

Notes from Title V and Major Source Construction Permit Application

Fee Advisory Groups Meeting

July 7, 2015

The Title V and Major Source Construction Permit Application fee advisory groups were combined together at the request of advisory group participants due to participation of the same participants on both advisory groups.

Handouts provided to meeting participants included:

- Meeting Agenda
- Draft rulemaking
- Draft Title V and Major Source Construction Permitting Program application fee projections
- Draft Fee Schedule

Electronic copies of all handouts were also available at www.iowadnr.gov/feegroups for phone participants.

1) Jim McGraw reviewed and discussed changes to the rulemaking items in the draft rules since the last advisory group meeting that pertain to new source review application fees from major sources and Title V emissions fees and operating permit application fees.

The following issues were discussed:

- The steps and timelines used to notify applicants that their construction permit applications are incomplete due to submittal of an application without a fee should also be applied to Title V operating permit applications.
- Adding language to Duty to Correct Errors in 30.1(2) that addresses fee error corrections due to over payment of application fees.
- Dropping language in 30.2(2) regarding fees for expedited permitting and reserving this subrule while the DNR obtains more information on the costs for expedited permitting if it was performed by a contractor.
- Adding provisions for the refund of the Title V operating permit application fee minus the administrative costs if technical review has not commenced and the owner/operator requests to withdraw the permit application.
- Removing expedited permits from the list of fee types that the Commission may set fees for (30.6(2)). The group also recommended that Title V operating permit modifications be removed from the list of fee types since the cost of processing modifications is already rolled up in the cost of processing initial or renewal applications.
- Adding a requirement in the draft rules that the DNR complete a fee study.
- Adding additional language in 30.7(3) that would limit the DNR's ability to use Title V emissions fee revenues for costs associated with implementing or administering regulatory activities as provided for in division II of Iowa Code 455B.

Participants may continue to send comments on the proposed rulemaking to Jim McGraw.

2) Catharine Fitzsimmons reviewed and discussed the handout with 5-year Title V application fees and major source construction permit application and modeling fee projections.

The following issues were discussed:

- Use of revenues from operating permit application fees to fund an additional staff Title V staff position to work on Title V application backlogs.
- Verification of the value for the average number of modeling projects that was used to calculate the modeling review per project fee for major source modeling.
- Whether a cap should be established on the number of applications in a construction permit project that would be subject to the application fee.
- Adding to the fee schedule the fee for the withdrawal of a permit application before commencement of technical review.
- A request for DNR to complete a time study that could be used to estimate a fee for service rate for processing major source construction permit applications.

Some comments and questions received during the draft rule and fee projection discussions will be used to help develop Frequently Asked Questions (FAQ).

3) Action Items and Post Meeting Follow-up:

a) DNR will coordinate meetings and develop a schedule to discuss conducting a fee study and propose rule language regarding completion of a fee study. (Action Item completed: A meeting is scheduled with ABI members for August 13 to discuss parameters and a schedule for conducting a time study. Draft rule language regarding conducting a fee study was provided to ABI for review.)

b) DNR will request information later this year from potential contractors on estimated costs for providing expedited permitting services. DNR will report the findings of the request for information at the 2017 Advisory Group meetings.

c) DNR will review the 5-year projection of Title V operating permit application fees in conjunction with SF488 to determine whether the additional Title V staff member for processing of backlog applications can be paid for with operating permit application revenues.

d) DNR will update the value for the average number of modeling projects used to calculate the modeling review per project fee for major source construction permit modeling. (Action Item completed: Value was updated and the 5-year projection of major source construction permitting modeling costs was revised based on the new value.)

e) Following the meeting, ABI requested via phone and email that the process for providing public comment to the EPC on the proposed budget and fees be clarified in rule, that the effective date of new or adjusted fees be specified in rule, and that the cap on the Title V emissions fee be put back into the rules. Additional text to clarify the process for providing public comment to the EPC on the proposed budget and fees was added to the draft rules, and an effective date for new or adjusted fees was added.