



DEPARTMENT OF
ECOLOGY
State of Washington

Air Quality Fee Rule Chapter 173-455 WAC

May 18, 2022 stakeholder meeting

Start Recording

We will begin recording at this time.



Ecology Staff

Eman Jabali – Technical Host

Laura Westfall – Technical Host

Jason Alberich – Rules and Planning Unit Supervisor

Gary Huitsing – Permit and Policy Engineer

Phil Gent – Senior Engineer

Andrew Kruse – Environmental Engineer

Ryan Vicente – Environmental Engineer

MengChiu Lim – Lead PSD Engineer

Caitlin Cannon – Rulemaking Lead

Agenda

- Welcome and logistics
- Rulemaking process and timeline
- Draft rule changes
- Break
- Questions, discussion, and feedback

Rulemaking Process

- Pre-proposal
- Proposal
- Adoption

Timeline

- Present – August 2022 rule development
- August 31, 2022 rule proposal
- February 2023 rule adoption

Draft Rule Changes

Why the Rule Is Being Changed

- Current fees do not cover the increased cost of labor since the last fee adjustment in 2012.
- The use of a fee table allows fee adjustments to be made more quickly and easily to reflect current conditions.
- Regular fee updates allow customers to anticipate incremental adjustments on a regular schedule.

Changes in the Draft Rule Language

- Fee adjustment to match current costs
- Specific dollar amounts are being removed from rule language and placed in a fee schedule.
- A regular process for updating the fee amount is being added to rule language.

How the Hourly Rate is Calculated

Analysis of Fees Hourly Rate – November 2021

	NSR Direct Hours	NSR Admin. Support	NSR Management
	Environmental Engineer 5	Administrative Assistant 3	WMS Band 2
Most Common Job Class:			
Annual Cost by Object:			
A Salaries and Wages	105,384	48,996	99,024
B Employee Benefits	38,676	17,982	36,342
E Goods and Services	4,144	4,144	4,144
G Travel	2,182	2,182	2,182
J Capital Outlays	1,201	1,201	1,201
T Intra-Agency Reimbursements	40,769	18,955	38,309
Total Objects	192,356	93,460	181,202
	Cost Per Hour	55	106
NSR Management & Support Proration ¹	none	1.89%	5.11%
Prorated Cost Per Hour ²	113	1	5
Total estimated NSR Cost Per Hour:	\$ 119.36		

Notes on the Hourly Rate Analysis

- Cost estimates are based on Ecology's 2021 standard costs (same cost assumptions used for the 2022 supplemental budget requests)
- Most common job class, NSR management, and support proration are based on actual NSR fee eligible hours charged Fiscal Year 2017 through Fiscal Year 2021.
- NSR management and support proration calculated by dividing total hours of AA3 and WMS Band 2 by total hours of EE5.
- For every hour of an EE5, add 0.019 of an AA3 and 0.051 of a WMS2.

The Bottom Line

- The current NSR hourly rate (\$95) was calculated in 2012.
- This amount does not cover current program costs.
- The hourly rate will be increased to \$119 (25.26% increase) to match Ecology's current cost.
- Flat fees will be increased by 25% to match the increased hourly rate.

How Future Adjustments Will Be Calculated

- WAC 173-455-031 process to update fees has been added to match the registration fee rule

Draft Rule Language

WAC 173-455-031

Process to Update Fees

- New source review fees for year 2024 and beyond
Fee schedule:
 - Starting in 2023, Ecology must prepare an annual budget that reflects the cost of the program.
 - Ecology must base the budget on the program costs for the previous 12-month period consistent with RCW 70A.15.2270. Ecology may choose to establish fees to cover new source review program costs for a two-year period.
- Ecology must compare the revenue from the previous year, or the previous two-year period if appropriate, to the upcoming draft budget. If increases of new source review fees are necessary, Ecology must evenly distribute the increased program cost as a percentage of the increased costs across all sources subject to the program.

WAC 173-455-031 (continued)

Public notice

Ecology must:

- Post the draft budget and draft new source review fee schedule on Ecology's web site by August 1 of the year before the fee schedule goes into effect.
- Provide a 30-day public comment period on the draft budget and draft fee schedule.
- Post the final budget and fee schedule on Ecology's web site by December 1 of the year before the fee schedule goes into effect.

WAC 173-455-050

Fees

Table 1 in this subsection lists the fees for the carbon dioxide mitigation program for 2023. These fees are added to the fees established in WAC 173-455-120, when the carbon dioxide mitigation plan requirements are triggered.

WAC 173-455-050

(continued)

Activity	Fee (2023)
Application review	\$119/hour not to exceed \$595
Mitigation plan approval – payment to third party	\$125
Mitigation plan approval – (ii) purchase of CO ₂ credits	\$119/hour
Mitigation plan approval – direct investment	\$119/hour
Routine and compliance monitoring – payment to third party	\$119/year until full amount paid
Routine and compliance monitoring – Purchase of CO ₂ credits	\$119/hour
Routine compliance monitoring – applicant controlled project	\$119/hour

WAC 173-455-050 continued

- Ecology will post a new fee schedule for the fees in this section to cover a two-year period starting in 2024 in accordance with WAC 173-455-031.

WAC 173-455-100

Fees related to reasonably available control technology (RACT)

- Hourly rates updated and moved to section 120
- Flat rates will remain the same

WAC 173-455-120 Permit Fees

- All values shown are for 2023.
- New fee update process in WAC 173-455-031 will apply moving forward.

