

# **DEPARTMENT OF ENVIRONMENTAL CONSERVATION**



**18 AAC 50**

**Air Quality Control**

**Public Comment Draft**

**August 24, 2004**

**Frank H. Murkowski  
Governor**

**Ernesta Ballard  
Commissioner**

**18 AAC 50.230(c)(1)(I) is amended to read:**

**18 AAC 50.230. Preapproved emission limits. \***

(c) Limits on the allowable emissions of, or potential to emit, nitrogen oxides from diesel engines may be established by restricting the amount of fuel that may be burned in an engine. To implement these limits, the owner or operator shall

(1) submit to the department a letter or form containing

.....

(I) **the annual administration fee in 18 AAC 50.400(g)** [A PROCESSING FEE OF \$100]; and

**18 AAC 50.230(d)(1)(E) is amended to read:**

(d) The owner or operator of a gasoline distribution facility may limit the maximum daily throughput of gasoline for the entire stationary source to less than 19,900 gallons. The stationary source would thereby, become a bulk gasoline plant under the standards adopted in 18 AAC 50.040(a)(2)(M) and (AA). The owner or operator shall

(1) submit to the department a letter or form containing

.....

(E) **the annual administration fee in 18 AAC 50.400(g)** [A PROCESSING FEE OF \$100]; and

.....

(Eff. 1/18/97, Register 141; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority:	AS 46.03.020	AS 46.14.120	AS 46.14.170
	AS 46.14.010	AS 46.14.130	AS 46.14.180
	AS 46.14.020	AS 46.14.140	AS 46.14.250

\* The proposed language has been adopted by the Department and is currently being reviewed by the Department of Law. It has not yet been filed by the Lieutenant Governor.

**18 AAC 50.400 is repealed and readopted to read:\***

**18 AAC 50.400. Permit administration fees.** (a) On or after January 1, 2005, for each period from July 1 through the following June 30, the permittee, owner, or operator

of a stationary source described under 18 AAC 50.326, shall pay to the department annual permit administration fees as listed in Table 8 in this subsection.

**Table 8. Annual Permit Administration Fees for Title V Permits**

<b>Source Category</b>	<b>Type of Permit</b>	<b>Description</b>	<b>Annual Permit Fee</b>	<b>Annual Compliance Review Fee</b>
Major stationary source	Renewal	Oil & gas	\$1633.00	\$2915.00
Major stationary source	Renewal	Large power	\$1485.00	\$1700.00
Major stationary source	Renewal	Small power	\$1315.00	\$1460.00
Title V major stationary source	Original	Oil & gas	\$2020.00	\$2070.00
Title V major stationary source	Renewal	Oil & gas	\$1347.00	\$2070.00
Title V major stationary source	Original	Power plant	\$1989.00	\$1540.00
Title V major stationary source	Renewal	Power plant	\$1326.00	\$1540.00
Title V major stationary source	General permit	Diesel power	\$212.00	\$ 160.00

(b) The department's Fixed Fee Support Paper, dated August 16, 2004, adopted by reference, contains appendices E, F, G, H, I, J and K which list the different sources contained in the source category descriptions in Table 8 in (a) of this subsection.

(c) On or after January 1, 2005, the permittee, owner, or operator of a stationary source described under 18 AAC 50.502, who wishes to obtain a minor permit described in Table 9 in this subsection, shall pay the one time permit fee as shown in addition to the annual compliance review fee of \$530.00.

**Table 9. Permit Administration Fees for Source Specific Minor Permits**

<b>Type of Permit</b>	<b>Type of Source</b>	<b>Notes</b>	<b>One Time Permit Fee</b>
Minor permit	asphalt plant	Site specific	\$3975.00
Minor permit	soil remediation	Site specific	\$5300.00
Minor permit	crusher	Site specific	\$2650.00
Minor permit	asphalt plant	General permit	N/A
Minor permit	soil remediation	General permit	N/A
Minor permit	crusher	General permit	N/A
Minor permit	incinerator with		\$7950.00

	capacity of more than 1000 pounds per hour		
Minor permit	Port of Anchorage stationary source		\$7950.00
Minor permit	coal preparation plant		\$6360.00

(d) If a new general permit is created by the department, the department will determine the cost of that permit by multiplying the number of hours the department took to develop the permit by 149% of the salary of the department employees who developed the permit. This cost will be divided by the number of permittees who receive or are expected to receive the permit to determine the cost for each permit.

