MINUTES

OF THE

ENVIRONMENTAL PROTECTION COMMISSION

MEETING

OCTOBER 8, 2015

TELECONFERENCE

Chuck Gipp

Chuck Gipp, Director

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MEETING MINUTES

CALL TO ORDER

The meeting of the Environmental Protection Commission was called to order by Chairperson Mary Boote at 10:30 a.m. on October 8, 2015 via teleconference. Chair Boote expressed her appreciation to the Commission, DNR staff, and stakeholders for their flexibility with the quick turnaround for a teleconference meeting.

COMMISSIONERS PRESENT – ROLL CALL

Mary Boote, Chair
Nancy Couser
Cindy Greiman, Secretary
LaQuanda Hoskins
Chad Ingels, Vice Chair
Ralph Lents
Joe Riding
Gene Ver Steeg

COMMISSIONERS ABSENT

Bob Sinclair

ADOPTION OF AGENDA

Motion was made by Ralph Lents to approve the agenda as presented. Seconded by Joe Riding. LaQuanda Hoskins-yea, Nancy Couser-yea, Gene Ver Steeg-yea, Cindy Greiman-yea, Chad Ingels-yea, Joe Riding-yea, Ralph Lents-yea, Bob Sinclair, absent, and Mary Boote-yea. Motion passes.

APPROVED AS PRESENTED

PUBLIC COMMENT

Mick Durham - Grain Processing Corporation

GPC has three comments in opposition to this proposed rule. First, this proposed rule does not reflect any of the recommendations made by the shareholders group which I participated and spent numerous hours negotiating a reasonable solution to the air quality bureau's funding challenges. The stakeholder committee recommended flat fees for multiple permitting scenarios, limited Title V fee increases, and additional funding by the legislature. This proposed rule establishes an hourly fee, allows Title V fees to increase an additional 25%, and keeps state funding at a mere 8% of the air quality bureau's budget. Why have a stakeholder group if you do not follow the recommendations?

Second, the Clean Air Act Amendments of 1990 allows state regulatory agencies to charge emission fees for implementation of the Title V program. The Title V program is estimated by the air quality bureau to be 29% of the FY15 budget. The air quality bureau received 66% of their funding from Title V fees in FY15, which would have been 77% if not for a one-time special allocation last fiscal year. Thus industry was charged nearly $5 million dollars more that allowed by the law. In addition to the proposed 25% increase in Title V fees, this rule establishes another fee for Title V permit holders to renew their permits. The annual emission fee is supposed to pay for this renewal. The whole purpose of this rule was to resolve the Title V fee issue that is neither fair nor sustainable. This rule does not accomplish that goal, but instead makes it worse.

Third, GPC does support an hourly fee for those permitting scenarios that deal with administrative changes or minor changes to permits. However, a large uncertainty exists for what a standard or complex permit will cost. Likely the cost will vary between permit engineers, workload, and permit complexity. The estimated hours to issue a construction permit provided by the air quality bureau varies from 8-200 hours. At $115 dollars an hour, a permit could cost anywhere from $1000 to $23,000. That is too large of range for our budgeting purposes. The stakeholder group recommended flat fees for multiple permitting scenarios. GPC would like to see a flat fee schedule with the option to request an hourly charge.

Grain Processing Corporation supports the concept of fees for construction permits, but does not agree with the proposed rule to establish those fees. Thank you for the opportunity to comment.

Chair Boote thanked those who registered to speak during Public Participation. She acknowledged with the quick turnaround for the teleconference meeting, stakeholders may have not been able to register to participate during Public Participation in time. She offered up to anyone on the phone (estimated 60 participants) to identify who they are, who they represent, and their stance for only agenda item #3. No additional comments were provided by participants.

Written Comments Submitted

- None

END OF PUBLIC COMMENT

NOTICE OF INTENDED ACTION: CHAPTERS 20, 22, 23, 30, 31, AND 33 – FEE RULES

Jim McGraw, Supervisor, of the Program Development section of the Air Quality Bureau presented the following item.

The Department requested permission to proceed with a rulemaking to implement Senate File 488 to establish the requirement for notification and application fees for the Department's air quality program.
In 2014 House File 2473 directed the Department to convene a stakeholder group to study funding of the air quality program and to make recommendations for funding the program into the future. The recommendations from the workgroup were shared with the EPC at the January 2015 EPC meeting. Senate File 488 implements, in part, these stakeholder group recommendations.

The Department notified approximately 4,000 stakeholders through a combination of postal mailings and emails of the opportunity to participate in advisory groups to provide recommendations to the Department regarding the draft rules and fees. The Department conducted advisory group meetings with stakeholders in June and July 2015 to further develop the rules and to discuss fee types and amounts. The list of stakeholders who participated in the meetings is available from the Department upon request.

Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit.

Rule Summary
To implement Senate File 488, this rulemaking would amend existing administrative code to establish the requirements for an asbestos notification fee and air quality construction permit and Title V operating permit applications fees. A new Chapter 30 sets forth:

1. The types of application and notification fees and the requirements to pay them;
2. The dollar cap for each fee and the process for establishing fees in the "fee schedule;"
3. Limitations on how fee revenues may be expended; and
4. The requirements for the Department to meet annually with each fee advisory group.

The administrative rule language for the existing Title V emissions fee is proposed to move from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The limitation on the Title V emission dollar per ton rate currently in rule 22.106 is proposed to be moved to rule 30.4. The Title V emission dollar per ton cap is proposed to increase to $70/ton to reflect the estimated program expenses with projected actual emissions for FY 2017. The rulemaking also clarifies the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

Need for Proposed Rules
Since the 1990s approximately 75% of the funding for the air quality program has been paid for by the largest facilities in the state that are considered "major" sources of air pollution. This fee, known as the Title V emission fee, was assessed per ton on actual emissions of specific regulated air emissions. Actual emissions of specific regulated air pollutants from Title V facilities have declined from 242,000 tons in FY2007 to 140,000 tons in FY2016. Revenues from Title V emission fees have declined 22% over the past 5 years. Over the next 5 years the level of fee support is projected to decline even further resulting in a 62% loss of capacity by the Department to provide the same level of construction and operating permitting services.

Review Fee Schedule
A review of the handout for estimated fees was conducted for minor and major sources with options for a flat fee and billable hours.

Public Comments and Public Hearing
If the Commission approves the proposed rulemaking, the Department will hold three public hearings. The first hearing will be held on November 18, 2015, at 6 p.m. at the Council Bluffs Public Library in Council Bluffs. A next hearing will be held at the DNR- Air Quality Bureau in Windsor Heights on November 19, 2015, at 10 a.m. The final hearing will be held at the Bettendorf Public Library in Bettendorf on November 24, 2015, at 6 p.m. The Department will accept written public comments until 4:30 p.m. on November 30, 2015.

Adopted and Filed Emergency after Notice
The Department plans to come back to the December Commission meeting to request final adoption. The Department will plan to request the rules be Adopted and Filed Emergency after Notice, to be effective on December 16, 2015, pursuant to Iowa Code 17A.5(2)"b"(1) and (2), following public comment and public hearings. The normal effective date should be waived and the amendments should be made effective upon filing, as the amendments confer a benefit on economic development for regulated entities by providing the Department the financial means to provide quality environmental services to Iowa business, while protecting the citizens of Iowa.

Catharine Fitzsimmons, Bureau Chief of the Air Quality Bureau, thanked all the stakeholders involved over the past 2 years to explore and develop fee alternatives for the air programs to ensure DNR provides quality e services to its customers. She summarized upcoming efficiency improvements including but not limited to replacing SPARS, multiple LEAN events for the permitting process, triggers for permit modifications, reaching out to other states for their best practices, and an electronic fee submission option.

Catharine Fitzsimmons and Jim McGraw entertained questions from the Commission. They reviewed the approach for estimating hours involved for various types of permits which have a wide range of potential project hours and with a per hour fee could result in a wide range of costs for a business compared to a flat fee.

Catharine Fitzsimmons shared that the Stakeholder Group recommended a flat fee per permit but when informal comments were collected, there was interest for a per hour fee approach. The proposed rules have both options outlined and during the formal public comments timeframe and public hearings, she anticipates receiving feedback on the two approaches.

Catharine Fitzsimmons clarified with the Commissioners that their vote today would only approve the Department to move forward with collecting formal public comments. The comments received will be summarized and will be brought back to the Commission for review along with a recommendation of a final rule anticipated for December.

Jerah Sheets, Board Administrator, thanked Chair Boote for her comments earlier. The telephonic meeting was required to review the rulemaking prior to the regularly scheduled October EPC meeting. Acting now ensures fees will be in place in January 2016. Because of the need to consider this rule in an expedited manner, it would have been impractical to have had a face to face meeting. This includes the consideration of having each Commissioner and the public drive to Des Moines for a short meeting. The Commission and Department appreciate everyone's time and effort to meet on the telephone.

Motion was made by Gene Ver Steeg to approve the agenda item as presented. Seconded by Joe Riding. Joe Riding-yea, Bob Sinclair, absent, Ralph Lents-yea, LaQuanda Hoskins-yea; Nancy Couser-yea, Gene Ver Steeg-yea, Cindy Greiman-yea, Chad Ingels-yea, and Mary Boote-yea. Motion passes.

APPROVED AS PRESENTED

Chairperson Boote entertained from Commissioners additional business.
Seeing none, she entertained a motion to adjourn.

Motion was made by Ralph Lents to adjourn the meeting. Seconded by Nancy Couser. Nancy Couser-yea, Gene Ver Steeg-yea, Cindy Greiman-yea, Chad Ingels-yea, Joe Riding-yea, Bob Sinclair, absent, Ralph Lents-yea, LaQuanda Hoskins-yea, and Mary Boote-yea. Motion passes.

