Three sites
Forest Oil Osprey				\$0.00	West Cook Inlet	Day Trip--Three sites
Forest Oil West McArthur				\$0.00	West Cook Inlet	Day Trip--Three sites
GVEA Chena				\$0.00	No travel	
GVEA North Pole				\$0.00	No travel	
GVEA Zehnder				\$0.00	No travel	
Skagway Bulk Terminal				\$0.00	Skagway	Co-schedule w/ AP&T
Icicle Northern Victor	900	328	100	\$1,328.00	Unalaska	
Marathon Beaver Creek	\$200	42	50	\$292.00	Kenai	
Marathon 14-6	\$200	42	50	\$292.00	Kenai	
Marathon 34-31	\$200	42	50	\$292.00	Kenai	
NSB SA 10				\$0.00	No travel	
Peter Pan King Cove	\$850	238	50	\$1,138.00	King Cove	
Tesoro Kenai	\$200	328	150	\$678.00	Kenai	
Unocal Anna	\$200	42	50	\$292.00	Kenai	

Unocal Baker	\$200	42	50	\$292.00	Kenai
Unocal Bruce	\$200	42	50	\$292.00	Kenai
Unocal On-shore	\$200	42	50	\$292.00	Kenai
Unocal Dillon	\$200	42	50	\$292.00	Kenai
Unocal Dolly	\$200	42	50	\$292.00	Kenai
Unocal Granite Point	\$200	42	50	\$292.00	West Cook Inlet
Unocal Grayling	\$200	42	50	\$292.00	Kenai
Unocal King Salmon	\$200	42	50	\$292.00	Kenai
Unocal Monopod	\$200	42	50	\$292.00	Kenai
Unocal Steelhead	\$200	42	50	\$292.00	Kenai
Unocal Swanson	\$200	42	50	\$292.00	Kenai
Unocal Trading Bay	\$200	42	50	\$292.00	West Cook Inlet
USAF Clear		122	50	\$172.00	Clear
USAF Elmendorf				\$0.00	No travel
AEL&P Auke				\$0.00	No travel
AEL&P Lemon				\$0.00	No travel
AP&T Craig				\$0.00	POW
Unscheduled Inspection	\$200	42	50	\$292.00	Cook Inlet/Kodiak
	\$200	42	50	\$292.00	Cook Inlet/Kodiak
	\$400	42	50	\$492.00	SE AK
	\$300	42	50	\$392.00	PWS
Total	\$9,350	\$2,992	\$1,910	\$14,252.00	

*M&IE = Meals and Incidental expenses