

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Department of Environmental Conservation
2. General subject of regulation: 18 AAC 50 is being amended to: 1) update permit administration, compliance, and emission fees in accordance with the results of a fee study for cost recovery; 2) add new definitions; 3) revise language addressing billing procedures; 4) repeal language that is no longer needed; and revise language for consistency.
3. Citation of regulation (may be grouped): 18 AAC 50.030; 18 AAC 50.400; 18 AAC 50.410; 18 AAC 50.420
4. Department of Law file number, if any: 2021200331
5. Reason for the proposed action:

 Compliance with federal law or action (identify): Clean Air Act
 Compliance with new or changed state statute
 Compliance with federal or state court decision (identify): _____
 Development of program standards
 Other (identify): compliance with Alaska Statutory requirements in AS 46.14.240, AS 37.10.052, and AS 46.14.250
6. Appropriation/Allocation: Air Quality Division, Air Permits and Non-Point & Mobile Sources Programs
7. The Department of Environmental Conservation, Division of Air Quality (the Department) has had an existing fee structure since 2006 for cost recovery to pay for permitting services. The current permit administration fees and emission fees became effective September 26, 2015. The Department is required under AS 46.14.240(b) (for permit administration fees) and AS 46.14.250(g) (for emission fees) to evaluate fees for services every four years. The current fee evaluation report reflects data from a ten year period of July 1, 2009, through June 30, 2019, and combines the evaluations for both permit administration fees and emission fees. The Department evaluated the permit administration fee rates established by AS 46.14.240 and 18 AAC 50.400 and the emission fee rates established by AS 46.14.250 and 18 AAC 50.410. The Department's Fee Evaluation Report was prepared in accordance with AS 37.10.052. The report can be located at <https://dec.alaska.gov/air/anpms/sip/2022-fee-regulations>.

The Department recommends adjusting the permit administration fixed fee rates and emission fees as described in the Report.

Estimated costs in the aggregate to comply with the proposed action to:

- a. **Private Persons:** There are no direct costs associated with the proposed regulations for private citizens; however, there is the potential for an indirect cost to citizens, in the areas identified, if air permit facilities shift the cost to their customers by increasing their rates. Air permit holders are facilities such as: electrical utilities, asphalt plants, rock crushers, fish processors, mines, and other facilities that have combustion engines that require air permits. Potential direct increases in facilities' costs will depend on their requirements and conditions for their air permit and/or compliance. Fees for emissions are based on the facilities' tons of emissions and are increasing, resulting in an increase in total emission costs to a given permit holder. The change in the emission fee rate results from a decrease in aggregate emission tonnage, which increases the fee rate per ton, as well as a proposed elimination of a 10 ton per year billing exemption, and changes to the EPA guidance related to costs associated with the Title V permit program; however, the increased fee rates will not result in an over collection of fees needed to provide air permit services. Permit holders have the right to report their actual tonnage to be billed, which is less than the assessed Potential to Emit (PTE), which provides an opportunity to reduce the cost to facilities. These changes are difficult to predict and recording an estimate in aggregate for all the various types of permit holders would not provide relevant information to individual permit holders. Instead, it is recommended that permit holders and individuals consult the Department's fee rate evaluation report, which provides the specific fee rate change information for each type of permit.
- b. **Other State Agencies: Limited.** No effect is expected to state agencies as they do not hold air permits. Some state agencies submit approval notifications for Open Burns with a processing fee. The other exception is the University of Alaska, Fairbanks (UAF) which has an air permit for the existing power plant. UAF will continue to pay permit administration and emission fees; the calculation of their fees is based on the existing fee structure.
- c. **Municipalities: Limited.** The proposed regulations only affect those municipalities that own service utilities, such as electrical generation, landfills, and water treatment plants that have air permits. They will continue to pay fees; the fee structure used to calculate fees has not undergone changes.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year	Subsequent
	FY23	Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>

1002 Federal receipts	\$ 0	\$ 0
1003 General fund match	\$ 0	\$ 0
1004 General fund	\$ 0	\$ 0
1005 General fund/ program	\$ 0	\$ 0
Other (identify)	\$ 0	\$ 0

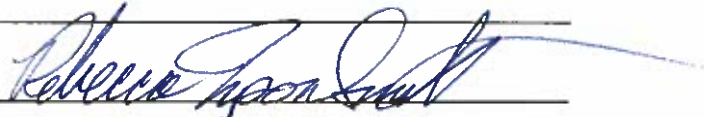
9. The name of the contact person for the regulation:

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10. The origin of the proposed action:

Staff of state agency
 Federal government
 General public
 Petition for regulation change
 Other (identify): _____

11. Date: February 9, 2022

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