ADJOURN

Chairperson Boote adjourned the Environmental Protection Commission meeting at 11:15 a.m., Thursday, October 8, 2015.

Agenda

Environmental Protection Commission

October 8, 2015
10:30 AM
Conference Phone
Dial (866) 685-1580

Conference code of **4510673319** followed by #

Thursday, October 8, 2015 – EPC Business Meeting

10:30 AM – Meeting begins Dial (866) 685-1580 Conference code of **4510673319** followed by #

Due to the logistics of a teleconference meeting, the Commission will only be accepting requests for Public Participation regarding agenda item # 3.

Public Participation[1] – Requests to speak during the business meeting Public Participation must be submitted to Jerah Sheets at Jerah.Sheets@dnr.iowa.gov, 502 East 9th Des Moines, IA 50319, 515-313-8909, by 10:30 am, October 8, 2015. Please indicate who you will be representing (yourself, an association, etc.) and your stance of For, Opposed, or Neutral.

If you are unable to attend the business meeting, comments may be submitted via mail and email for the public record. The Commission encourages data, reports, photos, and additional information provided by noon the day before the meeting to allow ample time for review and consideration.

	Agenda topics	
1	Approval of Agenda	
2	Public Participation	
3	Notice of Intended Action: Chapters 20, 22, 23, 30, 31, and 33 – Fee Rules	Jim McGraw (Decision)
4	Adjourn	

For details on the EPC meeting schedule, visit
http://www.iowadnr.gov/InsideDNR/BoardsCommissions.aspx

[1] Comments during the public participation period regarding proposed rules or notices of intended action are not included in the official comments for that rule package unless they are submitted as required in the Notice of Intended Action.

Any person attending the public meeting and has special requirements such as those related to mobility or hearing impairments should contact the DNR or ADA Coordinator at 515-725-8200, Relay Iowa TTY Service 800-735-7942, or Webmaster@dnr.iowa.gov, and advise of specific needs.

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM **3** **DECISION**

TOPIC **Notice of Intended Action: Chapters 20, 22, 23, 30, 31, and 33 – Fee Rules**

The Department is requesting permission from the Commission to proceed with the rulemaking process and publish a Notice of Intended Action to: amend Chapter 20, " Scope of the Title—Definitions—Forms—Rules of Practice,", Chapter 22 "Controlling Pollution," Chapter 23, "Emission Standards for Contaminants," Chapter 31 "Nonattainment Areas" and Chapter 33 "Special Regulations and Construction Permit Requirements for Major Stationary Sources – Prevention of Significant Deterioration (PSD) of Air Quality;" and create a new "Chapter 30 "Fees," of the 567 Iowa Administrative Code.

Reason for Rulemaking

Since the mid 1990's the Title V emission fee, assessed at a dollar per ton rate, has historically funded approximately 75% of the Bureau. The quantity of emissions in the Title V program has declined due to federal regulations and more effective air pollution controls. The chargeable tons of emissions have declined from approximately 242,000 in SFY 2007 to 140,000 for the current fiscal year. In recent years the asbestos program was funded by the Department's Solid Waste Alternative Program which was unable to provide funding for the current fiscal year. Establishing an alternate funding mechanism was critical to maintain status quo services.

In 2014 House File 2473 directed the DNR to convene a stakeholder group to study funding of the air quality programs administered by the department and to make recommendations for funding the program into the future. The Air Quality Stakeholder Group was comprised of representatives of large and small Iowa industries, local governments, and environmental interests and met for six days over the course of five months to develop recommendations.

Senate File 488 (signed by Governor Branstad on May 15, 2015) grants the Commission authority to establish application fees for construction and operation of air pollution emitting equipment and fees for asbestos notifications. The legislation implements many of the stakeholder group's recommendations. This rulemaking implements Senate File 488.

Fee Development

<u>Asbestos</u>

The asbestos notification fee is proposed at $100 per initial notification. The fee is based on a recommendation received during the 2014 stakeholder meetings. The increased rate of community revitalization in recent years has resulted in an increasing number of asbestos notifications for building demolitions and renovations. The asbestos notification fee will allow the Department to maintain sufficient staffing to provide oversight of proper asbestos removal and disposal.

Minor Source Construction Permitting

Historically the Department has funded minor source construction permitting with State and Federal funds. Stagnant funding levels no longer provided the desired level of service and stakeholders recognized the need to pay a fee for services. The Department will fund 60% of the program with State and Federal funds and the application fee is estimated to fund the remaining 40%.

Stakeholders recognized the need for a fee to be applied to minor source construction permit applications but requested a lower fee for standardized template permits. The DNR has several template permits for common sectors like aggregate processing and grain elevators. The DNR estimated staff time to process the template permits to cost approximately $100 per permit. The lower rate for permit template processing is offset by the fee level for processing minor source construction permit applications. The minor source stakeholder group asked for a slightly higher rate of $385 per permit to accommodate the lower template permit fee, future projected program cost increases over the next five years, and to allow for longer term certainty regarding the fee amount.

Major Source Construction Permitting

The Department is proposing to assess billable, hourly review fees during the application review process for construction permit applications for major sources. These activities are currently paid for Title V emissions fees. The Department can calculate the total hours available for staff to work and has an existing amount for the expenses. The Department has not tracked the amount of staff time that is spent working directly on reviewing applications versus indirect time researching new federal standards, providing assistance on the permitting hotline, training, or meeting with prospective clients. An estimate of 70% direct time was made in order to establish the hourly rate that is proposed in this rulemaking. Major source dispersion modeling, which is part of the major source construction permitting program, also has a proposed hourly rate based on similar estimates.

Title V Operating Permits

Like major source construction permitting, the Department is proposing to assess billable, hourly review fees during the application review process for Title V operating permit applications. An hourly fee for service will better reflect the actual cost of reviewing and issuing Title V permits. The Department has not tracked the amount of staff time that is spent working directly on reviewing applications versus indirect time researching new federal standards, providing assistance, or training. An estimate of 70% direct time was made in order to establish the hourly rate that is proposed in this rulemaking.

Summary of Proposed Rule Changes

This rulemaking will add a new Chapter 30 which will set forth:

1. The types of application and notification fees and the requirements to pay them;
2. The dollar cap for each fee and the process for establishing fees in the “fee schedule;”
3. Limitations on how fee revenues may be expended; and
4. Requirements for the Department to meet annually with each fee advisory group.

The rule provisions for the existing Title V emissions fee is proposed to be moved from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The limitation on the Title V emission dollar per ton rate currently located in rule 22.106 is proposed to be moved to rule 30.4. The Title V emission dollar per ton cap is proposed to increase to $70/ton to reflect the estimated program expenses with projected actual emissions for FY2017. Maximum fee amounts are listed in 30.6. The proposed amendments would also clarify the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

Public Comments and Public Hearing

If the Commission approves the proposed rulemaking, the Department will hold three public hearings. The first hearing will be held on November 18, 2015, at 6 p.m. at the Council Bluffs Public Library in Council Bluffs. A next hearing will be held at the DNR- Air Quality Bureau in Windsor Heights on November 19, 2015, at 10 a.m. The final hearing will be held at the Bettendorf Public Library in Bettendorf on November 24, 2015, at 6 p.m. The Department will accept written public comments until 4:30 p.m. on November 30, 2015.

Jim McGraw, Environmental Program Supervisor
Program Development Section, Air Quality Bureau
Environment Services Division

Memo date: October 6, 2015

Draft Fee Schedule

Fees will be set consistent with 567—Chapter 30. The DNR is seeking comments on this draft fee schedule. The final amounts will depend on levels that will be established by the Environmental Protection Commission

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Beginning January 1, 2016

Asbestos Notification Fee (567 IAC 30.3)	**Fee Per Notification**
Each asbestos notification	$100

Minor Source Construction Permit Application Fees (567 IAC 30.2)	**Fee Per Application**
a. Each application for a construction permit*	$385
b. Each application for a registration permit	$100
c. Each application for a permit by rule	$100
d. Each application for a permit template	$100

Major Source Construction Permit and Prevention of Significant Deterioration (PSD) Application Fees (567 IAC 30.2)

Applicants will be billed for the actual hours worked to complete the issued permit.

	Hourly Fee	**Estimated Time**
a. Review of each new source review permit application - Typically reviewed by Environmental Engineer, with final review by an Environmental Engineer Senior.	$115	8 - 200 hours
b. Review of each Prevention of Significant Deterioration (PSD) permit application. - Typically reviewed by an Environmental Engineer Senior.	$115	40 - 600 hours
c. Review of each plant-wide applicability limit request, renewal, or reopening - Typically reviewed by an Environmental Engineer Senior.	$115	50 - 250 hours
d. Review of each regulatory applicability determination - Engineer assignment depends on complexity of request.	$115	2 - 20 hours
e. Reviewing or conducting of air quality modeling - Typically reviewed by an Environmental Specialist, with final review by an Environmental Specialist Senior.	$90	16 - 200 hours

Title V Fees (567 IAC 30.4)	**Fee**	**Estimated Time**
a. Review of each initial or renewal Title V operating permit application - Typically reviewed by an Environmental Specialist, with final review by an Environmental Specialist Senior.	$100 per hour	150 - 500 hours
b. Title V emissions per ton	$70**	

*Application fees (minus $100 to cover department administrative costs) may be refunded for minor source construction permit applications that are withdrawn before commencement of technical review.
**For Title V emissions fees due on or after July 1, 2016.