Minor New Source Review

Action	Initial Fee	Hourly Rate
Basic Project	\$1,904 for up to 16 hours of review	\$119 per hour starting at 17 hours
Complex Project	\$12,614 for up to 106 hours of review	\$119 per hour starting at 107 hours

Change To an Existing Order of Approval

Action	Initial Fee	Hourly Rate
Correcting a mistake by Ecology in a permit	No fee	No fee
Administrative or simple change	\$357 for up to 3 hours of review	\$119 per hour starting at 4 hours
Complex change	\$1,190 for up to 10 hours of review	\$119 per hour starting at 11 hours
Permit extension request for up to 18 months (WAC 173-400-111 (7))	\$119	Not applicable

Coverage Under a General Order of Approval

Action	SEPA review complete	SEPA review required
Portable and Stationary Concrete batch plants (No. 11AQ-GO-02)	\$625	\$981
Perchloroethylene dry cleaners using less than 2100 gallons per year (No. 06-AQG-003)	\$625	\$981
Stationary and portable rock crushers (No. 11AQ-GO-001)	\$625	\$981
Small water heaters and steam generating boilers (No. 08-AQ-G003)	\$625	\$981
Automobile body repair and refinishing shops (No. 08-AQG-001)	\$625	\$981
Portable and stationary asphalt plants (No. 10AQ-GO-01)	\$1,093	\$1,450
Dairy manure anaerobic digesters (No. 12AQ-GO-01)	\$1,093	\$1,450
Any other general order of approval	\$1,093	\$1,450

Relocation of a Portable Source

Action	SEPA review complete	SEPA review required
Portable source has approval order issued by a local clean air agency	\$187	\$543
Portable source has approval order issued by Ecology	No fee	\$356

Request to Establish a Voluntary Emission Limit

Action	Initial Fee	Hourly Rate
Request to establish a voluntary emission limit (WAC 173-400-091)	\$714 for up to 6 hours of review	\$119 per hour starting at 7 hours

Request to Replace or Substantially Alter Control Technology

Action	Initial Fee	Hourly Rate
Review notice of construction application	No initial fee	\$119 per hour
Review RACT analysis and determination for affected emission unit	No initial fee	\$119 per hour

Major New Source Review



Action	Initial Fee	Hourly Rate
Written PSD applicability determination (WAC 173-400-720)	\$4,760 for up to 40 hours of review	\$119 per hour starting at 41 hours
Pre-application assistance beyond the application assistance meeting Ecology provides	\$714 for up to 6 hours of review	\$119 per hour starting at 7 hours
PSD permit application – new (WAC 173-400-720 and 173-400-730).	\$18,802 for up to 158 hours of review	\$119 per hour starting at 159 hours
PSD permit application – limited to greenhouse gases	\$9,401 for up to 79 hours of review	\$119 per hour starting at 80 hours
PSD permit revision – administrative (as defined in WAC 173-400-750(3))	\$2,380 for up to 20 hours of review	\$119 per hour starting at 21 hours
PSD permit revisions – revision not administrative or major modification	\$4,760 for up to 40 hours of review	\$119 per hour starting at 41 hours
PSD permit revision – major modification (WAC 173-400-720))	\$18,802 for up to 158 hours of review	\$119 per hour starting at 159 hours
Permit extension request	\$625	No hourly fee

Nonattainment Area New Source Review

Action	Initial Fee	Hourly Rate
Notice of construction application (WAC 173-400-830)	\$18,802 for up to 158 hours of review	\$119 per hour starting at 159 hours
Change in permit conditions – major modification for an order issued under WAC 173-400-830	\$18,802 for up to 158 hours of review	\$119 per hour starting at 159 hours
Change in permit conditions under WAC 173-400-111(8) – action not subject to mandatory public comment in WAC 173-400-171	\$2,380 for up to 20 hours of review	\$119 per hour starting at 21 hours
Changes in permit conditions – all other changes	\$9,401 for up to 79 hours of review	\$119 per hour starting at 80 hours
Permit extension request	\$625	No hourly fee

Plant-Wide Applicability Limits

Action	Initial Fee	Hourly Rate
Plant-wide applicability limits – establish new limits	\$18,802 for up to 158 hours of review	\$119 per hour starting at 159 hours
Plant-wide applicability limits – all other requests	\$9,401 for up to 79 hours of review	\$119 per hour starting at 80 hours

Other Fees

Action	Initial Fee	Hourly Rate
Second tier review (WAC 173-460-090)	\$9,996 for up to 84 hours of review	\$119 per hour starting at 85 hours
Third tier review	\$9,996 for up to 84 hours of review	\$119 per hour starting at 85 hours
Cost-reimbursement agreement as provided in RCW 70A.15.1570	No initial fee	\$119 per hour
Variance under WAC 173-400-180	No initial fee	\$119 per hour
Notification of intent to operate under WAC 173-400-035	No initial fee	\$119 per hour
Hourly rate for other actions	No initial fee	\$119 per hour

Break

Questions and Feedback

Next Steps

- Tentative second stakeholder meeting – June 8, 2022
1 p.m. – 3:30 p.m.
- Proposal date – August 31, 2022
- Public hearing date – October 11, 2022
- Adoption date – February 2023

More Information

- Rulemaking web page:
<https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-455>
- Rulemaking Lead
Caitlin Cannon
caitlin.cannon@ecy.wa.gov
360-489-4046