

**NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION
PUBLIC NOTICE**

Notice is hereby given for public comment to be received by the North Carolina Department of Environmental Quality, Division of Air Quality, concerning the proposed amendment of air quality rules.

PURPOSE: To receive comments on the proposed amendment of the *Permit and Application Fees* rule. Also, to receive comment on the accompanying fiscal note for the proposed amendment.

BACKGROUND: On August 31, 2001, the North Carolina Division of Air Quality (DAQ) obtained EPA approval of its Title V operating permit program. Under the Clean Air Act (CAA), Section 502(b)(3), the DAQ is required to collect fees “sufficient to cover all reasonable (direct and indirect) costs required to develop and administer” its Title V program. A significant portion of the DAQ’s Title V revenues are received from the annual tonnage, or “per ton” fee, and have declined due to decreasing emissions in recent years. Declining emissions and number of Title V facilities has led to a projected funding shortfall for the DAQ’s EPA-approved Title V operating permit program for Fiscal Year (FY) 2020-2021. Failure to address the projected funding shortfalls could result in the DAQ’s inability to administer certain aspects of the program, and may result in the eventual partial or full withdrawal of EPA approval.

The DAQ also identified additional Title V funds required to implement its salary administration plan. The plan establishes a single, objective, and transparent salary schedule with the goal of reducing current or future inequities in comparable occupational groups.

In order to allow the DAQ to collect revenues sufficient to cover the costs of administering the Title V program and implement the salary administration plan, the Environmental Management Commission (EMC) is proposing to revise the permit and application fees for Title V sources in 15A NCAC 02Q .0203.

On September 10, 2020, the EMC approved proceeding to public comment on the proposed Title V fee revisions.

15A NCAC 02Q .0203 is proposed for amendment to revise the Title V annual and application fees. The annual base and tonnage fees will be increased to \$10,000 and \$40.00 per ton, respectively. The revised Title V application fees for minor and significant modifications are proposed to be \$3,000 and \$7,000, respectively. The revisions will also incorporate a new annual added complexity fee of \$2,500 for moderately complex facilities and \$7,500 for highly complex facilities. The complexity of a facility will be based on the number of applicable federal programs, and complexity fees will be adjusted annually for inflation as currently allowed for Title V annual and application fees. The amended rule will also incorporate the inflation adjustments for all applicable fees to reflect the calendar year 2021 fees.

The Commission is amending 15A NCAC 02Q .0203 to update the fees that are charged pursuant to G.S. 143-215.3(1d). That statute requires the Commission to establish the fees in conformance with the Clean Air Act, specifically USC 7661a, Section 502(b)(3)(B). As set forth in the US Code and Rule 15A NCAC 02Q .0204, those fees are subject to an inflation adjustment every year on January 1. Therefore, the fee amounts published in this Register

will be subject to that inflation adjustment. At this time, the Commission does not know the exact amount of that adjustment, but is publishing the Rule with the fees as charged in 2020 to give the regulated public a basis upon which to comment. The Commission acknowledges that the fee will be higher than those published.

A fiscal note was submitted to the Office of State Budget and Management (OSBM) for review. The OSBM determined the proposed rule changes have substantive impact on private sector, local governments, state government, and federal government. The fiscal note was approved on August 18, 2020 and posted on OSBM's website at the following URL: https://files.nc.gov/ncosbm/documents/files/DEQ_2020-08-18.pdf

NOTE: If readopted, the proposed rule actions considered in this hearing will become effective statewide and submitted to the United States Environmental Protection Agency to be included in the North Carolina State Implementation Plan (SIP). If the revisions are later adopted by a local air pollution control agency, then that agency will enforce them in its area of jurisdiction.

DATE AND
LOCATION:

November 12, 2020

Cisco WebEx, Digital Hearing Link:

<https://ncdenrits.webex.com/ncdenrits/onstage/g.php?MTID=e44293934a2a2ce5d36b5e8560565d3b3>

Meeting Number (Access Code): 171 927 8952

Meeting Password: NCDAQ

*If you wish to speak at the digital public hearing, you must register, provide the required information, and follow instructions on ways to join the public hearing. Registration must be completed by 4:00 PM on November 12, 2020. To register, please click the following link:

<https://forms.office.com/Pages/ResponsePage.aspx?id=31F2etC5mkSFw-zCbNftGcdRQfzEdNdMhe982T18CERUMjMyUDVFMTdJSDIzMTNMUIhDUkRMMk45VC4u>

*For instructions on ways to join the public hearing, please refer to the following link:

<https://files.nc.gov/ncdeq/Air%20Quality/rules/hearing/instructions-on-ways-to-join-webex.pdf>

<https://www.webex.com/test-meeting.html>

*If you have technical difficulties, the following automated voicemail has been set up to receive your verbal comments: 919-707-8430

COMMENT
PROCEDURES:

All persons interested in these matters are invited to attend the public hearing.

Any person desiring to comment is requested to submit a written statement for inclusion in the record of proceedings at the public hearing. Please note that the hearing officer may limit the length of oral presentations if many people wish to speak. The public comment period is open beginning October 1, 2020, through November 30, 2020. To be included in the hearing record, all comments must be postmarked, emailed, or received by the Division (if delivering in person) no later than November 30, 2020.

INFORMATION:

Copies of the proposed rule changes may be downloaded

<http://deq.nc.gov/about/divisions/air-quality/air-quality-rules/rules-hearing-process>.

Copies of the proposals may also be reviewed at the regional offices of the North Carolina Department of Environmental Quality, Division of Air Quality, located at the following

cities:

Asheville	(828) 296-4500
Fayetteville	(910) 433-3300
Mooreville	(704) 663-1699
Raleigh	(919) 791-4200
Washington	(252) 946-6481
Wilmington	(910) 796-7215
Winston-Salem	(336) 776-9800

Comments should be submitted to; and additional information concerning the hearing or the proposals may be obtained by contacting:

Mr. Patrick Knowlson
Division of Air Quality
1641 Mail Service Center
Raleigh, North Carolina 27699-1641
(919) 707-8711 Phone
(919) 715-0717 Fax (Please address it to "**Patrick Knowlson**")
daq.publiccomments@ncdenr.gov
(Please type "**Title V Fees Hearing**" in the subject line)

DATE: _____

Michael A. Abraczinskas, DAQ Director