



Matthew H. Mead, Governor

Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



John Corra, Director

DATE: November 23, 2011

ADDRESSEES: Chapter 6, Section 3 (Title V) Operating Permit Holders

SUBJECT: Anticipated Operating Permit Fee Changes for Fiscal Years 2013 & 2014

This letter is to notify you of anticipated operating permit fee changes that would take effect in July 2012, if the Air Quality Division's 2013/14 budget is approved by the Wyoming legislature. The new fee is expected to be \$34.50 per ton, and would be charged on emissions occurring after July 2012. Emissions in the current year (2011) and in the first half of 2012 will be subject to the current fee of \$31 per ton.

The Air Quality Division is currently preparing our 2013/14 budget (which covers the period from July of 2012 to June of 2014). An element of this effort is to project the costs of running our Title V program, which is funded through Operating Permit Program emission fees paid by sources required to hold Title V operating permits. These fees are charged for each ton of a regulated pollutant emitted by a Title V source, and are capped at 4,000 tons per pollutant per facility. Title V fees are required by the Clean Air Act, and states are allowed to set fee levels to generate sufficient income to adequately fund their operating permit programs and supporting activities enumerated in W.S. 35-11-211, which states: "Permit fees shall cover all reasonable direct and indirect costs including the costs of:

- (i) Reviewing and acting on any permit application including construction and modification permit applications;
- (ii) Implementing and enforcing permits;
- (iii) Emissions and ambient monitoring;
- (iv) Preparing regulations and guidance;
- (v) Modeling analyses and demonstrations;
- (vi) Preparing emission and source inventories and tracking emissions;
- (vii) Permit-related functions performed by the department;
- (viii) Development and administration of the state small business assistance program; and
- (ix) Information management activities."

In order to maintain the current level of services provided by the Operating Permit Program, the Division has proposed to adjust the FY13/14 OPP fee. These adjustments are to account for two changes. The first is for modest increases in the cost of employee benefits; this results in a fee increase of \$0.80 per ton. Second, a projected decline in billable tons in the FY13/14 biennium results in a fee increase of \$2.70. Together, these two changes have resulted in a proposed increase of OPP fees of \$3.50 per ton for the FY13/14 biennium. Actual emission rates per facility have been declining steadily since the inception of the Title V program in Wyoming. In order to meet our statutory obligations into the next biennium, however, a fee increase will be necessary. This fee will be required to maintain AQD's current programs and does not reflect any new projects or staffing. It is worth noting that even with a fee increase to



\$34.50 per ton, Wyoming's OPP fees would remain among the lowest in the nation, and well below the level of the federal Clean Air Act's "presumptive minimum fee" of \$45.55 per ton (for FY-12).

You have been successful in reducing emissions during the past several years, and we thank you for your efforts. Unfortunately, the cost of operating the air quality program for major sources is more directly influenced by the number of facilities subject to permit requirements than by the total emissions from those facilities. The total number of permittees in the OPP program has remained relatively stable, between 135 and 145, since the initial years of the program. We do not expect this to change in the FY13/14 biennium.

Thank you for your support of our program. If you should have any questions concerning this matter, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink that reads "Steven A. Dietrich". The signature is written in a cursive style with a large, prominent initial 'S'.

Steven A. Dietrich, Administrator
Air Quality Division

SD/lb

cc: Lori Bocchino
Robert Gill
Brian Bohlmann
Districts 1-5 Engineers