(e) On or after January 1, 2005, the permittee, owner, or operator of a stationary source described under 18 AAC 50.502, or permittee, owner, or operator of a stationary source described under 18 AAC 50.326, who wishes to obtain a minor permit described in Table 10 of this subsection shall pay the nonrefundable permit administration fee before the department takes action on any permit application received. If a fast track permit for a stand alone source is issued in accordance with 18 AAC 50.542, the permittee, owner, or operator shall also pay an annual compliance review fee of \$530.00 to be billed on or after January 1, 2005 for each period from July 1 through the following June 30.

**Table 10. Permit Administration Fee for Minor Permits for Non Specified Sources**

<b>Minor Permit Type</b>	<b>Fixed Fee</b>
Any fast track permit for stand alone stationary source issued in accordance with 18 AAC 50.542 or a modification of Title V stationary source	\$3975.00
Additional fee for permit that qualified for fast track, but a public comment period was requested under 18 AAC 50.542(b)(1), for a new stationary source or modification	\$2650.00
Designate plantwide applicability limit (PAL) without ambient analysis	\$3975.00
Designate plantwide applicability limit (PAL) with ambient analysis	\$7950.00
Designate a pollution control project, unlisted technology	\$4770.00
Designate a pollution control project, listed technology	\$ 795.00

(f) On or after January 1, 2005, the permittee, owner, or operator of a stationary source described under 18 AAC 50.502, or operator of a stationary source described under 18 AAC 50.326, who wishes to obtain a minor permit described in Table 11 of this subsection shall pay the permit administration fee as shown.

**Table 11. Permit Administration Fees for Other Permit Activities**

<b>Nonrefundable fees paid in advance of permit action to be taken</b>	
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
<b>Fees which will be invoiced after action taken or activity is completed</b>	
Source test plan review	\$ 400.00
Source test results review	\$ 400.00
Excess emission or permit deviation report review and processing	\$ 26.50
Fee review in accordance with 18 AAC 15.190	\$110.00

(g) On or after January 1, 2005, for each period from July 1 through the following June 30, the permittee, owner, or operator of a stationary source, who wishes to maintain or obtain an owner requested limit or preapproved emission limit described in Table 12 of this subsection shall pay the annual administration fee as shown, in addition to a \$110.00 annual compliance review fee.

**Table 12. Annual Administration Fees for Owner Requested Limit or Preapproved Emission Limit**

<b>Type of limit</b>	<b>Annual administration fee</b>
Owner requested limit	\$398.00
Preapproved emission limit diesel power plant	\$ 22.00
Preapproved emission limit bulk gasoline plant	\$ 22.00

(h) The fixed fee for an open burning approval submitted under 18 AAC 50.065 is \$110.00.

(i) On or after January 1, 2005, the permittee, owner, or operator shall pay a permit administration fee for designated regulatory services. The following designated regulatory services will be charged at 149% of the rate of salary of the department staff who performs the work, plus other direct costs:

(1) construction of a stationary source that meets the emission rate criteria if that stationary source does not need a major source construction permit: new stationary source with emissions greater than 15 TPY of PM-10, 40 TPY of sulfur dioxide, 0.6 TPY of lead, or 100 TPY of carbon monoxide within 10 kilometers of a nonattainment area; in addition, a permittee, owner, or operator also shall pay an annual compliance review fee of \$530.00 for this designated regulatory service;

(2) modification, less than a major modification: for a stationary source with potential emissions greater than 15 TPY of PM-10, 40 TPY of sulfur dioxide, or 100 TPY of carbon monoxide if within 10 kilometers of a nonattainment area, a modification

resulting in an increase greater than 10 TPY of that pollutant, or 100 TPY for carbon monoxide;