Opportunities for Efficiencies in the DNR Air Quality Program

1) **Pursue efficiencies with the creation of an electronic and online application and permitting program for the DNR Air Quality Bureau.**
    - Specific Goals:
        - The current SPARS system would be replaced with a new electronic program which would allow for efficient and effective submission of applications and issuance of permits through a secure online system.
        - Applicants could store the data for their applications in the online system, and have reference the issued permits.
        - The stored information, including information on issued permits, could be utilized as applications/permits are "combined". (For example, the system could use the electronic construction permits information as the data is included in the Title V application/permit).
        - In conjunction with this objective, the application/permit length would be modified depending on efficiencies with the objectives listed below.
        - The completion goal for this objective would be 10/01/2017.

2) **Pursue efficiencies through two LEAN events permit applications and issued permits, and while ensuring compliance with all regulations.**
    - Specific Goals:
        - Explore efficiency options with permit applications and issued permits, including removing redundant or outdated questions on applications or in issued permits.
        - Review efficiencies on application length and if the application can be turned into a new format for the permit (Can the application itself be reviewed and then approved by the engineer, and then serve as the issued permit? – Similar to the template model for some construction permits.)
        - Explore efficiency options with permitting by "process" for construction applications/permits. (For example, could one permit be issued for a paint line, instead of 15 separate permits for the same paint line?)
        - The two LEAN events are scheduled from Nov. 30-Dec. 4, 2015. Following the LEAN event, there would be additional stakeholder conversations on the efficiencies, with the goal of implementing the efficiencies as soon as possible.

3) **Work with stakeholders to determine what permit changes trigger the need for a new construction permit application and permit, while ensuring compliance with all regulations. For example, would a new construction application and permit be needed if the emission levels do not change, but a 10 inch pipe is replaced with a 12 inch pipe?**

- Specific Goals:
    - Review federal and state law on this requirement and clarify the provisions with both the AQ staff and stakeholders.
    - The completion goal for this project would be 11/30/2015.

4) **Utilize best practices from other states to best utilize staff review time, and provide faster turnaround time, while ensuring compliance with all regulations.**

- Specific Goals:
    - Contact the surrounding Midwest states to discuss their air quality permitting program in detail. Review their actual applicants, and if possible, issued permits.
    - Visit with permitted stakeholders who have a presence in other states to determine best practices that could be implemented into Iowa's AQ program.
    - Upon gathering the list of best practices, the AQ Bureau would meet with interested stakeholders to discuss the ideas and if applicable, ways to implement the efficiencies.
    - The list of best practices would be completed by 12/15/15.

5) **Explore and implement other forms of payment for AQ program fees, outside of paying in check.**

- Specific Goals:
    - DNR's AQ Bureau only accepts checks as forms of payment for fees, while other DNR Bureau's accept other forms of payment. DNR staff will explore this objective with other Bureaus to determine availability of implementing.
    - The completion goal of this objective is to have alternative forms of payment for AQ fees by 01/01/2016.

Administrative Rules
GOVERNOR'S OFFICE PRECLEARANCE FORM

Agency:	Environmental Protection Commission (Commission)/ Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 22, 23, 30, 31, and 33
Agency Contact:	Jim McGraw at (515) 725-9543
Statutory Authority:	Iowa Code sections 455B.133(8), 455B.133B, and 455B.133C
Preclearance Requested Review Deadline:	**October 5, 2015**

Purpose of Proposed Rules:
The Commission is proposing rules to implement Senate File 488, signed by Governor Branstad on May 15, 2015, to establish the requirement for notification and application fees for the Department's air quality program.

Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit.

This rulemaking would amend existing administrative code to establish the requirements for an asbestos notification fee and air quality construction permit and Title V operating permit applications fees. A new Chapter 30 sets forth:

1. The type of application and notification fees and the requirements to pay them;
2. The dollar cap for each fee and the process for establishing fees in the "fee schedule;"
3. Limitations on how fee revenues may be expended; and
4. The requirement for the Department to meet annually with each fee advisory group.

The administrative rule language for the existing Title V emissions fee is proposed to be moved from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The limitation on the Title V emission dollar per ton rate currently in rule 22.106 is proposed to be moved to rule 30.4. The Title V emission dollar per ton cap is proposed to increase to $70/ton to reflect the estimated program expenses with projected actual emissions for FY2017. The rulemaking also clarifies the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

Need for Proposed Rules:
Since the 1990s approximately 75% of the funding for the air quality program has been paid for by the largest facilities in the state that are considered "major" sources of air pollution. This fee, known as the Title V emission fee, was assessed per ton on actual emissions of specific regulated air emissions. Actual emissions of specific regulated air pollutants from Title V facilities have declined from 242,000 tons in FY2007 to 140,000 tons in FY2016. Revenues from Title V emission fees have declined 22% over the past 5 years. Over the next 5 years the level of fee support is projected to decline even further resulting in a 62% loss of capacity by the Department to provide the same level of construction and operating permitting services.

In 2014 House File 2473 directed the Department to convene a stakeholder group to study funding of the air quality program and to make recommendations for funding the program into the future. Senate File 488 implements, in part, these stakeholder group recommendations.

Senate File 488 establishes application and notification fees for specific air quality program activities that support services for business and industry. Implementation of these fee submission requirements will result in a fee for service mechanism for funding certain air quality program activities.

Delays in permit issuance could impact the ability of industries to act quickly on economic development opportunities. Adequately funding the construction permit and operating permit programs through fees is expected to reduce the time it takes for industries to receive construction permits and Title V operating permits from the Department. This will facilitate business development opportunities.

The increased rate of community revitalization in recent years has resulted in an increasing number of asbestos notifications for building demolitions and renovations. The asbestos notification fee will allow the Department to maintain sufficient staffing to provide oversight of proper asbestos removal and disposal. Community development and renovation plans will proceed as planned and public asbestos exposure will be prevented.

Summary of Informal Rulemaking Activities related to the Proposed Rule (e.g., stakeholder input):

The Department prepared a draft rulemaking package and, on June 6, 2015, announced the opportunity for informal public input on the draft proposal. The Department announced the public input period through the air quality list serve, and posted the draft proposal on its air quality public input page (http://www.iowadnr.gov/InsideDNR/RegulatoryAir/StakeholderInvolvement.aspx) through July 13, 2015.

The Department notified approximately 4,000 stakeholders through a combination of postal mailings and emails of the opportunity to participate in advisory groups to provide recommendations to the Department regarding the draft rules and fees. The Department conducted advisory group meetings with stakeholders in June and July 2015 to further develop the rules and to discuss fee types and amounts. The list of stakeholders who participated in the meetings is available from the Department upon request.

The Department received comments and questions on the draft rules from stakeholders during the informal comment period and reviewed and discussed drafts of the rules with stakeholders during the June and July advisory group meetings. The draft rules were updated to incorporate suggestions and address comments received from stakeholders.

The Department conducted a second informal comment period from September 1, 2015, through September 8, 2015. The Department announced the public input period through the air quality list serve and emails to all past invitees and attendees of the advisory groups, and posted

the draft proposal on its air quality public input page. Minor clarifications were made to the draft rules to address comments received from stakeholders.

Administrative Rules
JOBS IMPACT STATEMENT

1. BACKGROUND INFORMATION

Agency:	Environmental Protection Commission (Commission) / Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 22, 23, 30, 31, and 33
Agency Contact:	Jim McGraw at (515) 725-9543
Statutory Authority:	Iowa Code sections 455B.133(8), 455B.133B, and 455B.133C
Objective:	The Commission is proposing rules to implement Senate File 488, signed by Governor Branstad on May 15, 2015, to establish the requirement for notification and application fees for the Department's air quality program.
Summary:	In 2014 House File 2473 directed the Department to convene a stakeholder group to study funding of the air quality program and to make recommendations for funding the program into the future. Senate File 488 implements, in part, these stakeholder group recommendations. The Department notified approximately 4,000 stakeholders through a combination of postal mailings and emails of the opportunity to participate in advisory groups to provide recommendations to the Department regarding the draft rules and fees. The Department conducted advisory group meetings with stakeholders in June and July 2015 to further develop the rules and to discuss fee types and amounts. The list of stakeholders who participated in the meetings is available from the Department upon request. To implement Senate File 488, this rulemaking would amend existing administrative code to establish the requirements for an asbestos notification fee and air quality construction permit and Title V operating permit applications fees. A new Chapter 30 sets forth: 1. The types of application and notification fees and the requirements to pay them; 2. The dollar cap for each fee and the process for establishing fees in the "fee schedule;" 3. Limitations on how fee revenues may be expended; and 4. The requirements for the Department to meet annually with each fee advisory group. Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees will apply to industries only when they add new equipment or modify existing equipment that emits regulated air

	pollutants, and to industries required to obtain a Title V operating permit. The administrative rule language for the existing Title V emissions fee is proposed to move from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The limitation on the Title V emission dollar per ton rate currently in rule 22.106 is proposed to be moved to rule 30.4. The Title V emission dollar per ton cap is proposed to increase to $70/ton to reflect the estimated program expenses with projected actual emissions for FY 2017. The rulemaking also clarifies the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

2. JOB IMPACT ANALYSIS

x *Fill in this box if impact meets these criteria:*
___ No Job Impact on private sector jobs and employment opportunities in the State.
__Job Impact cannot be determined.