- (3) appeals or adjudicatory hearings brought by the permit applicant;
- (4) minor revision of a Title V permit;
- (5) significant revision of a Title V permit;
- (6) source test observation;
- (7) preapplication assistance;
- (8) compliance activities, including preparing a notice of violation, compliance order by consent, settlement agreement, or consent decree. (Eff. \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_, Register \_\_\_\_\_; am \_\_\_\_/\_\_\_\_/\_\_\_\_\_, Register \_\_\_\_)

Authority: AS 37.10.050 AS 46.03.020 AS 46.14.240  
AS 44.46.025 AS 46.14.140

\* Any reference to a section outside 18 AAC 50.400 refers to proposed language that has been adopted by the department and is currently being reviewed by the Department of Law. It has not yet been filed by the Lieutenant Governor.

**18 AAC 50.401 is repealed and readopted to read:**

**18 AAC 50.401. Negotiated service agreements.\*** (a) On or after January 1, 2005, the permittee, owner, or operator of a stationary source applying for the following permits shall submit a retainer payment of \$5,300.00 before the department will begin the process to reach a negotiated service agreement as described in AS 37.10.052(b) to determine the cost of the permit:

- (1) construction permit for a new emission unit with fuel input greater than 10 MMBtu/hr in any sulfur dioxide special protection area in accordance with 18 AAC 50.502(c)(2)(B);
- (2) a PSD permit under 18 AAC 50.306 for a new major stationary source;
- (3) a major stationary source performing a major modification;
- (4) a project subject to the permitting requirements of 42 U.S.C. 7412(i);
- (5) construction of a new stationary source or the addition of an emissions unit at a stationary source in a sulfur dioxide special protection area in the Nikiski Industrial Area or in Cook Inlet;

(6) major stationary source performing a modification and requesting a limit specifically to avoid review under 18 AAC 50.306;

(7) 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;

(8) renewal of the Title V permit of a major stationary source identified in Appendix E of the department's Fixed Fee Support Paper, dated August 16, 2004, adopted by reference in 18 AAC 50.400;

(9) review terms and conditions of a Title I permit that is complex;

(10) issue notice of a MACT approval under 18 AAC 50.321.

(b) Negotiated service agreements entered into under this section may contain provisions for accelerated processing of the permit application. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 37.10.050 AS 46.03.020 AS 46.14.240  
AS 44.46.025 AS 46.14.140

\* Any reference to a section outside 18 AAC 50.401 refers to proposed language that has been adopted by the department and is currently being reviewed by the Department of Law. It has not yet been filed by the Lieutenant Governor.

**18 AAC 50.410 is repealed and readopted to read:**

**18 AAC 50.410. Emission fees.\*** (a) On or after *{the effective date of the regulations}*, for each period from July 1 through the following June 30, the permittee, owner, or operator shall pay to the department an annual emission fee based on the stationary source's assessable emissions for that year for each stationary source that

(1) is required to submit an operating permit application;

(2) is classified under 18 AAC 50.502;

(b) Except as provided in (c) of this section, the rate is \$12.52 per ton for emissions of each air pollutant greater than 10 tons for that year, except that the emission fee for reduced sulfur compounds or ammonia is limited to the first 4,000 tons of emissions in the year.

(c) The quantity of emissions for which fees will be assessed is the lesser of the stationary source's

(1) potential to emit; or

(2) projected annual rate of emissions, as that term is used in AS 46.14.250, if demonstrated by

(A) an enforceable test method described in 18 AAC 50.220;

(B) material balance calculations;

(C) emission factors from EPA's *Compilation of Air Pollutant Emission Factors, Volume I: Stationary Point and Area Sources*, adopted by reference in 18 AAC 50.035; or

(D) other methods and calculations approved by the department.

(d) In emissions projections prepared under AS 46.14.250(h)(1)(B) and (d)(2) of this section, the permittee, owner, or operator shall account for emissions from equipment classified under 18 AAC 50.100 that temporarily replaces or substitutes for permanently installed equipment at a stationary source. (Eff. 1/18/97, Register 141; am 5/3/2002, Register 162; am 10/16/2003, Register 168; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 44.46.025 AS 46.14.140 AS 46.14.250  
AS 46.03.020

\* Any reference to a section outside 18 AAC 50.410 refers to proposed language that has been adopted by the department and is currently being reviewed by the Department of Law. It has not yet been filed by the Lieutenant Governor.