_ *Fill in this box if impact meets either of these criteria:*
X Positive Job Impact on private sector jobs and employment opportunities in the State. X Negative Job Impact on private sector jobs and employment opportunities in the State.
Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities: Senate File 488 establishes a limited fee program for specific air quality program activities that support services for business and industry. Implementation of the limited fee program will result in the reallocation of funding for affected air program activities. Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees affecting construction permitting will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit. New sources subject to the requirement to obtain a Title V operating permit would continue to have up to 12 months to submit an operating permit application. The proposed rule will likely have a positive impact on jobs at major emitting facilities in Iowa. These typically are the largest facilities in Iowa and are considered Title V sources, also referred to as major sources. They have historically funded about 75% of the air quality program expenses. These facilities would still be subject to payment of other applicable fees, but that is

dependent on whether they seek to expand or otherwise modify their facilities, and not solely because of their emission rate. Also, anticipated reductions in the time it takes these industries to receive a construction permit should allow these industries to respond quickly to changing economic conditions and facilitate job growth. The use of a billable, hourly rate for processing both major source construction permit applications and operating permit applications will help ensure that each facility pays for only the air quality permit application processing services that they use.

Jobs at medium to small sized facilities may be impacted negatively by this rulemaking. These facilities typically have low annual emissions and pay less in emissions fees compared to other source sectors yet frequently use major source construction permitting services. The proposed rule would require them to pay fees whenever they trigger the requirement for a construction permit (new or modification).

However, consistent with the recommendations of the air quality stakeholder group, construction permit application fees for minor sources would be limited to covering 40% of the direct and indirect costs associated with reviewing and acting on minor source permit applications. The remaining 60% of the cost for this activity will continue to be funded by the General Fund. Implementation of a construction permit application fee is anticipated to result in reductions in the time it takes small industries to receive a construction permit, which will allow these industries to respond quickly to changing economic conditions and facilitate job growth. With stakeholder concurrence, a reduced fee rate is proposed on permit templates, registrations, and permit by rule application types to encourage the use of these streamlined alternatives to obtaining a construction permit.

The increased rate of community revitalization in recent years has resulted in an increasing number of asbestos notifications for building demolitions and renovations. The asbestos notification fee will allow the Department to maintain sufficient staffing to provide oversight of proper asbestos removal and disposal. Community development and renovation plans will proceed as planned and public asbestos exposure will be prevented. This should result in more job opportunities as new businesses are attracted to the revitalized community areas.

Categories of jobs and employment opportunities that are affected by the proposed rule:

The proposed rule and associated construction permit application fees will apply to any public or private sector facility that plans to install a new source of air emissions or modify an existing source of air emissions.

Almost any business, school, religious institution, etc. that needs to renovate or demolish a portion of a building could be impacted by asbestos notification requirements.

The proposed rule would establish a common process for reviewing and setting fees each fiscal year. Separate stakeholder meetings will be convened annually for major sources, minor sources, and asbestos stakeholders to provide input to the Department on fee setting. The Department will calculate projections of permitting volumes and program costs for the coming fiscal year. The Commission will review and approve fee levels and fee adjustments.

Number of jobs or potential job opportunities: Cannot be determined at this time.
Regions of the state affected: Statewide.
Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.") Not possible to determine.

3. COST-BENEFIT ANALYSIS

The Agency has taken steps to minimize the adverse impact on jobs and the development of new employment opportunities before proposing a rule. See the following Cost-Benefit Analysis:

The proposed rulemaking implements Senate File 488. The fees authorized in Senate File 488 are needed to fund the air quality program so it can continue to provide services to both accommodate Iowa business and protect Iowa's air quality.

Administrative Rule Fiscal Impact Statement

Date: October 5, 2015

Agency: Environmental Protection Commission (Commission) / Department of Natural Resources (Department)
IAC Citation: 567 IAC Chapters 20, 22, 23, 30, 31, and 33
Agency Contact: Jim McGraw

Summary of the Rule:
The Commission is proposing rules to implement Senate File 488, signed by Governor Branstad on May 15, 2015, to establish the requirement for notification and application fees for the Department's air quality program.

Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit.

To implement Senate File 488, this rulemaking amends existing administrative code to establish the requirements for an asbestos notification fee and air quality construction permit and Title V operating permit applications fees. A new Chapter 30 sets forth:

1. The types of application and notification fees and the requirements to pay them;
2. The dollar cap for each fee and the process for establishing fees in the "fee schedule;"
3. Limitations on how fee revenues may be expended; and
4. The requirement for the Department to meet annually with each fee advisory group.

The administrative rule language for the existing Title V emissions fee is proposed to move from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The limitation on the Title V emission dollar per ton rate currently in rule 22.106 is proposed to be moved to rule 30.4. The Title V emission dollar per ton cap is proposed to increase to $70/ton to reflect the estimated program expenses with projected actual emissions for FY 2017. The rulemaking also clarifies the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

Fill in this box if the impact meets these criteria:

_X_No Fiscal Impact to the State.
___ Fiscal Impact of less than $100,000 annually or $500,000 over 5 years.
___ Fiscal Impact cannot be determined.

Brief Explanation:
Revenues projected to be collected from construction permit application fees, Title V operating permit application and emissions fees, and the asbestos notification fee will be set to fund the projected costs of these activities within the limitations established in Senate File 488. This will result in a zero fiscal impact to the Air Quality Bureau because the new fees will produce revenues that will cover permitting expenditures no longer being paid for with revenues from the emissions fee.

Assumptions:

Fees for FY 2016 will commence on January 1, 2016, and would be set to provide revenues to the Air Quality Fund and the Application Account of the Air Contaminant Fee Fund adequate to fund reviewing and issuing air quality construction and operating permit applications for the second half of FY 2016. The FY 2016 revenues from the emissions fee will fund all major source construction permitting activities in the first half of FY 2016. FY 2017 fees would be set to fund the full projected costs of these activities for FY 2017.

Describe how estimates were derived:

The Department has tracked the submittal of asbestos notifications and construction permit applications for many years. Prior year statistics related to the volume of permitting for major and minor sources and projected future expenses were calculated to determine projected expenses and revenues. Asbestos fee calculations are based on a representative number of notifications at the suggested fee rate. Emissions fee calculations are based on the projected actual emissions and a fee of $56 per ton in FY 2016 and $70 per ton in FY 2017. The projected revenues from each of these activities have been totaled and provided below. This information has been posted on the Department's website at www.iowadnr.gov/feegroups.

Estimated Impact to the State by Fiscal Year

Revenue by Each Source	Year 1: FY 2016 (July - Dec 2016)	Year 1: FY 2016 (Jan - June 2016)	Year 2 (FY 2017)
Federal/State Grant: Asbestos	55,000		
Federal/State Grant: Minor Source CP	293,000	178,000	178,000
Other: Air Quality Fund Asbestos Account		150,000	390,000
Other: Air Quality Fund Minor CP Account		114,000	232,000
Other: Air Quality Fund Major CP Account		696,000	1,419,000
Other: Air Contaminant Fund Application Account		425,000	1,202,000
Other: Air Contaminant Fund Emission Account	3,920,000	3,920,000	7,553,000
Total Revenue	**4,268,000**	**5,483,000**	**10,974,000**
Total per Fiscal Year		**9,751,000**	**10,974,000**

Expenditures by Each Source	Year 1: FY 2016 (July - Dec 2016)	Year 1: FY 2016 (Jan - June 2016)	Year 2 (FY 2017)
Federal/State Grant: Asbestos	55,000		
Federal/State Grant: Minor Source CP	293,000	178,000	178,000
Other: Air Quality Fund Asbestos Account		150,000	390,000
Other: Air Quality Fund Minor CP Account		114,000	232,000
Other: Air Quality Fund Major CP Account		696,000	1,419,000
Other: Air Contaminant Fund Application Account		425,000	1,202,000
Other: Air Contaminant Fund Emission Account	3,920,000	3,920,000	7,553,000
Total Expenditures	**4,268,000**	**5,483,000**	**10,974,000**
Total per Fiscal Year		**9,751,000**	**10,974,000**
Net Impact		**$0**	**$0**

_X_ This rule is required by State law or Federal mandate.
Please identify the state or federal law:

This rulemaking implements Senate File 488 (86th GA).

_X__ Funding has been provided for the rule change.
Please identify the amount provided and the funding source:
Please see above. This rulemaking amends existing administrative code to establish the requirements for an asbestos notification fee and air quality construction permit and Title V operating permit application fees.

__ Funding has not been provided for the rule.
Please explain how the agency will pay for the rule change:

Fiscal impact to persons affected by the rule):

The fiscal impact will depend on the quantity of notifications or permit applications an industry submits. Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees affecting construction permitting will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit. New sources subject to the requirement to obtain a Title V operating permit would continue to have up to 12 months to submit an operating permit application.

Anticipated reductions in the time it takes industries to receive a construction permit should allow industries to respond quickly to changing economic conditions. The use of a billable, hourly rate for processing both major source construction permit applications and operating permit applications will help ensure that each facility pays for only the air quality permit application processing services that they use. For small industries, a reduced fee rate is proposed on streamlined alternatives to obtaining a construction permit, such as permit templates, registrations, and permit by rule.

State agencies often require air quality program services. The Iowa Department of Transportation conducts demolitions and submits many asbestos notification forms. The Departments of Administrative Services, Corrections, Transportation, and even Natural Resources use air quality permitting. State agencies will be required to submit permit application fees and notifications for asbestos removal. The fiscal impacts to these agencies will be similar to the fiscal impacts to other persons affected by the rule.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):

Linn and Polk Counties have had delegated air pollution control programs within their jurisdictions since the 1970s. Both programs charge fees and anticipate reviewing their fee structures after the Department finalizes its fee structure.

ENVIRONMENTAL PROTECTION COMMISSION [567]

Notice of Intended Action

Pursuant to the authority of Iowa Code sections 455B.133, 455B.133B, and 455B.133C, the Environmental Protection Commission (Commission) hereby gives Notice of Intended Action to amend Chapter 20, " Scope of the Title—Definitions—Forms—Rules of Practice," Chapter 22, "Controlling Pollution," Chapter 23, "Emission Standards for Contaminants," Chapter 31 "Nonattainment Areas" and Chapter 33 "Special Regulations and Construction Permit Requirements for Major Stationary Sources – Prevention of Significant Deterioration (PSD) of Air Quality," and adopt new Chapter 30 "Fees," Iowa Administrative Code.

The Commission is proposing rules to implement Senate File 488, signed by Governor Branstad on May 15, 2015, to amend existing rules to establish application fees for construction and operation of air pollution emitting equipment and fees for asbestos notifications. It is anticipated that this rule proposal will result in the following:

- A 25 percent quicker response time to process air quality construction permit applications at large and small industries. The proposed fees for construction permit application processing will help ensure that critical services, such as providing flexible and simple permitting solutions to meet the applicant's needs and finding unique approaches that reduce regulatory burdens, will continue to allow industries to add jobs and grow the economy while at the same time protecting air quality.

- A 15 percent quicker average issuance rate for Title V operating permits. The proposed fees will help insure that industries can successfully navigate the complexities of the Title V operating permit program, including a guidebook permit that summarizes all of the information that a company needs in order to meet air quality requirements at its facility.

These improvements in the Department of Natural Resources' (Department's) services will allow industries to add jobs and grow the economy while at the same time protecting air quality.

Industries that are already permitted and make no changes triggering the requirement for a modification to an existing construction permit will not have to pay a construction permit application fee. The proposed rules and associated fees will apply to industries only when they add new equipment or modify existing equipment that emits regulated air pollutants, and to industries required to obtain a Title V operating permit.

The proposed rule will add a new Chapter 30 which will set forth:

1. The types of application and notification fees and the requirements to pay them;

2. The dollar cap for each fee and the process for establishing fees in the "fee schedule;"

3. Limitations on how fee revenues may be expended; and

4. Requirements for the Department to meet annually with each fee advisory group.

The rule provisions for the existing Title V emissions fee is proposed to be moved from 567—22.106 to Chapter 30 to consolidate all fee details in one chapter. The Title V emission dollar per ton rate currently located in rule 22.106 is proposed to be moved to rule

30.4. The Title V emission dollar per ton cap is proposed to increase to $70 per ton to reflect the estimated program expenses with projected actual emissions for FY 2017. The proposed amendments would also clarify the Department's current practice of excluding "greenhouse gases" from annual Title V air emissions fees by adding "greenhouse gases" to the list of regulated pollutants that are excluded from Title V air emissions fees.

The Commission is proposing to set a flat fee for new source review applications from minor sources, including registration permits, permit by rule, and permit templates; and for asbestos notifications. It is also proposing to assess billable, hourly review fees during the application review process for new source review applications for major sources and for applications for initial and renewal Title V operating permits. The Commission also is seeking comment on an alternative approach to the billable hour approach. In this alternative approach, a "flat fee" would be required to be submitted instead of a billable, hourly review fee for each of these types of permit applications before work on the application would commence.

The Commission also is seeking comment on whether for Title V applications for initial or renewal operating permits, the entire application fee should be included with the submittal of the application, or whether an option should be made available for the fee to be paid in equal annual installments over a five-year time period, beginning when the application is submitted.

The Department will conduct a study to measure the time and cost of application review and permit issuance for new source review and operating permits. The Department will provide periodic reports regarding the progress of the study and will provide the results of this study to the fee advisory groups (created pursuant to proposed rule 30.5).

The Commission intends on filing these rules as Adopted and Filed Emergency after Notice, to be effective on December 16, 2015, pursuant to Iowa Code 17A.5(2)“b”(1) and (2), following public comment and public hearings. The normal effective date should be waived and the amendments should be made effective upon filing, as the amendments confer a benefit on economic development for regulated entities by providing the Department the financial means to provide quality environmental services to Iowa business, while protecting the citizens of Iowa.

Proposed amendments are as follows:

Item 1 amends rule 20.1(455B) to add a description of the new Chapter 30.

Item 2 amends paragraph 22.1(3)“a” to rename the catch phrase and to specify that regulatory determinations including concept reviews are subject to fees as defined in 567—Chapter 30.

Item 3 amends paragraph 22.1(3) “b” by adding a new subparagraph (10) to establish the requirement to pay application fees for a construction permit.

Item 4 amends rule 567—22.4(455B) to establish the requirement to pay application fees for a prevention of significant deterioration (PSD) permit.

Item 5 amends rule 567—22.5(455B) to establish the requirement to pay application fees for a nonattainment major new source review (NSR) permit.

Item 6 amends subrule 22.8(1) to establish the requirement to pay application fees for a permit by rule for spray booths.

Item 7 amends rule 567—22.10(455B) to establish the requirement to pay application fees for a country grain elevator, country grain terminal elevators, grain terminal elevators and feed mill equipment.

Item 8 amends the definition “Regulated air pollutant or contaminant (for fee calculation),” in rule 567—22.100(455B) to clarify that greenhouse gases are not subject to annual emissions fees under the Title V operating permit program.

Item 9 amends subrule 22.101(1) to establish the requirement to pay application fees for an operating permit.

Item 10 amends rule 567—22.103 (455B) to update a new cross reference due to moving the existing Title V emissions fee rules from rule 22.106(455B) to the new Chapter 30.

Item 11 amends subrule 567—22.105(1) to add the requirement that the owner or operator of a source required to obtain a Title V permit pursuant to subrule 22.101(1) shall submit fees as required in 567—Chapter 30.

Item 12 amends subrule 22.105(2) to provide a reference that the emissions fee information for the Title V operating permit program is now in Chapter 30.

Item 13 amends rule 567—22.106(455B) to move the existing Title V operating permit emissions fee to the new Chapter 30 and adds a reference to Chapter 30.

Item 14 amends subrule 22.108(10) to update the Title V operating permit’s general condition language to refer to Chapter 30 for the fees.

Item 15 amends paragraph 23.1(3) “a” to add a notification fee for the asbestos demolition and renovation program.

Item 16 adopts a new Chapter 30. Rule 567--30.1(455B) defines the purpose of the chapter and describes each rule, provides definitions for terms used in Chapter 30, and adds provisions regarding the duty to correct errors, exemptions to fee requirements for administrative amendments, and refunds of application fees. Rule 567--30.2(455B) details which new source review activities are required to submit an application fee. Rule 567--30.3(455B) explains when

asbestos notification fees are required. Rule 567--30.4(455B) contains the Title V application fee requirement and the Title V emissions fee that was formerly in 567--22.106(455B). Rule 567--30.5(455B) explains the fee advisory groups for new source review for major sources, new source review for minor sources, asbestos, and Title V. Rule 567--30.6(455B) explains the process to establish or adjust fees and contains the fee types and dollar caps on the fee types for which the Commission may set a fee amount. Rule 567--30.7(455B) explains how fee revenues may be used and the calculated estimate of maximum fee revenues.

Item 17 amends rule 567—31.1 (455B) to establish the requirement to pay application fees for a nonattainment major new source review (NSR) permit or fees for a request of a plant-wide applicability limit.

Item 18 amends rule 567—33.1 (455B) to establish the requirement to pay application fees for a prevention of significant deterioration (PSD) permit or fees for a request of a plant-wide applicability limit.

Any person may make written suggestions or comments on the proposed amendments on or before 4:30 p.m., November 30, 2015. Written comments should be directed to Wendy Walker, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa, 50324, fax (515)725-9501, or by email to wendy.walker@dnr.iowa.gov.

Public hearings will be held as follows:

November 18, 2015	6 p.m.	Council Bluffs Public Library 400 Willow Ave. Council Bluffs
November 19, 2015	10 a.m.	Air Quality Bureau 7900 Hickman Rd., Suite 1 Windsor Heights
November 24, 2015	6 p.m.	Bettendorf Public Library 2950 Learning Campus Dr.

Bettendorf

Any person who intends to attend a public hearing and has special requirements such as those related to hearing or mobility impairments should contact Wendy Walker at (515)725-9570, or by email at wendy.walker@dnr.iowa.gov to advise of any specific needs.

After analysis and review, the Commission has determined that the proposed amendments will likely have a positive impact on jobs at Iowa's large facilities but could have a negative impact on jobs at medium to small sized facilities (i.e., they are now subject to payment of fees if they make changes triggering a new or modified air quality construction permit). However, it is the Commission's expectation that the fees authorized by this rulemaking are expected to result in reductions in the time it takes for industries to receive air quality permits, allowing them to respond quickly to changing economic conditions and facilitate job growth.

The Department is pursuing several efficiencies objectives, including but not limited to, electronic filing, removing redundant provisions in application forms and permits through LEAN events, and exploring best practices in air quality programs in other states, all while ensuring compliance with environmental regulations.

The complete jobs impact statement is available from the Department upon request.

The proposed amendments are intended to implement Iowa Code sections 455B.133, 455B.133B and 455B.133C.

The following amendments are proposed.

ITEM 1. Amend rule **567--20.1(455B, 17A**), second unnumbered paragraph, as follows:

Chapter 21 contains the provisions requiring compliance schedules, allowing for variances, and setting forth the emission reduction program. Chapter 22 contains the standards

and procedures for the permitting of emission sources. Chapter 23 contains the air emission standards for contaminants. Chapter 24 provides for the reporting of excess emissions and the equipment maintenance and repair requirements. Chapter 25 contains the testing and sampling requirements for new and existing sources. Chapter 26 identifies air pollution emergency episodes and the preplanned abatement strategies. Chapter 27 sets forth the conditions political subdivisions must meet in order to secure acceptance of a local air pollution control program. Chapter 28 identifies the state ambient air quality standards. Chapter 29 sets forth the qualifications for an observer for reading visible emissions. Chapter 30 sets forth requirements to pay fees for specified activities. Chapter 31 contains the conformity of general federal actions to the Iowa state implementation plan or federal implementation plan and requirements for areas designated nonattainment. Chapter 32 specifies requirements for conducting the animal feeding operations field study. Chapter 33 contains special regulations and construction permit requirements for major stationary sources and includes the requirements for prevention of significant deterioration (PSD). Chapter 34 contains provisions for air quality emissions trading programs.