**18 AAC 50.420 is amended to read:**

**18 AAC 50.420. Billing procedures.** (a) The department will bill emission fees assessed under 18 AAC 50.410(a) on or before July 1 of each year in a manner consistent with AS 46.14.250. The department will bill **annual** permit administration fees under AS 46.14.240 and this chapter

(1) on or before the 15th of **July** [EACH MONTH FOR THE SERVICES RENDERED BY DEPARTMENT STAFF DURING THE PRECEDING MONTH]; or

(2) quarterly on or before the 15th of January, April, July, and October [FOR THE SERVICES RENDERED BY DEPARTMENT STAFF DURING THE PRECEDING THREE MONTHS,] if requested in writing by the person required to pay the fee.



**(b) The department will bill permit administration fees for designated regulatory services rendered by department staff during the preceding month on, or before the 15<sup>th</sup> of each month.**

**(c)** [(b)] Fees assessed under this chapter are due within 60 days after the billing date. A payment that is past due accrues interest at the rate set in AS 46.14.255 unless the person required to pay the fee successfully disputes the fee or a portion of the fee under 18 AAC 50.430. Interest will be charged on the unpaid balance, beginning on the 61st day after the billing date.

**(d)** [(c)] A person required to pay an emission fee under 18 AAC 50.410 may pay that fee in equal quarterly installments if

(1) the fee exceeds \$1,000; and

(2) a written request is submitted to the department with the first installment before the due date described in **(c)** [(b)] of this section.

**(e)** [(d)] If installment payments are approved under **(d)** [(c)] of this section, the remaining three installments, including interest accrued as described in **(c)** [(b)] of this section, must be paid on or before October 15, January 15, and April 15.

**(f)** [(e)] In determining the equitable allocation of costs for preparing a general operating permit under AS 46.14.240(c)(4), the department will

(1) determine the total cost of preparing each general operating permit;

(2) identify the total number of facilities covered by each general operating permit at the time the permit is developed; and

(3) establish the fee by dividing the total cost by the number of facilities.

**(g)** [(f)] An owner, an operator, or a permittee who

(1) increases a facility's assessable emissions through a permit revision shall pay to the department an emission fee for the increase in assessable emissions; the fee is due within 60 days after the effective date of the permit revision; or

(2) decreases the facility's assessable emissions through a permit revision may request a pro-rated refund or credit to the facility's fee account toward future fees.

**(h)** [(g)] The owner, operator, or permittee who terminates operations or whose permit has lapsed or is terminated by the department may request a refund calculated by the department for fees collected in excess of the amount due for the facility's actual emissions.

[(h) UNLESS AN OWNER OR OPERATOR WHO SUBMITS A PERMIT ADMINISTRATION FEE RETAINER UNDER 18 AAC 50.400(B) REQUESTS A REFUND OF THE RETAINER THAT IS NOT USED DURING DEVELOPMENT OF THAT PERSON'S PERMIT, THE DEPARTMENT WILL CREDIT ANY UNUSED RETAINER FOR USE IN PAYING FEES THAT MAY BE ASSESSED IN THE FUTURE.]

(i) Unless the person required to pay the fee requests otherwise, an invoice for emission fees or permit administration fees will be sent to the last known address of the facility that is subject to the fee. Invoices will include an itemized list of charges and credits for the billing period and a calculation of total credit balance or amount due on the account. For permit administration fees **for designated regulatory services**, the listing will also state

(1) the date on which the task was performed and a description of the task;

(2) the **name** [INITIALS] of the person who performed the task; and

(3) the time spent on the task on that date and the charge for the task, determined by multiplying the time spent **by 149% of the salary of department staff who performed the designated regulatory service** [PERMIT ADMINISTRATION FEE RATE SET IN 18 AAC 50.400(A).] (Eff. 1/18/97, Register 141; am 10/16/2003, Register 168; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority:	<b><u>AS 37.10.050</u></b>	AS 46.14.140	AS 46.14.250
	AS 44.46.025	AS 46.14.240	AS 46.14.255
	AS 46.03.020		