ITEM 2. Amend paragraph **22.1(3)"a"** as follows:

a. ~~*New equipment design in concept review*~~ *Regulatory applicability determinations.* If requested in writing, the director will review the design concepts of ~~proposed~~ ~~new~~ equipment and associated control equipment prior to application for a construction permit. The purpose of the review would be to determine the acceptability of the location of the ~~proposed~~ equipment. If the review is requested, the requester shall supply the following information and submit a fee as required in 567—Chapter 30:

(1) Preliminary plans and specifications of ~~proposed~~ equipment and related control equipment.

(2) The exact site location and a plot plan of the immediate area, including the distance to and height of nearby buildings and the estimated location and elevation of the emission points.

(3) The estimated emission rates of any air contaminants which are to be considered.

(4) The estimated exhaust gas temperature, velocity at the point of discharge, and stack diameter at the point of discharge.

(5) An estimate of when construction would begin and when construction would be completed.

ITEM 3. Amend paragraph **22.1(3)"b"** by adopting **new** subparagraph (10) as follows:

(10) Application fee.

a. The owner or operator shall submit a fee as required in 567—Chapter 30, to obtain a permit under subrule 22.1(1), rules 567—22.4(455B), 567—22.5(455B), 567—22.8(455B), 567—22.10(455B), and 567—Chapter 31, or 567—Chapter 33.

b. For application submittals from a minor source as defined in 567—Chapter 30, the department shall not initiate review and processing of a permit application submittal until all required application fees have been paid to the department.

ITEM 4. Amend rule **567—22.4(455B)** as follows:

567—22.4(455B) Special requirements for major stationary sources located in areas designated attainment or unclassified (PSD). As applicable, the owner or operator of a stationary source shall comply with the rules for prevention of significant deterioration (PSD) as

set forth in 567—Chapter 33. An owner or operator required to apply for a construction permit under 567—22.4(455B) shall submit all required fees as required in 567—Chapter 30.

ITEM 5. Amend rule **567—22.5(455B)** as follows:

567—22.5(455B) Special requirements for nonattainment areas. As applicable, the owner or operator of a stationary source shall comply with the requirements for the nonattainment major NSR program as set forth in rule 567—31.20(455B). An owner or operator required to apply for a construction permit under 567—22.5(455B) shall submit all required fees as required in 567—Chapter 30.

ITEM 6. Amend subrule **22.8(1)** as follows:

22.8(1) *Permit by rule for spray booths*. Spray booths which comply with the requirements contained in this rule will be deemed to be in compliance with the requirements to obtain an air construction permit and an air operating permit. Spray booths which comply with this rule will be considered to have federally enforceable limits so that their potential emissions are less than the major source limits for regulated air pollutants and hazardous air pollutants as defined in 567−22.100(455B). An owner or operator required to apply for a permit by rule under 567—22.8(1) shall submit fees as required in 567—Chapter 30.

ITEM 7. Amend rule **567—22.10(455B)** as follows:

567—22.10(455B) Permitting requirements for country grain elevators, country grain terminal elevators, grain terminal elevators and feed mill equipment. The requirements of this rule apply only to country grain elevators, country grain terminal elevators, grain terminal

elevators and feed mill equipment, as these terms are defined in subrule 22.10(1). The requirements of this rule do not apply to equipment located at grain processing plants or grain storage elevators, as "grain processing" and "grain storage elevator" are defined in rule 567 −20.2(455B). Compliance with the requirements of this rule does not alleviate any affected person's duty to comply with any applicable state or federal regulations. In particular, the emission standards set forth in 567−Chapter 23, including the regulations for grain elevators contained in 40 CFR Part 60, Subpart DD (as adopted by reference in 567−paragraph 23.1(2)"ooo"), may apply. An owner or operator subject to 567—22.10(455B) shall submit fees as required in 567—Chapter 30.

ITEM 8. Amend rule **567—22.100(455B),** definition of "Regulated air pollutant or contaminant (for fee calculation)," as follows:

"Regulated air pollutant or contaminant (for fee calculation)," which is used only for purposes of ~~rule~~ 567—Chapter 30 ~~22.106(455B)~~, means any "regulated air pollutant or contaminant" except the following:

1. Carbon monoxide;

2. Particulate matter, excluding PM10;

3. Any pollutant that is a regulated air pollutant solely because it is a Class I or II substance subject to a standard promulgated under or established by Title VI of the Act;

4. Any pollutant that is a regulated pollutant solely because it is subject to a standard or regulation under Section 112(r) of the Act;

5. Greenhouse gas, as defined in rule 567--20.2(455B).

ITEM 9. Amend subrule **22.101(1)** as follows**:**

22.101(1) Except as provided in rule 567—22.102(455B), any person who owns or operates any of the following sources shall obtain a Title V operating permit and shall submit fees as required in 567—Chapter 30:

ITEM 10. Amend rule **567—22.103(455B)** as follows**:**

567—22.103(455B) Insignificant activities. The following are insignificant activities for purposes of the Title V application if not needed to determine the applicability of or to impose any applicable requirement. Title V permit emissions fees are not required from insignificant activities pursuant to ~~subrule 22.106(7).~~ paragraph 30.4(2)"f."

ITEM 11. Amend subrule **22.105(1)** as follows**:**

22.105(1) *Duty to apply*. For each source required to obtain a Title V permit, the owner or operator or designated representative, where applicable, shall present or mail a complete and timely permit application in accordance with this rule to the following locations: Iowa Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324 (two copies); and U.S. EPA Region VII, 901 North 5th Street, Kansas City, Kansas 66101 (one copy); and, if applicable, the local permitting authority, which is either Linn County Public Health Department, Air Quality Division, 501 13th Street NW, Cedar Rapids, Iowa 52405 (one copy); or Polk County Public Works, Air Quality Division, 5885 NE 14th Street, Des Moines, Iowa 50313 (one copy). Alternatively, an owner or operator may submit a complete and timely application through the electronic submittal format specified by the

department. An owner or operator of a source required to obtain a Title V permit pursuant to subrule 22.101(1) shall submit fees as required in 567—Chapter 30.

ITEM 12. Amend subrule **22.105(2)** as follows:

22.105(2) *Standard application form and required information*. To apply for a Title V permit, applicants shall complete the standard permit application form available only from the department ~~of natural resources~~ and supply all information required by the filing instructions found on that form. The information submitted must be sufficient to evaluate the source and its application and to determine all applicable requirements and to evaluate the emissions fee amount required by ~~rule~~ 567—Chapter 30 ~~22.106(455B)~~. If a source is not a major source and is applying for a Title V operating permit solely because of a requirement imposed by paragraphs 22.101(1)"c" and "d," then the information provided in the operating permit application may cover only the emissions units that trigger Title V applicability. The applicant shall submit the information called for by the application form for each emissions unit to be permitted, except for activities which are insignificant according to the provisions of rule 567—22.103(455B). The applicant shall provide a list of all insignificant activities and specify the basis for the determination of insignificance for each activity. Nationally standardized forms shall be used for the acid rain portions of permit applications and compliance plans, as required by regulations promulgated under Title IV of the Act. The standard application form and any attachments shall require that the following information be provided:

ITEM 13. Amend rule **567—22.106(455B)** as follows:

567—22.106(455B) ~~Title V permit fees~~ Annual Title V emissions inventory.

22.106(1) *Emission ~~F~~fee ~~established~~*. Fees shall be paid as set forth in 567—Chapter 30. ~~Any person required to obtain a Title V permit shall pay an annual fee based on the total tons of actual emissions of each regulated pollutant, beginning November 15, 1994. Beginning July 1, 1996, Title V operating permit fees will be paid on or before July 1 of each year. The fee shall be based on actual emissions required to be included in the Title V operating permit application and the annual emissions statement for the previous calendar year. The department and the commission will review the fee structure on an annual basis and adjust the fee as necessary to cover all reasonable costs required to develop and administer the programs required by the Act. The department shall submit the proposed budget for the following fiscal year to the commission no later than the March meeting. The commission shall set the fee based on the reasonable cost to run the program and the proposed budget no later than the May commission meeting of each year. The commission shall provide an opportunity for public comment prior to setting the fee. The commission shall not set the fee higher than $56 per ton without adopting the change pursuant to formal rule making.~~

~~**22.106(2)** *Fee calculation*. The fee amount shall be calculated based on the first 4,000 tons of each regulated air pollutant or contaminant emitted each year from each major source.~~

22.106~~(3)~~(2) ~~Fee~~ *Emissions inventory and documentation due dates*.

~~a. The fee shall be submitted annually by July 1. For emissions located in Polk County or Linn County, the fee shall be submitted with three copies of the following forms. For emissions in all remaining counties, the fee shall be submitted with two copies of the following forms:~~

~~1. Form 1.0 "Facility identification";~~

~~2. Form 5.0 "Title V annual emissions summary/fee"; and~~

~~3. Part 3 "Application certification."~~

~~*b.*~~ For emissions located in Polk County or Linn County, three copies of the following forms shall be submitted annually by March 31 documenting actual emissions for the previous calendar year. For emissions in all other counties, two copies of the following forms shall be submitted annually by March 31, documenting actual emissions for the previous calendar year:

~~1~~*a*. Form 1.0 "Facility identification";

~~2~~*b*. Form 4.0 "Emission unit—actual operations and emissions" for each emission unit;

~~3~~*c*. Form 5.0 "Title V annual emissions summary/fee;" and

~~4~~*d*. Part 3 "Application certification."

Alternatively, an owner or operator may submit the required emissions inventory information through the electronic submittal format specified by the department.

If there are any changes to the emission calculation form, the department shall make revised forms available to the public by January 1. If revised forms are not available by January 1, forms from the previous year may be used and the year of emissions documented changed. The department shall calculate the total statewide Title V emissions for the prior calendar year and make this information available to the public no later than April 30 of each year.

~~**22.106(4)** *Phase I acid rain sources.* No fee shall be required to be paid for emissions which occur during the years 1993 through 1999 inclusive, with respect to any Phase I acid rain affected unit under Section 404 of the Act.~~

~~**22.106(5)** *Operation in Iowa*. The fee for a portable emissions unit or stationary source which operates both in Iowa and out of state shall be calculated only for emissions from the source while operating in Iowa.~~

~~**22.106(6)** *Title V exempted stationary sources.* No fee shall be required to be paid for emissions until the year in which sources exempted under subrules 22.102(1) and 22.102(2) are required to apply for a Title V permit. Fees shall be paid for the emission year preceding the year in which the application is due and thereafter.~~

~~**22.106(7)** *Insignificant activities.* No fee shall be required to be paid for insignificant activities, as defined in rule 567—22.103(455B).~~

22.106~~(8)~~ (3) *Correction of errors.* If an owner or operator, or the department, finds an error in a Title V emissions inventory~~ or Title V fee payment~~, the owner or operator shall submit to the department revised forms making the necessary corrections to the Title V emissions inventory ~~or Title V fee payment~~. ~~Forms~~ Corrected forms shall be submitted as soon as possible after the errors are discovered or upon notification by the department.

ITEM 14. Amend subrule **22.108(10)** as follows:

22.108(10) Fees. The permit shall include a provision to ensure that the Title V permittee pays fees to the director pursuant to rule 567–~~22.106~~ 30.4(455B).

ITEM 15. Amend paragraph **23.1(3)"a,"** as follows:

a. Asbestos. Any of the following involves asbestos emissions: asbestos mills, surfacing of roadways, manufacturing operations, fabricating, insulating, waste disposal, spraying applications and demolition and renovation operations. (Subpart M). Any person subject to notification requirements under this rule shall submit fees as required in 567—Chapter 30.

ITEM 16. Adopt **new 567—Chapter 30** as follows:

CHAPTER 30

FEES

567—30.1(455B) Purpose.

This chapter sets forth requirements to pay fees for specified activities. Rule 567—30.1(455B) adds definitions for this chapter, a duty to correct errors, and an exemption to fee requirements for administrative amendments. Rule 567—30.2(455B) sets forth the requirements for applicants to submit fees for specified activities associated with new source review in 567--Chapter 22, 567—Chapter 31 and 567—Chapter 33. Rule 567—30.3(455B) contains requirements for the submission of demolition and renovation notification fees for the asbestos emission standard for hazardous air pollutants listed in paragraph 23.1(3)"a." Rule 567—30.4(455B) sets forth the requirements for applicants to submit fees for specified activities associated with the Title V program found in 567--Chapter 22. Rule 567—30.5(455B) sets forth the requirement to convene fee advisory groups. Rule 567—30.6(455B) details the process by which fee levels shall be established, lists the types of fees and dollar caps on the fee types that the commission may set, and establishes the mechanism for notification of the fee schedule. Rule 567—30.7(455B) details how fee revenues may be expended and specifies the calculated estimate of maximum fee revenues.

The department shall not initiate review and processing of an application submittal from a minor source until all required fees have been paid to the department. Fees are nonrefundable, except as provide in 30.1(4).

30.1(1) *Definitions*. For purposes of this chapter, the following definitions shall apply:

"Application submittal" means one or more applications required under 567—22.1(455B) and submitted at the same time or required to be submitted under rules 567—22.4(455B), 567—22.5(455B), 567—Chapter 31, or 567—Chapter 33.

"Major source" means a "major source" as defined in 567—22.100(455B).

"Minor source" means any stationary source not included in the definition of "major source" contained in 567—22.100(455B).

"Regulated air pollutant" means regulated air pollutant or contaminant (for fee calculation) as defined in 567—22.100(455B).

30.1(2) *Duty to correct errors*. If an owner or operator, or the department, finds an error in a fee assessed or collected under this chapter, the owner or operator shall submit to the department revised forms making the necessary corrections to the fee and shall submit the correct fee. Corrected forms shall be submitted as soon as possible after the errors are discovered or upon notification by the department. If the error correction results in a determination by the department that a fee was overpaid or that a duplicate fee was submitted, the department will return the overpaid balance of the fee to the applicant.

30.1(3) *Exemption to fee requirements for administrative amendments*. A fee shall not be required for any of the following:

a. Corrections of typographical errors;

b. Corrections of word processing errors;

c. Changes in the name, address, or telephone number of any person identified in a permit, or similar minor administrative changes at the source;

d. Changes in ownership or operational control of a source where the department determines that no other change in the permit is necessary, provided that a written agreement that

contains a specific date for transfer of permit responsibility, coverage, and liability between the current permittee and the new permittee has been submitted to the department.

30.1(4) *Refund of application fee minus administrative cost for permit applications at minor sources*. The department may refund the application fee minus administrative costs if the owner or operator requests to withdraw the application prior to commencement of the technical review of the application.

567—30.2(455B) Fees associated with new source review applications.

Beginning on January 1, 2016, each owner or operator required to submit an application submittal, including air quality modeling as applicable; registration; permit by rule; and template submitted under subrule 22.1(1), rules 567—22.4(455B), 567—22.5(455B), 567—22.8(455B), 567—22.10(455B), and 567—Chapter 31, or 567—Chapter 33 shall pay fees as specified in the "Fee Schedule" approved by the commission and posted on the department's website. Fees shall be submitted with forms supplied by the department.

30.2(1) *Payment of regulatory applicability determination fee*. Beginning on January 1, 2016, each owner or operator requesting a regulatory applicability determination, as specified in paragraph 567—22.1(3)"a," shall pay fees as specified in the "Fee Schedule" approved by the commission and posted on the department's website. Fees shall be submitted with forms provided by the department.

30.2(2) (Reserved).

567—30.3(455B) Fees associated with asbestos demolition or renovation notification.

30.3(1) *Payment of fees established*. Beginning on January 1, 2016, the owner or operator of a site subject to the national emission standard for hazardous air pollutants (NESHAP) for asbestos notifications adopted by reference in paragraph 23.1(3)"a," shall submit a fee with each required original or each annual notification for each demolition or renovation, including abatement. Fees shall be paid as specified in the "Fee Schedule" approved by the commission and posted on the department's website. Fees shall be submitted with the notification forms provided by the department.

30.3(2) *Fee not required*. A fee shall not be required for the following:

a. Notifications when the total amount of asbestos to be removed or disturbed is less than 260 linear feet; less than 160 square feet; and less than 35 cubic feet of facility components; and is below the reporting thresholds as defined in 40 CFR 61.145, as amended on January 16, 1991;

b. Notifications of training fires as required in paragraph 23.2(3)"g;"

c. Controlled burning of demolished buildings as required in paragraph 23.2(3)"j;"

d. Revised, cancelled, and courtesy notifications. A revision to a previously submitted courtesy notification due to applicability of the notification requirements in paragraph 23.1(3)"a" is considered an original notification and is subject to the fee requirements of 30.3(1).

567—30.4(455B) Fees associated with Title V operating permits.

30.4(1) *Payment of Title V application fee*. Beginning January 1, 2016, each owner or operator required to apply for a Title V permit, or a renewal of a Title V permit, shall pay fees as

specified in the "Fee Schedule" approved by the commission and posted on the department's website. Fees shall be submitted with forms supplied by the department.

30.4(2) *Payment of Title V annual emissions fee*.

a. *Fee required.* Any person required to obtain a Title V permit shall pay an annual fee based on the first 4,000 tons of each regulated air pollutant, beginning November 15, 1994. Beginning July 1, 1996, Title V operating permit fees shall be paid on or before July 1 of each year. The Title V emission fee shall be based on actual emissions required to be included in the Title V operating permit application and the annual emissions statement for the previous calendar year. The commission shall not set the fee higher than $70 per ton without adopting the change pursuant to formal rulemaking.

b. *Fee and documentation due dates*. The fee shall be submitted annually by July 1. The fee shall be submitted with a copy of the following forms:

(1) Form 1.0, "Facility identification";

(2) Form 5.0, "Title V annual emissions summary/fee;" and

(3) Part 3, "Application certification."

c. *Phase I acid rain sources*. No fee shall be required to be paid for emissions which occur during the years 1993 through 1999, inclusive, with respect to any Phase I acid rain affected unit under Section 404 of the Act.

d. *Operation in Iowa*. The fee for a portable emissions unit or stationary source which operates both in Iowa and out-of-state shall be calculated only for emissions from the source while operating in Iowa.

e. *Title V exempted stationary sources*. No fee shall be required for emissions until the year in which sources exempted under subrules 22.102(1) and 22.102(2) are required to apply

for a Title V permit. Fees shall be paid for the emission year preceding the year in which the application is due and thereafter.

f. *Insignificant activities*. No fee shall be required for insignificant activities as defined in rule 567—22.103(455B).

567—30.5(455B) Fee advisory groups. Prior to each March commission meeting, the director shall convene fee advisory groups for the purposes of reviewing a draft budget and providing recommendations to the department regarding establishing or adjusting fees. Any stakeholder may attend meetings of the advisory groups. The meetings will be open to the public. The date of each meeting shall be posted on the department's website 14 days prior to the meeting date.

30.5(1) *New source review for major sources fee advisory group*. The director shall convene annually a fee advisory group to review the draft budget and major source fees required by 567—30.2(455B) and listed in 567—30.6(455B). Participants in the advisory group may provide recommendations to the department regarding fees necessary to cover all direct and indirect costs to administer the major source permit program.

30.5(2) *New source review for minor sources fee advisory group*. The director shall convene annually a fee advisory group which shall not include major sources as defined in subrule 30.1(1). The fee advisory group will review the draft budget and minor source application fees required in 567—30.2(455B) and listed in 567—30.6(455B). Participants in the fee advisory group shall include, but may not be limited to, any minor sources and their representatives. The advisory group may provide recommendations to the department regarding fees necessary to cover all direct and indirect costs to administer the minor source permit program.

30.5(3) *Asbestos fee advisory group*. The director shall convene annually an asbestos NESHAP fee advisory group to review the draft budget and asbestos notification fee required by 567—30.3(455B) and listed in 567—30.6(455B). Participants in the advisory group may provide recommendations to the department regarding fees necessary to cover all direct and indirect costs to administer the asbestos NESHAP program.

30.5(4) *Title V fee advisory group*. The director shall convene annually a fee advisory group to review the draft budgets and Title V emissions and application fees required by 567—30.4(455B) and listed in 567—30.6(455B). Participants in the advisory group may provide recommendations to the department regarding fees necessary to cover all direct and indirect costs to administer the Title V operating permit program.

567—30.6(455B) Process to establish or adjust fees and notification of fee rates.

30.6(1) *Setting the fees*. Beginning on January 1, 2016, fees shall be paid as specified in the "Fee Schedule" approved by the commission and posted on the department's website. Following the setting of the "Fee Schedule" effective January 1, 2016, the department shall submit the proposed budget and fees for major and minor source construction permit programs, the Title V operating permit program, and the asbestos NESHAP program for the following fiscal year to the commission no later than the March commission meeting of each year, at which time the proposal will be available for public comment until such time as the commission acts on the proposal or until the May commission meeting, whichever first occurs. The department's calculated estimate for each fee shall not produce total revenues in excess of limits specified in 455B.133B and 455B.133C during any fiscal year. If an established fee amount

must be adjusted, the commission shall set the fees no later than the May commission meeting of each year.

Fees established prior to January 1, 2016, shall become effective on January 1, 2016. In subsequent years, adjusted or established fees shall become effective on July 1. A fee not adjusted by the commission shall remain in effect as previously established until the fee is adjusted by the commission.

30.6(2) *Fee types and dollar caps on fee types*. The commission may set fees for the fee types and activities specified in this subrule and shall not set a fee in the fee schedule higher than the levels specified in this subrule without adopting the change pursuant to formal rulemaking:

a. New source review applications from major sources, which may include:

(1) Review of each application for a construction permit: $115 per hour;

(2) Review of each application for a prevention of significant deterioration permit: $115 per hour;

(3) Review of each plant-wide applicability limit request, renewal, or reopening: $115 per hour;

(4) Review of each regulatory applicability determination: $115 per hour; and

(5) Air quality modeling reviews: $90 per hour, which may include:

1. Reviewing air quality modeling for construction permit application submittal; prevention of significant deterioration application submittal; and nonattainment new source review project application submittal; and

2. Conducting air quality modeling for construction permit application submittal.

b. New source review applications from minor sources, which may include:

(1) Each application for a construction permit: $385;

(2) Each application for a registration permit: $100;

(3) Each application for a permit by rule: $100; and

(4) Each application for a permit template: $100.

c. Asbestos notifications: $100.

d. Review of each initial or renewal Title V operating permit application: $100 per hour.

e. Title V annual emissions: $70 per ton.

30.6(3) *Notification of fee schedule*. Following initial setting of any fee by the commission, the department shall make available to the public a "Fee Schedule" at least 30 days prior to its effective date. If any established fee amount is adjusted, the department shall make available to the public a revised "Fee Schedule" at least 30 days prior to its effective date. The "Fee Schedule" shall be posted on the department's website.

567—30.7(455B) Fee revenue. Each fee program is established to provide revenue for and is limited in use to specific activities.

30.7(1) *New source review application fees from major sources*. In accordance with Iowa Code 455B.133C(5), new source review fee revenues may be used to fund the direct and indirect costs related to accepting applications for new source review permits including permit revisions submitted by major sources as defined under new source review programs pursuant to that federal Act, including as provided under 567—Chapter 22, 567—Chapter 31, and 567—Chapter 33, as follows:

a. Reviewing and acting on any application for a new source review permit, including the determination of all applicable requirements and dispersion modeling as part of the processing of a permit or permit revision, or an applicability determination;

b. General administrative costs of administering new source review programs including supporting and tracking of any application for a new source review permit and related data entry; and

c. Developing and implementing an expedited new source review permit application process, and additional fees associated with this process.

The calculated estimate of total revenues from new source review application fees from major sources shall not exceed $1,500,000 during any state fiscal year.

30.7(2) *New source review application fees from minor sources*. In accordance with Iowa Code 455B.133C(6), minor new source review fee revenues may be used to fund the direct and indirect costs for accepting applications submitted by minor air contaminant sources for construction permits and for providing for registrations, permits by rule, or template permits in lieu of obtaining construction permits, under minor source new source review programs pursuant to the federal Clean Air Act Amendments of 1990, including as provided under 567—Chapter 22. The calculated estimate of total revenues from new source review application fees from minor sources shall not exceed $250,000 during any state fiscal year.

30.7(3) *Title V emissions*. In accordance with Iowa Code 455B.133B(5), Title V emissions fee revenues may be used to fund the direct and indirect costs related to:

a. General administrative costs of administering the operating permit program, including the supporting and tracking of operating permit applications, compliance certification, and related data entry.

b. Costs of implementing and enforcing the terms of an operating permit, not including any court costs or other costs associated with an enforcement action, including adequate resources to determine which sources are subject to the program.

c. Costs of emissions and ambient site-specific monitors.

d. Costs of Title V source-specific modeling, analyses or demonstrations.

e. Costs of preparing inventories and tracking emissions.

f. Costs of providing direct support to sources under the small business stationary source technical and environmental compliance assistance program as provided in Iowa Code 455B.133A.

g. Costs associated with implementing and administering regulatory activities, including programs, as provided for in division II of Iowa Code 455B, other than costs covered by any of the following: operating permit application fees; new source review application fees; or notification fees, pursuant to Iowa Code 455B.133B(5)(d)(2).

The calculated estimate of total revenues from emissions fees shall not exceed $8,250,000 during any state fiscal year.

30.7(4) *Title V applications*. In accordance with Iowa Code 455B.133B(6), Title V applications fee revenues may be used to fund the direct and indirect costs related to accepting applications for operating permits submitted by major sources as defined in 567—22.100(455B) and sources subject to 567–22.101(455B), as follows:

a. Costs of reviewing and acting on any application for an operating permit or operating permit revision.

b. General administrative costs of administering the operating permit program, including the supporting and tracking of operating permit applications and related data entry.

The calculated estimate of total revenues from Title V application fees shall not exceed $1,250,000 during any state fiscal year.

30.7(5) *Asbestos notification*. Per Iowa Code 455B.133C(7), asbestos notification fee revenue may be used to fund the direct and indirect costs related to implementing and administering the asbestos national emission standard for hazardous air pollutants program pursuant to 567—Chapter 23. The calculated estimate of total revenues from asbestos notification fees shall not exceed $450,000 during any state fiscal year.

ITEM 17. Amend rule **567—31.1(455B)**, third unnumbered paragraph, as follows:

Requirements for nonattainment areas designated on or after May 18, 1998, are in rules 567−31.3(455B) through 567−31.10(455B). Requirements for nonattainment areas designated before May 18, 1998, are in rule 567−31.20(455B). A list of Iowa's nonattainment area designations is found at 40 CFR 81.316 as amended through August 5, 2013. <u>An owner or operator required to apply for a construction permit under this chapter or requesting a plant-wide applicability limit shall submit fees as required in 567—Chapter 30.</u>

ITEM 18. Amend rule **567—33.1(455B)** as follows:

567—33.1(455B) Purpose. This chapter implements the major New Source Review (NSR) program contained in Part C of Title I of the federal Clean Air Act as amended on November 15, 1990, and as promulgated under 40 CFR 51.166 and 52.21 as amended through July 20, 2011. This is a preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under Part C of the Clean Air Act as amended on November 15, 1990. In areas that do not meet the national ambient air quality standards (NAAQS), the nonattainment major program applies. The requirements for the nonattainment

major NSR program are set forth in 567—22.5(455B), 567—22.6(455B), 567—31.20(455), and 567—31.3(455B). In areas that meet the NAAQS, the PSD program applies. Collectively, the nonattainment major and PSD programs are referred to as the major NSR program**.** An owner or operator required to apply for a construction permit under 567—Chapter 33 shall submit fees as required in 567—Chapter 30.

Rule 567—33.2(455B) is reserved.

Rule 567—33.3(455B) sets forth the definitions, standards and permitting requirements that are specific to the PSD program.

Rules 567—33.4(455B) through 567—33.8(455B) are reserved.

Rule 567—33.9(455B) includes the conditions under which a source subject to PSD may obtain a plant-wide applicability limitation (PAL) on emissions. An owner or operator requesting a PAL under 567—33.9(455B) shall submit fees as required in 567—Chapter 30.

In addition to the requirements in this chapter, stationary sources may also be subject to the permitting requirements in 567—Chapter 22, including requirements for Title V operating permits.

_____
Chuck Gipp, Director

_____
Date